Leveraging Training and Skills Development in SMEs

AN ANALYSIS OF TWO CANADIAN URBAN REGIONS: MONTREAL AND WINNIPEG
Leveraging Training and Skills Development in SMEs

An analysis of two Canadian urban regions: Montreal and Winnipeg
ABOUT THE OECD

The OECD is a multi-disciplinary inter-governmental organisation of 34 member countries which engages in its work an increasing number of non-members from all regions of the world. The Organisation’s core mission today is to help governments work together towards a stronger, cleaner, fairer global economy. Through its network of 250 specialised committees and working groups, the OECD provides a setting where governments compare policy experiences, seek answers to common problems, identify good practice, and co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Commission takes part in the work of the OECD. For more information on the OECD, please visit www.oecd.org/about.

ABOUT LEED

The OECD Programme on Local Economic and Employment Development (LEED) has advised governments and communities since 1982 on how to respond to economic change and tackle complex problems in a fast-changing world. Its mission is to contribute to the creation of more and better quality jobs through more effective policy implementation, innovative practices, stronger capacities and integrated strategies at the local level. LEED draws on a comparative analysis of experience from the five continents in fostering economic growth, employment and inclusion. For more information on the LEED Programme, please visit www.oecd.org/cfe/leed.

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries.

© OECD 2012

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) contact@cfcopies.com.
PREFACE

Innovation and productivity are vital to keep Canada competitive in the global marketplace and to support local economic development at home. Canadian small and medium sized enterprises (SMEs), the engines of job creation in communities across the country, are indispensable in their role as innovators. While Canada emerged early and in a relatively strong position from the recent global recession, SMEs now face challenges in the labour market and economic environment, exacerbated by the events of the last few years.

Employers in some regions and sectors of the economy are experiencing skills shortages due to global competition for skilled labour, population aging and weaker growth in the size of the labour force. Technological changes have translated into higher skill requirements and a greater sophistication of work, even in lower skilled jobs. To meet these challenges and to develop the capacity for innovation from within at all levels, training has become increasingly important. SMEs need to undertake both formal and informal training and skills development within all levels of their existing workforce, not only among more highly-qualified employees.

In 2009, at the time the OECD launched the Leveraging Training and Skills Development in SMEs project, Industry Canada, and Human Resources and Skills Development Canada organised two conferences focused on training and skills development. The first conference dealt with the challenges SMEs face in providing training and skills development. The second focussed on the link between levels of employer-sponsored training and competitiveness. At both events, participants raised concerns about the challenges faced by SMEs in providing training and skills development, from both the employer and employee perspective.

Despite the challenges, collaborative approaches are yielding positive results across the country. Businesses are working with colleges and universities to develop curricula that ensure graduates possess the skills and knowledge needed by employers. Organisations in several industrial sectors are engaging employers, workers, educators, professional associations and governments to identify and address skills shortages and imbalances. Complementary efforts by federal and provincial/territorial governments provide support and services specifically designed for SMEs.

The group based mechanisms described in this report offer promise for being able to address one of the main challenges that SMEs face: difficulty in identifying and locating affordable training that meets the changing needs of the business and its employees. The key to making further progress on SMEs’ skills-related challenges will be concerted action by governments, businesses, education and training institutions, workers, community groups and policy experts. The outcomes from this study, together with those from Belgium, New Zealand, Poland, Turkey and the United Kingdom, will stimulate fruitful thinking around designing and applying policies that foster innovation and competitiveness.

Human Resources and Skills Development Canada
ACKNOWLEDGMENTS

This report was prepared by Paul Bélanger and by Sylvie Ann Hart, University of Quebec in Montreal (UQAM), as part of the Leveraging Training and Skills Development in SMEs project, under the direction of Dr Cristina Martinez-Fernandez, who also edited the report. The project is part of the programme of work of the OECD LEED Division, under the leadership of Sylvain Giguère.

The project has been conducted with the support of Human Resources and Skills Development Canada (HRSDC), in partnership with the European Commission, Directorate General for Employment, Social Affairs and Inclusion. Laurie Goldmann, Kerry Lake-Kealey, Ramona Mcdowell, Xinyan Yang and François Lamontagne of HRSDC have provided very valuable comments at different stages of the project and the report. Mr Sergio Arzeni, Director of the OECD Centre for Entrepreneurship, SMEs and Local Development, Canadian LEED Delegate Mr John Atherton and Delegates of the LEED Committee have also provided comments on the cross-country project. Findings of this study were reported at the 57th session of the OECD LEED Directing Committee in Paris. Elisa Campestrin, Malika Taberkane, Emma Mooney and Francois Iglesias at OECD, together with experts Dr Samantha Sharpe and Dr Tamara Weyman, and editor Melissa Telford, provided assistance with the preparation of this report.

We would like to thank the many Canadian contributors at the federal, provincial and regional levels, especially at Human Resources and Skill Development Canada, the Commission des partenaires du marché du travail in Quebec and the Manitoba Department of Entrepreneurship, Training and Trade, as well as UQAM. The team is grateful to all those who participated in the management of the survey used for this project: Alice Boisvert, Felix Lamonde, Michel Poirier, Sylvie Tousignant, Michel Zaatar; and to all the participants in the workshops organised in Quebec and Manitoba.

Professor Paul Bélanger is a Professor at UQAM where he is Director of the Interdisciplinary Research Center on Lifelong Learning (CIRDEP) and, since 2009, Director of the Observatory on skill and work related to vocational adult learning policies (OCE). He was the Director of the UNESCO Institute for Lifelong Learning in Hamburg (1989-2000). His contributions include: Shifting Patterns in Adult Education Participation (Pergamon 1997); Unlocking People’s Creative Forces, A Transnational Analysis of Adult Learning Policies (UNESCO 2000); Learning Cities, Concept and Issues in Duke, (ed.) Making Knowledge Work (NIACE 2007); Portrait of Work-related Learning in Quebec (WLKC 2010); and Theories of Adult Learning and Education (Budrich 2011).

Dr. Sylvie Ann Hart underwent her doctoral studies at l’Institut d’Études Politiques de Paris. Since 1988, she has been involved in applied research on skill development and labour market policies within different professional and industrial networks in Québec, Canada. In 2009, she became senior researcher at the Observatoire compétences-emplois at UQAM, Montreal and Co-ordinator of the centre. Her scientific contributions include: L’évolution du PAMT et ses impacts sur les employés et les entreprises (CSMOIPFMAC 2010); Enquête 2006 sur les effectifs et les salaires dans l’industrie de la tôle de précision (CSMOFMI 2008); (with Gamache, M. and Lejeune, M.); Les entreprises manufacturières et l’environnement de formation (INRS-Urbanisation Culture et Société 2005); (with Lesemann, F. and Lejeune, M.); and Inventaire international et documentation des dispositifs nationaux de qualification professionnelle dans sept pays (INRS-Urbanisation Culture et Société 2005).
TABLE OF CONTENTS

EXECUTIVE SUMMARY .................................................................................................................. 10
POLICY RECOMMENDATIONS ........................................................................................................ 12
INTRODUCTION .............................................................................................................................. 14
METHODOLOGY OF THE STUDY .................................................................................................... 15

CHAPTER 1. TRENDS AND INITIATIVES FOR TRAINING AND SKILLS DEVELOPMENT IN CANADA ................................................................................................................................. 17
1.1 MAJOR TRENDS OF CURRENT LABOUR MARKETS IN CANADA ............................................. 17
1.2 IMPORTANCE TO CANADIAN ECONOMY OF EMPLOYER SPONSORED TRAINING AND SKILLS DEVELOPMENT WITHIN SMEs ........................................................................... 17
1.3 GOVERNMENT POLICIES TO SUPPORT SMEs AND THEIR INVESTMENT IN SKILLS DEVELOPMENT .................................................................................................................. 18

CHAPTER 2. TRAINING AND SKILLS DEVELOPMENT ACTIVITIES IN CANADIAN SMEs: AN EMPIRICAL SURVEY ................................................................................................................. 20
2.1 CHARACTERISTICS OF BUSINESSES PARTICIPATING IN THE STUDY .................................... 21
  2.1.1 Economic sectors and size of businesses .............................................................................. 21
  2.1.2 Other characteristics .......................................................................................................... 21
2.2 INNOVATION .............................................................................................................................. 23
2.3 TRAINING AND SKILLS DEVELOPMENT ................................................................................. 24
  2.3.1 Systematic training .............................................................................................................. 24
  2.3.2 KISA: informal learning processes through transformative projects .................................. 27
  2.3.3 Participation in systematic training and KISA according to the level of qualification ........ 30
2.4 TRAINING MANAGEMENT ......................................................................................................... 30
  2.4.1 Planning and budgeting for training .................................................................................. 31
  2.4.2 Training investment in businesses .................................................................................... 31
  2.4.3 Difficulties related to the management of training .............................................................. 31
  2.4.4 Responsibility for training and skills development .............................................................. 32
2.5 LEARNING AND TRAINING ENVIRONMENT .......................................................................... 33
  2.5.1 Networking ......................................................................................................................... 33
  2.5.2 Support for training ......................................................................................................... 34
2.6 RESULTS ANALYSIS ............................................................................................................... 35
  2.6.1 SMEs’ strategies and practices in both regions ................................................................. 35
  2.6.2 Comparison between SEs (1 to 49 staff) and MEs (50 to 249 staff) in both regions ........ 37
CONCLUSION ................................................................................................................................... 39
TABLE OF CONTENTS

CHAPTER 3. INNOVATIVE APPROACHES FOR SKILLS DEVELOPMENT IN CANADA …… 40
  3.1 MUTUELLES DE FORMATION …………………………………………………………………………………… 40
  3.1.1 Training and skills development ………………………………………………………………………… 40
  3.1.2 FormaPlus’ participation …………………………………………………………………………………… 41
  3.1.3 How does FormaPlus distinguish itself from other available resources? …………………………… 44
  3.2 CONSORTIA …………………………………………………………………………………………………… 44
  3.2.1 Consortia: participation in Work Metals ………………………………………………………………… 45
  3.2.2 Consortia: participation of Tick Control System ………………………………………………………… 46
  CONCLUSION ……………………………………………………………………………………………………… 46

CHAPTER 4. FOSTERING SKILLS AND TRAINING ECOSYSTEMS IN MONTREAL AND WINNIPEG …………………………………………………………………………………………………………………………… 47
  4.1 INCREASING DEMAND FOR TRAINING AND SKILLS DEVELOPMENT IN SMES ……………… 47
  4.2 THE RELEVANCE OF CURRENT PRACTICES AND MECHANISMS …………………………………… 48
  4.3 REGIONAL STRATEGIES AND APPROACHES FAVOURING TRAINING AND SKILL DEVELOPMENT IN SMES ………………………………………………………………………………… 49
  CONCLUSION ……………………………………………………………………………………………………… 50

CHAPTER 5. POLICY THEMES AND RECOMMENDATIONS ………………………………………………………… 51

REFERENCES …………………………………………………………………………………………………………… 53

ANNEX I: WORKSHOPS AGENDAS ……………………………………………………………………………………… 55

ANNEX II – SURVEY PROTOCOL ……………………………………………………………………………………… 56

Tables
  Table 1. Economic sectors (% of total) …………………………………………………………………………… 21
  Table 2. Size of businesses (% of total) …………………………………………………………………………… 21
  Table 3. Markets (% of total) ……………………………………………………………………………………… 22
  Table 4. Occupations (% of total) ………………………………………………………………………………… 22
  Table 5. Ages (% of total) ………………………………………………………………………………………… 22
  Table 6. Employment status (% of total) ……………………………………………………………………… 22
  Table 7. Nature of changes made in the 12 months preceding the survey (Proportion of respondents) …………………………………………………………………………………………………… 23
  Table 8. Number of changes made in the 12 months preceding the survey (Proportion of respondents) …………………………………………………………………………………………………… 23
  Table 9. Innovative businesses according to the OECD indicator (% of total) ……………………………… 23
  Table 10. Areas in which businesses undertook or supported training, in the 12 months preceding the survey (Proportion of respondents) ………………………………………………… 25
  Table 11. Diversity of training undertaken or supported by businesses (% of total) ……………………… 25
  Table 12. Exclusive use of one training modality (Proportion of firms) …………………………………… 25
  Table 13. Expected impacts of training (Proportion of respondents) ……………………………………… 26
  Table 14. Difficulties encountered in implementing training (Proportion of firms) ……………………… 27
  Table 15. KISA undertaken by businesses in the 12 months preceding the survey, sorted by type of project (Proportion of firms) ………………………………………………………………… 28
Table 16. Functions, units, departments or services where employees participated in KISA in the 12 months preceding the survey (proportion of firms) ................................................................. 29
Table 17. Intensity of training leading to change (KISA) (% of total) ........................................... 29
Table 18. Actors involved in KISA (proportion of respondents) .................................................... 30
Table 19. Participation in training/KISA and the level of qualification (% of total) ....................... 30
Table 20. Businesses that are planning training initiatives (% of total) ........................................ 31
Table 21. Businesses that have an annual budget for training (% of total) .................................... 31
Table 22. Training investment in businesses (% of total) .............................................................. 31
Table 23. Difficulties in training management (proportion of respondents) ................................ 32
Table 24. Occupation of respondents (% of total) ........................................................................ 32
Table 25. The importance of ‘HR, training and skill development’ vs the overall responsibility held by the people who organise training, by type of occupancy (% of total) ................. 33
Table 26. Intensity of the link between businesses and actors in the regional ecosystem (% of total) ...................................................................................................................................... 33
Table 27. Type of actors interacting with businesses for training and skill development of employees (proportion of respondents) ........................................................................ 34
Table 28. Businesses that know training providers in their region (% of total) ............................ 34
Table 29. Businesses that are aware of support for training (% of total) ....................................... 34
Table 30. Businesses benefiting from government support for training (% of total) ..................... 35
Table 31. SMEs’ training bases for Montreal and Winnipeg ......................................................... 36
Table 32. SEs and MEs comparison between Montreal and Winnipeg ........................................ 37
Table 33. People in charge of training in Montreal SMEs, according to size of businesses (in %) .... 42
Table 34. FormaPlus membership distribution, by size of businesses ........................................ 42
EXECUTIVE SUMMARY

Small and medium sized enterprises (SMEs) play an important role in the Canadian economy. In employment terms, they account for 64% of all private sector employment and between 82% and 90% of total employment in health, construction, forestry, tourism and hospitality sectors. Although resilient in the face of economic adversity, the high proportion of SMEs raises some challenges for maintaining a productive and competitive workforce, since smaller firms tend to have fewer resources available for training and skills development, either formal or informal.

As part of the OECD’S Leveraging Training and Skills Development in SMEs project, Canadian studies have been carried out in two regions - the metropolitan Montreal area in Quebec, and the Winnipeg urban area in Manitoba - thus providing comparable empirical field studies within two environments offering training and learning opportunities for SMEs. In order to observe how SMEs deal with the demand for workplace skills development for their personnel in these two contexts, a survey was carried out among 80 SMEs in each region and a series of case studies were conducted on local group based mechanisms created to support SMEs (Consortia in Winnipeg, and Mutuelles in Montreal). At the end of the process, two regional workshops were held in order to discuss the data and highlight the main challenges with which the SMEs are confronted.

The chief finding of this study is most certainly the importance of innovation among Canadian SMEs. A majority of SMEs reported changes in the last 12 months relating either to new or renewed products or services, methods of production, technologies or equipment, or management approaches. These changes create a subsequent demand for skill development via both formal training and informal activities.

In two SMEs out of five, in both regions, participation in systematic training has now become a regular activity, and this trend is even stronger among those that have introduced significant changes. We also observe an even larger proportion of firms involved in Knowledge-intensive service activities (KISA). These informal change-driven learning opportunities are the result of production of new goods or services, introduction of new technologies or equipment, or improvement of work processes and procedures. Additionally, as is the case for structured training, the study showed that both highly and moderately qualified employees tend to be at a clear advantage when compared with less-qualified employees. Thus, participation of unskilled employees in both formal and informal learning remains an important challenge for the great majority of SMEs.

In the Montreal region, learning and training activities in SMEs tend to be less numerous and intensive than in the Winnipeg region. However, due to the requirements stipulated by the Quebec Skills Development Act, such activities in this province tend to be more institutionalised and thus more visible within the organisation, its budget and its decision-making structure. This is probably a result of the Quebec Skills Development Act, a legislation that requires companies to invest the equivalent of 1% of their payroll in training. Since firms have to monitor their learning activities more closely, this would tend to give such activities more visibility and accountability.

This study illuminates three important features regarding skills development in SMEs. Firstly, the uneven development of learning and innovation activities is related not only to the size of the firms, but also to their orientation towards innovation changes and shared productivity measures. Secondly, SMEs, because they do not have the internal resources and flexibility to drive productivity growth through learning and training, need some form of group based mechanism to solve this structural problem. Finally, the study illustrates the importance, for efficient and relevant skills development, of contextualised local
approaches proceeding through the proper evaluation of local needs and contexts, in line with firms’ prospective action plans.

POLICY RECOMMENDATIONS

- **Develop alternative ways of skills development.** Foster public-private partnerships to design and support knowledge sharing mechanisms where SMEs can discuss their innovations and the way they approach challenges and operations that exist for their products and services. Knowledge-intensive services activities (KISA) become an alternative and novel way to increase the capabilities of the firm, as well as providing problem-solving and other related skills to employees involved in these activities. SMEs increasingly require change and innovation in order to increase their productivity, and to reposition themselves towards new competitors. This innovation requires commensurate increases in skills development and consequently training and, to that end, SMEs require support.

- **Directly involving employees in the ‘training process’** (from assessment of needs to communication and implementation of activities, followed by evaluation), accompanied by relevant informal skills development activities, serves as an efficient implementation mode for innovations, which enables businesses to continue to meet their productivity requirements. Rather than increasing productivity solely through unilateral measures such as managerial decisions regarding cuts in costs and labour, businesses should seek to encourage internal and collaborative training mechanisms by which employees both provide and gain knowledge and skills development, which in turn leads to increased innovation and productivity.

- **Ensure training is offered to all levels of staff.** Even within the current context regarding the introduction of new techniques and modes of production throughout the organisation, there is still a prevailing trend of limiting training activities to upper layers of qualified staff. Results are unequivocal on this indicator: less qualified employees, compared to highly or averagely qualified employees, are lacking opportunities to acquire requisite skills and thus fulfil their role in the on-going changes needed for businesses to remain competitive.

