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Research Report:  
Algoma Training Consortium Feasibility Study



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Algoma Workforce Investment Committee (AWIC) would like to thank our community partners for their insight and contributions in developing and undertaking initiatives that addresses local workforce development issues. Together we will continue to make strides in building a skilled, effective and adaptable workforce.

The Algoma Workforce Investment Committee gratefully acknowledges the continued support of the Ministry of Training, Colleges and Universities for this new approach to labour market planning.

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## **Algoma Workforce Investment Committee**

### **Research Report on the feasibility of the Algoma Training Consortium (ATC), a shared training resource for employers in the region.**

**April - 2012**

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#### **Labour Market Issue**

The District of Algoma faces an ongoing challenge to update and maintain the skills and capacity in technology and trades required to maintain and grow a viable industrial, manufacturing and construction sector in the North. The available labour in the North is often not educated for the skill sets required by local employers in these sectors. The high cost of training and administration costs makes regular training very difficult for any individual employer to invest in regular training for their employees. These costs make poaching of trained employees by the larger employers a short term fix but it only adds to the skills shortage in the community as a whole.

#### **Algoma Training Consortium (ATC) Concept**

The primary purpose of the Algoma Training Consortium (ATC) would be to develop and implement training programs for regional industrial, manufacturing and construction sectors in order to upgrade workforce development skills and to provide continuity of educational development for employees at a minimal cost.

The establishment of a shared training resource such as the ATC will give employers across Algoma the opportunity to promote workforce development skills to their sectors. A shared training model would provide effective low cost training while providing access to a wide range training resources that address employer needs.

The Algoma Workforce Investment Committee (AWIC) anticipates an alliance with area employers to generate community based planning and recruitment of needed skills and training in the industrial, manufacturing and construction sector thus minimizing the present availability issues.

#### **Feasibility Study of Algoma Training Consortium**

The purpose of this feasibility study was to determine the suitability and sustainability of a training consortium to provide cost-effective and innovative training solutions that successfully address the training needs of the Algoma region's employers. The primary focus of ATC feasibility study will be on the training needs of the industrial, manufacturing and construction sectors. Area employers in the manufacturing, industrial and construction sectors were consulted to identify the training requirements needed to upgrade the skills of the current/future workforce such as on-going health and safety requirements, technical skills, upgrading of essential skills and leadership development.

## **Methodology**

Given the geographic challenges of the region serviced by AWIC and the time frame for completing the research, it was decided that communication with employers would be accomplished with a combination of in person and online techniques. Primary research for the study was accomplished by telephone and in person interviews with employers in the region. The interviews conducted face-to-face would allow us to gather even more information around training and the consortium. Secondary research was provided by an online survey intended to reach those employers that could not be reached in person.

**Note:** In order to minimize the amount of time required by the employers to participate in the research, the online survey was shortened and did not mirror the questions asked over the phone and in the face-to-face interviews. Both the offline and online surveys can be found at the end of this report.

### **Actions taken to conduct research:**

1. Developed a participants list that included both email and phone number.
2. Prioritized targeted employers
3. Sent out email awareness package (attached)
4. Sent out copies of the questions that would be discussed during the phone interview (attached)
5. Conducted phone interviews and site visits
6. Circulated an electronic survey (Survey Monkey)

## Results from Primary Research

### Overview:

	Results	Comments
Companies Contacted	86 Employers Targeted to participate in the research	Initial contact was made via email, followed by telephone.
Companies Engaged	<ul style="list-style-type: none"><li>• 41 Employers surveyed</li><li>• Represent 5482 employees</li><li>• Construction Association represents over 145 businesses and 1000 employees</li></ul>	<ul style="list-style-type: none"><li>• 26 by telephone</li><li>• 6 in person</li><li>• 9 online survey</li></ul>
26 Phone Call Responses	Most phone interviews were conducted with small employers	<ul style="list-style-type: none"><li>• Many of the employers called were never reached even after 10-12 calls.</li><li>• The 26 that were reached were often called 5-6 times before the survey was actually conducted</li><li>• Even when finally contacted they had not taken the time to read the emails and thus did not have a copy of the survey in front of them</li><li>• Many employers discussed the survey in general but did not want to give us enough time to record every survey question</li></ul>
Supportive of Consortia	36 of 41 surveyed were supportive of creating a training consortium	

### Key Findings from Primary Research:

#### Training hours

The majority of employers responding give their employees 24-40 hours of training per year. There were employers that delivered more than 40 hours of training to their employees to a high of 60 hours per year.

