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AI Readiness: Building the Bridge from Higher Education to Work in Canada

How institutions and employers can reduce friction and deliver AI-ready graduates

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Contents

03 Foreword

04 Introduction

05 **Chapter 1:** Reframing AI readiness: from access to capability

08 **Chapter 2:** From experimentation to institutional transformation

12 **Chapter 3:** Building the bridge from both ends

18 **Conclusion:** Proving AI readiness

19 Supporting information

Foreword

The transition from higher education to the workforce is one of the most consequential moments in a learner's journey. It shapes individual opportunity and, collectively, Canada's capacity to adapt and compete. Artificial intelligence is now changing the nature of work at a remarkable speed, while universities, colleges, and polytechnics are being asked to prepare graduates for roles, tools, and expectations that will continue to evolve.

This research builds on a global collaboration between Pearson and Amazon Web Services (AWS), bringing together complementary perspectives on learning and work. Pearson contributes decades of experience in learning science, curriculum, assessment, and credentials. AWS contributes direct insight into how AI is being adopted inside organizations and the capabilities people need to use it effectively. Together, the work asks a simple but important question: what does it take to prepare graduates to thrive alongside intelligent systems?

Canada enters this moment with real strengths: a globally recognized AI research ecosystem, respected postsecondary institutions, and a strong tradition of work-integrated learning. But strength in the system does not automatically translate into readiness for every learner. The Canadian research assembled for this report points to a practical challenge: how to move from AI ambition and experimentation to coherent learning, authentic application, and capabilities graduates can demonstrate in the workplace.

That means looking beyond access to tools. AI-ready graduates need the fluency to keep learning as technologies change, the judgment to know when to use AI and when not to, the ability to challenge and verify its outputs, and the communication and adaptability to apply those capabilities in context. Building that readiness will require faculty support, thoughtful assessment, meaningful workplace experience, and stronger feedback loops between educators and employers.

Canada can pair innovation with responsibility: experiment with purpose, learn quickly, measure what works, and scale approaches that create real value for learners and employers. This report is an invitation to build that bridge together, and to make AI readiness something graduates can prove rather than simply something institutions can promise.

Jessica Biga-Wadstein
Country Head, Pearson Canada

Reduce friction. Build the bridge.

AI readiness is not owned by higher education or industry alone.
It is built — or broken — in the transition between them.

Read the full report: **pearson.com/ai-readiness**

Introduction

The relationship between higher education and the workforce has long rested on a practical promise: learning should prepare graduates to contribute beyond the classroom. Artificial intelligence is changing the terms of that promise. As AI becomes embedded in more workplace tasks and decisions, institutions are being asked to prepare learners to use new tools, exercise judgment, adapt as those tools evolve, and apply knowledge in settings where information is imperfect and outcomes matter. The central question is how education turns AI use into lasting capability. In this report, AI readiness means the human capability to work effectively alongside intelligent systems: an integration of functional AI proficiency, strategic intelligence, ethical stewardship, and critical human skills such as adaptability, communication, and judgment.[1]

Canada brings unusual strengths to this challenge. In 2017, it became the first country to launch a national AI strategy,[2] and its research ecosystem is anchored by nationally supported institutes including Amii, Mila, and the Vector Institute.[3] At the same time, workplace adoption is accelerating. Statistics Canada reports that 19.2% of Canadian businesses used AI to produce goods or deliver services in the 12 months preceding the second quarter of 2026, three times the share reported two years earlier.[4] Yet adoption remains uneven across sectors and organizations, so graduates are entering a labour market in which expectations are changing at different speeds and in different ways.

Employer research also points beyond technical specialization. Recent Canadian research from the Business + Higher Education Roundtable and Amii found that AI adoption remains uneven and often experimental, while employers increasingly value a hybrid skillset combining foundational technical and non-technical skills, with higher-order human skills at the forefront.[5] The tools students learn today will change. More enduring are the abilities to frame problems, evaluate AI-generated outputs, communicate effectively, adapt to unfamiliar contexts, and remain accountable for work produced with AI.

Institutions need room to test new approaches, but isolated pilots and tool access alone do not create readiness. Learners also need opportunities to use AI in messier settings, where problems are ambiguous, information is incomplete, and outputs must be verified. For Canada, the practical task is conversion: turning strong institutions, growing AI use, and experimentation into learning that carries into work. This report builds on Pearson and AWS's global AI Readiness research and its six-point Friction Framework: Pace, Connection, Capability, Governance, Experience, and Skills.[1] It combines Canadian secondary evidence with perspectives from higher education, industry, and the AI ecosystem to examine how the education-to-work bridge is evolving, where friction persists, and what comes next. Canada was not included in the original six-market quantitative survey, so the Canadian analysis is led by qualitative evidence and is not intended as a comparable market score. It is written for higher education leaders and employers building that bridge together.