- **Utilise group based mechanisms to ensure continuing skills development processes within SMEs.** Even though SMEs are surrounded by a training ecosystem that is filled with available resources, especially in the case of small enterprises (SEs), they need external support to assess their own local needs, to tap into these regional resources, and to integrate the training initiatives within their internal context and requirements. There is a structural need for long-term support to smaller businesses, such as training brokers to assist with inter-learning, innovation driven opportunities and exchanges between businesses.

- **Encourage innovation and exporting activities as a strategy to trigger skills development activities.** The Province of Quebec’s Skills Development Act requires all companies having a payroll over a certain level to invest the equivalent of 1% of their payroll on training. In Manitoba, on the other hand, the priority is on encouraging innovative and exporting SMEs. While firms in Quebec tend to monitor their learning activities more closely, and hence become more accountable, training activities in Manitoba’s SMEs are more numerous. Private investment in skills development would thus seem to be triggered when innovation and exporting activities are part of firms’ business strategies.

- **Ground skills development activities in prior local needs assessments.** The survey, case studies and the workshops all emphasise that investments in skill development and training activities must proceed through a proper needs evaluation within the local context. Investment in training is
only truly successful if an evaluation of the needs is carried out beforehand, through shared, collaborative processes leading to specific and relevant actions.

- Facilitate SMEs’ awareness of available training support. SMEs are not always aware of the range of training programmes and initiatives that are available to them. Facilitating ways for SMEs to access the information they need for workforce development can foster their participation in existing initiatives.
INTRODUCTION

Small and medium sized enterprises (SMEs) are key actors in the current development of economies internationally. However, as with larger firms, they will not be able to grow within the current world economy without increasing investments in innovation as well as research and development. It should be noted, however, that the size of the firm appears to be an important determinant of training and skill development of all personnel. Data across OECD countries show that SMEs participate in 50% fewer training activities than large firms. Policies and programmes targeted at SMEs have been in existence for decades, aimed at narrowing the gap between large and small firms, but with limited results. Solutions to this situation require not only in-depth understanding of the context and issues surrounding training for SMEs, but also innovation in the responses to these contexts and issues.

One of the main objectives of this report is to document the ways in which Canadian SMEs, which employed 64% of all private sector employees in 2010, respond to the need for new skill sets and competencies in the workplace – new developments that are imposed by necessity due to innovation in techniques and modes of production.

This study is part of the OECD’S project Leveraging Training and Skills Development in SMEs, a project that studies skills development in the workplace. The international context does create challenges for Canadian businesses, which must both reposition themselves in worldwide markets, and maintain employment at home. This repositioning is crucial for Canadian SMEs, therefore, it is important to assess if and how they could manage development of new skills within their firms. In this respect, it is also important to address the synergies between innovative entrepreneurial practices and research and development initiatives, and the ways in which they respond to ongoing economic changes.

The Canadian study has been undertaken in two different urban regions: Montreal in the province of Quebec; and Winnipeg in the province of Manitoba. These regions were chosen primarily because both are known for the prominence of SMEs, and the availability of training resources, making it possible to more critically assess the difficulties SMEs confront regarding training and skill development. The significant difference of unemployment rates in these two regions also provided the opportunity to assess those contextual factors that are normally associated positively with higher participation in adult learning.

In order to observe how Canadian SMEs deal with demands for workplace skills development of their personnel, a detailed survey was carried out among 80 SMEs in each region of the study, and a series of case-studies was conducted on local group based mechanisms that have been created to support SMEs. At the end of the process, two regional workshops were held in order to discuss the data and determine the main challenges confronting the SMEs. The workshops included local stakeholders from different professional and public organisations, and the discussions validated and provided further discussions on the results of the survey and the proposed policy themes arising from both the survey and the case studies.

This study raises three important policy issues. First, the uneven development of learning and innovation activities is related not only to the size of the firms, but also to their orientation towards innovative changes and shared productivity measures. Second, SMEs, not having the requisite internal resources and flexibility to drive productivity growth through learning and training, need some form of group based mechanism to solve this structural problem. Finally, the study illustrates the importance, for
efficient and relevant skill development, of situated or grounded local approaches proceeding through proper evaluation of local needs and contexts in line with firms’ prospective action plans.

The report includes: firstly, a brief overview of the issue of training and skills development in Canada (Chapter 1); secondly, the results of the survey carried out among SMEs in each region (Chapter 2); thirdly, a series of case studies showing two forms or patterns of group based mechanisms, that is, of the organised voluntary co-operation of SMEs pooling resources in order to meet specific needs that could not be met by each enterprise on its own. These two group based mechanisms are the Consortia in Winnipeg, and the Mutuelles in Montreal (Chapter 3). Fourthly, there is the conclusion reached from consultations undertaken via workshops held at the end of the process in the two cities, as well as an overview of what these results mean for Canada and other countries (Chapter 4). Policy recommendations are presented in Chapter 5.

METHODOLOGY OF THE STUDY

The OECD Leveraging Training and Skills Development in SMEs (TSME) project examines access to training for SMEs across seven regions in six OECD countries and the policy issues related to both low access by SMEs, and recognising the increasing importance of informal training and skills development methods. The project looks at how both formal and alternative ways of training and skills development interact, and identifies impacts at three levels: for the firm and employees; for the industry; and for the local area in which the firm is located.

Different drivers are behind training activities for SMEs: for firms, it is market drivers, the need to create a competitive offering for customers; for employees, it is formalising skill acquisition that can lead to better jobs and remuneration; for communities, the driver is to create dynamic industrial and labour markets that survive economic downturns and provide a variety of employment and local development opportunities.

The TSME project characterises the types of training activities in which SMEs participate, particularly alternative forms of training and skills development such as knowledge-intensive service activities (KISA), the partners with which firms collaborate in these activities, and the outcomes of the training and skills development activities.

The focus on informal or alternative training activities emerged in response to two significant findings from an initial scoping report:

- That SMEs participated in less than 50% of the formal training activities of bigger companies, and showed less familiarity with training logistics and infrastructure (such as training plans and budgets) than larger firms.

- Formal training policies appeared to have limited impact for workers within SMEs, whereas informal or alternative knowledge sourcing activities may provide a skills development method suitable for both higher and lower skilled workers in SMEs. However, relatively little is known of SMEs’ usage and perceptions of these alternative activities, or their impacts on the participating countries.

The project uses a triangular methodology, collecting primary data from surveys, in-depth interviews, and analysis of local skills and training ecosystems. The seven regions participating in the overall project are: East Flanders in Belgium; OSTIM district, Ankara, in Turkey; Canterbury in New Zealand; Zagłębie sub-region in Poland; the West Midlands region in the United Kingdom; and Quebec and Manitoba in Canada. In each participating region, both qualitative and quantitative data has been collected. Quantitative
data was collected through an online company survey, and qualitative data through company interviews, and workshops with SME training ecosystems in each country. Skills and training ecosystems include firms and training providers, but also regional governments, business support arenas, and other educational institutions.

The survey questionnaire was designed in consultation with panel members and steering committees from the participating countries (Belgium, Canada, New Zealand, Poland, Turkey and the United Kingdom) and administered via a website link to a dedicated survey platform hosted by the OECD, except in the case of Poland, where the survey was disseminated via face-to-face interviews; and in Canada where telephone interviews were conducted. Many of the questions regarding training and knowledge intensive service activities have been used in numerous previous surveys (OECD 2006, Martinez-Fernandez & Martinez-Solano 2006, Sharpe 2008, Martinez-Fernandez & Potts 2008). This means that the questions have been tested in prior survey settings and have a body of data against which the current data can be interpreted.

Total survey numbers were 1,037 responses in all countries (160 in Canada). Results from these surveys are indicative only, as the response rate is not statistically significant in the countries or regions where they were conducted, with the exception of Poland. Case studies of firms, and of the skills and training ecosystems within which the firms were embedded, were also conducted, in order to complete the analysis of the trends provided by the survey. Finally, the workshops provided further information on the systemic approach to skills development in SMEs, as well as the validation of previous results from surveys and case studies. The preliminary results and policy suggestions of the study were discussed by policy delegates of the OECD’s 34 member countries at the 59th session of the OECD LEED Committee in May 2011, which provided further input for this report, and the final synthesis report of the cross-country study.

The TSME study utilises the following standard definitions of SMEs¹:

- Micro enterprises: less than 10 persons employed;
- Small enterprises: 10-49 persons employed;
- Medium-sized enterprises: 50-249 persons employed;
- The first three size classes aggregated: small and medium sized enterprises (SMEs): 1-249 persons employed;
- Large enterprises: 250 or more persons employed.

In the Canadian survey, SMEs are defined as having less than 250 employees and small enterprises (SEs) as having less than 50 employees. However, because the definition of SMEs varies depending on the source or particular study, this is defined each time a different study is quoted.

CHAPTER 1. TRENDS AND INITIATIVES FOR TRAINING AND SKILLS DEVELOPMENT IN CANADA

1.1 MAJOR TRENDS OF CURRENT LABOUR MARKETS IN CANADA

Small and medium sized enterprises (SMEs) are gaining visibility as important players in today’s economy. They generate employment and often drive innovation within their industrial sector. In the last two decades, in Canada as well as in many advanced industrialised countries, major socioeconomic changes have occurred: globalisation of the economy; investment in new technology; and demographic transformation. Due to increasing globalisation forces, manufacturing activities have been largely transferred to other regions of the world. Gross domestic product (GDP) and employment related to the manufacturing sector have decreased significantly.

However, at the same time, demographic changes in Canada, such as an ageing workforce, have transformed the profile of the active population in the labour market. “In the future there will be fewer workers to meet the demand for goods and services from the total population. This development will put downward pressure on labour input growth and, without an offsetting increase in labour productivity, will imply lower potential output growth over the coming decades”(Barnett 2007).

In this context, it is important to understand how SMEs, including manufacturers, have reacted and will react to such drastic changes. For many, innovation is the means that will allow them to increase their productivity in this context of international competition and demographic change.

SMEs, as for large corporations, must rapidly innovate if they want to ensure survival and growth in an environment that is constantly reshaped by global exchanges and technological evolution. SMEs need to continually improve their administration skills, their general know-how, and the basic and technical competence of their employees. Innovation implies, inevitably, the development of skills and the acquisition of new competencies by the current workforce.

Canada’s economic future depends not only on the ability of SMEs to respond to the challenges and opportunities posed by globalisation, but also the ability of larger companies to integrate SMEs into their supply chains.

1.2 IMPORTANCE TO CANADIAN ECONOMY OF EMPLOYER SPONSORED TRAINING AND SKILLS DEVELOPMENT WITHIN SMEs

SMEs indeed play a major role in Canadian society. SMEs account for 45% of GDP and the majority of jobs within the Canadian economy. Thirty per cent of all employees, approximately 4.3 million individuals, work in companies with fewer than 50 employees, while another 24 per cent (3.2 million) work in medium-sized firms with 50-500 workers (Statistics Canada, 2003).

Smaller firms, as with larger ones, cannot improve efficiencies and effectiveness without increasing productivity, improving quality in production, reducing absenteeism and showing better health and safety records. Such goals, however, could not be achieved without improved basic skills, evolving technical/technological skills and a diffuse sense of initiative.
A study undertaken in 2001 (Statistics Canada 2003 - publication date) has shown that the proportion of establishments supporting both structured and informal on-the-job training activities tend to decrease by size of establishment. Less than 50% of small establishments (50 employees or less) support structured training activities, while 70% of them support informal on the job training. In larger establishments (500 employees or more), almost all of them support both formal and informal training. A second survey in 2003 (Statistics Canada 2006) confirmed that the proportion of training grows by size of establishment: the percentage of enterprises providing any form of training goes from 33% among smaller firms (under 20 employees), to more than 90% among the larger ones (500 employees and more).

This situation raises many questions already under debate in Canada today, particularly among and concerned with Canadian SMEs:

- How could education and training produce or support the desired innovation?
- Do SMEs have the financial, managerial and methodological resources needed to develop such training activities within their organisation?
- Are SMEs able on their own to develop an approach to learning that fits with their business, organisational culture and their specific requirements?

What kind of policies should federal and provincial/territorial governments adopt to support continuous development of skills in SMEs within their respective jurisdiction? Many Canadian organisations are actively focusing on these issues, including federal, provincial, territorial and local governments, employer and labour organisations, and non-government organisations. For example: the Canadian Chamber of Commerce, Canada’s largest business association, carried out national consultations from March-June 2011, during which members (the majority of which are SMEs) identified the growing shortage of highly skilled workers in Canada as being the number one barrier to competitiveness, threatening Canada’s ability to keep up in a global economy. This association also recently convened 46 SMEs, representing all ten provinces, as well as other business stakeholders, to map a strategy for closing the skills gaps for small firms.

Of central interest in the Canadian case-studies reported below is the new trend observed in both of the urban Canadian regions. Learning activities are growing among SMEs, but particularly among those establishments introducing innovation measures and oriented towards internal as well as external markets. However, SMEs face a structural problem. They do not have the resources and flexibility to provide such learning and training activities without some form of external support.

1.3 GOVERNMENT POLICIES TO SUPPORT SMEs AND THEIR INVESTMENT IN SKILLS DEVELOPMENT

Over the past two decades, training policy in Canada has largely focused on improving the quality and quantity of the labour supply. To achieve this objective, the government of Canada annually invests over $3 billion to directly support skills and employment programming (excluding Aboriginal skills programs), the majority of which, approximately $2.7 billion annually, is transferred to provinces and territories through four principal federal-provincial/territorial agreements (labour market development agreements, labour market agreements, labour market agreements for persons with disabilities, and the Targeted Initiative for Older Workers). Under these agreements, provinces and territories have primary responsibility for designing and delivering programmes and services for individuals to meet local labour market needs, including those of SMEs. Recent Government of Canada efforts have focused on working with provinces and territories to examine both supply and demand issues when setting training priorities.
Moving forward, this emphasis on employer demand for skills will be an essential part of supporting SMEs, helping to ensure they can find workers with the necessary skills and competencies.

The remainder of the funds support several federally delivered targeted programmes for specific populations, designed to help further reduce barriers to labour market participation, such as the Youth Employment Strategy and the Opportunities Fund for Persons with Disabilities. In addition, through the Office of Literacy and Essential Skills, the government is helping to build awareness and capacity of "what works", in order to improve reading and writing, as well as fundamental work skills of adult Canadians, by supporting the integration of best practices into existing workplace training for companies of all sizes, including SMEs. The Government of Canada continues to act in areas of federal jurisdiction, such as taxation, in order to provide incentives directly to employers that are designed to support skills development and training, via incentives such as the Apprenticeship Training Tax Credit.

Since assuming responsibility for the design and delivery of skills and employment programmes, provincial and territorial governments are increasingly collaborating with key stakeholders, including employers, to address their priorities and local labour market needs. A variety of approaches are used by provinces and territories to involve employers and ensure investments encourage, promote and support workplace training (e.g. literacy and essential skills upgrading in the workplace). This ranges from requiring a specific level of funding to be designated for support of skills development and training (e.g. via legislation), to long-term business, labour and government committees whose purview is to oversee and manage industry-based training initiatives (e.g. training boards). Provincial and territorial approaches support the skills development needs of employers of all sizes, including SMEs, for example:

- The government of Quebec is involved in many different ways regarding skills development in SMEs. Emploi-Québec is responsible for the vast majority of active labour market measures and services, many of them benefiting workers employed in SMEs. The Commission des partenaires du marché du travail is also involved through a host of programmes or measures, often in co-ordination with Emploi-Québec. At the same time, financial assistance and counselling is available from the Centre locaux de développement and other public organisations. Co-ordination of action is pursued in many instances between the labour market actors and the business support actors of the provincial government, in order to respond effectively to the needs of the SME.

- In Manitoba, since 1997, the Department of Entrepreneurship, Training and Trade, through its Workforce Development and Income Support Division (WDIS) has been responsible for offering training and development to new and existing workers. Several programmes and services are offered to employers, mostly SMEs, in areas such as human resources management planning, recruitment and selection strategies, workplace-based essential skills assessment, and customised training of existing workers to meet business objectives, which is primarily related to competitiveness, productivity and innovation. Workplace Essential Skills Training Centres located in Winnipeg, and several communities across Manitoba, offer drop-in services and essential skills training specifically tailored to the needs of immigrants, apprentices, Aboriginal workers and others. Moreover, in Manitoba, the Advisory Council on Workforce Development Act was created in order to bring government, industry and labour forces together to address workplace human resource issues including retention, recruitment and productivity. The mandate of the Minister’s Advisory Council on Workforce Development (MACWD) is to provide information and advice to government about workforce trends, initiatives, policies and strategies for developing Manitoba’s workforce. The Council’s role is designed to build on the success of Manitoba’s Sector Councils by promoting collaboration, information-sharing and co-operation amongst government, other stakeholders, sector councils and the organisations they represent.
CHAPTER 2. TRAINING AND SKILLS DEVELOPMENT ACTIVITIES IN CANADIAN SMES: AN EMPIRICAL SURVEY

This project approached SME skills development from two perspectives: the company level; and the local/network level. At the company level, the project examined how structured and informal activities influence labour force development and skills upgrading of different groups of employees (knowledge and so-called routine workers). At the local/network level the study analysed the different elements influencing local training and skills upgrading and the level of training within SMEs in the area. There were three sources of empirical data collection: an electronic company survey; skills ecosystem workshops for each region; and case studies of selected firms. This chapter reports on the results of the survey of SMEs undertaken to collect new data on the way firms approach workforce development.

The report for Canada compares two provinces - Quebec and Manitoba – more precisely, two urban centres, Montreal and Winnipeg, which offer comparable empirical field studies in a rich training and learning resource environment. Observing how SMEs deal with the demand for workplace skills development of their personnel in such a context will provide an idea of the factors at work.

Montreal is the cultural and economic center of the province of Quebec. In 2011, Montreal’s population was 1,649,519 inhabitants; its larger agglomeration reached 3,824,220. Montreal is an intercultural urban region, where French is the principal language. Economically, one of the specificities of Montreal and its surroundings is the dominance of the tertiary sector. The proportion of Montreal-based businesses in the secondary or industrial sector is 18%, the same as for the Province of Quebec as a whole. The unemployment rate is considered high, being 10% (Institute de la Statistique du Quebec, November 2011)\(^2\).

