

MARCH 2020

UNDER PRESSURE 2.0

Heading off a Hiring
Crisis in Hamilton's
Skilled Trades



Workforce Planning Hamilton
Planification de main d'oeuvre de Hamilton

Ontario

IN-DEMAND
Skilled Trades
HAMILTON

UNDER PRESSURE 2.0: HEADING OFF A HIRING CRISIS

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2020 Under Pressure 2.0: The Skills Gap is Widening

INTRODUCTION

This report draws on feedback from 138 Hamilton employers gathered through a three-phase consultation process conducted in the fall of 2019: a preliminary survey, one-on-one interviews, and employer-centered focus groups.

Employers contacted for the consultation were identified by using census-based indicators to determine occupations and industries in Hamilton most likely to have hard to fill positions and a review of employers on Workforce Planning Hamilton's (WPH) database and Hamilton Economic Development's Business Directory.

Feedback was also collected through interviews and focus groups with organizations in the local unionized sector as well as other apprenticeship partners and key stakeholders in the community.

Twenty-seven percent of employers consulted were small businesses of 1-19 employees, 51% were medium sized businesses of 20–99 employees, and 22% were large businesses of 100 employees or more.

Workforce Planning Hamilton asked local employers a series of questions relating to the following themes:

- The difficulty employers are having filling skilled trades jobs today.
- The skilled trades that are hardest to fill.
- How well apprenticeship works.
- Suggestions for improving the apprenticeship program.

Under Pressure 2.0 (2020) report is divided into four main parts:

Part I describes the key skilled trades hiring issues from employers' perspective.

Part II examines what might help close the skills gap.

Part III looks at the question of whether or not employers think apprenticeship still works.

Part IV explores employers' recommendations for potential solutions to the talent shortage.

2017

Ontario Government Focuses on Apprenticeship Program

The Ontario government announced its intent to modernize the apprenticeship program and began to consult with key stakeholders across the province about the skilled trades system.

2018

WPH Releases *Under Pressure* (2018) A Report About the Skilled Trades in Hamilton

Under Pressure (2018) report foreshadowed a potential shortage in the skilled trades in Hamilton. The evidence-based report revealed early signs of “a perfect storm” - an aging workforce coupled with a very low jobless rate. The research focused on the three traditional trade sectors - Construction, Motive Power and Industrial.

The data from *Under Pressure* (2018) revealed that the “over 55 years” age group has grown for all trade sectors in Hamilton between 2011–2016¹ and the jobless rates were falling, especially in the motive power and industrial sectors².

In the consultations for *Under Pressure* (2018) employers already began reporting concerns about a cluster of worrying trends:

1. Increasing recruitment challenges
2. An image of the trades that is mostly negative
3. Small businesses struggling to compete in a demand-driven market
4. Young people/new apprentices not seeming to have the right educational background and needing more support to navigate the skilled trades
5. The need to offer more apprenticeship training in order to replenish the skilled trades workforce.

According to employers, these factors are contributing to a growing skills gap in Hamilton and signal even deeper talent shortages in the future.

2019

Ontario Government Tasks WPH to Research Trends in the Skilled Trades at the Community Level

WPH set out to identify which skilled trades jobs in Hamilton were the hardest to fill for employers, whether or not employers are experiencing issues recruiting, training and retaining trades people and what perspectives employers have on apprenticeship training in general.

WPH begins researching further into skilled trade's crisis in Hamilton

WPH interviewed 138 Hamilton employers about their experiences and views on the skilled trades in Hamilton from the same sectors as previously researched: construction, automotive power, industrial. WPH added the service sector to the scope of the 2019 research, focusing on occupations that were already showing signs of labour market pressure. They are: Child Development Practitioner trade; Horticultural Technician, Cook, and Hairstylist trades.

¹ Updated customized census data for the 2020 report are not available given the five year time lag between censuses. The 2016 census information is still, however, the most reliable data source for our purposes.

² *Under Pressure*, March 2018, pp 4-7

The Skilled Trades at a Glance

There are 144 trades in four sectors.

Construction

Motive Power

Industrial

Service

23 are compulsory trades (in order to work legally in Ontario you must have a certificate of qualification). There are 121 voluntary trades in which a certification or a license is not required to practice the trade. However, proof of certificates and licenses are often requested by employers at the pre-employment stage.

In 2019 Workforce Planning Hamilton developed a series of trade sector profiles.

Using a mix of data sources and 2019 Employer One Survey findings, Workforce Planning Hamilton compiled unique fact-based 'snapshots' of the four trade sectors in order to set the stage for the *Under Pressure 2.0* (2020) research. Excerpts from the Profile information are presented as follows:

Construction

- 62% of employers had hard-to-fill positions in the past year.
- 69% view qualified labour as poor or fair.
- Hard to fill trade positions include: Carpenter, Electrician, Plumber, Sheet Metal Worker, Construction Millwrights, Pipefitters, Electrical Powerline and Cable Workers.