Chapter 1: Reframing AI readiness: from access to capability

Canada's AI readiness moment

> **"We've talked a lot about the need for AI fluency rather than just literacy, particularly with something that's moving as fast as AI … the need to be able to relearn over very short time scales. You think about students who are starting a degree now: the skills that they need when they graduate in four years are not going to be the same skills as graduates need today."**

Simon Bates | Vice-Provost and Associate Vice-President, Teaching and Learning | University of British Columbia

Canada's AI readiness challenge is entering a new phase. The country has spent nearly a decade building research capacity, attracting talent, and creating a nationally recognized AI ecosystem. The question now is one of diffusion: how quickly that strength can become productive, responsible AI use across organizations, and how well graduates are prepared to contribute within them.

The workplace signal is already moving. Statistics Canada shows business AI use rising sharply since 2024, while separate 2026 measures show planned adoption and worker use continuing to increase.[4][6][7] Among workers aged 15 to 69, reported generative AI use reached 65.6% in professional, scientific and technical services, 59.2% in finance, insurance, real estate, rental and leasing, and 53.0% in educational services.[7]

This acceleration is uneven. AI adoption varies substantially by sector, organization size, role, and use case. Recent research from the Business + Higher Education Roundtable and Amii, based on a scan of 49 organizations and interviews with 21 Canadian employers, found that adoption remained largely experimental. Its central finding is particularly relevant to higher education: AI is changing what organizations expect workers to do, including identifying useful applications, integrating tools into workflows, evaluating outputs, and delivering results.[5]

For postsecondary institutions, this creates a moving target. Students will encounter AI whether or not it is formally embedded in every program. Tool access and isolated experimentation are useful starting points; readiness depends on what graduates can actually do with AI, where they develop those abilities, and how institutions verify them.

The distinction between AI literacy and AI fluency matters because the technologies graduates use today will continue to change. Canadian postsecondary education must prepare graduates for continued learning rather than a fixed toolset: people who can recognize where AI adds value, use it responsibly, and exercise judgment as the technology, workplace, or problem changes.

Evidence of rising AI use in Canada

19.2%	of businesses used AI to produce goods or deliver services in the preceding 12 months, Q2 2026.[4]
25.2%	of businesses planned to use AI over the following 12 months, Q3 2026.[6]
35.9%	of Canadian workers aged 15 to 69 reported using generative AI at work in the previous 12 months, March 2026.[7]

What makes an AI-ready graduate?

As AI becomes a cross-cutting capability across occupations and sectors, readiness requires more than technical specialization. The global Pearson and AWS AI Readiness research defines the AI-ready graduate through four domains that reinforce one another: Functional AI Proficiency, Strategic Intelligence, Ethical Stewardship, and Critical Human Skills.[1] Together, they describe a graduate who can use AI, understand where it creates value and risk, evaluate its outputs, and bring the human skills required to direct its use.

1. Functional AI Proficiency

AI-ready graduates need a practical working knowledge of the tools they will encounter: how to instruct them, how they work at a useful level, and how to apply them inside professional workflows. Because specific platforms, interfaces, and prompting practices will change, functional proficiency should be understood as fluency rather than static tool mastery. The more durable capability is the ability to learn and relearn as those tools evolve.

2. Strategic Intelligence

Proficiency becomes readiness when graduates can decide where AI should be used and where it should not. This means framing a problem before selecting a tool, understanding how AI affects a particular industry or workflow, and judging whether an application creates meaningful value rather than simply faster task completion. Strategic intelligence moves a graduate from using AI to applying it purposefully in context.

3. Ethical Stewardship

AI-ready graduates must be able to evaluate and verify outputs, recognize limitations and bias, protect data and privacy, and understand the consequences of AI-assisted decisions. Professional accountability remains human. Knowing that AI can be wrong is only the starting point; graduates need the judgment and discipline to determine when an output can be trusted, when it must be challenged, and when a decision should remain human-led.

4. Critical Human Skills

The growing capability of AI increases rather than diminishes the value of adaptability, communication, creativity, collaboration, and complex problem-solving. The Future Skills Centre similarly argues that technical expertise and AI fluency increasingly need to be paired with communication, collaboration, critical thinking, adaptability, and problem-solving as AI reshapes work.[8]

Each domain falls short without the others. A technically fluent graduate without judgment can use a tool but may not know when to trust it. A strong critical thinker without functional proficiency may understand a problem but struggle to work effectively alongside intelligent systems. An ethical user who cannot adapt may quickly be constrained as the technology changes. Readiness increasingly depends on knowing when to delegate to AI, when to challenge it, and when human judgment must remain primary. The result is a graduate who can combine technology, context, judgment, and human skill in practice.

