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**National Survey of Renovators:**  
Needs and Attitudes About  
Training and Human  
Resource Development

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Training and Human  
Resource Development**

December 9, 1993

Submitted to:

Joint Human Resource Development - Residential Renovator Committee  
of the Canadian Home Builders' Association  
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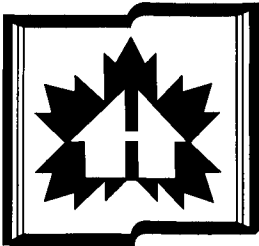
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## FORMATION / EDUCATION / TRAINING

The JHRD-RR committee was established to help guide the professionalisation of the residential renovation industry in Canada. Under the name "Joint Human Resource Development Residential Renovator Committee of the Canadian Home Builders' Association", it would report to the Canadian Renovators' Council on potential strategies to help prepare renovators for the challenges of the coming decades.

Part of that challenge involved "taking stock" of the residential renovation industry as it stands today — particularly as it relates to the portion handled by renovation contractors. That portion of the industry has been tentatively valued at over \$9 billion, and it hence makes a noticeable contribution to the GDP. The process of residential renovation also helps bring "sustainable development" to Canadian cities and towns. Despite the obvious importance of the industry to the national interest, however, there was still much that needed to be learned about the industry's internal characteristics.

The committee therefore commissioned Ekos Research Associates Inc. to design and assemble a profile of the industry, with a particular focus on the features which would affect the course of professionalisation. This report is the result of that work. The project was carried out with the generous financial assistance of the Canadian Home Builders' Association, Human Resources Development Canada, and Canada Mortgage and Housing Corporation; the committee expresses its sincere gratitude.

The JHRD-RR committee trusts that this report will make a worthwhile intrinsic contribution to the public interest, and will also help lay the foundation for more advanced nation-wide policies in the future.

Marc Denhez, Chair  
Joint Human Resource Development  
Residential Renovator Committee

Ottawa, December 1993



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## EXECUTIVE SUMMARY

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### *Introduction*

Ekos Research was hired by the Joint Human Resource Development (JHRD) - Residential Renovator Committee of the Canadian Home Builders' Association to collect information to help facilitate and guide the design and implementation of human resource development strategies in the renovation industry. The three major objectives of the research included: 1) providing a profile of Canadian renovators and renovation businesses; 2) describing the attitudes and behaviour of renovators in the area of training and human resource development; and 3) obtaining the opinions of renovators on the need to increase the level of professionalism in the industry and about the potential methods to achieve this objective.



### *Methodology*

The major component of the methodology for this study was a national, self-administered mail survey of renovators. Membership lists of industry associations including 1) the *Canadian Home Builders' Association* (CHBA), 2) the *National Kitchen and Bath Association* (NKBA), 3) *Association provinciale des constructeurs d'habitations du Québec* (APCHQ), 4) *Siding and Window Dealers Association of Canada* (SAWDAC) and 5) listings of renovation companies compiled by CMHC from the telephone directories were used to construct the sampling frame from which the mail-out sample was selected. A random sampling procedure, stratified by region to ensure national representation, was employed.

The survey instrument was reproduced in a large booklet format and 4000 copies were mailed out in two waves in July and August 1993. A total of 688 completed questionnaires were received. Upon completion of the mail survey, a

survey of non-respondents was also conducted by telephone in order to evaluate response bias and to assess data quality; a total of 521 telephone contacts were made.

Based on the results of the non-response survey, it was determined that over half of the companies in the original mailout sample were non-renovators. The response rate calculations show that approximately 40 per cent of eligible renovators responded to the mail survey. As important, a comparison of the mail survey and telephone non-response survey results increased our confidence in the data quality by demonstrating that there were no significant differences among respondents and non-respondents for key survey items.

Five focus group discussions were conducted with renovators in Moncton, Montréal, Kitchener-Waterloo, Calgary and Vancouver. Two groups were employed to guide the survey design; three additional groups were conducted during the survey to provide further information on the study issues.

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## *Renovator Profile*

### *Company Size and Organization*

The residential renovation industry is very important to the Canadian economy. Statistics Canada data indicate that expenditures on residential renovation totalled \$16.7 billion in 1991 — a figure which represented nearly half (47.9 per cent) of total residential construction expenditures.

The residential renovation industry is made up of mostly small businesses. Over 80 per cent of companies are run by owner-operators who are directly involved in all aspects of the business. Over 57 per cent have direct spouse involvement in the business. Two-thirds of the renovators operate from an office in their home. The average annual revenues from all construction activity (including renovation and new construction) for companies involved in renovation are \$880,000. For residential renovation activity only, the average annual revenues are \$435,000. Half of the renovation companies have annual renovation revenues of under \$200,000; only 17 per cent have renovation revenues over \$500,000 and just 8 per cent have annual revenues from residential renovation in excess of \$1M.

### *Staffing Practices*

Two-thirds of renovators have full-time employees (approximately 85 per cent of companies have employees when part-time staff are considered). The average number of full-time employees is 3.8 and the average number of part-time employees is 2.0. Many renovators hire full-time staff for specialized work like management and administration but only about half of the companies involved in renovation staff full-

time positions for project work. The other half of the companies in renovation hire only sub-contractors or part-time staff for project work.

The formal qualifications of sub-contractors are important to renovators; over three-quarters say that this is a requirement for their trades sub-contractors. Of those renovators who do not employ their own staff however, a majority reported that they have difficulty finding people who have all the right skills to be successful and productive employees: for example, adequate training in the trades, previous renovation experience and skills, and a commitment to the company.

Even though half of the renovators employ sub-contractors for project work, full-time employees are still very important for small renovators. These employees are often involved in all or most of the company activities including project planning and design, project work, job costing and sales and marketing. Renovation companies, like other small companies, rely heavily upon their employees for their success.

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## *Human Resources and Training*

### *Training Activity*

Almost half of the renovators (46 per cent) have participated in some formal training over the last two years, either for themselves or their employees. For firms which have participated in formal training in the last two years, owner-operators have received an average of 57 hours on training while employees have received an average of 98 hours. Averaged across the entire industry, owner-operators have received an average of 27 hours of training and employees have received an average of 45 hours in the last two years. For firms which have participated in formal training, the average cost for owners and employees were \$768 and \$1,002, respectively.

The areas in which renovators have been conducting most of their recent training are as follows: 1) for owner-operators: technical and trades courses (43 per cent); management and business (42 per cent); health and safety (39 per cent); and computers (33 per cent); 2) for employees: technical and trades courses (56 per cent); health and safety (44 per cent); and computers (32 per cent).

### *Perceived Importance of Training*

Training is considered to be very important by renovators. Overall, almost 95 per cent rated training as important to the success of their companies, including 55 per cent who rated training as extremely important. Looking specifically at informal training, the ratings are only slightly lower, with 88 per cent rating training as important, including 46 per cent who rated it as extremely important. The importance of informal training is significant to evaluate the gap between the

proportion of renovators who express an interest and commitment to training (95 per cent) and the proportion who have actually conducted formal training (46 per cent).

### *Support for Training*

There was other evidence about the support of renovators for training. Over half (55 per cent) of renovators reported that they offer some type of support to employees interested and in need of formal training. One third of all companies provide support, in the form of course fees, to employees interested in training; 18 per cent provide their employees with salary while they are training, 16 per cent provide travel expenses and 26 per cent provide other benefits such as greater job security or increased responsibility.

### *Barriers to Training*

The cost of training, including both the direct costs and lost production time, was the primary reason that renovators are unable to match their commitment to training with a commensurate level of training. Four out of five renovators say that training costs are a barrier, including 44 per cent who report that it is a serious problem. The concerns about the costs of training were consistent with the high level of concern expressed about the general costs of doing business and remaining competitive, particularly with the high number of low-overhead operators in the market.

According to a majority of the renovators, the lack of government assistance also limits their ability to conduct training. This is a major problem for 49 per cent of renovators and a moderate problem for another 27 per cent.

A majority of renovators rated other problems with the training infrastructure, for example a lack of courses or programs and training centres, as barriers to conducting more training. The level of concern about the training infrastructure tended to be more moderate than was the case for training costs; about one-quarter of renovators rated them as serious barriers and another third rate them as moderate problems.

The most important human resource-related training barriers are the lack of worker interest and commitment to training and losing employees to other companies when training is complete; over 30 per cent of renovators consider these to be serious problems. The suitability of candidates for training and the number of drop-outs from training programs are viewed as less serious.

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### *Priorities and Preferences for Training*

Renovators identified several subject areas which they consider to be priorities for training. The highest priority is for customer service and client relations training, with 73 per cent of renovators indicating that this is a high priority. Overall, renovators were about twice as likely to rate renovation skills (i.e., technical and trades, new technologies and materials, occupational health and safety, and client relations and customer satisfaction) than business skills (i.e., business and management, computers and sales and marketing) as a high priority. The other types of training, and the percentage of renovators who rated them as high priorities are technical and trades (49 per cent), new technologies and materials (49 per cent), health and safety (46 per cent), sales and marketing (37 per cent), business and management (32 per cent) and computers (25 per cent).

In addition to the priorities of renovators for the substantive content of training programs, renovators were also asked about their preferences for the format and location of training. Over 80 per cent of renovators expressed a preference for short-term courses of 30 hours duration or less. Also, two-thirds of renovators expressed a preference for a combination of formal/structured and informal/unstructured training. Only 11 per cent preferred exclusive use of formal training and 25 per cent preferred informal training only. A majority (58 per cent) expressed a preference for a combination of on-site and off-site training. About half wanted training to be split between work hours and outside of work hours; 20 per cent preferred training during work hours and 30 per cent preferred training outside of work hours only. Almost half of the renovators wanted training to be delivered by industrial trainers; another 30 per cent would prefer to use their own staff for training.

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### *Industry Designation Programs*

Renovators expressed strong support for the principle of industry designation programs. Three-quarters of the survey respondents agreed that the certification of workers and the formal recognition of companies in renovation were good ideas.

Improving public confidence was viewed as one of the principal reasons for developing formal designation programs. Two-thirds of renovators agreed that worker certification and company recognition would improve public confidence in the industry, although over half (56 per cent) thought that this objective would be difficult to achieve. This may be one of the main reasons why only 40 per cent of renovators believe that designation programs will improve their business.

A majority (69 per cent) of renovators thought that company recognition should be mandatory, mainly because of concerns about having a level playing field for companies operating in the business. For worker certification however, a majority

(60 per cent) thought that such programs should be voluntary. The CHBA was selected by the largest proportion of renovators (38 per cent) as the preferred organization for developing and monitoring standards for industry designation programs.

Despite the high level for support for the principle of industry designation programs, there was a significant degree of scepticism about the value and benefits of such programs. Many renovators expressed little confidence that formal programs run by either government or industry would produce practical benefits for their companies. Over 40 per cent of renovators agreed the costs of designation programs would outweigh the benefits while 33 per cent disagreed.

Support for the idea of designation falls off significantly however, when there is a cost associated with participation. Only 48 per cent said that they would be willing to pay \$500 a year to support an industry-run designation program; just 17 per cent said they would be very willing to pay this amount. When the figure of \$1,000 per year is suggested, just 15 per cent of renovators expressed support; only five per cent were very willing to pay this amount.

Support for the idea of a third-party warranty program such as the ones in place for new home construction was much weaker than the support for designation programs. While almost half (45 per cent) agree that the concept of a warranty program is a good idea, opinions about the willingness of renovators or consumers to pay the additional costs of a warranty program were almost entirely negative. Only 15 per cent of renovators agreed that they would be willing to pay "significant additional costs" to participate in a third-party consumer protection program; just five per cent strongly agreed and 48 per cent strongly disagreed. Approximately one-third believe that consumers would be willing to pay "additional costs" to insure renovation work; just seven per cent strongly agreed that consumers would be willing to pay more.

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## *Key Themes*

### *Segmented Industry*

The renovation industry, despite similarities in the industry, is made up of many different segments, and should not be viewed as a single entity. Some of the variables which define the key segments of the industry are as follows: reliance on residential renovation in their overall business activities (56 per cent consider themselves to be full-time renovators); staffing practices (half of the firms hire sub-contractors for project work); behaviour with regards to formal training activity (46 per cent participated in formal training in the last two years); level of support for industry designation programs; and regional differences.

### *Linkage of Training to Staffing Practices*

The reluctance of many renovators to hire full-time staff and to make commitments to employees results in lower overall levels of training in the industry as employer-sponsored training generally occurs only in companies with full-time employees. Companies which work exclusively with sub-contractors do not have as strong an incentive to make direct investments in training.

### *Opportunities to Professionalize the Industry*

There is a strong interest among renovators to educate the public and to improve public confidence in the renovation industry. Renovators would like to see progress in the areas of worker certification and company accreditation through training and formalized designation programs. However, they are less interested in third-party warranty programs.

### *Challenges for Initiatives to Professionalize Industry*

There is a substantial amount of scepticism about the ability of any formal program introduced "from above", whether by government or industry, to improve the business prospects of companies operating in local markets. There will be reluctance to participate and certainly to pay without a clear demonstration of the benefits.

### *An Industry Poised for Development*

There are several signs that point to an industry that is poised for development towards higher levels of professionalism and public acceptance. Business prospects are positive, residential renovation is the only construction activity that has not suffered a net decline over the last few years and demographic and other trends affecting the demand for housing also favour growth in the renovation sector. Also, there are many highly qualified and educated individuals working as renovation contractors; many also have formal trade qualifications in addition to their extensive renovation experience and the majority of renovators are in or entering their peak earning years.

### *Gradualism: A Step-by-Step Approach*

There are advantages to starting with initiatives for which there is the greatest levels of support: for example, short-term renovator training, public education, and local worker and company designation "programs". These types of initiatives could begin in key markets where there is already a strong core of support for them and where there are well organized associations of renovators. Industry-wide designation programs at a national level might be the next step. Broad-based consumer education should commence immediately, while consumer protection

programs through third-party warranty programs should be deferred until there is a stronger constituency for this type of program.



## R É S U M É

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### Introduction

Le Comité conjoint de perfectionnement des ressources humaines - Entrepreneurs en rénovation résidentielle de l'Association canadienne des constructeurs d'habitations a retenu les services des Associés de recherche Ekos pour recueillir des données susceptibles de faciliter et de guider l'élaboration et la mise en oeuvre de stratégies de perfectionnement des ressources humaines dans l'industrie de la rénovation. Cette recherche avait trois principaux objectifs : 1. tracer un profil des rénovateurs et des entreprises de rénovation au Canada; 2. décrire les attitudes et les comportements des rénovateurs vis-à-vis de la formation et du perfectionnement des ressources humaines; et 3. sonder l'opinion des rénovateurs sur la nécessité de hausser le niveau de professionnalisme dans l'industrie et sur les moyens d'y parvenir.

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### Méthode utilisée

L'étude comportait principalement l'envoi d'un questionnaire à des rénovateurs de tout le pays. Afin d'établir une base de sondage à partir de laquelle serait choisi l'échantillon de l'enquête postale, on s'est servi des listes de membres d'associations de l'industrie, dont l'Association canadienne des constructeurs d'habitations, la National Kitchen and Bath Association, l'Association provinciale des constructeurs d'habitations du Québec et la Siding and Window Dealers Association of Canada, ainsi que de listes d'entreprises de rénovation dressées par la SCHL en puisant dans les annuaires téléphoniques. Pour assurer une représentation nationale, on a procédé à un échantillonnage au hasard stratifié par région.

Le questionnaire, imprimé à 4 000 exemplaires sous forme de cahier, a été expédié en deux vagues, en juillet et août 1993. Au total 688 questionnaires remplis ont été retournés. Une fois l'enquête postale terminée, un sondage téléphonique (521 appels) a également été effectué auprès des non-répondants pour évaluer la déviation des réponses et la qualité des données.

L'enquête auprès des non-répondants a permis de constater que plus de la moitié des entreprises auxquelles le questionnaire initial avait été expédié ne faisaient pas de rénovation. Les calculs de taux de réponse démontrent qu'environ 40 p. 100 des rénovateurs admissibles ont répondu à l'enquête postale. Fait tout aussi important, une comparaison des résultats de l'enquête postale et de l'enquête téléphonique nous a encore plus persuadé de la qualité des données en démontrant qu'il n'y avait pas de

divergences appréciables, sur les points principaux, entre les répondants et les non-répondants.

Cinq groupes de discussion ont été créés, faisant appel à des rénovateurs, à Moncton, Montréal, Kitchener-Waterloo, Calgary et Vancouver. Deux groupes ont d'abord servi à guider la conception de l'enquête, et trois autres se sont réunis pendant l'enquête pour fournir de plus amples renseignements sur les questions à l'étude.

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## Profil de l'entreprise de rénovation

### Taille et organisation de l'entreprise

L'industrie de la rénovation résidentielle joue un rôle très important dans l'économie canadienne. D'après les données de Statistique Canada, les dépenses de rénovation résidentielle se sont élevées à 16,7 milliards de dollars en 1991, soit près de la moitié (47,9 p. 100) de toutes les dépenses de construction résidentielle.

L'industrie de la rénovation résidentielle se compose surtout de petites entreprises. Plus de 80 p. 100 d'entre elles sont dirigées par des propriétaires-exploitants qui s'impliquent directement dans tous les aspects de l'entreprise. On peut aussi parler de participation directe du conjoint dans plus de 57 p. 100 des cas. Les deux tiers des entrepreneurs ont un bureau dans leur propre maison. Les recettes annuelles moyennes provenant de toutes les activités de construction (c'est-à-dire de la rénovation et de la construction neuve), pour les entreprises s'occupant de rénovation, s'élèvent à 880 000 \$. Celles de la rénovation résidentielle prise séparément sont de 435 000 \$. La moitié des entreprises de rénovation ont des recettes annuelles de rénovation inférieures à 200 000 \$; seulement 17 p. 100 dépassent 500 000 \$ et à peine 8 p. 100 franchissent le cap du million de dollars.

### Méthodes de dotation en personnel

Les deux tiers des rénovateurs ont des employés à plein temps (environ 85 p. 100 ont des employés à temps partiel). Le nombre moyen d'employés à plein temps est de 3,8 et celui des employés à temps partiel, de 2,0. Beaucoup de rénovateurs embauchent du personnel à plein temps pour le travail spécialisé, comme la gestion des affaires et l'administration, mais seulement la moitié environ des entreprises s'occupant de rénovation ont des postes à plein temps pour les travaux sur les chantiers. Les autres n'embauchent que des sous-traitants ou du personnel à temps partiel pour les travaux.

Il importe aux rénovateurs que les sous-traitants soient dûment qualifiés; plus des trois quarts disent que c'est pour eux une exigence absolue. Parmi ceux qui ont leur propre personnel, cependant, la majorité disent avoir de la difficulté à trouver des gens qui possèdent toute la compétence requise pour bien effectuer leur travail et donner un bon rendement, par exemple, une formation professionnelle suffisante, une expérience et des aptitudes en rénovation, et la motivation vis-à-vis de l'entreprise.

Même si la moitié des entrepreneurs recourent à des sous-traitants pour le travail sur les chantiers, les employés à plein temps demeurent très importants pour les petits rénovateurs. Ces employés participent souvent à la plupart ou même la totalité des activités de l'entreprise, dont la conception et la planification du travail à effectuer, les travaux sur place, la détermination des coûts, la vente et le marketing. Les entreprises de rénovation, comme les autres petites entreprises, misent fortement sur leurs employés pour réussir en affaires.

## Ressources humaines et formation

### Activités de formation

Près de la moitié des rénovateurs (46 p. 100) ont participé à des activités de formation structurée, au cours des deux dernières années, soit pour eux-mêmes, soit pour leur personnel. Dans ces entreprises, les propriétaires-exploitants ont reçu en moyenne 57 heures de formation et les employés, 98 heures. Si l'on fait la moyenne pour l'ensemble de l'industrie, les propriétaires-exploitants ont reçu en moyenne 27 heures de formation et les employés, 45 heures, au cours de ces deux années. Les entreprises qui ont participé à des activités de formation officielle (structurée) y ont engagé des frais moyens de 768 \$ pour les propriétaires et 1 002 \$ pour les employés.

Presque toute la formation reçue porte sur les domaines suivants : 1. pour les propriétaires-exploitants : cours techniques et cours de métier (43 p. 100), commerce et gestion (42 p. 100), santé et sécurité (39 p. 100), et informatique (33 p. 100); 2. pour les employés : cours techniques et cours de métier (56 p. 100), santé et sécurité (44 p. 100), et informatique (32 p. 100).

### Importance prêtée à la formation

Les rénovateurs jugent la formation très importante. Dans l'ensemble, près de 95 p. 100 estiment que la formation compte beaucoup dans le succès de leur entreprise; 55 p. 100 l'ont même jugée extrêmement importante. Sous l'aspect particulier de la formation officielle, la cote était à peine moins élevée, puisque 88 p. 100 ont déclaré cette formation importante et 46 p. 100, extrêmement importante. L'importance accordée à la formation officielle doit entrer en ligne de compte si l'on veut évaluer l'écart entre la proportion d'entrepreneurs qui disent tenir à la formation (95 p. 100) et la proportion de ceux qui ont effectivement organisé une formation officielle (46 p. 100).

### Soutien de la formation

D'autres faits ont confirmé la place donnée à la formation par les rénovateurs. Plus de la moitié (55 p. 100) ont dit offrir une forme de soutien aux employés qui manifestent le désir et ont besoin d'une formation officielle. Le tiers de toutes les entreprises paient les cours des employés qu'une formation intéresse, 18 p. 100 versent un salaire à leurs employés en formation, 16 p. 100 remboursent les frais de déplacement et 26

p. 100 offrent d'autres avantages, comme une plus grande sécurité d'emploi ou de plus fortes responsabilités.

### Obstacles à la formation

Quant des rénovateurs n'ont pu donner à la formation la place qu'ils souhaitaient, la cause en résidait principalement dans le coût de cette formation, qu'il s'agisse des frais directs ou du temps de production perdu. Quatre sur cinq ont dit que les coûts de formation ont constitué un obstacle; 44 p. 100 y voient même un grave problème. Ces préoccupations relatives au coût de la formation sont constamment revenues sur le tapis; on s'inquiète grandement des frais généraux qu'une entreprise doit assumer tout en demeurant compétitive, compte tenu surtout du grand nombre d'exploitants dont les frais généraux sont peu élevés, dans l'industrie.

La majorité des rénovateurs estiment que le manque d'aide du gouvernement limite aussi leur capacité de fournir une formation. C'est là un important problème pour 49 p. 100 d'entre eux et un problème moyen pour 27 p. 100.

Les rénovateurs ont aussi majoritairement signalé d'autres problèmes reliés à l'infrastructure de la formation, par exemple un manque de cours ou de programmes ou de centres de formation. Les préoccupations étaient cependant plus modérées vis-à-vis de l'infrastructure que des coûts : environ le quart des entrepreneurs considèrent cet obstacle comme sérieux et un autre tiers comme moyen.

Les plus grand obstacles à la formation, en ce qui touche les ressources humaines, résident dans le manque d'intérêt et de détermination des travailleurs vis-à-vis de cette formation et dans la perte d'employés au profit d'autres entreprises lorsque la formation est terminée : plus de 30 p. 100 des entrepreneurs y voient un grave problème. Les qualifications requises des candidats à la formation et le nombre de décrocheurs sont considérés comme des problèmes moins sérieux.

### Priorités et préférences de formation

Les rénovateurs ont mentionné plusieurs domaines de formation qu'ils jugent prioritaires; 73 p. 100 donnent la plus haute cote de priorité à la formation portant sur la satisfaction de la clientèle et les relations avec les clients. Dans l'ensemble, ils sont à peu près deux fois plus nombreux à attacher plus d'importance aux compétences en rénovation (cours techniques et cours de métier, nouvelles techniques et nouveaux matériaux, santé et sécurité au travail, relations avec les clients et satisfaction de la clientèle) qu'aux compétences administratives (commerce et gestion, informatique, vente et marketing). Voici la proportion d'entrepreneurs qui jugeaient hautement prioritaires d'autres types de formation : cours techniques et cours de métier (49 p. 100), nouvelles techniques et nouveaux matériaux (49 p. 100), santé et sécurité (46 p. 100), vente et marketing (37 p. 100), commerce et gestion (32 p. 100) et informatique (25 p. 100).

En plus des priorités visant le contenu des programmes de formation, les rénovateurs ont aussi été interrogés sur leurs préférences quant à la formule et au lieu de formation. Plus de 80 p. 100 ont dit préférer des

cours de brève durée, soit 30 heures ou moins. Les deux tiers opteraient pour une combinaison de formation officielle et de formation officieuse. Seulement 11 p. 100 préfèrent uniquement une formation officielle et 25 p. 100 une simple formation officieuse. La majorité (58 p. 100) souhaitent une combinaison de formation en milieu de travail et à l'extérieur. Environ la moitié voulaient qu'une partie de la formation soit donnée pendant les heures de travail et le reste en dehors; 20 p. 100 penchaient pour une formation pendant les heures de travail, et 30 p. 100 pour une formation en dehors des heures de travail, uniquement. Près de la moitié désiraient que la formation soit donnée par des formateurs de l'industrie, tandis que 30 p. 100 préféreraient que leur propre personnel s'en charge.

### Programmes de reconnaissance de l'industrie

Les rénovateurs souscrivent massivement au principe de programmes de reconnaissance professionnelle de l'industrie. Les trois quarts des répondants ont exprimé l'avis que l'accréditation des travailleurs et la reconnaissance officielle des entreprises de rénovation sont d'excellentes idées.

Les rénovateurs estiment que l'accroissement de la confiance du public constitue l'une des principales raisons d'établir des programmes de reconnaissance. Les deux tiers croient que l'accréditation des travailleurs et des entreprises donnerait au public une plus grande confiance dans l'industrie, bien qu'au delà de la moitié (56 p. 100) jugent cet objectif difficile à atteindre. C'est peut-être l'une des grandes raisons pour lesquelles seulement 30 p. 100 étaient d'avis que les programmes de reconnaissance de l'industrie rendraient leur entreprise plus prospère.

La majorité (69 p. 100) des rénovateurs ont affirmé que l'accréditation des entreprises devrait être obligatoire, principalement pour que les règles du jeu soient les mêmes pour tous les rénovateurs. Quant à l'accréditation des travailleurs, cependant, la majorité (60 p. 100) estimaient que ces programmes devraient être volontaires. C'est l'ACCH que les rénovateurs ont le plus souvent (38 p. 100) désigné comme le meilleur organe pour l'élaboration et la surveillance des normes visant les programmes de reconnaissance de l'industrie.

Même si les entrepreneurs souscrivaient massivement au principe des programmes de reconnaissance, ils ont montré de fortes réticences quant à la valeur et à l'utilité de tels programmes. Beaucoup doutaient que des programmes officiels financés par le gouvernement ou par l'industrie puissent procurer des avantages pratiques à leur entreprise. Au delà de 40 p. 100 ont soutenu que les coûts de ces programmes l'emporteraient sur les avantages, mais 33 p. 100 n'étaient pas d'accord.

L'idée de la reconnaissance professionnelle devient beaucoup moins populaire, cependant, lorsqu'il est question de frais de participation. Seulement 48 p. 100 accepteraient de payer 500 \$ par année pour soutenir un programme de reconnaissance financé par l'industrie et seulement 17 p. 100 ont dit qu'ils paieraient très volontiers. Si le coût est porté à 1 000 \$ par année, seulement 15 p. 100 sont d'accord et 5 p. 100 en paieront très volontiers le prix.

L'idée d'un programme de garantie par un tiers, à l'instar des programmes reliés à la construction neuve, a soulevé beaucoup moins d'enthousiasme que celle des programmes de reconnaissance professionnelle. Si près de la moitié (45 p. 100) admettent qu'un programme de garantie est une bonne idée en soi, très peu acceptaient que les rénovateurs ou les consommateurs fassent les frais d'un programme de garantie. Seulement 15 p. 100 se sont dits disposés à payer des frais supplémentaires appréciables pour participer à un programme de protection des consommateurs administré par un tiers; seulement 5 p. 100 appuyaient solidement l'idée, tandis que 48 p. 100 la rejetaient catégoriquement. Environ le tiers estimaient que les consommateurs accepteraient de payer les coûts supplémentaires d'une garantie des travaux de rénovation, et seulement 7 p. 100 en avaient la ferme conviction.

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## Principaux thèmes

### Industrie segmentée

Composées de segments aussi nombreux que variés, malgré leurs similitudes, l'industrie de la rénovation ne doit pas être considérée comme un tout homogène. Voici quelques-unes des variables qui définissent les principaux segments de l'industrie : accent mis sur la rénovation résidentielle dans l'ensemble des activités de l'entreprise (56 p. 100 se considèrent comme des rénovateurs à plein temps); méthodes de dotation en personnel (la moitié des entreprises font appel à des sous-traitants pour les travaux sur les chantiers); attitude à l'égard de la formation officielle ou structurée (46 p. 100 ont participé à une telle formation au cours des deux dernières années); niveau d'appui aux programmes de reconnaissance de l'industrie; et différences régionales.

### Liens entre la formation et les méthodes de dotation en personnel

À cause du manque d'enthousiasme de nombreux rénovateurs à embaucher une main-d'oeuvre à plein temps et à s'engager vis-à-vis des employés, le niveau général de formation est plutôt faible dans l'industrie, car la formation parrainée par l'employeur n'est généralement donnée que dans les entreprises ayant des employés à plein temps. Celles qui font exclusivement appel à des sous-traitants ne sont pas aussi portées à investir directement dans la formation.

### Occasions de professionnaliser l'industrie

Les rénovateurs voudraient bien sensibiliser le public et lui donner plus de confiance à leur industrie. Ils souhaitent aussi des progrès dans les domaines de l'accréditation des travailleurs et des entreprises, par la formation et par des programmes de reconnaissance officielle. Cependant, les programmes de garantie par un tiers les intéressent moins.

### Obstacles aux efforts de professionnalisation de l'industrie

On note beaucoup de scepticisme, chez les entrepreneurs, quant à la capacité d'un programme officiel, établi «d'en haut» soit par le gouvernement, soit par l'industrie, d'améliorer les perspectives des

entreprises dans les marchés locaux. Les entrepreneurs hésiteront à participer à un tel programme, et certainement à en assumer les frais, à moins que les avantages leur en soient clairement démontrés.

#### Une industrie en plein essor

Plusieurs signes laissent présager l'essor de l'industrie vers de plus hauts niveaux de professionnalisme et de reconnaissance par la population. Les perspectives sont excellentes, puisque la rénovation résidentielle est la seule activité de construction qui n'ait pas connu de recul net au cours des dernières années et que les tendances démographiques et autres influant sur la demande de logements sont également favorables à la croissance du secteur de la rénovation. De plus, beaucoup de personnes hautement compétentes exercent la profession de rénovateur et beaucoup possèdent en outre des certificats de métier en plus d'une vaste expérience de la rénovation. La majorité des rénovateurs en sont ou arrivent à leurs années les plus lucratives.

#### Gradualisme : Une démarche progressive

Il y a avantage à commencer par les initiatives les mieux cotées, comme la formation à court terme des rénovateurs, la sensibilisation du public et les programmes de reconnaissance professionnelle des employés et des entreprises. Ces genres d'initiatives pourraient démarrer dans les principaux marchés où elles recueillent déjà un solide noyau d'appuis et où existent des associations bien organisées de rénovateurs. Les programmes de reconnaissance professionnelle pour l'ensemble de l'industrie à l'échelle du pays pourraient constituer l'étape suivante. Un travail général de sensibilisation du public pourrait débiter immédiatement, tandis que les programmes de protection des consommateurs, sous forme de garantie par des tiers, devraient être remis jusqu'à ce que ce genre de programme attire plus d'adeptes.

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# INTRODUCTION

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## 1.1 Background

While recent years have seen a recession-induced decline in most segments of the building industry — the renovation sector has shown a remarkable growth over the last decade and is poised for continued growth over the next several years. Although changes in consumer demand have been responsible for much of this change, factors related to supply are also influencing these dynamics.

The Canadian economy is undergoing profound structural changes due to pressures from forces such as globalization and deindustrialization. Domestic factors such as taxes (GST), regulations, codes and new technologies have also had major impacts on the economy. These factors are combining to transform the renovation industry and its corresponding skill requirements. Training, human resource development and associated forms of capital investment form a central emphasis in the efforts of the industry to initiate and promote a labour force development strategy for the renovation industry.

The importance of the renovation industry to the Canadian economy — \$16.7 billion in gross sales in 1991<sup>1</sup> and to the thousands of Canadians who rely on renovators to maintain and improve their housing, is not reflected in the way that the industry is viewed by many consumers, governments and other housing industry professionals. Many view the industry in limited terms as being an outgrowth of new home construction, with the uniqueness of renovation skills, practices and training needs largely blurred. For example, until recently, governments have not studied renovation as a separate industry with its own set of opportunities and barriers to growth. The public image of renovation contractors is also clouded, with too many people basing their views on "horror stories" of renovation projects gone sour at the hands of fly-by-night operators. Renovators also face the challenge of professionalising the industry through initiatives such as accreditation, certification, and through consumer protection programs like third party warranties and consumer education.

The sponsors of this study have been working over the last two years to address these problems. Efforts to establish training programs, standardize skills and develop general communication strategies with respect to skills development, however, must rest firmly on a foundation of sound knowledge of the nature of companies in the industry, the current level of training of the labour force, and the attitudes towards increased investment in human resource development. Ekos Research Associates Inc. was hired by the Joint Human Resource Development — Residential Renovator Committee of the Canadian Home Builders' Association (CHBA) to conduct a research study of Canadian renovators and to construct a foundation on which to develop future strategies in the area of human resource development.

