

# Apprenticeship Outlook Report



6-month forecasts for apprentice hiring based on employer sentiment  
**Forecast for CY : Jan 2021 – Jun 2021**

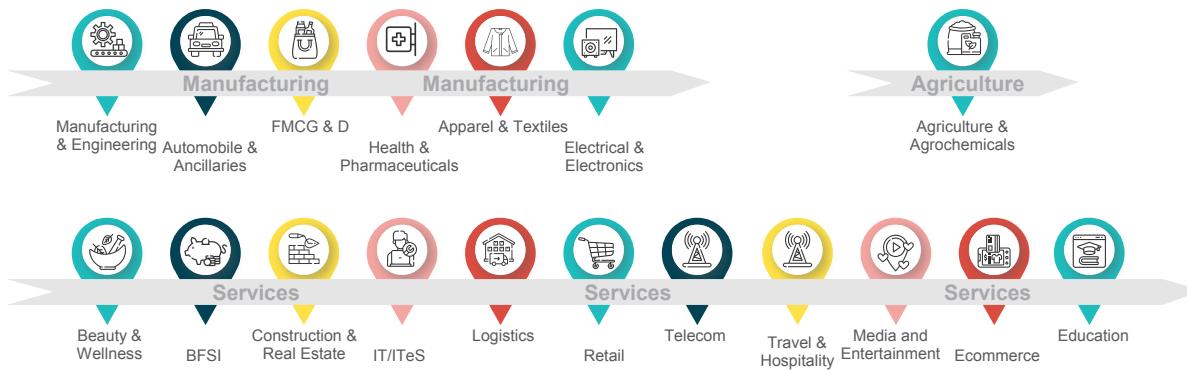
01	About
02	Methodology
03	Key Findings
05	More Findings
06	Net Apprenticeship Outlook (NAO), Employers Hiring Sentiment
19	Apprenticeship Outlook - Key areas of hiring, Employers Hiring Sentiment
25	Apprentice hiring/ More Insights
30	Apprentice hiring/ More Insights
33	Current Scenario of Apprenticeship Program in India
42	Cost and Benefit Analysis
46	Annexure

## About

### The Apprenticeship Outlook



### Industry classification



### Cities covered

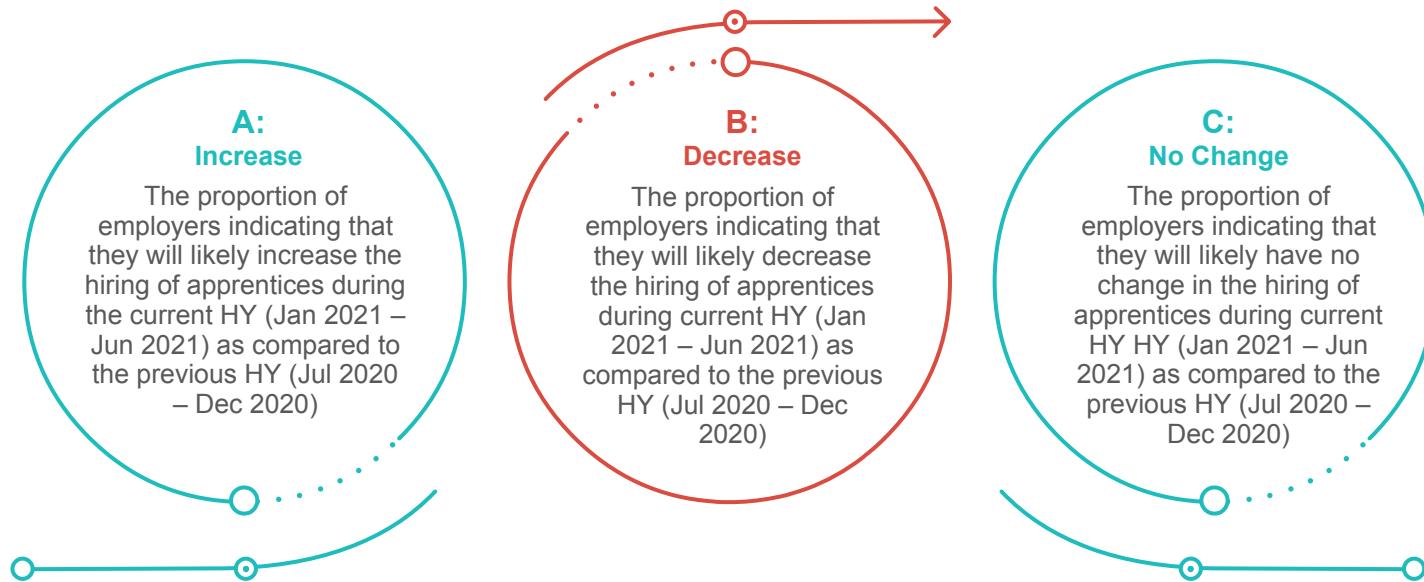


## Methodology

### The Apprenticeship Outlook

#### Net Apprenticeship Outlook (NAO) → (A) minus (B)

(computed based on responses given by 352 respondents who anticipate hiring in the current HY Jan–Jun, 2021: Total responses: 600)



All other findings are reported as percentages of total respondents at the respective levels of analysis.



Net Apprenticeship Outlook NAO for the current HY (Jan-Jun 2021) has increased to **41%** (an increase from 33% from the previous HY (Jul-Dec 2020)). **12% more employers (58%)** foresee an increase in hiring apprentices in the current HY when compared to the previous HY (46%)

#### Top 3 reasons for employers to increase hiring of apprentices:

- ❑ To handle frequent demand surges due to the pandemic: 31%
- ❑ To optimize the manpower cost of work at basic levels: 23%
- ❑ To offset the workforce scarcity due to the COVID pandemic: 15%

#### Top 3 reasons for employers to decrease in hiring of apprentices:

- ❑ As a step towards workforce downsizing specifically due to COVID pandemic: 43%
- ❑ As part of regular workforce restructuring: 20%
- ❑ No requirement of additional apprentices: 16%

#### Sector, city and business category wise NAO highlights:

- ❑ Manufacturing (55%), Automobiles & Ancillaries (51%) and Retail (48%): have a higher NAO when compared to other sectors.
- ❑ Sectors which were severely impacted by the Pandemic in the last HY are seeing significant growth in the current HY - Travel & Hospitality (growth of 34%), Beauty & Wellness (growth of 31%).
- ❑ Similarly, Small businesses which were heavily hit by the pandemic are likely to witness a growth of 23% in hiring apprentices (Growth of 8% in current HY from [-15%] in previous HY)
- ❑ Chennai emerges as the most apprentice friendly city (NAO of 57%) and Coimbatore as the least (NAO of 21%).

## Key Findings



Key areas of hiring during Jan 2021 – Jun 2021

### Employers preferred category of apprentices and job roles to hire.

- ❑ Trade – Outlook: **55%** (Preferred Job role - Fitter / Welder – Outlook: **25%** / Average number of hires: 37)
- ❑ Technician – Outlook: **43%** (Preferred Job role - Automobile/Mechanical Technician –Outlook: **28%** / Average number of hires: 34)
- ❑ Graduate – Outlook: **28%** (Preferred Job role - Production Engineer – Outlook: **31%** / Average number of hires: 31)

### Top functional domain(s) where the apprentices are likely to be hired the most in the next 6 months:

- ❑ Production & Engineering – Outlook: **42%**, Sales – Outlook: **28%**.

Insights on current apprentice hiring

### Employer perception of productivity levels of apprentices engaged:

- ❑ Very productive: **41%**, Fairly productive: **45%**, Unproductive: **14%**

### Preferred Skills:

- ❑ Technical Knowledge: **32%**, Communication skills: **22%**, Willingness to learn: **15%**

### Gender preferences of employers:

- ❑ Employers continue to prefer male candidates (**41%**) over Female candidates (**28%**). The rest of the employers (**31%**) have no gender preferences.
- ❑ From city perspectives, Chennai (**44%**) and Hyderabad (**41%**) emerge as leaders with no gender preference.

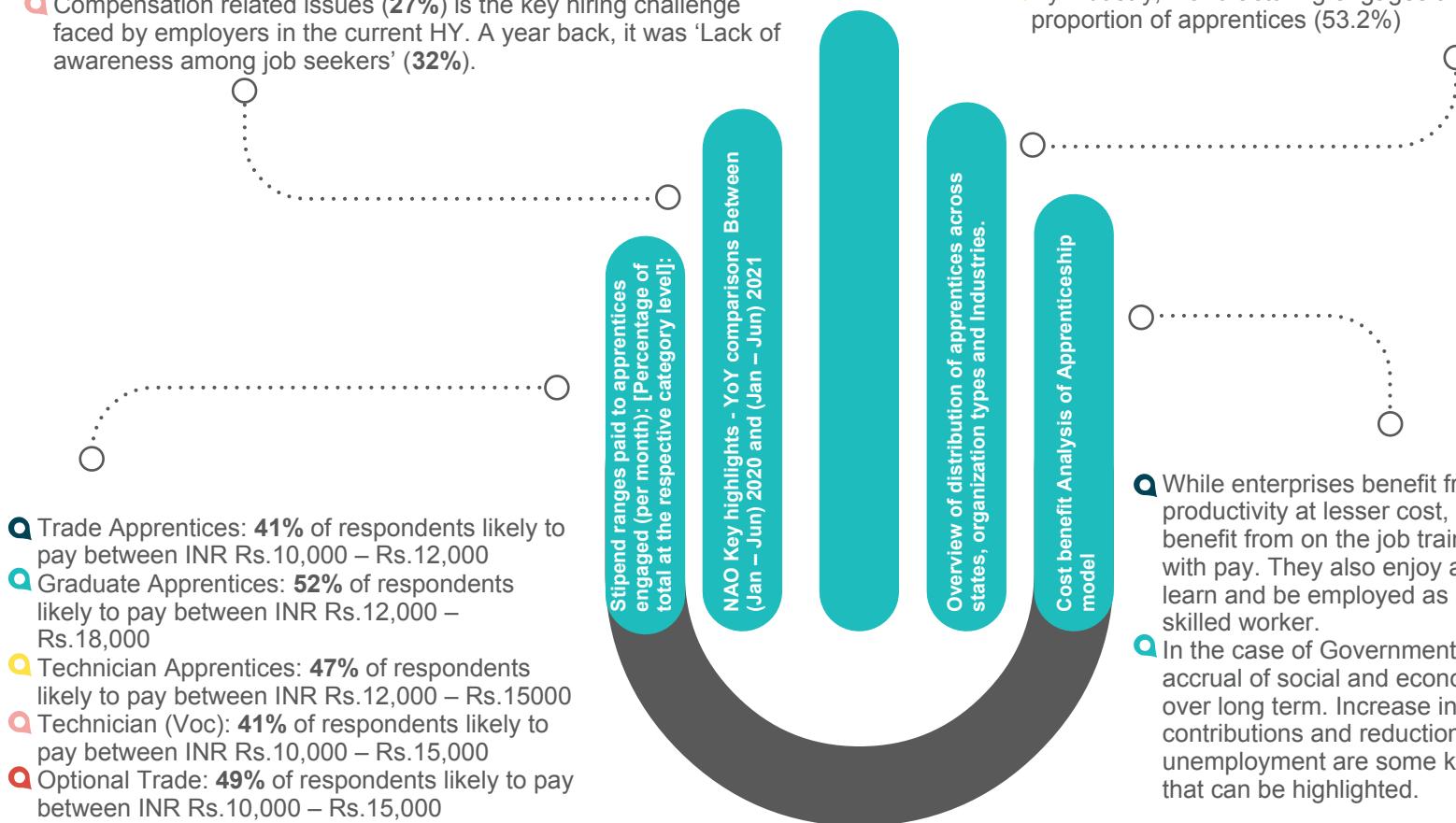
### Ease of hiring apprentices:

- ❑ Only **34%** of all respondents (**25%** lesser than previous HY numbers (**59%**) face challenges in hiring apprentices)
- ❑ **27%** of those respondents call out compensation related issues as the topmost hiring challenge.

## More Findings

- NAO levels - (Jan – Jun) 2020: **69%** -> (Jul – Dec) 2020 : 33% -> (Jan – Jun) 2021: **41%**
- The preference for Female candidates has increased by **10% YoY**. This preference is more pronounced in the Agriculture sector when preference for female candidates has doubled to **40% YoY**.
- More employers (Increase from **41%** to **66%**) find the apprentice hiring process to be easier.
- Compensation related issues (**27%**) is the key hiring challenge faced by employers in the current HY. A year back, it was 'Lack of awareness among job seekers' (**32%**).

- Gujarat, Maharashtra, Haryana and Uttar Pradesh are the top 4 states engaging more than 60% of apprentices.
- Across different organization types, Large organizations (**55%**) employ more than half the apprentices. The same holds true for the private sector (employ **55%** of all apprentices).
- By industry, Manufacturing engages the highest proportion of apprentices (53.2%)





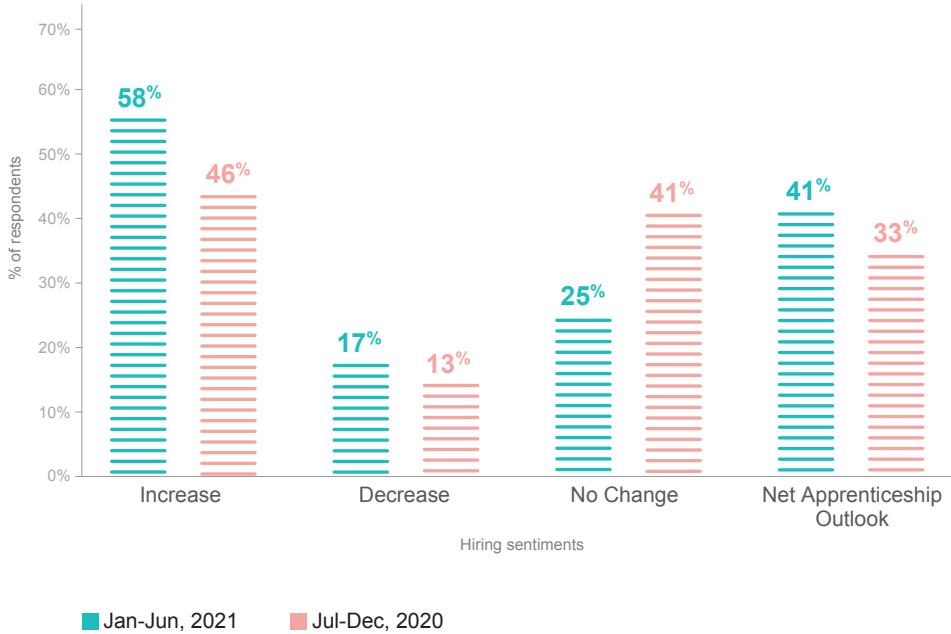
# **Net Apprenticeship Outlook (NAO) Employers Hiring Sentiment**

**(Jan 2021– Jun 2021)**

## Net Apprenticeship Outlook (NAO)

Overview [forecast for HY : Jan 2021 – Jun 2021]

### Net Apprenticeship Outlook (HY Jan -Jun2021)



The Net Apprenticeship Outlook for the current HY (41%) has increased by 8% from the previous HY (33%). This growth can be attributed mainly to the increase in employers (58%) foreseeing a more robust apprentice hiring in the current HY. The positive outlook on hiring indicates that the apprenticeship market is swiftly recovering from the economic concerns caused by COVID crisis.