The distance between classroom and workplace

The defining test of AI readiness comes when capability meets context. Students can have access to AI tools, use them frequently, and still be underprepared for the conditions in which those tools will be used at work. Across the six markets in our global research, employers most often pointed to a lack of hands-on experience with workplace AI tools (42%) and the gap between academic knowledge and workplace application (41%) as barriers to hiring or developing graduates for AI-enabled roles.[1]

Canadian workforce discussion points in the same direction. Future Skills Centre analysis emphasizes that AI is reshaping the tasks people perform more than simply eliminating occupations, and that employers increasingly value workers who combine AI literacy with human-centred skills such as communication, judgment, adaptability, creativity, and problem-solving.[9] For graduates, the test is whether they can use AI when the problem, information, and consequences are less controlled than they are in a classroom exercise.

In complex enterprise environments, information may be inconsistent, incomplete, duplicated, or differently interpreted across teams. AI can have access to large volumes of information without inherently knowing which source is most relevant or reliable for a particular business context. In professional settings, appropriate AI use therefore depends on the industry, the workflow, the quality of the underlying information, and the consequences of being wrong.

Authentic AI practice means learning to work through ambiguity, competing information, domain constraints, collaboration, verification, and accountability. The learner has to decide what matters, where AI can contribute, how its output should be evaluated, and what responsibility remains with them. This is where the four domains of AI readiness come together in practice.

Higher education cannot recreate every workplace, nor should it try. It can, however, bring more real-world conditions into learning through employer-informed projects, realistic simulations, applied research, client-based assignments, co-op, internships, and other forms of work-integrated learning.

For Canada, the distance to close is between access and application: between experimentation and evidence, and between producing an AI-assisted output and being able to judge, explain, and take responsibility for it. Many learners will encounter AI regardless of whether it is formally embedded in their programs; the harder task is ensuring that use develops into demonstrable judgment.

That leads to a program-level question: Where, across a program, will graduates develop and prove these capabilities?

From exposure	To authentic application
Defined task	Ambiguous problem
Curated information	Imperfect or competing information
General application	Industry-specific context
Output creation	Output evaluation and verification
Limited consequence	Real accountability

Chapter 2: From experimentation to institutional transformation

From pilots to programs

> **“Experimenting and leaving it to individual faculty members to determine how, where, or if these tools have a place in their courses is probably still necessary, but not sufficient. What we actually need is much more of a curricular or programmatic review.”**

Simon Bates | Vice-Provost and Associate Vice-President, Teaching and Learning | University of British Columbia

Experimentation has been a necessary first response to generative AI. Across Canadian postsecondary education, institutions and faculty have tested tools, developed guidance, launched pilots, and explored how AI might support teaching, learning, research, and administration. These efforts have helped institutions learn quickly in an environment where both the technology and its implications continue to change. The harder question is what institutions do with what they learn.

Recent Canadian evidence shows that the sector is still negotiating fundamental questions about where and how AI belongs in learning. The Canadian Digital Learning Research Association (CDLRA) 2025 Emerging Technologies Survey included 178 respondents from 91 institutions spanning every province and one territory, including administrators, teaching-and-learning leaders, instructional designers and educational developers, institutional researchers, and student-support and educational-technology staff. In that survey, 87% agreed to some extent that generative AI would become a normal part of education within a few years, while 84% agreed to some extent that it would make teaching more challenging.[10]

Among respondents who had taught in the previous 12 months, 42% said they encouraged student use of GenAI tools, 28% said they did not, and 30% selected “other,” often describing context-dependent use with guardrails or guidance.[10] Variation across disciplines is therefore expected. The role of AI in computer science may differ considerably from its role in nursing, engineering, history, or literature. Institutional transformation requires a shared understanding of what graduates should be able to do, followed by decisions about where those abilities should be developed, practiced, protected, and assessed.

The shift is from isolated experimentation toward program-level alignment. An individual pilot may reveal what works; its value grows when the learning informs curriculum, assessment, faculty support, and investment. Licences purchased, pilots launched, and tools made available are easy to count, but readiness depends on outcomes. Institutions still need to ask: Who is this intended to benefit? What should change? How will we know whether it did? The objective is programmatic coherence: graduates develop the expected capabilities, with disciplinary expertise and faculty judgment preserved.

From pilot to program: 5 questions

1. **Explore:** What are we testing, and why?
2. **Define outcomes:** What should graduates be able to do?
3. **Align:** Where do curriculum, assessment, and support line up?
4. **Evaluate:** What does the evidence show?
5. **Decide:** Scale, revise, or stop.

Faculty capability as institutional infrastructure

Institutions cannot turn AI strategy into graduate readiness without educators who can make purposeful decisions about teaching and learning. The global AI Readiness research identifies faculty capability as one of the most persistent barriers to graduate readiness: across the six surveyed markets, only 13% of higher education leaders described it as very strong, while 40% characterized it as mixed.[1] Canadian research similarly points to a complex implementation environment as educators adapt to rapidly changing tools and expectations.[10]

Faculty capability is often framed too narrowly as a training problem. Operating a particular tool is the easier part. The harder questions are pedagogical: Should AI be used here? What learning outcome does it advance? What should remain independently human? How should student learning be demonstrated?

Effective integration depends on more than individual expertise. Educators need safe environments in which to experiment, pedagogical support to redesign learning, technical capacity when an idea requires development, and opportunities to learn from peers within and beyond their discipline.