All employers contacted agreed that their training needs fall into four categories:

- Skills upgrading
- Knowledge Transfer to new employees
- Leadership
- Workplace Literacy Essential Skills

**Note:** Most employers who hire people with post secondary education assume that there is not a Literacy Essential Skills problem.

**Additional Training needs (listed without priority)**

- Effective Communication Skills
- Interviewing Skills
- Letter writing
- Technical Training (Fork Lift & Fall Arrest)
- Foundation Skills (computer, meeting skills)
- Contractor induction training

**Projected training needs over next 18 months (Listed by priority)**

1. Health & Safety Training
2. Technical Skills
3. Leadership / Supervisor Training
4. Foundation Skills
5. Essential Skills

**Note:**

- The construction association listed Literacy Essential Skills as #1 and they represent 1000 employees and 145 employers.
- ESSAR Algoma Steel listed Literacy Essential Skills as #1 and they represent 3000 employees.

**Factors that impact employee training**

Below is question #11 from the primary survey which identifies factors that influence the amount of training provided to employees:

Do you think that you would give your employees more training if:

- |    |                                     |          |         |
|----|-------------------------------------|----------|---------|
| a. | The cost of the training was lower. | YES ____ | NO ____ |
| b. | Delivered in the workplace.         | YES ____ | NO ____ |
| c. | More flexible start-end times.      | YES ____ | NO ____ |
| d. | Done online at home.                | YES ____ | NO ____ |
| e. | Done online after hours.            | YES ____ | NO ____ |

Of those organizations that respond to this question:

- 10 companies indicated lower costs would be a factor
- 4 companies indicated delivered in the workplace
- 6 companies more flexible hours
- 4 companies on line at home
- 2 companies on line after hours

Many of the smaller employers were only giving their employees the minimum training required and were more interested in surviving (i.e. maintaining operations) than training. The smaller employers who were doing training were not using online training. Many answered “Yes” to the entire list but many of the employers wanted to clarify that it was not the direct cost of the training course but rather the lost production that was cost prohibitive.

Many employers had turned to in-house trainers to provide some flexibility to their training. This way they could deliver training whenever work was slow.

### **Support for a Training Consortium**

Most employers did not have any questions about consortiums based on the information package we had emailed to them but there were questions around:

- Governance
- Mandate
- Members
- Timelines
- Structure
- Cost

We asked employers to select from a list of consortium benefits that offered the greatest return to their business.

There was value found in all of the benefits listed but a few employers wanted the consortium to expand on shared resources to include the development of a “Community Skills Baseline.” It would work like a passport of training when applying for a job. The consortium members would determine the training required to obtain the “passport.”

## Results from Secondary Research

	Results	Comments
Companies Contacted	36 Employers Targeted to participate in the online survey	
Companies Engaged	<ul style="list-style-type: none"> <li>10 Employers surveyed</li> </ul>	<ul style="list-style-type: none"> <li>Represent 300 employees</li> <li>The largest single employer represents 160 employees</li> </ul>
Current Training Programs	<ul style="list-style-type: none"> <li>60% of those surveyed had a training program for employees</li> </ul>	
Barriers to Training	<ul style="list-style-type: none"> <li>The number 1 factor affecting training was identified as cost</li> </ul>	<ul style="list-style-type: none"> <li>Cost was followed by Time and Lack of Training Facilities</li> </ul>
Preferred Method of Training	<ul style="list-style-type: none"> <li>Instructor Lead Onsite Training is the preferred method of training</li> </ul>	<ul style="list-style-type: none"> <li>Online training was the second most popular method of training</li> </ul>
Training Needs	<ul style="list-style-type: none"> <li>Health &amp; Safety training was ranked as the number 1 training need</li> </ul>	<ul style="list-style-type: none"> <li>General Technical Skills related to the business and Essential Skills were the next most important training needs identified</li> </ul>
Support for a Training Consortium	<ul style="list-style-type: none"> <li>70% of the online survey respondents support the creation of a shared training resource</li> </ul>	<ul style="list-style-type: none"> <li>Reasons for not supporting the consortium included a lack of funds for training and industry specific training was already available</li> </ul>