	Increase	Decrease	No Change	Net Apprenticeship Outlook
Jan– Jun, 2021	58%	17%	25%	41%
Jul– Dec, 2020	46%	13%	41%	33%

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun,2021)

## Net Apprenticeship Outlook (NAO)

Reasons for the increase and decrease in the hiring during Jan 2021 – Jun 2021



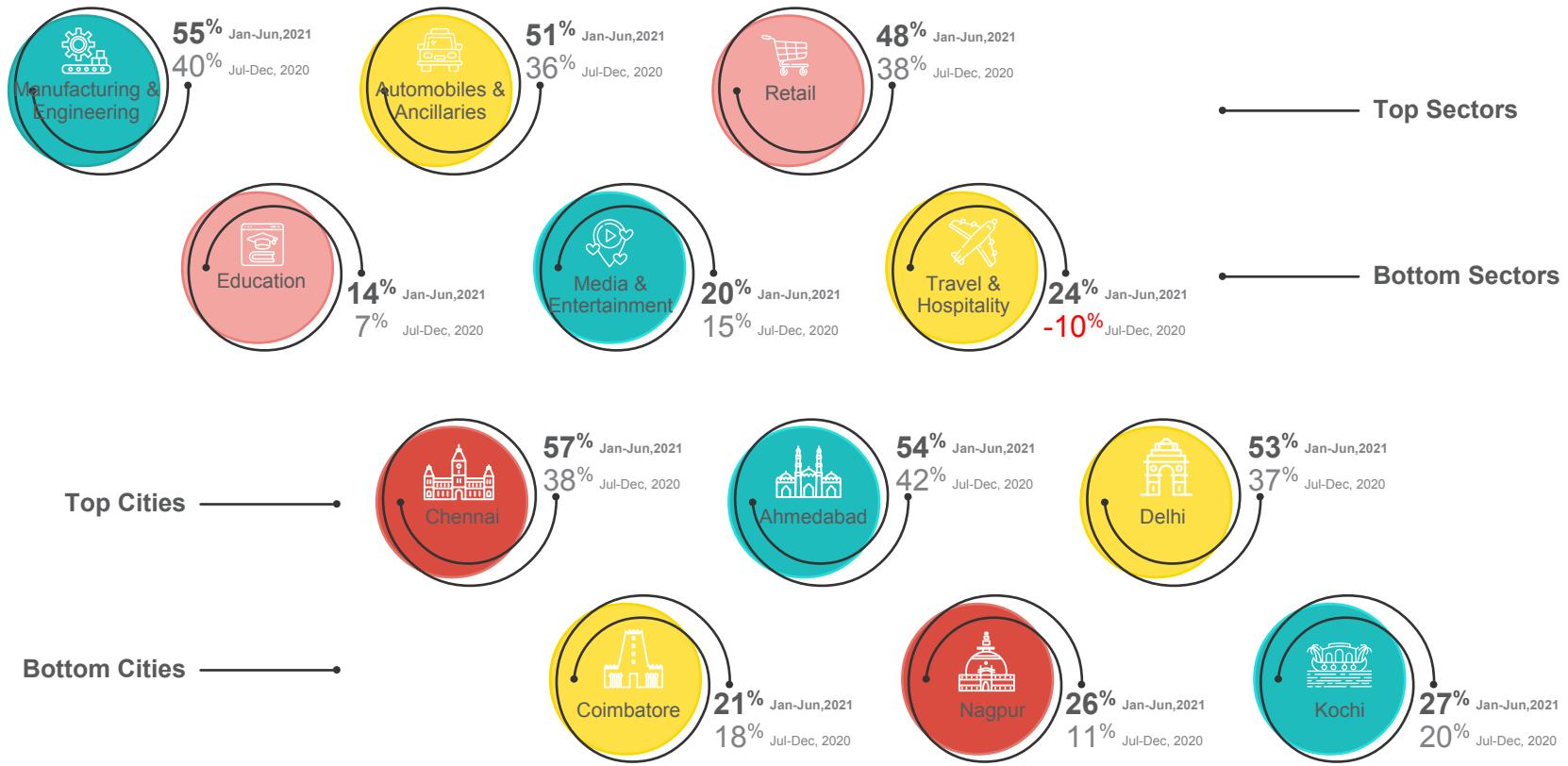
The pandemic is a driver for increase in apprentice hiring (on part of 31% of employers who cite demand surges) as well as decrease (on part of 43% employers who are downsizing their workforce due to pandemic).

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)



## Net Apprenticeship Outlook (NAO)

### NAO Highlights [forecast for HY : Jan 2021 – Jun 2021] – Top and Bottom Sectors and Cities



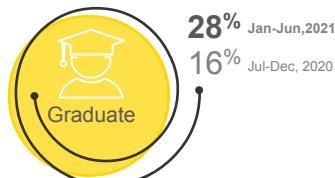
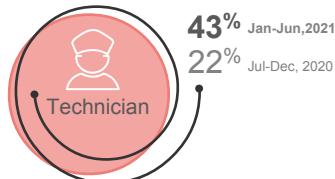
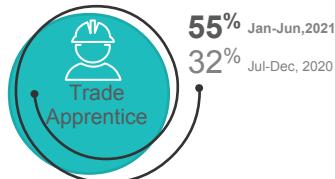
The NAO has seen a significant increase (between 5% and 34% by sector) in the current HY (Jan – Jun 2021) compared with the previous HY (Jul-Dec 2020). The Travel & Hospitality sector, where NAO suffered last HY, sees a substantial growth (34%) in the current half year. Chennai has recorded the highest NAO (57%) among the cities, and Coimbatore has recorded the lowest NAO (21%).

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

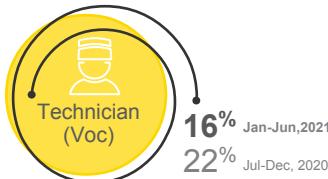
## Net Apprenticeship Outlook (NAO)

NAO Highlights [forecast for HY : Jan 2021 – Jun 2021] – Top and Bottom Categories and Business Size

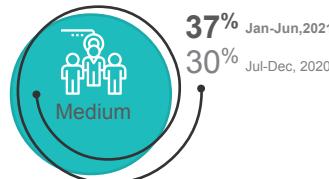
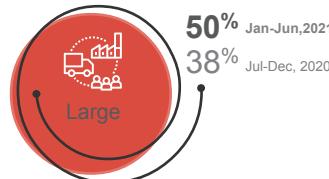
### Top apprentice categories



### Bottom apprentice categories



### Top business categories



### Bottom business categories



The Net Apprenticeship Outlook sees appreciable increase across Small, Medium and Large businesses for the Jan – Jun 2021 HY as compared to the previous HY. Small businesses, among business categories, and Trade apprentices, among apprentice categories, witness the biggest jump in outlook (a net increase of 23% on both counts) from the previous HY.

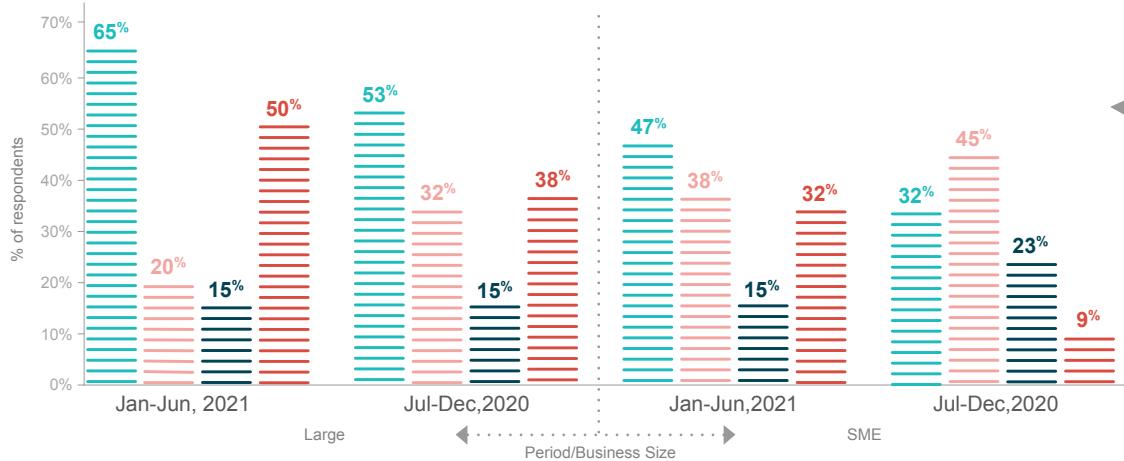


Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (NAO)

NAO Highlights [forecast for HY : Jan 2021 – Jun 2021] – Large vs Small & Medium Enterprises

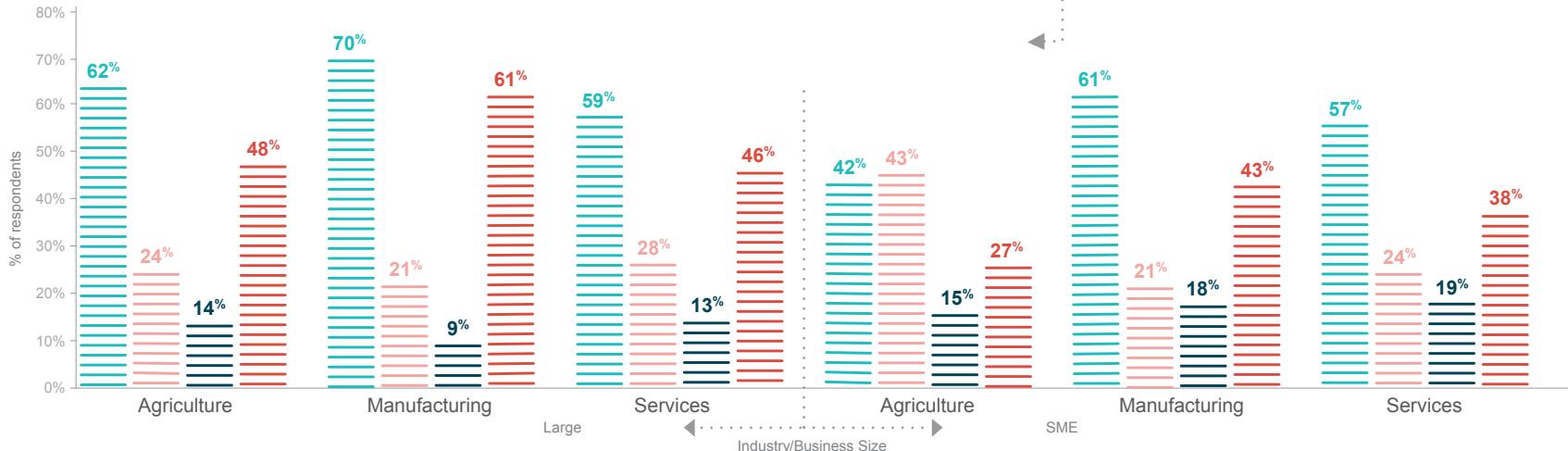
### Net Apprenticeship Outlook - Large vs. SME



The Net Apprenticeship Outlook for large businesses (50%) is higher than that of SMEs (32%) for the current HY. The Manufacturing industry has the highest NAO across large (61%) businesses and SMEs (43%). In case of the second highest NAO, it is the Agriculture industry (48%) for large businesses and Services industry (38%) for SMEs.



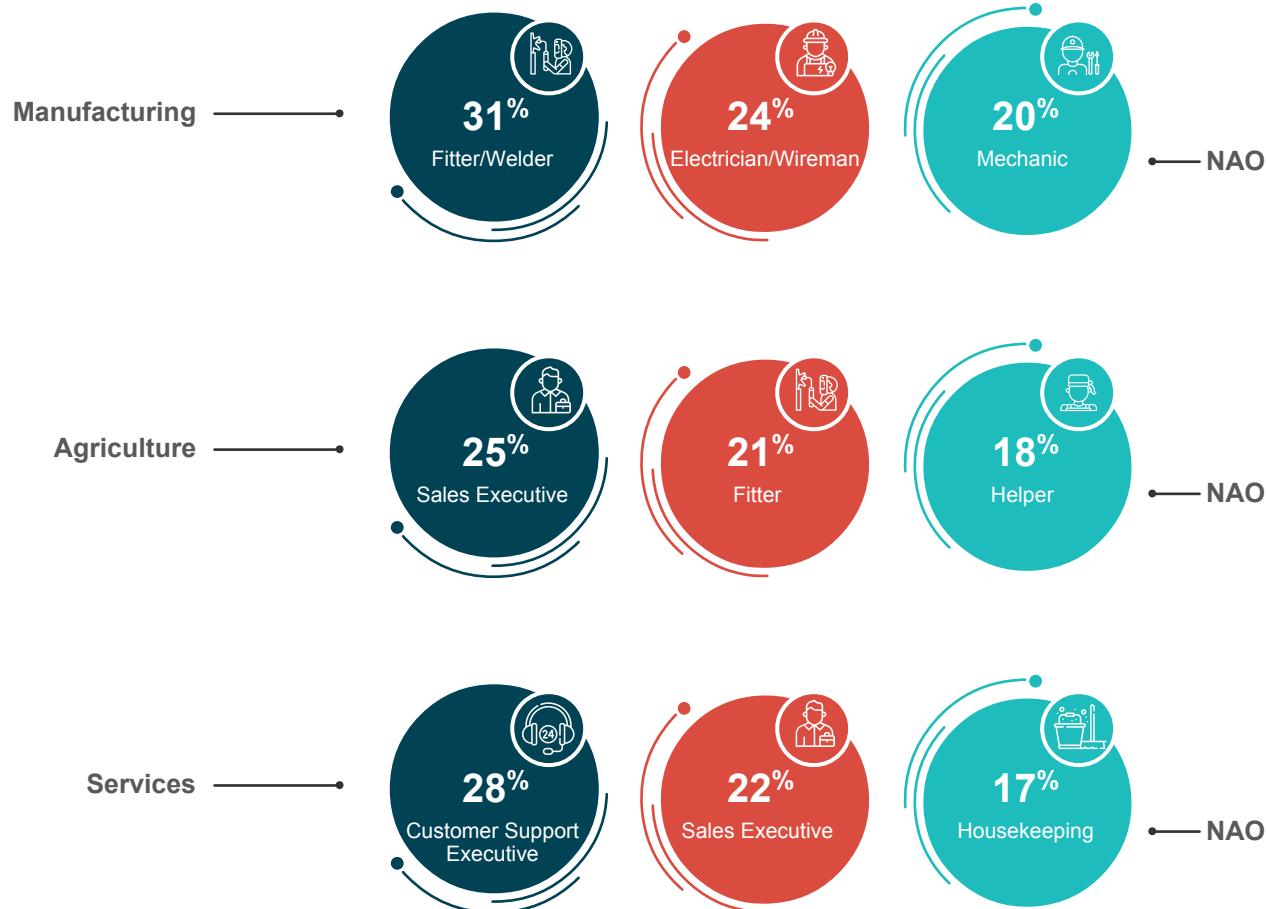
### Net Apprenticeship Outlook - by business size and Industry (HY Jan-Jun, 2021)



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## The Apprenticeship Outlook

### Top 3 Job profiles [forecast for HY: Jan 2021– Jun 2021] – by Industry



Fitter/Welder (NAO: 31%) from Manufacturing Industry, Sales Executive (NAO: 25%) from Agriculture Industry and Customer Support executive (NAO: 28%) from Services Industry are the most sought-after job profiles in the current HY (Jan – Jun 2021).



Source: Valuvox Survey of Apprenticeship Hiring Trends, Dec 2020 – Jan 2021 | Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) - Sectors

A Comparison with HY Jul 2020 – Dec 2020

	Leaders	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Manufacturing & Engineering	Jan– Jun, 2021	73%	19%	18%	55%
		Jul– Dec, 2020	54%	32%	14%	40%
	Automobile & Ancillaries	Jan– Jun, 2021	70%	11%	19%	51%
		Jul– Dec, 2020	58%	38%	22%	36%
	Retail	Jan– Jun, 2021	61%	26%	13%	48%
		Jul– Dec, 2020	54%	30%	16%	38%
	FMCG/D	Jan– Jun, 2021	62%	25%	16%	46%
		Jul– Dec, 2020	48%	37%	15%	33%
	BFSI	Jan– Jun, 2021	56%	32%	12%	44%
		Jul– Dec, 2020	38%	53%	9%	29%
	Electrical & Electronics	Jan– Jun, 2021	53%	38%	9%	44%
		Jul– Dec, 2020	42%	37%	21%	21%
	Health & Pharmaceuticals	Jan– Jun, 2021	60%	28%	17%	43%
		Jul– Dec, 2020	57%	28%	15%	42%
	Agriculture & Agrochemicals	Jan– Jun, 2021	56%	30%	14%	42%
		Jul– Dec, 2020	44%	46%	10%	34%
	IT/ ITes	Jan– Jun, 2021	53%	33%	12%	41%
		Jul– Dec, 2020	42%	41%	17%	25%

The top 3 sectors with highest hiring prospects in the current HY, are Manufacturing & Engineering (NAO: 55%), Automobile & Ancillaries (NAO: 51%) and Retail (NAO: 48%).