Winnipeg is Manitoba’s capital city. Fifty per cent of the province’s population (663,617) live in this urban region, a province of 1,208,268 inhabitants, whose economy is flourishing, with an unemployment rate of only 5.4%\(^3\) (Statistics Canada 2011), one of the lowest in the country. Manitoba benefits from natural resources, including fertile lands suitable for agriculture, as well as a diversified manufacturing sector that exports goods worldwide. In Manitoba, 17% of the population belongs to the Aboriginal and Metis communities.

The results of the survey are presented in the following five sections. The first section describes the characteristics of the businesses that took part in the study. The following sections address innovation, training and skill development, training management and, finally, the relationship between SMEs and the larger learning and training ecosystem. We conclude this chapter with a more general discussion of the issues involved.

\(^2\) Institute de la Statistique du Quebec, www.stat.gouv.qc.ca.

2.1 CHARACTERISTICS OF BUSINESSES PARTICIPATING IN THE STUDY

2.1.1 Economic sectors and size of businesses

Many factors influence training and skills development in businesses. The most important one is the size of these businesses, although types of activities or economic sectors are also determining dimensions. In order to control for these factors, a stratified sample was constructed, which sorted by size and economic sector. Inside each strata, businesses were randomly chosen from among a list based on the Répertoire d’entreprises of the Centre de recherche industrielle du Québec (for the Montreal-based businesses) and on the Searchable Business Databases of the Manitoba Business Information Service (for the Winnipeg-based businesses).

<table>
<thead>
<tr>
<th>Economic sectors (% of total)</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>54.7</td>
<td>47.1</td>
</tr>
<tr>
<td>Retail and Services</td>
<td>45.3</td>
<td>52.9</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size of businesses (% of total)</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small businesses (5 to 49)</td>
<td>51.2</td>
<td>52.9</td>
</tr>
<tr>
<td>Medium businesses (50 to 249)</td>
<td>48.8</td>
<td>47.1</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

Corresponding samples were thus obtained, which allowed comparison of the behaviour of businesses from two different regions, and of the two types of SMEs.

The survey was conducted by phone over a three-month period by the same team of interviewers, from 15 June to 15 September 2011. Ultimately, a total of 156 businesses participated in the study; 86 of them based in Montreal and 70 based in Winnipeg.

2.1.2 Other characteristics

The firms that participated in the study are older, well established organisations. For Montreal, 76 businesses out of 86 are more than ten years old. For Winnipeg, this was the case for 67 businesses out of 70 (data non-illustrated).

As shown in the following table, Montreal-based businesses tend to be slightly more related to local and national markets, whereas Winnipeg-based businesses tend to position themselves more clearly within international markets.
Table 3. Markets (% of total)

<table>
<thead>
<tr>
<th>Markets</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local (Quebec for Montréal; Manitoba for Winnipeg)</td>
<td>25.6</td>
<td>17.1</td>
</tr>
<tr>
<td>National (Canada)</td>
<td>31.4</td>
<td>28.6</td>
</tr>
<tr>
<td>International</td>
<td>43.0</td>
<td>54.3</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

The distribution of employment is comparable for the two regions, except for less qualified labour.

The following tables describe the distribution of occupations, age, and employment status; note that for this data, the total number of employees vary, since those who answered the survey provided information at hand.

Table 4. Occupations (% of total)

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors, managers, supervisors, foremen</td>
<td>13.6</td>
<td>10.9</td>
</tr>
<tr>
<td>Professionals (engineers, architects, accountants, etc.)</td>
<td>12.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Technicians and technologists</td>
<td>8.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Sales and customer services staff members</td>
<td>11.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Administrative staff members (secretaries, administrative assistants, bookkeepers etc.)</td>
<td>10.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Qualified workers/employees (mechanics, machinists, electricians, welders, etc.)</td>
<td>11.1</td>
<td>20.3</td>
</tr>
<tr>
<td>Half-qualified workers/employees (machine operator)</td>
<td>11.7</td>
<td>19.8</td>
</tr>
<tr>
<td>Low-qualified workers/employees (utilities worker)</td>
<td>20.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Total (employees)</td>
<td>N = 5,456</td>
<td>N = 4,454</td>
</tr>
</tbody>
</table>

The distribution of ages and employment status both vary slightly between the two regions: employees of Winnipeg-based businesses tend to be older; and part-time positions are more frequent in Montreal than in Winnipeg.

Table 5. Ages (% of total)

<table>
<thead>
<tr>
<th>Ages</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 24 years old</td>
<td>9.3</td>
<td>10.7</td>
</tr>
<tr>
<td>Between 24 and 49 years old</td>
<td>71.9</td>
<td>61.4</td>
</tr>
<tr>
<td>Between 50 and 64 years old</td>
<td>18.2</td>
<td>25.9</td>
</tr>
<tr>
<td>65 years old or more</td>
<td>0.6</td>
<td>2.0</td>
</tr>
<tr>
<td>Total (employees)</td>
<td>N = 5,366</td>
<td>N = 4,029</td>
</tr>
</tbody>
</table>

Table 6. Employment status (% of total)

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td>88.7</td>
<td>93.0</td>
</tr>
<tr>
<td>Part time</td>
<td>8.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Occasional</td>
<td>2.9</td>
<td>3.3</td>
</tr>
<tr>
<td>Apprentices, internships</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Total (employees)</td>
<td>N = 5,456</td>
<td>N = 4,639</td>
</tr>
</tbody>
</table>
2.2 INNOVATION

The percentage of businesses that have implemented at least one change in their mode and technique of production or management method over the past year (in the 12 months preceding our survey) is very close for both cities: 70.9% for Montreal and 74.3% for Winnipeg. Closer observation of these changes reveals more detail.

<table>
<thead>
<tr>
<th>Nature of changes made in the 12 months preceding the survey (Proportion of respondents)</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>New technology or equipment</td>
<td>54.1</td>
<td>63.5</td>
</tr>
<tr>
<td>New product or service (or a significant modification of pre-existing products/services)</td>
<td>49.2</td>
<td>40.4</td>
</tr>
<tr>
<td>New production process for an existing product or service</td>
<td>32.8</td>
<td>40.4</td>
</tr>
<tr>
<td>New management method (e.g. accounting system, HR management system etc.)</td>
<td>37.7</td>
<td>34.6</td>
</tr>
<tr>
<td>Adaptation to new requirements or environmental standards</td>
<td>19.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Others</td>
<td>4.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 61</td>
<td>N = 52</td>
</tr>
</tbody>
</table>

Concerning the intensity of these changes, the study looked at firms involved in more than one innovation. Changes signal the importance of innovation for the SMEs.

<table>
<thead>
<tr>
<th>Number of changes made in the 12 months preceding the survey (Proportion of respondents)</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three and more changes</td>
<td>17.4</td>
<td>24.3</td>
</tr>
<tr>
<td>Two changes</td>
<td>23.3</td>
<td>17.1</td>
</tr>
<tr>
<td>One change</td>
<td>30.2</td>
<td>32.9</td>
</tr>
<tr>
<td>No changes</td>
<td>29.1</td>
<td>25.7</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

For this survey, the OECD proposes to create an innovation indicator by combining the variables “number” and “nature” (for the variable “nature”, data is not illustrated). Following this indicator, highly innovative firms are the ones that made either three or more changes, or at least one major change throughout the year preceding the survey. Consequently, innovative firms are the ones that made only one or two such innovative changes.

<table>
<thead>
<tr>
<th>Innovative businesses according to the OECD indicator (% of total)</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly innovative</td>
<td>36.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Innovative</td>
<td>34.9</td>
<td>34.3</td>
</tr>
<tr>
<td>Non-innovative</td>
<td>29.1</td>
<td>25.7</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

In both contexts, innovation is now an important issue. There is very little actual difference between the two regions regarding innovative changes, whether measured by the number of changes (40.7% versus
41.4%) or by using the OECD’s innovation indicator (36% versus 40%), which indicates a growing interest in innovation, particularly in either the production processes or the products themselves.

2.3 TRAINING AND SKILLS DEVELOPMENT

Training and skills development, as defined in this study, are the result of activities undertaken or supported by businesses, such as systematic training and more informal knowledge-intensive service activities (KISA).

2.3.1 Systematic training

Systematic training is a structured process of learning where objectives, sequences and resources are planned. It is organised in a given context, outside or inside the firm, within or outside working hours, provided by either external resources (teachers, consultants, trainers) or internal resources (management or experienced employees). This type of training may or may not be sanctioned by a diploma, a certificate or an attestation. For example, it may consist of a mentorship (compagnonnage) or of an organised twinning (peer coaching) which, in these cases, will not lead to the issuing of a certification. It may also consist of training informally facilitated by an employee who knows how to use a particular software system - a skill which the company thinks would be of use to other employees. Systematic training can be undertaken by the business itself (training is organised within the workplace) or supported by it (training is then provided by another organisation, outside the firm).

In both regions, businesses undertook or supported systematic training in comparable proportions during the year preceding the survey: 87.2% of all firms for Montreal and 88.6% for Winnipeg. The percentage of employees who participated in such training activities is also comparable in both regions (40% and 44.5%, respectively) for the same period. However, as we will see, the areas of training undertaken or supported by businesses differ between Montreal and Winnipeg.

Businesses partaking in the study had to specify in which area they undertook or supported training, with occupational health and safety being the most frequent. In Canada, this type of training is increasingly mandatory, thus explaining why it is provided by so many businesses. Professional or technical training related to work comes second; this type of training is directly linked to the operational requirements of the firm, which may or may not be related to innovations being introduced. Training related to information technologies, accounting, finances, human resources (HR), marketing, management and social networking comes third.

The following table shows how Winnipeg-based businesses tend to invest more in areas that are strategically important in the development of their organisation [marketing, research and development (R&D), and social networking].
Table 10. Areas in which businesses undertook or supported training, in the 12 months preceding the survey (proportion of respondents)

<table>
<thead>
<tr>
<th>Area</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational health and safety</td>
<td>88.0</td>
<td>75.8</td>
</tr>
<tr>
<td>Professional or technical training related to work</td>
<td>42.7</td>
<td>58.1</td>
</tr>
<tr>
<td>Information technologies</td>
<td>32.0</td>
<td>43.5</td>
</tr>
<tr>
<td>Accounting and finances</td>
<td>32.0</td>
<td>38.7</td>
</tr>
<tr>
<td>Management and human resources</td>
<td>30.7</td>
<td>37.1</td>
</tr>
<tr>
<td>Social networking</td>
<td>13.3</td>
<td>35.5</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>9.3</td>
<td>33.9</td>
</tr>
<tr>
<td>Event/activity planning, management, leadership</td>
<td>21.3</td>
<td>27.4</td>
</tr>
<tr>
<td>Second languages</td>
<td>18.7</td>
<td>14.5</td>
</tr>
<tr>
<td>Research and Development (market studies, etc.)</td>
<td>2.7</td>
<td>12.9</td>
</tr>
<tr>
<td>Electronic trade</td>
<td>4.0</td>
<td>9.7</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>4.0</td>
<td>9.7</td>
</tr>
<tr>
<td>Law training (patents, etc.)</td>
<td>0.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Environment</td>
<td>4.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Others</td>
<td>2.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 75</td>
<td>N = 62</td>
</tr>
</tbody>
</table>

As we can see, businesses tend to undertake or support training across a large spectrum.

Table 11. Diversity of training undertaken or supported by businesses (% of total)

<table>
<thead>
<tr>
<th>Diversity of training undertaken or supported</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three areas or more</td>
<td>50.0</td>
<td>61.4</td>
</tr>
<tr>
<td>One or two areas</td>
<td>37.2</td>
<td>27.1</td>
</tr>
<tr>
<td>No areas (businesses do not offer training)</td>
<td>12.8</td>
<td>11.4</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

The modalities of systematic training are also numerous, as stated above. Respondents were asked to specify if they made use of these different modalities “all the time”, “most of the time”, “occasionally” or “never”.

The following table (12) shows the distribution of those who answered that such modality was used by their firm “all the time”; it represents the exclusive use of one modality. The results can be read as follows: 73.3% of Montreal-based businesses undertake or support systematic training during working hours; whereas only 26.7% of Montreal-based businesses undertake or support systematic training outside of working hours.

Table 12. Exclusive use of one training modality (proportion of firms)

<table>
<thead>
<tr>
<th>Training modality</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>During working hours</td>
<td>73.3</td>
<td>41.9</td>
</tr>
<tr>
<td>Inside the firm</td>
<td>32.0</td>
<td>24.2</td>
</tr>
<tr>
<td>By accredited trainers</td>
<td>73.3</td>
<td>33.9</td>
</tr>
<tr>
<td>Leading to a recognised diploma or certification</td>
<td>62.7</td>
<td>19.4</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 75</td>
<td>N = 62</td>
</tr>
</tbody>
</table>
Most of the Montreal-based businesses seek the services of accredited trainers teaching inside the organisation and within the working hour schedule (which means that for the most part trainers come from outside the firm, since SMEs can seldom afford to hire full-time trainers), and they generally lead to a recognised certification. In Winnipeg, systematic training takes place during or outside working hours; it can be provided by non-professional trainers and does not necessarily lead, in a majority of cases, to a certification. The results of the above table show how training within industry tends to be more structured and institutionalised (accredited trainers, leading to certification) in the Montreal region.

Businesses as well as employees share expectations regarding training and skills development. Respondents from the managerial group of each firm were questioned regarding the impacts of training on both businesses and employees. The results are convergent in both regions. Businesses undertake training activities in order to increase their productivity. In order to reach this objective, employees need support to improve the level and breadth of their competencies, which means becoming more versatile and flexible in a work context that is less and less organised around Taylorist principles regarding standardisation of work and mass production. Training means professional advancement for both businesses and employees - yet it does not necessarily entail a raise in wages in the latter case.

Table 13. Expected impacts of training (proportion of respondents)

<table>
<thead>
<tr>
<th>Impact</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher level of employees’ competencies</td>
<td>89.9</td>
<td>77.6</td>
</tr>
<tr>
<td>Employees are more versatile</td>
<td>82.6</td>
<td>69.0</td>
</tr>
<tr>
<td>Increase in productivity for businesses</td>
<td>75.4</td>
<td>79.3</td>
</tr>
<tr>
<td>Professional advancement (promotion towards a different, more complex position)</td>
<td>60.9</td>
<td>63.8</td>
</tr>
<tr>
<td>Businesses are more competitive</td>
<td>66.7</td>
<td>53.4</td>
</tr>
<tr>
<td>Businesses have a higher potential for innovation</td>
<td>53.6</td>
<td>48.3</td>
</tr>
<tr>
<td>Employees are more highly educated</td>
<td>46.4</td>
<td>41.4</td>
</tr>
<tr>
<td>Employees gain higher wages</td>
<td>30.4</td>
<td>36.2</td>
</tr>
<tr>
<td>Production meets environmental standards more closely</td>
<td>17.4</td>
<td>22.4</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 69</td>
<td>N = 58</td>
</tr>
</tbody>
</table>

The existing academic literature largely supports the fact that SMEs encounter difficulties when it comes to the training of employees. In order to investigate this, we asked businesses if, in the past 12 months, they had planned to offer training but were unable to provide or implement it for some reason. Overall, one business out of three encountered such difficulties in Montreal (33.7%) and one in four in Winnipeg (27.1%).
CHAPTER 2. TRAINING AND SKILLS DEVELOPMENT ACTIVITIES IN CANADIAN SMES: AN EMPIRICAL SURVEY

2.3.2 KISA: informal learning processes through transformative projects

Knowledge-intensive service activities (KISA) are knowledge-intensive projects aimed at supporting changes in businesses.

KISA are, by definition, “interactive learning activities involving the collaboration of several actors, working together around specific problem-solving issues or innovation-oriented projects in the organisation. KISA can be led by external resources called knowledge-intensive business services (KIBS) i.e. organisations belonging to the vast realm of ‘business services’ such as private enterprises, public organisations, business associations or partnerships, etc. KISA can also be carried on by internal resources, i.e. by people inside the business such as professionals, engineers, technicians, managers, and so on. KISA exist in many different areas: management; marketing; communications; law; finance; accounting; human resources management; engineering; insurances; quality; production and so on” (Martinez-Fernandez et al 2011).

For instance, ‘lean manufacturing’ or ‘lean production activities’ are good examples of KISA. A consultant can be entrusted with the task of organising activities in collaboration with both the employees and managers of a business, in order to optimise efficiency and work flow by cutting down on expenditure of resources, wasteful practices, etc. Alternatively, the engineering department of a business can assign one of its engineers to a similar task – once again in collaboration with the management and employees. Within such KISA initiatives, the employees who are actively involved in improving production processes or products or services are informally developing new skills and knowledge.
Knowledge-intensive service activities are not new. What is new is for SMEs to see KISA as imperative and strategic tools for business innovation and change. Through KISA, managers as well as employees acquire skills vital to the transformation of businesses. KISA are a relevant concept that: 1) allows for the identification and labeling of informal activities undertaken by businesses, in order to develop skills related to innovation and change; and 2) helps us to understand the processes involved.

In the two regions, the majority of businesses have organised the following types of KISA during the 12 months preceding the survey. The participation of employees is similar in both cities: 58.0% in Winnipeg and 55.2% in Montreal. However, 81.4% of Winnipeg-based businesses organised KISA, compared to only 65.1% for Montreal-based businesses. As we will see, the two regions also differ in terms of the intensity of implemented KISA. Businesses taking part in the survey had to specify whether or not they undertook KISA in the past 12 months; and if so, which sectors of their businesses were involved in these activities. Their answers were as follows.