## Conclusions

Based on the completed research, key employers in the city of Sault Ste. Marie have expressed interest and there is the “Critical Mass” to move forward with the development of a shared training resource. There is some concern about the Eastern and Northern Algoma Regions as there were not responses from all of the key employers such as Wesdome and Cameco. Therefore a continued effort is required to engage more employers outside of Sault Ste. Marie.

### **Important comments shared**

- For consortium to be successful it has to minimize the participation of the owners and managers.
- The consortium should be a working committee led by a board.
  - A board elected by the members and a full time director working for the board (meet annually with the members)
- Much of the training being done today is provided by unions, associations, and head office or internally by in-house trainers.
- AWIC was not well known among the survey participants.

## **Next Steps**

AWIC should continue to keep the employers surveyed engaged in the process of developing a training consortium. This could take the form of 'round table' forums to discuss the structure that the training consortium should take in order to best meet the needs of the employers and training providers. The forums would take place in Sault Ste. Marie, Wawa and East Algoma.

Key employers would include:

- ESSAR Steel Algoma
- Tenaris Algoma Tubes
- Construction Association
- Flakeboard Manufacturing
- Soo Foundry
- Rectors Machine Works
- PUC
- Algoma Power
- Brookfield Power
- Wesdome (did not complete the survey)
- Cameco (did not complete the survey)

One of the outcomes sought in the forum discussions would be to identifying a specific training requirement of local employers, match it to existing courses offered by local training partners and deliver the program through a shared platform that all employers can access. This would be a pilot of the Algoma Training Consortium that would demonstrate the proof of concept.

## Appendix A – Employers who participated in ATC Research

Flakeboard Company Limited	AJ Bus Lines
McDougall Energy	Bills Drywall & Painting
Lafarge Canada Inc.	Blind River Boatworks
Essar Steel Algoma Inc.	Brunos Auto Repairs
China Steel Inc.	East Algoma Community Funding Corp
Tenaris Algoma Tubes	Ernie's Plumbing & Heating
Ro-Von Steel Ltd.	H & C Pole Contractors
Steel Speed Inc.	J.I. Enterprises
Rector Machine Works Ltd.	KJ Beamish Construction
Filtrec North America Ltd.	Leroy Construction
Sims Custom Woodworking Inc.	Milltown Motors Ltd.
Soo Foundry	Petersons Welding
North Shore Industrial Wheel	Riverview Electric and Plumbing
SIS	Young's Auto Body
S & T	Lizard Creek Power
Topline	Northern Lights Ford Mercury
Blue Flame	Kabi Lake Forest Products
PUC	Algoma Power Inc.
Toromont	Blind River Development Corp
McLeod Bros Mechanical Inc	White River Forest Products
RF Contracting	Young's Auto Body
Envirotek	Mission Motors of Wawa
White River Forest Products	Gilbertson Enterprises

## **Appendix B – Primary Research Survey (telephone and in person)**

### **Algoma Training Consortium Survey Questions**

In the email that we sent out in February we indicated that we would be following up with a phone call and or an email. We decided that it might work better if you had a copy of the questions before we conducted the phone interview.

As we mentioned in our initial email we are conducting a feasibility study around the need for a training consortium in the Algoma District. The early response has been very positive. In order to secure funding support going forward, it is very important that we involve a majority of the employers in the Algoma Region. We thank you in advance for your time and very valuable comments.