Practice in action: building capability around educators

At the University of British Columbia, the Learning Technology Innovation Centre combines innovation and software-development capacity with teaching-and-learning expertise. Faculty can begin with a pedagogical need, centred on what they want students to be able to do, rather than a technical specification. Technical teams can then work backwards from that educational objective.

The institution has also connected this work with advanced research-computing infrastructure, helping provide shared capacity for AI-enabled research and education rather than requiring individual educators to provision everything themselves.

Scaling this work is difficult if each instructor must independently evaluate technologies, address privacy and security, redesign assessment, build applications, and determine effective pedagogy. A more mature model combines four layers: safe infrastructure, pedagogical support, technical and design capacity, and disciplinary ownership. Faculty capability, in other words, is institutional infrastructure and guidance as much as individual expertise.

Bringing the real world into AI learning

> **Banking AI, wealth-management AI … it's the same technology, but the way it gets used, the way it gets interpreted, and the data that you feed it are so different in my industry than they are in manufacturing or government. You kind of need people to come in and spend some time really in the practical world."**

Geoff Langdon | Head of Technology, Canadian Wealth & Insurance | BMO

Authentic experience tests whether learners can apply AI-related knowledge and judgment under real workplace conditions. Among Canadian businesses that reported using AI in the second quarter of 2026, 44.4% had changed training or staffing practices because of AI use, but only 32.0% reported AI-related training for existing employees. Among AI-using businesses with 100 or more employees, that share rose to 68.1%.[4] AI-related training was reported much more often among larger AI-using businesses.

AI use is highly contextual across sectors. The underlying technology may be similar, but its use in financial services, health care, manufacturing, government, or creative industries differs because the data, risks, workflows, regulatory requirements, and consequences differ.

A financial-services workflow, for example, may depend on proprietary data, regulatory obligations, and established review processes that look very different from those in manufacturing or government. The technical tool may be similar; the professional judgment around it is not.

Postsecondary education has a broader purpose than recreating the workplace, but learners still need structured opportunities to apply their knowledge under conditions that resemble the environments they will eventually enter.

Canada already has a strong foundation in work-integrated learning, including co-op, internships, placements, applied projects, and employer partnerships. The next challenge is to ensure these experiences actively foster AI readiness.

A learner can complete a placement in an AI-enabled workplace without ever being asked to examine how AI is changing the work. Conversely, authentic AI learning can occur outside a traditional placement when students work with realistic problems, imperfect information, employer-informed scenarios, or applied research.

The developmental value depends on intentional design. Institutions and employers need to identify what students should practice: framing a problem, identifying an appropriate use case, selecting a tool, evaluating information, challenging an output, communicating a recommendation, or taking responsibility for a decision. Strong applied learning exposes students to sector constraints, collaboration, verification, and professional accountability.

Rethinking assessment in the AI era

“In some cases, it’s going to be much more of a focus on process as well as product. You don’t just assess the final product; you have checkpoints along the way where you look at the outline, you look at the draft… and then you give it to AI to critique it. What have you done with the feedback? Have you incorporated it?”

Simon Bates | Vice-Provost and Associate Vice-President, Teaching and Learning | University of British Columbia

Assessment is where AI readiness becomes testable: What can the learner actually demonstrate? Generative AI makes that question harder and makes clarity about what is being assessed more important.

Postsecondary respondents are already confronting this tension. In the CDLRA’s 2025 Emerging Technologies Survey, 94% agreed or strongly agreed that students would use generative AI as a study tool, while 77% agreed or strongly agreed that students would use it to cheat.[10] Open-ended responses showed a parallel concern about competency development: some respondents warned that GenAI could hinder critical-thinking and other competencies, while others argued that restricting it could leave students without technology-related competencies needed for future careers.

Different learning outcomes require different evidence. Some should still be demonstrated independently: students need sufficient disciplinary knowledge and reasoning ability to recognize when an AI-generated answer is incomplete or wrong. Others increasingly require students to show that they can work effectively with AI. If intelligent systems are part of professional practice, assessments that exclude them entirely may provide incomplete evidence of workplace readiness. The balance will vary by discipline and stage of learning.

Making more of the learning process visible is one approach: assess an outline or draft, incorporate AI-generated critique, and examine what the student subsequently accepts, rejects, or improves. The aim is to reveal the learner’s reasoning and judgment rather than merely determine whether AI touched the work. Furthermore, relying heavily on AI detection risks an escalating technological arms race rather than a sustainable assessment strategy.

The central question shifts from “Did the student use AI?” to “What are we trying to verify, and what evidence would demonstrate it?” That shift connects assessment directly to AI readiness and leads to the next challenge: institutions can transform learning on their side of the bridge, but they cannot define workplace relevance alone.

Three complementary questions for assessment

WITHOUT AI: Can the learner independently demonstrate the foundational knowledge, reasoning, or skill required?