Table 15. KISA undertaken by businesses in the 12 months preceding the survey, sorted by type of project (proportion of firms)

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business development (new products, services, markets, etc.)</td>
<td>66.1</td>
<td>87.5</td>
</tr>
<tr>
<td>Implementation of a new technology, equipment, machine, etc.</td>
<td>57.1</td>
<td>55.4</td>
</tr>
<tr>
<td>In-service improvement</td>
<td>53.6</td>
<td>41.1</td>
</tr>
<tr>
<td>Research and Development</td>
<td>8.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Electronic trade development</td>
<td>10.7</td>
<td>10.7</td>
</tr>
<tr>
<td>Sustainable development</td>
<td>8.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Others</td>
<td>7.1</td>
<td>8.9</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 56</td>
<td>N = 56</td>
</tr>
</tbody>
</table>
Table 16. Functions, units, departments or services where employees participated in KISA in the 12 months preceding the survey (proportion of firms)

<table>
<thead>
<tr>
<th>Function</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMINISTRATIVE FUNCTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business management</td>
<td>39.3</td>
<td>66.1</td>
</tr>
<tr>
<td>Finance and accounting</td>
<td>23.2</td>
<td>46.4</td>
</tr>
<tr>
<td>Other administrative services (ex. secretariat)</td>
<td>16.1</td>
<td>37.5</td>
</tr>
<tr>
<td>Human resources management</td>
<td>19.6</td>
<td>30.4</td>
</tr>
<tr>
<td><strong>SALES, ESTIMATION, MARKETING, CUSTOMER SERVICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales, estimation and marketing</td>
<td>32.1</td>
<td>41.1</td>
</tr>
<tr>
<td>Customer service</td>
<td>16.1</td>
<td>26.8</td>
</tr>
<tr>
<td><strong>TECHNICAL FUNCTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>16.1</td>
<td>39.3</td>
</tr>
<tr>
<td>Information technology services</td>
<td>21.4</td>
<td>37.5</td>
</tr>
<tr>
<td>Engineering and technical services</td>
<td>26.8</td>
<td>35.7</td>
</tr>
<tr>
<td>Insurances and quality control</td>
<td>21.4</td>
<td>19.6</td>
</tr>
<tr>
<td>Research and development</td>
<td>14.3</td>
<td>19.6</td>
</tr>
<tr>
<td>Logistics (reception, deliveries, outlet, warehouse/storage, etc.)</td>
<td>8.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Maintenance, equipment</td>
<td>5.4</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>PRODUCTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>64.3</td>
<td>51.8</td>
</tr>
</tbody>
</table>

Table 16 shows that businesses tend to expand research and development projects related to growth of new products, services or markets. As shown in Table 16, administrative functions are especially favoured for KISA in Winnipeg.

A new indicator was created in Table 17, outlining the intensity of training leading to change, which was based on counts of all data regarding KISA. According to this indicator, SMEs are considered ‘KISA highly intensive’ if they organised three or more KISA throughout the year, and/or as long as one KISA involved employees from three or more different areas of their businesses.

Table 17. Intensity of training leading to change (KISA) (% of total)

<table>
<thead>
<tr>
<th>Intensity of KISA</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three or more KISA</td>
<td>38.4</td>
<td>54.3</td>
</tr>
<tr>
<td>One or two KISA</td>
<td>26.7</td>
<td>27.1</td>
</tr>
<tr>
<td>No KISA</td>
<td>34.9</td>
<td>18.6</td>
</tr>
</tbody>
</table>

Table 17, depicting KISA, shows that businesses tend to expand research and development projects related to growth of new products, services or markets. As shown in Table 16, administrative functions are especially favoured for KISA in Winnipeg.

At first glance, Winnipeg-based businesses seem to be more involved in KISA, but, as demonstrated further down (see Section 1.6.2), this difference is only observed for small firms (1 – 49 employees).

Through KISA, actors from both inside and outside the business collaborate on projects aimed at improvements and innovations. The results of the survey indicate how important this is, since this phenomenon occurs in a vast majority of businesses in both regions.
Table 18. Actors involved in KISA (proportion of respondents)*

<table>
<thead>
<tr>
<th>Actor Type and Description</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External and internal actors</strong></td>
<td>82.1</td>
<td>72.7</td>
</tr>
<tr>
<td><strong>Internal actors only</strong></td>
<td>14.3</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Colleagues</strong></td>
<td>96.4</td>
<td>81.8</td>
</tr>
<tr>
<td><strong>External actors only</strong></td>
<td>3.6</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>57.1</td>
<td>40.0</td>
</tr>
<tr>
<td><strong>Consultants</strong></td>
<td>46.4</td>
<td>27.3</td>
</tr>
<tr>
<td><strong>Clients</strong></td>
<td>44.6</td>
<td>47.3</td>
</tr>
<tr>
<td><strong>Value chain related businesses</strong></td>
<td>42.9</td>
<td>36.4</td>
</tr>
<tr>
<td><strong>Industrial associations</strong></td>
<td>21.4</td>
<td>43.6</td>
</tr>
<tr>
<td><strong>Government agencies</strong></td>
<td>14.3</td>
<td>18.2</td>
</tr>
<tr>
<td><strong>Universities, colleges, schools, professors, etc.</strong></td>
<td>14.3</td>
<td>18.2</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>12.5</td>
<td>10.9</td>
</tr>
<tr>
<td><strong>Related businesses (working in the same cluster/sector)</strong></td>
<td>10.7</td>
<td>21.8</td>
</tr>
<tr>
<td><strong>Scholars/Researchers</strong></td>
<td>0.0</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Sector committees</strong></td>
<td></td>
<td>16.4</td>
</tr>
<tr>
<td><strong>Total (n. of businesses)</strong></td>
<td>N = 56</td>
<td>N = 55</td>
</tr>
</tbody>
</table>

*Categories are overlapping

2.3.3 Participation in systematic training and KISA according to the level of qualification

Those who participated in the survey were asked to specify what percentage of ‘highly or averagely qualified’, and of ‘low qualified’ employees participated in systematic training or KISA in the 12 months preceding the survey.

Although based on limited data, the results show a clear trend within both regions: ‘highly or averagely qualified’ employees are significantly more favoured than less qualified employees when it comes to participation in a systematic training or a KISA, although KISA seem to be more often offered to less qualified employees than systematic training sessions.

Table 19. Participation in training/KISA and the level of qualification (% of total)

<table>
<thead>
<tr>
<th></th>
<th>SYSTEMATIC TRAINING</th>
<th>KISA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Montreal</td>
<td>Winnipeg</td>
</tr>
<tr>
<td><strong>Highly/averagely qualified</strong></td>
<td>78.0</td>
<td>82.6</td>
</tr>
<tr>
<td><strong>Low qualified</strong></td>
<td>22.0</td>
<td>17.4</td>
</tr>
<tr>
<td><strong>Total (businesses)</strong></td>
<td>N = 73</td>
<td>N = 53</td>
</tr>
</tbody>
</table>

2.4 TRAINING MANAGEMENT

The survey provides several indicators regarding training management: training planning and budget; progression of training initiatives; existence of an HR service and its role/importance in the firm; and, finally, difficulties encountered in the management of training.
2.4.1 Planning and budgeting for training

Businesses were asked if they are planning training initiatives, and if they are preparing an annual budget for this.

Table 20. Businesses that are planning training initiatives (% of total)

<table>
<thead>
<tr>
<th>Yes</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66.3</td>
<td>60.3</td>
</tr>
<tr>
<td>No</td>
<td>33.8</td>
<td>39.7</td>
</tr>
</tbody>
</table>

Total (businesses)* N = 80 N = 68

* Results apply only to businesses that undertake training and/or KISA.

Table 21. Businesses that have an annual budget for training (% of total)

<table>
<thead>
<tr>
<th>Yes</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63.6</td>
<td>52.3</td>
</tr>
<tr>
<td>No</td>
<td>36.4</td>
<td>47.7</td>
</tr>
</tbody>
</table>

Total (businesses)* N = 77 N = 65

* Results apply only to businesses that undertake training and/or KISA, and that answered the question.

As we can see, planning and budgeting for training activities are more frequent in Montreal than Winnipeg. In Montreal, most of the businesses that budget for training limit their planned investment to the minimum 1% of their wage bill required by the Quebec levy legislation (65.1% or 28 businesses out of 43).

2.4.2 Training investment in businesses

The indicator ‘training investment’ entails two elements: training staff; and training expenses. We consider that investment increases when businesses either add staff or increase expenses related to training in the 12 months preceding the survey; that they are stable when staffing and/or expenses remain the same; and that they are decreasing when businesses lower both staffing and expenses.

Table 22. Training investment in businesses (% of total)

<table>
<thead>
<tr>
<th>Increasing</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48.8</td>
<td>38.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stable</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43.8</td>
<td>54.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decreasing</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.5</td>
<td>7.4</td>
</tr>
</tbody>
</table>

Total (n. of businesses)* N = 80 N = 68

* Results apply only to businesses that undertake training and/or KISA.

As can be seen, Montreal-based businesses increased their total training investments more than businesses in Winnipeg in the year preceding the survey, however, this does not indicate changes in per capita investment.

2.4.3 Difficulties related to the management of training

When asked if they encounter difficulties in managing their training initiatives, more than half of businesses answered positively in both regions.
### Table 23. Difficulties in training management (proportion of respondents)

<table>
<thead>
<tr>
<th>Type of difficulties</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writing grant proposals to get funding for training</td>
<td>20.0</td>
<td>34.3</td>
</tr>
<tr>
<td>Evaluating the impacts of training</td>
<td>29.4</td>
<td>32.8</td>
</tr>
<tr>
<td>Finding the proper training resources</td>
<td>29.4</td>
<td>26.9</td>
</tr>
<tr>
<td>Planning and organising training</td>
<td>24.7</td>
<td>23.9</td>
</tr>
<tr>
<td>Identifying needs and priorities for training</td>
<td>10.6</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Total (businesses) N = 85 N = 67

The nature of the difficulties encountered by businesses is related to lack of time or lack of competent resources in managing such activities, which leads to the following question: Who is in charge of training and skills development in SMEs in both regions?

### 2.4.4 Responsibility for training and skills development

People who answered the survey were required to be the person in charge of human resources (HR) or, at least, the person who knew the most about training and skills development in their firm.

Respondents had to specify their title by occupation. On the one hand were full-time HR directors/managers, or HR managers that were held responsible for that sector amongst others (such as finances and so on). On the other hand were the directors or managers from other sectors who were asked to take charge of HR, training or skills development.

### Table 24. Occupation of respondents (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources manager/director</td>
<td>43.0%</td>
<td>32.9%</td>
</tr>
<tr>
<td>Other</td>
<td>57.0%</td>
<td>67.1%</td>
</tr>
</tbody>
</table>

Total (businesses) N = 86 N = 70

These results demonstrate that in SMEs, the majority of those in charge of human resources, training and skills development are not specifically HR managers, but rather managers who also assume other functions. More importantly, being small organisations, SMEs can seldom afford to hire HR managers. This may, in part, explain why HR training is relatively popular – this type of training is ranked third, along with computer science and finances in terms of systematic training undertaken or supported by businesses (see Table 24).

One can ask if managers who hold other responsibilities have time for human resources, training and skill development in their daily schedule. Results are contrasting. In the survey, respondents were asked to specify how important was the human resources, training and skills development aspect of their responsibilities in their overall work. In Montreal, human resources, training and skills development represent a fairly large part of managers’ responsibilities (39.5%). In Winnipeg, by contrast, this aspect is of relatively low importance in the occupation of managers (20.0%).
Table 25. The importance of ‘HR, training and skill development’ vs the overall responsibility held by the people who organise training, by type of occupancy (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources managers/directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers that occupy another position, yet are mandated to carry “HR, training and skill development” projects, which represent:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A large part of their responsibilities</td>
<td>39.5</td>
<td>20.0</td>
</tr>
<tr>
<td>• A small part of their responsibilities</td>
<td>17.4</td>
<td>47.1</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 86</td>
<td>N = 70</td>
</tr>
</tbody>
</table>

2.5 LEARNING AND TRAINING ENVIRONMENT

Both Montreal and Winnipeg are large regions where the density of actors is high enough to support businesses in every area, training and skills development included. Additionally, in both these provinces, it is the metropolitan and urban regions of Montreal and Winnipeg themselves that probably offer the most diversified training opportunities and capacities for both public and private sectors. Both regions are, then, ideally resourced environments for businesses.

2.5.1 Networking

We asked businesses to specify which actors they appeal to for training and skills development. This question allowed us to measure the intensity of the links between businesses and actors within the regional ecosystem.

Table 26. Intensity of the link between businesses and actors in the regional ecosystem (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three and more actors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two actors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One actor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 74</td>
<td>N = 63</td>
</tr>
</tbody>
</table>

At first glance, businesses from both regions seem to be networked in similar proportions.
Table 27. Type of actors interacting with businesses for training and skill development of employees (proportion of respondents)

<table>
<thead>
<tr>
<th>Type of Actors</th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainers and Consultants from the Private Sector</td>
<td>67.6</td>
<td>65.1</td>
</tr>
<tr>
<td>Consultants</td>
<td>33.8</td>
<td>47.6</td>
</tr>
<tr>
<td>Trainers</td>
<td>55.4</td>
<td>38.1</td>
</tr>
<tr>
<td>Suppliers and Other Value Chain Related Businesses</td>
<td>39.2</td>
<td>33.3</td>
</tr>
<tr>
<td>Material, machine or equipment suppliers</td>
<td>35.1</td>
<td>25.4</td>
</tr>
<tr>
<td>Other value stream related businesses (distributors, retail, etc.)</td>
<td>8.1</td>
<td>12.7</td>
</tr>
<tr>
<td>Other branches of the same business</td>
<td>0.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Government Agencies</td>
<td>29.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Ministry of Employment (Emploi-Québec in Montreal)</td>
<td>27.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Economic development centers (local or regional)</td>
<td>2.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Municipal organisations</td>
<td>0.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Other ministries</td>
<td>1.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Institutions of Education</td>
<td>33.8</td>
<td>22.2</td>
</tr>
<tr>
<td>Schools (vocational schools or training centres)</td>
<td>5.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Colleges</td>
<td>12.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Universities</td>
<td>20.3</td>
<td>12.7</td>
</tr>
<tr>
<td>Associative Networks</td>
<td>50.0</td>
<td>55.6</td>
</tr>
<tr>
<td>Associations or sector-based committees</td>
<td>29.7 *</td>
<td>9.5</td>
</tr>
<tr>
<td>Business associations or groups</td>
<td>17.6</td>
<td>9.5</td>
</tr>
<tr>
<td>Chambers of commerce</td>
<td>1.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Professional associations</td>
<td>12.2</td>
<td>27.0</td>
</tr>
<tr>
<td>Industrial associations</td>
<td>5.4</td>
<td>15.9</td>
</tr>
<tr>
<td>Non-profit organisations</td>
<td>2.7</td>
<td>14.3</td>
</tr>
<tr>
<td>Unions</td>
<td>5.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Other actors</td>
<td>0.0</td>
<td>11.1</td>
</tr>
</tbody>
</table>

* For Montreal, worker’s sector councils and joint committees on occupational health and safety are mentioned in similar proportions: 10 and 12 respectively.

As we can see, although results are similar for both regions on some indicators, Montreal-based businesses turn to educational institutions and government agencies more often than Winnipeg-based businesses do. We then asked businesses if they know the various actors or providers in their environment.

Table 28. Businesses that know training providers in their region (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>69.8</td>
<td>55.7</td>
</tr>
<tr>
<td>No</td>
<td>30.2</td>
<td>44.3</td>
</tr>
</tbody>
</table>

Total (businesses) N = 86 N = 70

2.5.2 Support for training

Table 29. Businesses that are aware of support for training (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>52.3</td>
<td>47.1</td>
</tr>
<tr>
<td>No</td>
<td>47.7</td>
<td>52.9</td>
</tr>
</tbody>
</table>

Total (businesses) N = 86 N = 70
For these two indicators, businesses from Montreal and Winnipeg are similar, except that Montreal-based businesses seem to be more aware of the available support-for-training resources.

Businesses were asked if they had been aided in the training process by government programmes throughout the year preceding our survey.

### Table 30. Businesses benefiting from government support for training (% of total)

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th>Winnipeg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46.2</td>
<td>42.9</td>
</tr>
<tr>
<td>No</td>
<td>53.8</td>
<td>57.1</td>
</tr>
<tr>
<td>Total (businesses)</td>
<td>N = 78</td>
<td>N = 63</td>
</tr>
</tbody>
</table>

As we can see, businesses benefited from government support in similar proportions in both regions.

In Montreal, support is provided mainly by a provincial agency, Emploi-Québec (30 businesses out of 36). In Winnipeg, support also proceeds mainly from the provincial government (23 businesses out of 25), from the federal government (5 businesses out of 25) as well as from other sources (4 out of 25). Federal-provincial/territorial agreements also exist, as in Quebec, which support jurisdictional workforce training and skills development.

### 2.6 RESULTS ANALYSIS

#### 2.6.1 SMEs’ strategies and practices in both regions

This survey shows that innovation is a tendency that characterises many SMEs in both regions. More than one business out of three implemented multiple changes, and therefore can be said to be ‘highly innovative’. If Winnipeg-based businesses appear to be slightly ahead of Montreal SMEs, such a gap can be explained by the fact that SEs (1-49 employees) in Winnipeg are more involved in innovative practices.

When looking at the training ecosystem in both regions, half of the SMEs are well aware of available resources and benefit from government support in similar proportions.
Regarding **systematic training**, results are contrasted. Even though SMEs from both regions are involved in this type of skill development in similar proportions (mean deviation of 0.7%), Winnipeg overtakes Montreal on the intensity and variety of training. This trend is especially significant for the following sectors: *marketing and promotion* (12% deviation); *social networking*; *vocational/technical training related to work*; *information technologies*; and *research and development* (5% deviation). Montreal’s performance is higher in two sectors: occupational health and safety, which has now become mandatory; and second languages (see Table 10 *Sectors in which businesses undertook or supported training in the 12 months leading up to the study*). It is worth mentioning that activities in the Winnipeg area tend to be slightly more related to implementation of innovations.

Regarding **KISA**, Winnipeg tends to be ahead of Montreal – with a mean deviation of eight percentage points for both the amount of businesses offering this type of training, and for their intensity and variety. These results parallel Statistics Canada surveys, which show that Quebec is behind Manitoba in terms of in-service skill development⁴.

---

Regarding employees’ participation in training (either systematic or KISA), comparable data is obtained for both regions. Note that this indicator applies only to businesses undertaking or supporting training. In other words, when businesses train, they do so with similar intensity in both regions.