1. Canadian Housing Statistics, 1992, CMHC, 1993.

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## 1.2 Objectives

This study, along with a number of parallel studies being conducted in other areas, will provide information to facilitate and guide the creation of strategies aimed at developing the industry. The contribution of this research is defined through the fulfilment of the following objectives:

- ❑ *Profile of Renovators and Renovation Businesses:* provide a detailed profile of renovators in Canada (including background on the structure and size of firms, skill and education levels) and identify problems faced by renovators in the conduct of business;
- ❑ *Professionalization of the Renovator:* describe the attitudes and habits of renovators in the area of human resource development (including staffing practices, skill requirements and training);
- ❑ *Industry Development Strategies:* obtain renovators' opinions about the need and possible methods to increase the level of professionalism in the industry; and
- ❑ obtain the views of renovators about strategies for *improving business prospects* (including ways to increase public confidence, enhance labour force development and business development).

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## 1.3 Issues

The *Terms of Reference* for this study identified four major areas of enquiry, each with a number of specific issues which were to be answered by the study. This preliminary work served as a useful framework which the study team, in

consultation with the client, refined and prioritized. Following is a brief discussion of what emerged as the main study areas of inquiry:

- *Profiling renovation contractors in Canada* — This area of the study was designed to provide an understanding of the types of contractors involved in renovation. This involved obtaining data on the size of companies (based on both size of the workforce and business volume), the amount and type of activity renovators typically focus on, their skills and level of education, company set-up and administration, and use of professional services.
  
- *Profiling attitudes and practices in human resource development, particularly with respect to training.* This is an area where federal government departments such as Human Resources Development Canada have been focusing a great deal of attention. Detailed knowledge of what members of the renovation industry think about training and how much effort they are willing to invest in labour force development was needed as a basis for further efforts in human resource development in the renovation industry. Specific issues included staff profiles with respect to types of jobs performed, renovation experience, full-time and part-time status of employees and use of permanent or subcontract workers. Another important issue was the nature and amount of training that renovators have provided to themselves and their workers.
  
- *Measuring training needs for contractors in renovation* — As workforces across the country age and retire, the importance of a supply of trained (young) workers and established training programs increases. Problems and barriers to recruitment and training were identified, as were ways to facilitate and encourage training in the industry, by asking renovators about their needs and preferences for training. This included the types of training which they require most, the ideal format for training, as well

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as the most appropriate timing of the training and preferred type of trainers.

- *Profiling attitudes towards standardization and accreditation of renovation skills in the industry* — This portion of the research was aimed at gauging the support of renovators for setting common professional standards for the industry. These standards pertained to: 1) skills and training requirements, leading to certification of individuals; and 2) established criteria of professionalism for the recognition of firms. This was a particularly challenging area of the study because of the diversity of perspectives among Canadian renovators.

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## 1.4 Organization of this Report

- The next chapter of this report is devoted to a discussion of study methodology, including a description of the final survey sample characteristics and the data quality.
- Chapter Three profiles renovators and the renovation business in Canada including the financial, organizational and socio-demographic characteristics of renovation businesses and profiles of owners and operators.
- The fourth chapter presents a profile of their major renovation activities.
- Chapter Five presents the findings about human resources practices and training. This chapter includes sub-sections on staffing practices, training activities, and the training problems, preferences and priorities of renovators.

- ❑ Chapters Six and Seven discuss the views of renovators on industry recognition programs and warranty programs.
- ❑ The expected impacts of trends in the industry, as viewed by renovators, is presented in Chapter Eight.
- ❑ The final chapter summarises the key findings and presents the conclusions of this study.

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**CHAPTER****2****METHODOLOGY**

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**2.1 Overview of the Methodology**

The major component of the methodology was a national, self-administered mail survey of 4,000 renovators. Qualitative data collection in the form of five focus groups was also conducted. Two groups were employed during the survey design to ensure that the data collection instrument was a practical and useful document that included the most appropriate issues for renovators. Three additional groups were conducted during the survey to explore the survey issues in more depth and to provide further information on specialized topics.

The design process was conducted in consultation with members of the JHRD - Residential Renovator Committee of CHBA, the Canadian Renovators' Council, Canada Mortgage and Housing Corporation (CMHC), the Canadian Labour Force Development Board (CLFDB) and the Canadian Labour Market and Productivity Center (CLMPC). The JHRD - Residential Renovator Committee is comprised mainly of business people active in the renovation industry and includes representatives of the CHBA and two ex-officio members from the public sector: Human Resources Development Canada and CMHC.

The study Terms of Reference specified that the study population would be Canadian renovation contractors. For the purpose of the survey, a residential renovation contractor was defined as "a businessperson hired by the owner of an existing residential property to manage *all* aspects of a residential renovation or repair contract". A residential renovation specialist was defined as "a businessperson hired by the owner of an existing residential property to manage *specific* aspects of a residential renovation or repair contract".

Many renovation contractors do not make their living solely from renovation contracts. Furthermore, the difference between a residential renovation contractor and renovation specialist can be blurred in the real world because renovation specialists may also act as contractors. For the purposes of the survey, the study population was defined, in broad operational terms, as all renovators who engaged in renovation activities on either a full- or part-time basis.

Due to the nature of the renovation industry, sample design was particularly challenging. A pre-screening technique could have been employed to identify precisely the study population in the sample and ensure a suitable response rate. This method however would have been extremely costly, as it would have involved contacting renovators in the sample frame in order to determine the mail out sample prior to the survey. This method would have been very costly, and would have defeated one of the major advantages of a self-administered instrument: a lower cost per completed questionnaire.

The study population, however, must be precisely identified in order to be able to determine the true response rates; it must be possible to ascertain how much of a sample is in fact valid (i.e., falls within the study parameters). Another way of accomplishing this is to analyze the response results of a survey of non-respondents to discover what proportion of the survey sample falls within the study parameters; in this case what proportion of non-respondents actually are renovators.



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A survey of non-respondents instills confidence in the quality of the data by evaluating survey non-response bias through a comparison of the characteristics and opinions on key issues of respondents and non-respondents. Corresponding responses are paramount if survey findings are to accurately represent the views of all renovators from across the country.

Ekos conducted a survey of non-respondents upon completion of the data collection; a total of 521 contacts were made. Details of the non-response survey will be presented later in this chapter.

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## 2.2 Survey Sampling

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### *(a) The Sampling Frame*

The objective in preparing the sampling frame is to compile the best possible list of all members of the study population from which a sample can be drawn. The JHRD - Residential Renovator Committee, with the cooperation of other industry associations and business groups, identified several sources from which a country-wide list of renovators was compiled. These sources consisted of association lists, telephone directory (Yellow Page) listings and previous renovation surveys. The final sampling frame was compiled from the following sources:

- ❑ *Canadian Home Builders' Association (CHBA) - membership list;*
- ❑ *National Kitchen and Bath Association (NKBA) - membership list;*
- ❑ *Siding and Window Dealers Association of Canada (SAWDAC) - membership list;*
- ❑ *Saskatchewan Survey of Builders and Renovators - survey sample frame;*
- ❑ *Association provinciale des constructeurs d'habitations du Québec (APCHQ) - full membership list;*
- ❑ *CHBA/CMHC mailer on Renovation, Education and Training - respondents who indicated an interest in future surveys;*

- Yellow Pages - listings of renovation companies in major and medium-size markets compiled by CMHC.

The APCHQ list which contained almost 7,400 names was used as the frame for the Québec sample (not all of whom were necessarily renovators). In order to minimize the number of non-renovators in the sample, companies with "renovation" in the title were identified and selected. A total of 299 companies were selected in this manner, 40 more were selected from the CHBA/CMHC mailer list; the remainder of the Québec sample (621 companies) was selected randomly.

The sample frame of the survey of renovators in Saskatchewan was considered to be the most comprehensive list of renovators in that province; a random sample of approximately 50 per cent of this frame was selected.

For renovators in the rest of Canada, given the number of different sources, the lists were first examined for possible overlap; multiple entries were removed and then lists were merged together to create the sample frame for the survey. A stratified random sample was selected from this frame to form the survey sample of renovators.

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### *(b) Sample Design*

The initial mailout sample was 4,000 renovators; a sample of this size was selected so that there would be a large residual sample after non-renovators were identified through the survey. Exhibit 2.1 displays the breakdown of the initial sample cases by region. The sample was stratified by region to facilitate the identification of regional variations.

**EXHIBIT 2.1**  
**Survey Sampling Plan by Region**

Province	Number	Percentage
Atlantic provinces	250	6.25%
Québec	1000	25%
Ontario	1600	40%
Prairies	700	17.5%
British Columbia	450	10%
Total	4000	100%

### 2.3 Instrument Design

The instrument design phase of the survey of renovators was quite extensive: several rounds of discussion and review by members of the JHRD - Residential Renovator Committee, two focus groups<sup>2</sup> conducted in Kitchener and Montréal to consider design issues, and a pretest with renovators actively working in the field.

The instrument was based on an initial list of study issues prepared by the JHRD - Residential Renovator Committee. From this initial list, a revised matrix of issues was prepared that served as a blueprint for the mail questionnaire. The matrix of issues and draft survey instrument were presented to the Committee on May 29, 1993 for discussion purposes. Members of the JHRD - Residential Renovator Committee and the Canadian Renovators' Council were requested to complete the draft instrument and were asked to offer comments with respect to content, clarity of the

2. Three additional focus groups were also conducted in Moncton, Calgary and Vancouver during the data collection phase. The purpose of these focus groups was to gather in-depth information on the study issues including specialized topics not addressed during the survey. A copy of the moderator guide employed for the focus groups is appended.

questions and length. Subsequent discussions were held to examine the revisions made as a result of this meeting.

Pretesting is typically undertaken to simulate the conditions that will be encountered during the actual survey. The objectives are to test the instrument for sequencing, clarity of the questions and the length of time required to complete the questionnaire. Thirty renovators in Ontario were contacted from the sample frame and asked if they would be willing to participate in a pretest of the survey instrument. Participants were encouraged to note any comments about the questionnaire or any difficulties that they might have encountered when completing it. Pretest packages containing the instrument and return envelopes were sent via Priority Post on June 9, 1993. A total of 15 pretests were returned within two weeks.

Once the survey instrument had been pretested, the revised instrument was discussed and reviewed again via conference call by Ekos staff and the JHRD - Residential Renovator Committee prior to printing. Once the survey had been finalized, it was translated from English to French; a copy of the English instrument with survey marginals is appended.

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## **2.4 Survey Administration**

The questionnaire was produced in a large booklet format. A unique case identifier was also printed on the binding of the questionnaire. Follow-up questions pertaining to interest in information about renovation and training and future surveys were printed on the inside of the back cover of the questionnaire to distinguish them from actual survey items.

The mailing of the survey took place in three stages: 1) a first wave mailing of the questionnaire to all organizations in the survey sample; followed by 2) a reminder card to all organizations in the first wave about two weeks later; and finally

3) a second wave mailing of the questionnaire to the renovators who had not yet responded to the first wave.

A total of 3,000 English questionnaires were mailed on July 5, 1993; 1,000 French questionnaires were mailed a week later. Reminder cards to all 4,000 organizations were mailed on July 20, 1993.

A telephone hot-line was in operation for the duration of the data collection. A telephone number and a contact name was provided on the introductory page of the questionnaire. Respondents were instructed to call Ekos Research (collect) if they required more information or an additional questionnaire in the official language of their choice.

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### *Survey of Non-respondents*

As previously mentioned, a survey of non-respondents was conducted by telephone upon completion of the data collection; 521 non-respondents were contacted over the course of the survey.

If the assumption is made that all the renovators who could not be interviewed during the non-response survey (because of unkept appointments, refusals etc.) were in fact renovators, it can be established that approximately half of the initial 4,000 cases in the sample were ineligible cases for the survey (i.e., non-renovators). (It should be noted that this approach leads to the most conservative assumption about response rates. If the "unknown" cases are excluded from the response rate analysis, the estimate of the total number of non-renovators in the initial sample is almost 60 per cent.

Exhibit 2.2 presents the results from the non-response survey used in the analysis of the overall response rate to the mail survey.

From this finding it can be estimated that the initial sample of 4,000 cases included 1,980 renovators and 2,020 non-renovators. The eligible sample of 1,980 should be used when calculating the overall response rate.

**EXHIBIT 2.2**  
**Results of the Survey of Non-respondents**

Total contacts with non-respondents	521
Completed interviews	186
Non-response (unknown status)	
Incomplete surveys	6
Appointments	33
Refusals	33
Total Non-response	72
Non-Renovators (determined from contacts)	263
Percentage Non-renovators	50.5%

## 2.5 Final Sample Characteristics

A total of 688 questionnaires were completed and returned by mail to Ekos Research. This represents an overall response rate of 40 per cent. Results of the mail survey and the rate of response are presented in Exhibit 2.3. Results include the attrition from the initial sample, including: 1) the estimated number of non-renovators based on the non-response survey results; 2) 'returns to sender' (e.g., moved, unknown address); and 3) organizations which were no longer in business or individual's who had retired from the workforce. Removing these cases from the initial sample produces the functional sample for the response rate calculations. The response rate for the survey is calculated by dividing the number of completed questionnaires received by the functional sample.

**EXHIBIT 2.3**  
**Overall Survey Response Rates**

Initial Sample	4000
Attrition	
Non-renovators estimate	2,020
Other (e.g., out of business)	245
Total Attrition	2265
Functional Sample	1735
Completed interviews	688
Response rate (Completed interviews/Functional sample)	40%

The sampling error for a sample of this size is +/- 3.7 per cent, 19 out of 20 times (i.e.,  $p < .05$ ). In other words, percentage estimates based on survey data with a sample size of 688 will be accurate within 3.7 per cent 19 out of 20 times. Other sources of error may be produced from the measurement instrument.

Breakdowns of the final sample characteristics by region are presented in Exhibit 2.4. The distribution in the final sample of completed questionnaires by region correspond closely to the distributions in the initial sampling plan (see Exhibit 2.1).

## **2.6 Data Quality Issues**

One of the primary purposes of the non-response survey, in addition to determining the overall response rate, was to evaluate response bias in the survey data. The key question is: does the survey sample accurately represent the industry as a whole? This question can be answered by comparing the results from the mail survey sample and the non-response survey on several key behavioral and attitudinal dimensions.

**EXHIBIT 2.4**  
**Final Sample Characteristics by Region**

Region	Number of Cases	Percentage
Atlantic provinces	46	6.7%
Québec	168	24.4%
Ontario	264	38.4%
Prairies	135	19.6%
British Columbia	75	10.9%
Total	688	100%

The non-response survey contained some of the most important opinion questions from the mail survey (Q. 34, 39, 45) and four items (one item having five parts) pertaining to renovation activity (Q. 1, 2, 7, 15). These questions were replicated in a telephone survey of 186 mail survey non-respondents.

A comparison of responses from the two surveys is reproduced in Exhibits 2.5 and 2.6. In general, the responses and characteristics were very similar, with few significant differences between respondents and non-respondents. In our opinion, these results are strong evidence about the overall quality and representativeness of the mail survey data.

One key item for which there is a difference, the mean score on the importance of training scale (Q. 34, Exhibit 2.6), may be the result of a method effect - the variation produced by the difference in self-administered and telephone survey techniques. In a comparable telephone survey conducted for EIC (now HRDC) in 1993,<sup>3</sup> the mean score on an identical question was the same as the result from the

3. *Reskilling Society (Phase I): Industrial Perspectives, A Summary Report of The National Survey of Employers on Training and Employment Issues*, Ekos Research Associates, 1993, for the Public Affairs Branch of Employment and Immigration Canada, P. 13.



non-response survey. In any case, our concern during the renovator survey design was that the survey respondents would be more interested in topics like training, not less interested. The hypothesis was that individuals who value training in the workplace would be more disposed to completing a survey questionnaire dealing with training issues; the results dismiss this hypothesis.

**EXHIBIT 2.5**  
**Non-response and Mail Surveys**  
**Comparison of Characteristics**

Survey Item	Non-Response Survey	Mail Survey
Q1 Do you consider yourself to be a renovator? Yes, full-time renovator Yes, part-time renovator	65.8% 34.2%	55.5% 44.5%
Q2 How many years have you been working in the renovation industry?	16.7 years	14.2 years
Q7 Approximately what percentage (in terms of gross revenues) of your total business activity in the building industry, in the last year, falls into the following categories:  a) Residential renovation b) Commercial renovation c) New home construction d) Commercial, institutional and high-rise construction e) other	54.1% 17.8% 20.1% 4.8% 3.2%	51.8% 14.0% 22.1% 4.9% 6.2%
Q15 Approximately what were your total gross revenues for 1992?  a) Total construction business (including new construction and renovation) (average) b) Renovation business only (average)	\$862,046 \$384,407	\$878,334 \$434,311

The percentage of self-identified full-time renovators is somewhat higher among non-respondents than among mail survey respondents (66 per cent and 56 per cent respectively). The findings about specific renovation activities and revenues however, are very similar.

**EXHIBIT 2.6**  
**Non-response and Mail Surveys**  
**Comparison of Attitudinal Measures**

Survey Item	Non-Response Survey  Mean Rating	Mail Survey  Mean Rating
Q34 How would you rate the overall importance of training to the success of your company?	6.3	5.5
Q39 Some people have suggested that programs which lead to certification of workers and recognition of companies would be a good idea.		
a) ...certification recognizing an individual's qualifications... Do you think that this is a good idea or a poor idea?	5.1	5.5
b) ...formal recognition of a renovation company... Do you think that this is a good idea or a bad idea?	5.1	5.6
Q45 "I think that a third party consumer protection program is a good idea for our industry." Do you agree or disagree?	4.5	4.0

Note: Mean rating on a seven point scale.

## CHAPTER

## 3

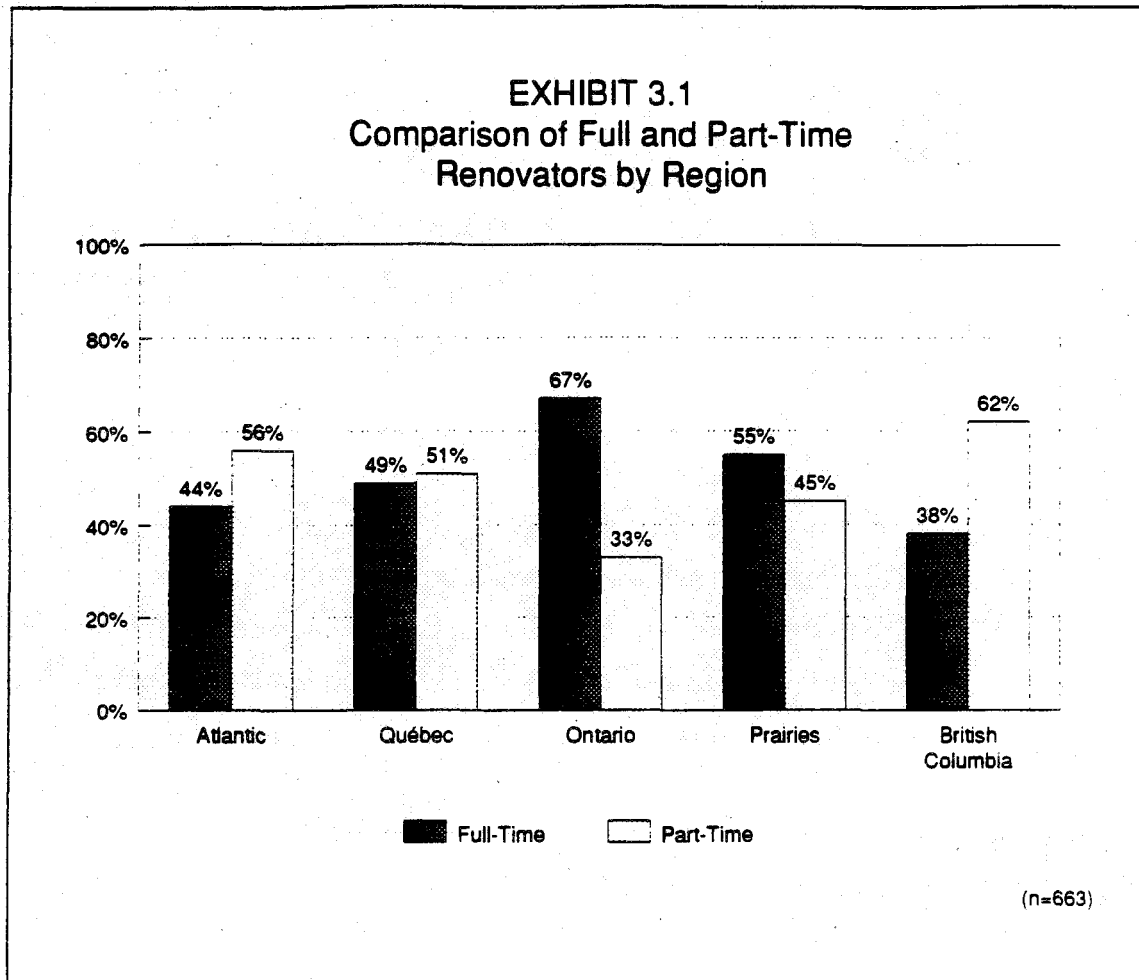
**PROFILE OF RENOVATORS AND  
RENOVATION BUSINESSES IN  
CANADA**

This chapter includes information about the renovation industry in Canada, including the types of firms involved in renovation. The ownership, management and organization of companies and the importance of renovation to the overall operations of companies in the business is also presented.

**3.1 Personal Profile of Renovators**

More than half of the respondents (56 per cent) considered themselves to be full-time renovators while the remaining 44 per cent considered themselves part-time renovators.

Ontario has twice as many full-time renovators as part-time renovators. The situation is reversed in B.C., where 62 per cent of the respondents consider themselves part-time renovators and 38 per cent regard themselves as full-time renovators. Exhibit 3.1 presents a comparison between full and part-time renovators by region.



Seventy per cent of renovators have 10 years or more of experience in the renovation industry; an additional 15 per cent reported being in the business for 25 or more years.

The renovators in the sample demonstrated a strong commitment to the industry; 96 per cent of the respondents plan to continue working in the renovation business. Of those few renovators planning to leave the industry (4 per cent), 41 per cent stated they were leaving because the business was not profitable and 36 per cent indicated that they wanted to concentrate on new construction. An additional 11 per cent were planning to retire.

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Most renovators are in the prime of their working lives. Almost half of the renovators in the sample (48 per cent) were between 35 and 45 years of age. Seventeen per cent were under 35 years of age, 22 per cent were between 45 and 55 years of age and 13 per cent were over 55. In addition, almost all of the renovators in the sample were male (95 per cent).

Almost two-thirds of the respondents (63 per cent) first learned English as a child, while French was the initial language for one-quarter of the respondents; the remaining 12 per cent first learned a language other than English or French. Three-quarters of the companies conduct their business in English while 22 per cent conduct business in French and only three per cent conduct their affairs in a language other than French or English.

More than one-third of the renovators in the sample are community college (18 per cent) or university graduates (19 per cent). An additional 21 per cent have some post-secondary education.

Renovators from the Atlantic region have the most formal education while Québec renovators have the least. Almost half of the renovators from the Atlantic region (45 per cent) are university or college graduates, compared to one-quarter of the renovators from Québec. Between 35 and 41 per cent of the respondents from the other three regions have completed a post-secondary program.

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## 3.2 Characteristics of Renovation Businesses

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### *(a) Ownership*

Two-thirds (68 per cent) of the renovation firms are legally-incorporated companies; the remaining 32 per cent are non-incorporated companies. Of the non-incorporated companies, almost all (28 per cent of the total) have an individual owner, while only five per cent of the total are partnerships.

In every region with the exception of the Prairies, there were approximately double the number of legally-incorporated companies as there were non-incorporated companies. In the Prairies, the proportions were more equal; 55 per cent of the companies were incorporated and 45 per cent were not.

Half of the legally incorporated companies (51 per cent) reported 1992 renovation revenues of under \$200,000; one-quarter reported renovation revenues between \$200,000 and \$500,000 and one-quarter (24 per cent) reported renovation revenues of over \$500,000. Almost all of the non-incorporated companies (92 per cent of the firms with individual owners and 86 per cent of those with a partnership) reported renovation revenues of under \$200,000 in 1992.

More than half of the renovation companies (57 per cent) have only one owner/operator. An additional 31 per cent are partnerships involving two owners/operators and 11 per cent indicated a partnership of three or four. Almost all of the businesses have owners who operate the business (98 per cent); only two per cent of the businesses have owners who are investors and not involved in the day-to-day operations.

### **(b) Family Involvement and Role of Owners**

The renovation business often involves spouses or other members of the family. Two-thirds of the respondents (67 per cent) reported that their spouse and/or another family member is involved in their business.

Owners and operators are the primary decision makers in the majority of the renovation businesses. Between 81 and 85 per cent of the respondents indicated that the owners and/or operators are the main decision makers when it comes to project design and planning, renovation project work and sales and marketing. Similarly, 72 per cent indicated that the owners/operators are primarily responsible for making management and administration decisions. Only in decisions concerning renovation project work and business management and administration are there a significant percentage of companies that have individuals other than the owner/operator make primary decisions. Exhibit 3.2 presents these findings.

**EXHIBIT 3.2**  
**Company Responsibility for Decision-Making**

	<b>Owner/ Operator</b>	<b>Spouse/ Family Member</b>	<b>Partner</b>	<b>Full-Time Employee</b>	<b>Other</b>	
Project design and planning	85	5	3	4	3	n=624
Renovation project work	81	3	4	11	1	n=616
Sales and marketing	84	7	3	4	2	n=610
Business management and administration	72	21	3	3	1	n=608

The smaller the company, in terms of gross revenue from renovation, the more likely the owner/operator is to be primarily responsible for making all the business decisions. For example, for companies reporting renovation revenues under

\$200,000, 90 per cent of the owner/operators were primarily responsible for making renovation project work decisions, compared to 70 per cent of the owner/operators in firms grossing \$200,000 to \$500,000 and 55 per cent of the owner/operators in firms reporting renovation revenues in excess of \$500,000.

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**(c) Office Location**

Two-thirds of the respondents (65 per cent) stated that their company operates from an office in their home. An additional 20 per cent rent office space outside their home, while 14 per cent have an office in a building owned by their company.

Renovators in Québec are more likely than those in other regions to operate their business from an office in their home and less likely to rent office space. Over three-quarters of Québec renovators (77 per cent) reported having their office in their home, compared to 68 per cent of the renovators in both B.C. and the Prairies, 61 per cent from the Atlantic and only 55 per cent from Ontario.

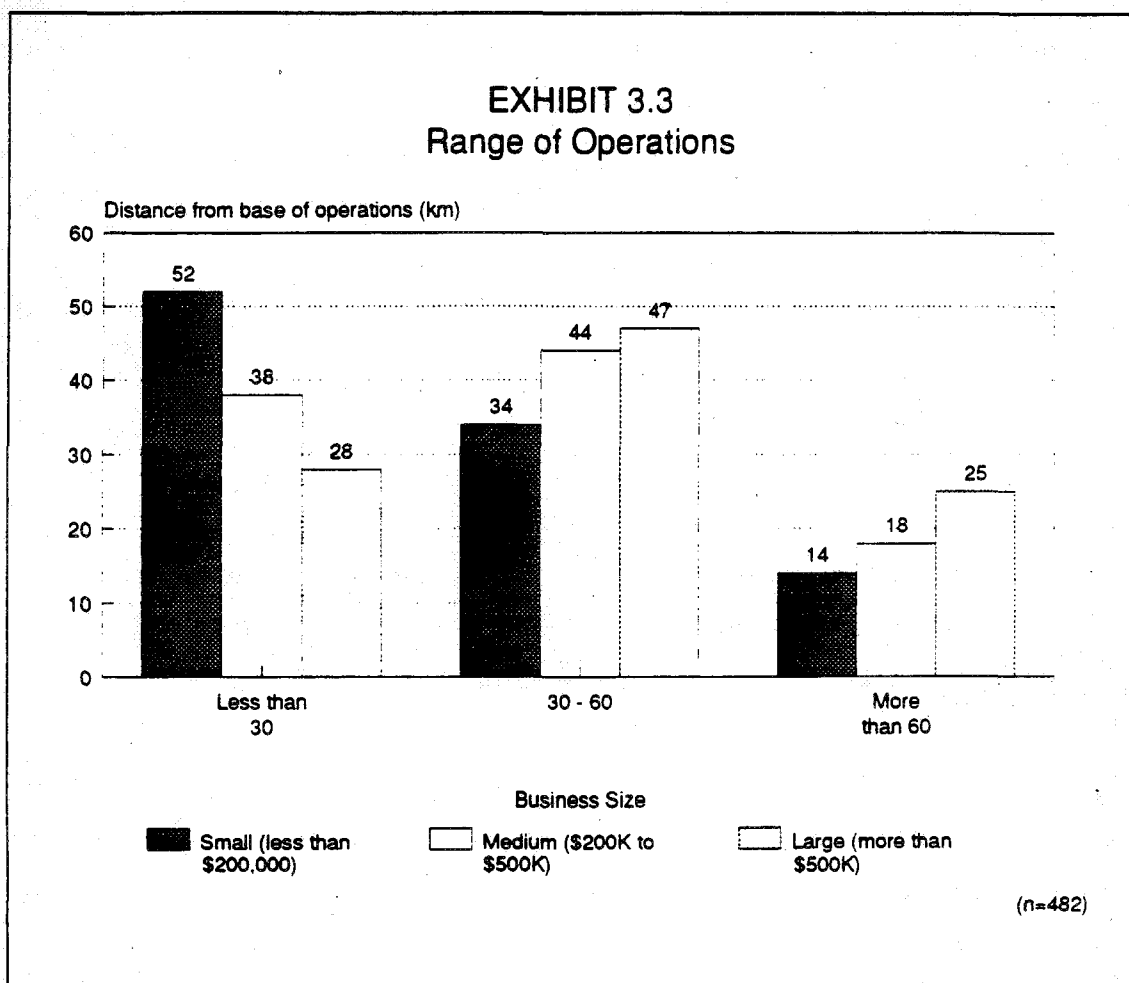
Predictably, smaller companies are much more likely to have their offices in their homes. Almost all of the respondents (82 per cent) from companies reporting renovation revenues under \$200,000 indicated that they operated from a home office; in comparison, 43 per cent of those reporting between \$200,000 and \$500,000 in renovation revenues and only 16 per cent of the businesses reporting in excess of \$500,000 had an office located in their home. The larger renovation companies were equally as likely to rent office space (41 per cent) as they were to occupy office space in a building owned by the company (43 per cent).

Almost half of the firms (44 per cent) work relatively close to their base of operations (i.e., within a 30 kilometre radius). An additional 39 per cent work



within a radius of 30 to 60 kilometres. Only 17 per cent work more than 60 kilometres from their base of operations.

Exhibit 3.3 presents the typical range of operations for different sized renovation companies (determined by gross renovation revenues for 1992). The larger the company, the more likely they are to work further from their base of operations.



### *(d) Computer Use/Skills*

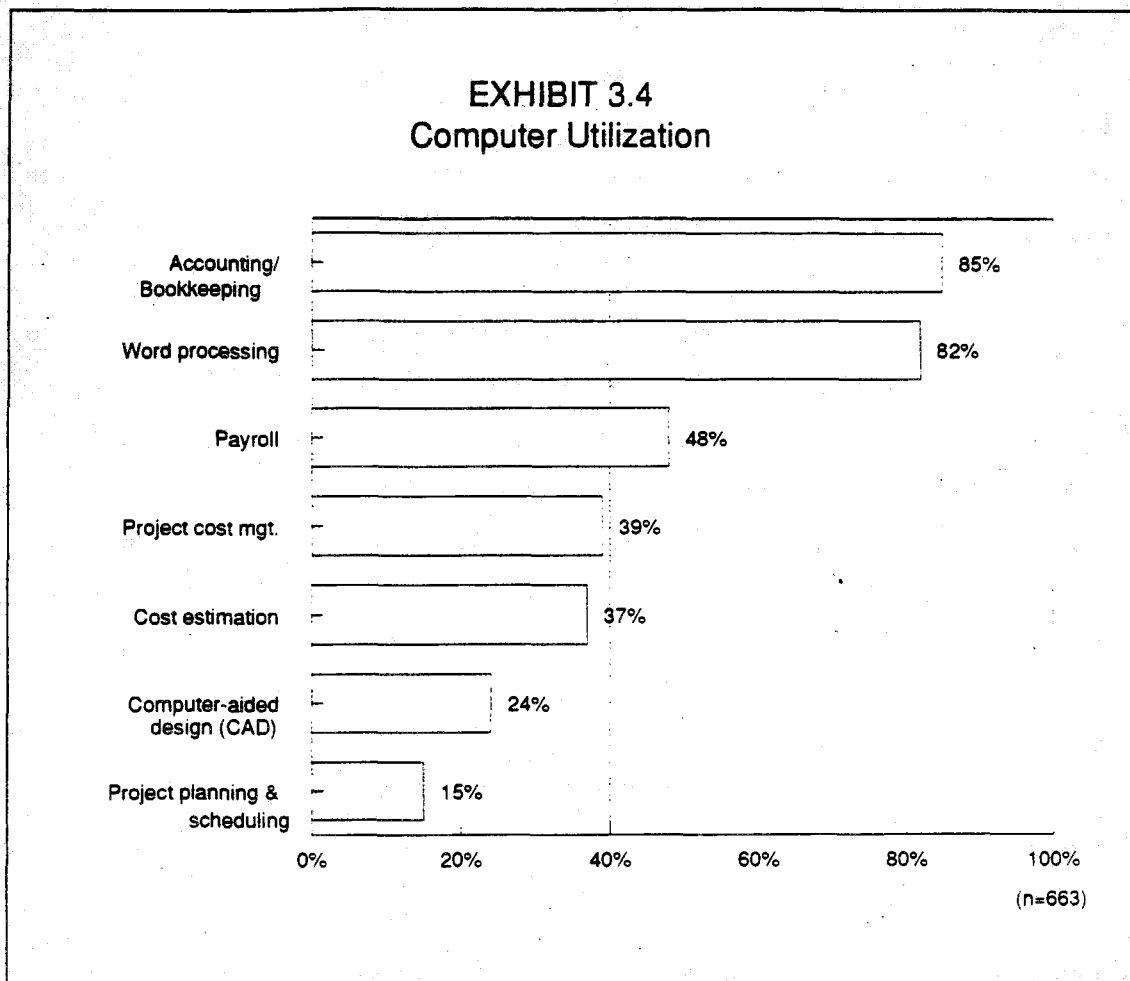
More than half of the renovators (59 per cent) use computers for business purposes. Companies in Ontario (68 per cent), B.C. (66 per cent) and the Atlantic region (63 per cent) were the most likely to use a computer. More than half (57 per cent) of the renovators in the Prairies utilize a computer. Only 42 per cent of Québec renovators, however, use a computer for business purposes.