WITH AI: Can the learner use AI appropriately within a realistic workflow to improve their work?

ABOUT AI: Can the learner interrogate an AI output, check evidence, identify limitations, explain whether it should be trusted, and improve it where necessary?

Chapter 3: Building the bridge from both ends

Making employer connection count

Preparing AI-ready graduates cannot be the responsibility of higher education alone. Institutions determine how learning is designed and assessed, but employers see AI changing tasks, workflows, and expectations in real time. A stronger education-to-work bridge depends on institutions and employers keeping each other informed.

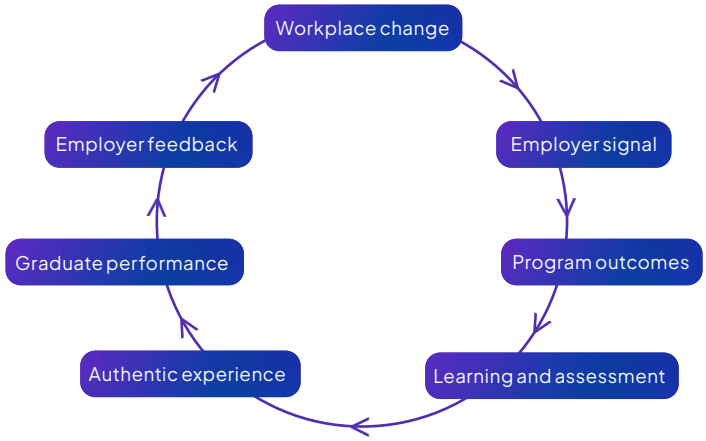
Canada already has the channels. Industry advisory groups, co-op placements, and employer partnerships link postsecondary education to the wider economy. Their value depends on what they change: the outcomes a program sets for graduates, the problems students encounter, the way learning is assessed, or educators' understanding of how work is changing.

Employer signals become useful when they are specific. Organizations rarely need an abstract "AI-ready worker"; they need people who can apply judgment within a particular role, workflow, industry, and risk environment. Institutions, in turn, need those changing requirements translated into learning outcomes broad enough to outlast any single tool.

Our global AI Readiness research reaches a similar conclusion: employer engagement is most valuable when it is structural and continuous, rather than episodic or dependent on individual relationships.[1] Employers must become more precise about the capabilities changing work requires, while institutions need mechanisms that can translate those signals into learning without chasing every technological shift.

Learning should remain connected to the realities graduates will encounter when they enter work, without narrowing the broader purpose of postsecondary education.

A continuous feedback loop



The applied pathway: colleges, polytechnics and work-integrated AI learning

Canada's AI readiness story extends beyond universities. Colleges, CEGEPs (Quebec's public colleges offering pre-university and technical programs), polytechnics, and institutes sit where education meets applied research, regional employers, and workforce development.

That role is increasingly explicit in national AI policy. Canada's 2026 National Artificial Intelligence Strategy identifies colleges, CEGEPs, and polytechnics as applied AI leaders, highlighting their regional reach, SME partnerships, and applied research capacity as mechanisms for helping organizations adopt AI and improve workforce productivity. The strategy also commits to expanding work-integrated learning and sector-specific AI training.[3]

Polytechnics Canada reports that its members undertook 4,166 applied research projects in 2025–26, working with 2,825 business and community partners and involving 16,275 students.[11] Projects span fields including artificial intelligence, advanced manufacturing, health care, agri-food, and national defence.

These projects matter because they serve two purposes at once. Employers gain access to expertise, facilities, and emerging talent to test technologies against real problems. Students gain experience working where the answer is not predetermined: with client needs, implementation constraints, imperfect information, deadlines, and consequences.

Each type of institution brings different strengths. Universities contribute deep disciplinary knowledge, discovery research, and critical inquiry. Colleges and polytechnics bring strong traditions of applied learning, workforce-facing education, and industry-led problem solving. Work-integrated learning can connect both more directly to changing practice. Across these pathways, the common outcome is practical: graduates who have had opportunities to apply judgment alongside AI in real settings.



From AI policy to responsible practice

“There is never going to be a ‘Well, but the AI told me that was the answer.’ That’s not acceptable. We’ve been very clear that accountability sits with the human. You apply human judgment, you validate, and you test a little bit to see if the answers are consistent.”

Geoff Langdon | Head of Technology, Canadian Wealth & Insurance | BMO

As AI becomes more embedded in learning and work, governance increasingly comes down to what responsible use looks like in practice. Policy remains essential. Institutions need clear expectations around privacy, intellectual property, security, disclosure, academic integrity, and appropriate use. Policy awareness alone, however, does not produce ethical behaviour. Learners also need to practice the judgment that policy is intended to support.

Published guidance from two Canadian institutions shows what practical governance can look like. HEC Montréal’s generative AI guidelines address security, transparency and responsibility, reliability, bias management, and access equity, while encouraging innovation that weighs potential risks and benefits.[12] RRC Polytech requires that any GenAI tool used at the institution be approved, requires faculty to state their expectations in course outlines and assignment instructions, and does not permit the use of AI detection software.[13]

These examples point toward governance with firm institutional safeguards, expectations made explicit where learning happens, and human responsibility kept visible.