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) - Sectors

A Comparison with HY Jul 2020 – Dec 2020

	Laggards	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Logistics	Jan– Jun, 2021	59%	22%	19%	40%
		Jul– Dec, 2020	45%	38%	17%	28%
	Construction & Real Estate	Jan– Jun, 2021	52%	33%	15%	37%
		Jul– Dec, 2020	41%	48%	10%	31%
	ECommerce	Jan– Jun, 2021	52%	32%	16%	36%
		Jul– Dec, 2020	49%	40%	11%	38%
	Apparel & Textiles	Jan– Jun, 2021	50%	35%	15%	35%
		Jul– Dec, 2020	37%	50%	13%	24%
	Telecommunication	Jan– Jun, 2021	52%	30%	18%	34%
		Jul– Dec, 2020	44%	42%	14%	30%
	Beauty & Wellness	Jan– Jun, 2021	41%	44%	15%	26%
		Jul– Dec, 2020	21%	53%	26%	-5%
	Travel & Hospitality	Jan– Jun, 2021	38%	48%	14%	24%
		Jul– Dec, 2020	24%	42%	34%	-10%
	Media & Entertainment	Jan– Jun, 2021	41%	38%	21%	20%
		Jul– Dec, 2020	29%	57%	14%	15%
	Education	Jan– Jun, 2021	44%	26%	30%	14%
		Jul– Dec, 2020	21%	65%	14%	7%



Ecommerce is the only sector with lower NAO in the current HY (36%) when compared to the previous HY (38%). This can be attributed to the higher number of employers (16%) intending to reduce hiring of apprentices in the current six months.

Green shoots are evident in Beauty & Wellness and Travel & Hospitality sectors where the NAO has changed from a negative outlook from the previous HY to significantly positive numbers in the current HY.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) - Metro

A Comparison with HY Jul 2020 – Dec 2020

	Metro	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Chennai	Jan– Jun, 2021	70%	17%	13%	57%
		Jul– Dec, 2020	51%	36%	13%	38%
	Delhi	Jan– Jun, 2021	66%	22%	12%	54%
		Jul– Dec, 2020	48%	41%	11%	37%
	Bangalore	Jan– Jun, 2021	63%	25%	12%	51%
		Jul– Dec, 2020	49%	36%	15%	34%
	Mumbai	Jan– Jun, 2021	64%	22%	14%	50%
		Jul– Dec, 2020	53%	33%	14%	39%
	Hyderabad	Jan– Jun, 2020	62%	23%	15%	47%
		Jul– Dec, 2020	52%	36%	12%	40%
	Kolkata	Jan– Jun, 2021	49%	38%	13%	36%
		Jul– Dec, 2020	33%	51%	16%	17%



Employers in all metro cities anticipate an increase in their apprentice hiring numbers for the current HY. Chennai has the highest NAO (57%) among the metro cities. Kolkata on the other hand, continues to have the lowest NAO (36%) even though it has a significant growth of 19% (from the 17% NAO for the previous HY).



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) – Non Metro

A Comparison with HY Jul 2020 – Dec 2020

	Non Metro	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Ahmedabad	Jan– Jun, 2021	68%	18%	14%	54%
		Jul– Dec, 2020	56%	30%	14%	42%
	Chandigarh	Jan– Jun, 2021	63%	21%	16%	47%
		Jul– Dec, 2020	36%	49%	15%	21%
	Pune	Jan– Jun, 2021	60%	20%	20%	40%
		Jul– Dec, 2020	38%	45%	17%	21%
	Lucknow	Jan– Jun, 2021	56%	27%	17%	39%
		Jul– Dec, 2020	28%	59%	13%	15%
	Kochi	Jan– Jun, 2021	48%	38%	14%	34%
		Jul– Dec, 2020	36%	48%	16%	20%
	Indore	Jan– Jun, 2020	45%	40%	15%	30%
		Jul– Dec, 2020	38%	39%	23%	15%
	Nagpur	Jan– Jun, 2021	48%	30%	22%	26%
		Jul– Dec, 2020	31%	49%	20%	11%
	Coimbatore	Jan– Jun, 2021	41%	39%	20%	21%
		Jul– Dec, 2020	36%	46%	18%	18%



Among non metros, Ahmedabad continues to top the NAO chart (54%) for the current HY. Nagpur graduates to the second spot with a 26% NAO from 11% for the previous HY. Coimbatore is at the bottom of the chart with a NAO of 21%.

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) – Business Size

A Comparison with HY Jul 2020 – Dec 2020

	Business Size	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Large	Jan– Jun, 2021	65%	20%	15%	50%
		Jul– Dec, 2020	53%	32%	15%	38%
	Medium	Jan– Jun, 2021	56%	25%	19%	37%
		Jul– Dec, 2020	48%	34%	18%	30%
	Small	Jan– Jun, 2021	35%	38%	27%	8%
		Jul– Dec, 2020	15%	55%	30%	-15%



Small businesses anticipated a strong hiring momentum with a significant growth of 23% compared to the previous HY (Jul-Dec,2020). Large businesses report the strongest hiring outlook with a NAO of 50%, a growth by 12% compared to the hiring outlook of previous HY. Although small businesses reported the lowest NAO of 8% this HY, their hiring intentions have grown 23% compared to the previous HY.

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun,2021)

## Net Apprenticeship Outlook (HY Jan 2021–Jun 2021) – Category of apprentices

A Comparison with HY Jul 2020 – Dec 2020

	Category of apprentices	HY's	Increase	No Change	Decrease	Net Apprenticeship Outlook
	Trade	Jan– Jun, 2021	65%	25%	10%	55%
		Jul– Dec, 2020	58%	24%	18%	40%
	Technician	Jan– Jun, 2021	56%	31%	13%	43%
		Jul– Dec, 2020	43%	36%	21%	22%
	Graduate	Jan– Jun, 2021	45%	38%	17%	28%
		Jul– Dec, 2020	35%	46%	19%	16%
	Optional Trade	Jan– Jun, 2021	41%	35%	24%	17%
		Jul– Dec, 2020	36%	43%	21%	15%
	Technician (Voc)	Jan– Jun, 2021	35%	46%	19%	16%
		Jul– Dec, 2020	31%	53%	16%	15%



Trade (55%) and Technician (43%) category apprentices continue to witness highest NAO during the current HY. Hiring intent for Technician(Voc) and Optional Trade has seen minimal change (Increase by 1 to 2%) this half year when compared to the previous half year.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

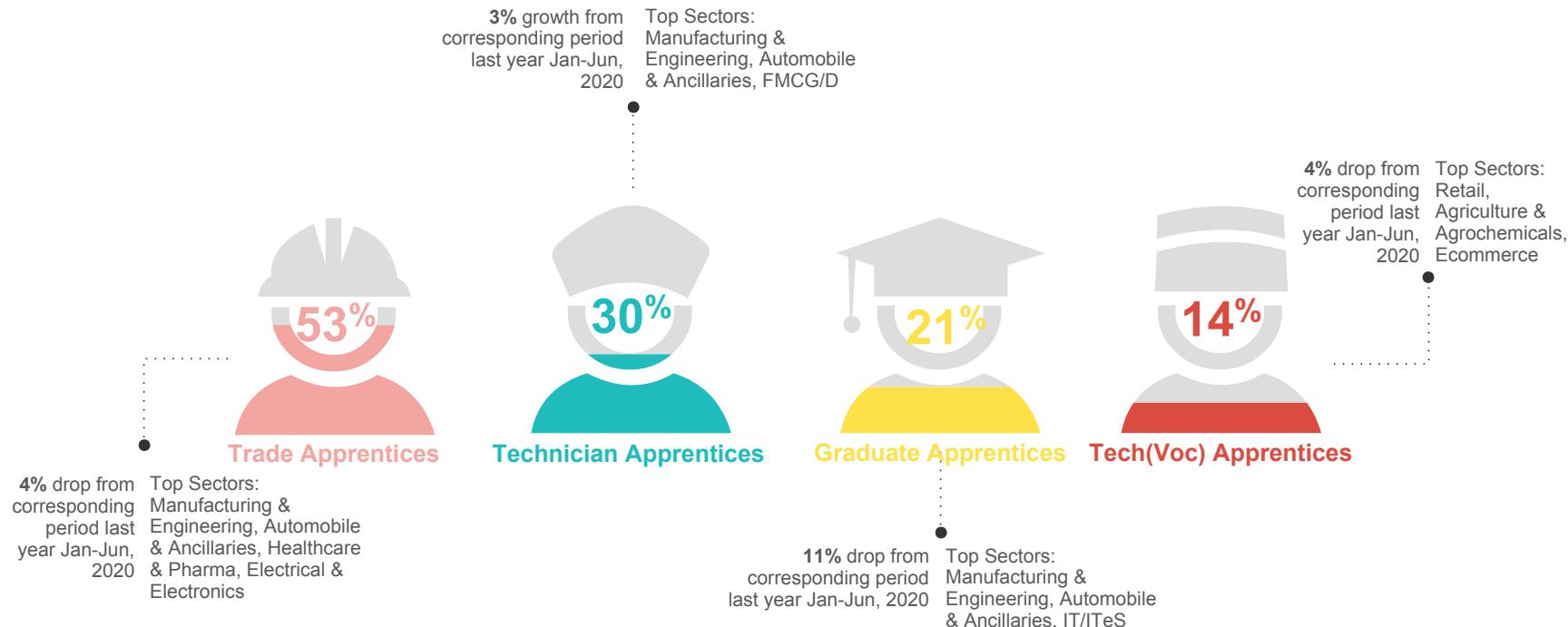


# **Apprenticeship Outlook - Key areas of hiring Employers Hiring Sentiment**

**(Jan 2021 – Jun 2021)**

## The Apprenticeship Outlook

### Top Categories [forecast for HY-1: Jan 2021 – Jun 2021] Y-O-Y Comparison



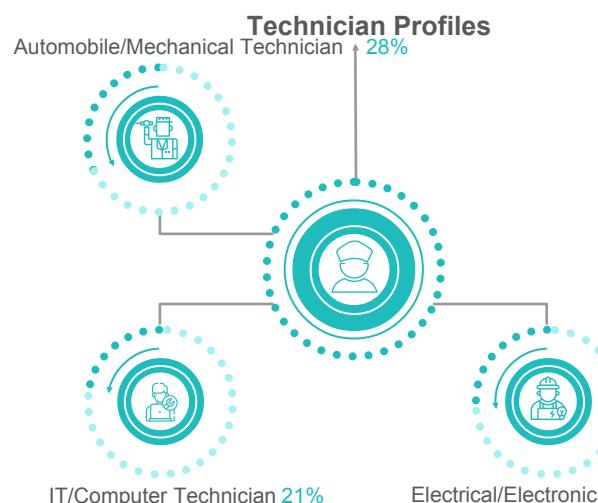
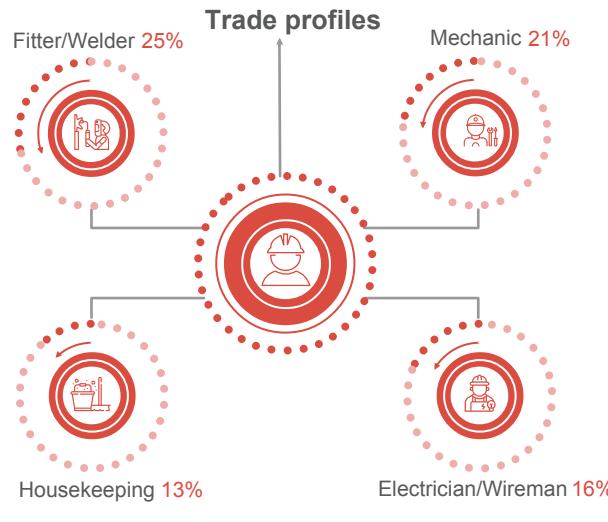
Despite a 4% drop in YoY outlook, Trade apprentices (55%) continue to be employers most preferred category of apprentices in the current HY (Jan – Jun, 2021) as well. Technician apprentices (30%) are the second most preferred category and have grown 3% in outlook, YoY.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)

## The Apprenticeship Outlook

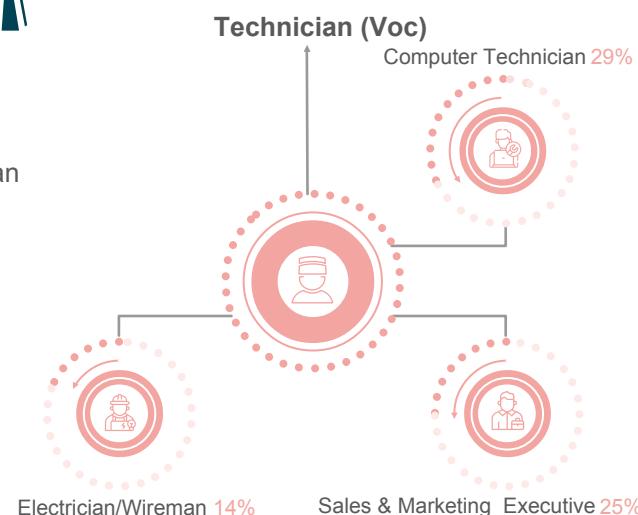
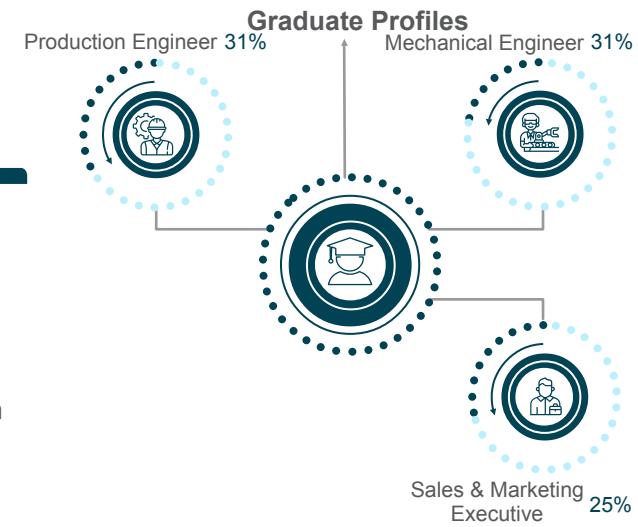
Top Job profiles [forecast for HY-1: Jan 2021 – Jun 2021]



**Optional Trades**

- Maintenance Technician
- Painter
- Delivery Executives
- Store Keepers
- Health Advisors

