



# The importance of the psychological contract for effective learning in apprenticeships

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# What's the psychological contract?

- An implicit contract between employer and employee.
- It concerns mutual expectations and obligations
- What happens when they differ?
- What happens when the contract is breached?
- Common in the Human Resource Management literature, especially in the recent tight labour market.
- In apprenticeships and traineeships there are extra parties eg GTOs, AACs.



# What is the Australian apprenticeship system like?

A mature apprenticeship system embedded in VET qualifications and employment practices (400,000 from a workforce of 12 million);

All apprentices and trainees are employed;

Allows mature entry, part-timers, secondary school based.

- Low completion rates (about 50%);
- Inclusion in last 20 years of shorter 'traineeships' in non-craft occupations - there are twice as many trainees as apprentices;
- Concerns about quality of delivery, both at college and on the job;
- Poor pathways from craft and manufacturing apprenticeships to higher education;
- Group Training Organisations employ about 15% of apprentices and trainees, acting as the formal employer and 'leasing' them to 'host employers'. Some GTOs are industry-specific and some are general.

# Why is the psychological contract of interest to us?

- For an effective apprenticeship, all parties need to be committed to the development of the apprentice - and so they need to share similar expectations about what training and learning is required.
- The psych contract allows us a framework for examining expectations and factors that affect ties between employers and employees.
- Australian policy-makers are interested in differences between apprentices & trainees, and among industry groups.
- Data is needed that helps employers and intermediaries improve retention and improve the experiences of apprentices & trainees.
- However... three to four years is a long time in anyone's life.

# Research questions

- What 'promises' form the basis of the psychological contract for apprentices and trainees? To what extent are they met? Do they vary between apprentices and trainees, among industry areas, and by other factors?
- How is the psychological contract developed and 'remembered' within industries and workplaces for all parties?
- What impact do RTOs, GTOs and other intermediary organisations have on the psychological contract?
- What tensions arise from different perceptions of the psychological contract and what events can lead to a breach of the contract?
- How can the different stakeholders' perceptions of the promises involved in the psychological contract for apprentices and trainees be better aligned?

# The research method

Funded by National Centre for Vocational Education Research, research from late 2009-late 2010.

- Interviews with **13 national stakeholders** covering 10 organisations.
- Survey of a random sample of 1000 apprentices and 1000 trainees in each of Qld and Victoria. **219 direct-employed responses.**
- Survey of a random sample of employers of apprentices/trainees in Qld and Vic. **262 responses.**
- Additional survey to GTOs as employers in Qld & Vic (*30 responses*), and to volunteer GTOs to administer to apps/trainees (**176 GTO-employed responses**)
- **Case studies in nine companies** employing apprentices and trainees, including two GTOs.

# Overall findings

- Expectations are similar to any other job, apart from very high expectation on both sides of, respectively, training and learning and a greater emphasis on safety. (Learning is second to attendance and punctuality for apprentices/trainees)
- There is general agreement between employers and apprentices/trainees on the importance of obligations.
- Both parties reported obligations were met to a large extent (mean of 7 or more out of 10 in the survey) but both parties thought they themselves did better than the other.
- Training obligations were met better than employment obligations (mean of 7.7 against 7.0 in the survey). There was a significant difference between employers and apprentices about how far employers had met the employment obligations of 'provide adequate training',
- Pastoral care emerged as a factor in the qualitative research but not in the survey.

# Training issues

- In the survey, the responsibility for training was not attributed specifically to employers or to training providers.
- ‘Specific time for training’ and ‘a range of training methods’ (**‘hard promises’**) were not as well met as other obligations. This was agreed by employers and apprentices alike
- Similarly ‘opportunity to apply what is learned’, ‘exposure to different experiences’ and ‘opportunity to keep learning’ (**‘soft promises’**) were less well met than the average.
- Apprentices thought that ‘learning from mistakes’ and the ‘opportunity to keep learning’ were more important than employers did.

# Employment issues

- The survey showed that 'fair treatment' and 'resources to do the job' were the least-well-met obligations, in the view of apprentices.
- Apprentices valued a cluster of items around 'employer loyalty' less than employers did.
- Apprentices appreciated higher-than-normal pay rates because they indicated their value to the employer.
- In the case studies, larger companies had difficulty making sure that supervisors 'delivered' on the obligations.
- In some cases the training provider took quite a large amount of responsibility on employment matters.

# Specific groups

- **Older apprentices/trainees (25+)** felt their expectations were met to a lower extent than younger apprentices/trainees. *Apprentice management systems may be set up disproportionately to cater for young people.*
- **Trainees tended to be less satisfied than apprentices** (except for GTO-employed trainees), especially on 'specific time for training'.
- **Assessment** is perceived to be addressed less well in apprenticeships than traineeships
- **Industry groups:** manufacturing apprentices were least satisfied among traditional apprentices with the extent to which training obligations were met'; hospitality were the most satisfied.
- By industry area and type, **retail trainees were the happiest of all**, with high expectations of training, which were well met.