In education and professional life, learners need experience deciding what information can safely be shared with a system, whether an output is reliable enough to act upon, when AI use should be disclosed, and when a task or decision should remain human-led. Effective governance should prevent misuse while creating the conditions for transparent, deliberate, and accountable use.

The practical balance is responsible speed: room to experiment within clear boundaries, evaluate outcomes, and adjust as evidence develops, without allowing either ungoverned use or excessive caution to set the pace.

Four principles for responsible practice

Clear boundaries: people understand what is permitted and why.

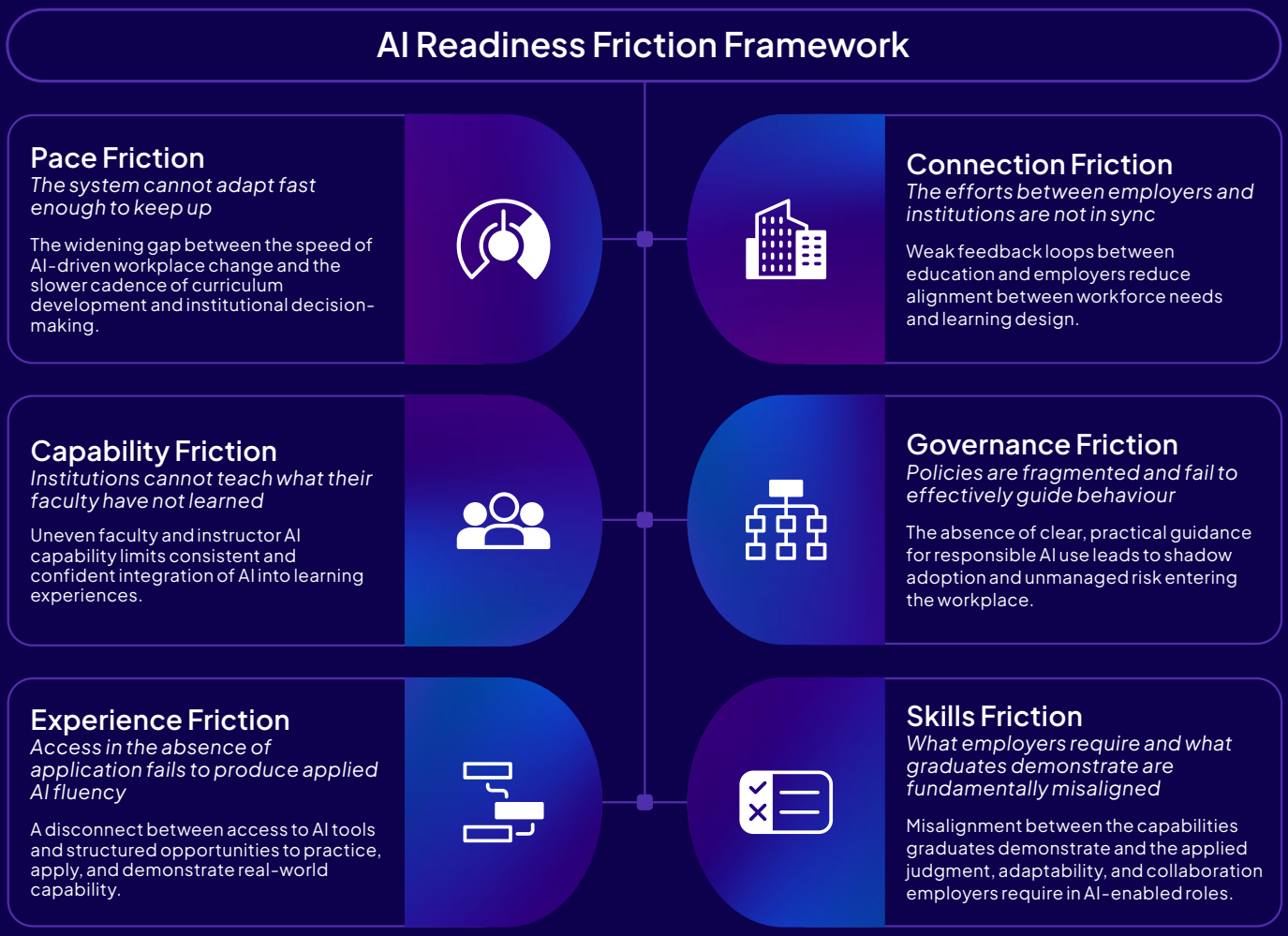
Risk-proportionate oversight: scrutiny increases with the consequence of the use case.

Visible accountability: responsibility remains with the human using or acting on AI.

Trusted environments: learners and educators have safe ways to experiment and disclose use.