Smaller renovation companies do not require computers as much as larger companies. Nine out of ten companies reporting renovation revenues in excess of a half a million dollars and 76 per cent of the companies with between \$200,000 and \$500,000 in renovation revenues use a computer for business purposes. In comparison, only 53 per cent of the smaller companies (i.e., renovation revenues under \$200,000) utilize a computer.

Renovators use their computers to perform a number of business activities. Exhibit 3.4 illustrates the percentage of renovators who utilize their computers for these various functions. The two most popular uses are accounting/bookkeeping and wordprocessing.

Renovators are moderately satisfied with the level of computer skills in their firm. Forty-three per cent of the respondents reported that they were satisfied with the degree of computer skills in their firm; only eight per cent, however, were extremely satisfied. Slightly fewer than one-quarter of the respondents (23 per cent) were dissatisfied with their firm's computer skills. The remaining 34 per cent were neither satisfied or dissatisfied.

Satisfaction with firm computer skills varied by region and size of renovation business. Atlantic firms have the highest levels of satisfaction, 61 per cent, while only 32 per cent of B.C. firms were satisfied. Between 41 and 44 per cent of the



firms in Québec, Ontario and the Prairies were satisfied with their companies level of computer skills.

The larger the company, in terms of gross renovation revenue, the more satisfied they are with their firm's computer skills: 61 per cent of the firms with gross renovation revenues in excess of \$500,000 were satisfied with skill levels, compared to half of the firms with renovation revenues between \$200,000 and \$500,000 and only 35 per cent of the firms with renovation revenues under \$200,000.

### 3.3 Business Revenues

On average, the companies reported that half of their total construction revenues for 1992 (\$878,334) were derived from the renovation business (\$434,311).

Firms in Québec, on average, reported less total business income than the firms in the other regions. Renovation revenue also constituted a higher percentage of total revenue for Québec renovators than for renovators from the other regions. Exhibit 3.5 presents the average total revenues (including construction and renovation) and the average renovation revenues for the different regions. Also Exhibit 3.5 includes the percentage of the total revenue, on average, which is derived from renovation.

**EXHIBIT 3.5  
Business Revenues**

	<b>Average Total Business Revenue</b>	<b>Average Renovation Revenue Only</b>	<b>Per Cent of Renovation Revenue to Total</b>
Atlantic	\$868,981	\$291,903	33 %
Québec	\$588,661	\$465,866	79 %
Ontario	\$937,277	\$476,453	51 %
Prairies	\$1,075,036	\$347,666	32 %
B.C.	\$904,313	\$495,472	35 %

When the renovation revenues were broken down, 63 per cent of the firms in the sample had renovation revenues of under \$200,000, 19 per cent of the firms had renovation revenues of between \$200,000 and \$500,000 and 17 per cent of the firms had 1992 renovation revenues in excess of \$500,000.

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Three-quarters (77 per cent) of those who considered themselves to be part-time renovators reported renovation revenues of less than \$200,000 in 1992, compared to half (53 per cent) of those who regarded themselves as full-time renovators.

Regionally, Québec had the highest percentage of firms reporting 1992 renovation revenues under \$200,000 (78 per cent) while Ontario had the lowest (53 per cent). Between 65 and 68 per cent of the firms in the Atlantic, the Prairies and B.C. reported renovation revenues of under \$200,000.

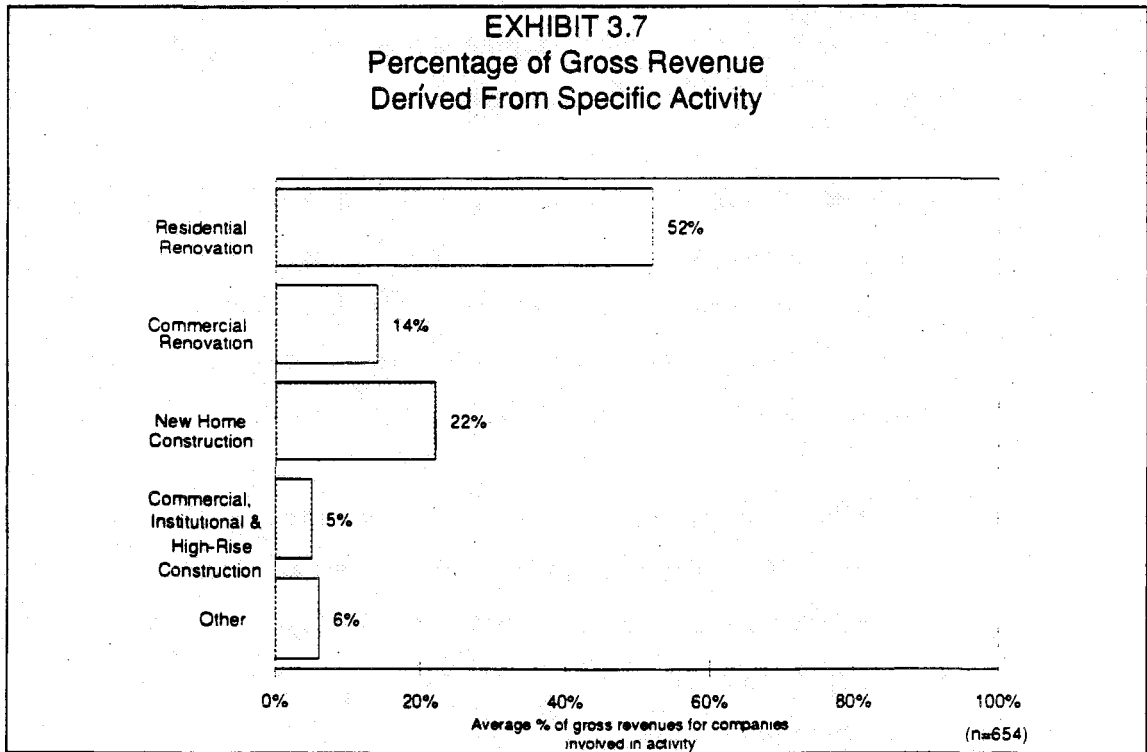
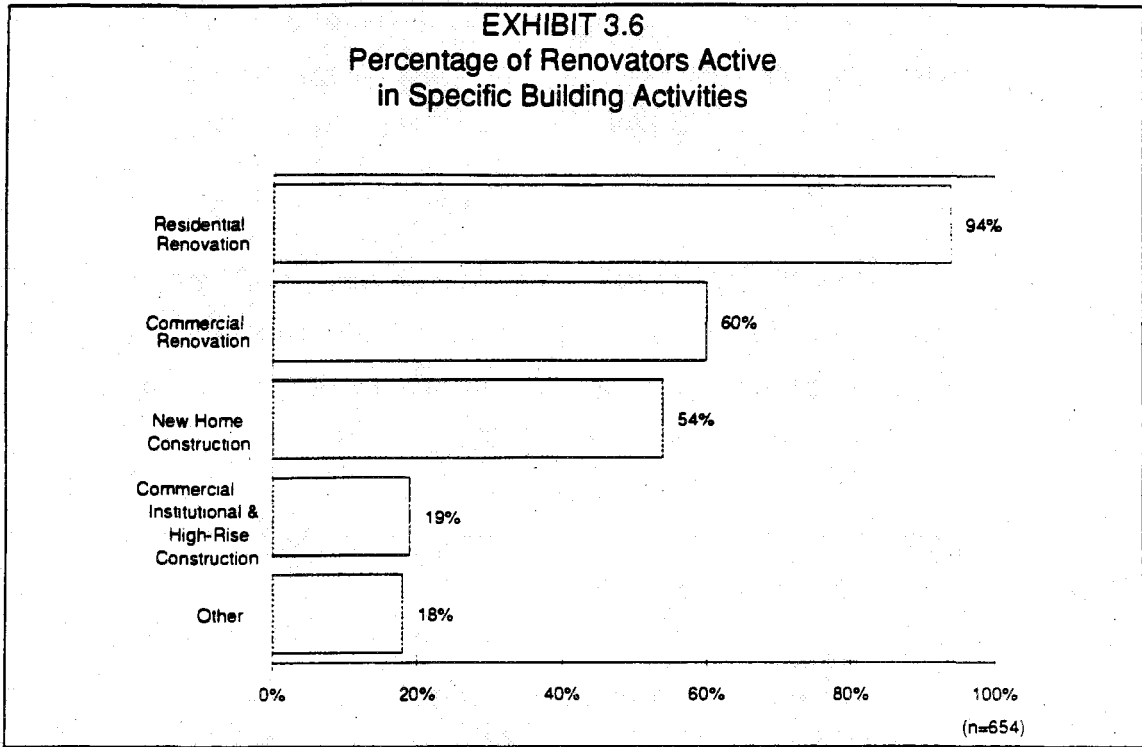
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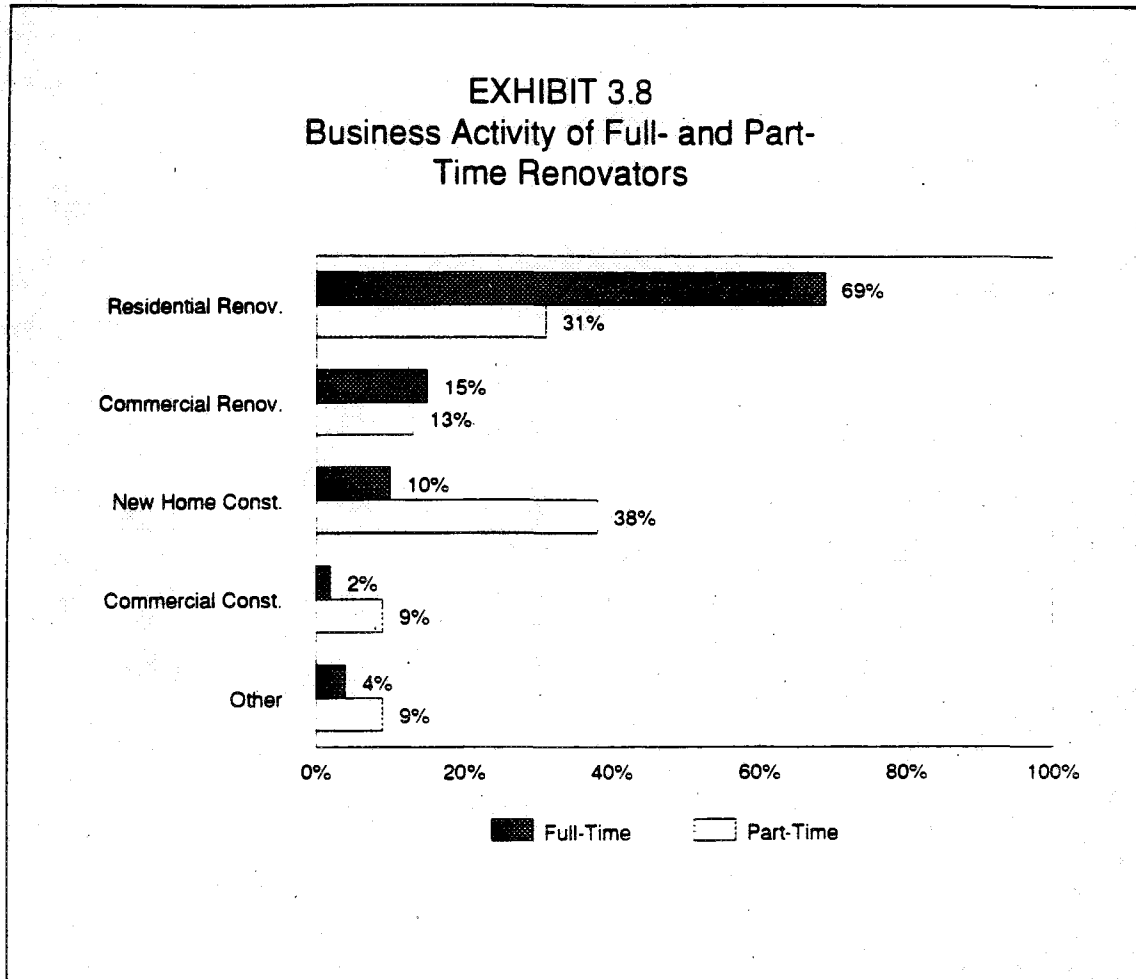
### **3.4 Business Volumes**

Almost all of the firms in the sample (94%) were active in residential renovation in the last year. Over half of the firms were also involved in commercial renovation (60 per cent) and new home construction (54 per cent). Only 19 per cent were active in new commercial construction. Exhibit 3.6 presents the percentage of renovators involved in the various building activities.

Exhibit 3.7 presents the average volume of business activity (in terms of revenues in the last year), that renovators derived from each category of business. Residential renovation provided, on average, over half (52 per cent) of the total gross revenue of the firms. New home construction provided 22 per cent and commercial renovation provided 14 per cent.

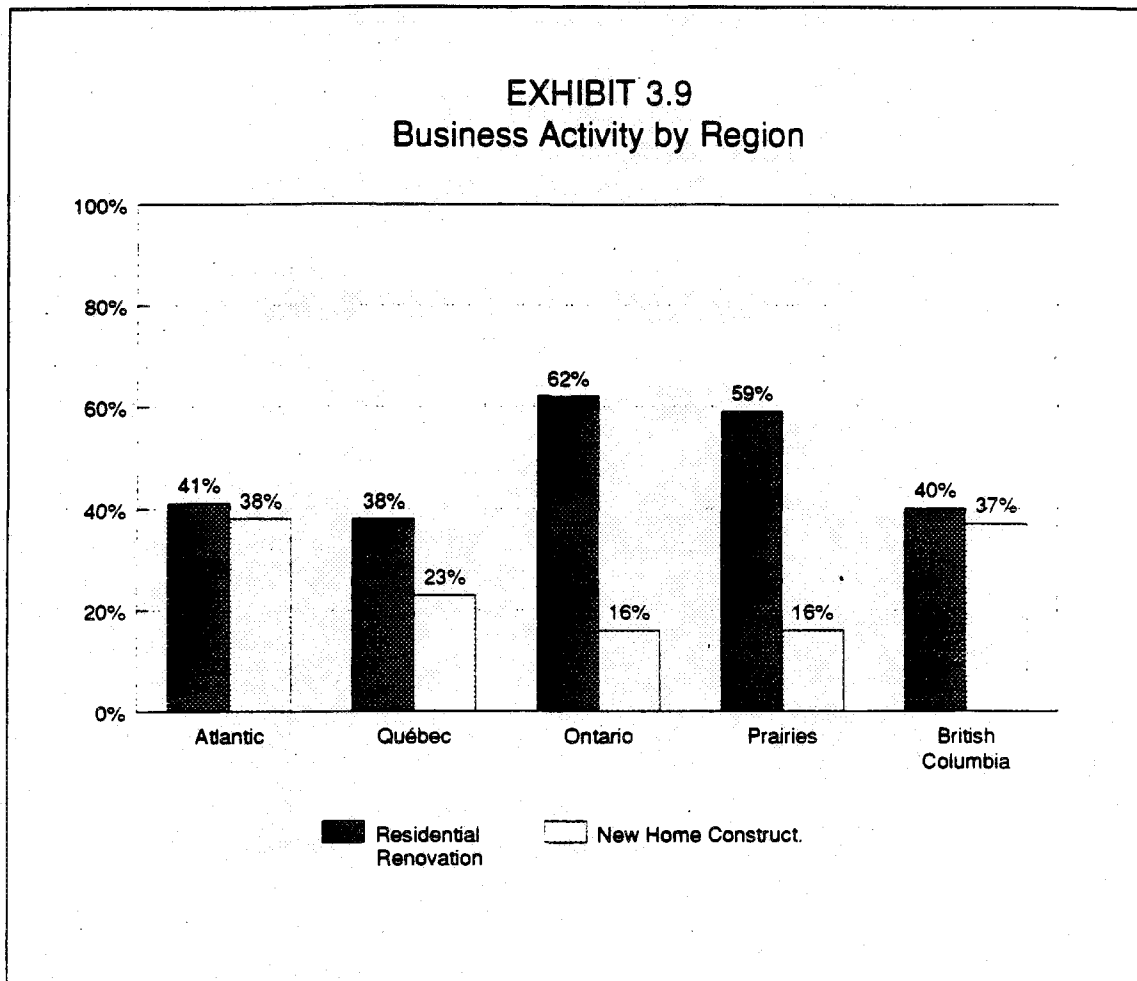
A large majority (69 per cent) of the business activity for full-time renovators in the past year came from residential renovation. Conversely, part-time renovators reported that their business activity was more equally divided between new home construction and residential renovation. Exhibit 3.8 compares the activities of full-time and part-time renovators.





There were significant regional differences in the percentage of total business activity which fell into the categories of residential renovation and new home construction. Firms in Ontario and the Prairies had more of their total business activity occupied by residential renovation than the other regions. Conversely, companies from the Atlantic and B.C. were more likely than the other regions to have a significant proportion of their total business activity (38 and 37 per cent, respectively) fall into the new home construction category. Exhibit 3.9 presents the differences.

The larger firms were more likely than the smaller firms to have a higher percentage of their total business activity fall into the category of commercial



renovation and a lower percentage fall into the new home construction category.

- 21 per cent of the business activity of large companies (i.e., renovation revenues over \$500,000) was commercial renovation, compared to 14 per cent of medium-size companies (i.e., renovation revenues between \$200,000 and \$500,000) and 12 per cent of small companies (i.e., renovation revenues under \$200,000).
- 26 per cent of small companies' business activity was derived from new home construction, compared to 17 per cent of medium-size companies and 15 per cent of large companies.



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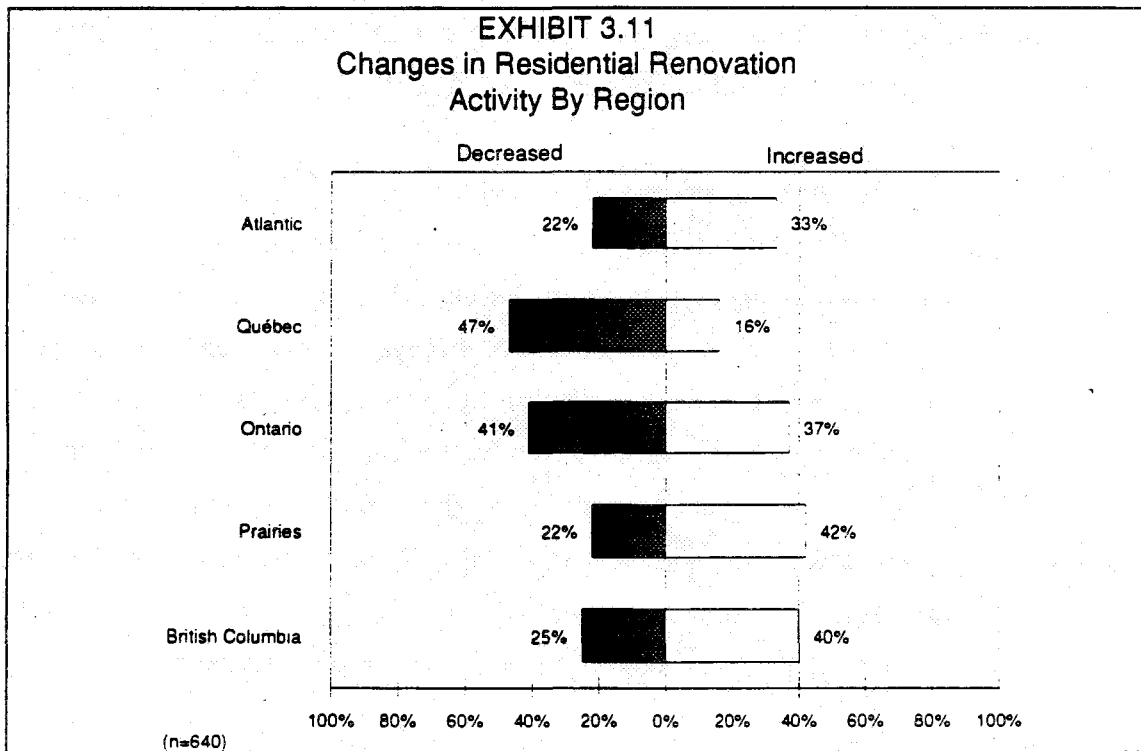
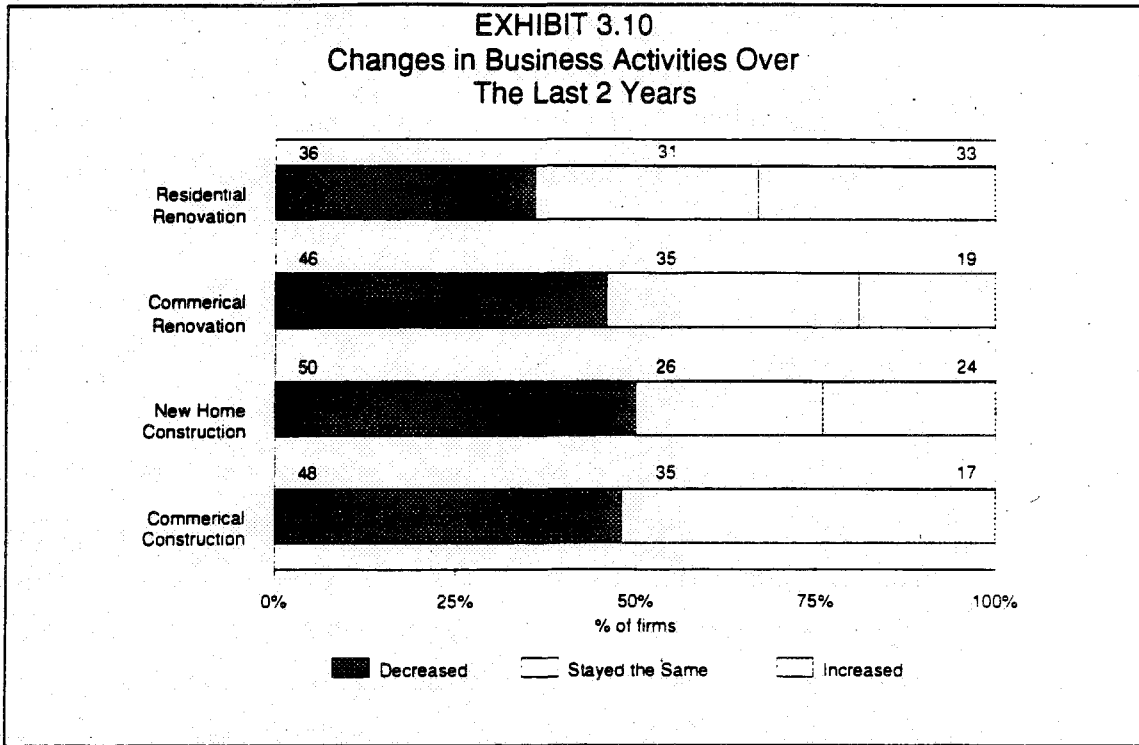
Renovation businesses which considered additions as their most important type of work had more of their business activity taken up by new home construction (27 per cent) than those firms which considered kitchens and exteriors (17 per cent for both), and bathrooms (five per cent) as their principal type of renovation.

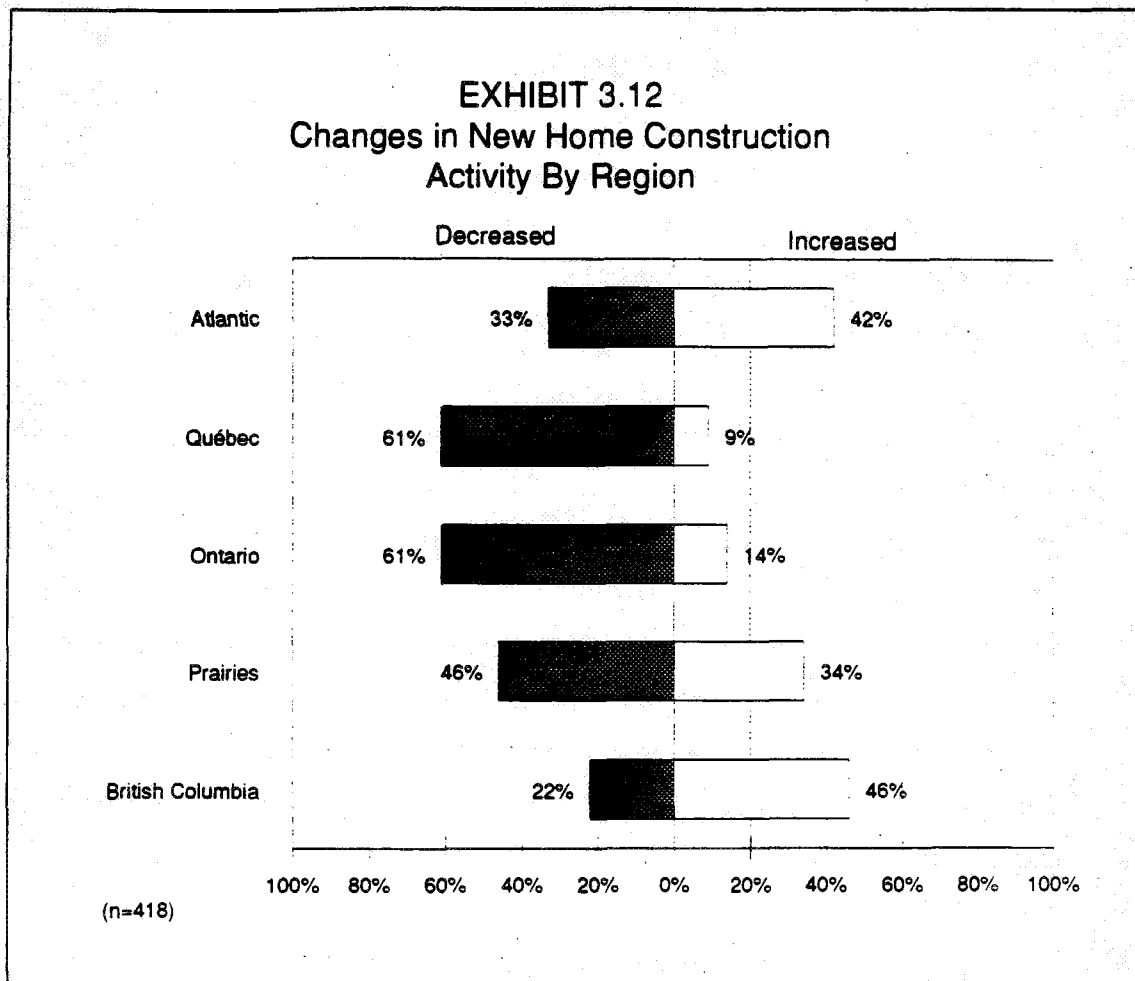
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### **3.5 Growth and Declines in Building Activities**

Respondents were asked to indicate whether their business in these same construction and renovation categories had increased or decreased over the last two years. Exhibit 3.10 summarizes the responses. For three of the four categories, renovators were much more likely to state that their business had decreased, than increased, over the last two years. Residential renovation was the only category where the percentage of respondents who felt their business had increased was approximately equal to the percentage who thought their business had decreased. In other words, the residential renovation business has been, in net terms, stable over the last few years while other business activities have declined.

This overall pattern was not evident in every region of Canada, as there were significant differences in the reported changes in business activity for residential renovation and new home construction. Exhibits 3.11 and 3.12 present the regional differences for these two types of activity. Québec was the only region which reported a significant net decrease in business activity in both residential renovation and new home construction. Although Ontario renovators reported a significant decrease in their business for new home construction, the reported overall net decrease in residential renovation business was minimal. Renovators from the Prairies also indicated that their new home construction business had decreased. The Atlantic and B.C. regions reported that their business in these areas had increased over the last two years.





It should be noted that all regions reported an overall decrease in commercial renovation and construction business activity. As was the case for residential renovation and new home construction, however, the differences between those who indicated a decrease and those who reported an increase in business activity were magnified in the Québec region.

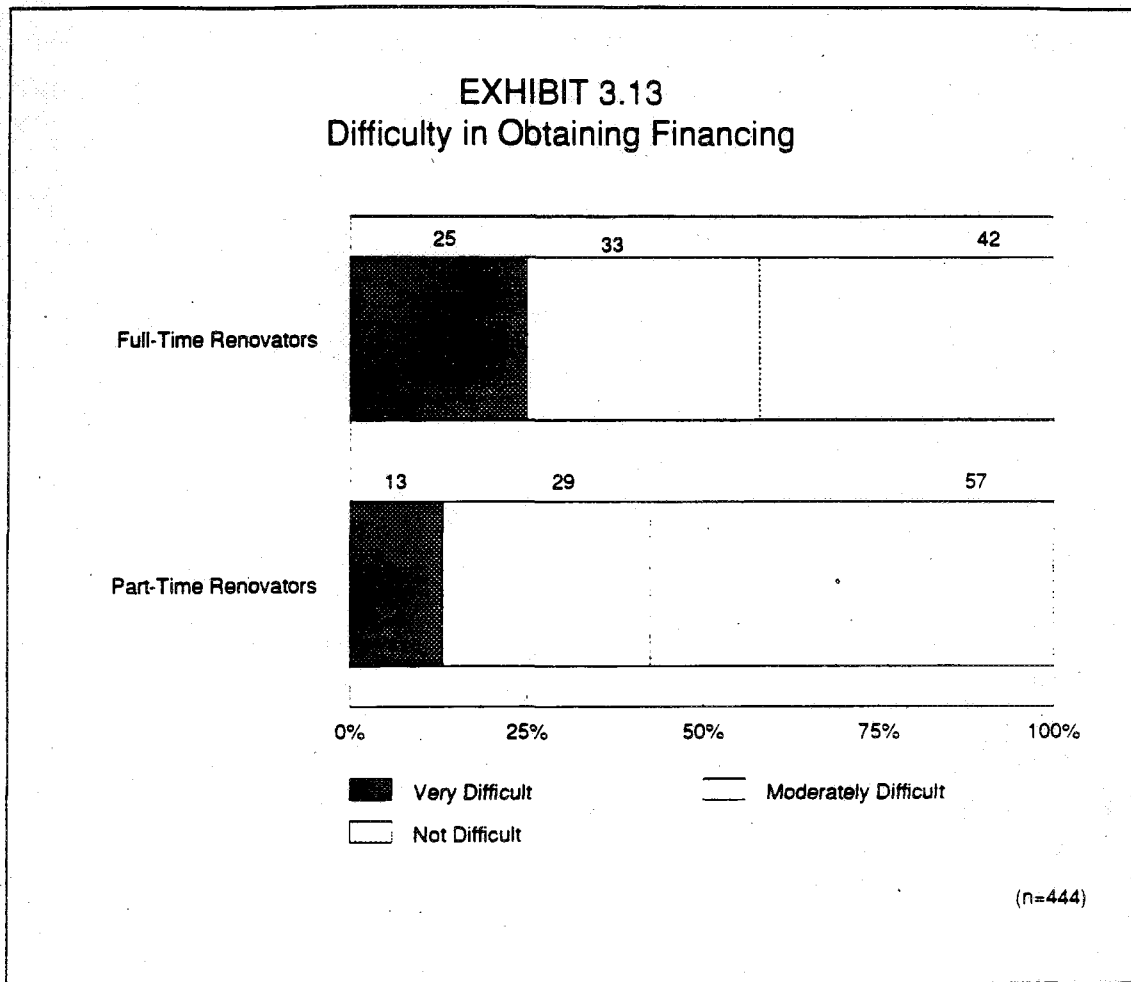
### **3.6 Business and Customer Financing**

Renovators were asked to rate the importance of financing (i.e., loans, lines of credit, etc. from lending institutions) to their company's business. One-third of the respondents considered it to be extremely important; 40 per cent considered it to be moderately important; and 27 per cent felt it was not important.

Financing is more important to renovators from eastern Canada than it is for renovators from western Canada. Of those renovators working in Québec, 83 per cent felt that financing was at least moderately important to their business (36 per cent rated it extremely important). Three-quarters of the Ontario renovators also felt it was important, with 34 per cent rating it as extremely important. In addition, 73 per cent of the Atlantic region renovators considered financing to be an important part of their business (with 42 per cent rating it as extremely important). In comparison, less than two-thirds of the renovators in the Prairies and B.C. considered it important (64 and 62 per cent, respectively).

Although financing is important to three-quarters of the renovators' businesses, many have difficulty securing it. In fact, half of the renovators reported that obtaining financing from lending institutions was at least moderately difficult, and 19 per cent reported that it was extremely difficult.

Full-time renovators have a more difficult time securing financing than part-time renovators. One-quarter of full-time renovators reported that obtaining financing was extremely difficult, compared to 13 per cent of part-time renovators. Exhibit 3.13 presents these differences.



About one in five renovators (18 per cent) in the sample reported that they help arrange financing for their customers for renovation work. Full-time renovators were more likely than part-time renovators to help their customers secure financing (21 per cent compared to 15 per cent).