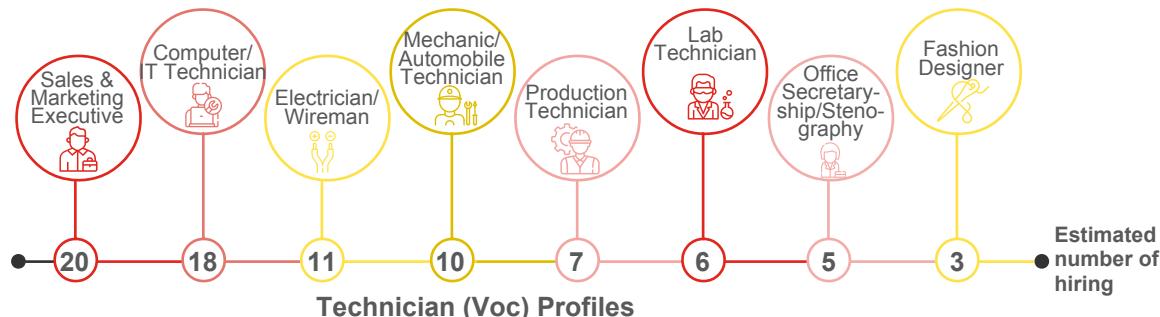
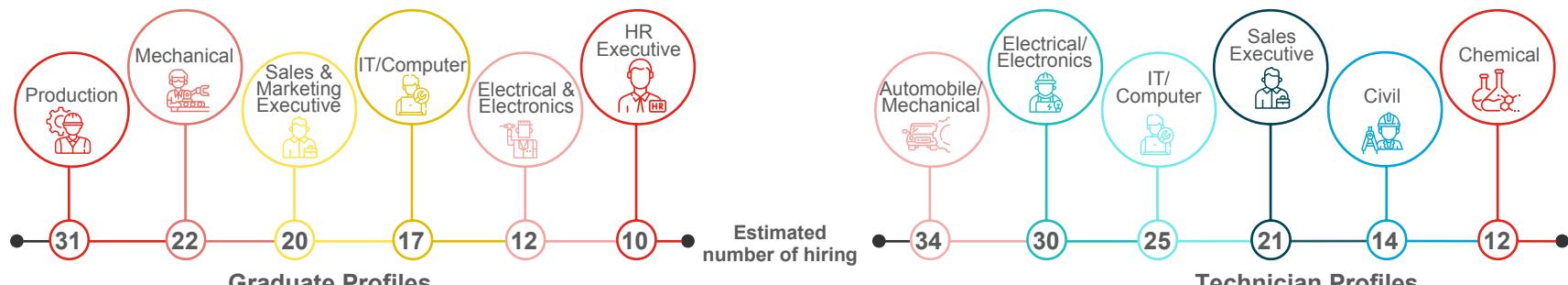
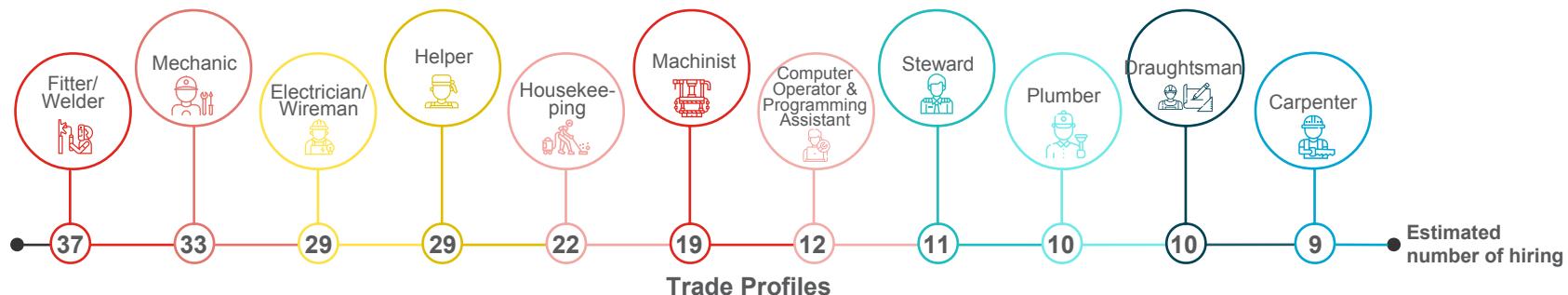
Fitter/Welder (NAO: 25%) under Trade category, Production Engineer (NAO: 31%) under Graduate category, Automobile/Mechanical technician (NAO: 28%) under Technician category and Computer technician (NAO: 29%) under Technician Vocational category are the most sought after job profiles for hiring during the current HY.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun,2021)

## Estimated numbers likely to be hired during Jan 2021 – Jun 2021

### Average number of apprentices by category



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun,2021)



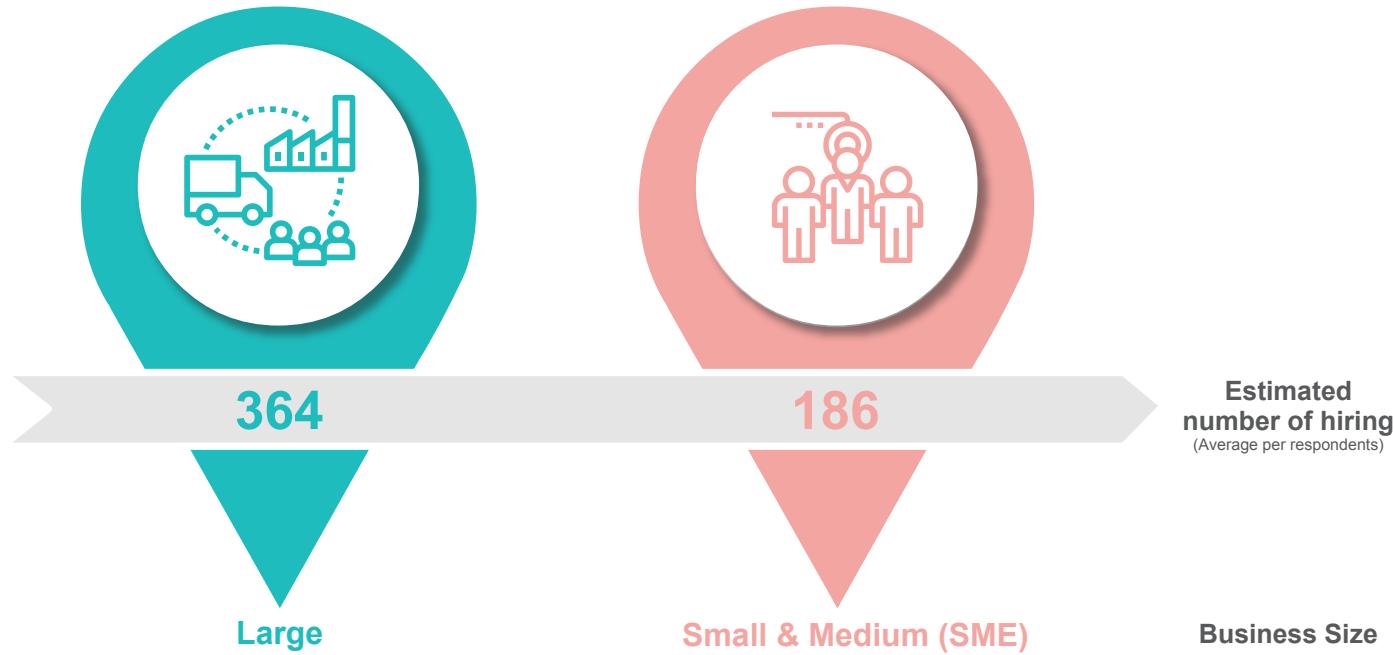
Across the four categories of apprentices, roles associated with Electrical, Mechanical and Automobile domains are the most sought after.

Overall, Trade and Technician apprentices are the most sought after among apprentice categories.



## Estimated numbers likely to be hired during Jan 2021 – Jun 2021

### Average number of apprentices by Business Size



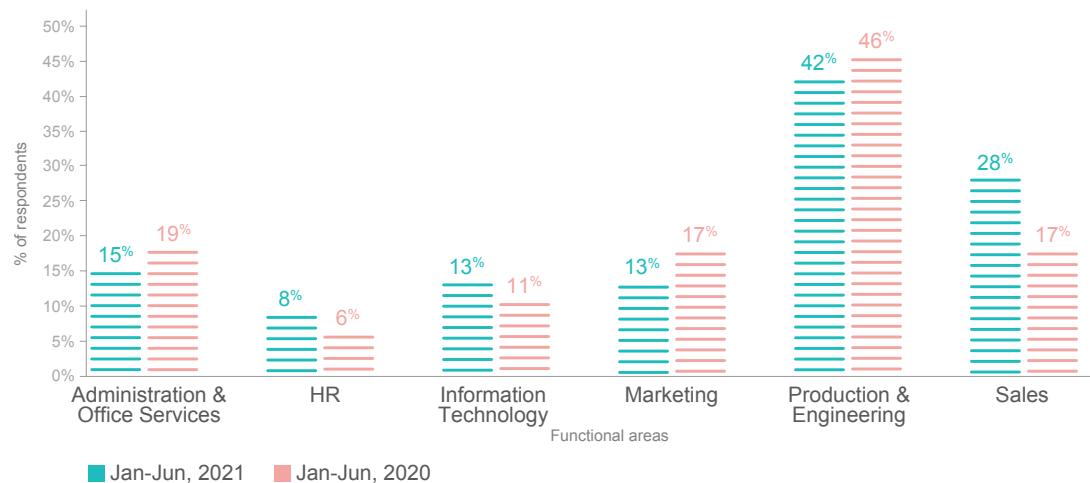
The average number of apprentices likely to be hired for the current HY is expected to be much higher for Large (364) when compared to Small & Medium enterprises (186).

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun,2021)

## The Apprenticeship Outlook

### Functional Area [forecast for HY-1: Jan 2021 – Jun 2021] Y-O-Y Comparison

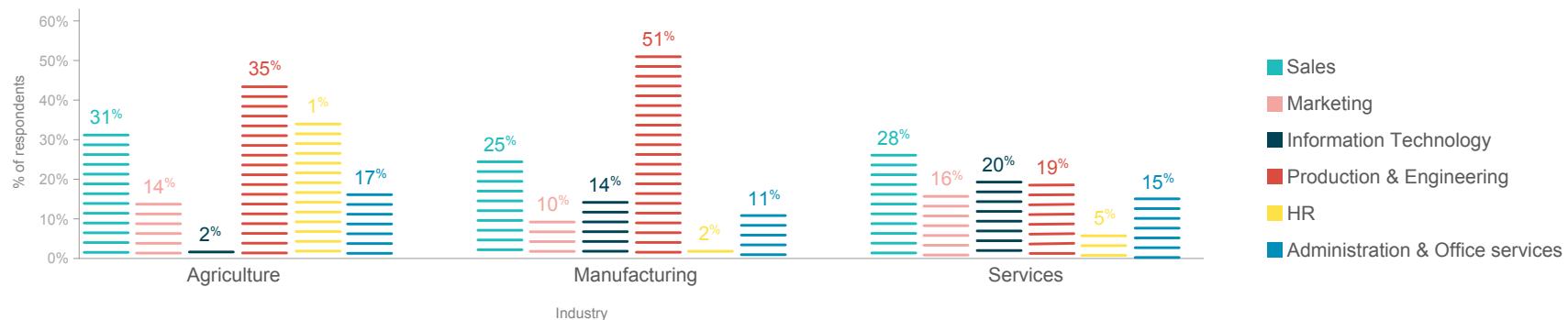
#### Apprentice hiring – by functional area



Production & Engineering (42% of all employers) and Sales (28%) witness higher outlook levels for the current HY (Jan – Jun, 2021). Manufacturing (51%) and Agriculture (35%) industries are likely to hire apprentices mainly for their Production & Engineering functions. The Services industry (28%) is likely to hire for the sales function.



#### Hiring under various functional areas - by Industry- HY Jan –Jun, 2021



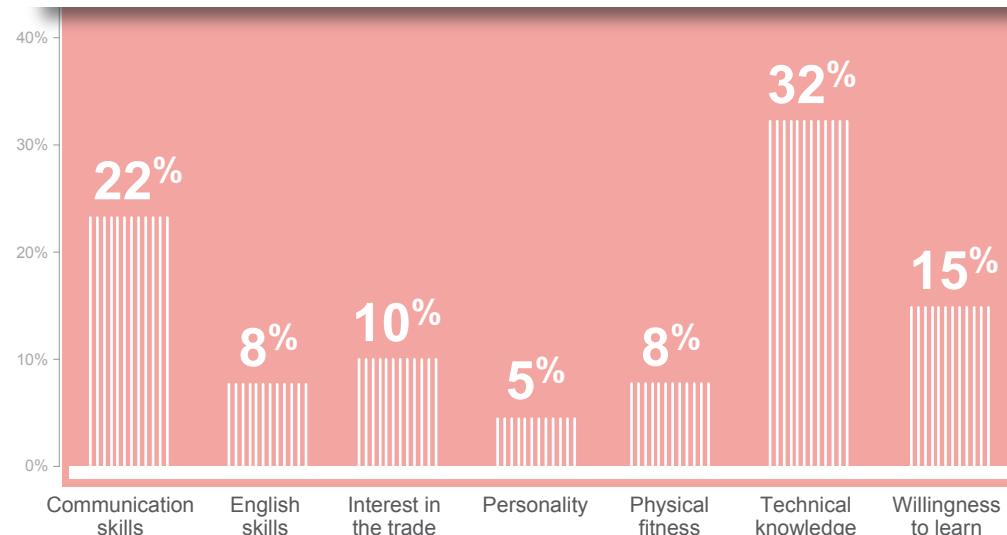
Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 352 respondents who anticipate hiring in the current HY (Jan-Jun, 2021)



## **Apprentice hiring More Insights**

## Top Skills

### Requirement

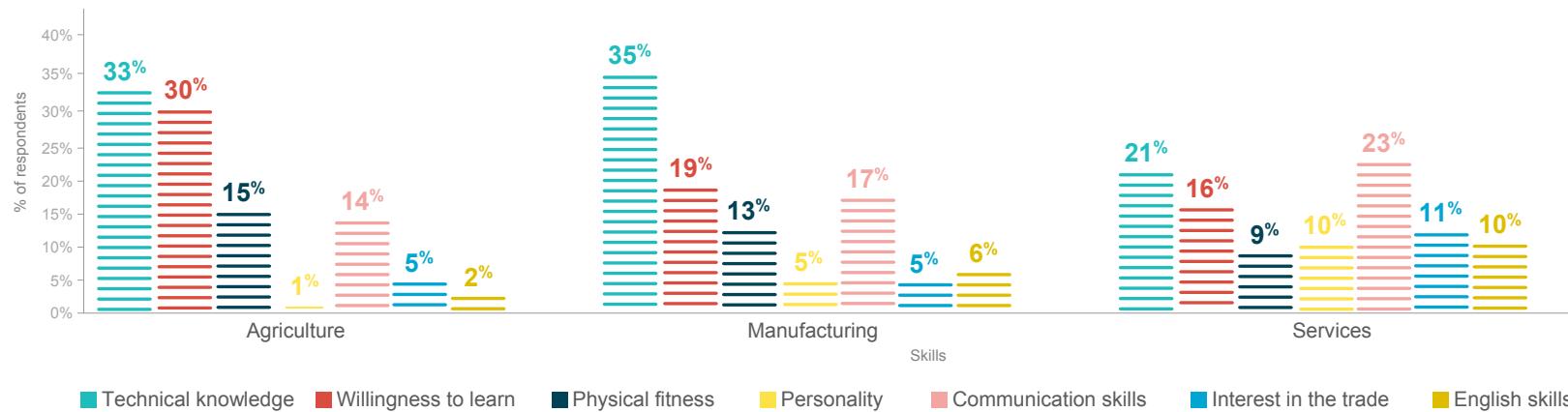


Technical knowledge (32%), Communication skills (22%) and Willingness to learn (15%) are the top 3 skills employers expect apprentices to possess.

Technical Knowledge is a key skill requirement for employers of Agriculture (33%) and Manufacturing (35%) industries. In case of Services Industry, it is Communication skills (23%).

