

# Getting adults into the trades: Innovation and resistance

**Stephen Saunders**

**National Centre for Vocational Education Research**

## **Abstract**

With ageing population, and changing career patterns, directing new apprenticeships in the 'traditional' trades primarily to younger males may not meet future skill demands in the economy. In these trades, over-25s are 12% of the numbers in training in 2000, up from 8% in 1995. Women are just 1% of total training numbers in these same trades. But, the over-25s now occupy about 30% of apprenticeships and traineeships generally. NCVER has studied adults in traditional trades, via employer case studies. Following are interim directions and findings.

- ⇒ Innovation in recruitment is opening up new 'second chance' pathways for adult apprentices – be they experienced workers or ex-university and VET students. However, government funding and administrative support for trades does not always favour prospective adult apprentices.
- ⇒ Few companies have a broad model for adults in trades – i.e. accelerated training, premium skill training, women in trades, or training for post-trade careers. Workplace and training innovation is limited. Earning 'low' wages relative to other adults, adult apprentices often travel a fairly traditional route through the Training Package and training delivery for much the same term as the juniors.
- ⇒ Adult apprentices may have advantages in terms of maturity, dependability and commitment, but 'high' apprentice wages relative to juniors are a brake on numbers. Companies surveyed expect adults' share of 'traditional' apprenticeships will stay much the same.
- ⇒ While the national VET strategy favors 'lifelong learning', system policies and company practices change slowly, if increases in adult apprentice numbers are desired. This may have its impact on productivity and innovation, meeting of skill demands in the economy, and diversity of individual career opportunities.

# Getting adults into the trades: Innovation and resistance

Stephen Saunders

National Centre for Vocational Education Research

## Introduction

With the ageing of the Australian population, changing life career patterns, and continuing shortfalls in supply in the 'traditional' trades, school leaver apprenticeships no longer meet most or all demands. Adults are becoming an increasingly important recruitment source.

An NCVER study is to be published in 2002 as the NCVER report *Getting adults into the trades*. The study looked at statistics and research on adults in trades, following up with employer case studies. The report develops themes and strategies for getting adults into the trades.

Australia's vocational education and training (VET) system has been transformed. After a long period of little growth, training numbers grew rapidly from 1995. The training system has more than doubled in size, from 136 000 contracts of training in mid-1995 to 295 000 by the end of 2000. Traineeships now comprise half of the numbers in training, compared to 10% in 1995. Women now comprise more than 30%, compared to 5% in 1995.

Traineeships have expanded around, rather than at the expense of, the trades. The trades, and the core 'traditional' trades groups (metal, auto, electrical and electronic, and construction), have maintained their training numbers and shares of total employment. They absorb new technologies and skills to stay relevant to the contemporary Australian economy.

However, the composition of trade training is quite different from that of contracted training generally or VET studies generally.

Whereas the 25-and-over age group accounts for more than 60% of VET places and 30% of all training at the end of 2000, they only occupy about 14% of all 'trades and related' training or 12% of all training in traditional trades. Women occupy virtually 50% of VET places and more than 30% of all training places at 2000, but just 13% in 'trades and related' and 1% in the traditional trades. The issue of 'women in trades' appears to have fallen down in VET policy.

While there is little research relating directly to the question of 'adults in the traditional trades', a number of recent VET studies and reports are relevant to the consideration of their prospects. As a background to the case studies, these were considered in the NCVER study.

The post-1998 new apprenticeships system and recognition framework, the NCVER report notes, introduce revised concepts for trade training and adults in trades. These

include VET-in-Schools programs, 'user choice', new apprenticeships centres, and training packages with competency-based training. Rather than being derived from national VET policy prescriptions, the current interest in adults in trades appears to relate to the general ageing of the population and labour force, and to the supply-demand situations in the trades.

Studies show that the customary four-year trade indenture is a net cost to the firm, which may be borne in deference to social commitments to training or expectations of keeping on the apprentice. Employer costs are higher in the 'traditional' trades compared with others.

There is cautious experimentation with 'alternative pathways', but these are not common in the core 'traditional' trades. The rate of workforce replenishment into the 'traditional' trades through formal apprenticeships remains consistently low, about 2% per annum. It is not surprising, therefore, that shortages might continue, or that non-apprenticeship or adult training pathways might open up over time. Recent national industry-sponsored studies on trade skill shortages highlight the importance of adult training opportunities in this context.

For the employer-focused case studies, 16 companies in all States and the ACT, employing adult apprentices in the 'traditional' trades, were surveyed. Questions were directed to firms' apprentice managers, to their training providers and adult apprentices. The sample was representative of the 'traditional' trades workforce, with manufacturers and group training companies being prominent. About 7% of the firms' 1800 apprentices were over 25. Reflecting national statistics, very few were females.

While there are adult-friendly innovations, few of the companies could be said to have implemented a broad, or strategic, model for getting and retaining adults in their key trades.