Larger firms were more likely to assist customers arrange financing. Of those firms reporting renovation revenues of over \$500,000, 31 per cent helped customers obtain financing for their renovation work, compared to 27 per cent of the firms reporting renovation revenues between \$200,000 and \$500,000 and only 10 per cent of those reporting renovation revenues of under \$200,000.

Renovation businesses which considered exteriors as their most important type of work were more likely to assist their customers arrange financing (25 per cent) than those firms which considered bathrooms (17 per cent), additions (13 per cent) and kitchens (13 per cent) as their principal type of renovation.

## CHAPTER

## 4

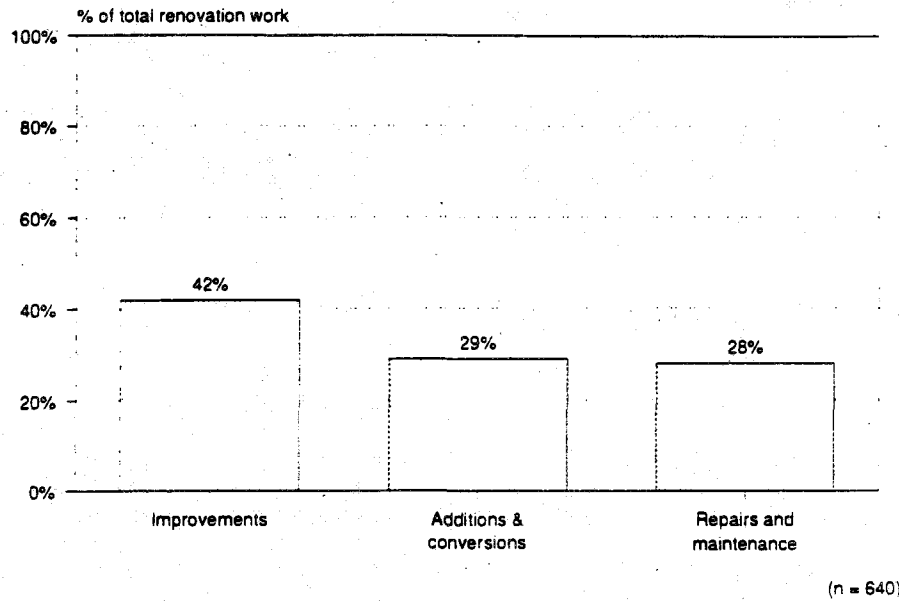
## RENOVATION ACTIVITY PROFILE

Renovation work entails a number of distinct and varied activities. This chapter presents the main types of activities carried out by renovators, the frequency and intensity with which they are carried out and any variation in activity among different types of renovators.

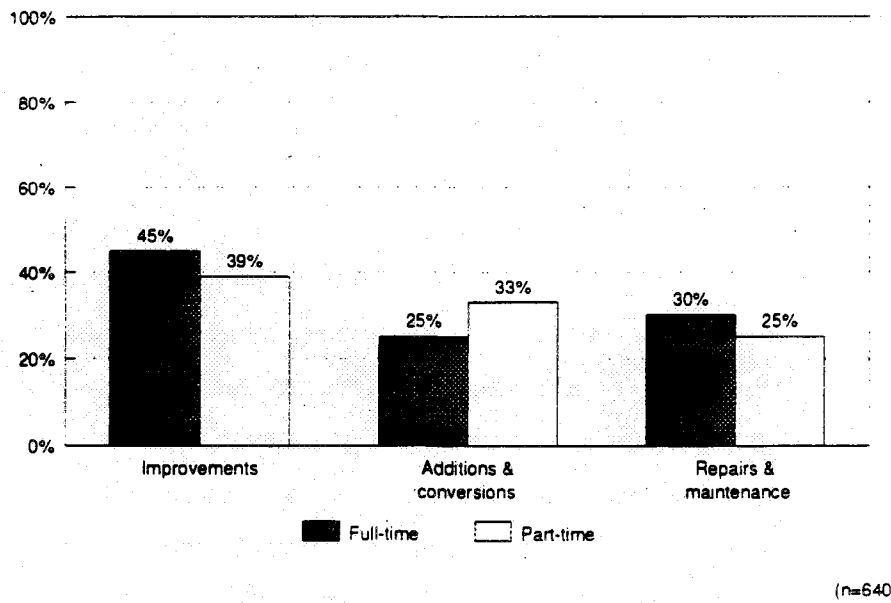
The most common type of renovation reported by survey participants is improvements — remodelling or upgrades to enhance the dwelling. On average, improvements represent 42 per cent of companies' total renovation business. Additions and conversions account for about 29 per cent while repairs, maintenance and restorations compose 28 per cent of the total renovation business of firms surveyed. Exhibit 4.1 displays this finding.

Different types of firms carry out different types of renovation activities. The business of part-time renovators tends to be more concentrated in additions and conversions rather than repairs, maintenance and restorations or improvements. Exhibit 4.2 compares the most common types of renovation activities of full-time and part-time renovators. Smaller firms are more likely to do more repairs, maintenance and restorations while larger firms derive the largest proportion of their renovation income from improvements. Exhibit 4.3 presents this comparison. The size of the firms is not related to the proportion of additions and conversions work done.

**EXHIBIT 4.1**  
**Main Types of Renovations:**  
**Average Proportion of Total Business**

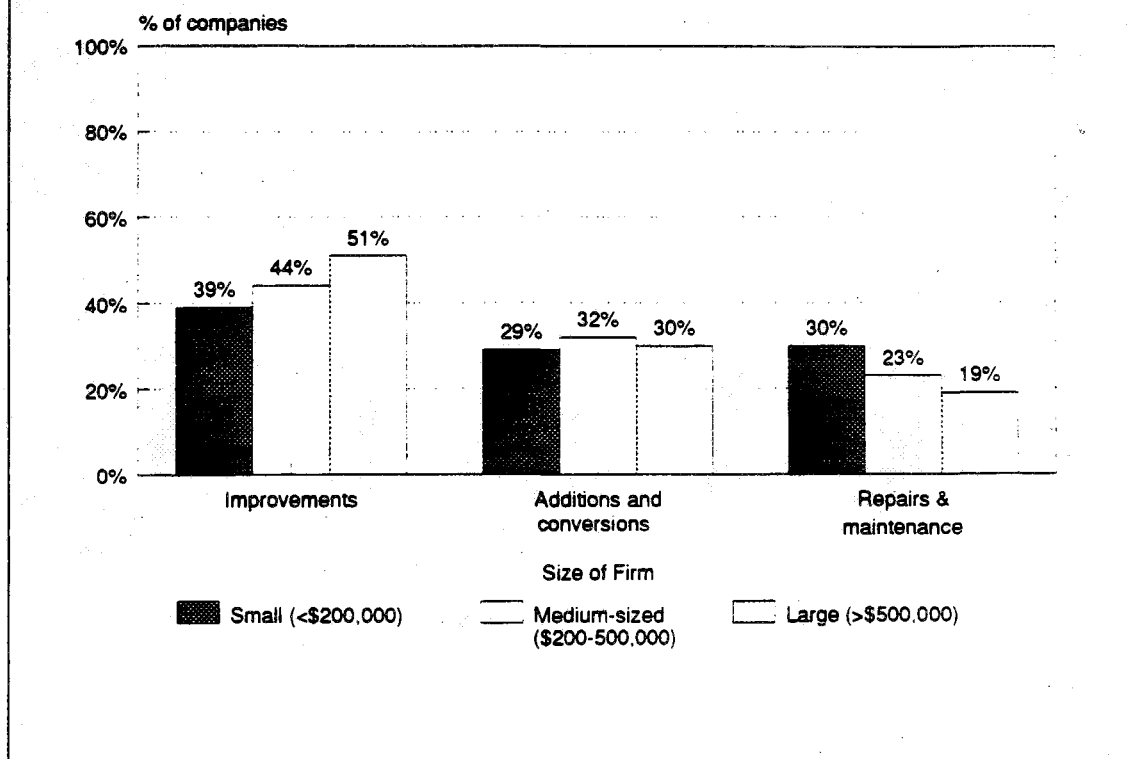


**EXHIBIT 4.2**  
**Main Types of Renovations:**  
**Full-time versus Part-time Renovators**

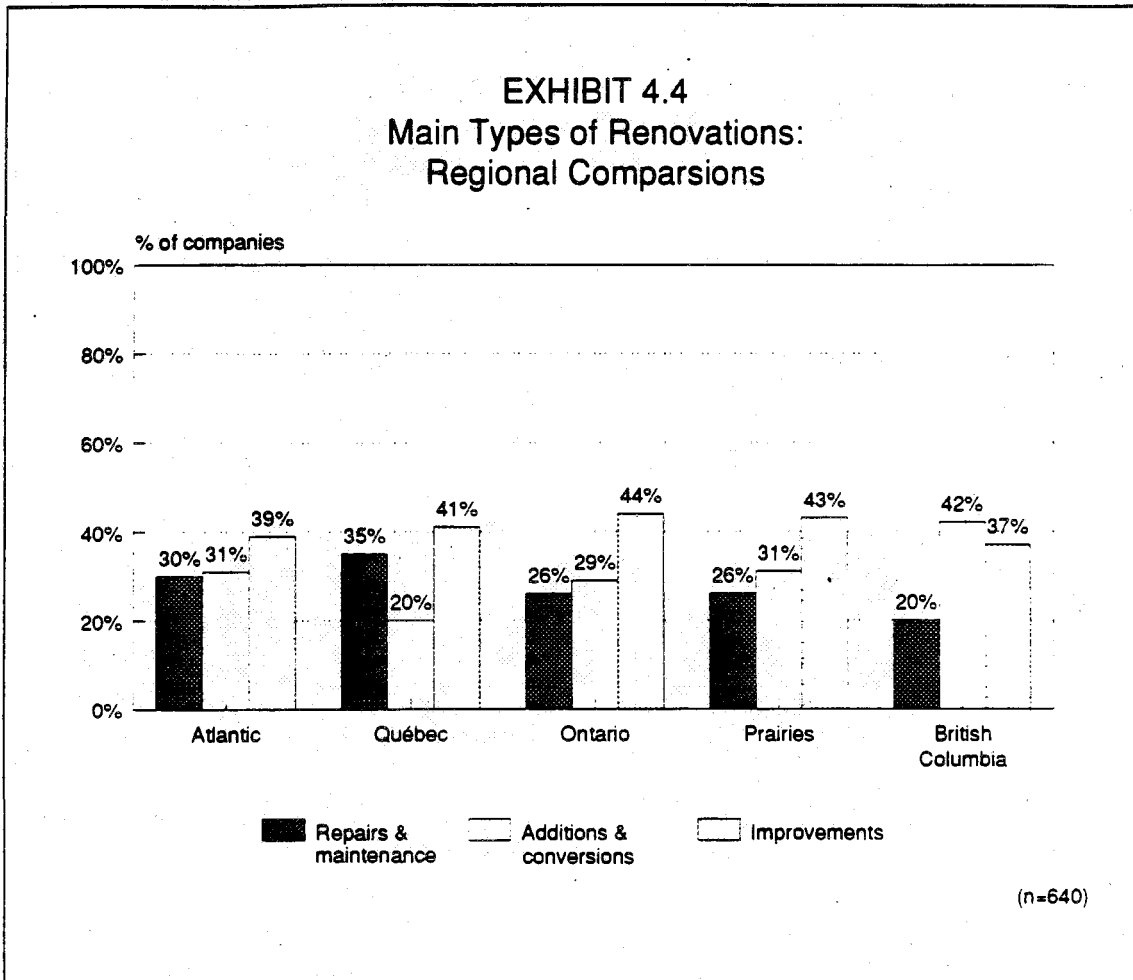




**EXHIBIT 4.3**  
**Main Types of Renovations:**  
**Comparisons among Different-Sized Firms**

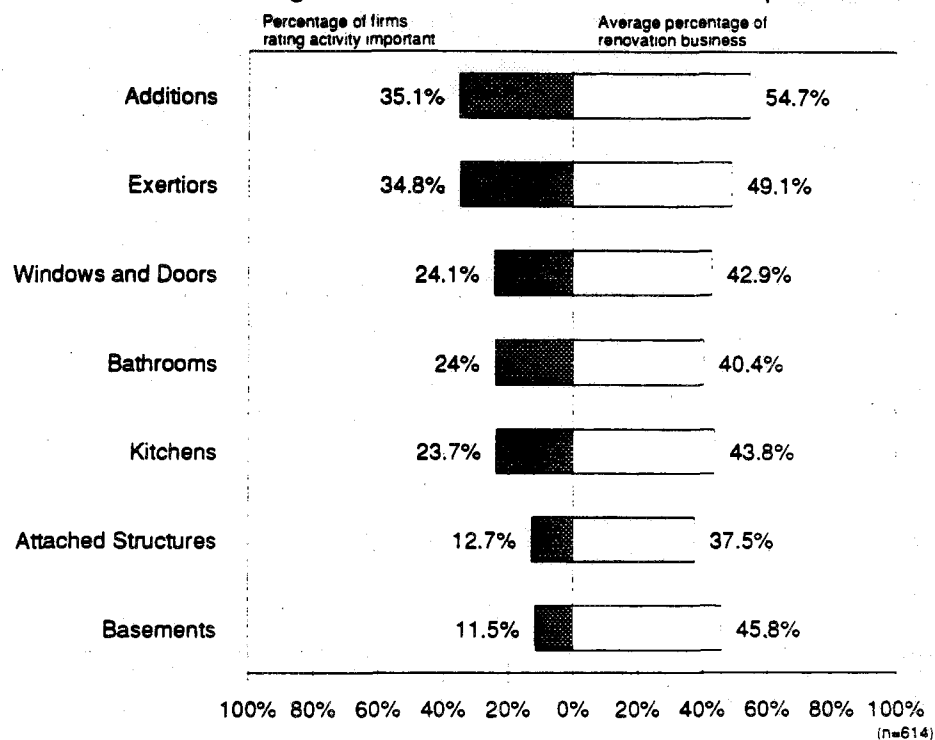


There are some regional differences in the types of renovation work carried out. For example, compared to firms in other parts of the country, a greater proportion of the total renovation revenues of Québec companies is derived from repairs, maintenance and restoration work and a smaller proportion of revenues come from additions and conversions. In contrast, a greater proportion of revenues for B.C. companies is derived from additions and conversions and a smaller proportion of revenues comes from repairs, maintenance and restoration work. There are no significant differences among the regions in the ratio of improvements to total renovation business. Exhibit 4.4 displays these differences.

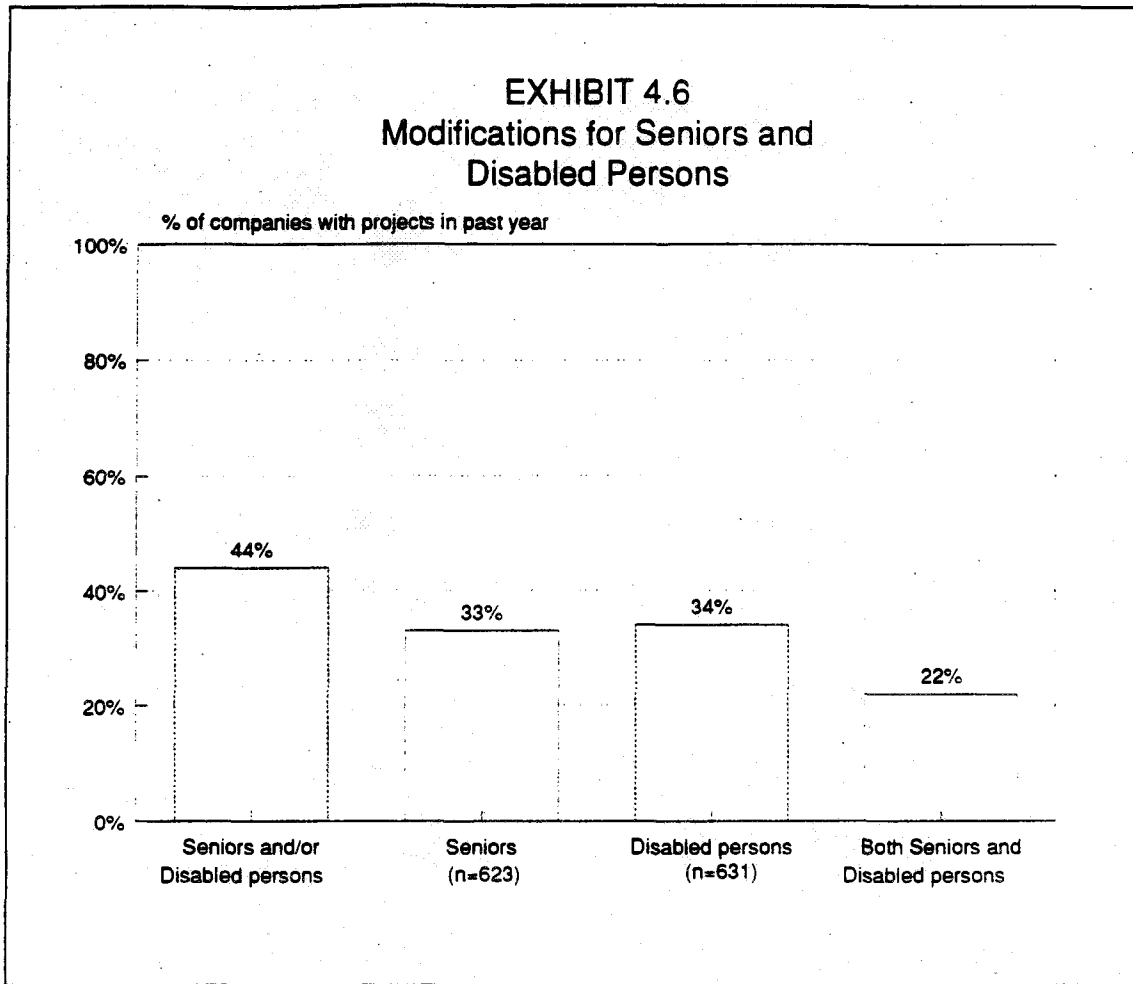


These three broad categories of renovation work can be more precisely specified. Respondents were asked to indicate the two most important types of renovation work done by their business. A follow-up question asked respondents to indicate what percentage of their renovation business was represented by each of their two most important types of renovations. Exhibit 4.5 displays the percentage of firms which rated each of the types of work as one of their two most important types of renovation. Exhibit 4.5 also presents the average percentage of renovation business by type of work for those firms reporting the type of work as one of their two most important.

**EXHIBIT 4.5**  
**The Most Important Types of Renovation Work**  
**and the Percentage of Renovation Business it Represents**



A growing niche in the renovation market is modifications for disabled persons and renovations to meet the needs of seniors. About one in five (22 per cent) have done modifications for both disabled persons and seniors and 44 per cent have worked on at least one of these types of projects. About one third of the firms surveyed have done this type of work in the past year: 34 per cent did modifications for disabled persons and 33 per cent did for adaptations for seniors. Exhibit 4.6 presents these figures. Full-time renovators and mid-size firms are more likely to have done these types of renovations.



On average, renovators worked on about 65 renovation projects in the past year. Half of those surveyed worked on less than 20 projects throughout the year and 20 per cent worked on five or fewer projects. Not surprisingly, there is a positive relationship between renovation revenues and the number of renovation projects completed; the larger the company (in terms of renovation revenue) the more projects they reported completing over the last year. Exhibit 4.7 presents the reported differences. Similarly, full-time renovators completed more projects than part-time renovators: 86 versus 39.

**EXHIBIT 4.7**  
**Number of Renovation Projects**

<b>Size of Firm</b>	<b>Average Number of Projects</b>
Less than \$200,000	24
\$200,000 - \$500,000	66
More than \$500,000	255
Overall	65



## CHAPTER

## 5

**HUMAN RESOURCES AND  
TRAINING**

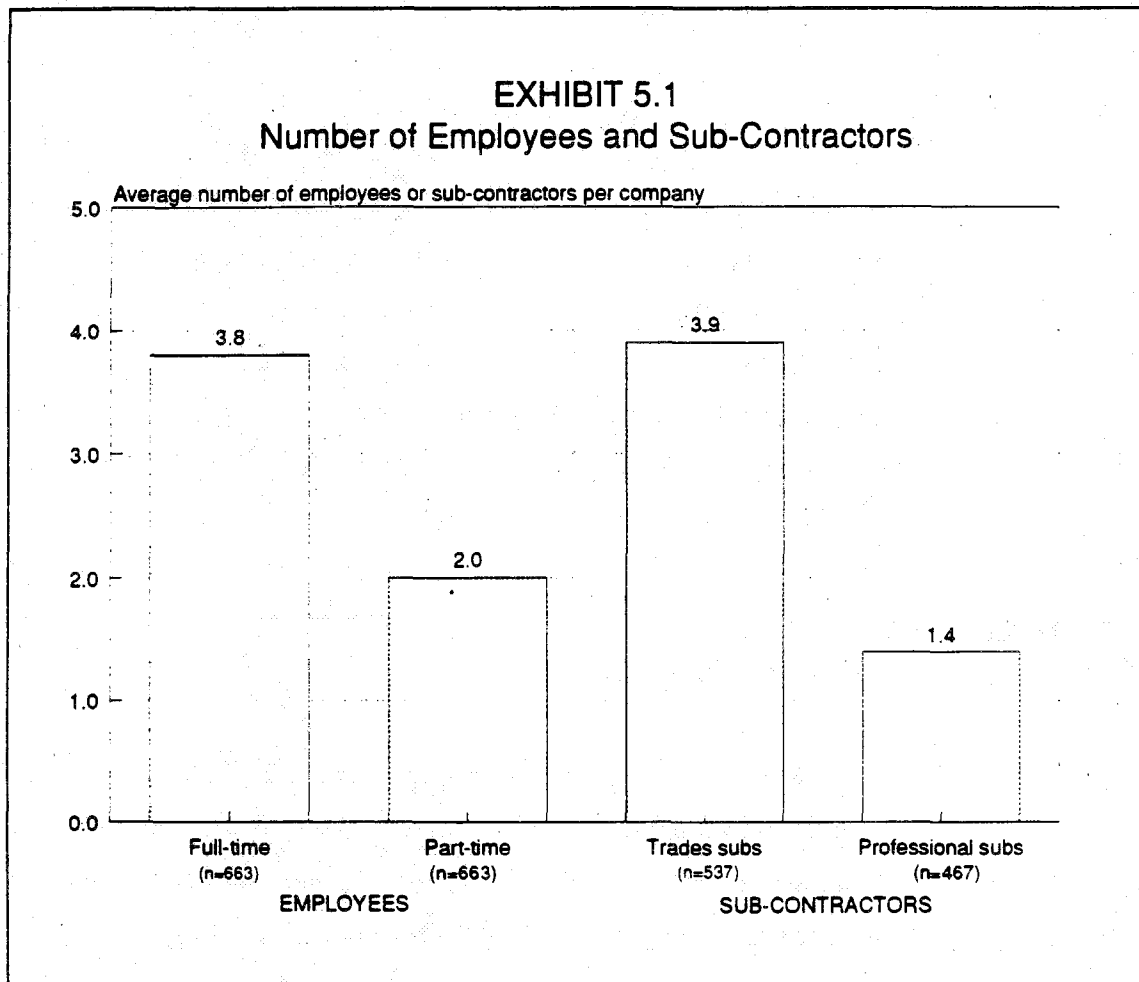
In this chapter, survey findings pertaining to human resources and training issues for renovation companies are presented. Results on companies' staffing characteristics and problems, their training activities and expenditures, and their problems and priorities regarding staff training are covered. In addition, significant variations in the survey findings for different types of renovators are highlighted: for instance, companies from different regions, of different sizes in terms of revenues, and focusing on different types of renovation work.

**5.1 Staffing Profile**

This first section provides a descriptive profile of renovation companies, including: the number and types of staff; the extent of use of sub-contractors; job roles of employees; educational requirements for employees and sub-contractors; and problems companies have had in finding suitably skilled workers.

## Company Employees

Of all the companies surveyed, 85 per cent had at least one employee; the remaining 15 per cent had no employees — these companies consisted only of the owner/operator. On average, the companies had about four (3.8) full-time employees and two part-time employees (see Exhibit 5.1).





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In terms of the composition of full-time and part-time employees, the survey sample of companies breaks down as follows:

- 43 per cent of the companies had both full-time and part-time employees;
- 25 per cent had full-time employees only;
- 17 per cent had part-time employees only; and
- the remaining 15 per cent had no employees.

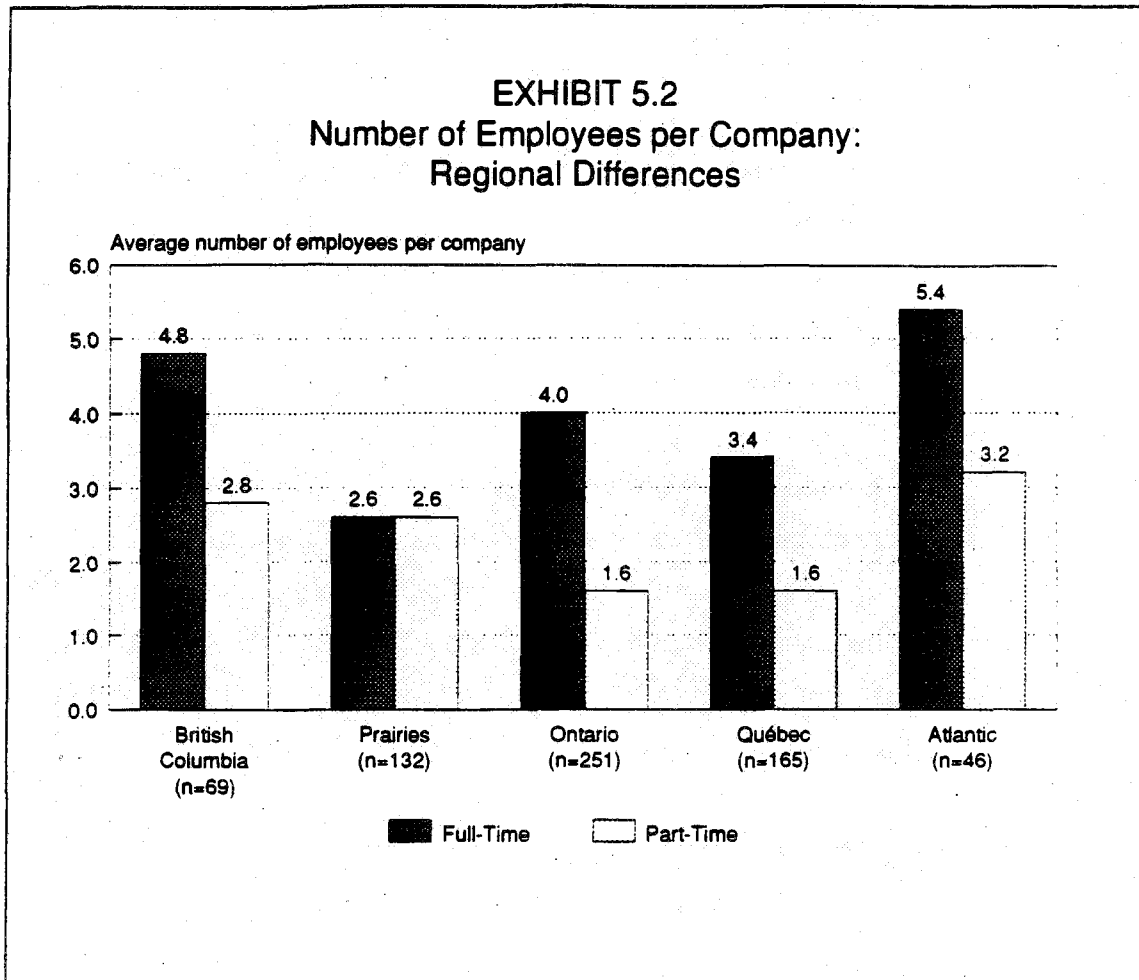
Exhibit 5.2 illustrates some regional differences in the number of employees per company. On average, the companies in the Atlantic region employed the highest number of both full-time (5.4) and part-time (3.2) staff. Companies in the Prairies had the smallest number of full-time employees (2.6), while the smallest number of part-time employees were found in companies in Ontario and Québec (an average of 1.6 part-time employees per company in each region).

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### *Use of Sub-Contractors*

Companies had been using the same trades sub-contractors (e.g., electricians, plumbers) for an average of 6.8 years; 29 per cent had been using the same sub-contractors for three years or less, and 86 per cent had been using them for 10 years or less. On average, these sub-contractors assigned about four (3.9) trades workers to jobs (see Exhibit 5.1).

The utilization of trades sub-contractors varies somewhat for companies specializing in different types of renovation work. For instance, companies specializing in bathroom renovations used a comparatively small number of sub-contracted workers for jobs (2.3) and had been using the same sub-contractors for a relatively short time (4.4 years). In contrast, companies focusing on exterior renovations used an average of 3.2 sub-contracted workers for jobs and had been using the same trades sub-

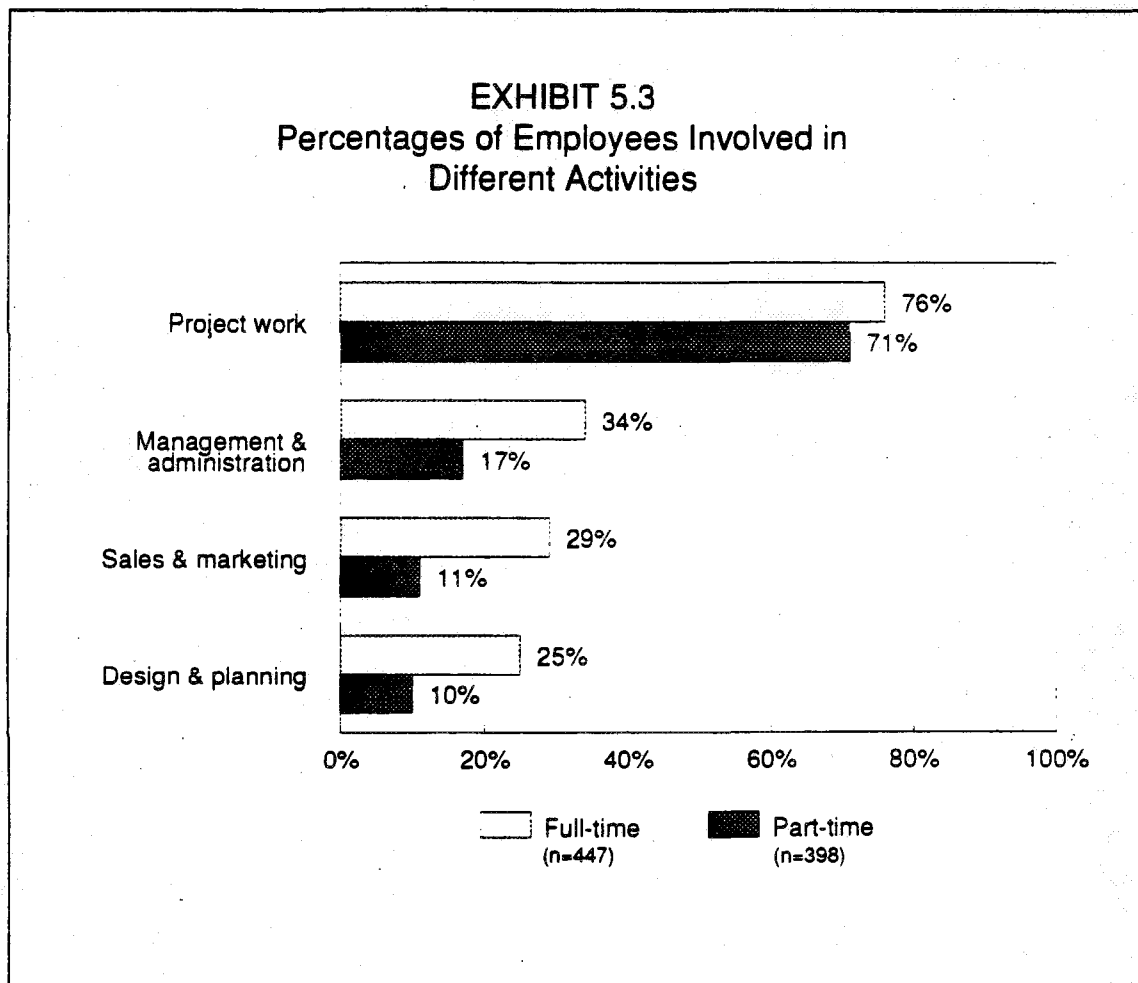


contractors for the longest time — an average of 7.6 years. Also, companies specializing in additions used a comparatively large number of workers (4.3) and had been using the same sub-contractors for 6.2 years.

