



Canadian Apprenticeship Forum  
Forum canadien sur l'apprentissage

# EMPLOYER APPRENTICESHIP SUPPORTS

*in Canada*

AN OVERVIEW



Canada

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## Note to readers

The opinions expressed in this research document do not necessarily represent the views or official policies of the Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage (CAF-FCA), the working group, or other agencies or organizations that may have provided support, financial or otherwise, for this project.

The interviews are obviously not a statistically significant sample and there is a risk that the views gathered in this process are skewed to distinct circumstances or misrepresent the experiences of other businesses. The comments reflect only the opinions and perspectives of those who participated in the interviews. Generalized conclusions should not be drawn from these consultations.

To facilitate information sharing and to highlight promising practices among the provinces and territories, some specific examples of programs, tax credits, and incentives are provided. These are meant to be illustrative examples, not a complete list of what is available. For more detail, readers should consult provincial or territorial apprenticeship websites for more information. Readers are also encouraged to consult the CAF-FCA Employer Support Mechanisms online catalogue in the CAF-FCA Employer Toolkit.

It is acknowledged that many valuable support mechanisms are provided to individual apprentices, but since the focus of this work was on employers, they were not included. Readers should consult federal, provincial or territorial apprenticeship branch/division websites for more information on these individual supports.

For a glossary of relevant terminology – defining, for instance, the Red Seal Program, Red Seal Endorsement, Sector Councils, Essential Skills, Pre-Apprenticeship, Prior Learning Assessment and Recognition (PLAR), Certification, Designated trades, National Occupational Standards – the report titled “National Apprenticeship Survey Canada Overview Report 2007” has a useful glossary. The document can be found at: <http://www.statcan.gc.ca/pub/81-598-x/81-598-x2008001-eng.pdf>. The glossary can be found on page 65.

It is crucial that, on an ongoing basis, stakeholders continue to have an open dialogue about human-resources practices in the skilled trades and it is hoped this piece can contribute to that discussion.

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*The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.*

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### *Employer Apprenticeship Supports in Canada: An Overview*

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# Executive Summary

## Purpose

To identify “what’s out there” and what more could be done to support employers in the hiring and retention of apprentices, the CAF-FCA conducted a study on employer support mechanisms as a part of its Employer Engagement Strategy.

## Who?

Provincial and territorial officials at apprenticeship branches and divisions, participating employers, employers who do not hire apprentices, provincial/territorial sector councils, and employer associations were interviewed as a part of this project. These findings were supplemented by survey information from the CAF-FCA Return on Training Investment (ROTI) studies.

## Why?

By providing the appropriate support mechanisms, more employers might be encouraged to hire apprentices. Through the hiring and training of apprentices, employers will benefit from having a pool of skilled and productive journeypersons to drawn upon and individuals will benefit by having greater access to training opportunities.

## Main Findings

### *Section A: Current Supports Available*

CAF-FCA identified mechanisms that currently exist across Canada and internationally. Some examples of mechanisms in Canada include programs to connect with apprentices, financial incentives, assistance with on-the-job training, and help with Essential Skills.

Provincial and territorial officials shared some of their promising apprenticeship-related practices when implementing support mechanisms:

- Financial incentives for employers.
- Engaging industry through staff visits, one-on-one meetings, workshops, and information-sharing sessions.
- Resources, such as guides, to help journeypersons mentor in the workplace.
- Flexible approach to education and training through methods such as variable approaches to technical training and facilitating alternate ways of learning, such as online learning.
- Access to apprentices and matching services.

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## **Section B: Context from ROTI**

For context, information from the CAF-FCA ROTI study was included. The survey showed that employers believe there are many benefits to their business when hiring apprentices, such as “better fit with the organization” and “better productivity.” Findings from non-participating employers about why they do not hire apprentices are also included. Accessing apprentices was identified as an issue among these survey respondents.

## **Section C: Interview Findings**

The interviews revealed that for those who do not hire apprentices, greater awareness about the supports available is still needed. In contrast, employers who hire apprentices are generally satisfied with the supports available and think apprenticeship has great value for their companies.

Both sets of employers provided insight into what information, incentives, or services would encourage them to hire or continue to hire apprentices:

- Ways to recognize prior learning.
  - Financial incentives.
  - Trade-specific Essential Skills for the worksite.
  - How-to-train teaching materials.
  - Promote mentoring among journeypersons.
  - Information about the programs available for obtaining assistance.
  - Flexibility when possible; provide greater availability of technical training either in-person or online.
- It is worth noting that apprenticeship stakeholders, including the provinces and territories, are already addressing many of these suggestions.
- Information on the value of apprenticeship, including the value of the Red Seal Program.
  - Matching and pre-screening services to create easier access to potential apprentices.
  - Background/Essential Skills training for pre-apprentices.

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# Introduction

## Purpose

To identify “what’s out there” and what more could be done to support employers in the hiring and retention of apprentices, the Canadian Apprenticeship Forum-Forum canadien sur l’apprentissage (CAF-FCA) conducted a study on employer support mechanisms as a part of its Employer Engagement Strategy. This report summarizes the findings.

## Organization of Report

### *Section A: Current Supports Available*

In Section A, mechanisms that currently exist across Canada and abroad are identified. Drawing on their extensive knowledge and experience, officials from the provinces and territories also shared promising practices and suggested additional mechanisms that might help employers.

### *Section B: Context from ROTI*

For context, information from the CAF-FCA Return on Training Investment (ROTI) studies is shared.

### *Section C: Interview Findings*

To understand the level of awareness about the tools, programs, and incentives available, CAF-FCA interviewed employers. The interview findings are summarized in the third section of this report

## Sources

This report uses a combination of quantitative and qualitative sources. Obviously, these sources are not equal in terms of breadth or reliability. The data are statistically significant; the interview findings are not. The interviews do, however, provide valuable insight into the nuances and complexity of workplace training and employers’ business realities:

### *Data*

For context, survey information was included from the CAF-FCA ROTI studies.

### *Consultation with Provinces and Territories*

Officials from the provincial and territorial apprenticeship branches and divisions were interviewed. They provided telephone and e-mail responses.

### *Employer Interviews*

To obtain individual perspectives, interviews were conducted with employers that hire apprentices and employers that do not. Additional interviews were conducted with employer associations and sector councils.

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## Relevance and Background

Training is a fundamental necessity for Canadian businesses hoping to remain competitive in an ever-changing and global economy. Continuous training, whether in periods of boom or bust, ensures that employers maintain an effective workforce.<sup>1</sup>

The current labour environment presents a number of challenges in all sectors. With a generation of workers preparing to retire, employers will need to ensure they have proper succession planning. This is especially true in the skilled trades, where higher-than-average labour shortages are predicted.<sup>2</sup> In some cases, these shortages are already manifest.<sup>3</sup> It is vital, therefore, to continue training the next generation of skilled journeypersons and to have a plan for the generations to come.

Training is also essential for creating safe workplaces, and apprenticeship is often a part of broader safety training. According to some employers, apprenticeship is an effective way to train young workers to be safe and to ensure journeypersons are aware of relevant safety norms. Workplace injuries are obviously very costly, and, according to some employers, apprenticeship training can help reduce injury

rates and therefore the operating cost of a business.<sup>4</sup>

Broadly speaking, Canada rates well with respect to investments in education, training, and skills development. According to a Conference Board of Canada study comparing data from 17 peer countries — including the United States, western Europe, Australia, and Japan — Canada is the second-best country, behind Finland, for providing education to its population.<sup>5</sup> However, the same report also notes that work-based skills and lifelong skills are among Canada's more significant weaknesses.<sup>6</sup>

Observers have noted that Canada lacks adequate apprenticeship training and succession planning. With one generation of workers preparing to retire and another one racked by perpetually high youth unemployment rates, apprenticeship should be an important method for Canadian companies to ensure they have the labour power to succeed. Training is, and will remain, a necessity for employers and employees who want to remain competitive in a changing global economy. Young Canadians, in particular, need training, and apprenticeship is an effective way to access valuable educational and career opportunities. This is important to combat youth unemployment and under-

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1 Karl Skof, *Trends in Registered Apprenticeship Training in Canada*. Statistics Canada: Ottawa, 2006. Available at: <http://www.statcan.gc.ca/pub/81-004-x/2006002/9250-eng.htm#a>

2 Mark Goldenberg, *Employer Investment in Workplace Learning in Canada*. Canadian Council on Learning: Ottawa, 2006. Available at: <http://www.ccl-cca.ca/NR/rdonlyres/4F86830F-D201-4CAF-BA12-333B51CEB988/0/EmployerInvestmentWorkplaceLearningCCLCPRN.pdf>