Let us now turn to the management indicators. Montreal tends to be different from Winnipeg in many aspects. The first difference is having an internal HR director or a mandated manager from another sector for which human resources, training and skill development represent a large part of their occupation. The results are the same for budget planning, knowledge of the training ecosystem and providers, and for the progression of training initiatives. These results may be explained by the existing levy legislation. Indeed, the Loi québécoise sur les compétences requires businesses whose wage bill exceeds one million dollars to invest the equivalent of 1% of their wage bill in training. Quebec legislation excludes small businesses (1 to 49 employees) as many of them, for the most part, do not reach a $1 million wage bill. In that area, these smaller SMEs behave in a way that parallels Winnipeg-based businesses.

### 2.6.2 Comparison between SEs (1 to 49 staff) and MEs (50 to 249 staff) in both regions

#### Table 32. SEs and MEs comparison between Montreal and Winnipeg

<table>
<thead>
<tr>
<th></th>
<th>Montreal</th>
<th></th>
<th>Mean</th>
<th>Winnipeg</th>
<th></th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SE</td>
<td>ME</td>
<td>Deviation</td>
<td>SE</td>
<td>ME</td>
<td>Deviation</td>
</tr>
<tr>
<td><strong>INNOVATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least one change</td>
<td>65.9</td>
<td>76.2</td>
<td>5.1</td>
<td>75.7</td>
<td>72.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Highly innovative</td>
<td>27.3</td>
<td>45.2</td>
<td>9.0</td>
<td>40.5</td>
<td>39.4</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>SYSTEMATIC TRAINING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least one training sector</td>
<td>81.8</td>
<td>92.9</td>
<td>5.5</td>
<td>81.1</td>
<td>97.0</td>
<td>7.9</td>
</tr>
<tr>
<td>Three or more training sectors</td>
<td>38.6</td>
<td>61.9</td>
<td>11.6</td>
<td>56.8</td>
<td>66.7</td>
<td>5.0</td>
</tr>
<tr>
<td>Employees’ participation rate</td>
<td>43.9</td>
<td>36.4</td>
<td>3.7</td>
<td>51.7</td>
<td>38.0</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>KISA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least one KISA</td>
<td>59.1</td>
<td>71.4</td>
<td>6.2</td>
<td>75.7</td>
<td>87.9</td>
<td>6.1</td>
</tr>
<tr>
<td>3 KISA or more</td>
<td>31.8</td>
<td>45.2</td>
<td>6.7</td>
<td>54.1</td>
<td>54.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Employees’ participation rate</td>
<td>67.4</td>
<td>50.1</td>
<td>8.6</td>
<td>70.7</td>
<td>41.6</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importance of HR</td>
<td>75.0</td>
<td>90.5</td>
<td>7.7</td>
<td>40.5</td>
<td>66.7</td>
<td>13.1</td>
</tr>
<tr>
<td>Training planning</td>
<td>50.0</td>
<td>82.5</td>
<td>16.3</td>
<td>51.4</td>
<td>69.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Annual budget for training</td>
<td>45.9</td>
<td>80.0</td>
<td>17.0</td>
<td>44.1</td>
<td>61.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Progression of training initiatives</td>
<td>36.4</td>
<td>54.8</td>
<td>9.2</td>
<td>35.1</td>
<td>394</td>
<td>2.1</td>
</tr>
<tr>
<td>Difficulties related to training</td>
<td>41.9</td>
<td>71.4</td>
<td>14.8</td>
<td>61.8</td>
<td>51.5</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>ECOSYSTEM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge of resources</td>
<td>45.5</td>
<td>59.5</td>
<td>7.0</td>
<td>45.9</td>
<td>48.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Government support</td>
<td>41.0</td>
<td>51.3</td>
<td>5.1</td>
<td>29.4</td>
<td>58.6</td>
<td>14.6</td>
</tr>
<tr>
<td>Knowledge of providers</td>
<td>54.5</td>
<td>85.7</td>
<td>15.6</td>
<td>59.5</td>
<td>51.5</td>
<td>4.0</td>
</tr>
<tr>
<td>3 actors or more</td>
<td>29.5</td>
<td>54.8</td>
<td>12.6</td>
<td>37.8</td>
<td>42.4</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Although medium sized businesses (50 to 249 employees) tend to invest more in training than SEs (1 to 49 employees), SEs overtake MEs on the participation rate indicator for both regions. Put another way,
even though the proportion of SEs undertaking training is lower than for MEs, the ones that do implement training tend to do it more actively. Such a result might seem paradoxical. Statistics Canada’s Workplace and Employee Survey 2003 refers to similar results. According to Rabemananjara and Parsley (2006, p.12), whose work utilised the results of the Statistics Canada report:

(...) although less likely to engage in it, small businesses investing in the training of their employees do it almost as intensively as medium or large businesses. Also, among businesses that financed training activities, small businesses of 10 to 19 employees are more active in terms of training than almost any other category.

[...] Indeed, these authors also observed a positive correlation between the frequency of training and the size of businesses – the relation being negative between the latter and the intensity of training.

These results regarding the intensity of training parallel the conclusions of Turcotte et al. (2003). Interestingly, even though based on respondents’ perceptions, our results regarding employees’ participation rate in systematic training (about 40%) are relatively similar to those in the Turcotte study.

On all the other indicators, Montreal SEs perform less well than MEs – with significant deviations ranging from 5 to 17 percentage points. The situation of SEs in Winnipeg, however, is different. Just as for the Montreal SEs, they show weaker management indicators than MEs in their regions; yet they are as strong on innovation and training, particularly on informal training leading to change (KISA).

Comparison of SEs in both regions shows that for management, businesses behave in the same way – they do not plan, nor budget - albeit Montreal-based businesses place more value on human resources and skill development; they also benefit more from government support than Winnipeg-based businesses. Winnipeg-based SEs, however, score higher on innovation and training indicators.

Comparison of MEs in both regions shows that for management, businesses behave quite differently, however, they obtain similar scores on innovation and training indicators. More MEs manage training in Montreal than in Winnipeg, yet businesses train and innovate just as much in both regions.

Compared to Montreal-based SEs, Winnipeg-based SEs appear to be especially innovative, which would possibly explain their high scores on training indicators. The above mentioned Canadian study shows that the relationship between innovation and training may be stronger for small businesses than for medium and large ones, which “finance training activities regardless of their overall strategy”\(^5\).

On returning to our initial question, it appears that Montreal-based SMEs, particularly the smallest of them, need more support for training and skills development regardless of the fact that they are located in a resource filled environment, and even though they already benefit from government support. This, in turn, raises another question: Can we do better, or how could we do this differently? Montreal and Winnipeg case studies explore new solutions in line with the ‘proximity approaches’ perspective, such as regional organisations [mutuelles de formation territoriales] in Montreal and group based exchange mechanisms in Winnipeg.

\(^5\) Idem, p. 14 and 15.
CONCLUSION

Do SMEs innovate? The answer is ‘yes’, and the main finding of this Montreal/Winnipeg trans-provincial study is the importance now given to innovation among Canadian SMEs. In both regions, seven out of ten SMEs implemented at least one change in the 12 months preceding our study. When asked to state whether they had implemented any changes within this period, the majority of SMEs reported changes related either to new or renewed products or services, to new methods of producing, to new technologies or equipment, and to new management methods. Moreover, four businesses out of ten could be described as ‘highly innovative’. Such results tend to confirm a growing focus on innovation and productivity growth.

Regarding the participation of employees in training and skills development in SMEs, results are unequivocal: ‘highly or moderately qualified’ employees are clearly favoured over less qualified employees, although innovations implemented do involve staff members at every level of the occupational ladder in every business. As documented by other studies, an important issue is raised regarding whether or not education and training within industry should remain the sole responsibility of each enterprise, especially among SMEs.

Paradoxically, a comparative analysis of both regions also shows that while participation in formal or informal activities oriented toward skills development and knowledge is higher in Winnipeg, Montreal-based businesses value management aspects related to training more than the ones in Winnipeg (planning, budgeting, acknowledging responsibilities related to training, etc.). The fact that training functions are more visible and more clearly identified in Montreal may be related to the existence of a provincial law that requires businesses to invest the equivalent of 1% of their wage bill in training activities (Bélanger and Robitaille 2008). This law is conceivably conducive to skill development activities that are better monitored and budgeted, but it may also encourage businesses to use more structured training and well identified activities in order to fulfill their needs.

In European countries, the state also implements measures and programmes in order to reach out to in-service, low-qualified employees. Nor is the organisation of training and skills development based exclusively on the needs expressed by upper management and professionals. For example, in the United Kingdom as well as in some other European countries, unions successfully reach out to less qualified employees through learning union representatives.

Even though many indicators show that SMEs - particularly SEs - engage less in learning and training activities for their employees than larger enterprises, they also show, interestingly, an emerging new trend that is most likely related to rising demand for innovation.
CHAPTER 3. INNOVATIVE APPROACHES FOR SKILLS DEVELOPMENT IN CANADA

The qualitative section of this study documents two Canadian innovations, the *mutuelles de formation* in the Montreal area and the *Consortia* in Winnipeg, both showing that SMEs join these group-based mechanisms to gather, share, and access common services and resources.

### 3.1 MUTUELLES DE FORMATION

The *mutuelles de formations* are non-profit organisations providing customised services for training and skill development and Human Resource Development (HRD) to their members, mainly SMEs. These organisations are supported within the Quebec legislation for “the recognition and development of labour’s skills”. Each mutuelle offers specific services, which are determined and managed by a board of directors comprised of SME members. Mutuelles can be sectoral (*mutuelles sectorielles*), i.e. supporting businesses from a specific economic sector; or regional (*mutuelles territoriales*), i.e. addressing the specific needs of businesses located in a given geographic area, regardless of their types of activities. The following case study analyses a regional mutuelle, FormaPlus.

FormaPlus was created in 2003 and is the oldest mutuelle in Quebec. FormaPlus is located in the west island area of Montreal; it encompasses 150 businesses, representing more than 7,000 employees. FormaPlus membership is diversified in terms of business sizes and economic sectors, yet it is mainly comprised of very small (1-19) or small businesses (20-49) (both categories combined totaling 78% of their membership). The FormaPlus team is comprised of eight permanent staff members: a general director, an administrative assistant, two representatives/recruiting agents, and four advisors. When they join the mutuelle, businesses receive access to both individual and collective services. Individual services provide enterprises with resources related to skill development and management – helping them with every aspect of training activities (i.e. providing support beforehand or afterwards). FormaPlus helps businesses with the management and organisation of learning and training activities, yet this specific mutuelle does not provide training *per se*.

In order to understand the innovative features of FormaPlus, we documented the experience and training practices of four targeted membership businesses, which benefited from its services. Interviews were conducted with Directors and/or HR managers of these four businesses, as well as with FormaPlus’ General Director and Senior Advisor.

#### 3.1.1 Training and skills development

Interestingly, businesses that took part in our study generally support structured training for their employees. For the most part, they support training offered by external providers, fund the participation of, and allow employees to undertake, such training within their working schedule. Except for one business, such training initiatives mostly result from demands voiced by employees themselves. These employees are primarily professionals or managers who are seeking advancement (few of them are employees directly

---

6 To a certain extent, Quebec’s *mutuelles de formation* are similar to Irish business networks called *Skillnets.*
working on the production line) and who wish to acquire skills related to a new responsibility, or a competency that could contribute to their progression and career more generally.

Informal\(^7\) training, however, remains the most common type of activity for skills development. It can take, according to the mutuelle, several forms. Firstly, there are activities in which the main objective is the training itself:

- Adaptation and integration to work: most often proposed directly by employers, this type of training targets newly hired employees, or employees integrating into a new position. Such training is generally carried out informally through more experienced colleagues or managers, yet it can be structured through FormaPlus services.

- Upgrading and improvement: mostly informal, this type of training can be proposed by employers as well as by employees; it consists of expertise or specific knowledge that is transferred from a supplier or a colleague to another colleague or manager, etc.

Secondly, there are activities for which the main objective is not training per se, but the performance of the business’ daily operations through which people acquire skills and expertise informally. These activities are structured around ‘collective thinking’ regarding business operations (What is it that we do? What do we want to achieve? How and with whom? What problems do we encounter, and how do we solve these problems? etc.). Particularly in instances where enterprises are producing customised services or products, this diversification of activities provides learning opportunities for all participating employees.

Finally, there are KISA, i.e. activities related to the implementation of changes or improvement processes. This type of activity involves the use of external resources, which provide support and complement internal resources in order to achieve participatory changes or improvements.

### 3.1.2 FormaPlus’ participation

FormaPlus is involved along two different axes. Firstly, FormaPlus organises collective training activities for its members, i.e. for SMEs that have similar needs. Secondly, it provides mentoring services to SMEs seeking to implement structures or measures related to skills development. In order to do this, FormaPlus develops tools, organises co-development opportunities among its members, and seeks financing.

Over the first years of its existence, this mutuelle de formation focused on the first dimension – it basically acted as (and still is) a learning broker. “We identify business’ needs in terms of skill development; we then find for them the resources that best correspond to these needs, at the best available prices. The fact that we are working with several businesses tends to lower the costs, and enables us to get them government support. We then, in the end process, proceed to the evaluation of outcomes” (Director of FormaPlus).

Over the years, FormaPlus progressively developed a mentoring service (the second axis), the equivalent of an outsourced human resources unit: “We tell people that we offer ‘time sharing services’ – we basically act as if we were their part-time training or HR department” (Director of FormaPlus). The service is financed through membership fees. In exchange, businesses are allowed a certain number of counseling hours per year. As soon as a business joins the mutuelle, an advisor is assigned to the organisation. The advisor organises sessions within the business. Moreover, businesses can contact their

---

\(^7\) Integrated in day-to-day work.
advisor at any time assistance is required. If there is a problem, the advisor will be available for meetings with them, at the workplace, within 24 hours. Because of its non-profit nature – FormaPlus is entirely dedicated to its members – advisors develop a close relationship with businesses. Advisors consider themselves as part of the organisations with whom they work; likewise, businesses consider themselves to be part of the mutuelle – the mutuelle is in fact owned by its members. This is why businesses talk of FormaPlus as “an HR contracting-out service” allowing them to “access the resources and means of a large firm” (SME of FormaPlus).

The results of the survey (refer Chapter 1) show that medium sized businesses (50 to 249 employees) as well as large businesses (250 plus employees), usually do have training and skills development services within their organisation (either apart from or within HR departments). This situation is much less likely to exist in smaller businesses, where those in charge of training and skills development are very often also in charge of other functions not related to HR (87% for very small businesses, and 60% for small or medium sized businesses). This explains why FormaPlus membership in the Montreal region is mostly comprised of small businesses (under 50 employees), 78% compared to 22%.

Table 33. People in charge of training in Montreal SMEs, according to size of businesses (in %)

<table>
<thead>
<tr>
<th></th>
<th>1 to 19</th>
<th>20 to 49</th>
<th>50 to 99</th>
<th>100 to 249</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR manager</td>
<td>13.0</td>
<td>42.9</td>
<td>40.9</td>
<td>80.0</td>
<td>43.0</td>
</tr>
<tr>
<td>Other functions</td>
<td>87.0</td>
<td>57.1</td>
<td>59.1</td>
<td>20.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Total</td>
<td>N=23</td>
<td>N=21</td>
<td>N=22</td>
<td>N=20</td>
<td>N=86</td>
</tr>
</tbody>
</table>

Table 34. FormaPlus membership distribution, by size of businesses

<table>
<thead>
<tr>
<th></th>
<th>1 to 19</th>
<th>20 to 49</th>
<th>50 to 99</th>
<th>100 to 249</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>In %</td>
<td>42.7</td>
<td>35.3</td>
<td>14.7</td>
<td>7.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>N=64</td>
<td>N=53</td>
<td>N=22</td>
<td>N=11</td>
<td>N=150</td>
</tr>
</tbody>
</table>

The lack (or insufficiency) of resources in training management (time, expertise, etc.) and in skills development expertise explains the necessity for such a group based mechanism.

“In the beginning, we would come to the SMEs with our tool kits. After a while, we realised that pushing SMEs into programmed initiatives simply wouldn’t work. We understood that we had to intervene in much more flexible, fluid, and simpler ways; we also had to take into account individuals who partake in skill development. SMEs are unable on their own to handle training processes, to analyse their needs and find the appropriate resources. They have constraints that compel them to proceed in different ways” (Senior advisor of FormaPlus).

Large businesses benefit from sophisticated, technical tools and activities developed by specialists in training and HR management; these specialists have the required resources and expertise to design proper activities and develop operational training tools. In SMEs, tools and activities also have to be tailor-made in order to be attuned to the overall internal management practices and to take into account the constraints of day-to-day operations in such small organisations. This, in turn, results in a somewhat ad hoc management of skills development. Measures can be implemented in greatly varying ways, with task distributions and processes being organised according to needs.

“In SMEs, any employee can be involved in training; administrative assistants often play a key role in training logistics; first degree supervisors can mediate employees’ needs and businesses’ strategic directives, etc. Our goal is to provide actors with tools in realistic and the most simple ways, so as to make learning and training systems work. Every business is different, therefore,
each tool kit has to be different. Since all these actors have different priorities, we have to make sure that the training strategy is incorporated into the practices and culture of the business – that it becomes some sort of a reflex. This can be achieved if and only if our services are attuned to the business organisation, its general culture and its mode of operation” (Senior advisor of FormaPlus).

This is in part why FormaPlus developed a systemic, holistic approach. Their interactions go far beyond skill development management per se. This, in turn, makes FormaPlus more efficient and therefore relevant in fulfilling its mission.

“We learned from our first experiences that we couldn’t simply identify needs, and then provide training. A complex set of problems often lay behind SMEs’ needs for training. SMEs expect training to solve problems which are often much deeper, and indeed often hide other problems. For training to be efficient and for outcomes to be truly generated, these sets of problems must be addressed – otherwise, interventions are useless. For example, a business can join FormaPlus because its sales staff are actually comprised of engineers who have no such social skills. We can try to solve this problem through training initiatives; yet very quickly, one realises that the problem lays elsewhere. The actual source of these problems often lay in sensitive issues, which businesses do not readily share. It means that there are many steps – before even analysing immediate training needs” (Director of FormaPlus).