Motive Power

- Median income in four motive power trades – autobody repairer, motorcycle mechanics, automotive service technician and heavy duty equipment mechanics went up an average of 14% from 2011-2016.
- 1710 people are employed as Automotive Service Technicians (AST) in Hamilton.
- The 2016 unemployment rate for ASTs is 1.2%.



Industrial

- 89% of employers had a position that was hard to fill.
- 44% employers state recruitment is very challenging.
- 63% of employers reported staff retirements.
- Hard to fill positions include: Welder, Machinist, Machine Operator, Electrician, Millwright, Pipefitter, Power Engineer, Cabinet maker.

Service

- There were fewer than 10 active journeyperson certificates in the landscape and horticultural technician trade in Hamilton.
- Out of 3,225 people employed in Hamilton in the cook trade, there are 25 active journeyperson certificates.
- The 2016 jobless rate among the 1,380 hairstylists employed in Hamilton is 2.6%.
- There are 13 active journeyperson certificates out of 2,120 people employed in the child care field in Hamilton.





Broader Trends

Ontario: Modernization of Apprenticeship

Ontario is modernizing apprenticeship in response to the needs expressed by employers and other apprenticeship stakeholders. Significant steps already taken toward this goal include:

- Changing ratios to “one-to-one” for all trades with ratios.
- Freezing Trade Classifications and Reclassifications.
- Eliminating and/or reducing Ontario College of Trades membership fees.
- Repealing the Ontario College of Trades and Apprenticeship Act, 2009 and winding down the College of Trades.³

In the April 2019 budget⁴, the province proposed additional initiatives such as:

- Establishing a new governance framework replacing the Ontario College of Trades.
- Creating a financial incentive system to support employers training apprentices.
- Developing a digital portal to help connect apprentices with job opportunities.
- Implementing a “flexible framework” for workers that may want partial training in one trade and full certification in another.
- Establishing a program that steers students from kindergarten to Grade 12 toward the trades.

Canada: Apprenticeship Registrations Have Gone Up

According to new information released by Statistics Canada in December 2019 related to skilled trades registrations, the number of new registrations in apprenticeship programs across Canada has risen 11.6% from 2017-2018. The national increase translated to about 1,210 new registrations in Ontario.

Following four consecutive years of decreases, the number of certificates granted in the trades across Canada rose 6.6% in 2018. Most of the increase in certificates was in Ontario, Quebec and British Columbia. In Ontario, the largest share of the increase was in the major trade groups of electricians, hairstylists and estheticians, and automotive service⁵.

The Statistics Canada report also reveals that more women in Canada are registering in apprenticeship programs traditionally occupied by men. The proportion of women enrolling in trades such as electrician, automotive service, carpenter, welder, pipefitter and steamfitter has risen by almost 4% since 2008⁶.

3

<https://www.ontario.ca/page/skilled-trades-and-apprenticeship-system-changes>

4

Reported in On Site, Canada's Construction Magazine, April 2019 <https://www.on-sitemag.com/1757/ontario-budget-promises-overhaul-of-apprenticeship-skilled-trades-system/1003963157/>

5

Registered Apprenticeship Training Programs 2018, p. 3. Statistics Canada, December 2019.

6

Ibid, p. 3

PART I A HIRING CRISIS IN HAMILTON

Key Findings

Employers across all the trade sectors identified workforce shortages as a key issue over the next five years.

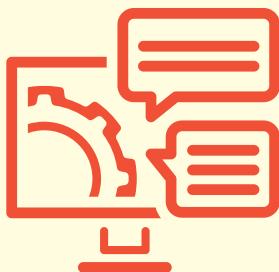
"We are heading toward a hiring crisis. What we didn't do twenty years ago is now coming home to roost"⁷



41% of employers in construction, motive power and industrial trade sectors identified an **aging workforce and anticipated retirements** as a cause for concern.



31% of employers in the industrial sector were concerned about **rising wages and competition for talent**.



45% of motive power employers identified the **impact of technology and the increasing complexity of vehicles** on skills requirements.



30% of employers across all three trade sectors see **lack of interest in and awareness of the skilled trades** as the greatest challenge.



24% of construction employers saw the **lack of qualified people getting into the trades and the generational gap** as main challenges.



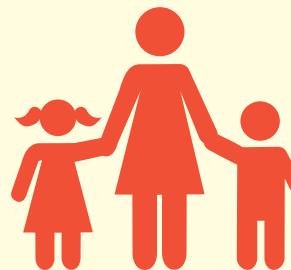
18% of employers across the three trade sectors identified **attitude, expectations and lower skill level of new hires** as a key issue.

⁷ All quotations, except where footnoted otherwise, are taken from employers' comments during interviews or focus group discussions for this report.

What are the Key Issues for the Service Trades?