3 Ibid.

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4 CAF-FCA, *Strategies to Increase Employer Participation in Apprentice Training in Canada*. Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage: Ottawa, 2008. p. 11. Available at: [http://www.caf-fca.org/en/report/CAF\\_EmplEngage\\_E5.pdf](http://www.caf-fca.org/en/report/CAF_EmplEngage_E5.pdf)

5 Conference Board of Canada, *How Canada Performs: Education and Skills*. Conference Board of Canada: Ottawa, 2008. Available at: <http://www.conferenceboard.ca/HCP/Details/Education.aspx>

6 Ibid.

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employment as well as for building a stronger and more qualified workforce.<sup>7</sup>

The provision of training, in the broadest sense, is not evenly distributed among Canadian employers and employees. A Canadian Council on Learning (CCL) publication noted that in 2001, more than 95 per cent of Canada's largest employers (defined as having more than 100 employees) offered workplace training, in some form, to their employees. By contrast, approximately 50 per cent of small businesses (employing fewer than 20 people) offered training in some form. CAF-FCA figures show that less than 20 per cent of Canadian employers in the skilled trades hire apprentices.<sup>8</sup> Moreover,

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7 Canadian Council on Learning, *Apprenticeship training in Canada*. Canadian Council on Learning: Ottawa, 2005. Available at: <http://www.ccl-cca.ca/CCL/Reports/LessonsInLearning/apprenticeship-LinL.htm>

8 CAF-FCA, *Employer Perceptions and Attitudes Study*. February 2006. Available at: [http://www.careersintrades.ca/reports/pdf/Employer\\_Study\\_Highlights.pdf](http://www.careersintrades.ca/reports/pdf/Employer_Study_Highlights.pdf)  
CAF-FCA, *Apprenticeship – Building a skilled workforce for a strong bottom line*. Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage: Ottawa, 2006. Available at: [http://www.caf-fca.org/files/access/Return\\_On\\_Training\\_Investment-Employers\\_report.pdf](http://www.caf-fca.org/files/access/Return_On_Training_Investment-Employers_report.pdf).

training in Canada is more often provided for workers in larger firms and to those between the ages of 25 and 34.<sup>9</sup> This means that trades training and, perhaps more importantly, training opportunities in smaller workplaces may need to be enhanced.<sup>10</sup> The same is true in Australia, where researchers have argued there are significant differences between small and large employers in terms of capacity for training. Indeed, they have noted that vocational training in Australia appears to be directed primarily toward the needs of large firms and that it should not be assumed that small businesses are simply miniature versions of large businesses.<sup>11</sup> Instead, initiatives and measures should be tailored to businesses of all sizes.

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9 Mark Goldenberg, *Employer Investment in Workplace Learning in Canada*. Canadian Council on Learning: Ottawa, 2006. Available at: <http://www.ccl-cca.ca/NR/rdonlyres/4F86830F-D201-4CAF-BA12-333B51CEB988/0/EmployerInvestmentWorkplaceLearningCCLCPRN.pdf>.

10 Ibid..

Andy Smith and Stephen Billett, *Mechanisms for increasing employer contributions to training: An international comparison*. Australian National Training Authority: Adelaide, Australia, 2004. p. 18-19. Available at: <http://www.ncver.edu.au/research/proj/nr2013.pdf>

11 Ibid. p. 16.



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## Section A:

# Current Supports Available

### International support mechanisms

What follows is a short discussion of the different ways in which countries help employers engage in apprenticeship training.

#### United States

Apprenticeship in the United States is federally regulated, but funded by both the federal and state governments.<sup>1</sup> Federal expenditure on apprenticeship is restricted to \$16-million per year for the administration of the system, leaving states to provide individual subsidies. Connecticut and New Jersey, for example, offer tax credits to employers who hire apprentices in the manufacturing sector. The Connecticut credit covers 50 per cent of an apprentice's wages, up to a maximum of \$4,800.<sup>2</sup> The New Jersey credit offers a one-time \$5,000 credit for employers who register apprentices. Half of the credit is paid after the first 26 weeks of employment are completed and the other half after 52 weeks.<sup>3</sup>

The United States is also home to Helmets to Hardhats, an interesting apprenticeship-matching service. This program helps link employers

with Armed Forces veterans and retirees interested in pursuing careers in the skilled trades. The program is built on the premise that ex-servicemen and women have some professional aptitudes and training, and that an apprenticeship would serve them well in finding a new career. Injured soldiers can benefit from the parallel program called Wounded Warriors. Veterans can apply their GI Bill allowance toward any form of education, including apprenticeship training.<sup>4</sup>

#### Australia

The Australian government used to run a levy system called the Training Guarantee Scheme. Introduced in 1990, it required firms with annual payroll costs exceeding A\$200,000 to spend at least 1.5 per cent on structured training, or pay the equivalent sum to the Australian Taxation Office. This program was terminated in 1996. Reviews were mixed, but according to Andy Smith, of Charles Stuart University, and Stephen Billett, of Griffith University, it was “generally accepted that the scheme failed to lift training provision for the majority of employees

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1 Andrew Sharpe and James Gibson, *The apprenticeship system in Canada: Trends and issues*. Centre for the Study of Living Standards: Ottawa, 2005. p. 32-33. Available at: <http://www.csls.ca/reports/csls2005-04.pdf>

2 Connecticut Manufacturing Apprenticeship Tax Credit. Information available at: <http://www.ctdol.state.ct.us/progsupt/appren/taxcr.htm>

3 New Jersey Registered Apprenticeship Incentive Program for the Manufacturing Industry. Information available at: [http://lwd.dol.state.nj.us/labor/employer/training/registered\\_apprenticeship\\_manufacturing.html](http://lwd.dol.state.nj.us/labor/employer/training/registered_apprenticeship_manufacturing.html)

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4 <http://www.helmetstohardhats.org/>

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in any significant or lasting fashion.”<sup>5</sup> Australia has since introduced other fiscal measures to encourage employers to hire and train apprentices, including incentives valued between A\$1,250 and A\$4,000.<sup>6</sup>

Australia has also recently added a A\$1,000 incentive to employers upon the completion of training by an apprentice<sup>7</sup>

A bricklaying association provides subsidies of up to A\$10,800 to employers for hiring apprentices. The subsidies are paid for by a levy of A\$2.00 per 1,000 clay bricks or 10 cents per square metre of concrete masonry.<sup>8</sup>

### France

France’s primary financial support for training and apprenticeship comes from a series of levies on employers, which in turn help fund the French apprenticeship system. Employers in France must pay an apprenticeship tax as a portion of the mandatory and nationwide 1.5-per-cent payroll training tax. Additionally, these employers must have at least 3 per cent of their staff as registered apprentices if their total staff exceeds 250. Employers are then provided with a number of incentives, which include tax

credits ranging from €1,600 to €2,200 per year, per apprentice; state-level contributions of €1,000 per year; and significant exemptions on social contributions such as employment insurance. Employers also pay apprentices regulated salaries, ranging from 25 per cent to 78 per cent of minimum wage or the minimum conventional wage for a given trade. Small employers that hire apprentices and whose total payroll is lower than six times the minimum wage are also exempt from paying the apprenticeship-tax portion of the training levy.<sup>9</sup>

### South Africa

The South African government passed the Skills Development Levies Act in 1999, in an attempt to fund better and more sustained training. The act states that all employers must pay a monthly tax equivalent to 1 per cent of its payroll to the Sector Education and Training Authorities (80%) and the Skills Development Fund (20%). The Sector Education and Training Authorities serve to reimburse employers for their training activities, including apprenticeship, while the Skills Development Fund is used for special training.<sup>10</sup>

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5 Andy Smith and Stephen Billett, *Mechanisms for increasing employer contributions to training: An international comparison*. Australian National Training Authority: Adelaide, Australia, 2004. p. 15. Available at: <http://www.ncver.edu.au/research/proj/nr2013.pdf>

6 Australian Apprenticeships. Consulted 8 January 2009. [http://www.australianapprenticeships.gov.au/employer/incentives.asp#Examples\\_of\\_employer\\_incentives\\_and\\_personal\\_assistance\\_for\\_Australian\\_Apprentices\\_are](http://www.australianapprenticeships.gov.au/employer/incentives.asp#Examples_of_employer_incentives_and_personal_assistance_for_Australian_Apprentices_are)

7 <http://www.pacetoday.com.au/Article/Govt-offers-cash-grants-for-businesses-who-keep-apprentices/468320.aspx>

8 [http://www.becomeabricklayer.com.au/our\\_aim](http://www.becomeabricklayer.com.au/our_aim)

9 Ministère du Travail des Relations sociales, de la Famille et de la Solidarité. Consulted 8 January 2009. [http://www.travail-solidarite.gouv.fr/espaces/travail/spip.php?page=sous-dossiers&id\\_mot=298](http://www.travail-solidarite.gouv.fr/espaces/travail/spip.php?page=sous-dossiers&id_mot=298)

10 Department of Labour, Republic of South Africa, *Skills Development Levies Act*. Republic of South Africa, 2004. Available at: <http://www.labour.gov.za/downloads/legislation/acts/skills-development-act/Act%20-%20Skills%20Development%20Levies.pdf>

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## **Canadian Federal, Provincial, and Territorial Support Mechanisms**

Currently there are a number of support mechanisms that encourage Canadian employers to hire apprentices. For a complete list, consult the CAF-FCA Catalogue of Support Mechanisms in the CAF-FCA Employer Toolkit or go to provincial and territorial websites. As already mentioned, supports for apprentices are not mentioned. The focus of this report is on employer supports specifically.

