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EDUCATION**  
ROUNDTABLE



Innovative Work-Integrated Learning  
**Smarter Skills Solutions  
for Canada's SMEs**



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# Executive Summary

BHER and its partners have developed a suite of innovative work-integrated learning (WIL) programs that are short, flexible, and less resource-intensive than other WIL programs to meet the unique needs of Canada's small and medium enterprises (SMEs).

By offering lower-barrier innovative WIL options, BHER and its partners are helping SMEs overcome the resource, time, and risk challenges they face in participating in conventional WIL programs – and, in doing so, demonstrating to SMEs the value of deepening their WIL engagement.

Innovative WIL – including consulting, micro-placements, online projects and placements, incubator and start-up support placements, industry projects, competitions, and hackathons – provide students with valuable opportunities to develop professional skills and networks, and SMEs with a chance to benefit from students' knowledge and expertise, foster a new talent pool, and develop comfort and trust with WIL.

## THE BENEFITS OF WIL FOR SMES ARE SUBSTANTIAL<sup>1</sup>

- **75%** of surveyed employers said that WIL helped them gain new skills, ideas, and knowledge from students.
- **73%** reported a positive return on investment.
- **69%** said they were able to fill a skill gap through WIL.
- **66%** reported an increase in productivity.
- **35%** said they now offer more WIL opportunities than they had in the past – evidence that getting a taste of WIL leads to deeper engagement.

## THE BENEFITS FOR STUDENTS ARE ALSO IMPRESSIVE<sup>1</sup>

- **89%** of surveyed students said they feel optimistic about achieving success in the workforce after their WIL experience.
- **88%** feel they have the skills, knowledge and experience to support career goals.
- **86%** said that WIL helped them better prepare for the workforce.
- Additionally, the employer survey revealed that **31%** of SMEs hired a student after a WIL placement and another 24% plan to hire students from their WIL experience in the future.

When well-designed and supported by key partners, innovative WIL offers a valuable complement to the skills and WIL ecosystem and can be a helpful stepping stone to further engagement that benefits employers and students alike.

BHER's WIL partnerships offer innovative WIL alongside more conventional WIL placements so that employers have multiple student engagement options to choose from, and can gradually deepen their level of engagement as needed. For example, an employer may serve as a judge in a hackathon and then proceed to hire a student intern later. This report reviews the impact of BHER's WIL programming for Canadian SMEs.

<sup>1</sup> The dataset used for this report includes 343 completed survey results from a survey of employer beneficiaries of BHER's WIL program. The employer impacts reported here come from SMEs with between 1-499 employees that had access to both innovative WIL and more conventional WIL placements. It also includes survey results from student beneficiaries of BHER's innovative WIL opportunities specifically. We matched 11,014 student pre surveys with 6,026 student post surveys to create a matched dataset of 5,099 student pre and post innovative WIL surveys.



## Canada's SME Skills Challenge

For decades, Canada's employers have faced an uphill battle identifying, recruiting, and retaining the skilled talent they need to fill key roles in their organizations. Even when labour is abundant, finding people with the right skills requires significant effort. At the same time, new graduates and young workers face barriers to developing the professional skills that complement the knowledge and technical skills they acquire during formal education. Yet, while employers need skilled workers and workers need opportunities to develop professional skills in workplace settings, many employers are hesitant to take on new graduates with unproven track records.

BHER and its employer and educational partners have developed a robust and expansive ecosystem of work-integrated learning (WIL) that addresses this dilemma. WIL provides students with opportunities to gain real-world experience and employers with access to new talent and opportunities to assess their suitability for longer-term roles. In doing so, WIL dismantles some of the barriers employers face, ensuring they have a healthy pipeline of new, highly-skilled workers, while enabling students to secure good jobs in an increasingly competitive landscape. In 2020, 70% of the nearly 170,000 post-secondary graduates who participated in WIL said that it helped them to secure a job after graduation.<sup>2</sup>

2 2024. National Graduates Survey. *Statistics Canada*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710024902>

Still, conventional WIL models and practices like internships and co-ops are not suitable for all students and employers, notably organizations that face significant resource, time, and other constraints. While nearly half of graduates participate in WIL, more than half do not – in part because many firms find it too difficult to support placements. Small and medium-sized enterprises (SMEs), which make up more than 99% of all businesses in Canada, are especially hard-pressed.<sup>3</sup> Canada's economy runs on the efforts of SMEs, but these employers have fewer resources to engage in skills and talent development initiatives like WIL.