Therefore, training interactions with businesses can unfold over several years. For example, a business can benefit from FormaPlus’ support over two or three years before reaching autonomy on some functions, but, due to its small size, it will still go on requiring FormaPlus support for most training related planning and provisions. For other businesses, FormaPlus becomes a dedicated resource for all in-service skills development. The duration of interactions thus varies according to businesses’ objectives; it may also vary depending on the ways in which businesses are related to their environment (market, competitors, availability of labour, etc.), and depend on internal factors (such as organisation, working conditions/ambiance, or type of management). FormaPlus advisors note that their work calendar rarely plans more than one major participatory workload per year; in certain cases, they can even be extended to the following year.

“It may take two months to produce and validate skill profiles for about ten employees; it then may take at least one year to make people understand and adopt the practices and tools that have been developed (...) In that respect, we often have to manage businesses expectations. That said, this should be done as if we were part of businesses’ organisations – rather than by imposing our ‘expertise’ or by telling them how this should be done ‘ideally’. Skill development in businesses takes time – and so does changing mentalities within” (Director of FormaPlus).

Another advantage of FormaPlus is its ability to network its members. It provides them with opportunities to share and learn from each other, through tools such as the intranet or networking activities undertaken by the mutuelle.

“We had, for example, a subsidised employment company in metal welding, painting and folding, and another one, working in the same sector, which was suffering from a labour shortage. The latter proposed a special program to the former; that way, the first business could provide the second one with labour. We had another business whose owner was reaching retirement age, and wished to sell his business and prepare the transition. We knew of another business that was much more advanced in similar processes; we put them in contact with each other. We have a large membership, so we see a lot of different cases. When we step into a business and identify a
need, we talk to the manager and see if, through our network, another business could give a hand” (Senior advisor of FormaPlus).

3.1.3 How does FormaPlus distinguish itself from other available resources?

Two different forms of logic can be applied regarding operations in a training ecosystem: the logic of supply; and the logic of demand. The first logic occurs when an offer is presented in order to meet the business needs. The second form starts with the business needs, and then devises relevant strategies in response to this.

For institutional actors or private markets, the offer is often mediated through institutional internal measures and programmes. The academic literature (Kapp 1999; Levy et al. 2001; Anido et al. 2002; Thursfield 2004; Kilpatrick and Alii 2006, 2007) has documented this idea of ‘learning brokerage’. According to researchers, a service provider, public or private, can use brokerage in order to identify the needs of its clients – and such practices are indeed very successful. There are several examples of school boards and colleges that provide services to businesses and which, in doing so, allow educational institutions to adjust training offers according to the needs of businesses in their region.

The assessment of needs and the capability of devising new or existing training possibilities remain limited, especially when service providers look at it only through their own eyes, i.e. from the perspective of their own measures and available programmes (Kilpatrick and Alii 2006). Likewise, the perspective of government agencies offering services to businesses may remain narrow when they assess needs in relation to their own available measures and programmes, which is, however, somewhat understandable. FormaPlus coaches and advises their members on a continuing basis, whereby it supports training and skill development activities based on internal needs and, if required, offers a brokerage service. It thus focuses on the actual needs of businesses. The local demand is definitely the focal point of their work.

When comparing the mutuelle to other actors of the ecosystem, in this case government agencies, the participating SMEs underline the specificity of their mutuelle: “The work of government advisors is based on grants: our demand fits the program, or it doesn’t. Whereas advisors from the mutuelle first analyse our needs, and then bring solutions that wouldn’t necessarily ‘fit in’ if we were to ask for normal grants. FormaPlus advisors understand that we are an SME: big programmes do not correspond to our needs, they require adjustments” (SME of FormaPlus).

The mutuelle therefore occupies a very specific position within the training ecosystem. In Montreal, mutuelles are located ‘at the edge’ of the businesses to which they cater: they are, in a way, a constitutive part of these businesses. Their extended knowledge of the resources available in their region enables them to provide SMEs with resources they could only otherwise access with difficulty. In this respect, mutuelles are less and less seen as competing with other actors from the ecosystem. Rather, they are seen as partners who can introduce actors from the ecosystem to businesses they could not in other circumstances reach.

3.2 CONSORTIA

In order to improve productivity within SMEs by taking advantage of the knowledge and expertise that already resides within companies, the Canadian Manufacturers & Exporters (CME) of Manitoba has developed and is implementing a programme called Consortia.

Aimed at companies committed to improvement and willing to share successes as well as challenges, consortia are formal groups of ten to twelve companies, mainly SMEs, with the goal of achieving step changes in business performance. These groups of non-competitive enterprises come together to create a learning circle, meeting monthly in rotation at each of their members’ offices. The purpose of these meetings is to collectively observe the situation in each firm, discuss the problems encountered and
propose improvements. Many circles can be created around a common theme (e.g. lean production, sustainable development or operational excellence), to combine and organise common, ad hoc education and training, or share expertise and services.

To facilitate sharing of advanced manufacturing initiatives, CME Manitoba has set up consortia for:

- Manufacturing excellence;
- Continuous improvement;
- Operational excellence;
- Sustainable development; and
- Lean production.

This inter-learning process is highly facilitated by a non-formal environment that encourages sharing and borrowing of innovative practices. Each consortium is supported by CME Manitoba. Besides forming these small groups of non-competing firms, CME Manitoba provides them with a facilitator to ensure continuity and reporting, while helping find resources to meet specific short-term needs. CME Manitoba also organises leadership training and other advanced courses. For instance, in order to train mentors on the ‘Lean approach’, it offers Kaizen training courses, involving nine days distributed over a three week period. CME Manitoba also facilitates cross-consortia exchanges by networking three to four consortia around a common theme and offering them joint activities, and sometimes, on demand, creating special interest groups. This can be seen more tangibly by observing two medium-sized enterprises participating in two different consortia. The names of the two firms have been altered to protect anonymity.

3.2.1 Consortia: participation in Work Metals

A member of a larger corporation, Work Metals is a local organisation employing 100 staff, which fabricates tailor-made products for a variety of clients. To improve their productivity, shorten the chain of production and avoid simplistic ‘speed up’, in 2009 the firm embarked on a consortium group focused on lean production, in conjunction with eleven other enterprises from across different sectors. In the context of this initiative and between the monthly meetings, Work Metals is organising regular lunch hour ‘Lean learning’ events for its personnel, and is holding a series of short Kaizen training sessions on the ‘101 Lean principle’.

More than 80% of the employees have joined in these activities organised inside the firm and during working time. The participants came from production units as well as office staff. Although this SME has neither a strategic training plan nor a specific training budget, it has nevertheless developed a strong and widely shared interest within the organisation to that end. Every month, Work Metals meets the other consortium members in rotation at each member’s location. There, they review the actions undertaken by the local firm where the meeting is being held and share views on problems raised. In order to jointly monitor the local introduction of lean processes, they proceed either through presentation and discussion or, more often, by shop floor visits done in sub-groups.

Asked how the consortia initiative makes a difference, the manager of Work Metals answered: “It is the ability to draw from other’s experiences. Everybody in the consortium is at a different stage in their Lean journey…and we have been able to share experiences and learn things from every company”. The consortia works on a fourteen-month cycle made up of 12 monthly local visits (no meeting is held in July) and a strategy planning session.
3.2.2 Consortia: participation of Tick Control System

Tick Control System (TCS) joined the consortium on sustainable development. This specialised firm of 150 employees designs and produces specific metal products for other larger or smaller firms active in different industrial sectors. Over the last ten years, a growing challenge for TCS was to maintain its international market of specialised customers, in the context of the Canadian dollar rising in comparison with the American dollar. The company realised there was a need to produce more product, in the same time, but of a better quality, as well as to develop ‘just in time’ continuous production. Internal flexibility and more decentralised quality control were also big challenges. The enterprise decided then to intensify its structured training both at management level and at the production frontline, and to develop a more dynamic coaching system. Priority was given to soft skills for problem-solving, lean modes of production and better quality control.

In order to implement these innovations in a more sustainable way and to achieve continuous and appropriate support, TCS joined a consortium on sustainable industrial development. The idea was to be able to face the challenge of global competition and increase costs by sharing experiences with non-competing companies facing similar problems. More concretely, the objective was to learn together how to improve productivity and quality of production and, by this, to create an environment conducive to stronger employee involvement.

The process was similar to the one described above: by visiting each other’s facilities and ‘bringing new eyes to situations and problems’, each member benefited from a non-formal continuous monitoring and peer consulting service, they learned in situ from the successes of others, and reviewed mistakes. The monthly meetings, as explained by the manager, “generated ideas. We pick innovations from the others and share best practices, but we implement them differently”. The consortium also provided direct access to sources of information and expertise, and added joint special activities such as group study visits in other provinces and organised specific training based on a problem-solving approach. Asked about the benefit of joining the consortium, a representative of the company answered: “Without it, we would not be where we are today, though there is still a long way to go. It keeps the momentum going and provides continuous support. Being part of a group facing similar challenges, we feel more comfortable exchanging with them. It is about learning together, so nobody has a right answer”.

This sharing of ‘outside eyes’ (e.g., “I have a problem on my production floor, can you come and look”), or this horizontal inter-learning process, matched by a self-managed network of external expertise and training, is making consortia a unique innovation. Such group-based exchange mechanisms offer a creative solution to the challenge of ensuring relevant and continuing skill development within small and medium sized enterprises.

CONCLUSION

The experiences of the mutuelles and the consortia provide demonstrable indications of the relevance and on-going necessity of group based mechanisms for SMEs, which could give them the expertise and resources they require in order to develop a skills development approach that could meet their needs as well as understand their constraints. Large firms have means and dedicated HR resources; they can lobby with private or institutional actors and make the offer fit their needs. Small businesses cannot do the same, they do not have enough human resources, and their employees do not have sufficient knowledge of the existing measures, actors and resources available in the ecosystem. They very often also cannot finance the design of a new activity that would match their needs. Consequently, they often have to cope with generic offers and existing resources which they, in turn, tend to find relatively unsatisfying. It is precisely because of how support is provided to SMEs in order to confront such challenges that these group based mechanisms become more and more in demand.
CHAPTER 4. FOSTERING SKILLS AND TRAINING ECOSYSTEMS IN MONTREAL AND WINNIPEG

Two workshops took place, one on 18 October 2011 in Montreal and the other on the 19 October 2011 in Winnipeg. Altogether, more than 80 local and regional stakeholders attended the workshops in the two regions. The attendees principally came from within the training ecosystem of each region: business organisations; educational institutions; government agencies; provincial or sector-based councils; unions; community-based organisations; social economy organisations; and, of course (but in limited numbers), enterprises.

The workshops were structured around talks by federal and provincial government representatives, and presentations on the preliminary results of the cross-country project and the Canadian study. The participants were then invited to gather in small groups (10 people) to discuss and offer their opinion on three themes: the need and demand for skill development in SMEs; the ways in which practices and actors from the training ecosystem do (or do not) match SMEs’ needs; and, finally, proposals aimed at the improvement of training and skill development in SMEs. This chapter discusses the key messages indicated by the focus groups in the workshops.

4.1 INCREASING DEMAND FOR TRAINING AND SKILLS DEVELOPMENT IN SMES

Most participants agreed with the following observation: there are obviously needs for training and skill development in SMEs, particularly within the current constraints of market globalisation and an ageing demographic. Businesses, however, struggle to express their needs. In other words, the needs exist, yet few actual demands are being expressed: “There sure is a problem of wariness regarding training - the risk of having to raise wages, of losing employees after they are trained, or again, the very fact of expressing needs, which can be seen as admitting weaknesses” (participant in Winnipeg).

Other participants were more specific; they argued that SMEs do identify needs, yet since they have to deal with incessant workflow, these needs are for the most part short-term, and do not consider the long-term development of their employees. Consequently, demand for training very often becomes manifest chiefly in periods of crisis – when assistance is more difficult to organise.

Some participants noted that, if SMEs already find themselves struggling to define their objectives or to devise a strategic plan, they are hardly in a position to make plans regarding training and skill development for their employees. In order to develop a ‘culture of training’, businesses must have a clear concept of the challenges they are facing, and develop strong leadership focused on projects that will rise to such challenges.

One participant remarked that employers who are dealing with emergencies (if not struggling for their survival) often fail to recognise the needs of less qualified employees for training; they tend not to see such training as a business responsibility. For some, low-qualified workers are considered not to need training since they occupy non-specialised positions; or they are considered ill-equipped for skilled training courses as they are rarely sufficiently educated. Despite successful examples being documented in both regions, the study shows that the less employees are qualified, the less they access training. Accordingly, there is an increasing demand for essential skills training within the firms or through external programmes.
In Quebec, participants at the meeting mentioned that the withdrawal of the 1% training expenditure rule for businesses with a wage bill of under $1M, without alternative measures being put in place, tended to discourage skill development in smaller SMEs. In Winnipeg, the higher participation in such activities may be related to the specific feature observed in this region, where more firms are involved in innovations and, in addition, government support tends to be more focused on firms that are directly involved in innovation.

4.2 THE RELEVANCE OF CURRENT PRACTICES AND MECHANISMS

In both workshops, participants insisted on the importance of assessing businesses’ and employers’ demands before there was any external involvement, i.e. allowing them to express their needs without presuming which solution to choose. Learning and training interventions are relevant if, and only if, they address needs that have been identified or ‘diagnosed’ beforehand, and when they are followed by transfer activities that allow employees to adapt newly acquired skills to their existing expertise in day-to-day activities.

To be relevant, training must then be attuned to businesses’ needs and contexts. Yet, in both workshops, people noted that too often training activities provided by institutions or consultants did not match businesses’ demands, or disregarded their constraints. A participant from Winnipeg noted: “employers do not want trainers from the outside to experiment with their businesses”. A colleague from Montreal talked about the risk of overlooking the reality of small businesses’ situations, which necessitate that they can ill afford to expend the time and resources required to train employees without directly affecting their production. To summarise, he spoke of “formation clef dans la porte” (literally: dead end training). Very often, small businesses cannot afford to temporarily ‘lose’ an employee to allow them to undertake a training session outside the business. They therefore favour trainers who offer services at the workplace.

In both regions, the training ecosystems are constantly growing and becoming diversified; yet SMEs all too often have limited knowledge of available resources. Such resources can provide excellent tools, and there are many different ones; yet they remain largely underutilised by businesses. A federal expert noted that 44% of Canadian businesses are isolated and have few to no links with their sector committees or councils. Moreover, one remarked that in-service training agents and institutional actors are unaware of actions taken by others (unless they are in competition with them). A participant from Montreal indicated: “Interveners’ efforts remain compartmentalised and therefore do not favour results. Interveners do not share a common strategy. (...) Businesses are exposed to offers of all sorts; they do not know which to choose”.

Many participants claim that SMEs need support in order to be aware of regional resources and to make decisions more judiciously. In that respect, training brokerage services are critically important. Few SMEs have fully dedicated HR services that could plan and organise consolidated training. Many participants also expressed the need for proximity based services, which could help small businesses deal with training providers.

Participants in both regions noted that new technologies are often underutilised for skill development purposes, as well as networking and developing useful exchanges with other businesses facing similar challenges.
4.3 REGIONAL STRATEGIES AND APPROACHES FAVOURING TRAINING AND SKILL DEVELOPMENT IN SMES

How, then, can we facilitate skill development to favour businesses’ usage of available resources within their region? What role should government agencies and labour market partners play?

First and foremost, actors must reach out to businesses: they should get closer to them, ensuring they are known by businesses, and in turn ensuring that they themselves know the businesses better, in order to provide training services that are more suited to the needs and challenges of organisations. A participant from Winnipeg put it thusly: “Rather than asking businesses what are their needs, why not explore the question together with them – i.e. help them identify objectives and evaluate the challenges they face? If we do not start from there, it is hard to properly identify needs”.

Although some institutional actors have difficulty providing businesses with ‘customised’ training services, some ground breaking initiatives are worth mentioning in both regions. In Winnipeg, Workplace Education Manitoba (WEM) and the consortia initiatives of the Canadian Manufacturers & Exporters (CME) were very often cited as examples of innovative practices. In Montreal, the role of the *mutuelles de formation* has been similarly underlined.

A participant from Quebec mentioned examples of sectors in which large businesses were invited to collaborate with SMEs related to their chain of production, *i.e.* sharing and relaying information, means, tools and know-how. Participants claimed that such proximity networks bring a mix of expertise and familiarity that may very well play a major role in helping SMEs reposition themselves towards external training offers and, more importantly, promote SMEs’ usage of external resources that would otherwise remain inaccessible (since they are not available from within the business).

A participant mentioned the example of a local employment centre (*Centre local de l’emploi*), which acted as a training incubator: “We have in our region micro and small enterprises that do not know where to go if they want to get training, and who lack the time and the financial resources required to deal with an institution”. They therefore created groups of trainers in various disciplines (computer sciences, accounting, etc.), who could provide customised training at the workplace. “Trainers must be flexible and know how to adapt to various sorts of needs. Regrettably, training is all too often presented to businesses as if they, the business, were demonstrating weaknesses”.

One may ask: would regional actors be more likely to participate in concerted efforts, would they subscribe to regional projects or objectives that could bring people together? This may have been the case, for example, in projects such as “Ville Apprenante - Learning city”, led by the PASCAL international network.

Aware that available resources are diversified and scattered, Winnipeg-based participants suggested that the creation of a ‘centralised desk’ or information centre (either virtual or physical) might be useful. Participants from both regions deplored compartmentalised ways of working. They looked forward to more concerted efforts involving, among others, institutional actors, sector committees, vocational training, and technical education agents. As a participant in Montreal noted: “Around our table, we had a mini ecosystem: people from an SME, a worker’s sector council, Emploi-Quebec, school boards, and colleges offering services to businesses. It became obvious that we had to meet more often: that way, people would be more aware of the services provided by the others, thereby avoiding redundancies and improving the co-ordination of actions”.

Participants from Montreal suggested that vocational and technical training arenas could benefit from a combined regrouping of sorts. “It would be much easier; people would work less in isolation, apart from...
each other”. In this way, training curriculums could be better harmonised across the technical and vocational fields, and organised learning paths could be developed.

Winnipeg-based participants stressed the importance of informal learning such as team building, mentoring/coaching, watch-and–learn methods, or peer to peer training, thereby recognising the need for such approaches within support for SMEs measures.