### ***Federal Support Mechanisms***

One way the federal government supports employers is through the Interprovincial Standards Red Seal Program, commonly known as the Red Seal program. It has been operating with strong industry support for more than 50 years. The program is managed and delivered by the Canadian Council of Directors of Apprenticeship (CCDA), which is comprised of provincial and territorial directors of apprenticeship, and two representatives from Human Resources and Skills Development Canada (HRSDC). The Red Seal is widely recognized by industry, provides greater mobility across Canada, and represents a standard of excellence for the skilled trades.

Through the program, tradespersons are able to obtain a Red Seal endorsement on their provincial/territorial certificates of qualification by successfully completing an interprovincial examination. The Red Seal program ensures recognition of qualifications of certified tradespersons throughout Canada based on nationally accepted industry standards. In an interprovincial labour market where all trade certificates are recognized as equal under the

Agreement on Internal Trade (AIT), the Red Seal provides assurance and certainty that an employee is qualified to a standard of knowledge and capability that has been defined by industry and vetted through a rigorous process with industry input from coast to coast. Although the Red Seal no longer an exclusive guarantor of labour mobility, it remains a prestigious credential and a symbol of professional pride. Red Seal-qualified tradespersons provide a competitive advantage and are highly valued by employers.

In addition, the Government of Canada offers the Apprenticeship Job Creation Tax Credit (AJCTC) to support employers who hire apprentices in qualifying trades. The AJCTC is a non-refundable tax credit equal to 10 per cent of the eligible salaries and wages payable to qualifying apprentices in respect of employment after May 1, 2006. The maximum credit is \$2,000 per year for each qualifying apprentice. A qualifying apprentice is an apprentice who is working in a qualifying trade in the first two years or his or her provincially registered apprenticeship contract with an eligible employer. The qualifying trades include the designated Red Seal trades currently included in the Interprovincial Standards Red Seal Program. This measure is administered by the Canada Revenue Agency.

### ***Provincial and Territorial Support Mechanisms***

Education and employment fall within the jurisdiction of the provincial and territorial governments. As such, the administration of apprenticeships is governed by these governments, resulting in thirteen different apprenticeship systems in Canada, each with its

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own regulations, certification processes, and educational requirements that are driven by industries in each province or territory. What follows is a discussion of some of the existing support mechanisms for employers. Additional examples of supports are also discussed in the section on promising practices.

#### Matching Services

Ontario has online matching services that link employers to potential apprentices. These websites, including Tradeability.ca and Apprenticesearch.com, work in much the same way as general employment websites such as Monster or Workopolis, but can have the added benefit of providing expertise and assistance specific to employers' recruitment needs. Employers especially appreciate this targeted help. Apprenticesearch.com has recently been expanded from its original base in Southern Ontario to include the entire province.

#### Financial Incentives

Financial incentives were the most common form of government support for employers hiring apprentices. A few examples are mentioned below.

#### Tax Credits for Employers

In British Columbia, the provincial government has offered the Basic Training Tax Credit for the first two years of a registered apprenticeship since January 2007. British Columbia also offers the Completion Training Tax Credit for employers, which is tied to the completion of a registered apprenticeship. The value of the credits ranges from \$2,000 to \$3,000. The province also offers additional credits to employers who hire Aboriginal apprentices and apprentices with disabilities.

Ontario also offers tax credits for apprenticeship to employers. The Apprenticeship Training Tax Credit is worth a maximum of \$10,000 per year, per eligible apprentice, and can be claimed during the first 48 months after an apprenticeship is registered. This credit is available primarily to employers in construction, manufacturing, motive power, and a few service-sector trades. It was made a permanent incentive during the 2010 budget and the 25-per-cent rate of wages/salaries was increased to 35 per cent. The rate of wages/salaries for small businesses was also enhanced from 30 per cent to 45 per cent. The province also offers the Employer Signing Bonus, a contribution of \$2,000 for employers that hire apprentices in sectors where there is a high demand for skilled labour. As of April 2010 in all trades, employers are eligible for a \$1,000 bonus per apprentice who completes training and receives certification.

Manitoba offers a number of apprenticeship- and trades-related tax incentives. In the November 20, 2008, Speech from the Throne, the Government of Manitoba announced its intention to provide new tax credits for employers who hire apprentices in any designated trade in the province. The Advanced Level Apprenticeship Hiring Incentive (ALA-HI) provides employers of eligible apprentices with a tax credit equal to 5 per cent of salaries and wages, excluding other government assistance. The maximum credit is \$2,500 per level over levels 3 to 5 of an apprenticeship training program for a maximum of \$7,500 per apprentice. The 2008 budget also saw the introduction of the Journeypersons Hiring Incentive. The J-HI provides a tax credit to employers of recent graduates of apprenticeship programs. An employer who hires a recent graduate from an apprenticeship program can receive a tax credit of up to \$2,500

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a year for up to two years for each journey-person they hire. The credit equals 5 per cent of wages and salaries paid to the journey-person (net of other government assistance) up to \$2,500 per twelve months of employment for each journey-person.

Finally, Quebec also offers a tax credit for on-the-job training. A company may request this tax credit for expenses incurred pertaining to the trainee as a part of the practical training period. The trainee must be under the guidance of an eligible supervisor. The base rate of the tax credit is 30 per cent of eligible expenses.

#### Levies

Quebec is the only province to fund training and apprenticeship through a levy. Quebec employers whose payroll is higher than \$1-million must invest a sum representing at least 1 per cent of the total payroll in training. If they do not, an equivalent sum must be paid to the Fonds de développement et de reconnaissance des compétences de la main-d'œuvre. The Fonds, in turn, helps pay for training programs across the province and ensures that businesses make a minimum investment in training for their prospective and existing staff.

#### Wage Subsidies

Wage subsidies are available to employers in some provinces and territories.

Employers in Newfoundland and Labrador can access a wage subsidy. It is a maximum of \$10,000 for 52 weeks. The government also supports employers by helping apprentices with tuition and books. In some cases employers would offer to pay these expenses for the apprentices, but in this case the province covers the cost. Subsidies are also available for government departments and agencies that want to hire apprentices. These subsidies

have enhanced the opportunities available to apprentices to work within the public sector.

If employers are working on a Yukon government capital project, they might have access to an apprentice wage reimbursement through the Yukon Business Incentive Program.

Manitoba Career Focus provides employers with a wage incentive of \$3 per hour. Training costs will also be supported up to a maximum of \$100 per person. In order to be eligible, full-time students must be 16 years of age or older, legally entitled to work in Canada, and not employed for more than 20 hours per week. High School Apprenticeship Option (HSAP) apprentices meet these eligibility criteria. In addition to the financial benefit for the employer, students who participate have the opportunity to explore career possibilities and may establish contacts leading to permanent employment following graduation.

In New Brunswick, the Employer Wage Subsidy-Workforce Expansion program is available. Programs are also available in Nunavut and the Northwest Territories.

#### Assistance with On-the-Job Training

Provinces and territories also support employers with on-the-job training by providing expertise and resources.

In many provinces and territories, field staff complete site visits to assist employers with registering apprentices and ensuring each group is aware of their responsibilities. They also help monitor apprentices as they move through the program and may help employers provide apprentices with assistance such as tutoring.

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Several provincial and territorial jurisdictions provide important information and resources on their websites that can help with on-the-job training. In Saskatchewan, for example, training guides exist for each of the designated trades. Each apprentice receives a guide to use with their employer.