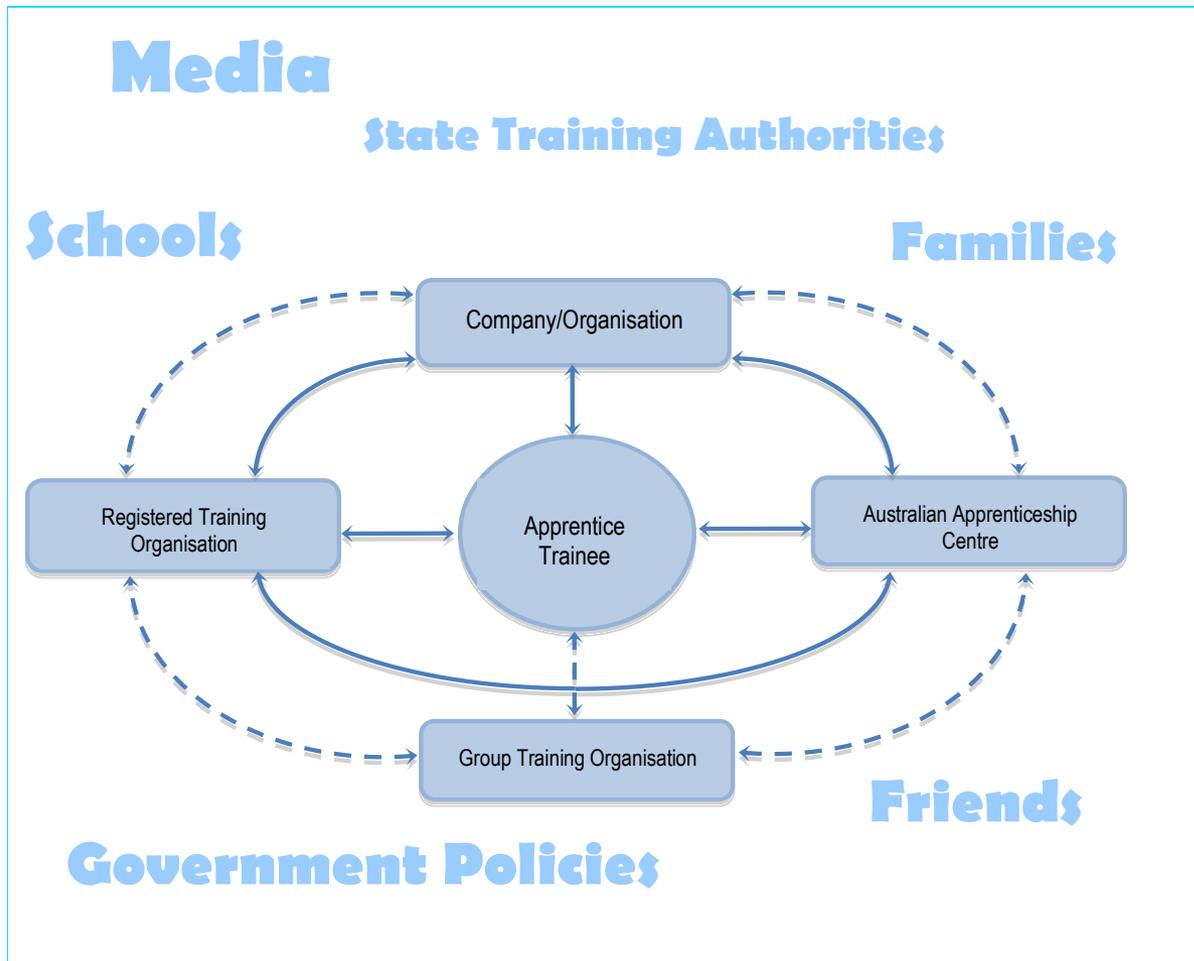
# The effect of pre-apprenticeships

- In Australia, off-the-job pre-apprenticeship courses of 3-6 months are available in some traditional craft and manufacturing trades.
- About a fifth of the survey sample had done a pre-apprenticeship.
- Ex-pre-apps had slightly **lower** expectations of their employer and of their training, and slightly **higher** expectations of their own obligations;
- Ex-pre-apps' **training expectations were on the whole met slightly better** than other apprentices';
- On **individual survey items**, ex-pre-apps expected and reported less support with personal problems and less likelihood of 'a job they liked', than other apprentices;
- Ex-pre-apps perceived a **greater obligation to complete** their apprenticeship, but **less of an obligation to stay** with their employer after completion;
- Case study findings supported these survey results.
- While all these differences were slight, the findings suggest that pre-apprenticeships may be successful in managing expectations and of increasing pre-apps' awareness of their own obligations.

# The effect of Group Training Organisations

- GTO-employed apprentices had **lower expectations** than directly-employed apprentices and were much **more satisfied** with the extent to which employers met their employment and training obligations.
- Most GTO apprentices (two-thirds) thought that the employment and training obligations were **shared equally by the GTO and host employer**.
- The case studies showed that a lot of GTO work focuses on **managing expectations**, on both sides;
- GTOs' **expertise with apprentices and trainees** gives them a great advantage over direct employers who may only recruit occasionally
- (90% of direct employers recruited five or fewer p.a.; while half of employers of apprentices had done an apprenticeship, only one-fifth of employers of trainees had done a traineeship);

# Interdependent relationships



# Good practices

- **Explicit acknowledgement** of the mutual expectations, and constant re-iteration during advertising, recruitment, induction and performance management;
- Structured **early intervention** programs;
- **Rewards and recognition** to improve motivation;
- A **fall-back position** where someone can keep a job but abandon the apprenticeship;
- Setting aside **identifiable specific times and locations for training**, rather than relying heavily on on-the-job training;
- ‘Behind the scenes’ work between employers and intermediary bodies where appropriate. ie expectations **among** these groups (sometimes written down). *These could be made explicit to apprentices and trainees;*
- **Field officers**, either in GTOs or in larger companies.



# Any questions?

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