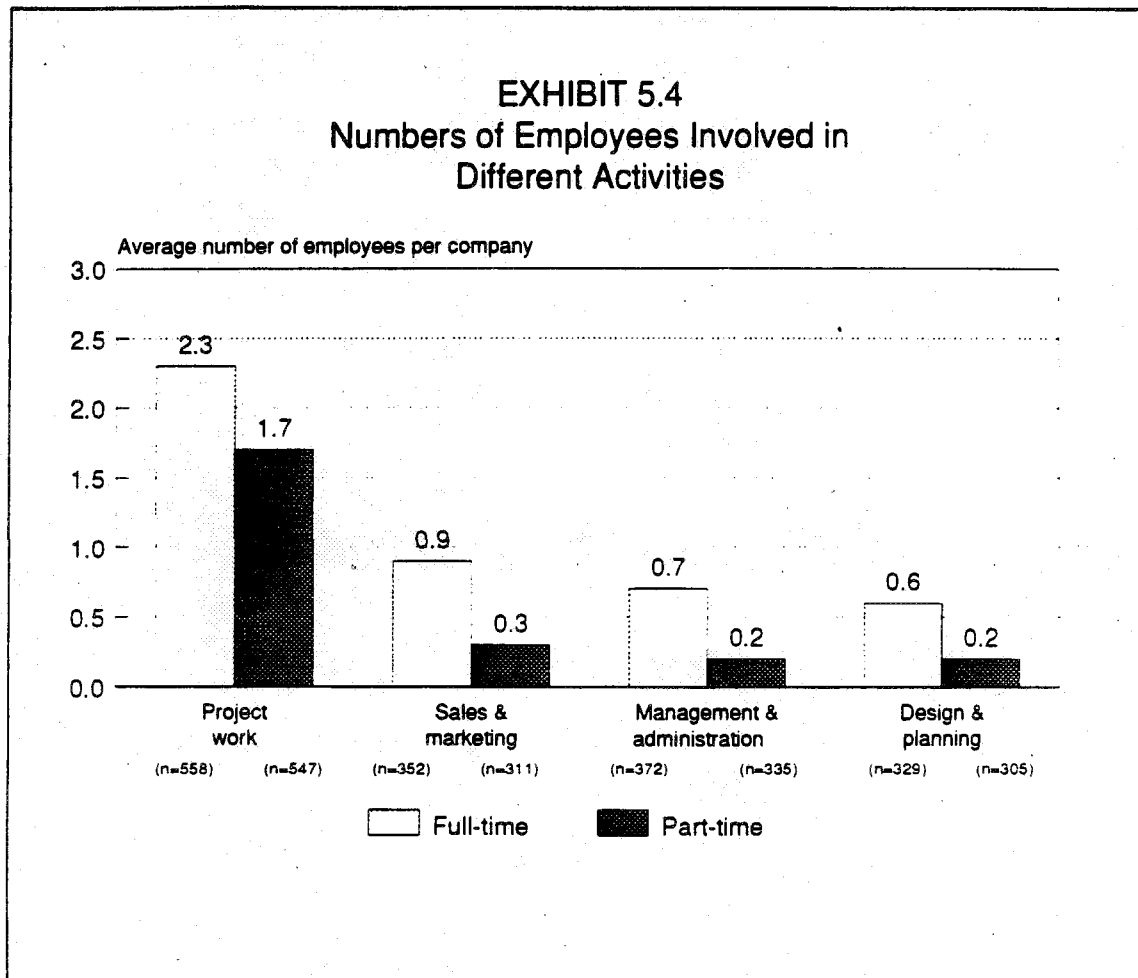
Companies contracted an average of 1.4 professional sub-contractors on a regular basis for their business. The companies had been using the same professional sub-contractors, such as accountants and lawyers, for an average of 8.2 years; 21 per cent had been using the same sub-contractors for three years or less, and 60 per cent had been using them for between three and 10 years.

## *Role of Employees*

Not surprisingly, company employees were involved principally with renovation project work: 76 per cent of employees for companies with full-time staff and 71 per cent for companies with part-time staff. Exhibit 5.3 presents the proportion of employees involved with different company activities. This analysis is based on the percentage of employees involved in the activity; it is not an analysis of time spent on different activities.

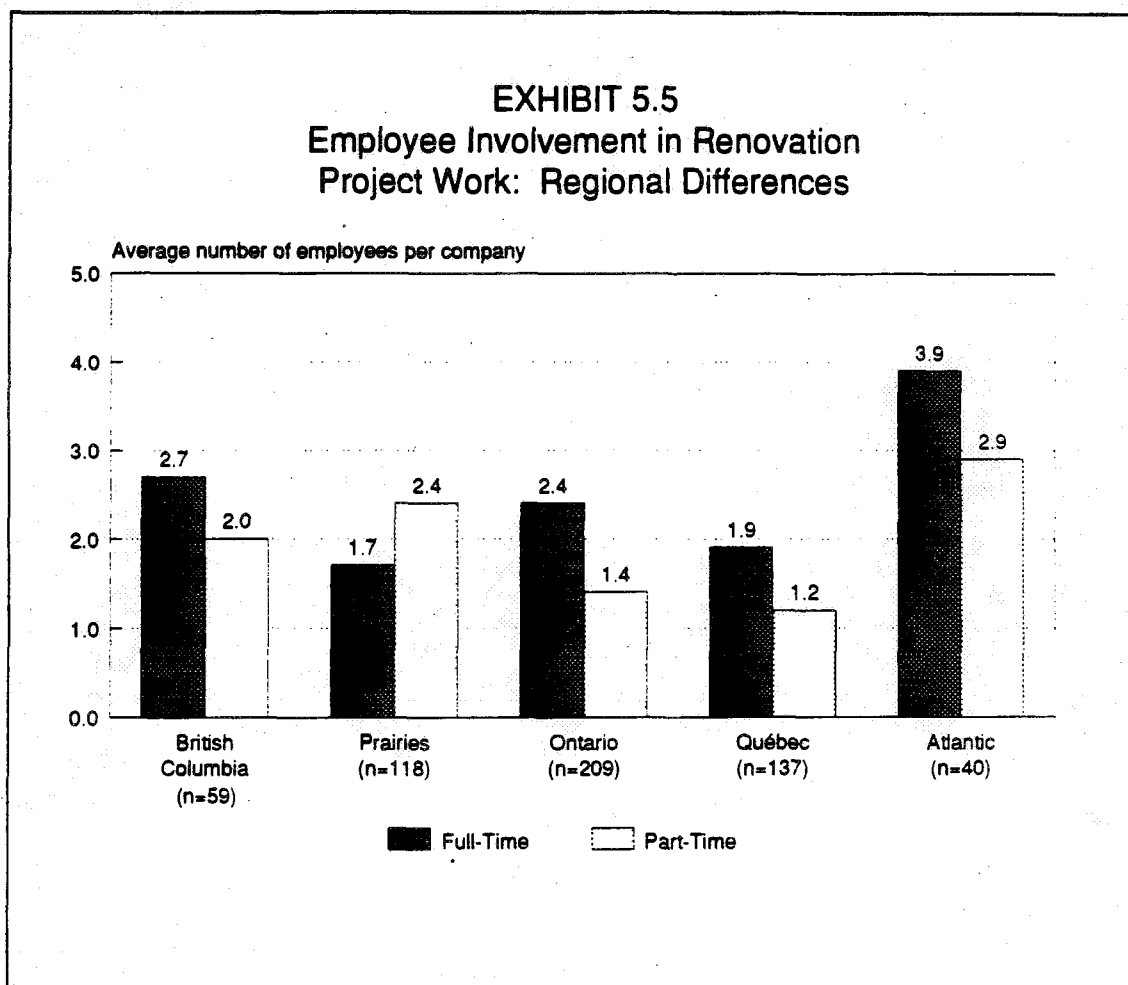


The same trend was observed when we examined the number of employees involved in different company activities. As illustrated in Exhibit 5.4, renovation project work involved the most employees — an average of 2.3 full-time employees and 1.7 part-time employees.



For almost half (45 per cent) of the companies with employees, the staff worked exclusively on renovation project work. Exhibit 5.5 presents the number of employees devoted to renovation work in companies in the various regions of the country. Again, companies in the Atlantic region had the most full-time (3.9) and part-time (2.9) employees. The fewest full-time employees working on renovation projects

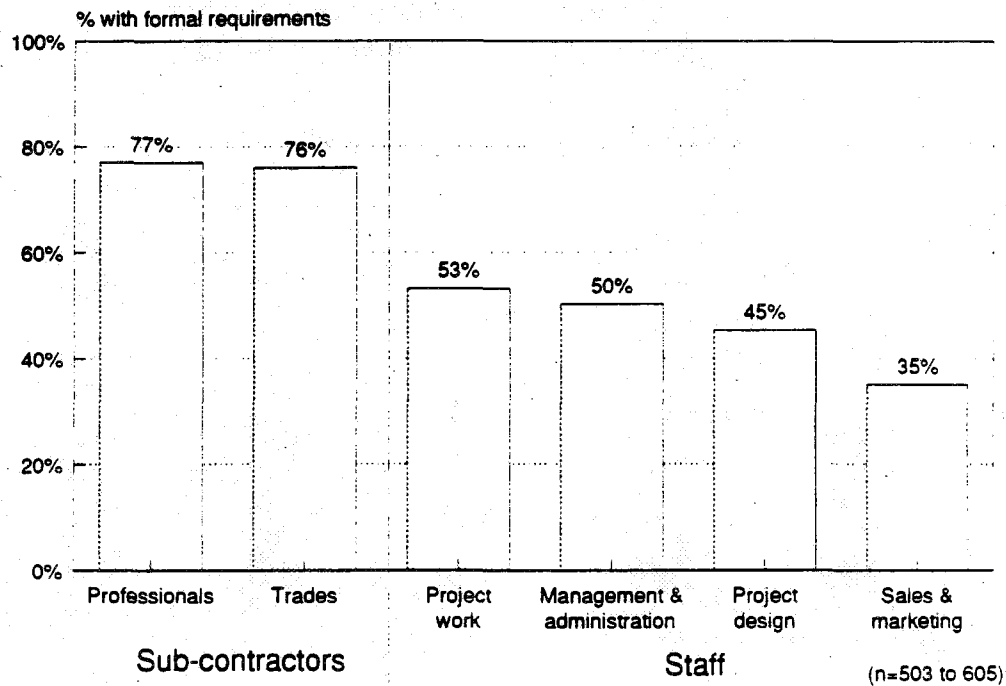
were found in companies in the Prairies (an average of 1.7 employees), and the fewest part-time employees were in Québec companies (an average of 1.2 employees).



### ***Formal Education and Training Qualifications***

In the survey, companies were asked if they require any formal education and training qualifications of both their employees and workers supplied by their sub-contractors. As illustrated in Exhibit 5.6, such educational requirements were more common in the case of sub-contractors (for approximately three-quarters of companies) than employees (for one half or fewer companies) for various types of work.

**EXHIBIT 5.6**  
**Requirements for Formal Qualifications:**  
**Staff and Sub-Contractors**



Educational requirements for employees vary for companies in different regions of the country. In particular, companies in the Atlantic region are most likely to require formal educational or training qualifications of their employees, whereas those in the Prairies are least likely (see Exhibit 5.7). For instance, 63 per cent of the Atlantic companies indicated having such requirements for their employees doing renovation project work, compared to just 40 per cent of those in the Prairies.

**EXHIBIT 5.7**  
**Requirements for Formal Staff Qualifications:**  
**Regional Differences**

	British Columbia (n=53-61)	Prairies (n=101- 120)	Ontario (n=190- 218)	Québec (n=121- 150)	Atlantic (n=33-40)
Project work	57	40	51	61	63
Management and administration	52	34	49	58	74
Project design	53	36	44	47	58
Sales and marketing	34	24	40	31	61

In addition, educational requirements for employees vary as a function of the companies' 1992 gross renovation revenues: the greater the renovation revenues, the more likely companies are to have formal educational or training requirements (see Exhibit 5.8). For example, 65 per cent of companies with revenues in excess of \$500,000 required formal qualifications of their employees, compared to just 47 per cent of companies with renovation revenues of less than \$200,000.

**EXHIBIT 5.8**  
**Requirements for Formal Staff Qualifications:**  
**Differences by 1992 Company Renovation Revenues**

	Less than \$200,000 (n=239-281)	\$200,000 to \$500,000 (n=68-82)	More than \$500,000 (n=72-78)
Project work	47	60	65
Management and administration	42	49	71
Project design	36	46	71
Sales and marketing	28	32	63

Note: Figures represent the percentage of respondents from companies having the specified 1992 renovation revenues who indicated that their employees require formal education and training qualifications to work in each area.

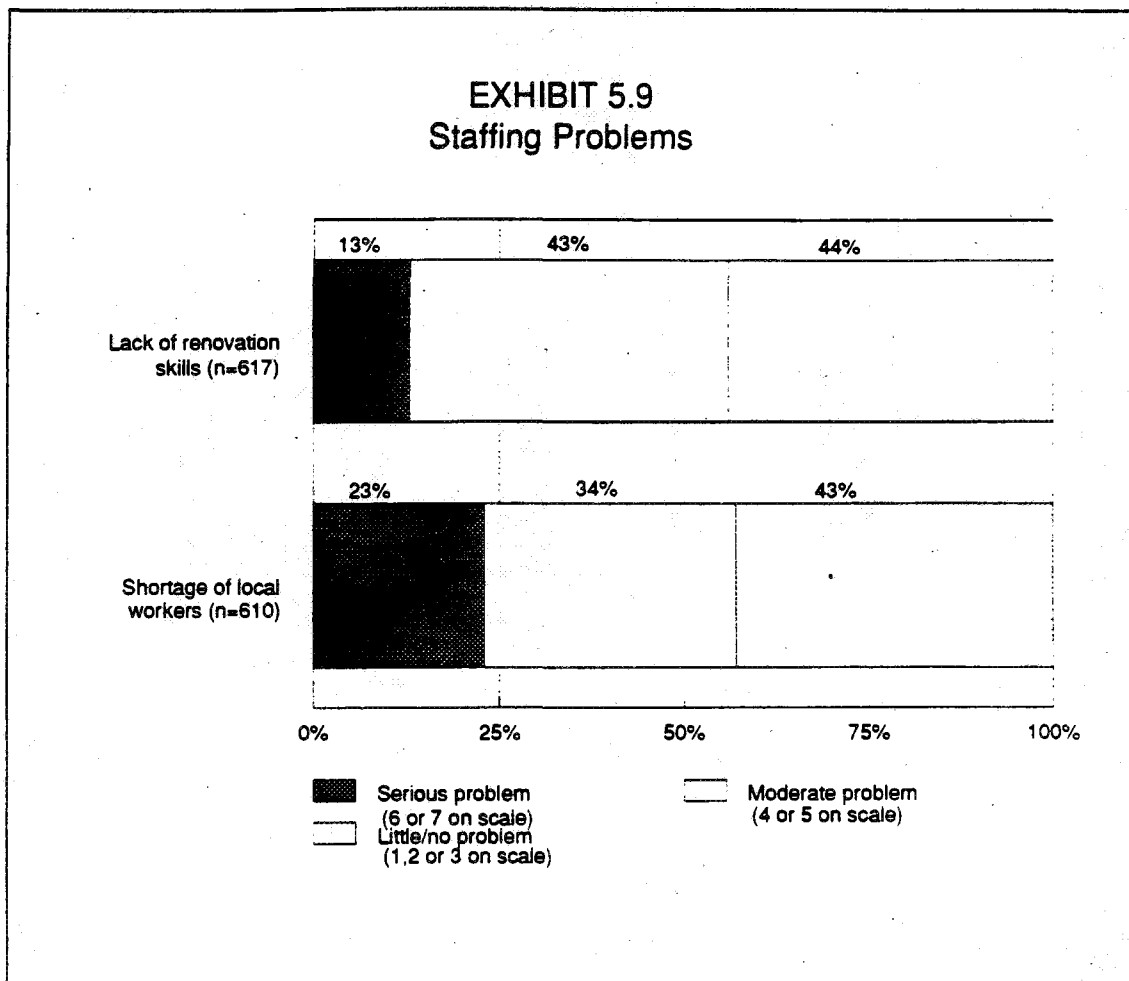
### *Staffing Problems*

The companies were asked about two problems which they may have experienced in searching for suitable employees or sub-contractors: a shortage of skilled workers in the local market, and a shortage of skilled workers who do not understand the nature of renovation work (e.g., how it differs from other construction work). A majority of renovators reported that both of these are at least a moderate problem. These problems, particularly the difficulty of finding workers who understand renovation work, were reinforced in the focus group discussions. The statistical results are summarized in Exhibit 5.9. About one-quarter (23 per cent) of respondents indicated that a shortage of skilled workers in the local labour market presents a serious staffing problem for their company; 34 per cent regarded this as only a moderate problem. Perceived as somewhat less serious was the problem of skilled workers *not* understanding renovation work: just 13 per cent of the companies indicated that this is a serious problem, with 43 per cent rating it as a moderate problem.

Perceptions of the seriousness of these two problems vary from one region to another (see Exhibit 5.10). Both a shortage of local skilled labour and a lack of renovation skills were regarded as a moderate to serious problem by a very high proportion of companies in British Columbia (72 per cent and 70 per cent, respectively), and by fewer companies in Québec (47 per cent and 41 per cent, respectively).

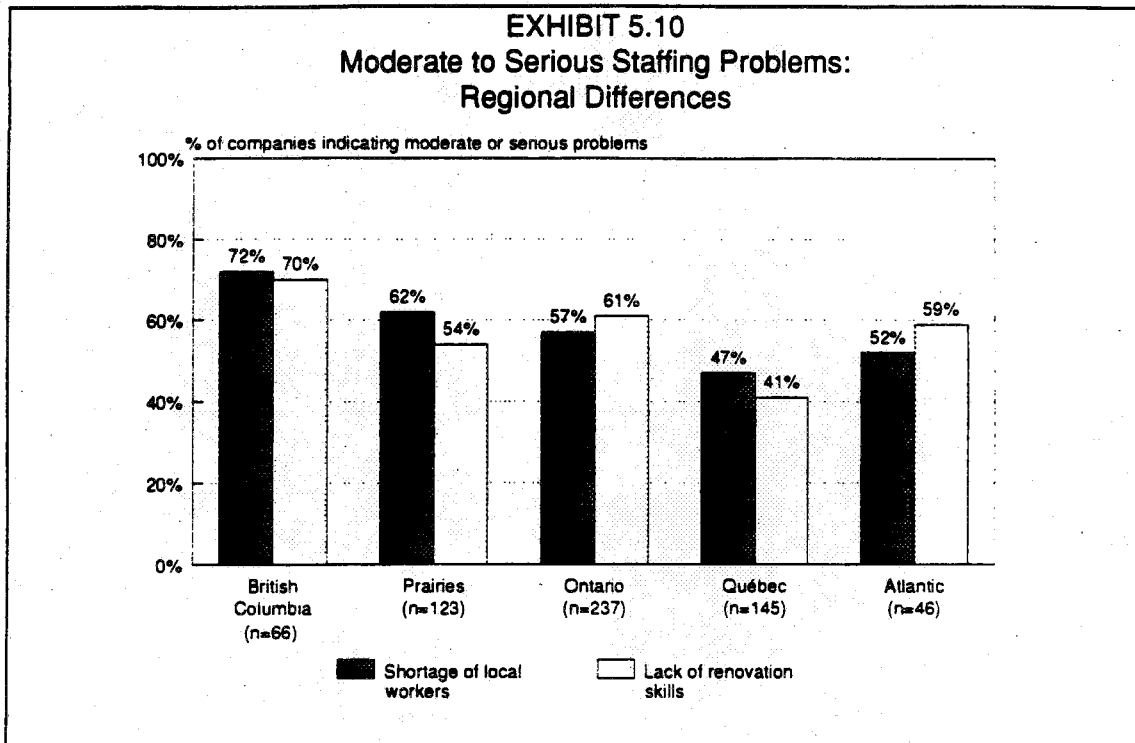


**EXHIBIT 5.9**  
**Staffing Problems**



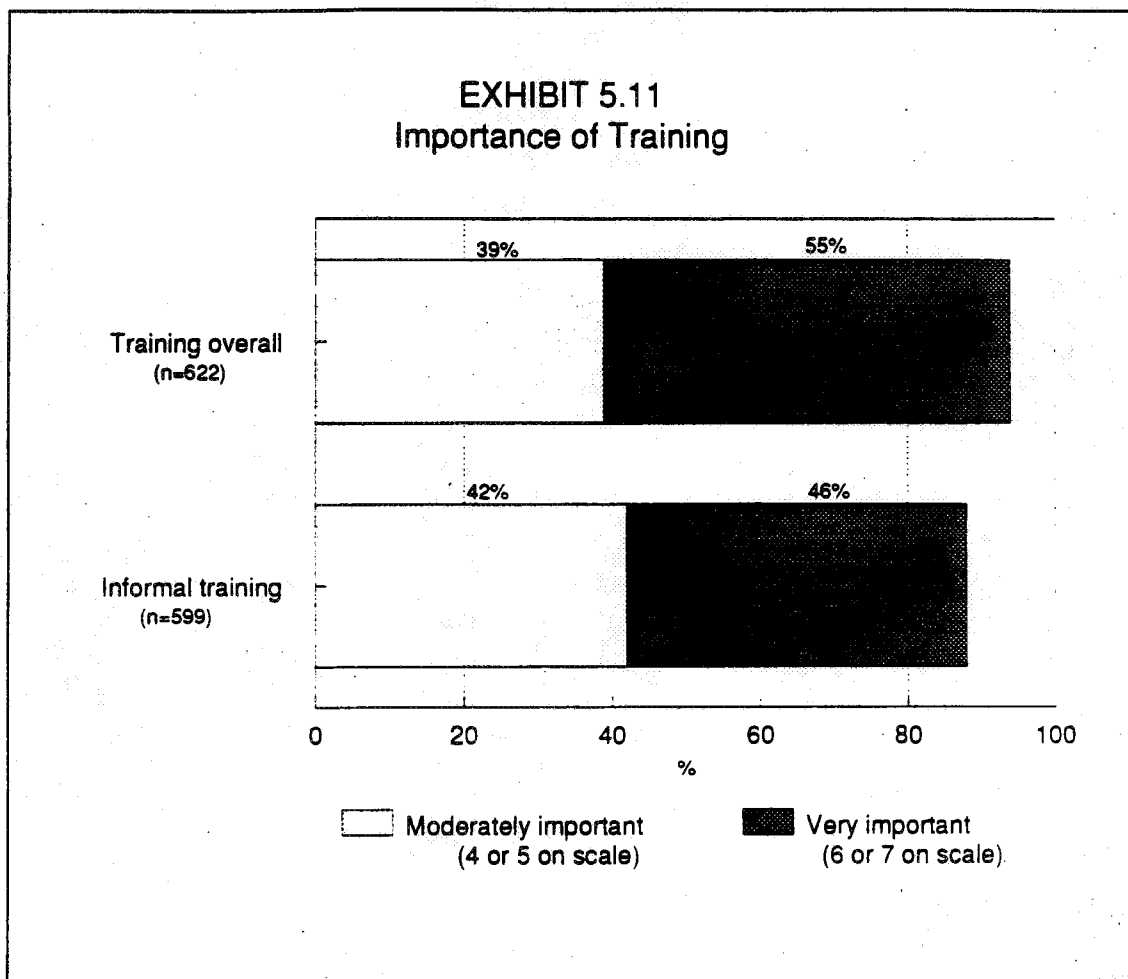
## 5.2 Perceived Importance of Training

In this section, renovation companies' attitudes toward and involvement in staff training are described. Training was regarded as important by the vast majority of companies in the survey (see Exhibit 5.11). When asked to rate the overall importance of training to the success of their company, 55 per cent of respondents indicated that training is very important, and 39 per cent regarded it as moderately important. Informal training — training that is less structured than formal courses and typically provided on the job by another staff person on an "as needed" basis — was similarly viewed as important for upgrading employees' job skills. Almost half (46 per



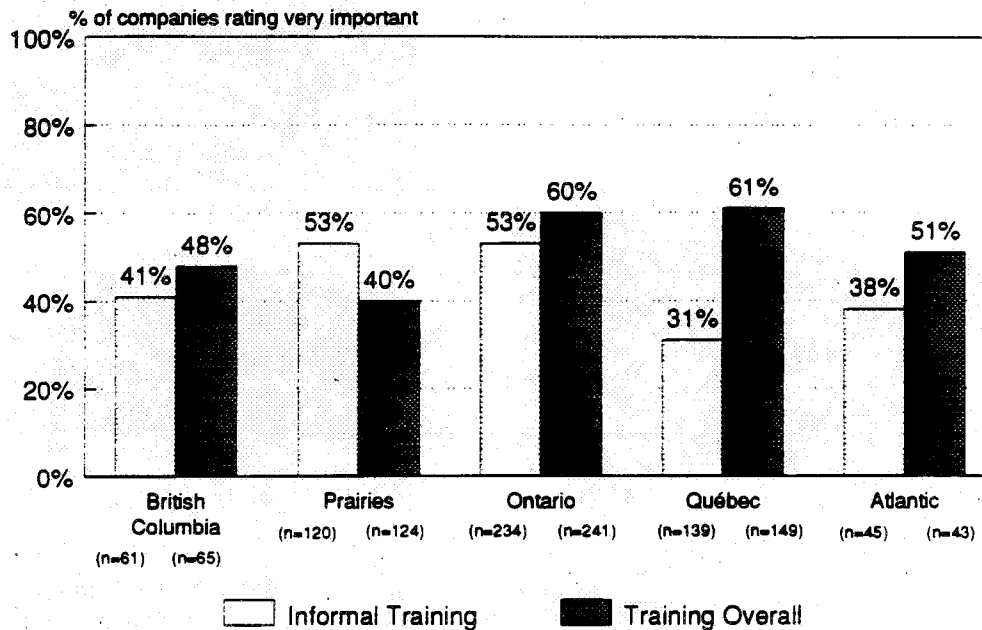
cent) of respondents rated informal training as very important, with 42 per cent regarding it as moderately important.

Views on the importance of training vary significantly from one region to another. As can be seen in Exhibit 5.12, over half of the companies in Ontario regarded both informal training and training overall as very important (53 per cent and 60 per cent, respectively). Québec companies are unique in that a comparatively high proportion (61 per cent) of respondents regarded training as very important overall, but a comparatively low proportion (31 per cent) saw the merits of informal training. Conversely, in the Prairies, a comparatively high proportion (53 per cent) of respondents viewed informal training as very important, whereas comparatively few (40 per cent) rated training as very important overall for the success of their company.



Overall, 60 per cent of respondents felt that their company would be able to meet all of its training needs for the coming year using informal methods only. Again, views varied across regions. Respondents in the Atlantic region had noticeably less faith in informal training (only 32 per cent) than those in all other regions (between 51 per cent and 66 per cent). This suggests that Atlantic companies feel a particularly strong need for formal training.

**EXHIBIT 5.12**  
**Importance of Training:**  
**Regional Differences**

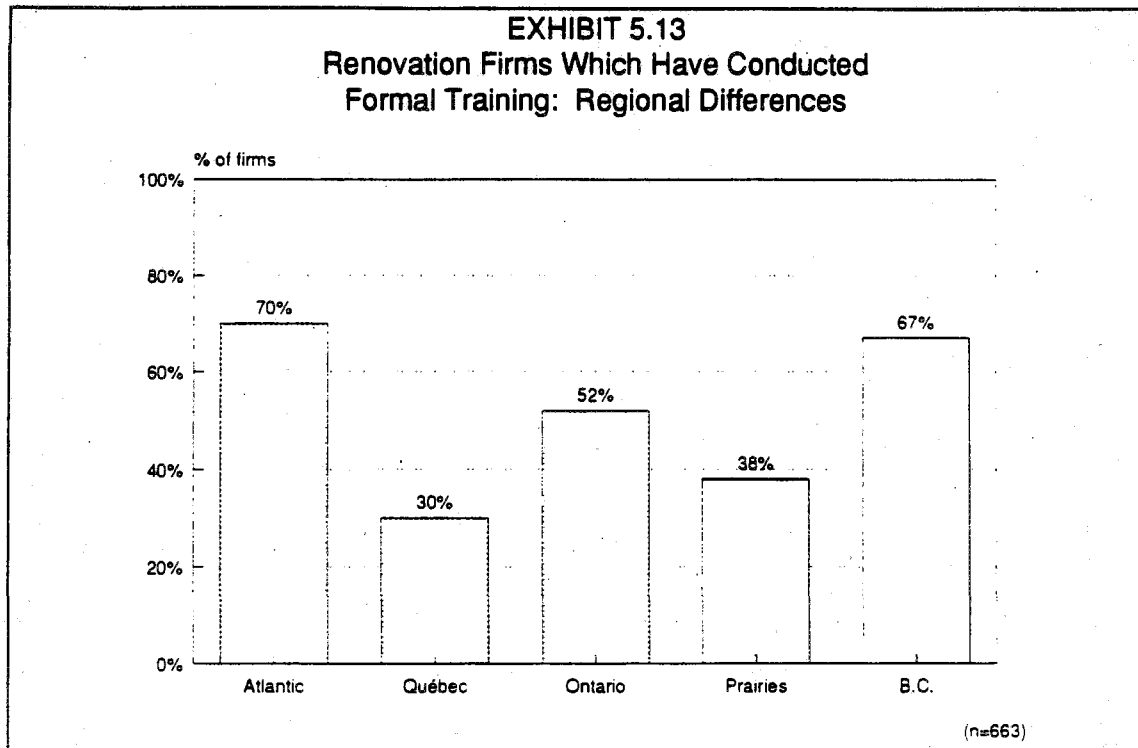


### 5.3 Training Activity Profile

#### *Percentage of Companies Training*

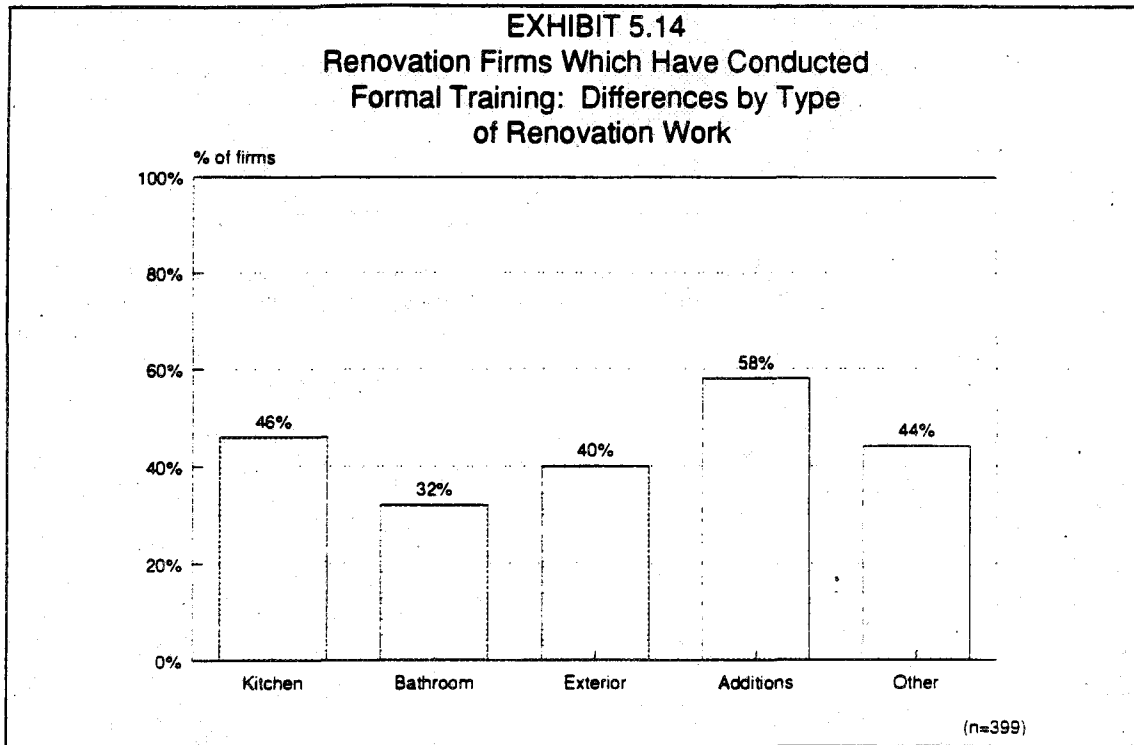
The survey findings indicate that there has been substantial training activity in the renovation industry in the past two years. Almost half (46 per cent) of the survey respondents indicated having undertaken some formal training in the past two years. Specifically, 40 per cent indicated having some training for themselves (i.e., owner-operators) and 29 per cent indicated providing some training for employees.

As illustrated in Exhibit 5.13, firms in the Atlantic region and B.C. were much more likely to have undertaken formal training over the last two years while Québec was the least likely.



Larger firms were more likely to have undertaken training. Of those firms with more than \$500,000 in renovation revenue, 69 per cent conducted formal training, compared to 55 per cent of those firms with between \$200,000 and \$500,000 in renovation revenue and only 42 per cent of those with under \$200,000 in renovation revenue.

Renovators specializing in additions were the most likely to have undertaken formal training while firms specializing in kitchen renovations were the least likely. Exhibit 5.14 presents these differences.



### *Numbers of Renovators Trained*

On average, the companies had provided formal training for 2.5 renovators and renovation workers (either themselves or their employees) in the past two years. As would be expected, the number of staff trained increases for larger revenue companies. Companies with 1992 renovation revenues in excess of \$500,000 trained an average of 4.3 people during the past two years, compared to 2.5 for companies with renovation revenues between \$200,000 and \$500,000, and 1.7 staff for companies with less than \$200,000 in renovation revenues.

Overall, for those firms which have conducted formal training, an average of 40 per cent of employees (including owner/operators, full-time and part-time employees), received formal training of some kind in the last 24 months. Although the larger companies provided training to more people — there is evidence that many also train sub-contractors — proportionally, the smaller companies trained

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a higher proportion of people in the company. About half of the people (53 per cent) in companies with less than \$200,000 in renovation revenues, received formal training, compared to one-third of those from companies with between \$200,000 and \$500,000 in renovation revenues and only one-fifth (17 per cent) of those from companies with over \$500,000 in renovation revenues.

