Apprenticeship Innovations in India
A presentation for SSTC Virtual Skills Fair

Presenter:
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Apprenticeship in India is Law
Apprenticeship in India is governed under Apprentices Act, 1961

Establishments Eligibility criteria
Establishments with employee strength >30 mandated to engage apprentices

Components of apprenticeship
Apprenticeship consists of basic training & on the job training

Stipend during training
Mandatory to pay stipend as per educational qualification in curriculum

Types of Trades
- Designated Trades: Notified by Govt.
- Optional Trades: Industry demand driven
Why Optional Trades?

Under Optional Trades, industry can run both NAPS and Non-NAPS trainings

- Establishments can design curriculum aligned with technological/future requirement
- Freedom to collaborate with Basic Training Partners
- 400+ Optional Trade courses available
- NAPS benefit can be availed
- Basic Training can be conducted online
- Industry to conduct assessment of OJT component
- Certification by industry
Apprentices Act: Flexible discretion to companies

**Band**
Can engage apprentices within a band of **2.5% to 15%** of workforce.

**Design**
Industry has flexibility to **design own courses** in line with technologies / future requirements

**Inclusive**
Degree/Diploma/ITI Certificate Holder, apprenticeship open for all including STT trained candidates.

**Convenient**
Apprenticeship life-cycle process now fully automated on the apprenticeship portal.

**Flexibility**
Apprenticeship duration between **6-36 months**. Can outsource/conduct basic training in-house

**Self-regulation**
Move from Regulation to Self-Regulation. SSC CEO's appointed as JAA.
NAPS: Extends Financial Support to Organizations

Sharing of cost of basic training with Basic Training Providers (BTP); up to INR 7,500 for 3 months

Sharing of 25% of the prescribed stipend, subject to a maximum of INR 1,500 per month per apprentice

National Apprenticeship Promotion Scheme (NAPS) was launched in August 2016; financial benefits extended by the Govt. of India
Degree & School Apprenticeship

School Apprenticeship

- For students of standard 9th-12th grade
- 11K+ Schools; 13 Lakh+ students
- 21 SSCs; 125 QPs
- Multiple Entry/Exit
- Pilot: 8 Aspirational dist. (6 States)
- Apprenticeship Curriculum for 36 QPs | BT-Exemption | Stakeholder-orientation (all States) on NAPS

Degree Apprenticeship

- Formally accepted by UGC – Guidelines.
- A formal contract and stipend to students
- Tri-partite MoU: College + SSC+ industry partners
- Financial benefit to industry under NAPS
- Apprenticeship portal: Students can find apprenticeship opportunities in job roles and locations
Life cycle of a contract on the apprenticeship portal

Establishment Registration
Course adoption/creation
Search candidates & make offer
Sign contract & start training
Assessment & Certification

Master Instructions to help Navigate on the Portal
Key Features of the Apprenticeship Portal

Unified Portal for OT and DT
- Requirements of Apprentices Act, Rules and NAPS Guidelines
- Common User Interface
- Apprenticeship Advisor mapping

Paperless lifecycle of apprenticeship
- Registration
- Course creation
- Stipend Payment
- Reimbursement
- Assessment

User Manuals and Instructional Videos
- TPAs
- Candidates
- BTPs
- Degree Apprenticeship
- Establishments
## Optional Trades as per 31st March 2021

<table>
<thead>
<tr>
<th>Item</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Apprentices Engaged (Cumulative)</strong> (since inception till date)</td>
<td>2,79,765</td>
</tr>
<tr>
<td><strong>Total Active Establishments</strong> (Active: at least 1 contract generated)</td>
<td>6,499</td>
</tr>
<tr>
<td><strong>Apprentices Engaged (FY 2020-21)</strong></td>
<td>1,76,754</td>
</tr>
</tbody>
</table>

### Top Sectors

CFY 20-21

- Automotive
- Electronics
- Retail
- BFSI
- IT-ITeS

### Top States

CFY 20-21

- Maharashtra
- Gujarat
- Tamil Nadu
- Haryana
- Karnataka

### Apprentices Engaged (Contracts)

- FY 18-19: 14668
- FY 19-20: 88343
- FY 20-21: 176754
Top States & Sectors under Optional Trades

Maharashtra, Gujarat, Tamil Nadu, Karnataka, Haryana, Telangana, West Bengal, Uttar Pradesh, Delhi, Madhya Pradesh; these states account for 87% of total OT contracts.

These sectors accounts for 85% of total optional trade contracts till date.

- Retail (22%)
- Automotive (12%)
- Electronics (11%)
- IT ITeS (7%)
- Management (3%)
- Life Sciences (7%)
- Logistics (3%)
- BFSI (9%)
Joint survey conducted by NSDC and Dalberg with over 100 companies engaging apprentices. Following are the findings:

**Key Findings**

- **67% of companies** see net positive value in apprenticeship
- **57% of enterprises** see long-term benefits of apprentices, including higher retention rates
- Benefit-cost ratios are attractive ranging from 1.3-1.9x
- **20-50% absorption rates** of apprentices resulted in saving cost of hiring full-time equivalent (FTEs)
- **60-80% of apprentices** reach desired productivity levels halfway through their apprenticeship training
Some sector-wise findings are as below:

<table>
<thead>
<tr>
<th>Feature</th>
<th>BFSI</th>
<th>Life Science &amp; Healthcare</th>
<th>Automotive</th>
<th>Retail</th>
<th>Tourism &amp; Hospitality</th>
</tr>
</thead>
<tbody>
<tr>
<td>See positive net value in apprenticeship</td>
<td>67%</td>
<td>61%</td>
<td>60%</td>
<td>38%</td>
<td>53%</td>
</tr>
<tr>
<td>Benefit to Cost ratio across sectors</td>
<td>1.7-1.9x</td>
<td>1.7-1.9x</td>
<td>1.5-1.7x</td>
<td>1.3-1.5x</td>
<td>1.6-1.8x</td>
</tr>
<tr>
<td>Apprentices reached full productivity</td>
<td>3 months</td>
<td>3 months</td>
<td>3 months</td>
<td>Halfway</td>
<td>Halfway</td>
</tr>
<tr>
<td>Saved recruitment cost while converting apprentices into FTEs</td>
<td>50%</td>
<td>26%</td>
<td>22%</td>
<td>49%</td>
<td>38%</td>
</tr>
</tbody>
</table>
Third Party Aggregators

Why TPAs?
- Lack of adequate support with establishments
- Match the requirements of establishments with qualifications of apprentices as per job role

Services provided by TPAs
- Facilitate in mobilization, registration, training, assessment & certification of candidates, claims & reimbursements
- Portal management on behalf of establishments
- Selection of Basic Training Centers & associate job roles

Output by TPAs
- TPA led contracts are ~67% of the total NAPS contracts generated under Optional Trades
“Coming together is a beginning; keeping together is progress; working together is success.”

Henry Ford, founder of Ford Motor

Thank You