Finally, some participants proposed to launch a public campaign targeting businesses and employees as well as the general public, to raise awareness about in-service training.

CONCLUSION

Both workshops emphasised the increasing demand for training and skills development in SMEs, and its relevance for improving the competitiveness of the Canadian economy. However, many challenges were raised, including: the lack of concerted efforts; the importance of customised approaches that are better suited to the actual requirements of businesses; the need for more information and better communication; and the structural constraints and limitations SMEs face due to their size.

Equally, in both the Montreal and the Winnipeg workshops, participants insisted on the importance of seeing in-service skills development as an investment rather than an expense – an investment in innovation, in productivity, and in quality of life at the workplace. Training and learning were emphasised as being ‘developmental, not remedial’, inasmuch as they: develop employees’ internal flexibility; provide more equal opportunities; improve self-esteem and are therefore conducive to taking initiatives; increase employability; encourage a sense of loyalty; and more generally, improve the quality of life at the workplace. Moreover, they represent a convergent demand from all the parties involved in the business. Both workshops, therefore, determined that both public and private investments in training and skill development should be increased.

A second common theme from the workshops related to the approaches and strategies that could be applied at the regional level in order to facilitate training and skill development in SMEs: their need for proximity-based services. Within this subject area, we explored several group-based initiative or mechanism models.

Most strikingly, workshops in both regions emphasised emerging, alternative views on training. Skills development was seen as being part of a larger challenge for businesses having to reposition themselves within a market now expanding beyond provincial and national borders as well as for employees looking for ways to improve their work conditions and secure their ability to work.
CHAPTER 5. POLICY THEMES AND RECOMMENDATIONS

The first policy issue for increasing skills development in SMEs is to look at the internal requirements of the firms to help them maintain their position in the market. This inter-provincial study of skill development in Canadian SMEs, conducted in Montreal and Winnipeg, unearthed new information regarding the general situation of these enterprises, which increasingly require change and innovation in order to increase their productivity, and therefore to reposition themselves towards new competitors. In both regions, seven SMEs out of ten undertook at least one change within the previous year; according to OECD’s indicators, four out of ten could be considered highly innovative firms. However, without external support and mechanisms for sharing expertise, small businesses (1 to 49 employees) in particular will have serious difficulties meeting such challenges. The recommendation here is to develop alternative ways of skills development by fostering public-private partnerships to design and support knowledge sharing mechanisms where small and medium enterprises can discuss their innovations and the way they approach challenges and operations for their products and services. Knowledge sharing is an interactive activity, which itself constitutes an alternative and novel way to increase the capability of the firm, as well as providing problem-solving and other related skills to employees involved in these activities.

Second, involvement of employees in the training process (from assessment of needs to communication and implementation of activities, followed by their evaluation), accompanied by relevant skills development via informal activities, has been observed as being an efficient implementation mode for innovations, enabling businesses to meet their productivity requirements. This study found that participation in formal training as well as in KISA, is surprisingly high in such contexts. Similarly, case studies demonstrated a high degree of interest from SMEs towards participation in co-operative groups that can help them successfully implement and expand their innovations.

Third, enterprises should invest in employees at all levels in order to meet organisational challenges. In the context of introducing new techniques and modes of production throughout the organisation, the prevalent trend is to limit training activities to upper layers of qualified staff, even though innovation challenges result in much wider training needs. Less qualified employees, compared to highly qualified employees, need greater opportunities to acquire required skills and thus fulfil their role in these on-going changes.

Fourth, group based mechanisms should be encouraged for training and skills development in SMEs, to ensure a continuing skills development process within organisations. Due to their size, SMEs do not have the requisite internal resources to undertake skills development alone. The study shows that small businesses behave differently than medium or large firms in terms of training and skills development. Not surprisingly (since the existing literature shows that there is a link between the size of businesses and their training provisions), HR management indicators clearly distinguish medium-sized businesses (ME) from smaller ones (SE) in both regions. Even though SMEs are surrounded by a training ecosystem that is filled with available resources, particularly in the case of SEs, they need external support to assess their own local needs, to tap these regional resources, and to integrate the training initiatives within their internal context and requirements. The seminars organised in both regions confirmed that there is a structural need for long-term support to smaller businesses, such as training brokers, evaluation of needs, inter-learning innovation driven opportunities and exchanges between businesses. Case studies show that more concretely, two initiatives can serve as models in fulfilling these needs: Mutuelles de formation in Quebec and Consortia in Manitoba.
Fifth, encourage innovation and exporting activities as a strategy for skills development. Analysis of the impact of levy legislation shows how, in the Montreal urban region, learning and training activities in SMEs tend to be less intensive than in the Winnipeg urban region. The question raised is whether or not this could be related to the different policies involved. The Province of Quebec’s Skills Development Act requires all companies having a payroll over a certain level to invest the equivalent of 1% of their payroll on training, while, in Manitoba, the priority is focused instead on innovative and exporting SMEs. Firms in Quebec tend to monitor their learning activities more closely, and hence become more accountable, but training activities in Manitoba’s SMEs remain more numerous. An interesting discovery coming out of this study, and one which highlights the need for public support in this area, is the observation of a significant link between the implementation of innovations, and businesses exporting products outside Canada. Private investment in skills development seems to be triggered by innovation and exporting activities being part of firms’ business strategies.

Sixth, skill development activities need to be grounded in prior local needs assessments. The survey, the case studies and the workshops pinpoint that too often, general support is limited to direct training activities, making it difficult to ground such activities in the local context and thus ensure better return on investment. There is a growing consensus around the operating principle that, in order to generate the expected outcomes, investments in skills development and training activities must proceed through a proper evaluation of needs and of local contexts. Investments in training are ‘worth it’ if, and only if, an evaluation of the needs is carried out beforehand – through shared, collaborative processes leading to actions. In this way, training can be planned more consistently, in line with businesses’ strategies at a more general level.

Finally, governments should facilitate SMEs’ awareness of available training support. SMEs are not always aware of the range of training programmes and initiatives that are available to them. Facilitating ways for SMEs to access the information they need for workforce development can foster their participation in existing initiatives.

This study raises many more questions, and it appears clear that further applied research must be pursued. In Canada, inter-regional analysis should be extended to the whole country. In this way, the trends we observed could be confirmed and, more importantly, a broader array of scenarios regarding the ways in which SMEs react to contemporary challenges can be documented. Trans-national analyses of in-service training support to SMEs (i.e. of mechanisms, of policies, and of the existing regulations of in-service training markets) are also essential. Trans-national studies providing comparative analysis of training related to work should be conducted on a regular basis. For example, Eurostat periodical studies should be extended to a broader spectrum of industrial countries (at present, these are limited to European countries), this would allow for empirical monitoring based on well-known and reliable indicators.
REFERENCES


Martinez-Fernandez, C.; Miles, I. and Weyman,T., (2011), The Knowledge Economy at Work: skills and innovation in knowledge intensive service activities. Edgar Elgar: UK.


# ANNEX I: WORKSHOPS AGENDAS

## Skills Training and Development in Small and Medium-Sized Enterprises (SME)

Share your voice at the Roundtable Event

**Thursday, October 20, 2011**

Western Canada Aviation Museum  
958 Ferry Road, Winnipeg, Manitoba

### Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
</table>
| 8:00 a.m. | Registration  
Continental Breakfast                                                   |
| 8:30 a.m. | Welcome - Dave Martin, Minsters Advisory Council on Workforce Development (MACWD) |
| 8:40 a.m. | John Atherton, Human Resources Development Canada                         |
| 8:55 a.m. | Dr. Martinez/Paul Bélanger report on SME survey results                   |
| 9:55 a.m. | Break                                                                    |
| 10:05 a.m. | Roundtable discussions  
- Discussion groups will be by size of company; e.g., 1-10, 11-25, 26-50; 51-75; 76-100; 101-125; 126 and above: Rural; North  
- Each table will have 8 people; 7 SMEs, 1 Sector Council representative plus a facilitator and recorder  
- A template will be used to guide and capture results of discussion; these will be collated and provided to the MACWD for consideration in developing recommendations to the Minister of Entrepreneurship, Training and Trade |
| 12:00 p.m. | Lunch  
Tweets  
Museum tours                                                               |
| 1:15 p.m. | Reconvene roundtable discussions                                          |
| 2:15 p.m. | Break                                                                    |
| 2:30 p.m. | Plenary-moderated by Sandi Howell  
- Representatives from MACWD, education, consultants, Sector Councils will be invited to the plenary  
- Presentation from each of the breakout groups  
- Discussion; Q&A; Dr. Martinez and Paul Bélanger “weigh in”  
- Next steps  
- Tweets                                                   |
| 3:45 p.m. | Wrap up remarks - Dave Martin, MACWD                                      |
| 4:00 p.m. | Workshop ends                                                            |
ATELIERS

La formation et le développement des compétences dans les PME montréalaises

Université du Québec à Montréal (UQAM) - Canada

18 octobre 2011, 14:00-17:00
Centre Pierre-Péladeau – Salon Orange. 300 rue de Maisonneuve Est, Montréal H2L 4J5

Programme

Organisée par

Programme LEED pour le développement économique et la création d'emplois locaux de l'OCDE et la CPMT

Accueillie par

UQÀM

OCE.CIRDEP.UQÀM
Contexte

L’atelier-colloque de Montréal fait partie des activités du projet international Développement économique et création d’emplois locaux (LEED) de l’OCDE, projet réalisé en collaboration avec la Commission des Partenaires du marché du travail du Québec et des ministères, fédéral et québécois, responsables de l’emploi et du développement des ressources humaines.

Le projet porte sur l’analyse des PME dans une région particulière, en l’occurrence la région métropolitaine de Montréal. Le but est d’identifier les pratiques, mesures et dispositifs facilitant la formation et le développement des compétences et cela dans une perspective de promotion de l’innovation, de création d’emplois et de développement économique. Ce projet s’inscrit dans une étude internationale comparative avec d’autres régions, au Canada (Winnipeg, Manitoba), en Belgique, en Nouvelle-Zélande, en Pologne, aux Royaume-Unis et en Turquie.

Le projet vise à saisir la problématique de la formation et du développement des compétences, incluant les approches informelles d’inter-apprentissage et d’échange de connaissances au sein de chaque entreprise ou en contact avec d’autres organisations. Le but est également d’identifier les pratiques significatives tant au niveau de chaque PME qu’à celui de l’écosystème régional de formation, de manière à intensifier la formation structurée et informelle, à promouvoir l’innovation et, dans cette perspective, à soutenir le déploiement de stratégies intégrées à l’échelon local et régional.

Pour plus d’informations sur le Programme LEED, veuillez consulter : www.oecd.org/jfe/leed

ATTENTION : lieu de conférence: Université du Québec à Montréal (UQÀM), Canada : Centre Pierre-Péladeau : Salon Orange, 300 De Maisonneuve Est, Montréal.
18 octobre 2011

14:00-14:15 MOT DE BIENVENUE
Madame Marie Rendé Roy, sous-ministre associée, MESS, Gouvernement du Québec
Louis Beauséjour, sous-ministre adjoint délégué, Ressources humaines et Développement des compétences Canada

14:15-15:00 LA FORMATION ET LE DÉVELOPPEMENT DES COMPÉTENCES DANS LES PME MONTREALAISES
Présentation des données de l’étude québécoise
Sylvie Ann Hart, Sylvie Tousignant et Paul Bélanger, CIRDEP, OCE, UQAM
Commentaires, perspectives internationales
Cristina Martinez, Analyste Emplois, Compétences, Environnement, programme LEED, OCDE

15:00-16:30 DISCUSSION EN PETITS GROUPES
1. La montée de la demande de développement des compétences dans les PMEs.
2. Les pratiques, mesures et dispositifs facilitant le développement des compétences dans les PMEs.
3. Approches et stratégies intégrées à l’échelle régionale (écosystème).

16:30-17:00 DISCUSSION GÉNÉRALE

17:00-17:15 CLÔTURE
Jean Luc Trahan, Président Commission des partenaires du marché du travail, CPMT

Programme LEED pour le développement économique et la création d’emplois locaux de l’OCDE
Accueilli par l’Université du Québec à Montréal
ANNEX II – SURVEY PROTOCOL

SECTION 1 – ABOUT YOUR BUSINESS and EMPLOYEES

S.1. In which country is your business located?

[SINGLE RESPONSE]

Canada  [ ]
Other  [ ]

Q.1. To what extent you would say your job role is responsible for human resource issues, including overseeing training and skills development for staff? Is it...

[SINGLE RESPONSE]

- All of your role  [ ]
- A major part of your role  [ ]
- A minor part of your role  [ ]

Q.2. Are your products or services primarily sold...

[SINGLE RESPONSE]

- Locally / Regionally  [ ]
- Nationally  [ ]
- Internationally  [ ]
- Don’t know  [ ]

Q.3. How long has your business been in operation?

[SINGLE RESPONSE]

- less than 1 year  [ ]
- 1-4 years  [ ]
- 5-9 years  [ ]
- 10 years or more  [ ]

Q.4. What is the main sector your business operates in?

Q.4.1. And more specifically, which one of the following economic sectors does your business operate in?

[SINGLE RESPONSE]

A - Agriculture, hunting and forestry
   01 - Agriculture, hunting and related service activities
   02 - Forestry, logging and related service activities
B - Fishing
   05 - Fishing, aquaculture and service activities incidental to fishing
C - Mining and quarrying
   10 - Mining of coal and lignite; extraction of peat
   11 - Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying
   12 - Mining of uranium and thorium ores
   13 - Mining of metal ores
   14 - Other mining and quarrying
D - Manufacturing
   15 - Manufacture of food products and beverages
ANNEX II

LEVERAGING TRAINING AND SKILLS DEVELOPMENT IN SMES - AN ANALYSIS OF TWO CANADIAN URBAN régions, MONTREAL AND WINNIPEG © OECD 2012

16 - Manufacture of tobacco products
17 - Manufacture of textiles
18 - Manufacture of wearing apparel; dressing and dyeing of fur
19 - Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
20 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
21 - Manufacture of paper and paper products
22 - Publishing, printing and reproduction of recorded media
23 - Manufacture of coke, refined petroleum products and nuclear fuel
24 - Manufacture of chemicals and chemical products
25 - Manufacture of rubber and plastics products
26 - Manufacture of other non-metallic mineral products
27 - Manufacture of basic metals
28 - Manufacture of fabricated metal products, except machinery and equipment
29 - Manufacture of machinery and equipment n.e.c. ⁸
30 - Manufacture of office, accounting and computing machinery
31 - Manufacture of electrical machinery and apparatus n.e.c. ¹
32 - Manufacture of radio, television and communication equipment and apparatus
33 - Manufacture of medical, precision and optical instruments, watches and clocks
34 - Manufacture of motor vehicles, trailers and semi-trailers
35 - Manufacture of other transport equipment
36 - Manufacture of furniture; manufacturing n.e.c. ¹
37 - Recycling
E - Electricity, gas and water supply
40 - Electricity, gas, steam and hot water supply
41 - Collection, purification and distribution of water
F - Construction
45 - Construction
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
50 - Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
51 - Wholesale trade and commission trade, except of motor vehicles and motorcycles
52 - Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
H - Hotels and restaurants
55 - Hotels and restaurants
I - Transport, storage and communications
60 - Land transport; transport via pipelines
61 - Water transport
62 - Air transport
63 - Supporting and auxiliary transport activities; activities of travel agencies
64 - Post and telecommunications
J - Financial intermediation
65 - Financial intermediation, except insurance and pension funding
66 - Insurance and pension funding, except compulsory social security
67 - Activities auxiliary to financial intermediation
K - Real estate, renting and business activities
70 - Real estate activities
71 - Renting of machinery and equipment without operator and of personal and household goods
72 - Computer and related activities
73 - Research and development
74 - Other business activities
L - Public administration and defence; compulsory social security
75 - Public administration and defence; compulsory social security
M - Education
80 - Education
N - Health and social work
85 - Health and social work
O - Other community, social and personal service activities
90 - Sewage and refuse disposal, sanitation and similar activities
91 - Activities of membership organisations n.e.c. ¹
92 - Recreational, cultural and sporting activities
93 - Other service activities
P - Activities of private households as employers and undifferentiated production activities of private households
95 - Activities of private households as employers of domestic staff
96 - Undifferentiated goods-producing activities of private households for own use
97 - Undifferentiated service-producing activities of private households for own use
Q - Extraterritorial organisations and bodies
99 - Extraterritorial organisations and bodies

⁸ n.e.c. (not elsewhere classified).
Q.5. How many employees does your business have? (approximately)

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Employed…</th>
<th>Number of employees</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q.5.1. In total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>And of these, how many are…</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual or temporary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q.5.1. How many of your employees are apprentices/trainees? (approximately)

[SINGLE RESPONSE]

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q.6. How many of your staff are in each of the following occupations (approximately)?

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Managers and senior officials
Professional occupations
Associate professional and technical occupations
Skilled trades occupations
Personal service occupations
Sales and customer service occupations
Process, plant and machine operatives
Entry-level occupations

Q.7. How many of your staff are in the following age groups (approximately)?

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

less than 25 years old
25 to 49 years old
50 to 64 years old
65 years old and over

---

9 E.g. accountant, chemist, architect, engineer, economist.
10 E.g. associate technician, building associate.
11 E.g. electrician, carpenter, welder, sheet metal worker, instrument mechanic.
12 E.g. child-care worker, home care aides.
13 E.g. shop assistant, sales assistant.
14 E.g. process workers, van/fork-lift truck drivers, food processing machine operator.
15 E.g. labourers, cleaners, packers, security guards.
Q. 8. Has your business made changes in the past 12 months in terms of introducing:

[SINGLE RESPONSE PER LINE]
[IF ALL EQUAL “NO” OR “DON’T KNOW” THEN SKIP TO Q. 10.]

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Yes</th>
<th>No</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A new product/service (or a substantially changed product/service)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new way of producing an existing product/service (e.g. a new operational process)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to the way your firm does things such as a new or substantially changed accounting system or human resource management system (e.g. a new management process)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new technology or equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new product/service/operation due to climate change adaptation/regulation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q. 9. Would you consider these changes to be “incremental” (series of gradual or small changes over time) or “radical” (a onetime big change)?