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### *Types of Training*

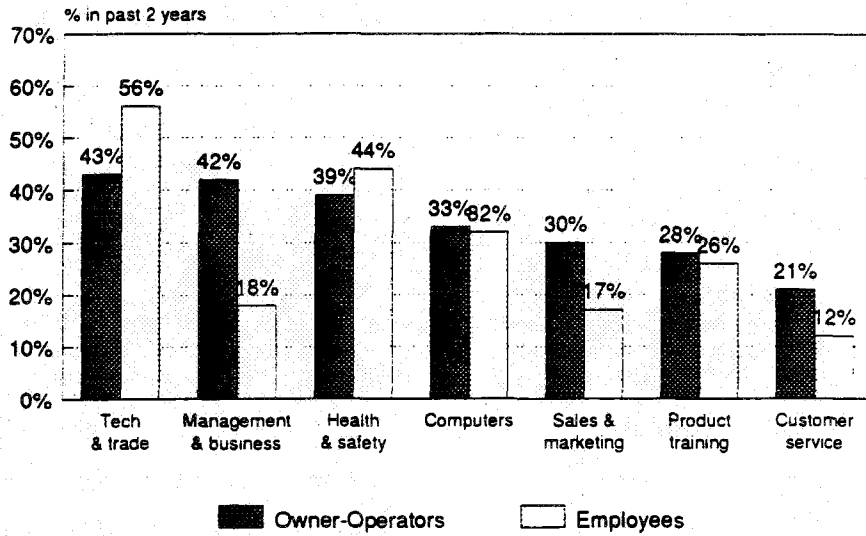
Exhibit 5.15 presents the types of formal training which the companies provided both to the owner/operator and the employees. For those companies which provided formal training, the most common topics for owners/operators were: technical and trade courses (43 per cent of companies); business and management (42 per cent); occupational health and safety (39 per cent); and computers (33 per cent). For the employees, the most common topics were similar: technical and trade courses (56 per cent); occupational health and safety (44 per cent); and computers (32 per cent). For both owner-operators and employees, there has been relatively little emphasis on training in customer service and client relations (21 per cent and 12 per cent, respectively).

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### *Time Spent in Formal Training*

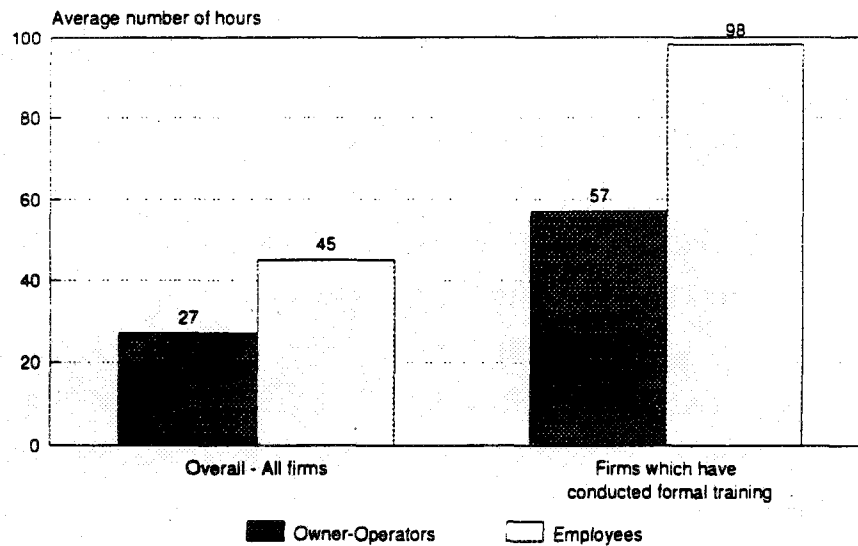
Overall, in the past two years company owner-operators had received an average of 27 hours of formal training, and employees a notably higher average of 45 hours. For firms which have undertaken formal training over the last two years, owner-operators had received an average of 57 hours of formal training and employees an average of 98 hours. Exhibit 5.16 presents the average time spent on formal training over the last two years.

**EXHIBIT 5.15**  
**Percentage of Companies with Staff**  
**Taking Various Types of Training**



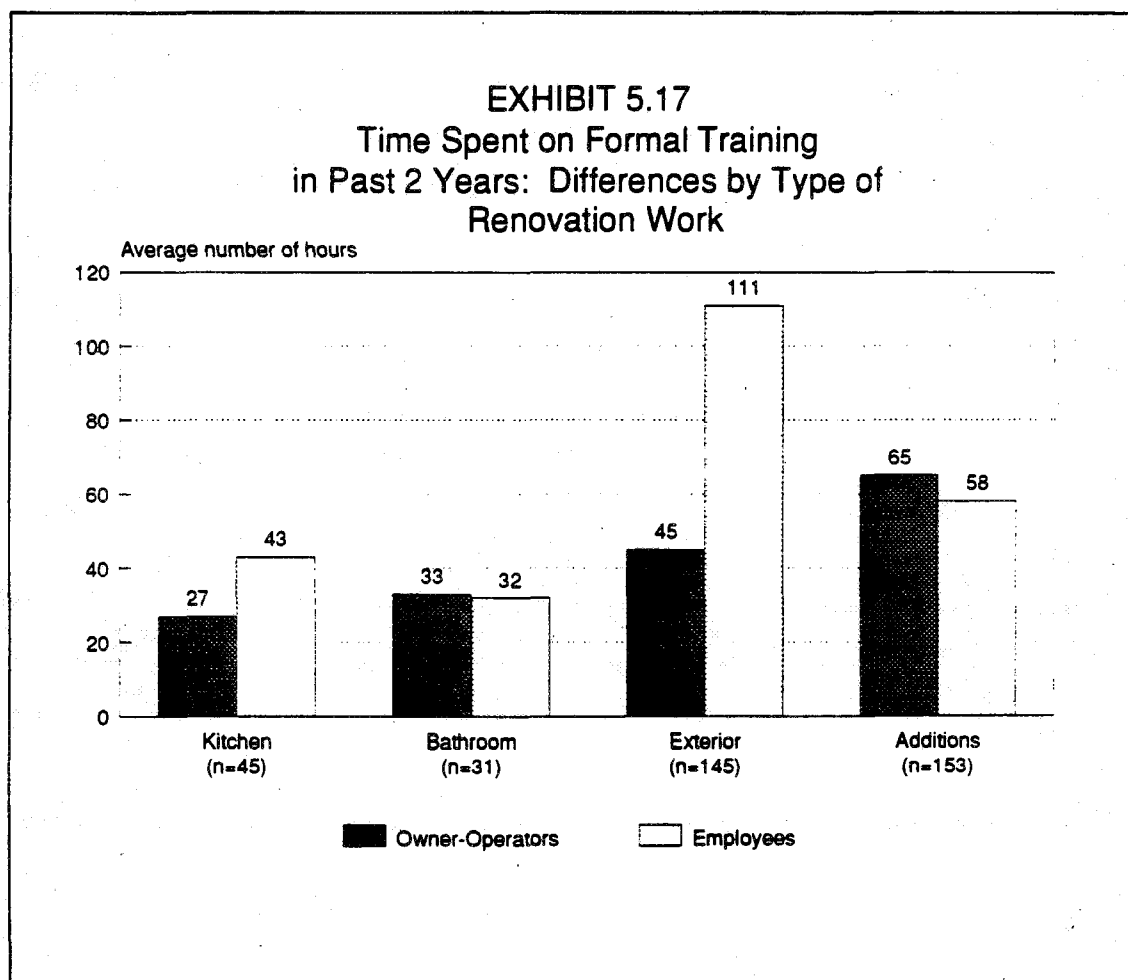
(n=639)

**EXHIBIT 5.16**  
**Time Spent on Formal Training**  
**in Past 2 Years**





For the firms which have undertaken formal training, the time devoted to training varies as a function of companies' major type of renovation work. As indicated in Exhibit 5.17, the average number of training hours is particularly high for owner-operators of companies specializing in additions: 65 hours. Owner-operators of companies doing kitchen renovations have been getting the least training: an average of 27 hours. Training for employees is most extensive in companies specializing in exterior work (111 hours).



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### *Training Costs*

The cost of formal training (i.e., tuition fees and expenses) over the past two years, for those companies which have participated in formal training, amounted to an average of \$768 for company owner-operators and \$1,002 for employees.

Training expenditures differed depending on the major type of renovation work done by companies (see Exhibit 5.18). Of those firms which have undertaken formal training, average training expenditures for owner-operators were greatest in the additions areas (\$804), and lowest in bathroom renovations (\$389). Average training expenditures for employees were the greatest for the firms specializing in exterior renovations (\$715).

**EXHIBIT 5.18**  
**Expenditures on Formal Training in Past 2 Years:**  
**Differences by Major Type of Renovation Work**

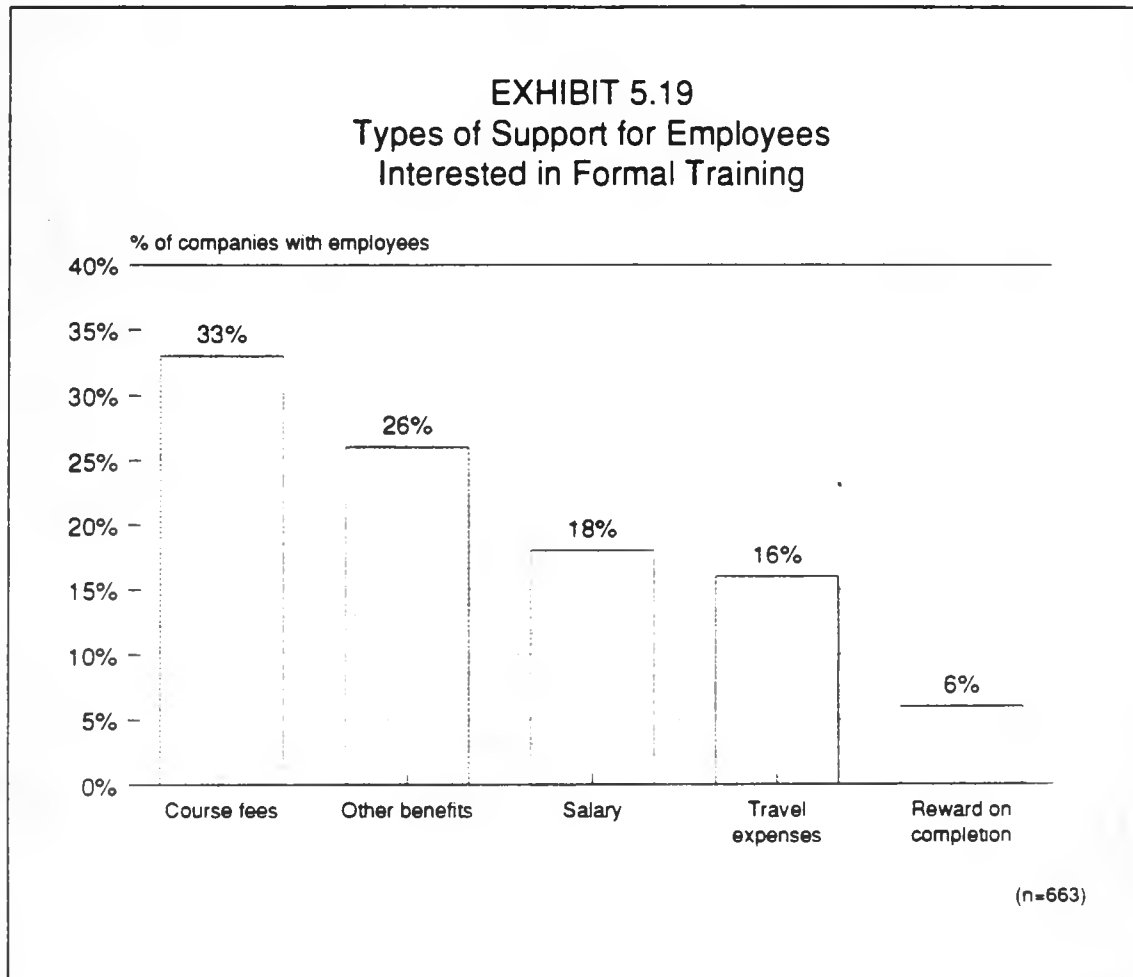
Renovation Work	Average Cost for Owner/Operator	Average Cost for Employees
Kitchen (n=43)	\$513	\$622
Bathroom (n=30)	\$389	\$395
Exterior (n=141)	\$537	\$715
Additions (n=147)	\$804	\$600

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### *Support for Training*

In the survey, companies were asked to specify what (if any) support they provide for employees who need and are interested in formal training. Their responses are summarized in Exhibit 5.19. The major types of support were the payment of course fees (33 per cent of companies) and the provision of non-financial

benefits for successfully completing a course — such as a promotion or increased job security or responsibility (26 per cent).



## 5.4 Training Problems, Preferences and Priorities

In this final section, renovators' perceptions on barriers to staff training, as well as their preferences and priorities for training are addressed. The survey results indicate that the major barrier from the perspective of companies is cost — both direct training costs and lost production time while staff are on training. A major priority for future courses is training in customer service, an area which has not been

given much attention to date. Most renovators expressed a preference for courses which are short (less than 30 hours) in duration and delivered by industrial trainers or in-house staff. In addition, they prefer variety and flexibility in approaches to training — most endorsed training models featuring a combination of formal/structured and informal/unstructured formats, scheduled both during and outside regular working hours, and delivered both at the work site and off site.

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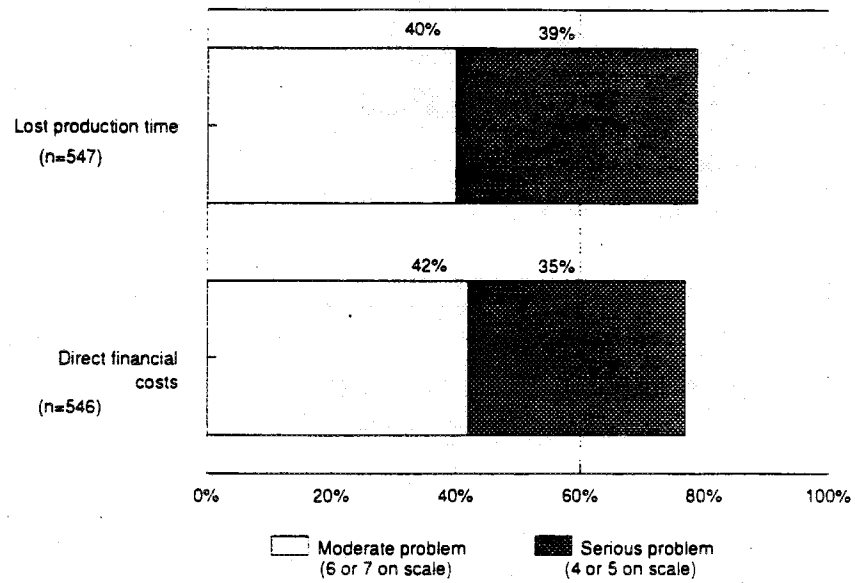
### *Barriers to Training Workers*

Survey respondents were asked a series of questions about factors which might limit the ability of their company to train workers. These potential barriers can be classified as those pertaining to training costs, training infrastructure, and human resources problems related to training. These results are described in this section.

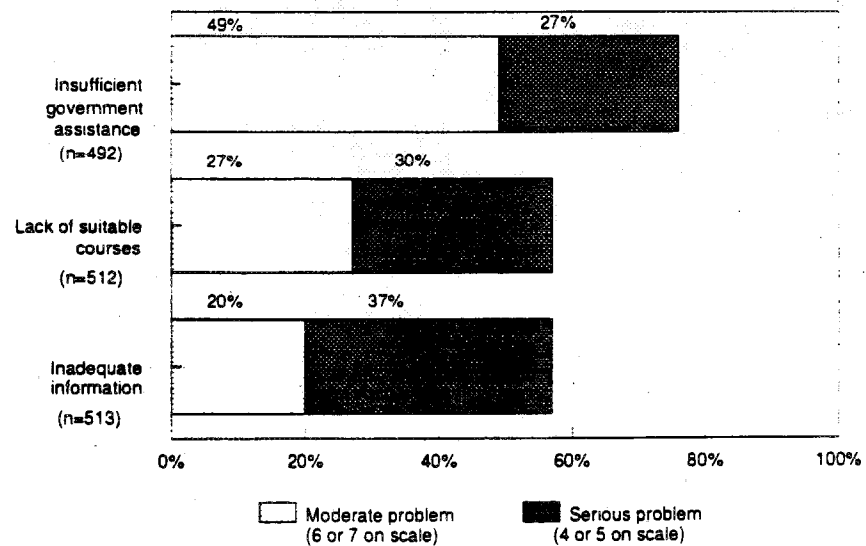
Exhibit 5.20 presents the findings on perceived barriers related to training costs. Both of the factors here — direct financial costs of training and lost production time while staff are on training — were regarded as significant barriers, with over three-quarters of survey respondents rating each as posing moderate to serious problems.

Findings pertaining to the available infrastructure for training are presented in Exhibit 5.21. Of the three factors noted here, insufficient government assistance for training programs was clearly regarded as the most serious barrier; 49 per cent of survey respondents rated this as a serious problem and an additional 27 per cent as a moderate problem.

**EXHIBIT 5.20**  
**Problems for Training Workers: Costs**



**EXHIBIT 5.21**  
**Problems for Training Workers: Infrastructure**



Perceptions on human resources barriers to training are summarized in Exhibit 5.22. A lack of worker interest and commitment and losing employees to other companies at the completion of training ("poaching") were noted as the major barriers, with roughly one-third of respondents rating each factor as a serious problem and an additional one-third rating each as a moderate problem. Perceived as less of a problem was the number of candidates who drop out of courses; only 44 per cent of respondents rated this as a moderate to serious problem.

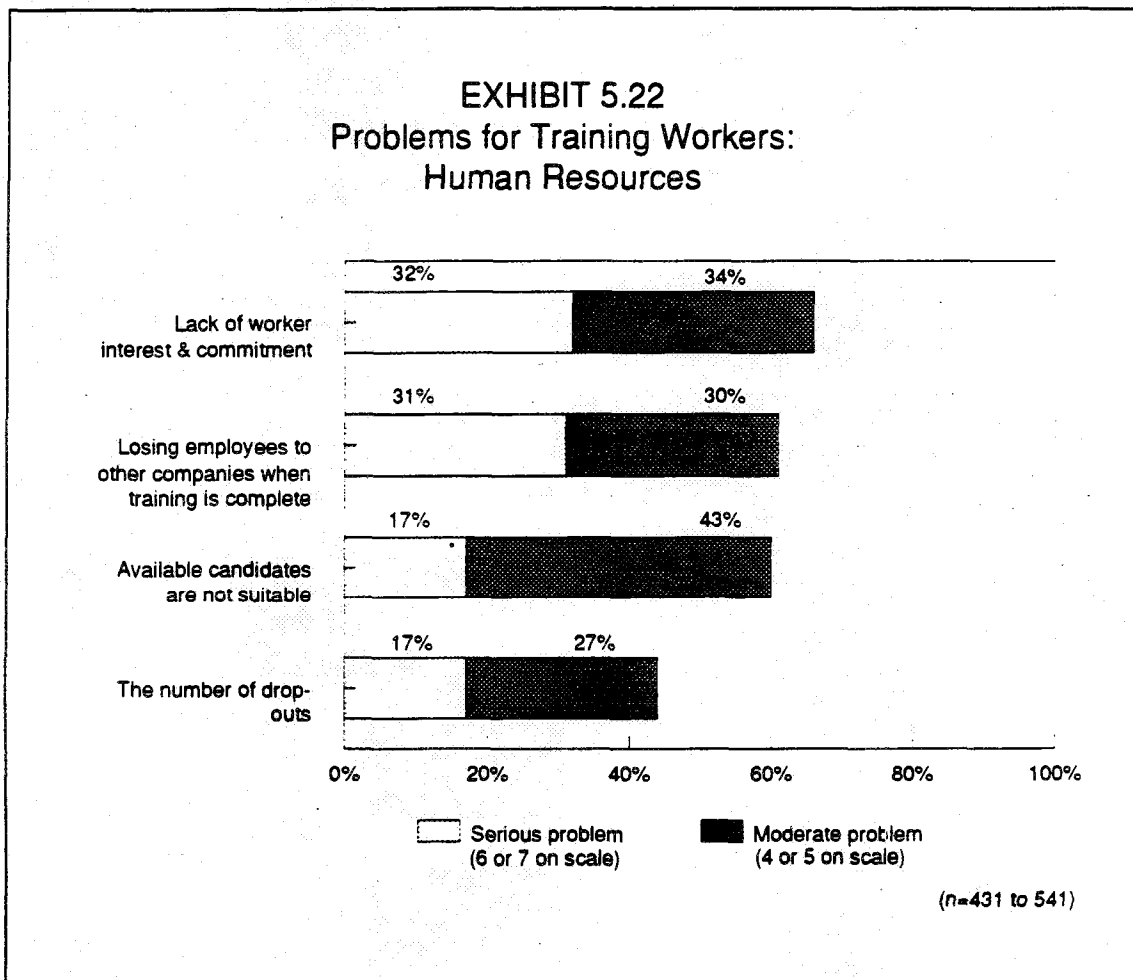
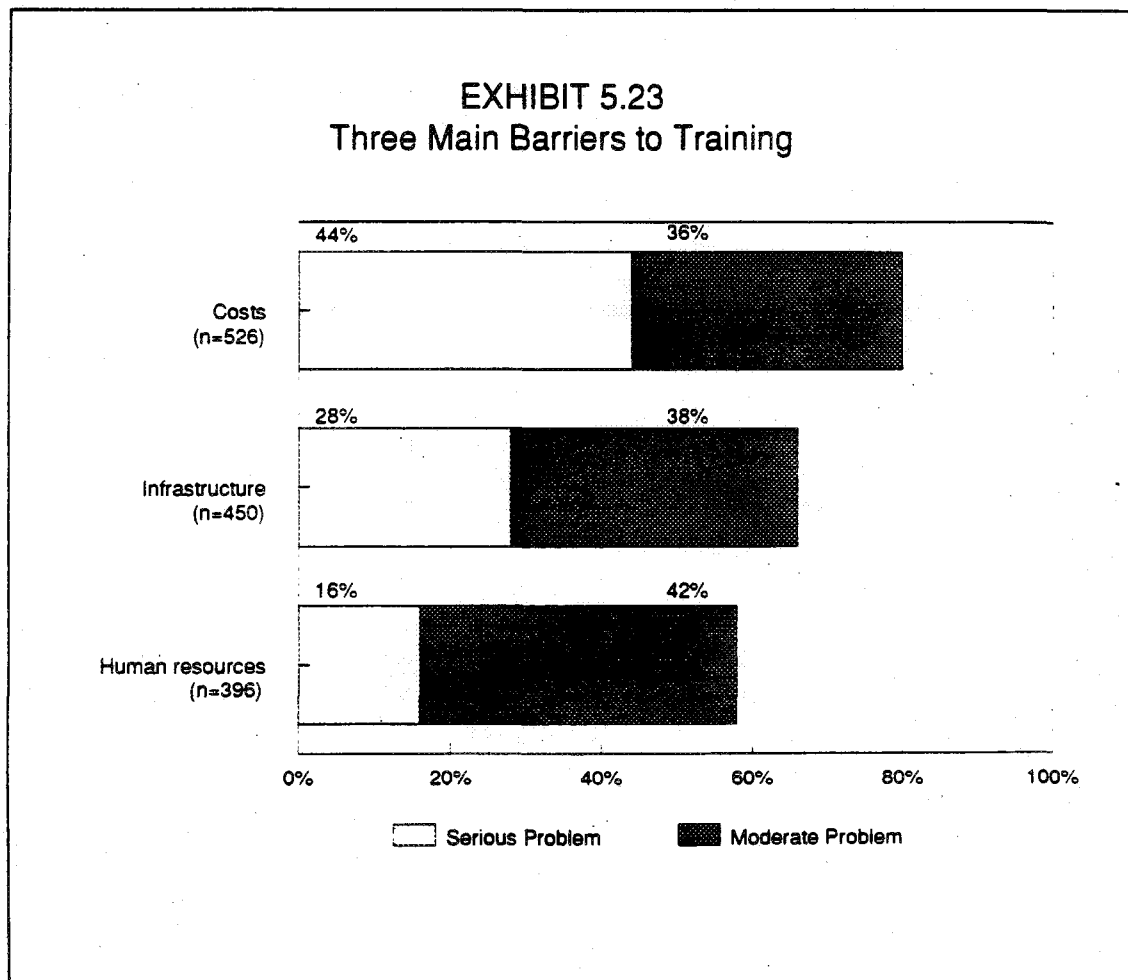


Exhibit 5.23 provides a summary of the findings discussed above. Summary scales<sup>4</sup> were prepared and these were utilized to produce a concise summary of the survey findings on this issue. These results highlight the fact that companies viewed costs as the most significant barrier to training their workers (80 per cent of respondents rated this barrier as being a moderate to serious problem), followed by inadequate infrastructure for training (66 per cent) and human resources problems (58 per cent).



4. The summary scales were additive measures comprised of the component survey items listed for each major barrier to training. Each of the three scales were tested for reliability using a measure called Cronbach's alpha, which ranges from 0 (completely unreliable) to one (completely reliable). The three alpha coefficients were high, ranging from .7 to .8.

Views on some of the individual factors posing problems for staff training vary significantly across regions (see Exhibit 5.24). Three factors — a lack of suitable courses, a lack of worker interest and commitment, and the number of drop-outs from courses — were regarded as moderate to serious problems by a comparatively high proportion of Québec companies (68 per cent, 79 per cent and 64 per cent, respectively), but by relatively few companies in the Prairies (41 per cent, 56 per cent and 28 per cent).

**EXHIBIT 5.24**  
**Moderate to Serious Problems for Training Workers:**  
**Regional Differences**

	British Columbia (N=49-60)	Prairies (N=79-96)	Ontario (N=164- 214)	Québec (N=103- 132)	Atlantic (N=36-42)
Lack of suitable courses	43	41	61	68	64
Lack of worker interest and commitment	69	56	61	79	69
Number of drop-outs	35	28	43	64	42

Note: Figures represent the percentage of respondents in each region who indicated that each factor posed moderate to serious problems for training in their business (i.e., 4, 5, 6 or 7 on the 7-point scale).

In addition, one human resources factor — a lack of worker interest and commitment — was perceived to be less of a barrier for larger revenue companies. Just 18 per cent of companies with renovation revenues in excess of \$500,000 regarded this factor as a serious problem, compared to 24 per cent of companies with renovation revenues between \$200,000 and \$500,000 and 35 per cent of those with renovation revenues under \$200,000.

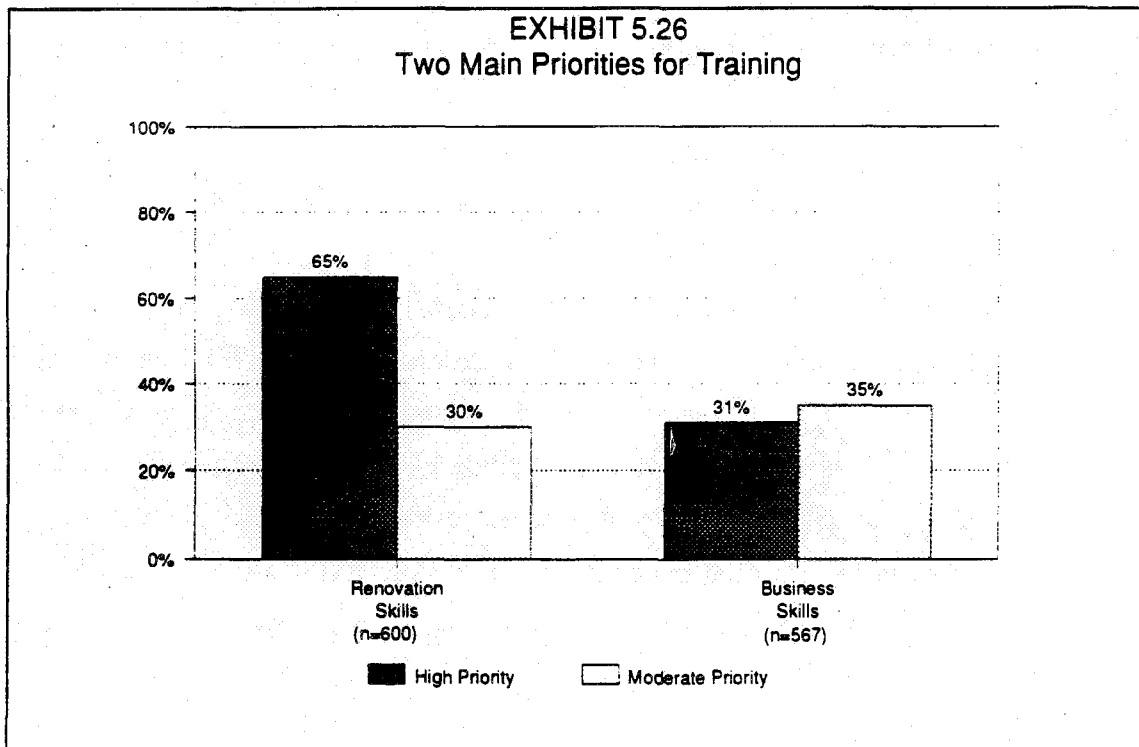
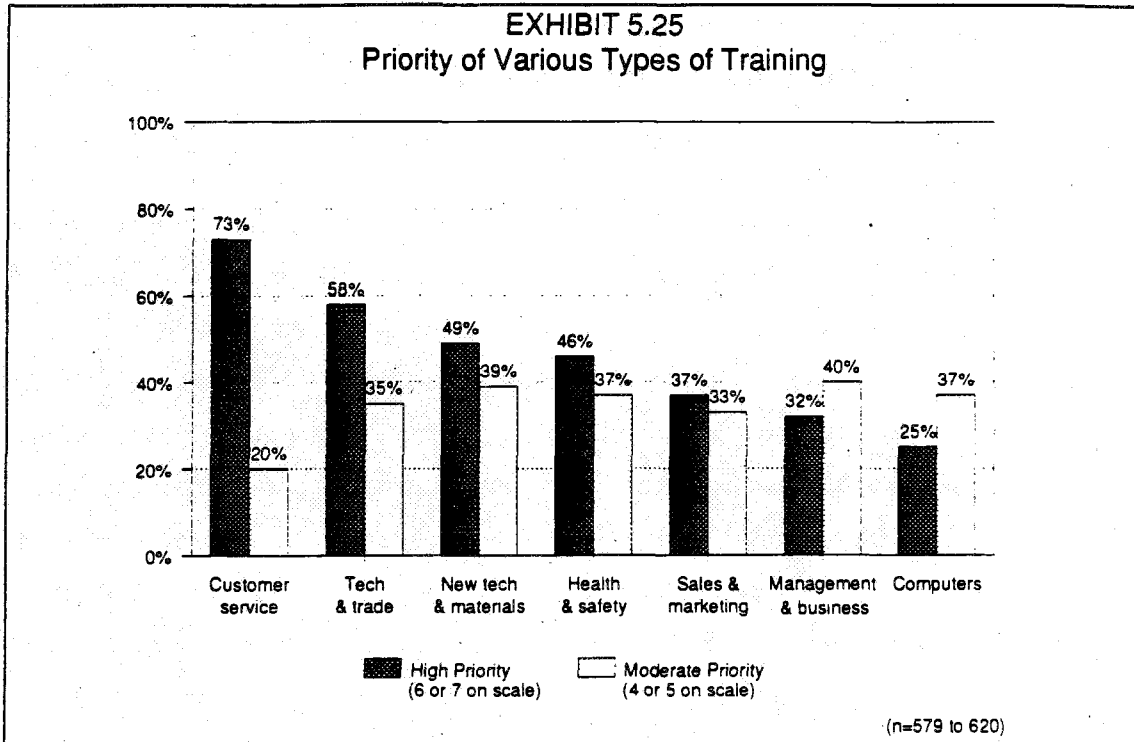


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### *Priorities for Training Renovation Workers*

Exhibit 5.25 presents the findings on companies' priorities for training renovation workers (including themselves as owners/operators). While all of these topics appear to be important to the companies we surveyed, training in client relations and customer satisfaction is clearly the top priority — fully 73 per cent rated this topic as a high priority, with an additional 20 per cent rating it as a moderate priority. Recall that, in the past two years, very few companies had received training in this crucial area (see Exhibit 5.13). Also, the qualitative research showed that many renovators view the lack of customer relations skills as one of the major reasons why workers do not understand renovation work, a significant problem for most companies. In light of these facts, it is not surprising that companies view customer service training as an urgent need. Also rated highly were topics directly related to the renovation trade: technical and trades training and training in new technologies and materials (58 per cent and 49 per cent, respectively) rated these as a high priority.

Summary scales were prepared for the survey results on training priorities. The analysis indicated that four topics were highly inter-related and comprise a distinct factor which has been labelled *renovation skills*: technical and trades, new technologies and materials, occupational health and safety, and client relations and customer satisfaction. In addition, the three remaining topics form a distinct factor which has been called *business skills*: business and management, computers, and sales and marketing. Exhibit 5.26 highlights the fact that training in renovation skills is the top priority, with 65 per cent of companies regarding this area as a high priority. Training in business-related skills is also perceived to be important; 31 per cent of companies rated this area as a high priority, and 35 per cent as a moderate priority.



Some regional variations in training priorities are presented in Exhibit 5.27. Perhaps most striking in these results is the fact that more companies in the Atlantic region regarded these topics as a high priority than in any other region. In addition, for all topics but one (new technologies and materials), fewer companies in Québec viewed these areas as a high priority than in the other parts of the country.

**EXHIBIT 5.27**  
**Priority of Various Types of Training:**  
**Regional Differences**

	British Columbia (n=62-65)	Prairies (N=120- 125)	Ontario (n=223- 237)	Québec (n=133- 148)	Atlantic (n=39-44)
Technical and trades	65	52	63	48	71
New technologies and materials	41	43	52	49	59
Sales and marketing	27	37	50	15	53
Management and business	36	35	38	14	43
Computers	19	20	32	13	46

Note: Figures represent the percentage of respondents in each region who indicated that each type of training was a *high* priority (i.e., 6 or 7 on the 7-point scale) for renovation workers in their company.

