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## **Workplace training essential but not all workers have equal access**

**Ottawa** – Workplace training programs that develop human capital can make a significant contribution to the performance of individual firms, industries and the overall economy, according to the report *Developing Skills in the Canadian Workplace The Results of the Ekos Workplace Training Survey*, published today by Canadian Policy Research Networks (CPRN).

Authors Gordon Betcherman, Norm Leckie and Kathryn McMullen draw on the Ekos Workplace Training Survey, which collected quantitative and qualitative training data using a variety of data collection instruments.

“In a high-technology, knowledge-based economy, human capital is critical to success,” says Judith Maxwell, President of CPRN. “It is people, their skills and their knowledge that make the difference.”

While the report indicates that some firms’ training practices should help position them for success, others lag behind. About 70 percent of the 2,500 establishments surveyed, accounting for nearly 90 percent of all workers, reported undertaking some form of formal or informal training in the 12-month period before the survey. While most training was informal, some segments of the economy, such as large establishments, multi-establishment firms and the non-market service sector, including health and social services, invested more heavily in formal training. Formal training also occurred more in firms experiencing a lot of technological change and in those with “high-performance” human resource practices and a people-oriented management philosophy.

According to Gordon Betcherman, “For a number of reasons, the workplace appears to be the best place for people to get the training they need. Workplace training is more time- and cost-efficient, it is job-related, and it is accessible to employees who for personal reasons cannot take courses outside working hours.” Workplace training allows employees to apply and reinforce their newly acquired skills immediately. It often makes for a more effective learning experience and can provide the company with a quick return on its investment. Betcherman also notes that

“in terms of future employability, employers tend to recognize workplace training as more ‘real’ or ‘relevant’ than other forms of training.”

The report demonstrates that workers who receive training have significantly higher wages than their untrained colleagues. They also report such positive outcomes as increased self-confidence, better performance, greater job satisfaction and improved employability. On the establishment side, firms with training programs tend to enjoy higher revenues and productivity than non-trainers. This advantage is greatest for those with the strongest commitment to training.

Unfortunately, access to formal workplace training is very uneven. Small firms are less likely to provide training opportunities to their employees than large establishments, for example, and even in firms that offer training, not all employees benefit.

Differential access to workplace training also tends to widen the gap between those who have lots of education, skills, and opportunity and those who do not. Workers with a postsecondary education and in managerial, professional and technical positions receive more training than other workers. And self-employed individuals and workers in non-standard employment (part-time or temporary jobs), whose numbers are growing, do not have long-term permanent attachments to an employer and so, no access to workplace training. “We need to find ways to make training accessible to self-employed individuals and people in non-standard work,” says Gordon Betcherman.

This question of uneven access raises a number of social and economic concerns. Most importantly, it leads to polarization in the training market. For one segment of firms and workers, formal training is extensive and seems to be working well. For another, there is little sustained investment in human capital. This limits the ability of individuals to enhance their skills, employability, income and potential for income growth, and constrains the country’s economic growth in general.

“We are at risk of creating a labour pool of training haves and have-nots,” asserts Judith Maxwell. “If Canadian workers do not receive training, not only will these individuals lose opportunities for personal advancement, but the impact will extend throughout the economy. Quite simply, lack of worker training impedes the country’s economic growth.”

Betcherman, Leckie and McMullen conclude that there are two major issues that need to be addressed from a public policy perspective. First, they recommend that small firms develop networks to pool the costs and risks associated with training and improve their access to information about training opportunities. They see a role for governments in brokering such alliances and in providing necessary information.

Second, the authors identify ways that governments can improve training opportunities for non-standard and self-employed workers. To invest in their own skills development, these workers need better information about available training programs. And some need financial assistance. One way in which governments can share the risk with individuals who invest in their own skills upgrading is through income-contingent loans. Governments should also emphasize the significant positive outcomes of workplace training and encourage employers to take a second look at their human resource strategies. Successful firms put all their resources to the best possible use and that includes keeping their employees’ knowledge and skills up-to-date.

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