

# Apprenticeships have significant financial benefits

The benefits that accrues from making apprenticeships, internship and mentorships part of a business plan, is overwhelming. This is according to a leading international industry specialist, Dr Paul Spear, resident scientist at the Institute of the Motor Industry (IMI) in the UK.



©lindasj2 – [123RF.com](https://123RF.com)

Dr Spear will be one of the keynote speakers at the annual Automechanika Conference to be held on Saturday, 9 May at Nasrec in Johannesburg. He will introduce delegates to ways of generating true value and return on investment by investing in learnership programmes and making a concerted effort to attract school-leavers to a career in the automotive sector.

The theme of this year's event is 'Rewards Just Ahead', reinforces his message. Led by Dr Spear, a two-year research project undertaken in 2014 on the 'Return On Investment From Automotive Apprentices', showed conclusively that there is clear and significant financial return to employers who invest time and money in such programmes.

## Generating profit

The IMI's research showed that, by the end of their third year, a well-recruited apprentice can generate between 150% and 300% return on investment (ROI), based on a R900 (£50) hourly charge out rate.

Furthermore, apprentices who start with no experience typically generate profit within 18 to 24 months - much earlier than

was previously expected. "We encourage businesses to overcome their doubts about employing young people and invest in the future, if our the sector is to succeed as a whole. In addition, the attitude and support of the employer to the apprentice is critically important. By giving a young person opportunities to apply their skills they will ultimately become better and more productive technicians much earlier," Dr Spear says.

"As the leading employers' organisation in the South African automotive aftermarket, the Retail Motor Industry Organisation (RMI) cares about our industry's future skills base," says Jakkie Olivier, RMI chief executive officer. "In so doing, the RMI is partnering with IMI and is privileged to host Dr Spear in the country at the RMI and industry partners 'Rewards Just Ahead Conference'. The RMI vision on skills development concurs with the National Development Plan, by regarding skills development as the catalyst for economic growth and sustainability."

## **Online calculator**

Since the research, IMI has helped major companies measure and realise conversion of training and coaching to increase technical and management productivity, customer advocacy and ROI. Through the development of an easily accessible online calculator, employers can quickly and easily work out the positive returns they could get from investing in apprentices.

"IMI ROI helps businesses make more informed decisions by measuring and isolating the contributions that people development makes to business performance," adds Dr Spear.

"The RMI is honoured and gratified by the goodwill of IMI to share this tangible ROI tool for vocational learning and believes it will promote skills development in workplaces and help steer the strategic objectives of the RMI as well as the national strategic objectives of South Africa," adds Olivier.

For more, visit: <https://www.bizcommunity.com>