Views on the priorities of the three business-related training topics — sales and marketing, management and business, and computers — vary significantly as a function of gross company revenues. As indicated in Exhibit 5.28, expertise in these business skills is particularly important for larger revenue companies. For instance, 52 per cent of companies with renovation revenues over \$500,000 regarded training in sales and marketing as a high priority, compared to only 33 per cent of companies with less than \$200,000 in renovation revenues.

**EXHIBIT 5.28**  
**Priority of Various Types of Business Training:**  
**Differences by 1992 Company Revenues**

	Less than \$200,000 (n=273-283)	\$200,000 to \$500,000 (n=87-88)	More than \$500,000 (n=78-79)
Sales and marketing	33	42	52
Management and business	28	34	43
Computers	21	24	36

Note: Figures represent the percentage of respondents from companies having the specified 1992 gross revenues (from their renovation business) who indicated that each type of training was a *high* priority (i.e., 6 or 7 on the 7-point scale) for renovation workers in their company.

In addition, views on the priority of two training topics vary depending on whether the renovators operate full-time or part-time. More full-time than part-time renovators regarded training in sales and marketing as a high priority (44 per cent compared to 28 per cent). Similarly, a slightly higher proportion of full-time than part-time renovators rated training in client relations and customer satisfaction as a high priority (77 per cent and 69 per cent, respectively).

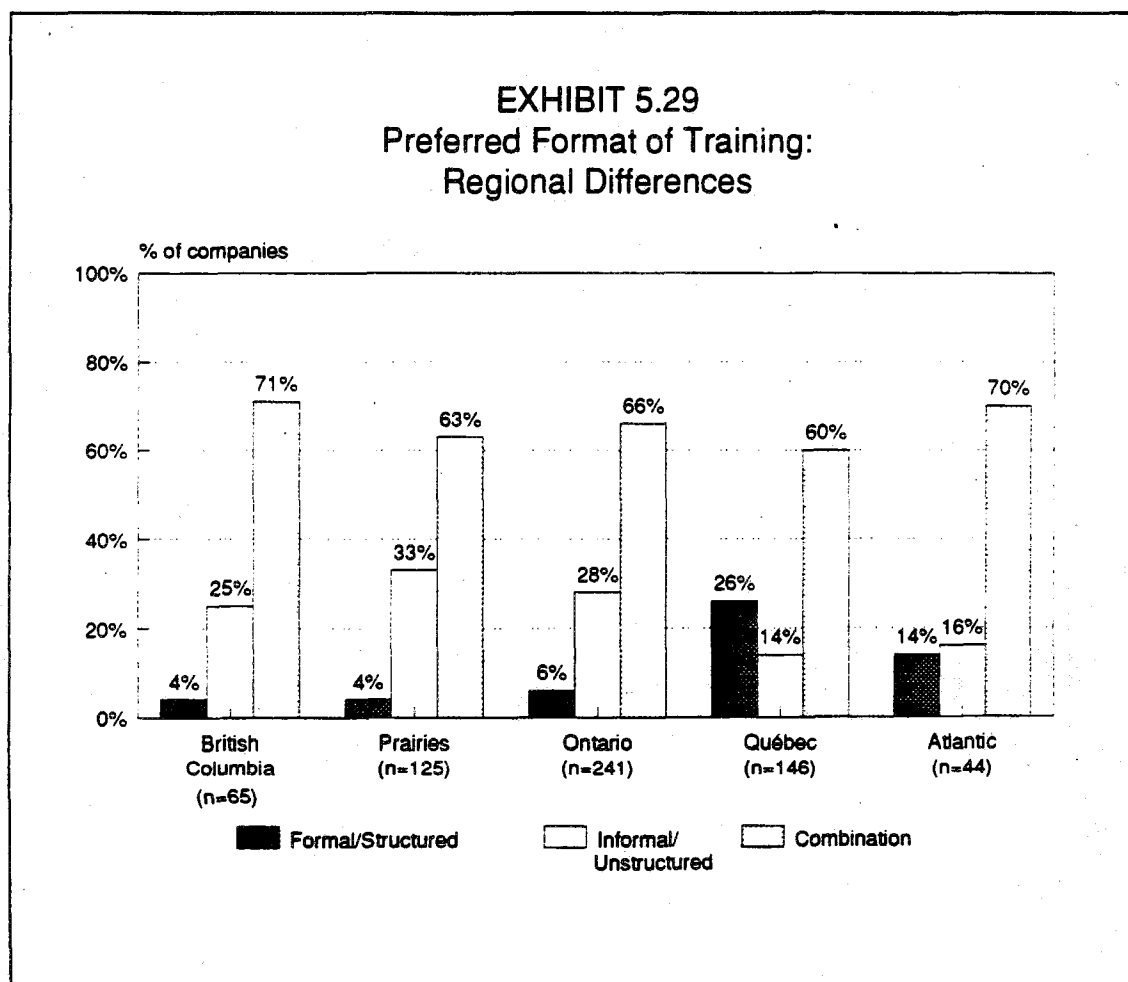
Companies that use a computer for business purposes are more likely than those that do not to rate computer training as a high priority (30 per cent compared to 14 per cent). However, the finding that 14 per cent of companies that do not use a computer actually rate this type of information as a high priority shows that many renovators view computer training as necessary to the computerization of any of their firms' operations.

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***Preferred Training Models in the  
Renovation Industry***

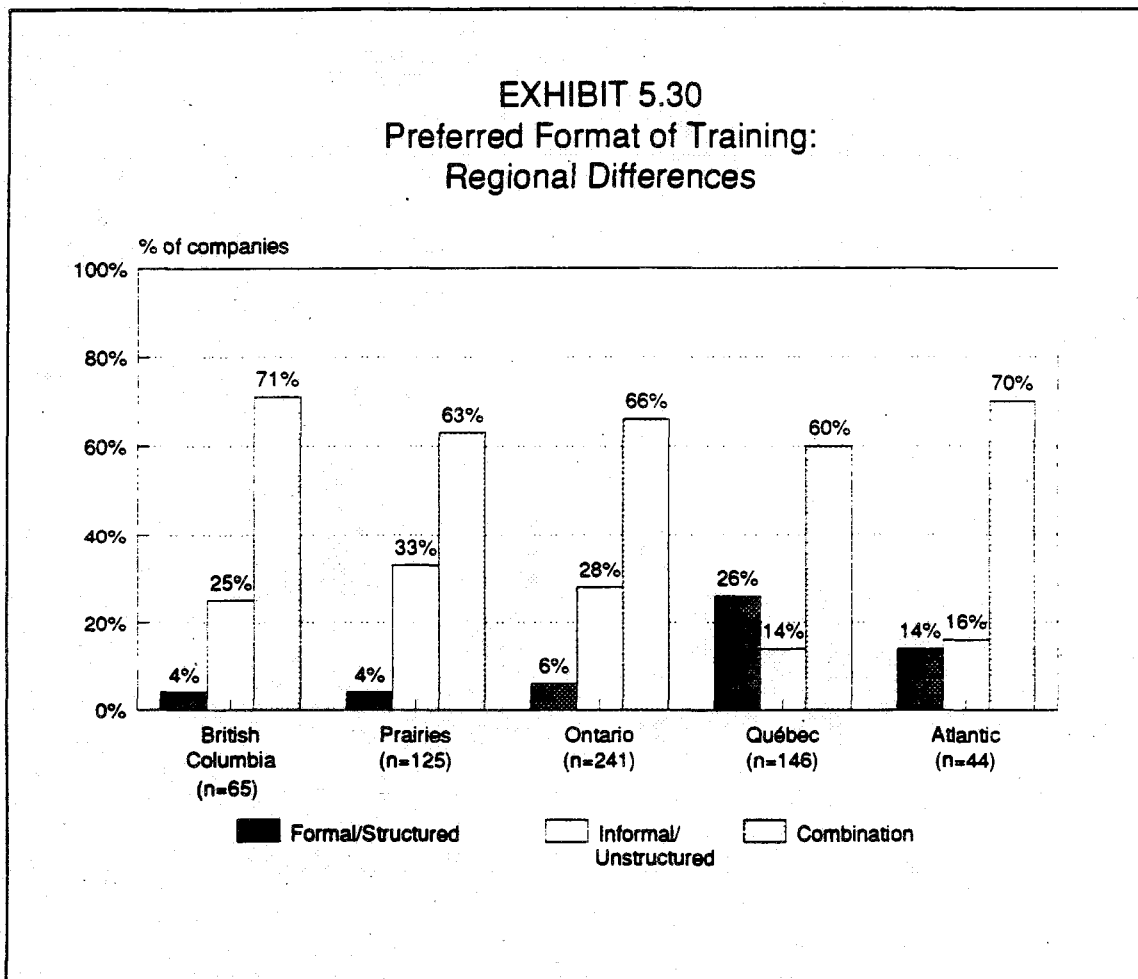
Regarding training formats, most companies (64 per cent) preferred a combination of formal/structured and informal/unstructured approaches. Only 11 per cent preferred an exclusively structured format, and 25 per cent an

informal/unstructured approach. Views on training format vary across regions, however. As indicated in Exhibit 5.29, a formal approach was much more popular (26 per cent) and an informal approach much more unpopular (14 per cent) among Québec companies. On the other hand, a formal method was particularly unpopular (four per cent) and an informal method comparatively popular (33 per cent) for companies in the Prairies. The combination of both formats was endorsed most frequently by companies in British Columbia (71 per cent) and the Atlantic provinces (70 per cent).

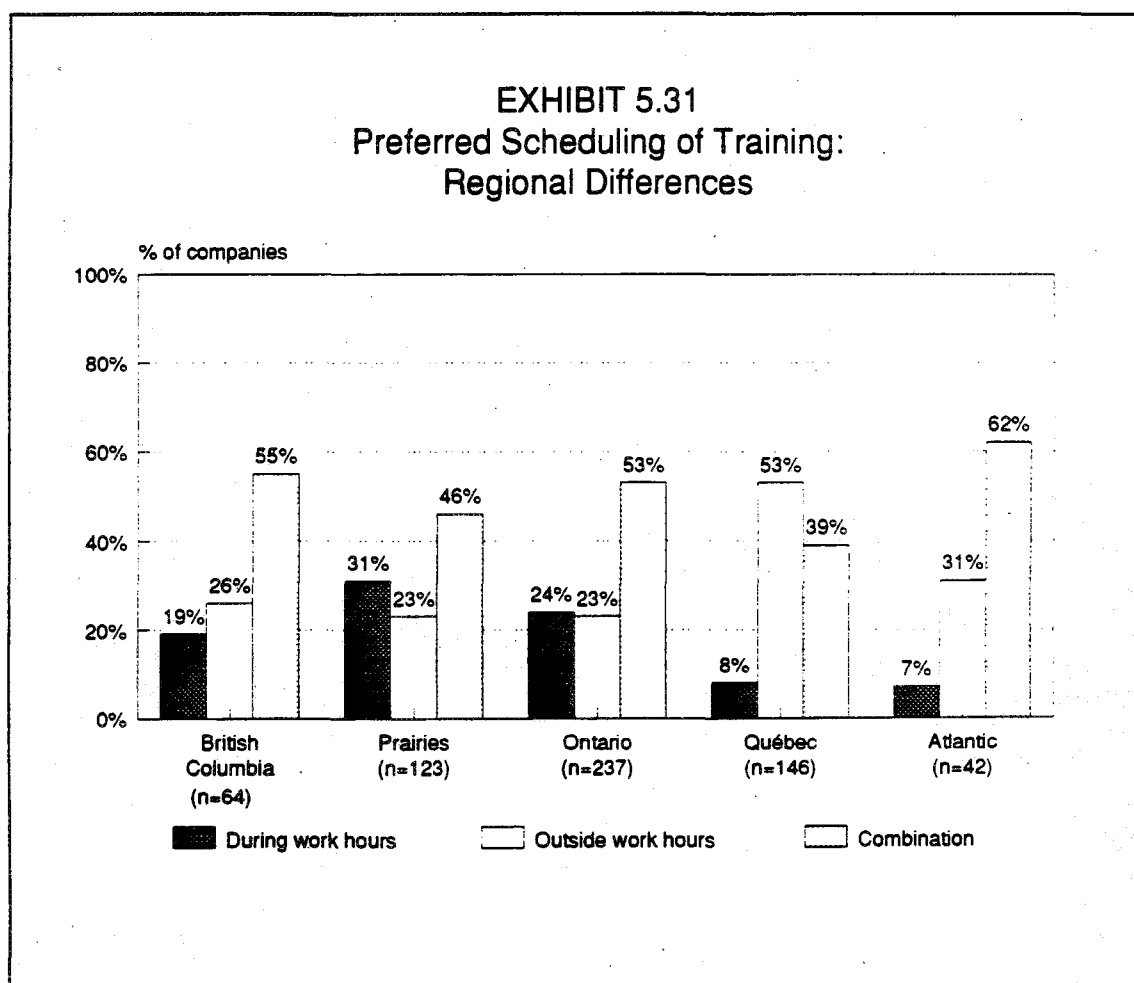


The companies expressed a preference for shorter courses. The vast majority (83 per cent) favoured a training program of less than 30 hours in duration.

Regarding the location of training, the majority of companies (58 per cent) preferred to hold some training at their work site and some off-site. Only 23 per cent favoured training exclusively on-site, and 19 per cent entirely off-site. Again, views vary for companies in different regions (see Exhibit 5.30). On-site training was most popular in the Prairies (29 per cent of companies) and least so in the Atlantic region (seven per cent). Training done off-site was favoured mostly by Québec companies (27 per cent) and least so by Prairie companies (13 per cent). A combination of on-site and off-site training was preferred mostly by companies in the Atlantic provinces (73 per cent) and least so by those in Québec (50 per cent).

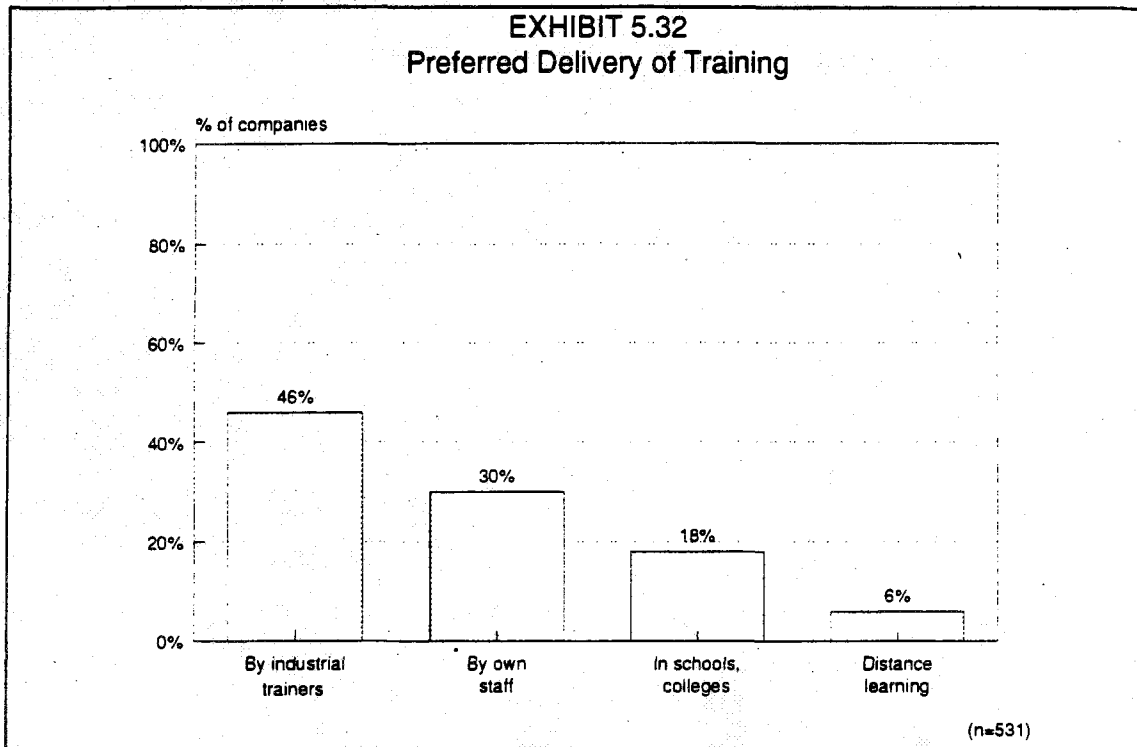


With respect to the scheduling of training, 20 per cent of survey respondents expressed a preference for training during work hours, 31 per cent for training outside of work hours, and 49 per cent for a combination of both. Exhibit 5.31 summarizes how views on this point vary across regions. Companies in Québec are unique in that more prefer training to be held outside of work hours (53 per cent) than a combined approach whereby training is scheduled both during and outside regular working hours (39 per cent). The combined scheduling approach was most frequently endorsed among Atlantic province companies (62 per cent).



Companies were also asked about their preferences for the delivery of training programs. These results are presented in Exhibit 5.32. The clear preferences

are for training to be provided by industrial trainers (endorsed by 46 per cent of respondents) or by in-house company staff (30 per cent). As with many of the points discussed above, however, views on this matter vary from one region to another (see Exhibit 5.33). The preference for industrial trainers is particularly prevalent in the Atlantic region (60 per cent of companies), and the preference for in-house training is most common in the Prairies (39 per cent).



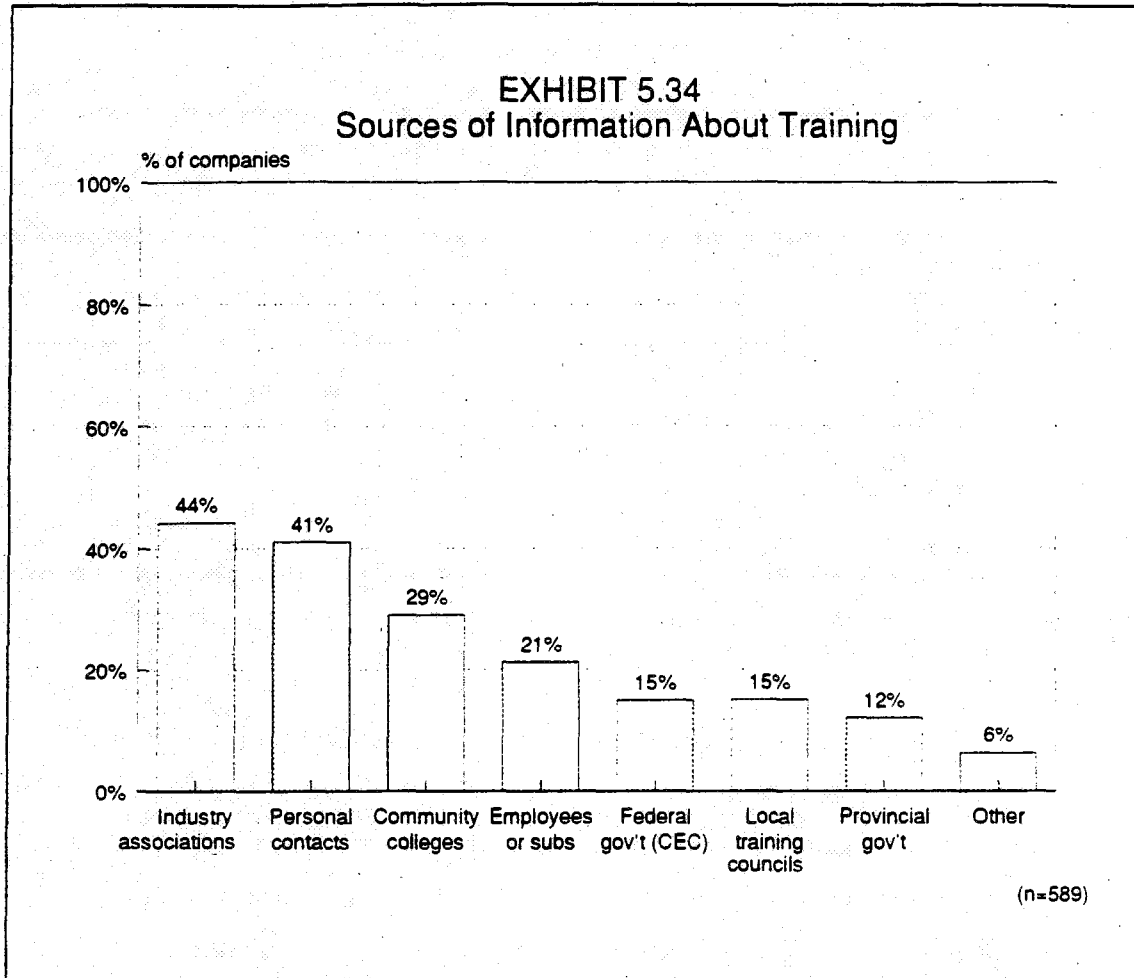


**EXHIBIT 5.33**  
**Preferred Delivery of Training:**  
**Regional Differences**

	British Columbia (n=59)	Prairies (n=105)	Ontario (n=198)	Québec (n=132)	Atlantic (n=37)
By industrial trainers	53	44	40	51	60
By own staff	20	39	36	20	24
In schools, colleges or universities	22	12	17	22	13
Through distance learning (e.g., instructional television or by correspondence)	5	5	7	7	3

Note: Figures represent the percentage of respondents in each region who indicated a preference for each method of training delivery.

Finally, companies were asked where they look for information about suitable training programs. Their responses are summarized in Exhibit 5.34. The most important sources of information are industry associations, which are cited by 44 per cent of companies. Other major sources are personal contacts/word of mouth (41 per cent), community colleges (29 per cent) and employees or sub-contractors (21 per cent).



## CHAPTER

## 6

**INDUSTRY DESIGNATION  
PROGRAMS**

This chapter presents a profile of attitudes about three key issues for the renovation industry: 1) the certification of owner-operators and workers in the industry; 2) the recognition of firms; and 3) third-party renovation warranty programs. The findings reveal that there is agreement in principle among renovators that formal designation programs involving the certification of individuals and the recognition of firms are good ideas. Enthusiasm wanes, however, when renovators are asked to consider paying for such programs. Their general concern and scepticism about the benefits is that they will not obtain sufficient value for their money.

Most renovators do not support the concept of a third-party consumer protection program. Again, renovators are leery of the value they will obtain from a program that would cause the price of their services to increase. The focus group component of the study suggested that renovators' negative views are the result of two main factors: the fact that they have not been impressed with the various warranty programs that currently exist for new homes (or the renovation warranty program in Québec), and their concern about adding to costs when there is so much competition from small, "under-the-table" contractors. They also want to avoid creating more bureaucracy and regulation. Renovators in the Atlantic region are significantly more supportive of the proposed initiatives.

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## 6.1 Certification and Recognition

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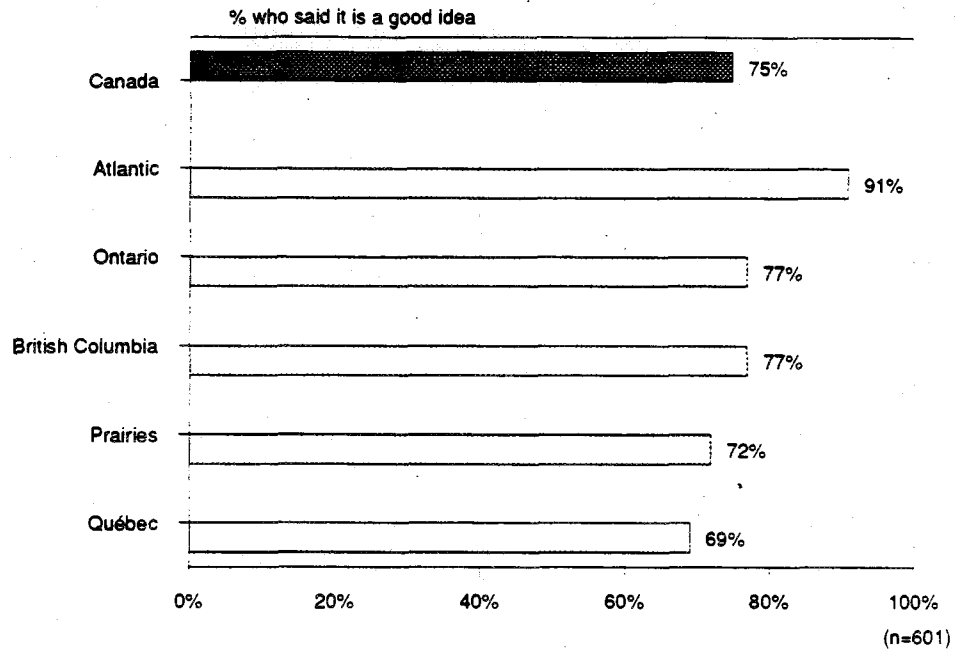
### *A Good Idea?*

In both the survey and the focus group discussions renovators were asked several questions which pertained to the certification of individuals and recognition of companies. The process started by providing a definition of what was meant by certification<sup>5</sup> and then asking renovators if they thought it would be a good idea to institute programs which lead to the certification of workers and the recognition of companies in the renovation industry. A strong majority of renovators felt that certification of workers and the recognition of companies were good ideas. Exhibit 6.1 (A and B) presents the results by region and for Canada as a whole. The results are very similar for both questions; with renovators from the Atlantic region being the most enthusiastic about these ideas.

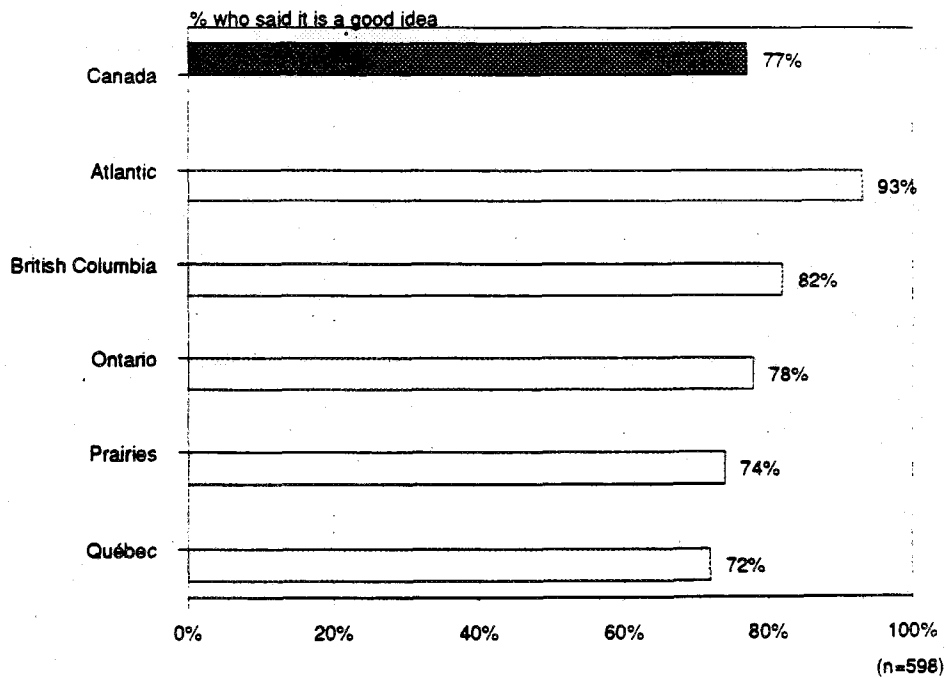
In addition to providing a general measure of their attitudes towards industry designation programs, renovators were asked about some specific benefits that could result from the programs, as well as obstacles which could hinder program effectiveness. Exhibit 6.2 presents the overall results.

5. *Certification* was defined as: "A formal title recognizing an individual's qualifications after an approved course of study and examination by an industry-approved organization". *Recognition* was defined as: "The formal recognition, by an industry -approved organization, of a renovation company with a 'certified' worker in their employ, minimum industry experience requirements, recognized consumer protection programs and compliance with a code of practice."

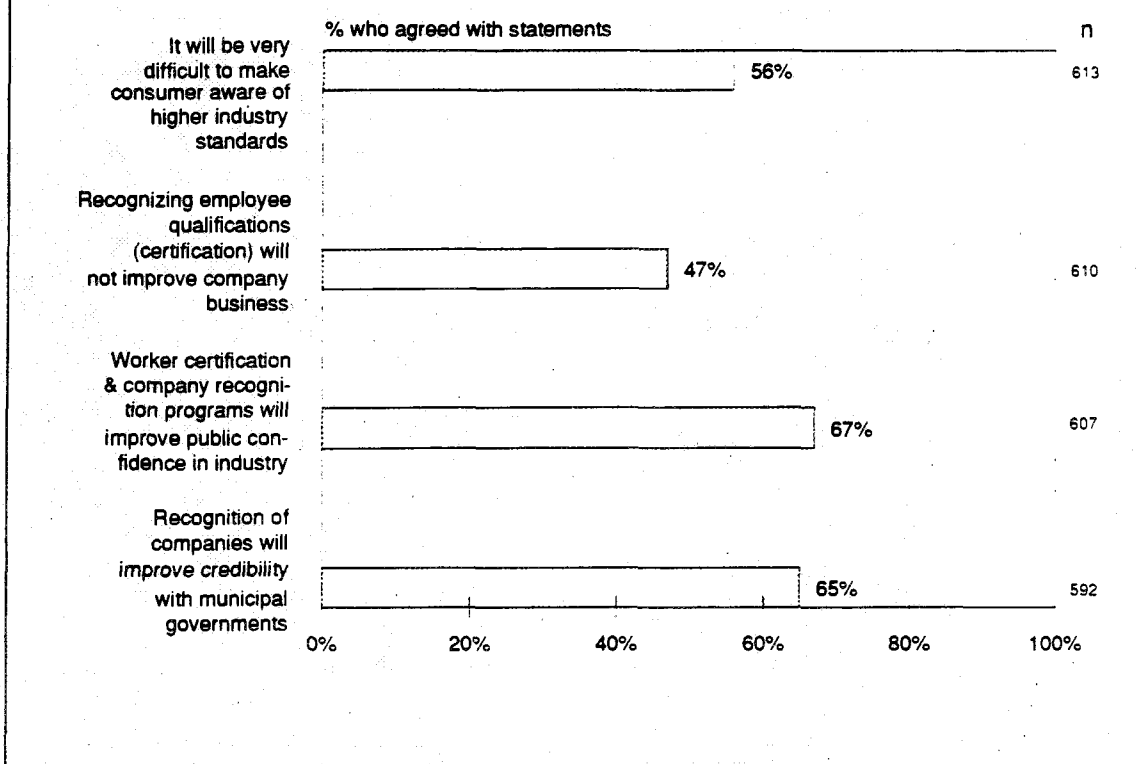
### EXHIBIT 6.1A Views on the Certification of Individuals



### EXHIBIT 6.1B Views on the Recognition of Companies



**EXHIBIT 6.2**  
**Perceived Benefits of Industry-funded**  
**Designation Programs**



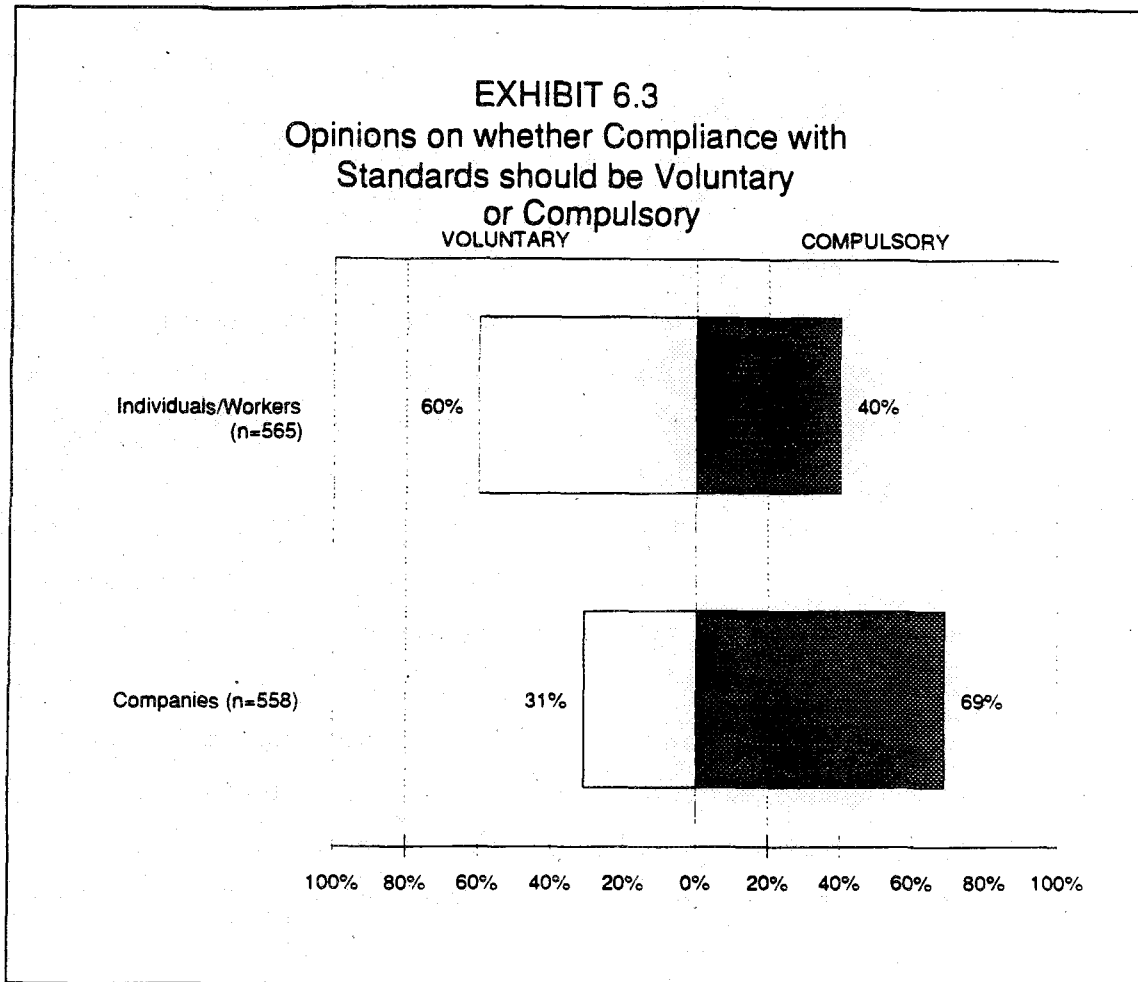
The exhibit suggests that renovators tended to see more benefits than obstacles when considering the merits of designation programs. It is important to note, however, that one half did not feel that such programs would lead to an improvement in their business. Regionally, renovators in the Atlantic put forward the most positive responses on these items, while renovators in Québec were least optimistic.