The AI Readiness Friction Framework

The gap between higher education and work, from institutional intent to graduate AI readiness, is real and widening. The AI Readiness Friction Framework helps identify where the most consequential interventions lie by showing where the education-to-work transition most consistently breaks down. These frictions reinforce one another but are not fully dependent on one another. Together, they operate in compounding relationships that shape graduate AI readiness. The framework moves from macro-systemic drivers to institutional implementation and, ultimately, individual learner outcomes.



Faculty capability defines the extent of a student's applied experience, while the pace of institutional investment and transformation informs the development of effective governance. The frequency and quality of employer engagement determines how well the curriculum and educational experience reflects workforce reality. Ultimately, high friction in any single area will result in bottlenecks elsewhere in the education-to-workforce ecosystem that begins with global technological shifts and concludes with a deficit in individual graduate AI readiness. But these frictions are also discrete and addressable. Reducing friction at any single point has the potential to generate benefits across the ecosystem.

Canada's AI Readiness Friction Profile

We use the AI Readiness Friction Framework here as a diagnostic lens across six points where the transition from education to AI-enabled work can break down: Pace, Connection, Capability, Governance, Experience, and Skills. The frictions interact, and pressure in one area can compound another.

Pace Friction: curriculum cycles are slower than workplace change

Workplace AI adoption is rising quickly, while postsecondary planning and curriculum change operate on longer cycles.[4][6][7] The Canadian evidence supports the need for more responsive mechanisms for experimentation, evaluation, and program-level adjustment without implying that every program should change at the same pace.

Connection Friction: contact must shape learning

Canada has substantial employer-engagement and work-integrated-learning infrastructure, but Canadian employer research still emphasizes the need for closer alignment between workplace needs, postsecondary learning, and work-based experience.[5] The opportunity is to make relationships more consequential by translating changes in work into learning outcomes, applied experiences, and assessment.

Capability Friction: support cannot depend on individual initiative

Global findings identify faculty capability as a recurring constraint, while Canadian postsecondary respondents call for practical supports that help instructors apply institutional guidance and use GenAI appropriately.[1][10] The Canadian implication is to combine technical understanding with pedagogy, assessment redesign, and disciplinary expertise.

Governance Friction: policy must guide practice

Canadian institutional examples show governance moving beyond simple permission or prohibition toward context-sensitive guidance, transparency, verification, and accountability.[12][13] The evidence here is illustrative rather than a national measure of governance maturity.

Experience Friction: access must become application

Global findings identify a recurring gap between AI access and opportunities to apply it, and the Canadian interviews conducted for this report raised the same concern in local contexts.[1] The Canadian challenge is to create more structured opportunities for learners to demonstrate AI use under realistic conditions, including sector context, verification, and accountability.

Skills Friction: readiness must be demonstrated in combination

The global AI-ready graduate model and Canadian employer research converge on the need to combine technical proficiency with judgment and other human skills.[1][5] The central test is whether graduates can bring functional proficiency, strategic intelligence, ethical stewardship, and critical human skills together in practice.

Methodology note

Canada's Friction Profile is a qualitative interpretation of current Canadian evidence and expert interviews. It is not a quantitative market score and should not be directly compared with the six markets included in the original AI Readiness survey.

From research to action

Waiting for certainty about what AI will look like in three years would slow action now. The evidence across this report points toward five practical priorities for institutions and employers. Leaders can also use the AI Readiness Friction Framework Self-Assessment to identify where friction is most acute in their context and prioritize action accordingly.

1. Define capability before choosing technology

Institutions: Specify what graduates should be able to demonstrate across the four AI-ready capability domains.

Employers: Translate broad demand for "AI skills" into role-, workflow- and sector-specific capabilities.

Shared outcome: A clearer definition of readiness that can shape learning and hiring.

2. Move from individual experimentation to program-level alignment

Institutions: Identify where AI-ready capabilities are introduced, practiced and assessed across programs without requiring identical use in every course.

Employers: Test whether those capabilities reflect changing professional practice.

Shared outcome: Consistent graduate expectations with disciplinary flexibility.

3. Make authentic AI practice part of learning

Institutions: Expand employer-informed projects, simulations, work-integrated learning and applied research that expose learners to context and uncertainty.

Employers: Contribute problems, workflows, expertise and workplace experiences rather than simply advising from the sidelines.

Shared outcome: Graduates who have demonstrated capability under conditions closer to real work.

4. Build infrastructure for human judgment

Institutions: Combine safe technology, faculty development, pedagogical expertise and practical governance.

Employers: Reinforce the same expectations around verification, transparency and human accountability.

Shared outcome: Responsible AI practices that transfer from education into work.

5. Learn at the pace of change

Institutions: Distinguish high-consequence decisions requiring deliberation from lower-risk interventions that can be tested, measured, revised or stopped.

Employers: Share timely evidence about changing workflows, use cases and capability requirements.

Shared outcome: Faster learning cycles without sacrificing rigour, trust or accountability.