Hairstyling and cook trade employers focused on the **high demand for skilled workers fueled by an economic boom** in these industries.



Child care employers identified **workforce shortages and new recruits not having the training to manage children's complex issues.**



Horticulture employers identified **workforce shortages and lack of interest in/knowledge of the trades** as key concerns.

Unions: Managing the Talent Supply

For the unionized sector in Hamilton the key issues relate to off-shoring of construction projects and the introduction of microcredentials. Despite almost full employment in some trades, the unionized sector reports having a sustainable model for talent recruitment and retention and the capacity to guide new hires through the apprenticeship process effectively.

How do Employers Explain the Growing Skills Gap?

- An aging workforce and high rate of retirements
- Young people's lack of interest in and awareness of the skilled trades
- An apprenticeship program in need of a "reboot"
- Lack of succession planning

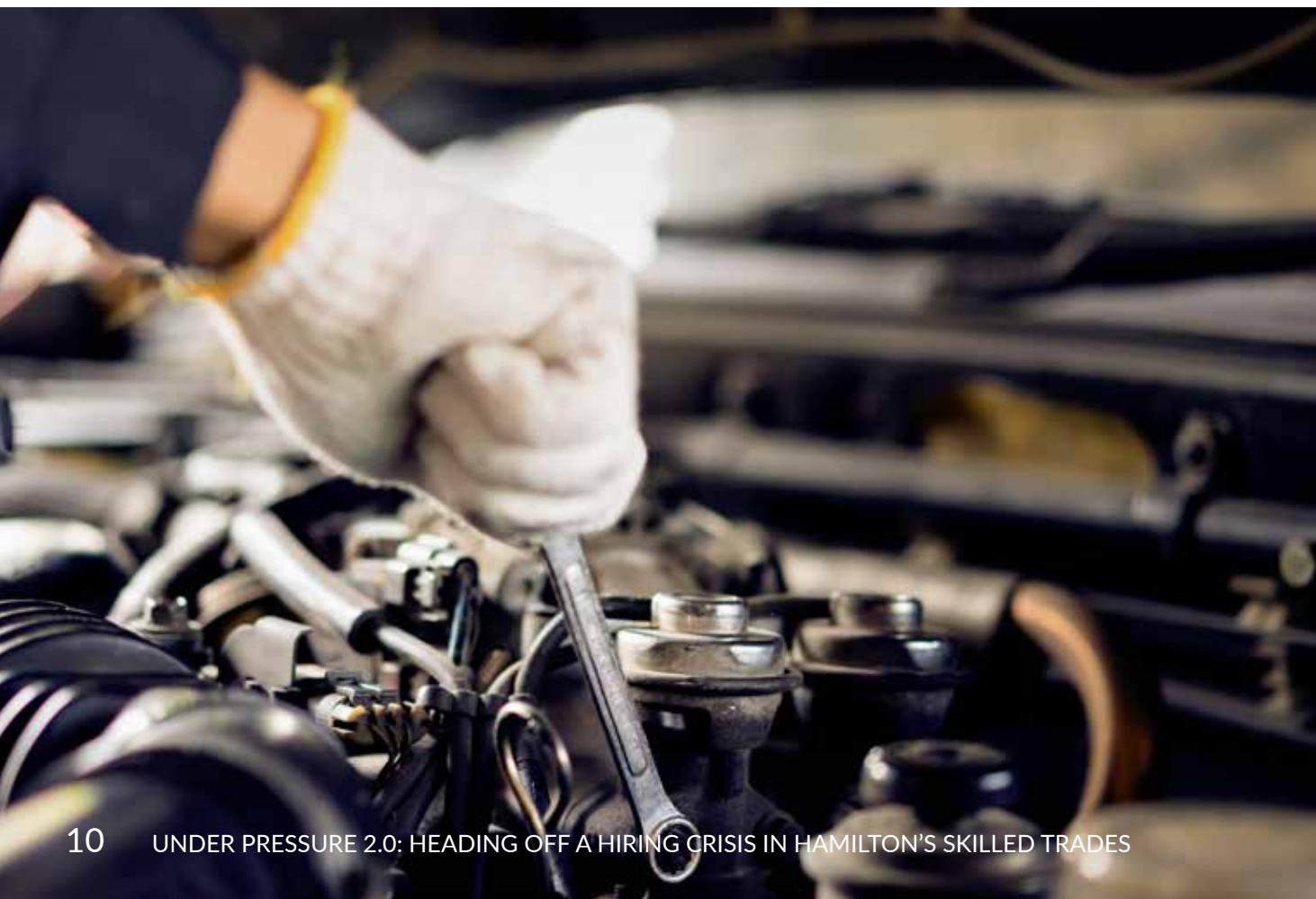
Employers expressed considerable apprehension at the thought of their older, seasoned workers – the foundation of the skilled trades for a generation – preparing for retirement and about to take their knowledge and experience with them.