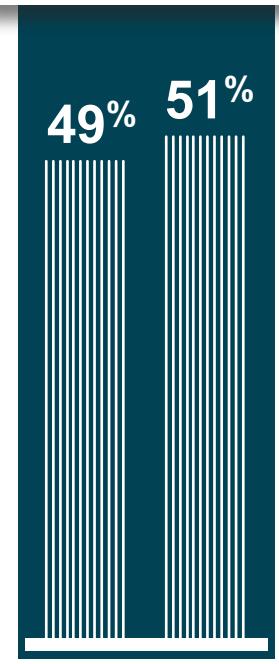
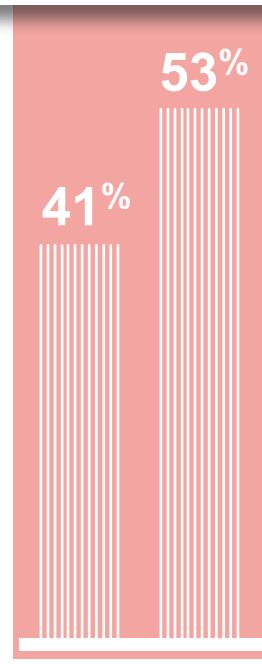
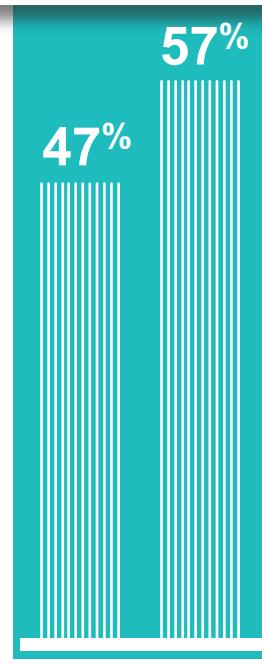
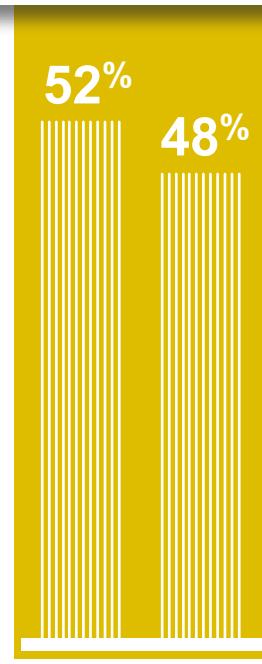
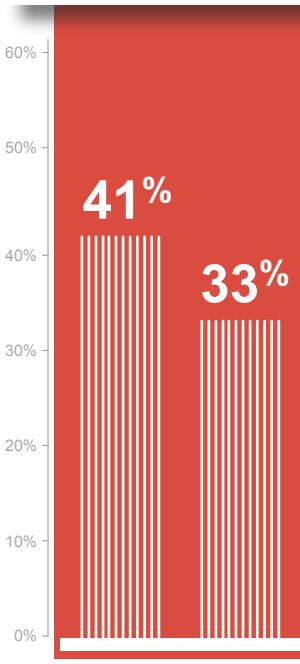


### Skill Requirement – by Industry



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

## Top Stipend Pay-outs By Category (Y-O-Y Comparison)



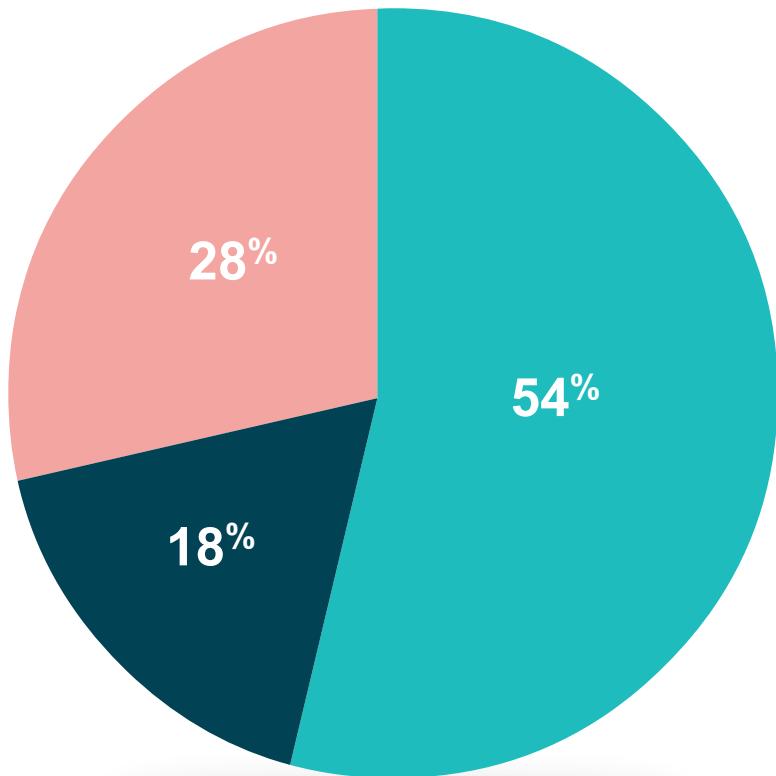
Most employers continued to pay relatively higher stipend (in the Rs.10,000-Rs.15,000 range). While Graduate apprentices are not as much in demand as Trade apprentices, they draw a relatively higher stipend due to the higher educational qualification.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

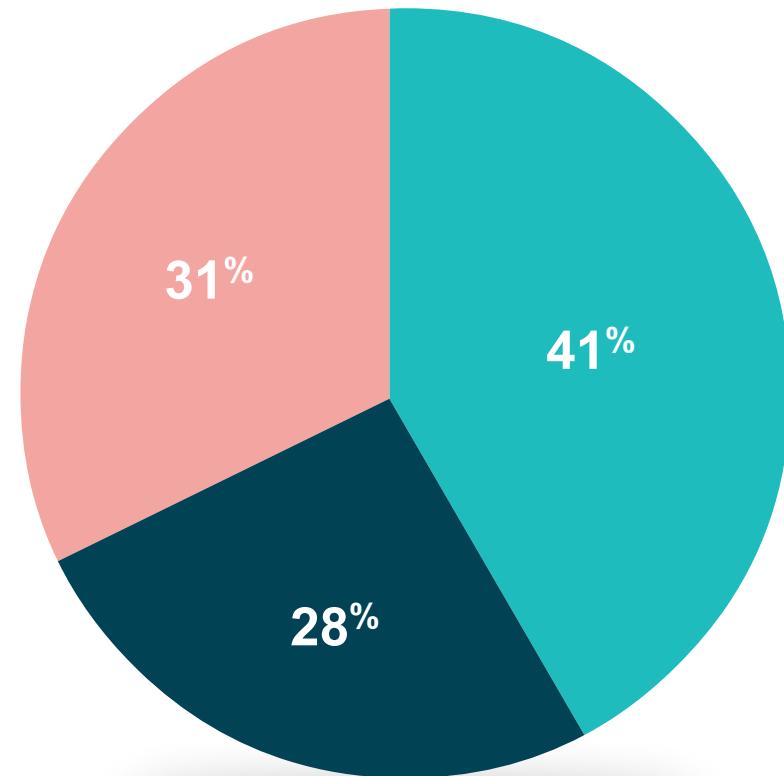
All figures are in Rs/month.

**Gender Preference in Apprentice Hiring**  
Overall and by Industry (Y-O-Y Comparison)  
Gender Preference (Y-O-Y Comparison)



Jan-Jun, 2020

■ Male ■ Female ■ No such preference



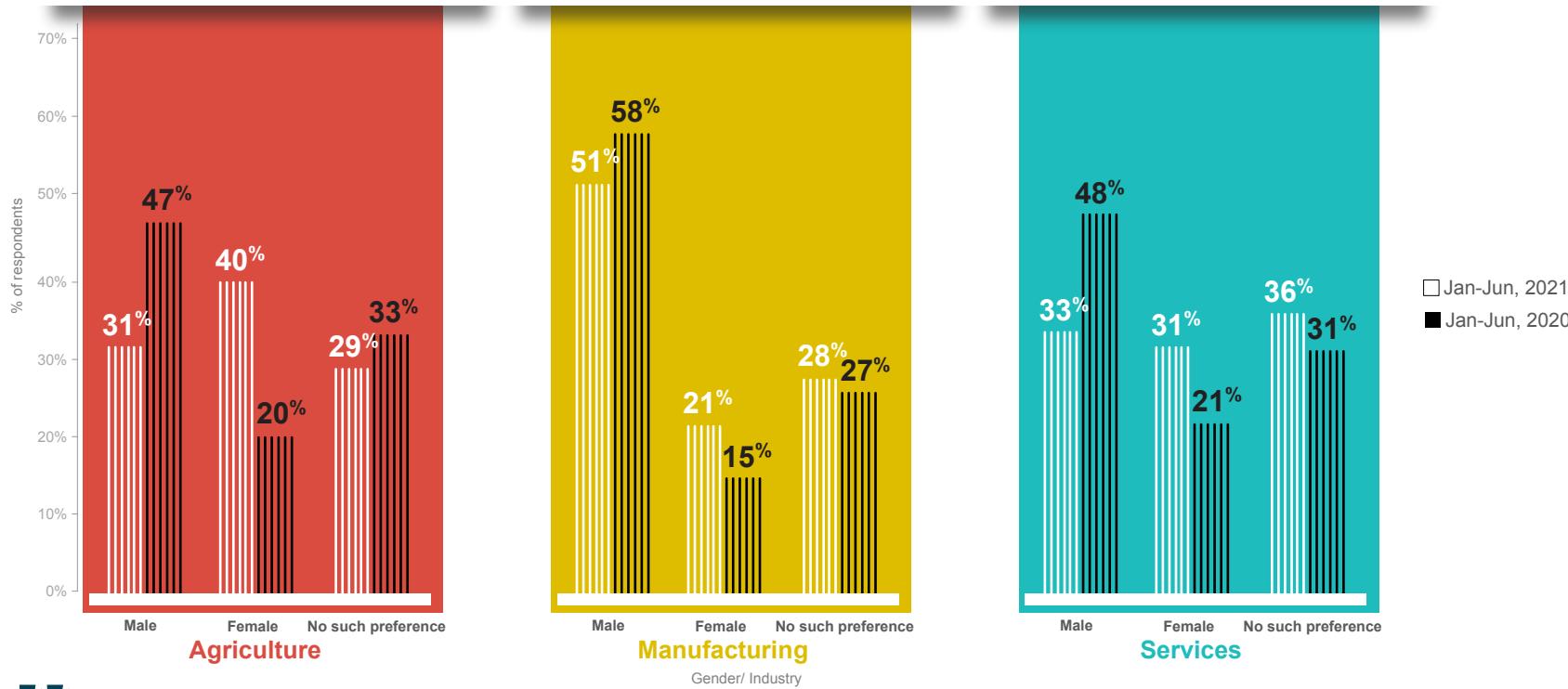
Jan-Jun, 2021

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

## Gender Preference in Apprentice Hiring

### Overall and by Industry (Y-O-Y Comparison)

#### Gender Preference - by Industry



Overall, majority of employers continue to prefer male candidates (41%) over HY Jan-Jun 2021. However, this proportion has declined by 13% from last year.

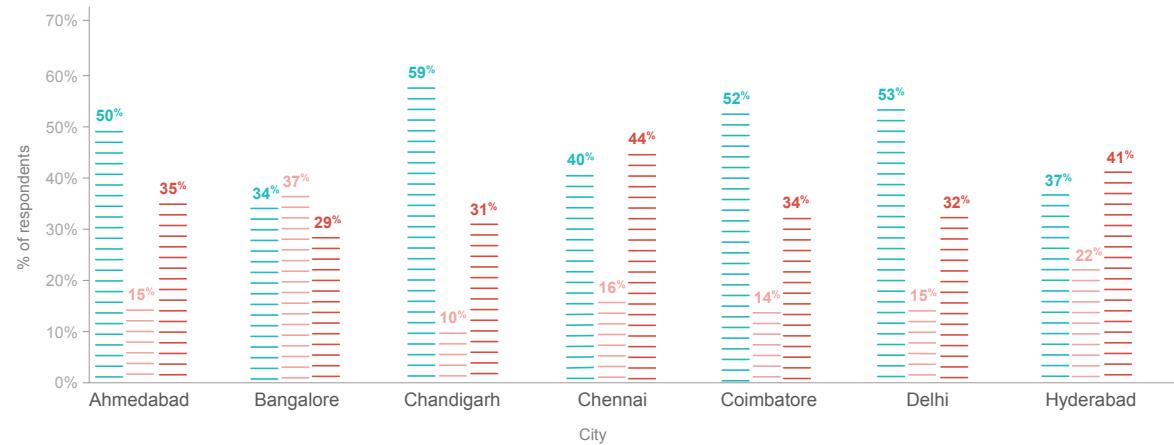
Manufacturing Industry (58%) continues to be a male dominant Industry. Preference for female candidates has doubled YoY in the Agriculture Industry with 40% of employers displaying a preference for female candidates in Jan –Jun 2021 as compared to 20% in Jan – Jun 2020.

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

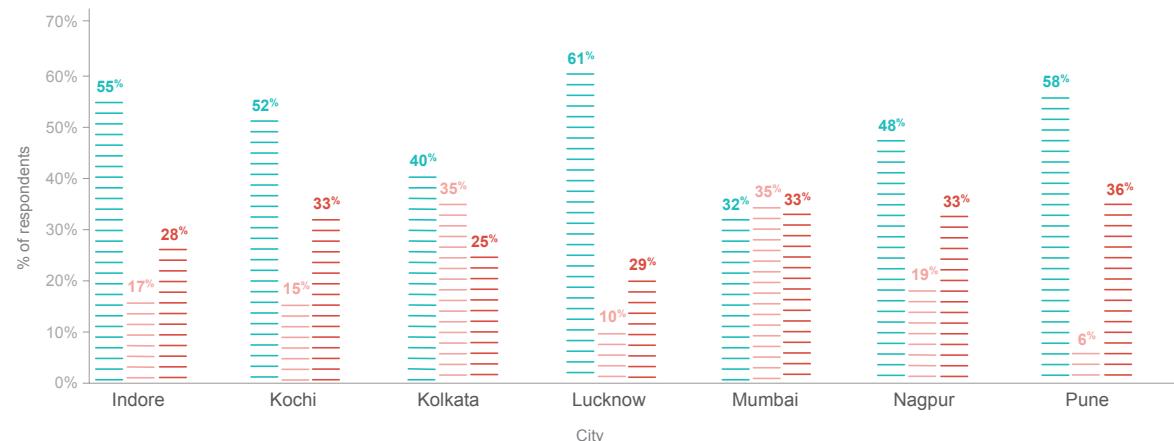
## Gender Preference in Apprentice Hiring

### Across cities - Overall

### Gender Preference - by city -HY Jan-Jun,2021



Male candidates are preferred in cities like Lucknow (61%), Chandigarh (59%), Pune (58%), and Indore (55%). Bangalore (37%), Mumbai and Kolkata (35%) are more female centric. However, Chennai (44%) and Hyderabad (41%) emerge as leaders with no gender preference.



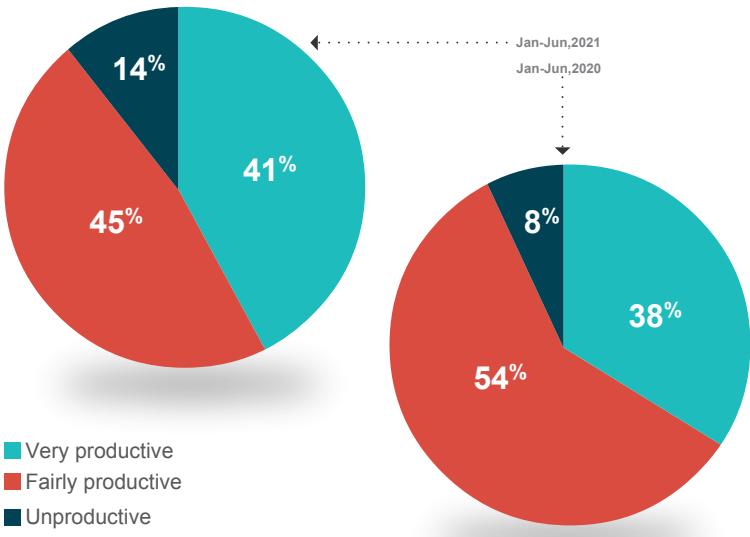
■ Male ■ Female ■ No such preference

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

## Employer Perception of Apprentice Productivity

### Y-O-Y Comparison

#### Are the hired apprentices productive?

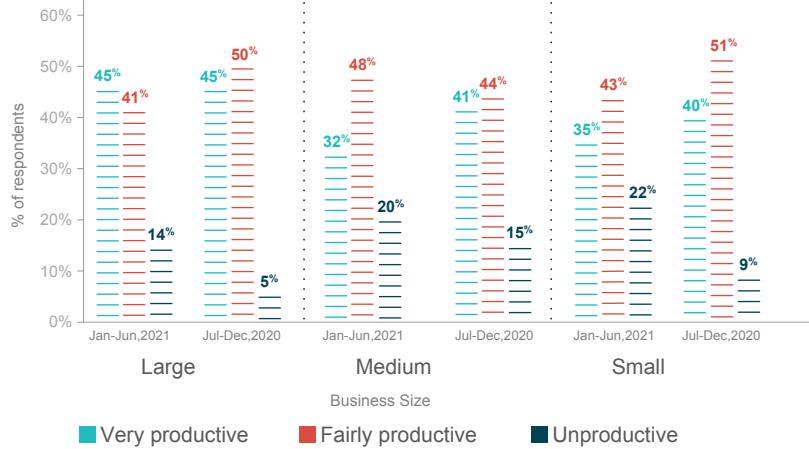


Employee perception of Apprentice productivity (“very productive” and “fairly productive”) has come down slightly YoY (by 6%) from 92% in Jan-Jun 2020 to 86% in Jan –Jun 2021.

While majority of large businesses (45%) perceive their apprentices to be “very productive”, most of the medium (48%) and small (43%) businesses consider their apprentices to be only “fairly productive”.