Consultations with over 620 of BHER's employer stakeholders reveal that SMEs face challenges related to:

- **Human resources.** Many SMEs report that they do not have adequate staff and training to recruit, onboard, mentor, and supervise WIL participants to ensure a mutually beneficial experience. Finding the right candidates requires coordination with multiple post-secondary institutions (PSIs), for example, which can be too time-consuming for SMEs with staffing constraints.
- **Financial resources.** Many SMEs lack the financial resources to pay students and effectively engage in WIL programs. While government funding supports WIL, regional variations in funding models and onerous application and reporting requirements limit their accessibility and usefulness to SMEs.
- **Program flexibility and alignment.** Conventional WIL programs, structured in accordance with PSI and government criteria, are often perceived by SMEs as too inflexible and not well-aligned with the way many SMEs operate.

In short, conventional WIL models require too large a commitment for many SMEs. Many have a strong interest in participating in WIL, but have difficulty working the return-on-investment calculation in a way that makes sense for their organizations. If we want more students and employers in Canada to experience the benefits of WIL, we need new models and strategies that address the needs and challenges facing SMEs.

With a suite of innovative WIL programs that get SMEs into WIL, BHER and its partners are providing just that.



3 2023. Key Small Business Statistics 2023. *Innovation, Science and Economic Development Canada*. Retrieved from: <https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2023#s1.1>

# Innovative WIL for a Dynamic Skills Ecosystem

BHER's innovative WIL programs are shorter, less resource-intensive, and more flexible opportunities that better align with the needs and challenges of SMEs, while ensuring that students' placements are high-quality and high-impact. By offering lower-barrier WIL options, BHER and its partners are helping to fill a gap in WIL placements generally and providing SMEs with a low-risk taste of WIL that can grow into more robust participation as their interest, comfort and needs evolve. Innovative WIL approaches include:

- 1 Consulting engagements** in which students work individually or in teams to offer consultancy services to employers. This approach relaxes some of the more formal employment terms, while offering students an experience that depends critically on responsiveness to an employer/client's needs and the development and use of professional skills.
- 2 Micro-placements.** Students work individually or in teams for short periods of two to ten days, with placements commonly occurring in start-ups and SMEs. This provides employers with lower-risk opportunities to work with new talent, while exposing students to the fast-paced nature of start-up and SME culture. By completing more than one micro-placement, students can develop a range of skills while also "test-driving" many potential employers before committing to a one for the long term.
- 3 Online projects or placements.** Often, SMEs that need talent and students who need employment and skills development opportunities are not in the same location. Using a variety of digital platforms, online projects and placements allow a broader range of SMEs to participate, while also giving students WIL opportunities without taking on the stress and costs of physically relocating.
- 4 Incubator and start-up support placements.** Students interested in entrepreneurship can participate in WIL that involves working with an

incubator and/or in a start-up workspace, engaging with a community of mentors, and accessing other entrepreneurship support. These WILs might focus on developing a student's own start-up business, or working on projects for various start-up businesses connected to the incubator or start-up space – many of which would find it hard to participate in conventional WIL models at this early stage of their business development.

- 5 Industry projects** provide course-based opportunities for students to work on specific organizational challenges submitted by an employer. Projects are relevant to both the course learning outcomes and the employer's needs. Employers get access to a low-cost, flexible option for engaging student talent and building their brand on campus at a lower time commitment than traditional placements.
- 6 Competitions, hackathons, and events** provide students with opportunities to work in teams to solve industry challenges, cooperatively or competitively. Co-designed with industry, these micro-experiences provide employers with a taste of working with students, and students with a chance to network with employers and demonstrate their skills working on challenges.

In all cases, innovative WIL provides valuable experiences for students and employers alike. While the engagements are short and involve lower commitment, students have opportunities to participate in more than one kind of innovative WIL and work with multiple employers, thereby broadening their networks and range of skills development experiences. For employers, innovative WIL addresses their concerns about resources, risk, and alignment, and helps them develop trust in WIL more generally which often leads to their engaging in higher-commitment conventional WIL programs down the road.