#### *Help with Essential Skills Training*

Provinces and territories also help employers through their essential-skills tools and programs that improve the skill sets of potential and current employees. In Saskatchewan, for example, employers have access to essential-skills tools. Generally, employers are very satisfied with these tools. In New Brunswick, the apprenticeship branch offers Screening for Success. This program helps apprentices identify learning limitations. This information can also help employers. By making them aware of the needs of the apprentice, employers can adjust work duties in order to maximize productivity at the workplace. Manitoba is also undertaking some initiatives to assist employers with the essential-skills needs of their employees. Here are some examples:

#### Northern Essential Skills Training Initiative (NEST)

- Manitoba continues to be committed to supporting Northern employers to find the skilled labour they need to sustain economic viability. The Northern Essential Skills Training Initiative offers lower-skilled, unemployed, and underemployed people with pre-apprenticeship and essential-skills training. The principal outcome for Northerners is to achieve Red Seal certification and/or achieve employment as an apprentice or journeyman. This initiative is driven by the needs of industry, which continue to experi-

ence labour shortages for the trades in spite of difficulties with the current economy.

#### Workplace Essential Skills Training Centre (WEST)

- On January 22, 2009, the WEST Centre was officially opened for business. Apprenticeship Manitoba is currently working with Workplace Essential Skills Training (WEST) Centre to provide essential-skills services. Clients are referred to WEST by Apprenticeship Manitoba for assessment and upgrading. These services assist employers by offering an expedient and cost-effective resource that provides employees with the additional training they require in the workplace.
- The Apprenticeship-Workplace Essential Skills Training Centre (a-WEST), is a new drop-in centre located at Winnipeg's Technical Vocational High School. It offers free training and tutoring in the Essential Skills upgrading needed in specific trades. This service targets apprentices in the workplace, trades qualifiers, tradespeople studying for exams, and anyone considering a career in the skilled trades. This service will be particularly beneficial for mature students and immigrant clientele by assisting them to identify gaps in training and obtain recognition for existing skills.
- Apprenticeship Manitoba has a partnership with the a-WEST Centre and will refer clients directly to the a-WEST Centre or the Immigrant – Workplace Essential Skills Training (i-WEST) Centre for Essential Skills assessment and upgrading.
- Drop-in gap training is free at the a-WEST centre and is self-directed with support from Essential Skills instructors and trade experts.

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- The Access Program allows a person who does not have the traditional academic background and educational prerequisite, a high-school diploma or the equivalent, to register as an apprentice, while concurrently receiving an Essential Skills assessment and prescribed essential-skills upgrading to ensure their success before beginning the technical training portion of their apprenticeship program.

### **Promising Practices: What Works**

Eleven officials<sup>11</sup> from the provincial and territorial apprenticeship branches/divisions were interviewed and their comments are summarized in this section.

Provincial and territorial respondents were asked to comment on the elements they thought were most successful in helping to facilitate the hiring and retention of apprentices in their jurisdictions. Officials pointed out that it is difficult to draw a direct link between employer supports and increased apprenticeship registrations because other factors may influence registrations such as the state of the economy.

Respondents focused on the financial incentives as the most beneficial aspects of their programs for employers.

- Ontario highlighted the success of the Apprenticeship Training Tax Credit, which led to a doubling of employer participation from 2005 to 2007.

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<sup>11</sup> Due to time constraints and other commitments, British Columbia and the Northwest Territories could not participate in the interviews.

Interviewees identified promoting trades and programs for youth that attract quality candidates as positive.

- Many provinces/territories provide accurate and engaging career information to youth. This work helps employers by attracting high-quality candidates to the trades. Nova Scotia has the Workit Youth Apprenticeship Strategy, which aims to raise the profile of skilled trades as a viable career choice and lifestyle. Manitoba has a marketing campaign that promotes apprenticeship and careers in the skilled trades. The first phase of this campaign focused on prospective apprentices and the general public. The second phase focused on employer awareness.
- Provinces and territories talked about helping employers by providing information on established pre-apprenticeship programs and youth apprenticeship programs at the high-school level. The objective of many of these youth apprenticeship programs is to link high-school students with employers and mentors in the skilled trades.<sup>12</sup> These programs can result in participating students accelerating apprenticeships by acquiring experience in a trade and potentially hours toward their apprenticeship while still in high school.

Respondents spoke highly of their efforts at employer engagement.

- In Alberta, the Employer Visits Program helps educate industry on the importance of knowledge transfer and mentorship through shop registrations. In a typical year, staff visit more than 12,000 employers.

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<sup>12</sup> For a complete list, please consult the CAF-FCA Catalogue of Support Mechanisms.

- Quebec has allocated funding directly to sector councils so they can engage industry. Through the Programme Soutien aux promoteurs collectifs pour le développement de la main-d'oeuvre, the Workplace Apprenticeship Program is promoted via sector committees to employers through one-on-one meetings, producing and distributing promotional documents, designing and conducting promotion campaigns, and conducting company surveys. In addition, a workshop for employers is being offered on a trial basis to help employers see the benefits of apprenticeship and to inform them about promising practices in apprenticeship management.
- The Apprenticeship Board in Nova Scotia holds employer breakfast forums to engage employers in learning about the value of apprenticeship training. Employer champions are invited to speak at these forums about their experiences. In addition, Employment Nova Scotia uses the local Labour Market Partnership Program to provide assistance to industry associations to engage industry on critical labour issues. This engagement may include the development of strategies to support employers with challenges in the recruitment and retention of apprentices.

Interviewees mentioned the resources that help journeypersons enhance their ability to teach apprentices. Interviewees said these resources were useful.

- In 2009 Saskatchewan partnered with the Construction Sector Council to help, in part, upgrade the mentoring skills of journeypersons and to create a pan-Canadian mentoring training tool for use by the entire construction industry. A workshop and

pocket-sized booklets for journeypersons and apprentices were created as a part of this tool.

## **Supports**

Provincial and territorial officials were asked to describe any enhancements to the supports that they thought could further increase the hiring of apprentices:

- Financial incentives.
- Flexible education.
- Industry-wide participation.
- Matching services.
- Guides to assess credentials and prior learning.
- Resources on how-to-train in the workplace.

### Financial incentives

Continued financial incentives were mentioned as an important form of support for employers.

### Flexible education

Respondents indicated that a flexible approach to education and training such as variable approaches for technical training and accommodating work schedules (e.g. part-time and on-site training on evenings and weekends) is helpful. On Prince Edward Island, training is already provided at a time convenient to employers. In Ontario, there is the option to do technical training up front if work placements are temporarily unavailable. In Quebec, the government is reviewing how to further facilitate access to part-time and on-line education.

Respondents noted there should be a continued effort, in consultation with partners, to develop tools and processes to enhance learning supports and co-ordinate service delivery for new



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Canadians and First Nations, Métis, and Inuit interested in the skilled trades.

#### Industry-wide participation

On an ongoing basis, communicating with employers and employer associations about the value of apprenticeship was mentioned. Communicating to small and medium-sized businesses can be challenging because these employers may find a lot of the supports available not helpful due to the paperwork and reporting requirements often involved.

Making the registration of apprentices mandatory for any company engaging in business with government was suggested as a support that would encourage industry-wide participation in apprenticeship. As part of a commitment, outlined by the Manitoba government in the November 2008 Speech from the Throne, Apprenticeship Manitoba has been working with other departments to ensure that the public sector leads by example through the establishment of training and apprenticeship hiring targets for major capital projects funded by the province.

Championing businesses that serve as centres of excellence in training was also suggested as a way to encourage industry support for apprenticeship. It was felt that this would aid in the creation of a culture of training. It would reward good business practices through free publicity. The publicity would also act as a magnet for high-calibre apprentices because they would be drawn to those enterprises that provide quality training.

#### Matching services

It was noted there is no direct employment-matching assistance provided to either employers or apprentices who are looking to enter an apprenticeship agreement, other than in

Ontario. The Ontario “Apprenticesearch.com” model could be studied, lessons learned could be gathered, and perhaps this model could be replicated in other jurisdictions.

#### Guides to assess credentials and prior learning

It was also noted that there is a need to develop and disseminate guidelines and resources for a mutual-recognition protocol to assess international trade credentials across Canadian jurisdictions in both Red Seal and mutually recognizable trades. As part of this process, host jurisdictions would provide an appraisal of high-demand trades and high-volume source countries. Ways to assess prior learning would also be valuable. Nova Scotia has indicated support for the recognition of prior learning and has produced a draft Recognition of Prior Learning Policy Framework. In the meantime, the Apprenticeship Training and Skill Development division will continue to support Prior Learning Assessment and Recognition as a way of identifying, assessing, and recognizing skills, knowledge, or competencies a person has acquired through formal, informal, and experiential learning.

#### Resources on how-to-train in the workplace

Interviewees said that further employer workplace support on how-to-train would also be useful.