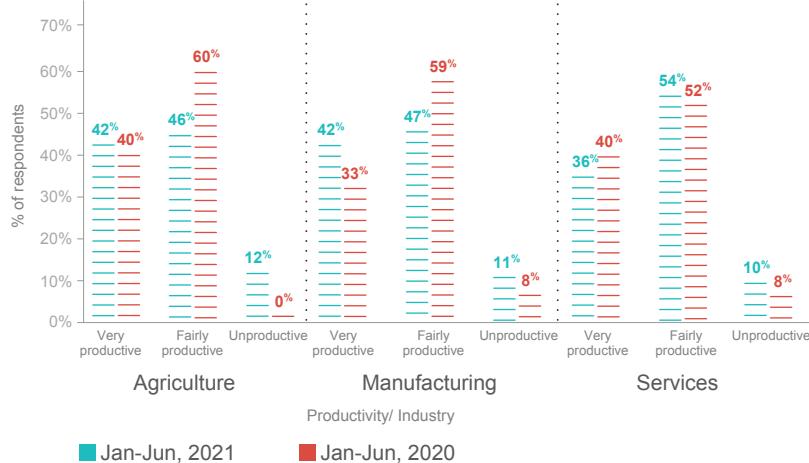


#### Employer's Perception on apprentice productivity - by business size



■ Very productive ■ Fairly productive ■ Unproductive

#### Employer Perception of apprentice productivity - by Industry



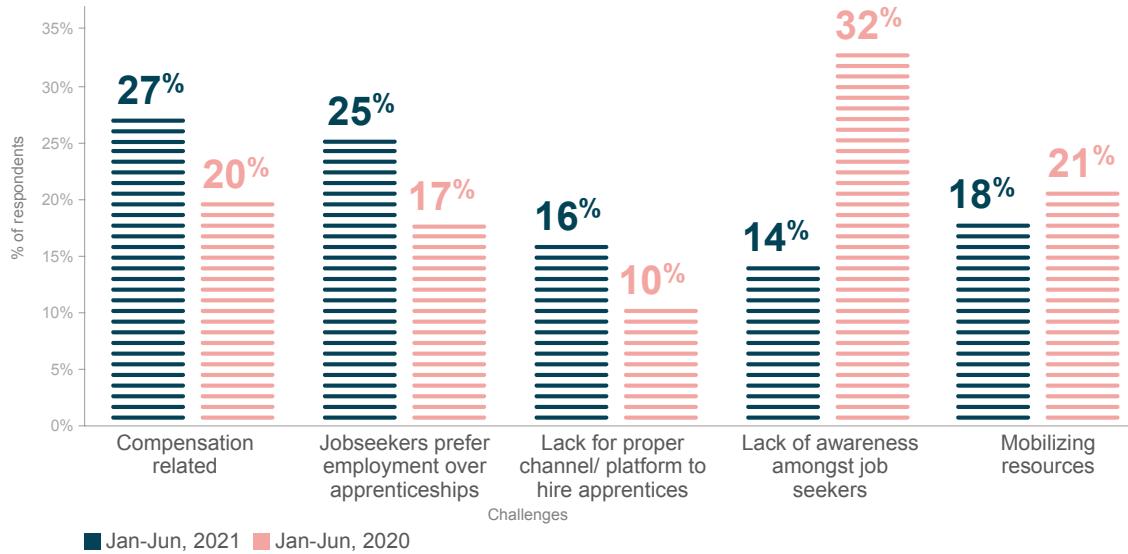
■ Jan-Jun, 2021 ■ Jan-Jun, 2020

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.

## Challenges in hiring apprentices HY Jan-Jun,2021

### Y-O-Y Comparison

#### Challenges faced while hiring apprentices

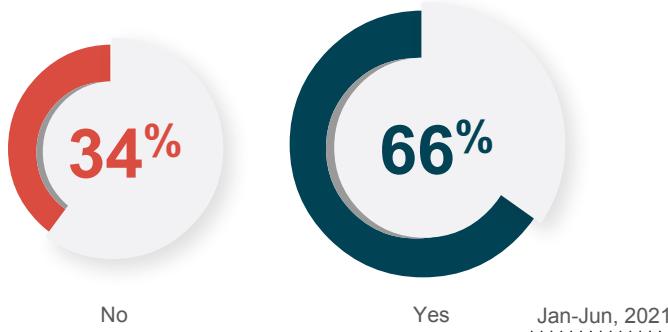


More employers perceive the hiring process to be easier in the current HY Jan – Jun, 2021 (66%) than in Jan – Jun 2020 (41%).

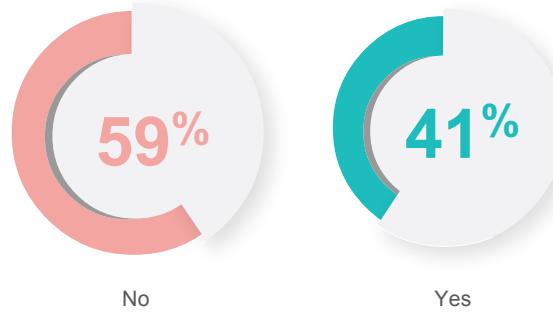
On the same note, “Lack of awareness among job seekers” which was the topmost hiring challenge (32%) in Jan – Jun, 2020 has turned into the least challenging aspect in Jan – Jun, 2021 faced only by 14% employers. Instead, employers highlight compensation related issues (27%) as their key challenge currently.



#### Was the hiring process convenient?



Jan-Jun, 2020



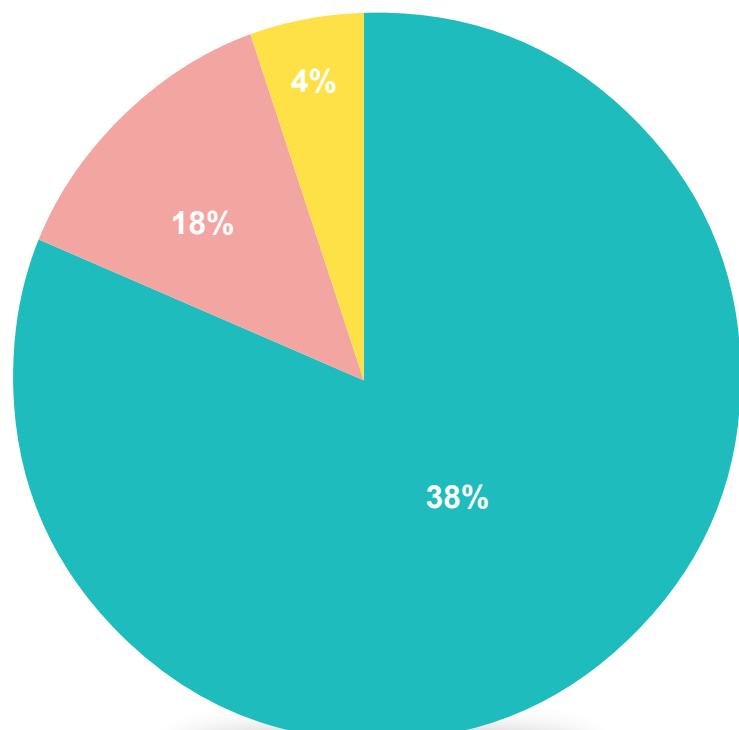
Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 – Jan 2021| Total number of respondents: 600 | The above computation is based on responses given by 480 respondents who have apprenticeship program implemented in their organization.



## **Current Scenario of Apprenticeship Program in India**

## Hiring Preference of Employers

### Percentage Hires By Employment Type



Overall, employers prefer permanent employment over apprenticeship. Only 4% of employers across sectors and cities have preference for apprentices. However, the impact of recent amendments and reforms is beginning to have a positive effect. The number of apprenticeship contracts crossed 3 lakhs in 2019-20 up by 50% from 2018-19.



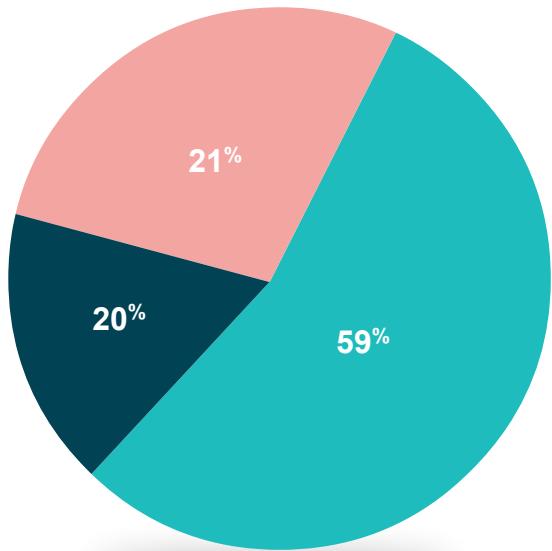
■ Permanent ■ Contractual ■ Apprentices

Source: India Skills Report, 2020, Wheelbox

## Apprentice Engagement

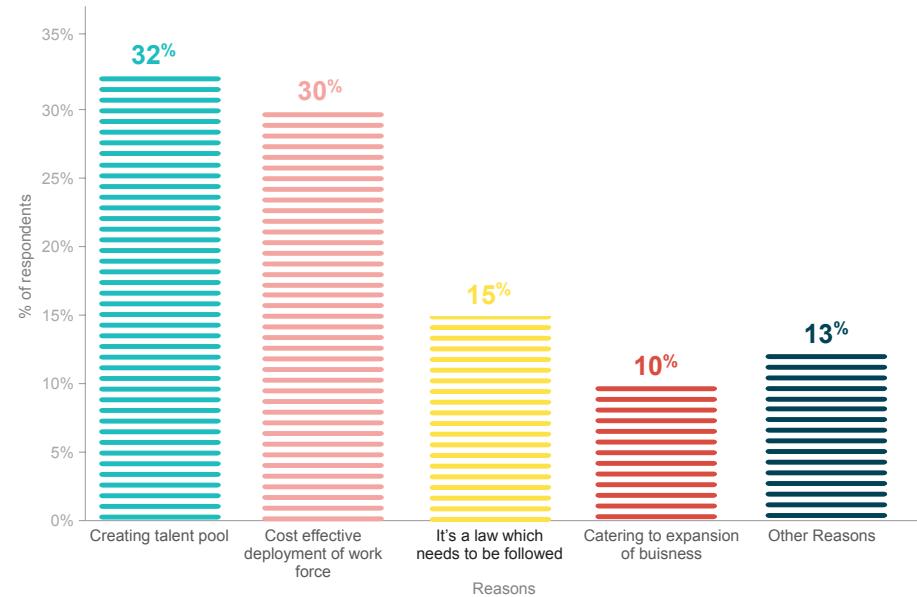
### Implementation of apprenticeship programs by employers

#### Will employers hire in the next 6 months?



■ Yes ■ No, we do not have apprenticeship program  
■ No, but we have apprenticeship program

#### Reasons for hiring apprentices

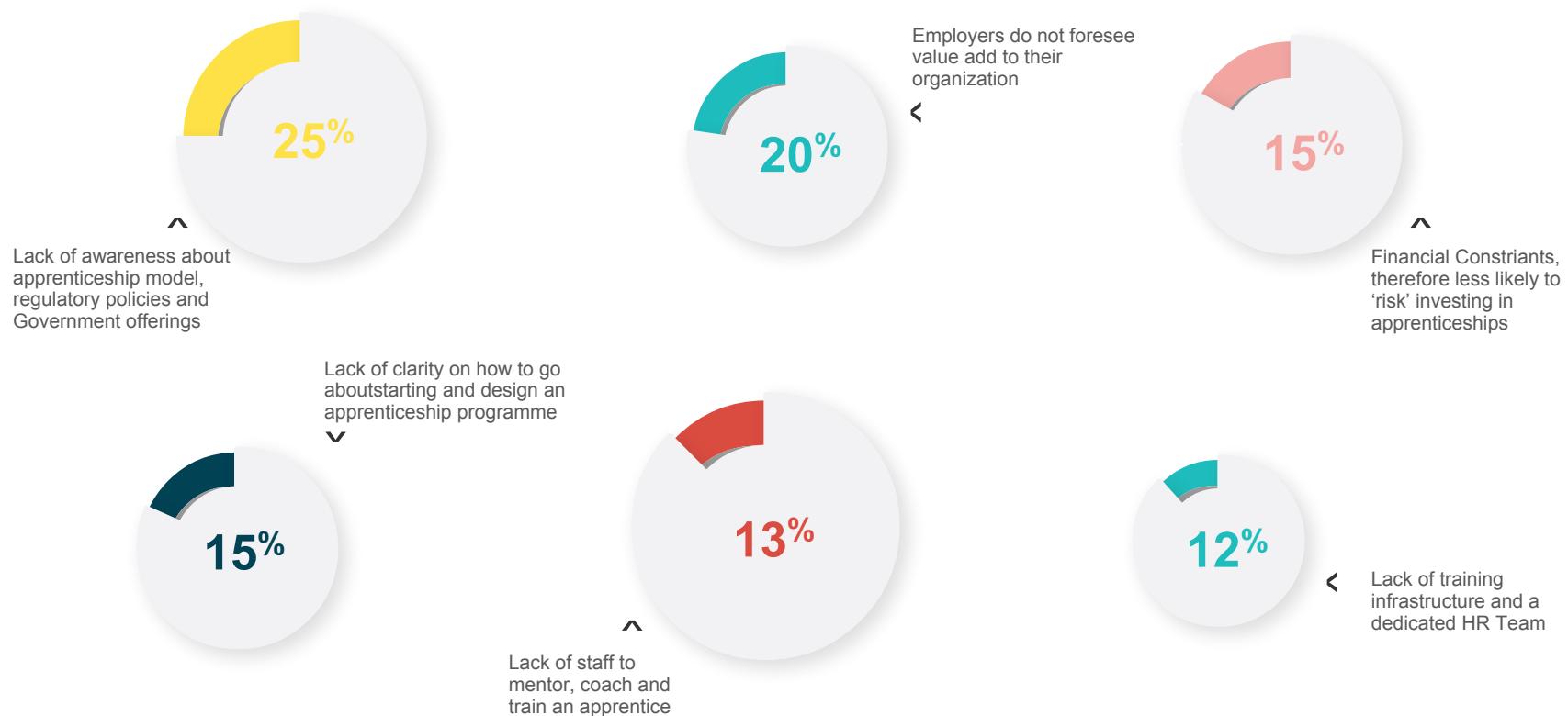


59% of all employers who intend to hire apprentices in the current HY (Jan-Jun,2021), highlight creation of talent pool (32%) and having a cost-effective workforce (30%) as their apprentice hiring motivators. Of the 41% of employers who do not intend to hire apprentices, nearly half do not have any apprenticeship programs at all in their organizations.



Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 -Jan 2021 | Total number of respondents: 600

## Why Companies are reluctant to hire apprentices?

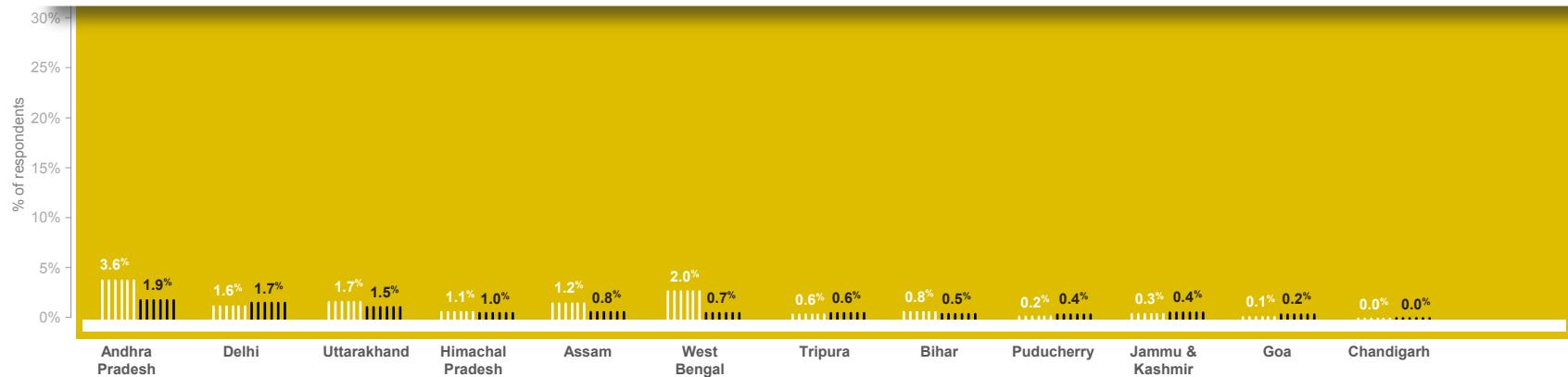
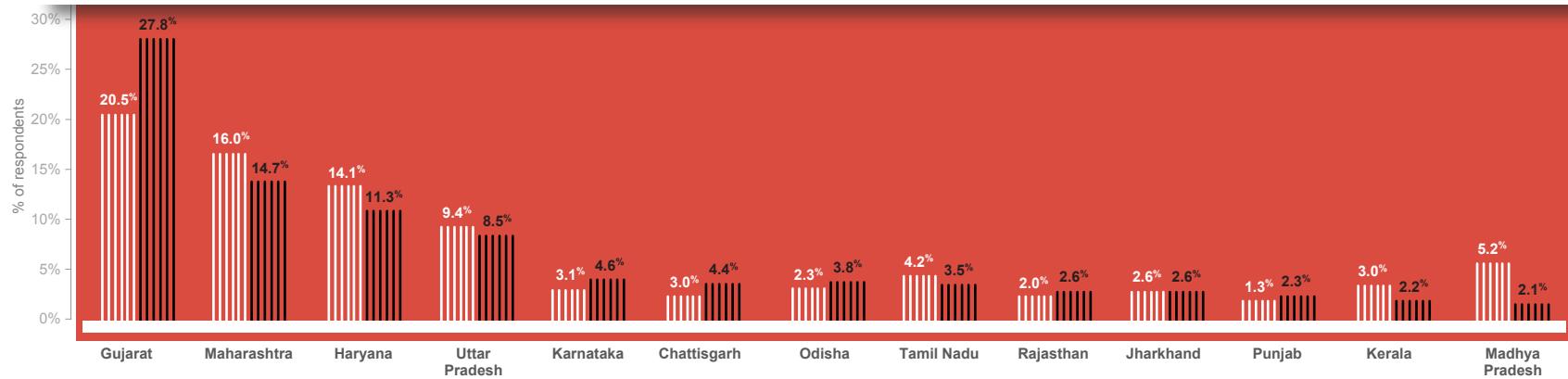


Top reasons discouraging employers from hiring apprentices are lack of awareness about apprenticeship model and its associated policies and offerings (25%) and no clear visibility of value addition to the organization through apprenticeship program (20%).