## WIL SPOTLIGHT: FUTURE LINK

Future Link was established by the Chamber of Commerce for Greater Moncton (CCGM) in 2020 to support local economic recovery from the COVID-19 pandemic. This innovative WIL program hires students from all four publicly-funded universities in New Brunswick to serve as Business Support Interns with chamber members across the province.

Working in teams, the students tackle specific business challenges over two to three weeks, and receive mentorship and guidance from a Future Link Program Coordinator and the local chamber. With program cycles running in the fall, winter, and summer, students have opportunities to work with four to eight local businesses throughout the year.

Building on the program's success, the CCGM launched a companion initiative in 2022: the Future Link Clan d'affaires program, a two-day case competition in partnership with the Collège Communautaire du Nouveau Brunswick that brings together students from different disciplines

to tackle real-world challenges presented by local businesses.

Shorter and more focused than traditional WIL, Future Link and Clan d'affaires provide employers with a low-barrier opportunity to work with students on business challenges and to connect with a pool of dynamic young talent. In follow-up surveys with participating employers, 82% said that students were somewhat or very successful in meeting their organizational needs, and 79% said they gained valuable skills, ideas, and knowledge from students.

Students also benefit by engaging with a number of potential employers and having opportunities to develop and showcase their skills. International students, whose employment networks tend to be much thinner than domestic students, are well served by the program and many remain in close contact with employers following participation in the program.

## DESIGNING FOR SUCCESS

Innovative WIL is evolving, with new models and better ways to deliver activities emerging in real-time. Experience to date has already revealed a number of core design principles and keys to success. Case studies (see pop-out boxes) illustrate how each of these principles work to ensure that innovative WIL delivers value to both students and SMEs who face barriers participating in conventional WIL models.

→ **Design for mutual benefit.** At the heart of all successful WIL initiatives, conventional and innovative, is delivering value to both the employer and the student. As case studies show, partners need to develop a shared vision that establishes expectations, mutual benefits, and articulates the value proposition for participants.

→ **Ensure open communication.** Successful partnerships require open communication among all participants. This may be especially critical with innovative WIL where the "right" way to do things is not set. Mechanisms that allow employers, students, educational partners, and other participants to provide constructive feedback, ensure that feedback is reviewed, and (where appropriate) acted upon, contribute to success.

→ **Share resources.** Students and SME face resource constraints and therefore rely on external partners – like BHER, educational institutions, governments and others – to help support innovative WIL. In some cases, employers pooling resources and jointly participating in WIL opportunities such as incubators and events can ease the challenge for all.

→ **Rely on intermediaries.** Successful innovative WIL depends on the efforts of intermediaries – like BHER – to develop and improve models, raise awareness, bring participants together, establish good communication, and support all participants

throughout the experience. WIL succeeds because intermediaries do what students and employers themselves lack the resources, information and time to do: enable meaningful connections.

## WIL SPOTLIGHT: WESTERN UNIVERSITY AND TECHALLIANCE OF SOUTHWESTERN ONTARIO

In 2021, BHER partnered with Western University and the TechAlliance of Southwestern Ontario, a local business accelerator, to address the low participation of Social Sciences, Humanities, and Arts (SSHA) students in WIL programs and to strengthen the talent pipeline in London's tech sector. Sixteen local tech companies identified challenges that aligned with the learning objectives of eight courses at Western University. Individually or in small teams, students were partnered with companies to work on solutions to challenges connected to course theory over two to ten weeks.

The program involves three touch points between students and industry partners: an initial meeting to discuss the challenge, a midpoint check-in at which students receive feedback from the company on their progress, and a final showcase and debrief session. Throughout the program, students receive support, coaching, and advice from their instructor, teaching assistants, and staff from Western's Morrisette Institute for Entrepreneurship. They also attend workshops on problem-solving, entrepreneurial thinking, and transferable skills, and have access to career development support as they navigate potential careers in the region's tech sector and beyond.

In its first iteration, the program supported 1,067 students – more than double the initial goal of 500. The students gained valuable work experience, developed professional and entrepreneurial skills, learned how to navigate career pathways, and formed relationships with prospective employers. In a post-program survey, 87% of students said they were highly satisfied with the program, and 88% said they felt optimistic about achieving success in the workforce. Local employers gained access to a low-cost, flexible approach to working with students and building their brands on campus. In addition to receiving valuable advice from SSHA students on business challenges, employers formed relationships with students who could be future employees.

