



Report summary

**Skill Gaps and the Strategies Used by
Employers to Mitigate Their Effects**

2026



Report summary: Skill Gaps and the Strategies Used by Employers to Mitigate Their Effects

Large print, braille, MP3 (audio), e-text and DAISY formats are available on demand by [ordering online](#) or calling 1 800 O-Canada (1-800-622-6232). If you use a teletypewriter (TTY), call 1-800-926-9105.

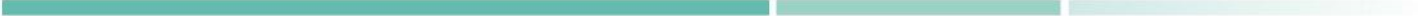
© His Majesty the King in Right of Canada, 2026

For information regarding reproduction rights: droitdauteur.copyright@HRSDC-RHDCC.gc.ca.

PDF

Cat. Em20-244/2026E-PDF

ISBN 978-1-100-00015-2



Official title: Gaps and the Strategies Used by Employers to Mitigate Their Effects

Author of the report: Andrew Ogilvie

Why this study

Canadian businesses are facing challenges finding workers with the right skills. When employees don't have the skills they need, it can increase costs and limit output. This study shows where these skill gaps are, what skills are missing, and what employers are doing to fix the problem. Knowing this helps governments and businesses plan better for the future.

What we did

We used data from the Survey of Employers on Workers' Skills (SEWS). This survey asked over 9,300 private-sector businesses across Canada about their workforce in 2021. We looked at:

- how many businesses have employees with skill gaps
- which skills need the most improvement
- the impact of skill gaps on businesses
- what strategies employers use to address these gaps

What we found

Skill gaps are common. More than half of businesses said some employees need better skills. About 1 in 4 businesses (26%) said at least 20% of their workers have skill gaps.

The industries most likely to have skill gaps were:

- accommodation and food services
- retail
- manufacturing, and
- construction

The most common skill gaps were:

- technical or job-specific skills (57%)
- problem solving (49%)
- critical thinking (36%), and
- customer service (35%)

Due to skill gaps, businesses were most likely to:

- 
- report higher operating costs (39%), and
 - heavier workloads for other staff (39%)

To deal with skill gaps, most businesses with notable skill gaps provide:

- training (60%)
- feedback (51%), and
- mentoring (48%)

Many also:

- hire new staff (42%), or
- change work practices (34%)

What it means

Skill gaps are a serious issue for Canadian businesses. This especially impacts sectors with many new hires. Governments can help by supporting training and lifelong learning. Addressing these gaps will make businesses more competitive. This will also help workers succeed in a changing economy.

Contact us

For access to the full report, please contact us using the email address below.

Strategic and Service Policy Branch, Economic Policy Directorate, Labour Market and Skills Research Division

Email: esdc.nc.sspb.research-recherche.dgpss.cn.edsc@esdc-edsc.gc.ca