Source: Valuvox Survey of Apprenticeship Hiring Trends ,Dec 2020 -Jan 2021 | Total number of respondents: 600

## State wise Distribution of apprentices

### Distribution of Apprentices - by State



□ % as on Dec 2019

■ % as on Dec 2020



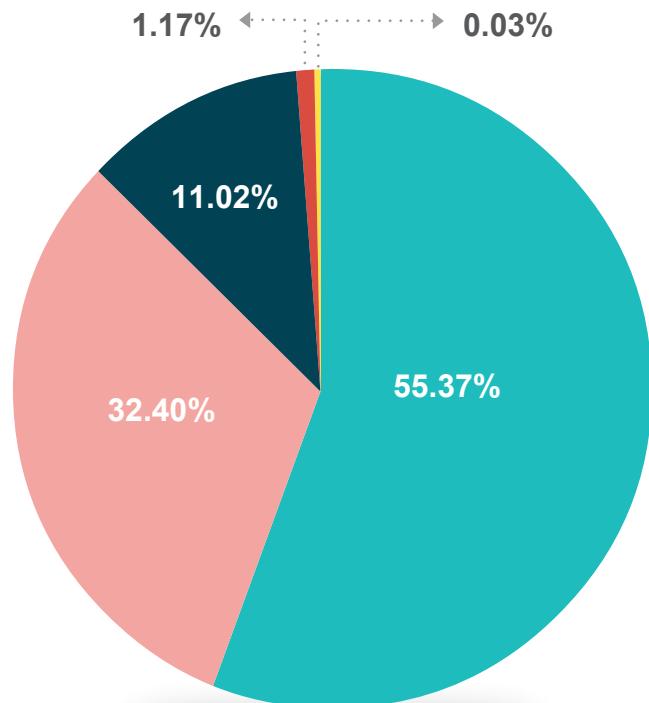
Gujarat, Maharashtra, Haryana and Uttar Pradesh are the top 4 states engaging more than 60% of the apprentices.



Source: NAPS Apprenticeship portal, as on Dec (2019,2020), Ministry of Skill Development & Entrepreneurship

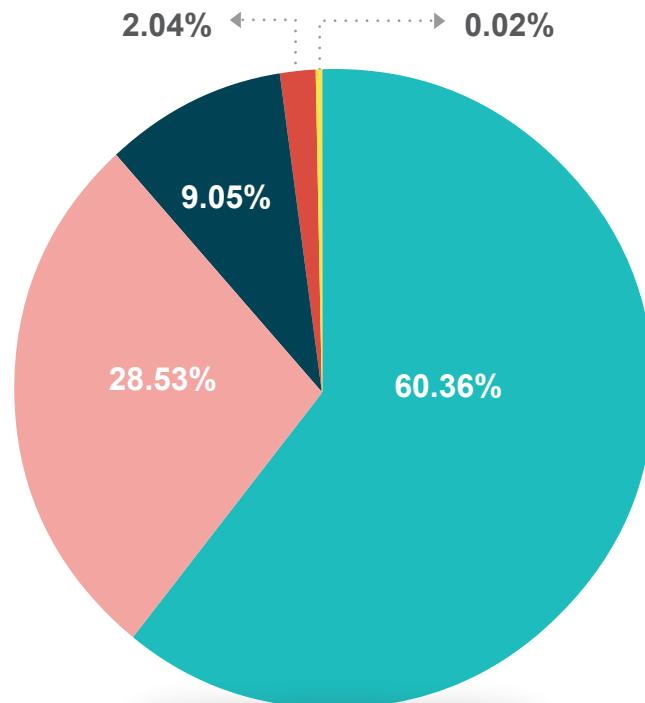
Note: The analysis is deduced from data extracted from apprenticeship portal.

## Distribution of apprentices – by business size



% of total apprentices (as on Dec 2020)

■ Large ■ Medium ■ Small ■ Micro ■ Cottage



% of total apprentices (as on Dec 2019)



Over 55% of apprentices are engaged by large organizations followed by around 32% by Medium sized organizations.

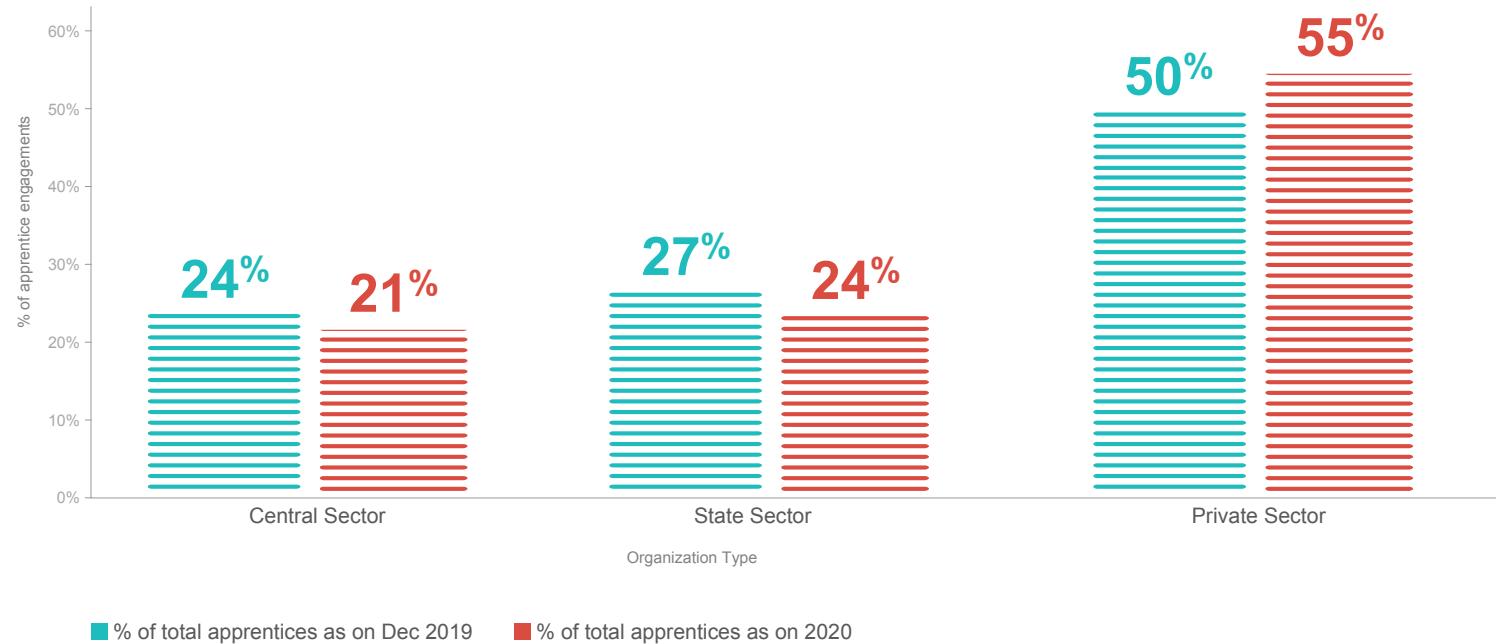


Source: NAPS Apprenticeship portal, as on Dec (2019,2020), Ministry of Skill Development & Entrepreneurship

Note: The analysis is deduced from data extracted from apprenticeship portal.

## Distribution of apprentices – by Organization Type

### Apprentice Distribution - by Organization Type



Private sector businesses (55%) are the major employers of apprentices.

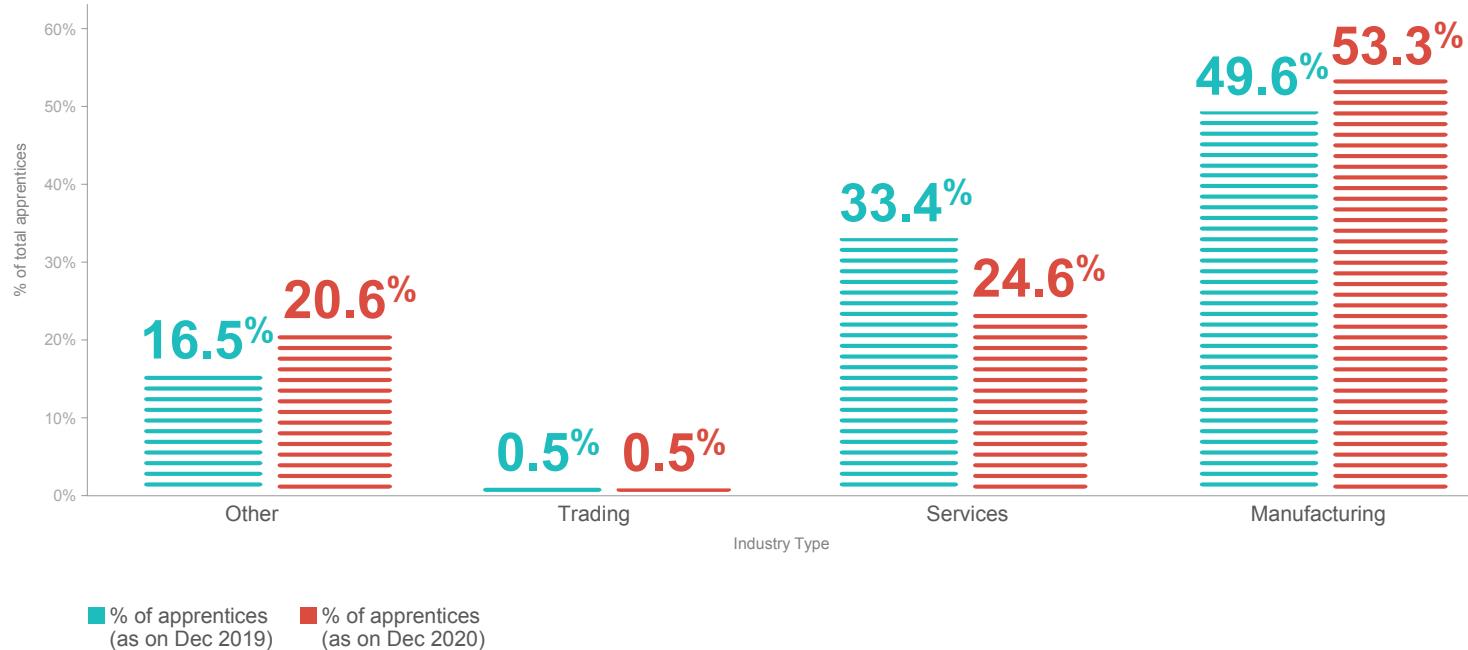


Source: NAPS Apprenticeship portal, as on Dec (2019,2020), Ministry of Skill Development & Entrepreneurship

Note: The analysis is deduced from data extracted from apprenticeship portal.

## Distribution of apprentices – by Industry Type

Industry wise Distribution of apprentices



The Manufacturing industry engages the highest number of apprentices (53.3% overall). The Automobile & Allied Industries and Manufacturing & Engineering are the leading sectors in apprentice engagements



Source: NAPS Apprenticeship portal, as on Dec (2019,2020), Ministry of Skill Development & Entrepreneurship

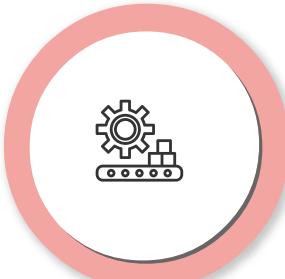
Note: The analysis is deduced from data extracted from apprenticeship portal.

## Distribution of apprentices – by Industry Type

### Top Sectors



Automobile & Allied Industries



Manufacturing & Engineering



FMCG / D



Electrical & Electronics



BFSI



Retail



IT / TES



Textiles & Apparels



Healthcare & Pharmaceuticals



Consulting



Agriculture & Agro Chemicals



Tourism & Hospitality



Transport & Logistics



Beauty & Wellness



Power & Energy



Telecom



E-commerce



Construction & Real Estate



Education



Mining



Aviation



Media & Entertainment

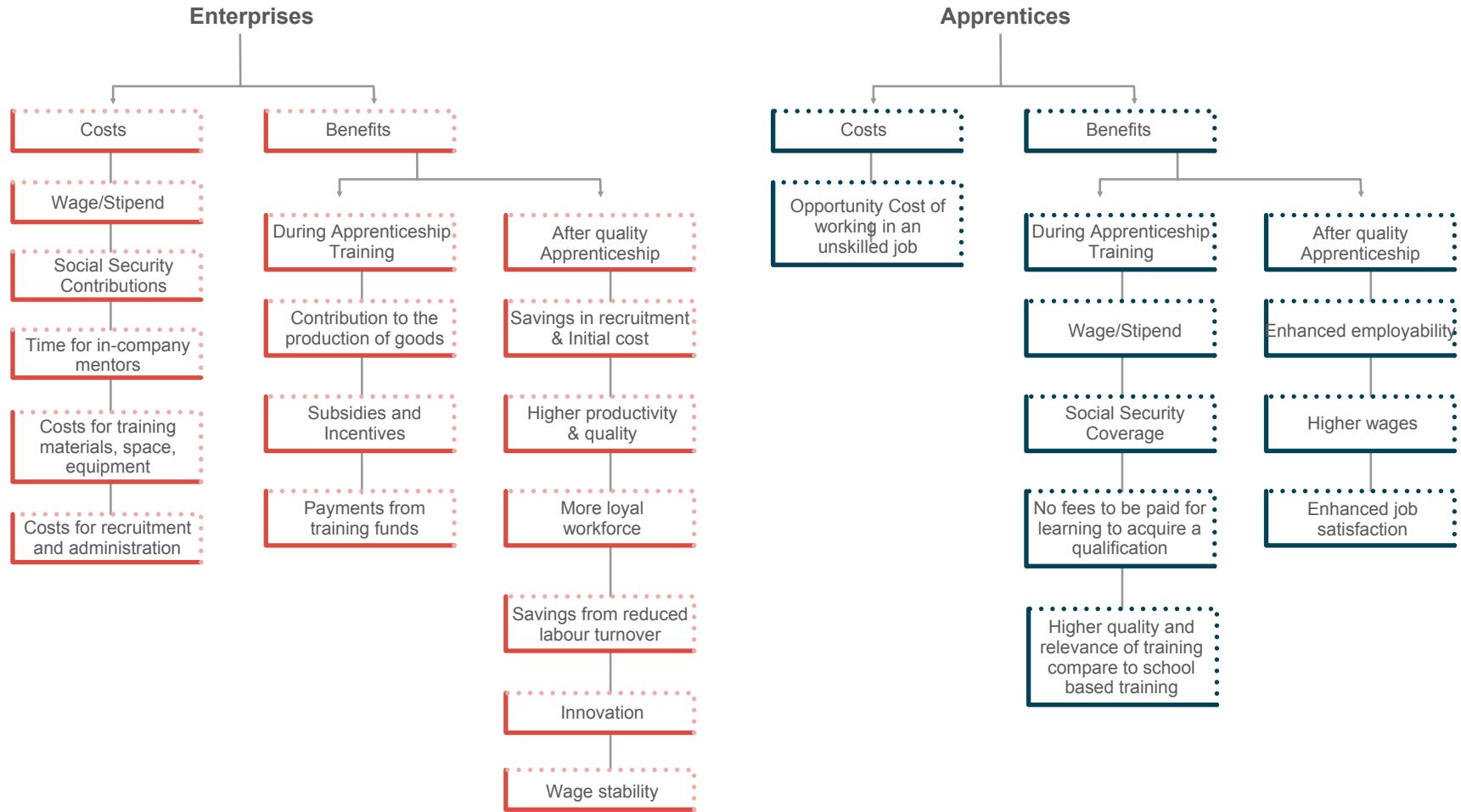
Source: NAPS Apprenticeship portal, as on Dec (2019,2020), Ministry of Skill Development & Entrepreneurship

Note: The analysis is deduced from data extracted from apprenticeship portal.