The program's success was a result of many factors, including direct alignment of objectives among partners, strong relationships and communication among local tech companies and the SSHA faculty at Western University, and intermediary support from BHER.



## CONTINUOUS IMPROVEMENT

As innovative WIL evolves, opportunities to improve emerge. While flexible, shorter duration, and lower cost initiatives are appealing to many SMEs, students, firms, and educational institutions have identified persistent challenges that need to be addressed for innovative WIL to become a sustainable part of the ecosystem. According to BHER consultations with students, businesses, and post-secondary institutions involved with WIL, a few key barriers stand out:

- **Limited financial and human resources:** While lower cost and lower risk for firms, innovative WIL still requires some financial and human resource commitments. Post-secondary institutions and small businesses struggle to find resources needed to support and manage WIL programs given their existing workloads and financial priorities. Many students also face financial barriers – including income and housing insecurity – that can make participating in shorter duration and therefore lower overall compensation WIL programs challenging.
- **Reconciling business and educational priorities:** Innovative WIL offers more flexible and agile options for firms that want to take a lighter touch approach to engaging with students and post-secondary institutions. But that flexibility and agility can be in tension with academic schedules and requirements, learning outcomes, and curricula development. Reconciling the needs of business and educational programs will be an ongoing issue for innovative WIL.
- **Coordination:** Strong partnerships and collaboration between public and private sector stakeholders are critical, but differing priorities, incentives, timelines, and language can impair innovative WIL. BHER and its partners have made substantial progress managing these differences and coordinating resources and opportunities, but there is more work to do, especially when dealing with employers who are new to WIL.



# BHER's Impact on the Ecosystem

With the goal of providing every post-secondary student with a WIL opportunity before graduation and ensuring all employers have access to the skills they need to support innovation and growth, BHER has built an extensive network of partners across Canada who collectively offer the tools and resources needed to support success.

Currently, BHER has 41 WIL partnerships who collectively engage more than 6,000 employers and who have created more than 25,000 WIL experiences, generating substantial benefits for both employers and students. BHER's WIL partnerships offer employers multiple participation options, including opportunities for both conventional placements and innovative WIL. Employers, especially SMEs, benefit from how innovative WIL complements more conventional placement-based opportunities.<sup>4</sup>

## EXPANDING REACH BY DEMONSTRATING WIL VALUE TO EMPLOYERS

A large majority of surveyed employers<sup>5</sup> experienced positive outcomes from participating in BHER's WIL programs. These outcomes reflect how innovative and conventional WIL options work together to benefit SMEs.

- **75%** of surveyed SMEs said that participating in WIL helped them **gain new skills, ideas and knowledge from students**.
- **73%** reported a **positive return on investment from WIL**.
- **69%** said that they were able to **fill a skill gap** through WIL

- **66%** reported an **increase in their organizational productivity** as a result of BHER's WIL program.
- As a result, **63%** of SMEs who participated in BHER WIL programs said they had a **better understanding of the benefits of WIL**, and **35%** said that they now **offer more WIL opportunities** than they had in the past – evidence that getting a taste of WIL can lead to more engagement.

### SME OUTCOMES FOLLOWING BHER'S WIL PROGRAM

*Proportion of SMEs, BHER employer survey*



Gained new skills, ideas and knowledge from students



Experienced a positive return on investment from WIL



Helped to fill a skillgap



Improved access to qualified students and/or recent graduates



Increased organizational productivity

4 This figure includes WIL experience completed and in progress at the time of this report.

5 To capture the impact of BHER's WIL programs, partner organizations administer a standard survey to employers upon the completion of their WIL program. As of July 2024, 20 partners have collected a total of 474 employer responses, representing nearly 7.5% of all participating employers. 72% of responding firms were SMEs - including small businesses with 1 to 99 employees (59% of responses) and medium-sized employers with 100 to 499 employees (13% of responses). The employer impacts reported here are drawn from the SME responses (n=341).

## BHER'S IMPACT FOR STUDENTS

Students who participate in innovative WIL develop skills, expand professional networks, and gain valuable experience that help them in the job market and their careers. For many, innovative WIL leads directly to employment:

- **31%** of surveyed SMEs **hired a student after a WIL placement.**
- An additional **24%** of surveyed SMEs **plan to hire students from their WIL experience in the future.**
- SMEs who participate in WIL **engage with an average of 18 students** – ensuring opportunities for many graduates.