Taken together, these actions shift the AI readiness conversation away from a race to adopt technology. The more important question is whether Canada can build a system in which institutions and employers learn from one another quickly enough to keep education relevant, while developing skills and judgment that outlast the tools themselves. Building the bridge from both ends depends on that shared learning.

Conclusion: Proving AI readiness

Canada has many of the ingredients required to succeed in an AI-enabled economy: globally recognized AI expertise, strong postsecondary institutions, established models of work-integrated learning, and employers experimenting with AI in real workflows. The challenge running through this report is conversion: turning those assets, experiments and ambitions into abilities graduates can demonstrate.

Access, strategy, policy, pilots, or confidence alone cannot establish AI readiness. Readiness becomes visible when graduates can apply what they have learned under real workplace conditions, as tools change and responsibility for the outcome remains human. This reflects the central premise of the wider AI Readiness research: readiness is the human capability to work effectively alongside intelligent systems.

For Canadian institutions, that means moving from exposure to intentional development. Faculty need the infrastructure and support to make informed pedagogical choices. Programs need greater clarity about where AI-ready skills are developed and assessed. Learners need opportunities to practice with AI while retaining the foundational knowledge and independent judgment required to challenge it. Employers need to provide clearer signals about how work is changing and more opportunities for students and educators to encounter that change directly.

The six frictions explored in this report are Pace, Connection, Capability, Governance, Experience, and Skills. Together, they provide a way to diagnose where progress is being slowed. They will not be equally acute in every institution, discipline, or industry. The practical task is to identify where friction is greatest and act with enough precision to reduce it.

Ultimately, the measure of progress should be the graduate: can they frame a problem before reaching for a tool, determine where AI adds value or risk, verify outputs, explain their reasoning, adapt as technologies change, and remain accountable for the final decision?

Canada needs an education-to-work system capable of learning and adapting as the technology changes.

Three questions for leaders

What do we expect graduates to be able to do?

Where will they practice those capabilities under authentic conditions?

What evidence will demonstrate that graduates have developed those capabilities?

AI readiness is not demonstrated by how much AI an institution uses. It is demonstrated by what graduates can responsibly accomplish alongside it.

Reduce friction. Build the bridge.

Supporting information

Methodology

AI Readiness Canada is an extension of Pearson and Amazon Web Services' global AI Readiness: Building the Bridge from Higher Education to Work research program.

The original global study used a mixed-methods design, including a quantitative survey of 2,711 learners, higher education leaders and employers across six markets: Brazil, Malaysia, Saudi Arabia, the United States, the United Kingdom and Vietnam. It also included qualitative interviews with higher education leaders and secondary research. The original research architecture and AI Readiness frameworks were developed with PSB Insights.[1]

Canada was not included in the original quantitative survey, and no separate nationally representative Canadian survey was conducted for this report. The Canadian analysis therefore uses a different evidence base and should not be directly compared quantitatively with the six surveyed markets.

The research for this report combines three sources of evidence:

Canadian qualitative interviews. Three in-depth interviews were conducted in September and October 2026, spanning higher education, industry, and the AI ecosystem. They were used to explore implementation challenges, test emerging themes, and provide practical examples. These perspectives are interpretive rather than nationally representative. AWS interview insights inform the report's discussion of institutional implementation, outcome definition, and bounded experimentation; consistent with partner guidance, they are synthesized without direct quotation.

Canadian secondary research. The analysis draws on recent evidence from sources including Statistics Canada, the Business + Higher Education Roundtable and Amii, the Canadian Digital Learning Research Association, the Future Skills Centre, the Government of Canada, Polytechnics Canada, and Canadian postsecondary institutions. Priority was given to evidence published in 2025 and 2026.

The global AI Readiness framework. The established definition of AI readiness, four-domain profile of the AI-ready graduate and six-point AI Readiness Friction Framework provide the conceptual foundation for the Canadian analysis. Canadian evidence was used to interpret those frameworks in context rather than to assume that patterns observed elsewhere also apply in Canada.

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The views and opinions shared by interview participants were provided in their professional capacities and do not necessarily represent the official policies or positions of their respective organizations.

This report builds on the global AI Readiness research developed through the partnership between Pearson and Amazon Web Services (AWS). The Canadian adaptation was developed by Pearson Canada with input from AWS and draws on the research architecture, AI-ready graduate profile, and AI Readiness Friction Framework established in the global study with PSB Insights.

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Primary qualitative interviews

Simon Bates, Vice-Provost and Associate Vice-President, Teaching and Learning, University of British Columbia. Interview conducted 22 September 2026.

Geoff Langdon, Head of Technology, Canadian Wealth & Insurance, BMO. Interview conducted 24 September 2026.

Candi Jeronimo, Cloud Executive Enablement, AWS Canada. Interview conducted 1 October 2026.

Direct quotations are drawn from interviews with Simon Bates and Geoff Langdon and have been lightly edited for clarity and length; ellipses indicate omitted material. AWS interview perspectives are synthesized without direct quotation.