About half of the companies still use TAFE as the main off-the-job provider, others redirecting training into group schemes or their own skills centres. New approaches to recruitment are boosting adult apprentice opportunities. A few companies primarily draw apprentices from annual school leaver intakes. Others may apprentice existing (adult) employees, or outsource recruitment to their group schemes.

A key point in the case studies is the adjustments that may or may not be made to accommodate 'high-low' adult apprentice wages. The wages tend to be 'high' from the employer perspective relative to junior rates, but 'low' from the apprentice perspective relative to adult wages generally. While this issue may not be getting much attention in formal industrial agreements, employers do make useful localised wage adjustments, particularly by keeping the adults on at their existing company wages or offering overtime.

When measured against the potentially positive impacts on training costs and skill shortages, acceleration of adult trade apprentices through wage and competency levels is uncommon. It may increase as trade-related training packages increase their market penetration.

Adult apprentices are completing individual blocks of training early, and to a limited extent may 'sign off' their entire indentures early. Some employers give their adult apprentices enhanced outcomes and opportunities, including 'dual ticketing' in metal and electrical trades, special projects and skills within the apprenticeship, or assistance with study towards post-trade management and professional jobs. Such opportunities can ease the financial or family difficulties that may be experienced through the previously mentioned 'low' wages.

Employers' and training providers' confidence in adult apprentices is not matched by a confidence that their numbers will rise. Adult apprentices are valued for their maturity, mentoring of younger colleagues, dependability and safety-consciousness. These positive features tend to outweigh any perceived workplace inflexibilities or learning difficulties.

Reflecting recent research, most companies report high training completion rates among adult apprentices. Unfortunately, they tend to use up suitable internal applicants quickly; moreover, they do not expect many more suitable external applicants to appear under current industrial conditions. Some employers urge extra government placement assistance, income support, or employer incentives, for adult apprentices. One calls for broad improvements in the support given to post-trade (adult) training and company training infrastructure.

Reinforcing employer views, training providers make a point of adult apprentices' contributions to class cohesion, discussion and outcomes. Astute training providers can adjust the learning materials or environment to suit adult apprentices, or may consciously pair adults with their peers or with juniors to improve class stability and learning outcomes.

The adult apprentices have diverse backgrounds. Some are classic 'second chance' apprentices or 'adult improvers', whose new skills build up smaller firms' quality and productivity. Others in larger firms are 'high achievers', including former VET or university students, with career and management aspirations. While praising employer and training provider support, interviewees baulk at the low wages or lengthy qualification periods.

The NCVER report recapitulates the main features of the research and case studies and develops concluding *themes and strategies* for getting adults into the trades.

## **Reviewing adult apprenticeship trends and policy**

This theme originates from a comparison of adult apprenticeship trends and the treatment of adult training issues in VET policy. Recent adult and female gains are much lower in the 'traditional' trades than in training generally, and the case studies do not suggest further strong gains, although adults can make particular contributions to skill gaps and shortages. The following actions are suggested for more intensive policy scrutiny of adult training:

- More intensive reporting of trends in adult and adult female apprenticeships
- Emphasising, in VET performance measurement, adult training priorities and outcomes

- Possible indicative targets for adult and adult female training in ‘traditional’ trades.

### **Managing adult apprentice costs and wages**

This theme results from case-study findings that ‘high–low’ adult apprentice wages are a key disincentive to increased numbers. The case studies reinforce research findings that training and adult training needs are not prominent issues in industrial agreements. Employers commonly make practical wage or overtime adjustments to help adult apprentices through, but reductions in the indenture period are uncommon. The following industrial and training actions are suggested for managing adult apprentices’ costs and increasing their numbers:

- Encouraging the practice of employing adult apprentices on equivalent company wages
- Re-examining relevant trade awards for fair variations to accommodate adult apprentices
- Compensating ‘low-wage’ adult apprentices with shorter indentures or enhanced skilling
- Enhancing the employer incentives that attach to adult apprentices in trades.

### **Broadening adult trade and skill pathways**

This issue relates to the evidence of progress with, but constraints to, adult apprentice pathways in trades. Statistically, non-trade pathways to skills are increasing in volume. In the case studies, innovations with training providers, recruitment, wage and competency progressions, enhanced skill and post-trade career progressions, all benefit adult trade apprentices. The following actions are suggested to broaden adult trade and skill pathways:

- Developing and documenting ‘model’ pathways for adults in ‘traditional’ trades
- Increasing pre-vocational and non-trade adult pathways towards the ‘traditional’ trades
- Introducing forms of enterprise training support to boost adult and post-trade training
- Considering forms of adult employer or adult study benefits for the post-trades areas.

### **Training adult apprentices for skill gaps and shortages**

This theme relates to the potential of adults towards ameliorating recurrent under-supplies and skill shortages in the ‘traditional’ trades, where annual replenishment rates through formal apprenticeship barely reach 2%. In view of their high training completion rates and capacity to fill different skill and career niches in enterprises and industries, adults can make a greater contribution to meeting skill shortages. The following actions are suggested:

- Investigation, and promotion, of high adult apprenticeship completion rates

- Promotion to industry of adults as a supply group for niche trade and post-trade markets
- Adult trade and skill pathways that respond to national industry skill shortage studies.