The Top Hard-To-Fill Skilled Trades Jobs, 2020

Industrial Trades	Construction Trades	Automotive Trades	Service Trades
Machinists	Sheet Metal	Automotive Service Technicians	Cook
Millwrights	Drywallers Tapers & Finishers	Truck/ Trailer and Coach Technician	ECE/Child Development Practitioner
Electrician	Electrician	Autobody Repairer	Horticultural Technician
Tool & Die	Carpenters		Hairstylist
Instrumentation Technician	Roofers		

Experienced Journeypersons Are the Hardest-To-Fill

Responses to Workforce Planning Hamilton's online survey showed 90% of employers reported having difficulty finding skilled trades workers. Of those employers, 97% reported having the most difficulty finding qualified journeypersons, and 60% reported apprentices were hard to fill. With a few exceptions (millwright, carpenters, drywallers), apprentices are not as hard to fill as journeypersons.



The Growing Generational Gap

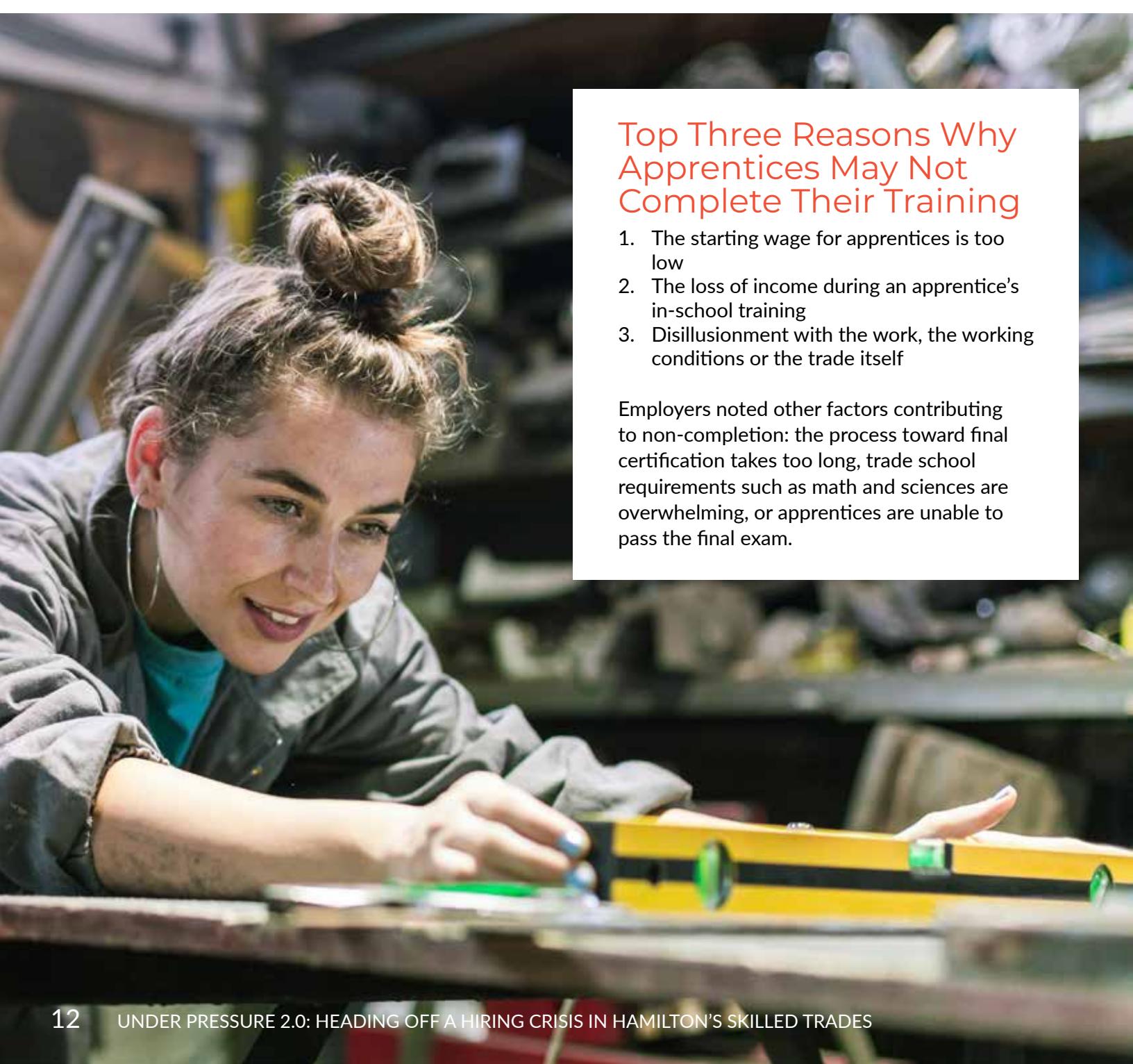
Some employers noted that the skilled trades are more demographically fragmented than ever before. Experienced trades people 55 years of age and older who hold more traditional views of what it means to work in the trades now find themselves training 19 year old apprentices whose attitudes to the trades and career expectations are very different from theirs. Employers report that apprentices seem uncommitted to their careers in the skilled trades, have higher expectations in terms of wages, and a different work ethic. Today's workplace appears to be the stage for a generational clash: young apprentices demanding different work conditions and older journeypersons less willing to train them.