1. Based on the information that we sent in our original email do you have any questions?
2. Please briefly describe the type of business you operate.
3. Approximately how many employees does your business employ?
4. Employers have listed some common training areas:
  - Skills upgrading of established employees.
  - Transfer of knowledge and skills to new employees.
  - Developing leadership skills.
  - Workplace Essential Skills (Literacy)

**Are these issues applicable in your business?**

**Are there additional training areas of training that your business is facing?**

5. What types of training do you deliver to your employees today?
6. On average how many hours per year of training does each employee receive?
  - 0 hours – 24 hours
  - 24 hours – 40 hours
  - More than 40 hours
7. What groups of employees would be targeted?
  - a. Apprentices
  - b. Supervisors
  - c. Production
  - d. other

## Appendix B cont.

8. WE UNDERSTAND THAT NOT EVERY EMPLOYER WILL FIND VALUE IN EVERY ASPECT OF A TRAINING CONSORTIUM. THE NEXT QUESTION WILL HELP US IDENTIFY THE ASPECTS THAT HAS THE MOST VALUE FOR YOUR BUSINESS.

### Which of these apply?

1. Access to training already available to consortium members
  2. Sharing of training resources
  3. Reduction of delivery cost
  4. Less course development cost
  5. Access to training (scheduling flexibility in time & location)
  6. Amalgamating Labour Market Information like:
    - a. Training plans/scheduling of training
    - b. Apprenticeship plans
    - c. Apprenticeship recruitment strategy
    - d. Trades recruitment
    - e. Long term workforce needs by region
9. We have grouped training courses available into five categories.

***Please prioritize the training that your business will need over the next 6 - 18 months.***

Health & Safety	(Regulated-WHMIS-Confined Space)
Essential Skills	(Reading-Document Use-Numeracy-Thinking Skills)
Foundation Skills	(computer skills-meeting skills-team building)
General Technical Skills	(slinging-lift truck-craning)
Supervisory & Leadership	(Project Management-Problem Solving-Conflict Resolution)

10. What kind of a structure do you see when we say a training consortium?

11. Do you think that you would give your employees more training if:

- a. The cost of the training was lower. YES \_\_\_\_\_ NO \_\_\_\_\_
- b. Delivered in the workplace. YES \_\_\_\_\_ NO \_\_\_\_\_
- c. More flexible start-end times. YES \_\_\_\_\_ NO \_\_\_\_\_
- d. Done online at home. YES \_\_\_\_\_ NO \_\_\_\_\_
- e. Done online after hours. YES \_\_\_\_\_ NO \_\_\_\_\_

## Appendix C – Secondary Research Survey (online)

1. What is the name of your company/organization?
2. How many employees does your company/organization have?
3. Does your company/organization have a formal training program?  
Yes  
No
4. If yes, how many hours of training per year does each employee receive?
5. Please rank the following issues facing training in your organization (one being the most important issue, five being the least important issue)  
Cost  
Time  
Developing Training Materials  
Finding Qualified Trainers  
Training Facilities
6. Please rank the training delivery models that would work best for your organization  
Instructor Lead Onsite Training  
Instructor Lead Offsite Training  
Online Training
7. Please rank the training needs of your organization (one being the most important issue, five being the least important issue)  
Health & Safety (eg. Regulated - WHIMIS - Confined Space)  
Essential Skills (eg. Reading - Documentation Use - Numeracy - Thinking Skills)  
Foundation Skills (eg. Computer Skills - Meeting Skills - Team Building)  
General Technical Skills (eg. Slings - Lift Truck - Craning)  
Supervisory & Leadership (eg. Project Management - Problem Solving - Conflict Resolution)
8. Are there gaps or opportunities for training that would benefit the growth of your industry or the region - please explain?
9. Would you participate in a shared training resource such as a training consortium?  
Yes  
No
10. If you are not interested in a shared training resource such as a training consortium, why not?
11. Please let us know if you have any other comments or questions