## Section B: Context from ROTI

To put the interview findings in context, it is important to review what we know so far about employers' opinions. This section summarizes the findings from CAF-FCA's ROTI surveys, which were completed in 2006 and 2008.<sup>1</sup> In both studies, data was collected through a national survey of employers across various trade areas.<sup>2</sup> When filling in the survey, employers who hire apprentices were asked a series of qualitative questions designed to measure the

1 For more information about the CAF-FCA ROTI studies see the full length reports: CAF-FCA, *Apprenticeship – Building a skilled workforce for a strong bottom line*. Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage: Ottawa, 2006. Available at: [http://www.caf-fca.org/files/access/Return\\_On\\_Training\\_Investment-Employers\\_report.pdf](http://www.caf-fca.org/files/access/Return_On_Training_Investment-Employers_report.pdf). And CAF-FCA, *It pays to hire an apprentice*. Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage: Ottawa, 2009. Available at: [http://www.caf-fca.org/files/access/It\\_Pays\\_to\\_Hire\\_Employers\\_report.pdf](http://www.caf-fca.org/files/access/It_Pays_to_Hire_Employers_report.pdf).

2 Fifteen trades were included in the 2006 ROTI study. These trades included automotive service technician, bricklayer, carpenter, construction electrician, cook, heavy-duty equipment technician, industrial mechanic (millwright), insulator, machinist, mobile crane operator, motor vehicle body repairer, refrigeration and air conditioning mechanic, sheet metal worker, sprinkler system installer, and tool and die maker. Sixteen trades were included in the 2008 ROTI study. These trades included automotive service technician, bricklayer, construction electrician, construction millwright and industrial mechanic, cook, heavy-duty equipment technician, machinist, motor vehicle body repairer, refrigeration and air conditioning mechanic, sheet metal worker, boilermaker, cabinetmaker, electrical power line and cable worker, hairstylist, plumber and partsperson.

importance of several qualitative benefits of apprenticeship training. Employers who hire journeypersons in the trades of interest, but who have not hired an apprentice in the past three years were also asked why they do not participate.

**Figure 1**  
**Benefits of Employing a "Homegrown" Journeyperson**



Source: Apprenticeship Survey (A11, n=589-602)

## Employers who hire apprentices

In the qualitative portion of the survey, employers who hire apprentices were asked about:

- the benefit of apprenticeship training to journeypersons, and
- the advantages of employing a “homegrown” journeyperson.

The majority of employers (81.3%) indicated that their journeypersons derive a benefit from training an apprentice.

More than 60 per cent (61.3%) of employers consider a journeyperson they trained as an apprentice to be more productive relative to an external journeyperson. These employers estimated, based on their experience, that a “homegrown” journeyperson is 29 per cent more productive on average.

Only 3.5 per cent of employers indicated that “homegrown” journeypersons are less productive. Approximately 35 per cent (35.2%) of employers indicated that there is no difference in the productivity between a “homegrown” journeyperson and an externally hired journeyperson.

Employers cited “better fit with the organization” as the most significant benefit of employing a journeyperson whom they trained as an apprentice. Employers also indicated that training their own journeypersons results in reduced risk of skill shortages, increased potential for career advancement for the apprentice in the company, greater overall productivity, and fewer mistakes. See Figure No. 1.

The qualitative benefits employers identified remained consistent when the 2006 pilot results are compared to the 2008 results. See Figure No. 2.

**Figure 2**  
**Comparison of Employer Opinion**  
**2006 vs. 2008**

Trends	2006	2008	Conclusion
Benefits of Apprenticeship Training to Journeypersons	67.6%	81.3%	Employers continue to strongly believe that their journeypersons benefit from training apprentices
Advantages of Employing a “homegrown” Journeyperson: More productive	65.3%	61.3%	Persistent perception among employers that “homegrown” journeypersons are more productive
Most Significant benefit	Better fit with the organization (rating 8.5 out of 10)	Better fit with the organization (rating 8.5 out of 10)	Agreement among employers about the most significant benefit of apprenticeship training
Poaching	Average of 5.1 on a scale from 1 (not at all serious) to 10 (very serious)	½ (approx) 1 to 5 ½ (approx) 6 to 10	Some concern over poaching

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## Employers with Journeypersons, but no Apprentices

Employers who hired journeypersons in one of the trades included in the study, but who did not employ apprentices, were asked to complete a short survey as a part of the 2008 ROTI study. They were asked about the reasons that they did not invest in apprenticeship. The most common reason reported by employers for not hiring an apprentice was that their business did not have enough continuous contracts to support hiring an apprentice (30%). Another common reason for not investing in apprenticeship was that the business was too small and there was no reported need for additional workers (25%). Of great interest, however, is the 14 per cent of employers who indicated that they would be willing to hire an apprentice, except that there were few or no apprentices applying to their organization. See Figure No. 3.

14 per cent of employers who hired journeypersons in one of the sixteen trades<sup>3</sup>, but did not hire apprentices indicated that they would be willing to hire an apprentice, except that there were few or no apprentices applying to their organization.

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3 As already mentioned, sixteen trades were included in the 2008 ROTI study. These trades included automotive service technician, bricklayer, construction electrician, construction millwright and industrial mechanic, cook, heavy-duty equipment technician, machinist, motor vehicle body repairer, refrigeration and air conditioning mechanic, sheet metal worker, boilermaker, cabinetmaker, electrical power line and cable worker, hairstylist, plumber and partsperson.

30 per cent of employers without apprentices indicated that they would hire apprentices if they could find them, suggesting that employers may be having difficulty getting access to apprentices.

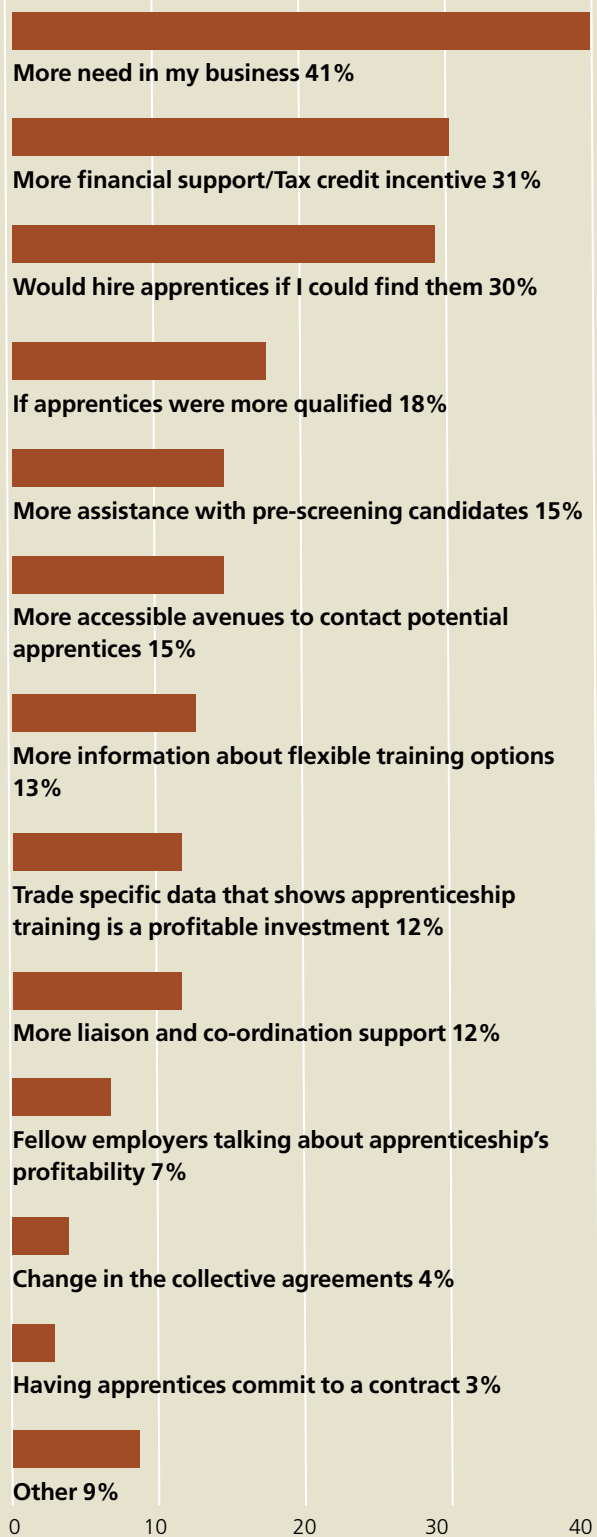
Employers without apprentices were also asked what, if anything, would change their mind about hiring an apprentice. About half said yes there was something that could be done to change their minds. The most commonly mentioned reason by employers who hired a journeyperson, but had not hired an apprentice in the past three years was business-demand related. More than 40 per cent of employers indicated they would hire an apprentice if there was a need for them in their business. Nearly one-third (31%) of respondents indicated they would hire an apprentice if there was more financial support, such as employer tax credits. Importantly, 30 per cent of employers without apprentices indicated they would hire apprentices if they could find them, suggesting that employers may be having difficulty getting access to apprentices. See Figure No. 4.