“We have an aging workforce coupled with a generational disconnect”



Do Apprentices Complete Their Apprenticeship Training?

Despite concerns about the length of apprenticeship training (in some trades it can take five years to obtain qualification), the majority of employers in the motive power, automotive, construction and service sectors report that apprentices do complete their apprenticeship training. However, a minority of employers (31% of industrial, 30% of motive power, 27% of service trade employers and 6% of construction sector employers) reported low completion rates.



Top Three Reasons Why Apprentices May Not Complete Their Training

1. The starting wage for apprentices is too low
2. The loss of income during an apprentice's in-school training
3. Disillusionment with the work, the working conditions or the trade itself

Employers noted other factors contributing to non-completion: the process toward final certification takes too long, trade school requirements such as math and sciences are overwhelming, or apprentices are unable to pass the final exam.

PART II: CLOSING THE SKILLS GAP

Are We Training Enough Replacement Workers to Close the Skills Gap?

One way to fill the talent pipeline is by training more apprentices. According to non-unionized employers, there are two constraints on industry's capacity to train more apprentices: 1) skilled and experienced but unlicensed workers in the voluntary trades are prevented from training apprentices and 2) the restrictions around the ratio⁸ of journeypersons to apprentices in the construction sector creates company-specific thresholds.

Not surprisingly, the largest share of Hamilton employers currently training apprentices are in the compulsory trades. The majority (76%) of motive power employers sponsor between 1-8 apprentices per organization and hair salons that take on apprentices sponsor an average of 1-2 hairstylist apprentices per organization.

Conversely, 67% of construction employers interviewed for this study sponsor apprentices and 57% of industrial employers currently sponsor apprentices. Only 20% - 30% of employers consulted in the voluntary service trades (horticulture, child care and cook) sponsor apprentices.

Hamilton's unionized sector opposes reducing ratios. They express concerns about the relationship between lower ratios and diminished workplace safety. Despite Ontario's recent 1:1 ratio change, construction trade unions in Hamilton maintain a 2:1 ratio.

Will Technology Help Close the Skills Gap?

Employers suggested technological changes and automation might help address the skills gap. While some employers predict that technology will *"reduce the head count"*⁹, the majority do not expect technology to replace people in the skilled trades for *"at the end of the day, this type of work requires human hands and human judgement"*.

Employers do agree that automation in equipment and processes are having a significant influence on the mix of skills within the trades. Employers in the traditional trades (construction, industrial and motive power) see the use of robotics, LED lighting and the significant effects of digitalization changing the skill requirements of the trades.

However, technological change exerts less influence on the service trades. While technology may enhance communication and introduce some efficiencies, it won't change the fundamentals of the child care and hairstylist trade, for example, as much as occupations in other sectors.

THE TRANSFORMATIVE IMPACT OF TECHNOLOGY IN MOTIVE POWER

Employers in motive power sector predict the greatest impact of technology will be on the vehicle repair and service industry. More vehicles include on-board computers and electrical/electronic components. This trend puts pressure on employers in the automotive industry to continuously upgrade both their equipment and their workers' skills and knowledge. According to employers, today's automotive service technicians must develop highly specialized skills, essentially *"becoming electricians and software programmers."*

⁸ There are 33 skilled trades that had trade-specific ratios determining the number of journey persons per apprentice. Ontario recently changed ratios across the 33 trades to 1:1. Ratios in the Industrial, Automotive and Service sectors were eliminated in 1998.

⁹ "the emergence of ...new technologies such as artificial intelligence and advanced robotics may result in automation of occupations at an unprecedented rate ...[but] it is also important to recognize that [technologies] are significant job creators and have the potential to improve productivity and raise living standards. The Talented Mr. Robot, The impact of automation on Canada's workforce, p.4, Brookfield Institute, June 2016.

Predicting the Impact of Technology on Jobs

According to researchers from the Brookfield Institute, the impact of technology on jobs in the skilled trades will be substantial. Brookfield researchers caution that *"42 percent of the Canadian labour force is at ... risk of being affected by automation in the next decade or two...and... major job restructuring will likely occur as a result of new technology."*¹⁰

Many employers consulted for the Hamilton skilled trades study acknowledge the influence of technology and automation in the workplace, especially in terms of how these influences change the scope of skills required in the trades. While the full extent of technology's potential role in the workplace may not be immediately self-evident to stakeholders, it is important not to underestimate the degree to which technology can change the labour market.