In a survey of 6,026 students who completed innovative WIL programs offered by BHER:

- **89%** reported feeling **optimistic about achieving success in the workforce;**

- **88%** reported having the **skills, knowledge, and experience to work towards their career goals;** and
- **86%** believed that participating in a work-integrated learning opportunity **helped them better prepare for the workforce.**

### STUDENT OUTCOMES FOLLOWING BHER'S WIL PROGRAM

*Proportion of students, BHER student survey*

**89%**

I am optimistic about achieving success in the workforce.

**88%**

I have the skills, knowledge, and experience to work towards my career goals.

**86%**

Participating in WIL helped me better prepare for the workforce.



## STRENGTHENING THE WIL AND SKILLS ECOSYSTEM

BHER's WIL programs also build and strengthen relationships among SMEs and post-secondary institutions, paving the way to more and better opportunities for students and employers alike.

- **83%** of surveyed SMEs report that their involvement in the WIL program **strengthened their partnership with a post-secondary institution**.
- **77%** of employers said that the program helped them **establish new connections with post-secondary institutions**.
- **77%** said that, after the program, they find it **easier to work with post-secondary institutions**.

### SMEs REPORT STRONGER CONNECTIONS WITH PSIS AFTER BHER WIL PROGRAM

*Proportion of SMEs, BHER employer survey*

**83%**

Partnerships with PSIs are stronger

**77%**

Established new connections with PSIs

**77%**

It is now easier to work with PSIs

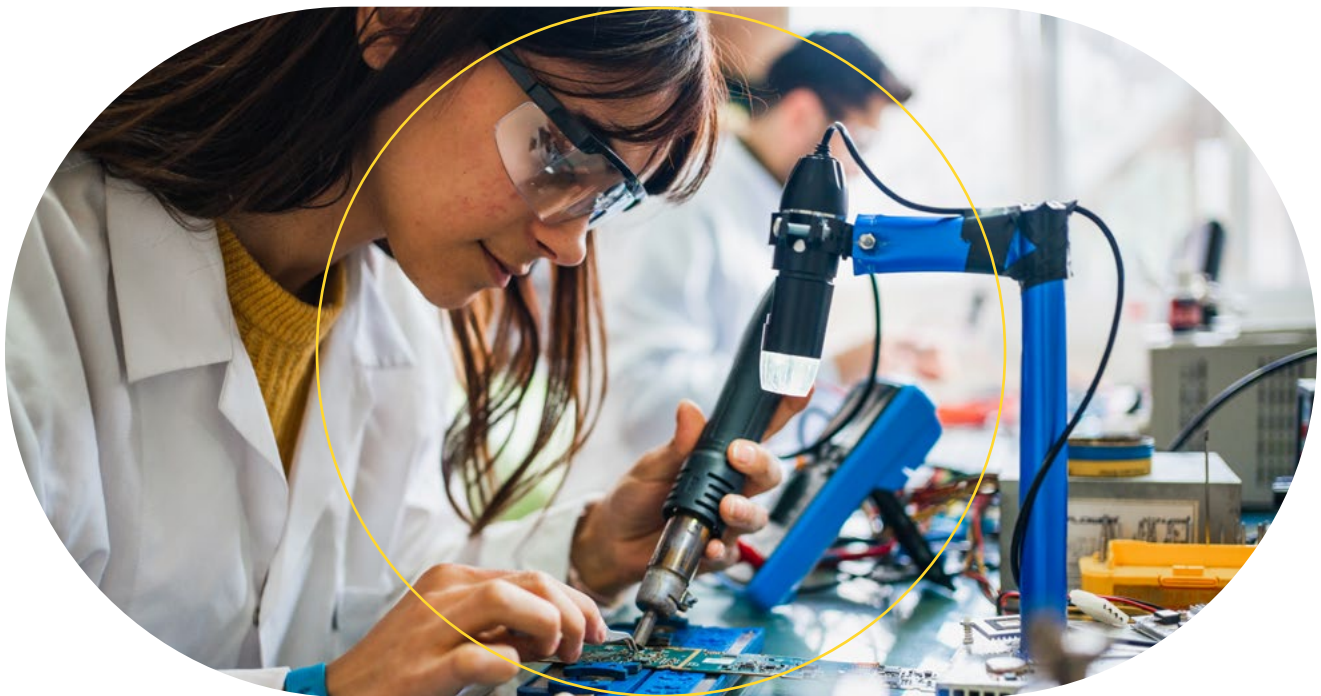


# Innovative WIL for an Innovative Economy

As the survey results and case studies show, BHER's innovative WIL initiatives are generating notable positive outcomes for employers, students, and the skills ecosystem more broadly. By evolving flexible, lower-cost, and lower-risk WIL opportunities, BHER and its partners are helping SMEs overcome many of the barriers they face to participating in conventional WIL programs.