**Figure 3  
Why Employers are not Hiring Apprentices**



Source: Apprenticeship Survey – Survey of Employers without Apprentices (Q2, n=1,163)

**Figure 4  
What Would Encourage Employers to Hire More Apprentices**



Source: Apprenticeship Survey – Survey of Employers without Apprentices (Q3, n=627)

## Section C: Interview Findings

To gain further feedback from industry on apprenticeship support mechanisms, interviews were conducted. Candidates were solicited for interviews based on employer contacts in the CAF-FCA database and names obtained through an INFO Canada list. Cross-sectoral representation, size of business, and representation from every region were factors considered when selecting interview candidates. Employers who hire and do not hire apprentices were asked about their awareness of the supports available and what additional supports might encourage them to hire more apprentices. In addition, provincial and territorial sector councils and employer associations were asked to share their insights on what supports might help their industries hire more apprentices. In total, thirty-seven interviews were conducted. Obviously, this is a small sample and these findings do not neces-

sarily represent the views of all employers in the skilled trades. These interview findings, however, are still worth including because they provide insights into the small employers' business realities. Understanding these views is important because there is room for this group to become more engaged with apprenticeship training. Employers with substantial experience with apprenticeship were also able to share their extensive knowledge about the issues involved in workplace training.

### Employers Who Hire Apprentices

Employers who already hire apprentices were asked about the value of apprenticeship training for their business and what, in their opinion, would help them in the hiring and retention of apprentices.

#### Characteristics of Employers Who Hire Apprentices: An Overview

Fifteen employers who hire apprentices were interviewed across the country. Most interviews were with large private companies working in construction from British Columbia or Ontario. Most had a well-established tradition of hiring apprentices and hired anywhere between 2 and 700 apprentices.

Industry	Sector	Size of Business	Location
Construction..... 6	Public ..... 4	Large ..... 10	BC ..... 4
Transportation .... 4	Private..... 11	Medium ..... 4	AB..... 1
Utilities ..... 4	Total..... 15	Small..... 1	ON..... 4
Service ..... 1		Total ..... 15	MB ..... 1
Total ..... 15			NB ..... 1
			NS ..... 3
			National..... 1
			Total..... 15

### Characteristics of Employers Who Hire Apprentices: Specifics

15 Employers	Location	Number of employees currently in company (approximately)	Number of apprentices currently in company (approximately)	Size of Business and Sector	Number of years company has hired apprentices*
Construction	AB	4,000	300	Large Private	10 plus
Construction Commercial/Industrial	BC	240 tradespeople only	60	Large Private	Over 100
Construction Structural Steel	NS	90	15	Medium Private	26
Construction-Stone	ON	12		Small Private	1
Electrical	BC	65 electricians, but has thousands of employees	9	Large Public	**
Electrical	BC	50	20	Medium Private	35
Transportation	National	15,000	100	Large Private	Since the beginning of the company+
Transportation Aerospace	MB	**	**	Large Private	**
Transportation Automotive	BC	**	100	Large Private	50
Transportation Automotive	ON	35	5	Medium Private	1
Utilities	NB	2,500	100	Large Public	Since the beginning of the company+
Utilities	NS	**	**	Large Private	Over 20 years
Utilities	ON	550	40	Large Public	Past 5 years
Utilities	ON	5000	700	Large Public	**
Cook	NS	**	**	Medium Private	15 or more

\*All years were recorded as reported by the employers themselves. A separate check was not done to confirm the length of time in business by the employers.

\*\* Figure not available. Some employers chose not to provide this information.

+ Employer did not specify how long the company was in business.

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## Satisfied with Supports

The interviewees who hire apprentices are generally satisfied with the supports available. Most were familiar with the supports and only a couple did not know what was available. For those employers just starting out in apprenticeship, tax credits did motivate them to participate.

### *Reasons for Hiring Apprentices: It Makes Business Sense*

In their own words, here is why the employers interviewed hire apprentices:

Long-run benefits such as succession planning and building your own journeypersons

“The main benefits are the return on investment and the opportunities to replenish staff. The idea is to train tomorrow’s workers today. The return on investment is significant...”  
Construction — Commercial/Industrial

“[The] younger generation is ... advanced and into knowledge. They are needed to replenish the aging workforce.” Utilities

“Great way to recruit key talent” Transportation — Automotive

“Apprenticeship is by far the best way to train someone for working in the trades, which is necessary in this industry. Apprenticeship is also important for succession planning. I think it is also helpful to train people for the specific needs of the company.” Transportation

“No apprentices means no industry” Electrical

Builds morale and engagement among employees, which leads to commitment and high-quality work

“Apprenticeship builds morale by showing the rest of the company that they are committed to training and succession. Real training with experienced journeypersons is key to successfully learning the trade. Apprenticeship also allows training to specific company needs. While apprenticeship might cost a little to get started, it is worth doing so because the company knows what it is getting in the end.” Construction — Stone

“The value is that you have an engaged employee someone who has a goal and who will stay with you until that goal is reached. They bring strong commitment and achievement to their role in the kitchen.” Cook

“The value is mainly related to ensuring continued success of the company and to renew staff. Young people are motivated when they are presented with long-term opportunities, which is what apprenticeship does.” Construction — Structural Steel

### *How Interviewees Connect with Apprentices*

- Word of Mouth
- Boys & Girls Clubs
- Hiring agencies
- Apprenticesearch.com
- Newspapers
- Websites
- Advertising
- Unions
- Consortia with a college
- Schools



- Job fairs
- Pre-apprenticeship programs
- Good relationships and co-operation with the colleges are helpful in finding quality candidates.

### ***How Interviewees Find Information about Apprenticeship***

- Employees
- Websites
- Employer associations
- Sector councils at the provincial/territorial and federal levels

### ***What Interviewees are doing to Support and to Enhance Apprenticeship***

Employers who hire apprentices wanted to share what they are doing to support their apprentices in addition to the government supports. Interviewees said:

- A thorough assessment and orientation process is key to ensure the potential apprentice has the skills to succeed and knows what their responsibilities are.
- One interviewee said his company was considering stipulating that subcontractors have apprentices in order to encourage apprenticeship on an industry-wide basis.
- Top up Employment Insurance (EI): Some interviewees commented that they top up EI so their apprentices have additional financial help when doing their technical training. Some interviewees also pay for books and tools.

When asked why they provided these supports, one employer said that helping apprentices is worthwhile because they are making a huge contribution to industry by working toward their certification. Another employer said that these supports help retain apprentices and encourage loyalty.<sup>1</sup> One employer from the automotive sector commented, “If the apprentice is willing to invest in their future and shows initiative, it shows well for the company.”

### ***Suggestions from Interviewees for Further Supports***

*Continue to promote apprenticeship to youth, the public, and employers:*

Interviewees made the following suggestions about things that could be done to further promote apprenticeship:

- Promote apprenticeship at schools. Encourage exposure to the trades and hands-on work experience at the high-school level.
- Give accurate information to career consultants about what it is like to work at various jobs in the trades.
- Inform youth of the exact requirements to get into the trades and the importance of certification. Employees seeking apprenticeship may change employers’ desire to train as a way to retain their employees. As one cook employer said, “The apprentices need to be educated and aware of what they need and this will affect change with employers. Need to have a message for employers as well.”  
Cook

<sup>1</sup> Employers were not asked whether or not they were apprentices and if this affected their decision to hire apprentices. Being a former apprentice may be a motivating factor for employers.

- Explain what apprenticeship is to the public in order to ensure there is a demand for apprenticeship and qualified journeypersons-
  - “Better information has to be presented to the general public because, unlike university, the vast majority of the population is unaware of apprenticeship. Providing this kind of information on a more consistent basis would help people make more informed decisions about their career path and training method.” Construction — Commercial/Industrial
  - “The customers will help drive the market.” Cook

Matching and pre-screening services:

Connecting with prospective apprentices who fit the organization is important to employers. Any improved services or tools in this regard are helpful, but trade- or sector-specific assessment tools were most often cited. Employers agreed that the existing pre-apprenticeship programs were helpful. They provide prospective apprentices with the opportunity to try a trade and make a match. It also provides them with a certain amount of perspective in terms of what to expect and how to prepare for work in the trades. Here are additional suggestions from the interviewees:

- Ensure greater consistency in the quality of the candidates, including the latter’s computer skills.
- Create a better inventory of Red Seal cooks and a list of businesses that would support apprentices.
- Continue to explore effective ways to accurately and fairly recognize prior learning.