A recent study of the impact of automation on Canada's workforce reveals that technology may well be a major determining factor in shifting the balance of labour market supply and demand over time¹¹. The table below shows the probability of automation over the next 10-20 for a sample of skilled trades occupations.

Skilled Trade Occupation	Probability of automation in the next 10-20 years
Machinists	65%
Tool and Die	84%
Sheet Metal	82%
Welders	94%
Electricians/Industrial	15%
Plumber	35%
Carpenter	92%
Plasterers, drywall and finishers	84%
Roofers	90%
Constr. millwrights	63%
Automotive Service Technicians	59%
Autobody repairer	73%
Hairstylists	11%
Cooks	83%
Bakers	89%
Nursery and greenhouse workers	87%
Landscaping and grounds maintenance	95%
Early Childhood Educators	0.7%

Source: Brookfield Institute, 2016

¹⁰ The Talented Mr. Robot, The impact of automation on Canada's workforce, p. 3, Creig Lamb, Brookfield Institute for Innovation and Entrepreneurship, June 2016,

¹¹ For examples of other occupations by NOC code and their relative probability of automation see Appendix, pp. 34-43, The Talented Mr. Robot, Brookfield Institute.

Will Shared Apprentice Sponsorship¹² Help Close the Skills Gap?

Virtually all Hamilton employers (with the notable exception of the unionized sector) indicated they are not aware of the shared sponsorship model nor have they participated in it.

Although a significant number of employers indicated interest in the idea and requested more information, many felt it would not work. One employer commented on how difficult it would be to implement the group sponsorship model given the fact that “*we are all competing for skilled workers*” and “*not interested in sharing a good apprentice.*”

Whether or not the group sponsorship model would ultimately be helpful in addressing labour shortages in Hamilton is difficult to assess. Although the idea may have merit, non-unionized employers consulted for this study are largely unaware of the model and its potential benefits¹³.

SHARED SPONSORSHIP: FUNDAMENTAL TO APPRENTICESHIP TRAINING IN UNIONIZED SECTOR

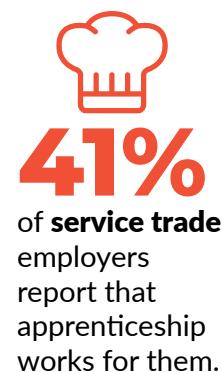
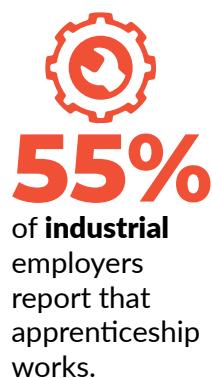
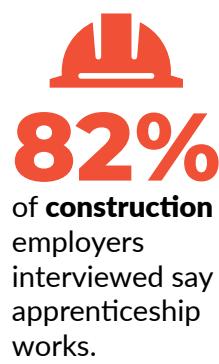
Construction unions and unionized contractors in Hamilton fully embrace the group sponsorship –type model. Local building trade unions and contractors form joint third party entities to sponsor apprentices, facilitate training and monitor apprentices’ progress. A shared sponsorship model is considered the bedrock of apprenticeship training in the unionized sector.



¹² Shared apprenticeship sponsorship models involve two or more employers forming a third party entity or consortium for sharing responsibility of training apprentices. The consortium's role is to monitor apprentices as they make their way through their apprenticeship and possibly rotate apprentices among different employers in the group. Forming consortia for this purpose can reduce the administrative burden of apprenticeship training on individual employers, thereby encouraging more employers to register apprentices.

¹³ It is important to point out that there is a Hamilton-based organization designed to help employers pursue group sponsorship strategies. The Hamilton Skilled Trades Apprenticeship Consortium (HSTAC) is a local coalition made up of employers, colleges, government training consultants, union representatives and representatives of the Canadian Skills Training & Employment Coalition. This consortium has had past successes in developing group sponsorship initiatives. More recently, HSTAC renewed efforts to mobilize partners in discussions about apprenticeship issues and an examination of potential solutions. For more information please visit: <https://hstac.ca/en/about>

PART III: DOES THE APPRENTICESHIP PROGRAM STILL WORK?



Among those who were positive about apprenticeship, several gave it no more than a passing grade, indicating that apprenticeship works “somewhat”, needs “an overhaul” and “only works if there are enough candidates.”

SMALLER COMPANIES: APPRENTICESHIP TRAINING - A “REVOLVING DOOR”

For smaller companies the competition for skilled tradespeople is so great that it calls into question the effectiveness of the apprenticeship program. Small companies noted the continued pressure to raise wages is threatening to put some out of businesses. A growing perspective among smaller employers is that apprenticeship is a high risk, high cost endeavor with questionable returns on investment. And several employers portrayed the workplace as being a ‘revolving door’ of apprenticeship training. Apprentices may stay to complete their certification but leave soon afterward. Retention is a huge issue for smaller employers. They feel all they are doing is “grooming [apprentices] to go elsewhere.”