Moreover, by delivering high-quality innovative WIL experiences alongside conventional WIL placements, BHER and its partners are building trust with SMEs and prompting them to engage even more substantially in the WIL ecosystem. In the long run, this generates more opportunities for skill development, contributes to better organizational performance, and opens more robust pathways to talent recruitment.

In an economy with lagging innovation and productivity, as well as persistent misalignment between the skills employers need and those that workers can demonstrate through experience, BHER's innovative WIL programs are needed in the ecosystem. When they serve as a first step towards deeper engagement in WIL among SMEs, i.e. by making WIL more accessible to SMEs, they have the potential to spur a significant shift in the innovation and skills fortunes of Canada's economy.



## BHER is Building Innovative WIL Today...

BHER is working with partners across Canada to scale up innovative WIL opportunities for SMEs. We developed our current partnerships through a request for proposals (RFP) to advance novel WIL-based solutions that help Canadian SMEs access and develop talent. Through our RFP and strategic outreach, we have made connections with SMEs across diverse sectors, such as a collaboration with the Automotive Parts Manufacturers' Association (APMA) to support SMEs in zero-emission vehicle manufacturing, a partnership with Work in Culture to support small businesses in the arts and culture sector, and many more.

We are responsive to the opportunities for continuous improvement identified in this report. Our current partnerships include a focus on strengthening resourcing for innovative WIL and improving communication and coordination between post-secondary and private sector needs. One example is our collaboration with McMaster University and the Casualty Actuarial Society to scale up an industry-aligned WIL program that provides students with the opportunity to solve real-world problems with data submitted by insurance companies. Another example is our recent consortium partnerships with Calgary Economic Development and the Hamilton Chamber of Commerce, which bring together multiple industry and education partners to improve the coordination of WIL services for SMEs in Calgary and Hamilton, respectively.

These partnerships are delivering real innovation and productivity benefits while strengthening relationships between PSIs and SMEs, as proven in the following testimonials from small business employers:

“

I'm impressed! These students possess immense potential to make a tangible difference in advancing clean energy solutions and shaping a more sustainable future with their passion and innovative mindsets.”

“

TechAlliance did a really good job and the university did a really good job with their point person, stewarding the relationship so that when [the instructor] and I were brought in, it was really time efficient.”

“

Students have such diverse skills and backgrounds. For a one-person business, it can be so helpful to access skills that I don't have to accomplish a shared goal.”

## ...and BHER is Scaling Innovative WIL for Tomorrow

BHER will build on the success of our innovative WIL programming in the years ahead and continue to deliver high-quality WILs where they're needed most. Our plan for what's next includes:

**Creating and scaling WIL** by leveraging new and existing partnerships to develop new WIL experiences that align with Canada's labour market and innovation needs. We will make student talent more accessible for more businesses by reducing the costs and participation risks for employers, especially SMEs, through innovative WIL. For students, this means more pathways to in-demand jobs in growing sectors, more ways to develop relevant skills and experience, and more inclusive opportunities for equity-deserving groups.

**Strengthening the WIL ecosystem** by drawing on BHER's extensive network of members and partners to engage more employers, including SMEs. We'll foster regional collaboration and coordinate support services that businesses need to improve their capacity for WIL.

Not only will this benefit businesses and students, the streamlining of recruitment and retention and the savings on training costs will also mean big gains for the economy overall.

BHER is a non-profit, member-based organization that brings together leading companies and post-secondary institutions to create opportunities for young Canadians, foster innovation, and promote collaboration. Since 2019, we have run a federally funded WIL program that prepares students for school-to-work transitions and makes it easier for employers to collaborate with PSIs on shared skills and research priorities.

Our goal is to scale and create resilient and sustainable WIL ecosystems across Canada where employers of all sizes have access to the support and talent they need to grow their business and contribute to a healthy and inclusive economy. To date, we have created more than 65,000 WIL experiences for students across Canada.

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