### **Adult apprentices contributing to cohorts' training outcomes**

The case studies demonstrate that adult trade apprentices raise the quality of on- and off-the-job training in their work and class groups. Adult apprentices are seen as committed, and dependable, valued as role models for juniors and for their high training completion rates. Training providers promote, and may adjust the learning environment for, the contribution that adults can make to class cohesion and outcomes. These actions are suggested:

- More research of adult apprentice impacts on cohorts' training quality and outcomes
- Promoting adult apprentices' beneficial work and classroom influences to industry.

### **References**

- AIG (Australian Industry Group) 2000, *Engineering skills shortages*, AIG, Canberra.
- ANTA (Australian National Training Authority) 1998, *A bridge to the future: Australia's national strategy for vocational education and training*, ANTA, Brisbane.
- 2000a, *Alternative pathways to AQF certificate III qualifications in trade occupations*, ANTA national project managed by WA Department of Training, ANTA, Brisbane.
- Callan, VJ 2000, *Report on apprenticeship and traineeship non-completions*, Department of Employment, Training and Industrial Relations, Brisbane.
- CLMR (Centre for Labour Market Research) 1997, *Evaluation of the impact of the financial incentives on the recruitment of entry level trainees*, Department of Employment, Education and Training, Canberra.
- Cully, M & Curtain, R 2001, *Reasons for new apprentices' non-completions*, NCVER, Adelaide.
- 2001, *Summary of the Commonwealth New Apprenticeships Incentives Programme*, DETYA, Canberra.
- DEWRSB (Department of Employment, Workplace Relations and Small Business) 2000, *DEWRSB job outlook: September 2000*, DEWRSB, Canberra.
- Dockery, AM, Kelly, R, Norris, K & Stromback, T 2001, *Cost and benefits of new apprentices*, Australian Labour Bulletin, vol 27, no 5, National Institute of Labour Studies, Adelaide.
- Electrotechnology Working Group 2000, *A report on skill shortages in electrotechnology*, Department of Education, Training and Youth Affairs, Canberra.
- Harris, R, Simons, M, Symons, H & Clayton, B 2001, 'Factors that contribute to retention and completion in apprenticeships and traineeships', in *Australian apprenticeships: Research readings*, NCVER, Adelaide, pp. 221–237.
- Kemp, D 1996, *Training for real jobs*, AGPS, Canberra.

- NCVER (National Centre for Vocational Education Research) 1998, *Australian apprentice and trainee statistics 1997–98*, NCVER, Adelaide.
- 1999, *Australian apprentice and trainee statistics trends 1995 to 1998: An overview*, NCVER, Adelaide.
- 2000, *Australian apprentice and trainee statistics: Skills supply to the trade industries 1995–1999*, NCVER, Adelaide.
- 2001a, *Australian apprentice and trainee statistics annual 2000: At a glance*, NCVER, Adelaide.
- 2001b, *Australian apprenticeships: Facts, fiction and future*, NCVER, Adelaide.
- 2001c, *Australian apprenticeships: Research at a glance*, NCVER, Adelaide.
- 2001e, *Group training apprenticeships and traineeships in Australia*, NCVER, Adelaide.
- NCVER & DEWRSB (Department of Employment, Workplace Relations and Small Business) 2001, *Skill trends in the building and construction trades*, NCVER, Adelaide.
- NECA (National Electrical Contractors' Association) 1998, *Barriers to the employment of apprentices in the electrical, electronic and communications industry*, NECA, Melbourne.
- Ray, D, Beswick, W, Lawson, C, O'Brien, C & Madigan, S 2000, *Attrition in apprenticeships: An analysis of apprentices commencing between July 1994 and June 1996*, REB report 1/00, Department of Education, Training and Youth Affairs, Canberra.
- Ray, J 2001, 'Apprenticeship in Australia: A concise history', in *Australian apprenticeships: Research findings*, NCVER, Adelaide, pp. 15–41.
- Saunders, S 2001, 'Issues and directions from the Australian apprenticeship and traineeship literature', in *Australian apprenticeships: Research findings*, NCVER, Adelaide, pp. 43–73.
- Smith, L 2000, *Apprenticeships and traineeships: Queensland trends—1998–99 update*, DETIR, Brisbane.
- VACC (Victorian Automobile Chamber of Commerce) 2000, *Skill shortages in the retail motor industry*, prepared by VACC for the Automotive Working Group.
- Webster, E, Dockery, M, Bainger, T & Kelly, R 2001, 'Training for skilled trades in Australia, 1980–2000: Training reforms', in *Australian apprenticeships: Research readings*, NCVER, Adelaide, pp. 179–197.