Top Four Barriers to Apprenticeship

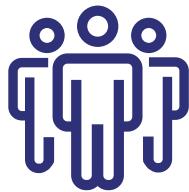


1

HIGH COST OF TRAINING

Top of mind for many employers in the traditional trades (construction, industrial and motive power) is the high cost of training. This is due to:

- The recent minimum wage hike pushes up the starting wage for new hires, causing some employers to cut back on the number of apprentices they will take on.
- Training represents a “productivity cost” insofar as journey persons take time away from their own jobs to help train a new hire. For some smaller employers, apprenticeship training is not cost effective.



2

LOW RETENTION RATES AND POACHING

Low retention rates and poaching were mentioned as significant barriers by many employers.

Given the low starting wages for apprentices, many Hamilton employers expressed concerns about the challenges retaining workers. With the increasing upward pressure on wages, even for 2nd and 3rd year apprentices, combined with low retention rates, small companies are concerned about their ability to survive.



3

TRADE SCHOOL

Many employers also identified trade school as a barrier to apprenticeship. Employers expressed concerns about:

- Trade school flexibility and availability - Employers discussed how problematic it is to schedule apprentices' time away to attend school, the commuting distance for apprentices in some trades to attend in-school training and the lack of alternatives to block or day release trade school.
- Trade school curriculum - Outdated trade school curricula was identified by both motive power and construction sector employers.
- Seat purchases – both union and non-unionized sectors agree that the seat purchase system causes unacceptable backlogs. It delays apprentices' access to in-school training and poses an obstacle to timely certification.



4

THE QUALITY OF NEW HIRES

The quality of new hires is a key issue for some employers. This is attributed to a scarcity of apprentices who have basic practical knowledge and experience, a higher skill level and a good attitude toward work. One employer commented that higher quality apprentices and journey persons need to be identified given the development of technology and automation in the trades. Apprenticeship may fill “*the bottom half...but not the top half*” of employers' skill requirements.

Additional barriers across traditional trade sectors include: apprenticeship training requirements being too long¹⁴, constraints on training imposed by trade ratios, and difficulty recruiting overseas.

¹⁴ On average, apprenticeship training requirements for certification in the traditional trades (construction, motive power and industrial) can range from 6,000 to 9,000 hours. This translates to approximately 3 to 5 years respectively. In the service trades, certification requirements range from 3,500 to 6,120 hours, or approximately 2 to 3 years respectively.



SECTOR SPECIFIC BARRIERS

Employers also identified sector-specific barriers to apprenticeship training:

- Horticulture/Landscaping – the seasonality of the trade and underutilization of horticultural technician apprenticeship training program.
- Hairstyling – poor quality private hairstylist schools and the growth of an “underground economy” in the hairstylist industry.
- Cook – low wages, lack of awareness/underutilization of the apprenticeship option and cost of transportation/relocation from Hamilton to in-school training providers
- Child care services – underutilization of the apprenticeship option given government regulations preventing certified child development practitioners from qualifying as an ECE without taking additional courses and an unpaid placement.
- Motive power – the flat rate system of compensation is counter-productive for apprenticeship training.
- Construction – apprentices not getting enough on-the-job hours to complete their apprenticeship training and the impact of the “underground economy” on the trades.



PART IV: TALENT SHORTAGES: SOLUTION BUILDING

What Can Be Done
to Address the Talent
Shortage?

The Top THREE Employer-Specific Recommendations Are:



1

PROMOTE THE TRADES

70% of construction sector employers, 50% of motive power employers, 48% of industrial employers and 36% of service sector employers encourage apprenticeship stakeholders to promote the skilled trades in schools (starting in the lower grades), help address the stigma attached to the trades, educate parents to have a better understanding of the trades as they have strong influence on their children's choice of career path, and create more opportunities for hands-on exposure to the trades (including re-introducing "shop classes") in the high school setting.

INCENTIVIZE THE APPRENTICESHIP PROGRAM

Subsidize Apprentices

53% of construction employers, 50% of automotive sector employers, 52% of industrial sector employers, and 32% of service sector employers encourage government to offer more financial support and/or grants and subsidies to apprentices in order to:

- Offset the loss of income and costs of attending in-school training
- Cover more of the cost of tools (especially in the motive power trades)
- Incentivize more young people to enter the skilled trades

Support Employers

48% of industrial sector employers, 25% of automotive sector employers, 18% of construction sector employers and 30% of service sector employers suggested incentives should be provided to employers, particularly smaller businesses, to offset the cost of training and enable them to increase wage rates.

Topping Up Pay Rates

Several employers commented that starting wages for apprentices in the trades were quite low, hampering employers' ability to remain competitive in the labour market. They felt that increasing wage rates would spur more interest in the trades and improve retention rates.