Essential Skills:

Many employers noted that improving candidates’ Essential Skills would help them with their on-the-job training. Employers said:

- Maintain or create programs that allow apprentices to take essential-skills courses with a trades focus in high school.
- Provide training tools that do not rely so heavily on reading and make use of technology.
- “Better Essential Skills tools would be very useful because the skill levels of apprentices can fluctuate significantly. It would be useful to have a method to bring apprentices in on a level playing field on their first day. Trade-specific Essential Skills tools would be helpful.” Construction —Commercial/Industrial

On-the-job training:

Interviewees said that more materials on how-to-train the trainer would be helpful to them. Comments included:

- Find ways to help journeypersons become more informed about mentoring.
- Provide ready-to-use programs on how to train journeypersons. Teaching demonstrations could be available on YouTube for journeypersons to examine at work, for example.
- Give additional learning programs for apprentices to supplement what is being taught by the journeyperson so there is some consistency and the apprentice is not solely relying on the journeyperson.
- Consider incentives for journeypersons.

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### Flexibility:

Flexibility is important to employers. Employers in remote locations, for example, would like to see training options that allow apprentices to learn the technical aspects of their trade without having to travel long distances. These could be provided electronically or by correspondence. In some cases, apprentices are called away for their courses during peak work seasons, while they remain at work when there might not be enough work to go around. More flexibility in this area would be helpful.

### Financial:

Employers also made suggestions for potential incentives:

- Incentives specifically for mature apprentices who have greater financial commitments than younger apprentices.
- Existing tax credit could include more trades.
- Completion grants for employers to encourage them to retain apprentices until the end of the program. (Some provinces such as Ontario and British Columbia already have these incentives in place.)

Interviewees said that apprentices should continue to be supported financially as well.

### Administration/Logistical Issues:

Employers who participate in apprenticeship training noted that they were aware of many programs and tools that were available, but perceived the administrative requirements to be overwhelming.

Interviewees wanted to see clearer on-line resources. Employers found the bureaucratic structure and language to be a significant barrier to their using the available resources on some websites. Interviewees said they would like to see:

- Information about the players in apprenticeship.
- Up-to-date information and timely follow-up.
- National Occupational Standards that are linked to websites visited by employers.

## Employers Who Do Not Hire Apprentices

To better understand the perspectives of employers who do not participate in apprenticeship training, interviewees were asked why they do not participate and what might encourage them to do so. This part of the report only contains the views of employers who do not participate in apprenticeship training.

### Characteristics of Employers Who Do Not Hire Apprentices: An Overview

Sixteen employers from across the country were interviewed. Most interviews were with small private companies working in construction or transportation from Quebec or Ontario.

Industry	Size of Business	Location	Experience with Apprenticeship
Construction..... 7	Large ..... 1	YK..... 1	Used to hire, but don't now ..... 7
Transportation .... 6	Medium..... 1	NWT..... 1	
Utilities ..... 0	Small..... 6	BC ..... 2	Never hired..... 9
Service ..... 2	Unknown (most likely small employers) .. 8	AB..... 2	
Manufacturing..... 1	Total..... 16	ON..... 3	Total ..... 16
Total ..... 16		QUE ..... 4	
		MB ..... 1	
<b>Sector</b>		NB ..... 1	
Public ..... 0		PEI..... 1	
Private..... 16		Total..... 16	
Total..... 16			

### Characteristics of Employers Who Do Not Hire Apprentices: Specifics

Employers were not asked about the number of employees in their businesses, but it was mostly smaller businesses that were targeted for interviews.

<b>16 Employers business and Sector</b>	<b>Location</b>	<b>Hired apprentices before,</b>	<b>Size of Busi- but don't now</b>
Painter	BC	Used to hire	Medium Private
Carpenter	PEI	Never hired	* Private
Cabinet Maker	YK	Never hired	Small Private
General Construction	NWT	Never hired	* Private
Installer/fitter Construction	QUE	Never hired	* Private
Plumber	MB	Used to hire	Small Private
Electrician	BC	Never hired	Large Private
Automotive Mechanic	ON	Used to hire	Small Private
Automotive Mechanic	ON	Never hired	* Private
Automotive Mechanic	QUE	Never hired	* Private
Automotive Mechanic	QUE	Used to hire	* Private
Automotive Mechanic	QUE	Used to hire	* Private
Heavy duty technician	AB	Used to hire	Small Private
Appliance repairer	NB	Used to hire	* Private
Refrigeration mechanic	AB	Never hired	Small Private
Manufacturing Welder	ON	Never hired	Small Private

\* Figure not available. Some employers chose not to provide this information.

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### **Lack of Awareness of Supports Available**

When asked about financial incentives, employment matching services, youth apprenticeship programs or other supports, these employer interviewees had little to no knowledge of these supports. As an employer in plumbing said, “I have never looked for financial breaks. I will talk to people interested in being an apprentice when they phone, but I do not really go out looking for it. It is not that there are significant barriers to taking on an apprentice, but I am too busy with work to be bothered searching.” Some employers were not aware of supports offered by government. This lack of awareness was puzzling for some employer associations, sector councils, and provincial and territorial officials because they make concerted efforts to let employers know about the supports available.

### **Reasons for not Hiring Apprentices: Myth Busting Still Needed**

There is a sharp contrast between the views of employers who participate and employers who do not. Employers who participate were more likely to see the value and potential of apprenticeship to help their business grow. Employers who do not participate were more likely to focus on the perceived negative impacts to their business. Even though it might not correspond with what many apprentices or apprenticeship stakeholders believe, it is important non-participating employers’ viewpoints are outlined as they responded so stakeholders can address these negative perceptions when enticing these employers to participate. Overall, concern about the quality of candidates and productivity were the biggest reasons for not hiring apprentices, based on the employers who were interviewed:

#### Do not have consistent work:

If there is not enough work, then the employers cannot properly train and utilize the apprentice. An employer in the welding trade said, “I am a small firm and only have me and other part-time workers. To take on an apprentice, I would need more work. So I have never looked into it.”

#### Difficulty in finding apprentices/No one has asked:

Many of the employers interviewed wanted to hire apprentices, but expressed that they found it difficult to find apprentices. One employer in appliance repair said he would consider taking on an apprentice if an employee asked and it was “mutually beneficial,” but no one expressed an interest. “The big thing is that no one talks to me. I would not know where to begin looking. Maybe some increased connection with the apprenticeship branch.”

#### Cost of tools too much for some individuals:

One employer in the auto-mechanic trade said, “Always have had trouble getting people to sign up. They needed to buy the tools and it is too expensive. They’d drop out and become electricians or plumbers.” Another employer in the same trade agreed: “Apprentices finish high school and they have no money. They need at least \$2,000 worth of tools and they don’t have the money.”<sup>2</sup>

#### Will leave the company and become my competition:

A painter noted, “For a medium enterprise like mine (about 20 people), it is not worth it since it is too expensive to me. They turn around and become their own business and become our competition. Some larger companies might have more apprentices because they can afford it.” Interestingly, employers surveyed as a part

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<sup>2</sup> The interviewee made this comment despite the fact there are incentives, at the federal level, for the purchase of tools. One example is the Tradesperson’s Tools Deduction.

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of the ROTI study were evenly split in terms of whether they view the poaching risk from other employers to be a very serious issue. Fifty-three per cent of employers gave poaching a risk value of 1 to 5 (not serious) versus 6 to 10 (very serious). These results indicate that there is some concern among employers with respect to poaching.

No demand:

Employers perceived there was no demand for qualified journeypersons. He said he might be more motivated to hire apprentices if there was a demand. Other employers also expressed this point of view.

Resistance on the part of upper management:

Employers working at local offices noted that if the higher-level management at their company does not want to train apprentices, they cannot do it — even though they may want to.

Perception that candidates aren't qualified:

Interviewees who did not hire apprentices also said they had difficulty finding apprentices with the right skills. Taking on weak candidates was perceived as a cost to the employer. Here are some of the employers' perceptions about these issues:

- An employer from the automotive sector spoke of the high initial cost of equipment that he indicated was necessary to properly utilize an apprentice.
- One mechanic who hired an apprentice in the past said, "I don't want to hire apprentices anymore because they are not really skilled, which I understand. ... I was an apprentice when I was young and I understand that it's important that somebody gives you your chance, but it really costs the company too much."
- An employer who makes high-end cabinets said, "I cannot find someone able to meet my standard of quality. ... There are people available and willing to work, but they don't attain my level of standard. ... I [wouldn't] mind having an apprentice ... I have a lot to teach and nobody to teach to." The employer said that specialized knowledge beyond basic carpentry would be needed in his business. He also said he needed someone who was willing to work every day, had critical-thinking and problem-solving skills, and was attentive. He did not believe that the individuals he encountered had these skills.
- A painter and an employer in the electrical field struggled with the attitudes of the people questioning their commitment and reliability. An employer in the plumbing trade echoed the above sentiments, "I cater to my customers' needs and am very keen at attaining a higher standard of quality service. So it is difficult to find someone who meets my standard of customer service. ... Plus it is only me in the company so there is a lack of work. Between a lack of work to warrant an apprentice and my high standards, I have difficulty finding someone who fits with my needs and requirements."