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Incremental</th>
<th>Radical</th>
</tr>
</thead>
<tbody>
<tr>
<td>A new product/service (or a substantially changed product/service)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new way of producing an existing product/service (e.g. a new operational process)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to the way your firm does things such as a new or substantially changed accounting system or human resource management system (e.g. a new management process)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new technology or equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A new product/service/operation due to climate change adaptation/regulation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q. 10. Training plans

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Training plans</th>
<th>Yes</th>
<th>No</th>
<th>Not Applicable</th>
<th>Don’t Know</th>
<th>RULE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q. 10.1.</strong> Does your business have formal training¹⁶ and career development plans for employees (e.g. plans for career advancement and promotion)?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Q. 10.2.</strong> Does your business have an annual budget for training expenditure (e.g. formal/informal training; on/off the job; covering direct costs)?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

₆ Forḿal Training refers to learning that occurs in an organised and structured environment (e.g. in an education or training institution or on the job) and is explicitly designated as learning (in terms of objectives, time or resources). Formal learning is intentional from the learner’s point of view. It typically leads to validation and certification. Informal Training refers to learning resulting from daily activities related to work, family or leisure. It is not organised or structured in terms of objectives, time or learning support. Informal learning is in most cases unintentional from the learner’s perspective (CEDEFOP, 2008).
Q.10.3. What percentage of your total salary budget is this, for the current financial year?

Q.11. Over the last 12 months, have the following increased, stayed about the same or decreased at this business?

[SINGLE RESPONSE PER LINE]

- The number of staff employed at your establishment in total
- The number of young people aged under 24 recruited to their first job
- The number of apprentices and new trainees recruited by your establishment
- The proportion of employees provided with training
- Expenditure on training per employee
- The emphasis placed on informal learning instead of formal learning
- The proportion of your total training delivered by external providers
- The amount of formal training, leading to recognised qualifications, that your business supports

Q.12. Where do you think additional training is needed in your business (ongoing need or newly needed) over the next 12 months?

Definition: Value-chain is a linked set of activities within a supply chain, involving a number of businesses performing different activities of the process which actively add value to the end product.

[SINGLE RESPONSE PER LINE]

<table>
<thead>
<tr>
<th>Skills</th>
<th>High need</th>
<th>Some need</th>
<th>No need</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic – general IT user skills, oral communication, written communication, numeracy and literacy, office admin skills;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine – repetitive, more basic, low knowledge intensive skills;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical/Advanced – skills required for problem solving; design, operation, rethinking and maintenance of machinery or technological structures; IT professional skills;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management – skills for business planning, regulations and quality control, human resources planning (recruitment, training and skills development) and allocation of resources;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social – motivation and appreciation of people’s characteristics for individual and team working purposes, customer handling; appreciation of networks and value-chain partners;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language and cultural – ability to communicate in more than one language, appreciation of cultural characteristics of different ethnic groups;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial – specific skills for start-ups such as risk, strategic thinking, self-confidence, the ability to make the best of personal networks and the ability of dealing with challenges and requirements of different nature.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green – specific skills required to adjust your products, services or operations due to climate change adjustments, requirements or regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 2 – YOUR FIRM’S INDUSTRY TRAINING / VOCATIONAL EDUCATION AND TRAINING (VET) ACTIVITIES

Questions in this section refer to any industry and skills development training your business has supported or provided even if only to one employee during the past 12 months. The section also asks your opinion regarding the outcomes of the training and skills development.

Q.13. Did any of your employees participate in training in any of the following areas during the past 12 months?

[Single response per line.]
[If line equal “One-off…” or “Regularly…” then ask Q.13.1.]
[If all equal “Did not do” and/or “DK” then skip to Q.16.3.]

<table>
<thead>
<tr>
<th>Industry training / VET</th>
<th>Did not do</th>
<th>One-off (specific need)</th>
<th>Regularly (Weekly/monthly)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business planning (including management and leadership training)</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Research (including market research) and product development</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Accounting and finance</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information and Technology</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Human Resources</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Legal courses (IP, patents etc.)</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>E-Commerce</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Organisational Health and Safety</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Job-specific technical training</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Language courses</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Social skills development</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Entrepreneurship related training</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Green skills development</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Q.13.1. Which of this training was legally required?

[Single response per line.]
[Only ask line if equals “One-off…” or “Regularly…” in Q.13.]

<table>
<thead>
<tr>
<th>Industry training / VET</th>
<th>Legal requirement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business planning (including management and leadership training)</td>
<td>☐</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>☐</td>
</tr>
<tr>
<td>Research (including market research) and product development</td>
<td>☐</td>
</tr>
<tr>
<td>Accounting and finance</td>
<td>☐</td>
</tr>
<tr>
<td>Information and Technology</td>
<td>☐</td>
</tr>
<tr>
<td>Human Resources</td>
<td>☐</td>
</tr>
<tr>
<td>Legal courses (IP, patents etc.)</td>
<td>☐</td>
</tr>
<tr>
<td>E-Commerce</td>
<td>☐</td>
</tr>
<tr>
<td>Organisational Health and Safety</td>
<td>☐</td>
</tr>
<tr>
<td>Job-specific technical training</td>
<td>☐</td>
</tr>
<tr>
<td>Language courses</td>
<td>☐</td>
</tr>
</tbody>
</table>
Social skills development
Entrepreneurship related training
Green skills development
Other (please specify)

Q.14. How was the training provided?
   Mark as many as apply.
   Note: To continue survey, please ensure you also answer the "Other" question.

Q.15. What percentage of all your employees participated in training during the past 12 months (approximately)?
   High-skilled occupations: professionals, associate professionals, technical occupations.
   Medium-skilled: administrative, secretarial, skilled trades, personal services, sales and customer services.
   Low-skilled: routine process, plant and machine operators, entry-level occupations such as garbage collectors, food processing workers.

Q.15.1. And of these, what percentage were…
   High-medium skilled
   Low skilled

Q.15.2. And of those employees in training, what is the breakdown by age? (approximately)?
Q.16. In your opinion…

Q.16.1. Did your employees get any of the following outcomes from the training? Please differentiate between high-medium and low skilled.

[MULTIPLE RESPONSE PER LINE, EXCEPT FOR "NONE"].

<table>
<thead>
<tr>
<th>Outcomes for Employees</th>
<th>For High-medium skilled</th>
<th>For low skilled</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Generic skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Technical/Advanced</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Management skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Social skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Language/cultural skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Entrepreneurial skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Green skills</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other outcomes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment progression</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Higher wages</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Change job</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Q.16.2. Please indicate if you think the training undertaken by your business has led to the following outcomes.

Please differentiate between outcomes for the firm, for the industry sector and for the local area, if known.

[MULTIPLE RESPONSE PER LINE, EXCEPT FOR "DON’T KNOW".]

<table>
<thead>
<tr>
<th>Outcomes for Employers and collective</th>
<th>For business</th>
<th>For industry sector</th>
<th>For local area (e.g. radius of 20km)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased productivity</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Increased innovation</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Market positioning</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Increased competitiveness</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Upgraded skill levels</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Increased levels of education attainment</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Increased levels of trainers’ expertise</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Mitigation of climate change</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Q.17. Where there any training activities that you would have liked to have carried out but did not in the last 12 months?

[SINGLE RESPONSE.]

[IF “No”, skip to Section 3]
Q.17.1. What were the reason(s) that you did not carry out this training?
Please differentiate between medium-high and low skilled employees (mark as many as apply).

[Multiple response per line, except for "don’t know"].
[Ask if Q.17 equals “No”]

<table>
<thead>
<tr>
<th>Barriers to training</th>
<th>For High-medium skilled</th>
<th>For low skilled</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>High costs/too expensive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People recruited with skills needed (initial training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sufficient)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of public financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impossible to interrupt production/no time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficult to assess enterprise needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff not willing to participate in training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training is too difficult to implement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk of poaching after training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too difficult to identify suitable training providers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too difficult to access training (location; availability at a suitable time)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other barriers (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 3 – BUILDING YOUR EMPLOYEES’ SKILLS THROUGH OTHER WAYS

In the previous section you were asked about formal education and training at your firm. This section explores other activities\(^\text{17}\) that may increase the skills, knowledge or competencies of your employees in significant ways.

For example, employees may learn significant amounts through interactions with co-workers, suppliers, clients or consultants. Alternatively, projects internal to a firm to improve work processes (such as quality control and product development) might result in staff learning and development. In these situations, the skills, competencies or knowledge gained are not part of recognised education and training programmes that were explored in Section 2.

Q.18. In addition to any training activities that were mentioned previously, did your business carried out, in the past 12 months, any of the following activities which significantly increased the skills, competencies or knowledge of your employees? (Mark as many as apply)

\[\text{[SINGLE RESPONSE PER LINE.]}\]
\[\text{[IF LINE EQUAL “ONE-OFF…” OR “REGULARLY…” THEN ASK Q.19.]}\]
\[\text{[IF ALL EQUAL “DID NOT DO” AND/OR “DK” THEN SKIP TO SECTION 4.]}\]

<table>
<thead>
<tr>
<th>Activities</th>
<th>Did not do</th>
<th>One-off (specific need)</th>
<th>Regularly (Weekly / monthly)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business planning (including management and leadership services, consultancy and advice)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and promotion services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research (including market research) and product development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting and finance services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and Technology services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal advice and services (IP, patents etc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Commerce (e.g. on-line work with clients and suppliers; access to web-based information)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational Health and Safety advice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job-specific technical activities (e.g. advice on utilisation of new plant or equipment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language or communication coaching</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social skills development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship related activities (e.g. brainstorming about opening new markets or new range of products and services)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green skills development (e.g. cooperation with other organisations to find ways to adjust production to minimise climate change)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{17}\) These activities can be defined as informal learning resulting from daily activities related to work that are not organised in terms of objectives, time or learning support (CEDEFOP, 2004).
Q.19. Please indicate the importance of the following groups in the other activities your business did during the past 12 months?

[SINGLE RESPONSE PER LINE.]

<table>
<thead>
<tr>
<th>Participants in alternative interacting activities</th>
<th>Little importance</th>
<th>High importance</th>
<th>Not relevant</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-workers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Suppliers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Clients</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Business consultants</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Competitors</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>University researchers/consultants</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Firms from the same industry clusters</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Firms from value-chain 18</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Industry associations</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Government departments</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Informal networks</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Q.20. What percentage of all your employees participated in these types of activities during the past 12 months (approximately)?

- **High-skilled occupations**: professionals, associate professionals, technical occupations.
- **Medium-skilled**: administrative, secretarial, skilled trades, personal services, sales and customer services.
- **Low-skilled**: routine process, plant and machine operators, elementary occupations such as garbage collectors, food processing workers.

[SINGLE RESPONSE PER LINE.]

<table>
<thead>
<tr>
<th>Employees</th>
<th>%</th>
<th>Don’t Know</th>
</tr>
</thead>
</table>

Q.20.1. And of these, what percentage were…

- High-medium skilled
- Low skilled

Q.20.2. And of those employees who participated in skills development activities, what is the breakdown by age? (approximately)

[SINGLE RESPONSE PER LINE.]

<table>
<thead>
<tr>
<th>Age groups participating in training</th>
<th>%</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25 years old</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-49 years old</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-64 years old</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 years old and over</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

18 Value-chain: a linked set of activities within a supply chain, involving a number of businesses performing different activities of the process which actively add value to the end product.
Q.21. In your opinion, did your employees get any of the following outcomes from participating in these activities (in the short or long term)? Please differentiate between high-medium and low skilled employees.

[MULTIPLE RESPONSE PER LINE, EXCEPT FOR "NONE"].

<table>
<thead>
<tr>
<th>Outcomes for Employees</th>
<th>For high-medium skilled</th>
<th>For low skilled</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Generic skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Technical/Advanced</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Management skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Social skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Language/cultural</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Entrepreneurial skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Green skills</td>
<td>✓</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Other outcomes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment progression</td>
<td></td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Higher wages</td>
<td></td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Change job</td>
<td></td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>

Q.22. What do you think were the outcomes of using these activities for your business, the industry sector and the local area?

[MULTIPLE RESPONSE PER LINE, EXCEPT FOR "DON’T KNOW"].

<table>
<thead>
<tr>
<th>Outcomes for Employers and collective</th>
<th>For business</th>
<th>For industry sector</th>
<th>For local area (e.g. radius of 20km)</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market positioning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased competitiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upgraded skills levels</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased levels of education attainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased levels of trainers’ expertise in designated areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitigation of climate change/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contributing to the greening of the economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q.23. Do you consider any of the activities below to be better sources of learning for staff than formal education and training courses? Please differentiate between high-medium and low skilled employees.

[MULTIPLE RESPONSE PER LINE, EXCEPT FOR "DON’T KNOW"][M

<table>
<thead>
<tr>
<th>Activities</th>
<th>Better for staff who are...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For high-medium skilled</td>
</tr>
<tr>
<td>Business planning (including management and leadership services, consultancy and advice)</td>
<td>❑</td>
</tr>
<tr>
<td>Marketing and promotion services</td>
<td>❑</td>
</tr>
<tr>
<td>Research (including market research) and product development</td>
<td>❑</td>
</tr>
<tr>
<td>Accounting and finance services</td>
<td>❑</td>
</tr>
<tr>
<td>Information and Technology services</td>
<td>❑</td>
</tr>
<tr>
<td>Human Resource services</td>
<td>❑</td>
</tr>
<tr>
<td>Legal advice and services (IP, patents etc)</td>
<td>❑</td>
</tr>
<tr>
<td>E-Commerce (e.g. on-line work with clients and suppliers; access to web-based information)</td>
<td>❑</td>
</tr>
<tr>
<td>Organisational Health and Safety advice</td>
<td>❑</td>
</tr>
<tr>
<td>Job-specific technical activities (e.g. advice on utilisation of new plant or equipment)</td>
<td>❑</td>
</tr>
<tr>
<td>Language or communication coaching</td>
<td>❑</td>
</tr>
<tr>
<td>Social skills development</td>
<td>❑</td>
</tr>
<tr>
<td>Entrepreneurship related activities (e.g. brainstorming about opening new markets or new range of products and services)</td>
<td>❑</td>
</tr>
<tr>
<td>Green skills development (e.g. co-operation with other organisations to find ways to adjust production to minimise climate change impact)</td>
<td>❑</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>❑</td>
</tr>
</tbody>
</table>
Q.24. What are the reasons for your business to undertake training and skills development activities (industry vocational & educational training (VET) and/or other activities)? Please specify for “industry training” and “other activities”.

[MULTIPLE RESPONSE PER LINE.]

<table>
<thead>
<tr>
<th>Reasons for Training / skills development activities</th>
<th>Industry training /VET courses</th>
<th>Other activities that develop skills and competencies</th>
<th>Not Applicable</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Incentives/Government programmes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International (e.g. EU policies)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>National (country specific government programmes)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Regional (regional programmes)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Local (council / local government programmes)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Country regulations (e.g. training levies, training requirements)</td>
<td>❌</td>
<td>❌</td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td><strong>Private Incentives (including facilitation/promotion/information of training)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective agreements (trade unions)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Industry sector association services/activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Chambers of Commerce services/activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Industry clusters services/activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Value-chain firms’ activities¹⁹</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Business networks activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Local networks activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Foundations activities</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td><strong>In-house incentives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production needs</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Service requirements</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>New product / service development</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Adjustments to financial constraints</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Adjustments to climate change impacts</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Job/position adjustments</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Need to increase employee skills level</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>❌</td>
<td></td>
<td>❌</td>
<td></td>
</tr>
</tbody>
</table>

¹⁹ Value-chain: a linked set of activities within a supply chain, involving a number of businesses performing different activities of the process which actively add value to the end product.
Q.25. This question will help us to understand which key training and skills development organisations operate in your area of activity. Could you please cite the organisations with whom your firm/business associate with for training and skills development activities (industry training, vocational & educational training (VET) and/or other interactive activities)?

[Multiples response per line.]

<table>
<thead>
<tr>
<th>Group</th>
<th>Name of organisation/s</th>
<th>Industry training/VET activities</th>
<th>Other interactive activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Training Organisations / Sector Skills Councils</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Further education colleges</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Universities</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Trade Unions</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Business organisations</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Chambers of Commerce</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Firms from value-chain (suppliers, clients)</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Government departments</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Private Consultants and paid advisors</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Private training providers</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Local councils</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Local community organisation</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other parts of the same enterprise group (i.e. head office in a different location)</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other education providers (please specify…)</td>
<td></td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
Thank you for participating in this survey.

Your valuable responses will be used to identify ways to overcome the barriers to workforce development.

Individual responses will be kept confidential.

The overall outcomes of the study will become available at the OECD LEED Programme website www.oecd.org/cfe/leed.

Q.26. If you have any further comments, please leave them here.

[OPEN RESPONSE.]

Comments ____________________________________________

Q.27. If you wish to receive an electronic copy of the final report from this project, please confirm your email address:

Note: your address will only be used to forward an electronic copy (pdf) of the report.

[SINGLE RESPONSE.]

No, thank you. ☐

Your email ____________________________________________

Q.28. Would you agree to be contacted for a discussion about training and skills development in your business?

[SINGLE RESPONSE.]

[If “No” skip to END]

Yes ☐

No ☐

Q.29. If yes, please complete the following details so that we can contact you for further follow-up:

[MULTIPLE RESPONSE.]

Title ☐ Dr ☐ Mr ☐ Mrs ☐ Ms ☐ Prof

First name ____________________________________________

Last name ____________________________________________

Your telephone number +() ____________________________________________

Your email ____________________________________________

[Insert from Q.27 if given]

[END]

20 Note: your personal information will only be used in follow-up to this survey.
The leveraging training and skills development in SMEs project is an international effort to look at policy issues related to the:

- Low access to training in SMEs
- Barriers encountered by SMEs to training
- Formal and informal ways SMEs access knowledge that is relevant for their business operations.

The project examines how formal and alternative ways of training and skills development relate to specific outputs for the firm and employees, for the industry and for the local area where they are located. In particular the role of skills and training ecosystems at the local level is analyzed.

Participant countries: New Zealand, United Kingdom, Poland, Belgium (Flanders), Turkey & Canada. The project is supported by: the European Commission, DG Employment, Social Affairs and Equal Opportunities.