It may not be feasible for smaller businesses to raise wage rates for apprentices. It is financially challenging for some companies to take on an apprentice while remaining competitive in this high demand environment. Smaller companies are not optimistic about their ability to continue training without government recognizing their important role in apprenticeship.

Employers in the service trades also discussed the need for higher wages. Employers report that cooks tend to be employed in parts of the industry that pay low wages.

Employers in the child care field were especially vocal in underscoring the need to align wage levels for child care practitioners with those of other educators.



2



3

RECOMMENDATIONS
INCLUDE:
OTHER

IMPROVE TRADE SCHOOL

40% of employers in motive power, 29% of construction employers and 28% of industrial employers indicate that trade school would be greatly improved if:

- Trade school curriculum was updated to meet industry's changing needs (especially in motive power trades).
- The in-class training bottlenecks (created through cancellation and consolidation of training seats) are eliminated through the local purchase of more seats in in-demand trades.
- More hands-on 'real world' training was integrated in the trade school curriculum.
- Alternatives to the traditional block or day release system were developed and the timing of in-school training was more flexible to accommodate business cycles.

According to Hamilton employers in the traditional (construction, motive power and industrial) trade sectors, introducing more flexibility in the delivery of trades training entails:

- Developing alternatives to day and block release such as night school, and
- Delivering training through the use of new technologies, e.g. through Augmented Reality, Virtual Reality and e-learning. These training innovations have the potential not only to increase capacity for training but also the quality of training by making use of tools that are appealing to young people.

- Further reduction of ratios to accommodate higher training thresholds for employers.
- Expansion of pre-apprenticeship programs in trades that have skill shortages.
- Better communication among apprenticeship stakeholders.
- Reduction of apprenticeship training hour requirements to expedite the process.
- Encouraging interprovincial mobility of apprentices from low employment to high employment regions by eliminating barriers to transferability of qualifications across Canada.
- Streamlining the immigration process to facilitate recruitment of overseas talent to meet demand in the short term.



A Word About Workplace Culture

Several employers interviewed suggested companies may have more success attracting and retaining the new generation of skilled workers by improving workplace culture, developing a respectful work environment, offering good compensation, and making health and safety in the workplace a priority.

Service Trade Sector Employers' Recommendations

- Nearly all hair salon owners interviewed recommended government improve monitoring of private hairstylist schools' outcomes.
- All child care providers interviewed for this study emphasized the need to professionalize the child care occupation and raise wages for child care workers in order to avoid a full blown hiring crisis. Many respondents also focused on the need to change government regulations and eliminate the hurdles created by the unpaid placement requirement in early childhood education training.
- Given the low apprenticeship registration rates in the horticulture and cook trades, employers in those sectors recommended raising more awareness of the apprenticeship training option.

PART V: NEXT STEPS

In the final phase of this research, Workforce Planning Hamilton consulted with local stakeholders to share project findings and explore next steps at the community level.

The consensus among partners was to follow up on this project with locally developed strategies that will help mitigate the talent shortage in Hamilton. The discussion is still very preliminary but initial suggestions for action include: convening an industry-focused forum with local employers to discuss potential solutions, establishing partnerships to promote awareness of the skilled trades and exploring the implementation of sector-based initiatives to support apprenticeship training in Hamilton.

Over the next several months, Workforce Planning Hamilton will provide employers and community partners with further updates as plans evolve, and ensure that all stakeholders are invited to participate in follow up actions.

From Early Warning to a Hiring Crisis

Workforce Planning Hamilton began its investigation into skills gaps in 2017 as it recognized the signs of a tightening labour market in the skilled trades. In the first *Under Pressure* report, the data showed evidence of a burgeoning skill shortage precipitated by an aging demographic. In the 2018 report, the evidence suggested increased retirements, changing technology, and a shortage of replacement workers threaten to intensify recruitment challenges for employers and increase the number of hard to fill skilled trade positions in Hamilton.

The narrative continues in 2020 with heightened apprehension among employers of a looming "hiring crisis". While it may sound dramatic, these words were used by employers themselves to describe their current recruitment and retention experiences. The evidence in *Under Pressure 2.0* (2020), however, also suggests that there may be options for "pressure relief valves" available to industry, government and the community. There is still much we can do collectively to confront the challenges, build on previous efforts and optimize local resources to fill skills gaps that imperil our future economic prosperity.

Workforce Planning Hamilton

Business, Labour & Community: Planning for Prosperity

Since 1997 Workforce Planning Hamilton has provided planning, partnerships and projects that highlight local labour market trends and support workforce development.

WPH is a member of Workforce Planning Ontario, a network of 26 labour market planning areas across Ontario.

Our evidence-based approach relies on key industry sector and demographic data combined with local intelligence from employers and other local partners to develop a strategic vision for Hamilton.

Log on to WPH's website at www.workforceplanninghamilton.ca and you will:
Discover our community **Projects and Partners** that promote labour force development
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