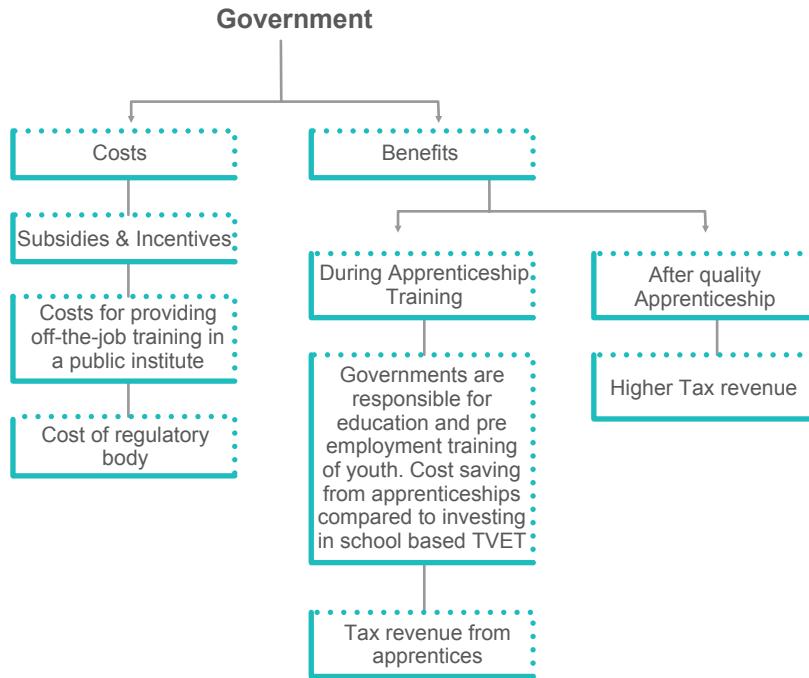
# **Cost and Benefit Analysis**

## Cost Benefit according to stakeholders involved



Source: Skills for Employment, 2018, International Labor Office

## Cost Benefit according to stakeholders involved



While the cost of training apprentices is higher for all stakeholders in the first year, there are many benefits to be accrued over long term.

Companies enjoy high productivity at lesser cost and benefit primarily from government repayments, subsidies and other monetary assistance.

Apprentices benefit from the opportunity of undergoing 'on the job' training and are exposed to real working conditions.

The government benefits from social and economic advantages such as increased tax revenues and lower unemployment rate.



Source: Skills for Employment, 2018, International Labor Office

## Cost Benefit Analysis – Apprentices vs Fresher regular employee

Cost and Benefit - 2020	Apprentice -First Year	Permanent employee - First Year
Average Basic Stipend / Salary	10500	15000
Production Contribution	25	25
Experienced workers wage	25000	25000
Employer Cost		
Stipend Cost / Month	10500 (Basic Pay)	17716 (Basic Pay+ESI+PF)
Supervisory cost		
Training Manager Salary 60000/Month	4800	4800
% of training manager time spent 8% & 3%		
Training Costs (approx.)	3000	3000
Other Costs	750	750
Total Costs	19050	26266
Employer Benefits		
Production Contribution	6500	6500
Reimbursement of stipend from Government	1500	0
Other Benefits (Training Cost reimbursement)	1000	0
Total Benefits	8500	6500
Cost-Benefit		
Total Benefits -Total Costs	(10550)	(19766)



An employer employing an apprentice and a regular employee (fresher) may not be able to recover the investment made on them during the first year. However, considering the reimbursements and other benefits from Government, the cost involved in training apprentices is much lesser than for a regular fresher candidate hired as an employee.



Source: Using Benefit Cost Calculations to Assess Returns from Apprenticeship Investment in India, 2014, International labor organization, 'Salary Primer', 2020, Teamlease.



# Annexure

Research Methodology  
Sample Design  
Bibliography

### Sample Design

- Q Random stratified sampling technique was used to identify respondents for the survey. Respondent Selection
- Q Target respondents for the study were HR Managers, HR head, Business owners or directors (for small companies).

### Data Collection

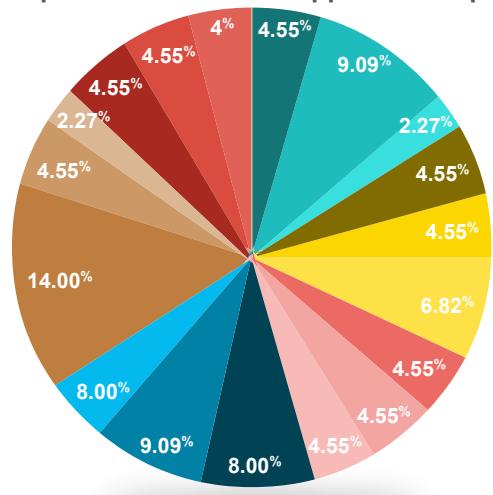
- Q The survey instrument was then administered to the target respondents using the valuvox® mobile survey application. Please refer the following section named 'Sample Distribution' for details on city and business size-wise breakup of the sample.

### Data Analysis

- Q Data Analysed using statistical methods and techniques. The Major tools used are MS Excel and Python.

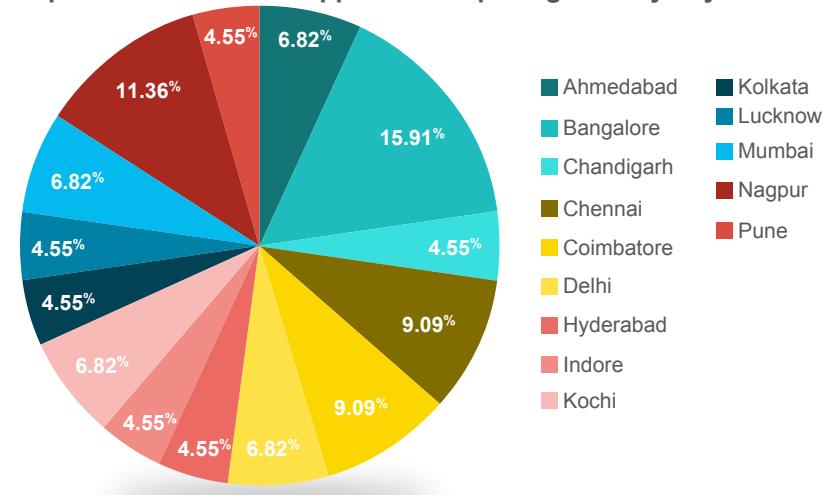
## Sample Design

## Respondents who have apprenticeship program – by sector

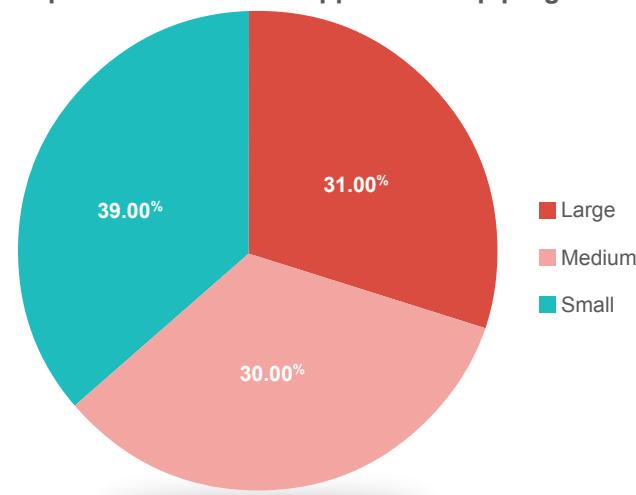


- Agriculture & Agrochemicals
- Automobile & Ancillaries
- Beauty & Wellness
- BFSI
- Construction & Real Estate
- eCommerce
- Education
- Electrical & Electronics
- FMCG & D
- Health & Pharmaceuticals
- IT / ITeS
- Logistics
- Manufacturing & Engineering
- Media and Entertainment
- Retail
- Telecommunication
- Travel & Hospitality
- Logistics

## Respondents who have apprenticeship Program - by city



## Respondents who have apprenticeship program - by business size



## Sample Design

### Respondents by Sector & City

City/ Sectors	Agriculture & Agrochemicals	Apparel & Textiles	Automobile & Ancillaries	Beauty & Wellness	BFSI	Construction & Real Estate	eCommerce	Education	Electrical & Electronics	FMCG & D	Health & Pharmaceuticals	IT/ ITes	Logistics	Manufacturing	Media & Entertainment	Retail	Telecommunication	Travel & Hospitality
Ahmedabad	1	2	3	2	2	2	1	2	2	2	3	2	2	4	1	2	2	3
Bangalore	3	2	4	4	5	4	4	3	2	4	5	5	4	5	4	5	2	2
Chandigarh	2	1	1	2	2	2	1	1	2	3	2	3	2	2	2	3	1	2
Chennai	3	1	3	3	4	3	2	2	2	4	3	5	1	3	3	4	2	3
Coimbatore	2	4	1	2	2	2	1	1	2	2	1	2	1	2	1	3	1	2
Delhi	2	2	4	1	3	3	2	2	2	2	3	3	3	2	2	4	2	4
Hyderabad	3	2	3	3	4	1	3	3	2	3	4	6	2	1	3	4	3	1
Indore	2	1	2	2	2	1	2	2	1	3	3	2	1	2	1	3	1	1
Kochi	1	1	3	2	2	1	1	2	1	3	2	2	2	2	1	3	2	3
Kolkata	2	1	2	3	3	2	2	1	1	2	1	3	2	2	2	4	4	3
Lucknow	1	2	1	2	2	1	2	2	2	1	1	2	1	2	1	2	1	4
Mumbai	2	4	4	3	5	1	2	4	4	4	3	3	4	2	5	4	3	1
Nagpur	2	1	3	1	4	1	1	2	2	3	2	2	2	4	1	4	3	2
Pune	1	4	4	1	3	4	2	2	3	4	2	3	2	2	2	1	4	1

### Respondents by City & Business size

City/Business size	Large	Medium	Small
Ahmedabad	13	15	14
Bangalore	16	30	25
Chandigarh	6	12	10
Chennai	13	21	25
Coimbatore	7	18	17
Delhi	15	14	20
Hyderabad	11	18	20

### Respondents by City & Business size

City/Business size	Large	Medium	Small
Indore	7	6	15
Kochi	7	11	12
Kolkata	10	16	15
Lucknow	5	12	16
Mumbai	13	17	24
Nagpur	5	13	16
Pune	9	12	19

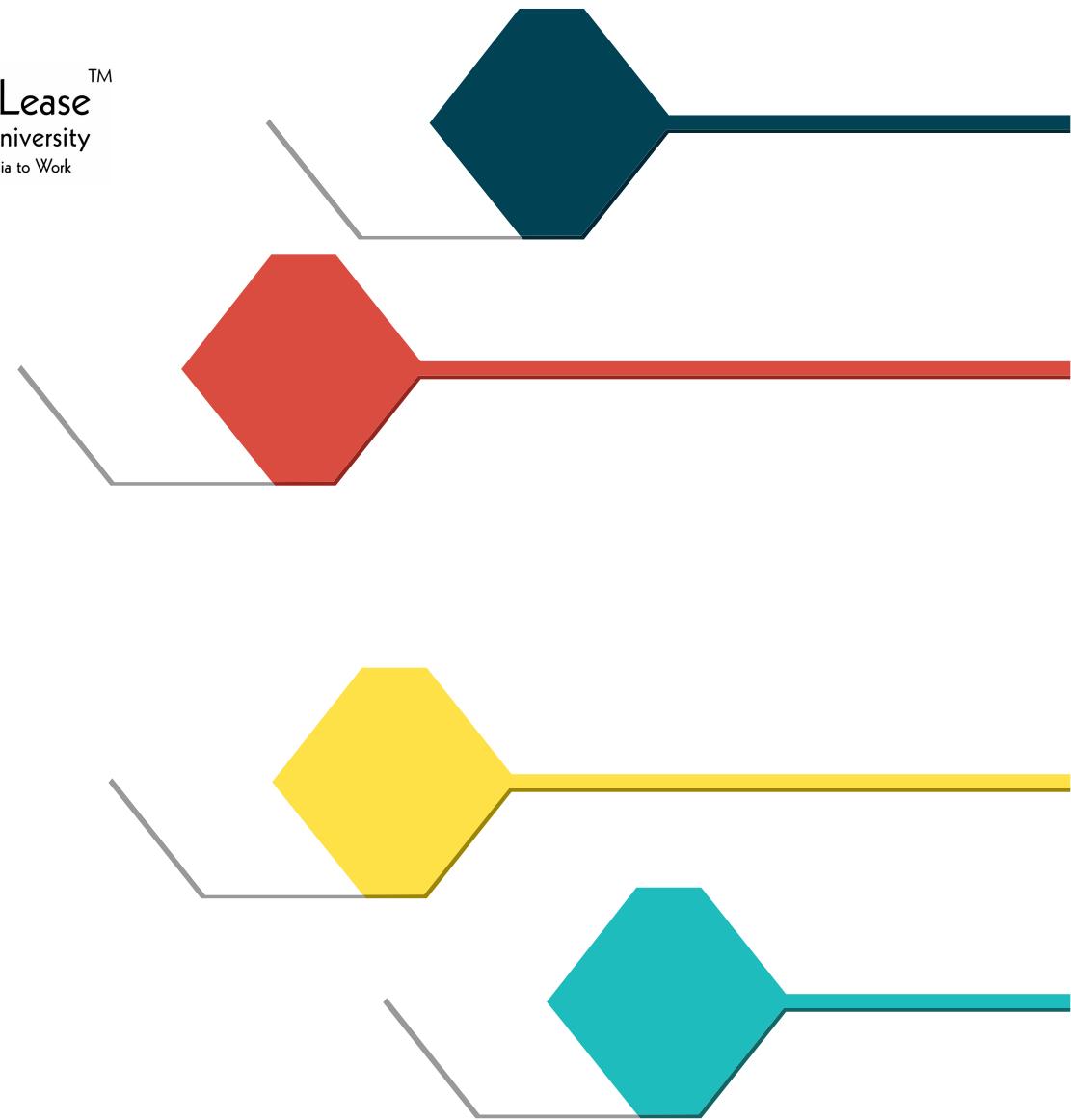
## Bibliography

**Ministry of Skill Development and Entrepreneurship NAPS portals: [www.apprentice.gov.in](http://www.apprentice.gov.in), <https://apprenticeshipindia.org>**

- ❑ Ministry of Human Resource Development NATS [mhrdnats.gov.in](http://mhrdnats.gov.in)
- ❑ 'India Skill Report', 2020, PeopleStrong, India's fastest growing HR solutions, and HR Technology Company, and Wheebox
- ❑ 'Using Benefit Cost Calculations to Assess Returns from Apprenticeship Investment in India', 2014, International labor organization
- ❑ 'Skills for Employment', 2018, International Labor Office



TeamLease<sup>TM</sup>  
Skills University  
Putting India to Work



Analytics Solution Provider