Perceived productivity issues:

A lack of perceived productivity was also an issue noted by the interviewees.

- One employer in auto mechanics perceived apprentices to be a cost to him because they lacked the necessary knowledge to be productive. Once they became productive he assumed they were likely to leave the company.
- When other options are available, an employer in carpentry and a refrigeration

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mechanic noted, there are fewer incentives to hire apprentices because of the expense, the lower productivity, and the paperwork.

- The employer who made cabinets commented, “It comes down to making it financially viable for me to take on an apprentice who I can teach and oversee closely and pass on my knowledge without losing on my production.” The employer perceived that taking time to train an apprentice and correct his or her mistakes was too costly.

In contrast to the above concerns, the ROTI survey found that many trades witness a positive return in the first year of an apprentice’s employment in the trade. More than one-quarter (30.2%) of surveyed employers indicated that the benefit of training the apprentice exceeds the costs by the end of the second year of the apprenticeship. In other words, the employer perceives a net benefit of apprenticeship training at the mid-point of the apprenticeship period, which averages four years. In addition, more than one-third (32.7%) of employers perceive a net benefit to apprenticeship training by the end of the first year or earlier.

#### Location:

- In rural and Northern areas such as Northwest Territories and the Yukon employers noted it was hard for some employers to hire apprentices because many individuals did not want to leave the area to do their technical training. One employer in the automotive trade also noted that having the technical training more accessible outside of cities would be helpful.
- A more remote location can make it more difficult to attract people. One employer who was in the automotive and heavy-duty equipment trade noted, [We are] “about 100 miles

from a decent city and [have] trouble finding somebody young. We are a farm community and it is hard to attract people. Everyone ... wants to leave to the city.”

### ***Suggestions from Employers who do not hire Apprentices***

Employers who do not hire apprentices were asked what would motivate them to hire an apprentice. Many of the provinces and territories are already addressing these issues.

#### Promotion of apprenticeship:

Three employers indicated that improved advertising and information campaigns would encourage more high-quality applicants into the trades. The importance of providing accurate information about what it is like to work in the trades was emphasized.

#### Background training for pre-apprentices:

Some interviewees said they would be willing to hire apprentices if they were able to find more skilled and qualified applicants.

#### Avenues to access apprentices:

One employer who was a refrigeration mechanic said, “The only thing I can think of is an awareness of who is looking for jobs, like a contact point. ... There should be a better contact point to connect people with employers who are hiring.”

#### Information about programs available for obtaining assistance and timely follow-up:

Some other employers who were interested in hiring apprentices were discouraged from doing so when they did not hear back from the official they contacted or received unclear information.

#### Availability of training in remote areas:

Two employers in remote/rural locations mentioned that their ability to hire apprentices



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would be increased if there were more local apprentices.

Wage subsidies:

Some interviewees suggested wage subsidies could be used to help keep their potential apprentices during the businesses' slow season. Others said they would not use wage subsidies because the requirements are strict and there is too much paperwork.

### **Provincial/territorial employer associations and sector councils**

Six additional interviews were conducted with provincial and territorial employer associations and sector councils to obtain their views on the value of apprenticeship to their industries and what might encourage more employers to hire apprentices.

<b>Industry</b>	<b>Location</b>
Landscape	ON
Automotive	BC
Resources	BC
Construction	QUE
Tourism	NU
Various	NWT
Total	6

### **Value of Apprenticeship**

All employer associations interviewed were asked to describe the benefits of hiring apprentices for the industries they represent. Three respondents highlighted the infusion of new skills and technological competence that are gained from the hiring of apprentices. Two interviewees spoke of the contribution to the development of the next generation and the enhancement of career opportunities that arise

due to apprenticeship programs. One individual discussed increased productivity and employee retention as a particularly beneficial aspect of hiring apprentices. Comments by the interviewees included:

“We need technicians. The poaching method has become too expensive. Also, the apprentices are able to handle the new technologies easier than the older techs.” Automotive — BC

“[Apprenticeship] contribut[es] to an individual’s education and career development by providing employment and hours. Employers are providing benefit to the workforce ... they gain the new and up-to-date skills of the apprentices that are coming in.” Tourism —Nunavut

### **Knowledge of Support Mechanisms**

All the respondents were asked about the types of government support that are offered to their industries. All six of the respondents were aware of some government supports. Four of the respondents mentioned financial supports such as tax credits or wage subsidies. One respondent was aware of additional supports such as employer matching services and youth apprenticeship programs. One respondent was aware of the existence of supports, but did not specifically mention any. These interviewees believed it was important to maintain current supports.

The respondents were asked for their perspectives on whether the employers they represent were generally aware of support mechanisms. Four respondents said awareness levels were not high. Two respondents discussed the fact that efforts have been made by the employer associations to inform their members about supports, but the success of the information

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campaigns has been moderate, at best. One of the respondents explained that awareness largely depended on the presence of a Department of Education representative in the Northern communities; however, the Department of Education did not have any offices in many of the smaller communities.

### **Supports Offered by the Employer Associations**

Employer associations were asked to describe any additional supports that they offered directly to their members. One association provided employer toolkits to their members. The toolkits consist of information packets for all the relevant stakeholders (employers, apprentices, supervisors, HR managers, etc.) One association is establishing a directory of employers and apprentices in order to simplify access to the information necessary to suitably match industry demand with the supply of apprentices: “We will create a website for schools in Quebec. It will provide a listing for employers to consult, showing where and when manpower is available. Individuals will register and indicate their availability.”

### **Suggestions for Further Supports**

All the respondents were asked their opinions on how to improve the existing support mechanisms to promote the hiring of apprentices. Here are their thoughts:

#### Awareness of tax credits

- Respondents commented that the supports are often good, but the greater problem is awareness and access to the supports.
- One representative said it might be useful to target Chartered Accountant Associations, so

employers’ accountants are informed about the tax credits.

#### Educate people on the value of the Red Seal program and raise consumer awareness

- Consumers need to buy into the value of having certified journeypersons do their work.

#### Quality of the candidates

- Improved promotion and exposure to the trades at the high-school level could lead to a larger and higher-quality pool of applicants.

#### Access to technical training and journeypersons to mentor in the North

- One association from the North stressed the need for more accessible education. The respondent explained that many students would have to leave their community to attend a college or receive certified training; however, many are reluctant to do so.
- One interview working with businesses in the North said they would have more people doing training if there were more journeypersons available. As he said, “We have 20 hotels. Staff in all the hotels could be training for Red Seal if a chef with Red Seal was there.”

#### Communication

- Another related issue raised by interviewees concerned improved communication between employers and apprentices relating to skill sets, job opportunities, and other industry-specific demands.
- Many employer associations already have toolkits, but noted that additional materials with targeted messages to employers would be helpful.

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## Conclusion

Canadian businesses face a number of significant challenges in the next few years. Perhaps chief among them is the recruitment of sufficient qualified staff to fill the vacancies that will continue to increase in number as retirements also increase. Apprenticeship is a well-tested method of recruitment that also satisfies the need to hire qualified staff through a rigorous training system.

A variety of supports for employers already exist. In Canada, these supports include programs to connect with apprentices, financial incentives, assistance with on-the-job training, and help with Essential Skills.

Officials from provincial/territorial apprenticeship branches/divisions shared some of their promising practices for supporting employers. These included:

- Financial incentives for employers.
- Engaging industry through staff visits, one-on-one meetings, workshops, and information-sharing sessions.
- Resources such as mentoring guides to help journeypersons.
- Flexible approach to education and training through methods such as variable approaches to technical training and facilitating online learning.
- Industry-wide participation: Reinforce the value of a training culture by publicly

celebrating employers who champion apprenticeship.

- Access to apprentices and matching services.

Overall, the employers who hire apprentices provided generally positive feedback on existing programs. Greater awareness and myth busting is still required for many employers who do not participate.

When asked about additional supports that would help employers, interviewees suggested information, incentives, services, and resources that could be useful. Many of these areas are already being addressed by the provinces and territories:

- Information on the value of apprenticeship and the value of the Red Seal program.
- Background training for pre-apprentices.
- Avenues to access to apprentices.
- Matching and pre-screening services.
- Trade-specific essential-skills tools.
- Exploring ways to recognize prior learning.
- Tax credits.
- How-to-train materials for journeypersons.
- Information about the programs available for obtaining assistance.
- Flexible and accessible education.
- Journeypersons to mentor in the North.

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