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### *Mandatory or Voluntary Compliance?*

A key component of certification and recognition programs is the issue of compliance. Renovators' opinions on whether compliance with standards should be voluntary or compulsory were divided. Exhibit 6.3 reveals that this was especially the case with respect to the certification of individuals. Findings from the focus group discussions suggest that renovators were more likely to support compulsory compliance for firms as opposed to individuals because of their concern that firms who do not participate would reap some of the industry-wide benefits of the programs without having to share in the costs. The notion of wanting to compete on a level playing field was a recurring theme in the discussions.

Regionally, there were some significant differences of opinions on the question of compliance. Renovators in Québec were most likely to feel that compliance for individuals (53 per cent) and for companies (81 per cent) should be compulsory. Renovators from the Prairies, conversely, were least likely to favour compulsory compliance for individuals (30 per cent) and companies (56 per cent).



### *Who Should Develop and Monitor Industry Standards?*

There was no consensus about who should develop and monitor industry standards, although the CHBA was supported by the greatest number of renovators (38 per cent). Survey respondents were introduced to this issue and asked to select one organization among five choices as their preference for developing and monitoring industry standards. Exhibit 6.4 reveals that, overall, the CHBA was the most popular choice, with significant proportions of respondents indicating that standards should be developed and monitored by other organizations, most notably organizations of renovators.



Renovators who were affiliated with the CHBA were much more likely than renovators who were not to think that the CHBA should develop and monitor industry standards. Of those affiliated with the CHBA, 59 per cent thought the CHBA should develop and monitor industry standards, compared to 38 per cent of the renovators who were not affiliated with the CHBA. Exhibit 6.4 presents these results. It should be noted that the CHBA was the most popular choice even among those who were not affiliated with the organization.

**EXHIBIT 6.4**  
**Who Should Develop and Monitor Standards?**

Percentage of Renovators Who Selected the Organization			
Organization	Overall (n=559)	Renovators Affiliated with the CHBA	Renovators Not Affiliated with the CHBA
The CHBA	38%	59%	38%
Organizations of Renovators	27%	18%	28%
Provincial Government	15%	6%	15%
Trade-specific Organizations	13%	13%	13%
Other	7%	4%	6%

Opinions on this issue also varied significantly among sub-groups of the population. For example, almost one half (47 per cent) of part-time renovators selected the CHBA as their choice, compared to only 30 per cent of full-time renovators (Exhibit 6.4). In fact, a higher proportion of full-time renovators (32 per cent) felt that organizations of renovators should develop and monitor industry standards. The CHBA was the first choice in every region of the country. In Ontario and the Prairies, however, the difference between the CHBA and the second choice (i.e., organizations of renovators) was only one per cent and eight per cent respectively. In the Atlantic, 61 per cent chose the CHBA compared to only 17 who selected organizations of renovators.

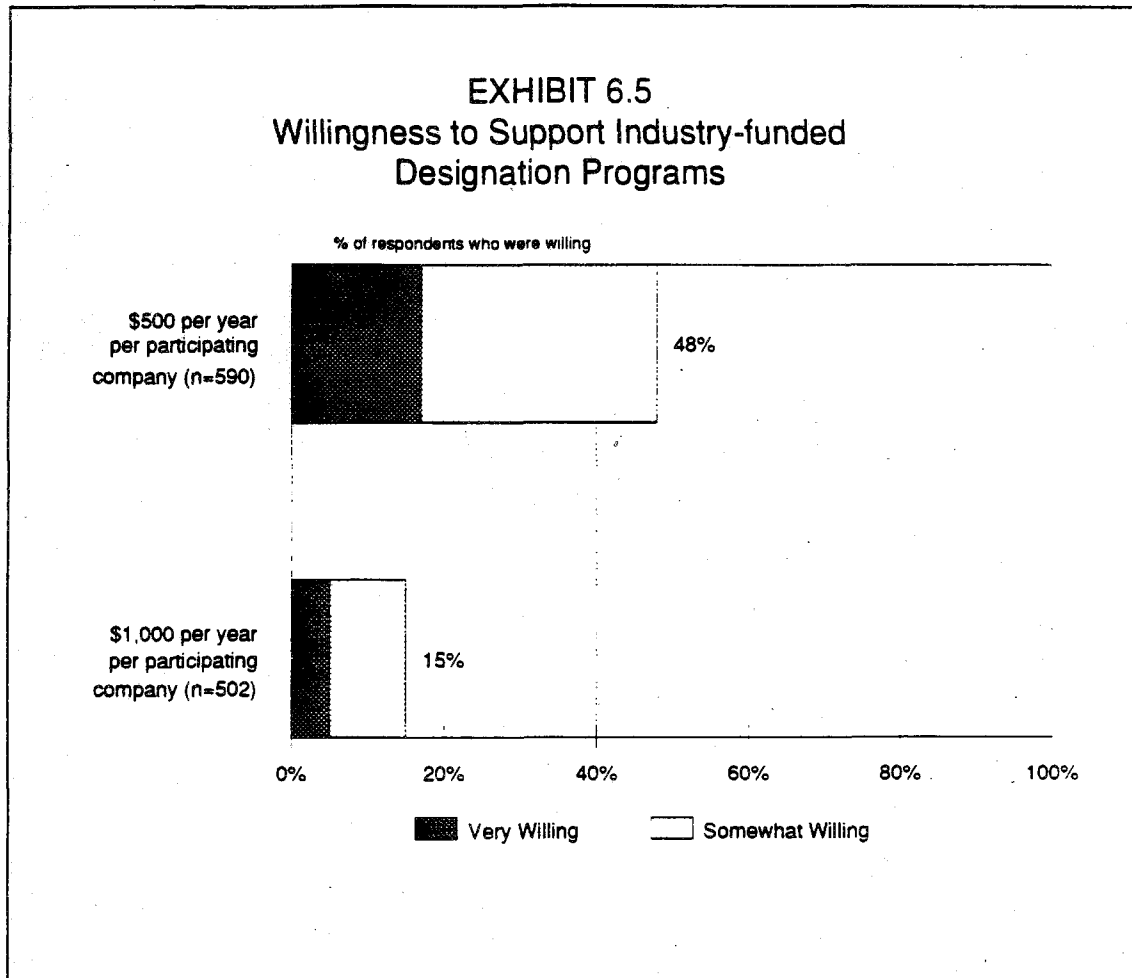
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### *Willingness to Pay for Certification and Recognition Programs*

Renovators' general enthusiasm for the idea of industry-run certification and recognition programs for individuals and companies was not reflected in their willingness to pay for such programs. Overall, about one half (48 per cent) indicated that they were willing to pay \$500 per year per participating company to fund the designation programs. Only 15 per cent said that they would be willing to pay an annual fee of \$1,000. Exhibit 6.5 displays these results and also differentiates between the proportion who indicated that they would be "very willing" (rated six or seven on a seven-point scale) and those who said that they were "somewhat willing" (rated four or five) to pay an annual fee.

Renovators' willingness to pay varied according to a number of characteristics. Predictably, larger firms were much more willing to pay \$500 than the smaller firms; 70 per cent of those which had over \$500,000 in renovation revenues compared to 44 per cent of those which had less than \$200,000 in renovation revenues were willing to pay \$500 to support an industry funded designation program. Similarly, full-time renovators were more willing to pay than those engaged in renovation work on a part-time basis. Regionally, renovators in the Atlantic were most willing to pay \$500 (75 per cent), while those in Québec were the least willing. Also, of the firms which conducted formal training in the last two years, 61 per cent were willing to pay \$500, compared to 36 per cent of the firms which have not conducted formal training recently.

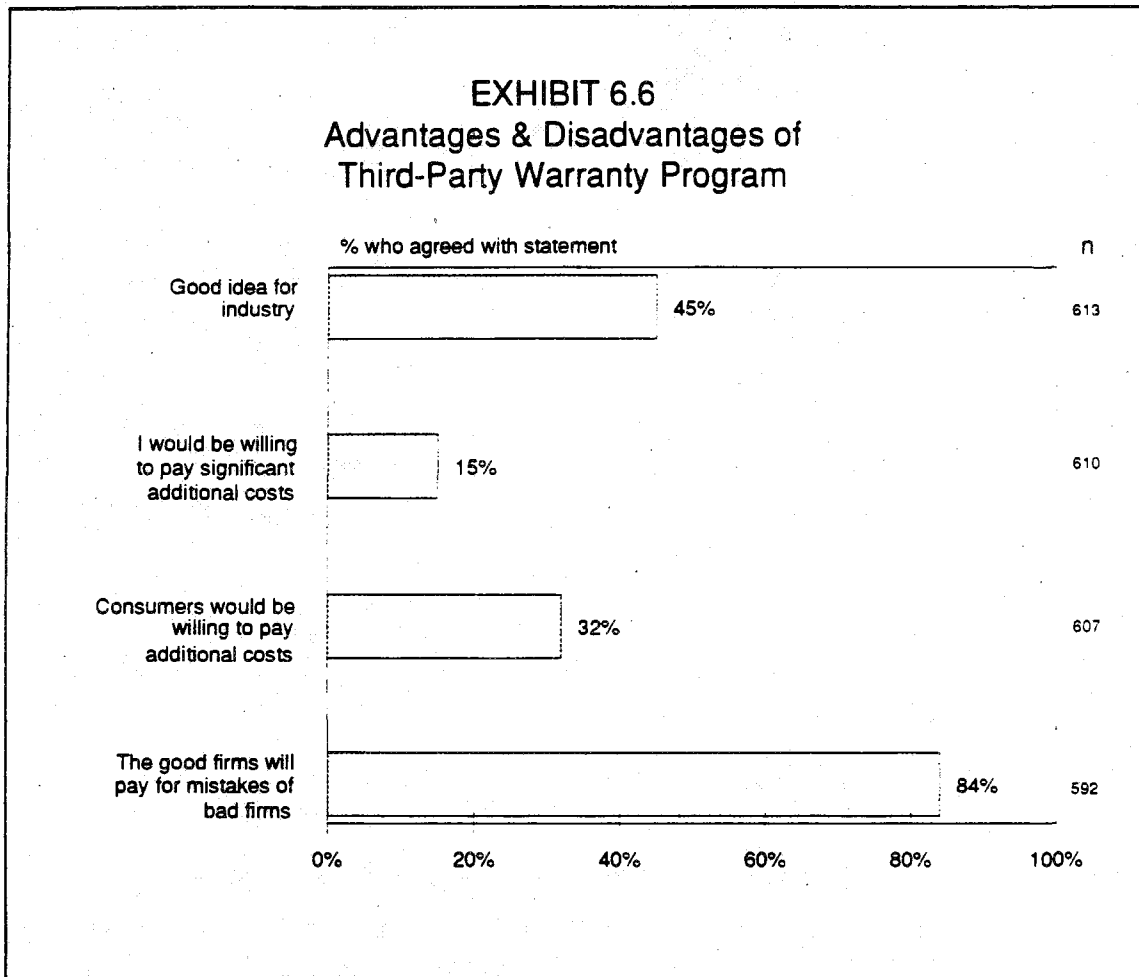
The difficulty that many renovators had with paying for recognition and certification programs was reflected in their response to another item on the survey. Only one third of renovators felt that the benefits of running industry-wide designation programs would outweigh the costs. About one quarter (24 per cent) indicated "neither", while 43 per cent said that the costs would outweigh the benefits.



## 6.2 Warranty Programs

The survey also asked renovators for their views on a third-party consumer protection program; the introduction to the question suggested that some people who are involved in renovation think it would be good for the industry. In terms of definition, the renovator warranty program was likened to the programs which currently apply to new home construction. Exhibit 6.6 reveals that less than one half of the respondents agreed that a third-party warranty program was a good idea. It is also apparent that a strong majority felt that neither consumers nor renovators would be willing to pay the costs of a warranty program. As with the issue of

designation programs, the views of renovators in the Atlantic were significantly more positive than those of their counterparts in the other regions of Canada. For example, a majority of renovators (67 per cent) from this region agreed that a warranty program was a good idea and a little over half (54 per cent) indicated that consumers would be willing to pay the additional costs associated with a third-party warranty program.



The results of the survey are consistent with the views of the renovators who participated in the focus group discussions. Renovators were divided about whether a third-party consumer warranty program was a good idea in principle. The first reaction of many who were against the idea was that the warranty they already provide to their clients offers adequate protection. Others were discouraged by

existing new home warranty programs which in their eyes were "not very good". Generally, participants in the focus groups were concerned that a warranty program would cost them and/or their clients money at a time when financial resources are very tight, and only serve to create more bureaucracy, paperwork and regulations without delivering any *real benefits* either to them or their clients.

While a rise in the cost of doing business was a concern to renovators, price alone was not the most important factor in shaping their attitudes toward industry designation and warranty programs. Rather, those that do not support the programs, particularly the notion of a warranty program, are sceptical about *obtaining good value* in exchange for the time and money they would be asked to invest to support such programs.

## CHAPTER

## 7

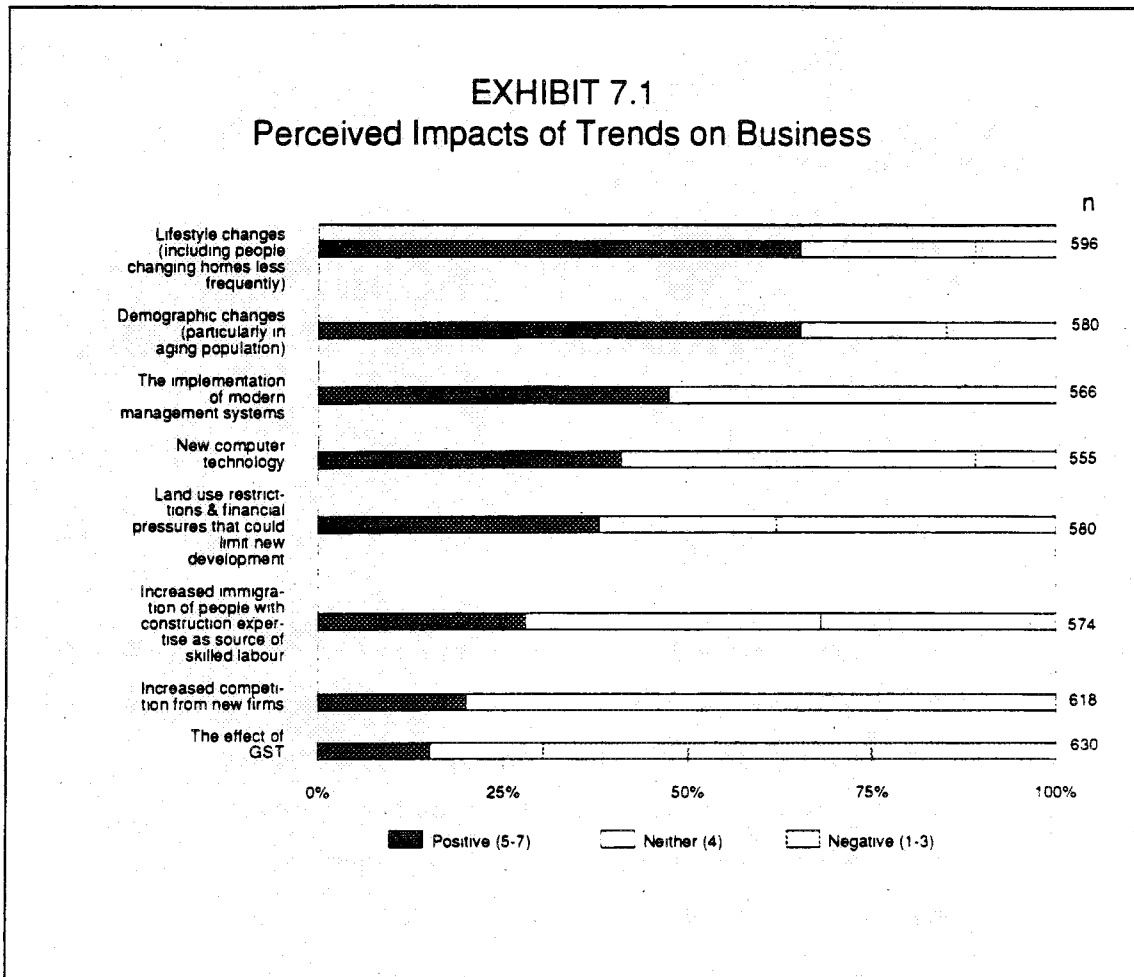
**IMPACTS FROM EXPECTED  
TRENDS IN THE INDUSTRY**

Given that one of the purposes of this study is to provide information with which to plan business development, it was appropriate to obtain the views of renovators on what they feel will be the major opportunities and obstacles to the future growth of their business. Exhibit 7.1 lists a number of trends in the industry and summarizes the opinions of renovators as to whether each will have a primarily negative or positive impact on their business.

Generally, renovators were of the view that two related trends will have a positive effect on their business: 1) demographic changes, particularly an aging population; and 2) lifestyle changes in society, including people changing homes less frequently. Conversely, increased competition from new firms and the Goods and Services Tax (GST) were seen by most to be hindrances to improving their business.

Respondents were also provided with the opportunity to discuss what they expected to be the most important trends affecting the industry as a whole over the next few years. The following points summaries their major observations:

- ❑ Renovators see a silver lining in times of slow economic growth, in that people are less likely to upgrade their living space by purchasing



another home. Instead, they may opt for the less expensive alternative of renovating. This corresponds to their own experience over the last few years in which residential renovation has been the only construction activity that has not suffered a net decline.

- ❑ Renovators are worried about rising costs. They anticipate that costs for labour and material will continue to rise, as will their taxes; and
- ❑ They expect that an increasing amount of their business will involve improving the energy efficiency of homes through the installation of new

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high-technology products including insulation, windows and systems that generate solar power.





## CHAPTER

## 8

## SUMMARY AND CONCLUSIONS

**8.1 Renovator Profile: Small Businesses  
in a Large Industry**

The importance of the residential renovation industry in the Canadian economy is enormous. According to Statistics Canada estimates, expenditures on residential renovation totalled \$16.7 billion in 1991 — a figure which represented nearly half (47.9 per cent) of total residential construction expenditures. About 70 per cent of these expenditures were accounted for by homeowner spending. Three out of four owner-occupied households spent money on home renovations.

Despite the huge size of the residential renovation industry, on the supply side it is characterized almost entirely by small businesses. Some of the characteristics of the businesses in the industry — at least the companies in the renovation contractor category that are represented in this survey — are as follows:

- Over 80 per cent of companies are run by owner-operators who are directly involved in all aspects of the business.

- ❑ The average annual revenues from all construction activity for companies involved in renovation are \$880,000; for residential renovation activity only, average annual revenues are \$435,000.
- ❑ Half of the renovation companies have annual revenues under \$200,000 from renovation; only 17 per cent have revenues over \$500,000 and just 8 per cent have annual revenues from residential renovation in excess of \$1M.
- ❑ One-third of renovation companies have no full-time employees; for the other two-thirds, the average number of employees is 3.8.
- ❑ Two-thirds of renovators operate from home-based offices.

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## 8.2 Staffing Practices: Hiring of Employees and Sub-contractors

The activities of companies in the areas of training and human resource development depend a great deal upon their staffing and hiring practices. Generally, companies will only commit time and money to training their own full-time employees. One of the challenges to increasing the levels of private-sector training in our economy as a whole is that much of the growth in the labour force over the last few years has been in the form of part-time jobs and self-employment.

Residential renovation is similar to other sectors of the building industry in that sub-contractors working in the various trades comprise a significant part of the labour market. While the qualifications of sub-contractors are important to renovators — over three-quarters say that they require formal qualifications for their trades sub-contractors — training these workers is not something that renovators consider to be a priority or a responsibility.

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Two-thirds of renovators have full-time employees (approximately 85 per cent of companies have employees when part-time staff are considered). Many renovators hire full-time staff for specialized work like management and administration. Only about half of the companies involved in renovation staff full-time positions for project work; the other half of the companies hire only sub-trades for project work.

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### **8.3 Reluctance to Staff Full-Time Renovator Positions**

There are several reasons that many renovators adopt human resource practices that exclude full-time employees. Some do not have the volume of work to justify hiring full-time staff; their challenge is to keep their good sub-contractors by providing them with enough work to maintain the relationship. Others prefer to operate without the strings and commitments required to maintain full-time staff. Guaranteed salaries, administrative overhead, and costs such as workers' compensation and UI are viewed as deterrents -- costs which outweigh the perceived benefits. The high levels of concern about unfair competition from "underground" operators (who pay few of the costs associated with running a business and paying workers) produce even greater levels of anxiety about the commitment required to staff full-time positions. Others express scepticism about the commitment of young people to learn a trade and their willingness to work hard when they enter the workforce. Finally, many renovators prefer the security of working with qualified sub-contractors, who must produce competent work at a fixed price.

The majority of renovators who do not employ their own staff reported that they have difficulty finding people who have all the right skills to be successful and productive employees: for example, adequate training in the trades or other qualifications, previous renovation experience and skills, and the commitment to the company. On the other hand, the importance of successful full-time employees for

small renovators should not be underestimated. These employees are often involved in all or most of the company activities including project planning and design, project work, job costing and sales and marketing. Renovation companies, like other small companies, rely heavily upon their good employees for their success.

Because of the differences in these two principal approaches to human resource and staffing practices — hiring exclusively sub-contractors or depending on a small core of full-time employees and hiring sub-contractors when needed — a uniform approach to human resource development in the industry will not address the needs of all renovation contractors and workers. Human resource development and training should accommodate the needs of different types of employers.

Renovators who employ full-time workers for project work (approximately half of the firms) are in a position to benefit from support for employer-sponsored training. For these companies, there are benefits to providing employees with training (i.e., upgraded skills, more efficient work, the potential to expand into new areas, etc.) which can offset the short-term drawbacks like the cost and lost production time.

Employer-sponsored training, however, is not a practical or viable strategy for renovators who rely on sub-contractors; they cannot be expected to sponsor training that will not provide direct benefits to their company. Industry-wide alternatives to employer-supported human resource development and training are more appropriate for this group of renovators as well as for the workers typically employed as sub-contractors.

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## **8.4 Recognition of the Importance of Training**

Renovators are in agreement about the overall importance of training, both formal and informal. Almost 95 per cent rated training (formal and informal) as important to the success of their companies, including 55 per cent who rated training as extremely important. The ratings for informal training are only slightly lower, with 88 per cent rating training as important, of which 46 per cent rated it as extremely important.

Just over 50 per cent of renovators require formal education and training qualifications of their staff who work on renovation projects (the proportions are slightly lower in other areas of work like project design and business management). While this proportion may seem low given the opinion ratings about the importance of training, the qualitative research showed that renovation work experience and on-the-job training counts for a great deal among renovation contractors, usually even more than the formal qualifications of a worker.

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## **8.5 Attitudes and Practices: The Training Gap**

Although there appears to be a consensus at the level of attitudes and values, company practices and behaviour in the area of training have not reached the same level. This gap between attitudes and behaviour in training is by no means unique to the renovation industry. The evidence from a recent national survey of 2,500 employers in all sectors of the economy produced the same findings (as measured in the 1993 Reskilling Society Study): "Despite the fact that the vast majority of Canadian firms express a strong attitudinal commitment to the importance of training, the simple

fact is that most firms' level of hard commitment to training is not nearly as impressive".

About 50 per cent of renovation companies have recent training experience, having conducted or participated in some formal training in the last 12 months. The size of the behavioral gap — over 90 per cent who report that training is important and 50 per cent who are training — is very similar for renovators and employers in other sectors of the economy (as measured in the 1993 Reskilling Society study). Based on these findings, almost half of the renovators surveyed expressed an interest and commitment to training while conducting no formal training.

There are some important considerations which must be taken into account when examining the gap between attitudes and behaviour. Perhaps the most important is the number of renovators who employ mainly or exclusively subcontractors. It is not reasonable to assume that these companies would be undertaking much company-sponsored training, at least for their workers. This is not inconsistent however, with recognition that training is important to their company or the industry as a whole. Secondly, there is a positive relationship between attitudes to training and training behaviour. Companies which have conducted some training are more likely to express positive attitudes to training, indicating that attitudes are a significant predictor of behaviour.

The third and perhaps the most important point to remember is that most renovators also place a high priority upon informal training. Since we have not attempted to assess informal training quantitatively in this survey, the training gap cannot be measured completely. (It should be noted that almost all of the recent research on training practices has focused exclusively on formal, structured training. Valid and reliable measures of informal training are not yet available.)

As important as the number of companies undertaking training, is the amount of training which is being conducted. On average, companies provided

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training for 2.5 people (either themselves or their employees) in the past two years. For those firms which have conducted formal training, an average of 40 per cent of all employees received formal training. Although the larger companies provided training to more people, proportionally, the smaller companies trained more people. On average, more than half of all employees (53 per cent) in small companies received some training, compared to one-third of employees in medium-size companies and 17 per cent of employees in large companies (which are more likely to hire qualified staff).

Also, for most companies, the amount of time and expenditures spent on training has been modest. About 80 per cent of both owner/operators and employees who have taken training have spent 30 hours or less in training. The average training expenditures over the last two years for owners and employees have been approximately \$768 and \$1002, respectively.

The areas in which renovators have been conducting most of their recent training are as follows: 1) for owner/operators: technical and trades courses (43 per cent); management and business (42 per cent); health and safety (39 per cent); and computers (33 per cent); 2) for employees: technical and trades courses (56 per cent); health and safety (44 per cent); computers (33 per cent).

There was some other evidence about the support of renovators for training. Over half (55 per cent) of renovators have reported that they offer some type of support to employees interested and in need of formal training. This support can come in the form of course fees (33 per cent of companies), salary (18 per cent), travel expenses (16 per cent) or other benefits such as greater job security or increased responsibility (26 per cent). In the focus group discussions, most renovators expressed support in principle for the concept of a renovator apprenticeship program. Several expressed an interest in participation, although they qualified their responses by repeating their scepticism about finding young people willing to learn "from the bottom up".



## 8.6 Obstacles to Training

One of the objectives of this research was to identify the *perceived* obstacles to training. An understanding of these barriers can be used in a very practical way, first to identify the *removable* obstacles and then deal with them. Furthermore, this information can be useful to determine whether the barriers are real or more apparent than real.

This study examined three broad categories of barriers: 1) costs, including both the direct costs and the indirect costs in lost production time; 2) human resource problems, including the availability of suitable trainees, losing employees (poaching), lack of worker interest and training program drop-outs; and 3) training infrastructure problems, including the lack of training courses, programs, and training centres, insufficient government assistance and inadequate information about training.

The cost of training is the primary reason, in the opinion of the great majority of renovators, that renovators are unable to match their commitment to training with a commensurate level of training behaviour. Human resource and infrastructure problems are secondary. Four out of five renovators say that training costs are a barrier, including 44 per cent who report that it is a serious problem. The ratings for the two aspects of costs, direct costs and lost production time, are similar. Concern about the costs of training is consistent with the high level of concern about the general costs of doing business and remaining competitive, particularly with the high number of low-overhead operators in the market.

According to a majority of renovators, the lack of government assistance also limits the ability of an organization to conduct training. This is a major problem for 49 per cent of renovators and a moderate problem for another 27 per cent. A majority of renovators also consider both infrastructure and human resource problems to be barriers to training, but the level of concern about these types of problems tends

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to be more moderate. The infrastructure problems such as a lack of courses, programs and centres are significant — about one-quarter of renovators rate them as serious and another third rate them as moderate problems — but the most significant issue here is the lack of adequate government assistance.

Of the various human resource barriers reviewed, the most important are the lack of worker interest and commitment and losing employees to other companies when training is complete; over 30 per cent consider these to be serious problems. The suitability of candidates for training and the number of drop-outs are viewed as less serious.

The ranking of training obstacles put forward by renovators, with costs solidly in first place as the most serious barrier, differs significantly from the rankings produced from other employer surveys. Ekos Research has conducted large surveys of employers in two other major studies: the EIC national survey of employers mentioned earlier (Reskilling Society) and a survey of employers involved in apprenticeship training in Ontario for the Ministry of Skills Development<sup>6</sup>. These surveys included very similar measures of perceived training barriers. Nationally, across all sectors of the economy, the training infrastructure problems were rated as the most serious. Costs were a relatively close second in importance and human resource problems were the least important. In the survey of employers involved with apprenticeship (about 25 per cent of the sample were in construction trades), the human resource problems were clearly the most important barriers, with the lack of suitable candidates for training being one of the most problematic areas.

6. *Survey of Employers Participating in Apprenticeship and Modular Training*, Ekos Research Associates, 1992, for the Ontario Ministry of Skills Development

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## 8.7 Priorities for Training and Human Resource Development

Renovators identified several subject areas which they consider to be priorities for training. The highest priority is for customer service and client relations training, with 73 per cent of renovators indicating that this is a high priority (6 or 7 on a seven point scale). This is particularly significant since very few renovators reported participating in any customer service training over the last 24 months -- to a large degree this reflects the lack of availability of any suitable courses or training programs in this area. The urgency for workers to develop a much better understanding of the importance of customer service was strongly reinforced during the focus group discussions with renovators.

Overall, renovators were about twice as likely to rate renovation skills than business skills as a high priority. Some other priorities for training are as follows (the figures in brackets represent the proportion of renovators who rate the topic as a high training priority -- 6 or 7 on seven point scales).

- ☐ technical and trades (49 per cent);
- ☐ new technologies and materials (49 per cent);
- ☐ health and safety (46 per cent);
- ☐ sales and marketing (37 per cent);
- ☐ business and management (32 per cent); and
- ☐ computers (25 per cent).

In addition to the priorities of renovators for the substantive content of training programs, they were also asked about their preferences for the format and location of training. Their opinions can be readily summarized as a preference for short-term training with flexible formats for delivery and scheduling.

Over 80 per cent of renovators expressed a preference for short-term courses of 30 hours duration or less. This finding was reinforced in the focus group discussions in which many renovators discussed the merits of shorter courses on a variety of topics that can help to round out the skills of renovators: for example, basic training in trades or specific skills that are not their primary areas of expertise. The shorter term training also addressed their concerns about costs and lost production time.

Other findings about the format and scheduling are as follows:

- ❑ Two-thirds of renovators expressed a preference for a combination of formal/structured and informal/unstructured training; only 11 per cent prefer exclusive use of formal training and 25 per cent prefer informal training only.
- ❑ A majority (58 per cent) expressed a preference for a combination of on-site and off-site training.
- ❑ About half wanted training to be split between work hours and outside of work hours; 20 per cent preferred during work hours and 30 per cent preferred outside of work hours only.
- ❑ Almost half of the renovators wanted training to be delivered by industrial trainers; another 30 per cent prefer to use their own staff for training.

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## **8.8 Industry Designation Programs**

Renovators expressed strong support for the principle of industry designation programs. Three-quarters of the survey respondents agreed that the

propositions about the certification of workers and the formal recognition of companies in renovation were good ideas.

Improving public confidence and improved credibility with municipal governments were viewed as two of the principal reasons for developing formal designation programs. Two-thirds of renovators agreed with the statement that worker certification and company recognition would improve public and municipal government confidence in the industry, although over half (56 per cent) thought that this objective would be difficult to achieve. This may be one of the main reasons why only 40 per cent of renovators believe that designation programs will improve their business. The views expressed in focus group discussions demonstrated support for public communications to improve consumer knowledge of the industry and confidence in renovators.

A majority (69 per cent) of renovators thought that company recognition should be mandatory, mainly because of concerns about equal competition for companies operating in the business. For worker certification however, a majority (60 per cent) thought that such programs should be voluntary. The CHBA was selected by the largest proportion of renovators (38 per cent) as the preferred organization for developing and monitoring standards for industry designation programs.

Despite the high level of support for the principle of industry designation programs, there was a significant degree of scepticism about the value and benefits of such programs. Most renovators expressed little confidence in formal programs — run by either government or industry — to produce practical benefits for their companies. Support for the idea of designation falls off precipitously when there is a cost associated with participation. Over 40 per cent of renovators agreed with the statement that overall, the costs of designation programs would outweigh the benefits; just 33 per cent disagreed, apparently believing that the benefits would be worth the costs. When specific costs are proposed, only 48 per cent said that they would be willing to pay \$500 a year to support an industry-run designation program; just 17 per

cent said they would be very willing to pay this amount. When the figure of \$1,000 per year is suggested, just 15 per cent of renovators expressed support; only five per cent were very willing to pay this amount.

Support for the idea of a third-party warranty program such as the ones in place for new home construction was much weaker than the support for designation programs. This was confirmed in both the survey and focus group discussions. While almost half (45 per cent) agree that the concept of a warranty program is a good idea, opinion about the willingness of renovators or consumers to pay the additional costs of a warranty program however, was almost entirely negative. Only 15 per cent of renovators agreed that they would be willing to pay "significant additional costs" to participate in a third-party consumer protection program; just five per cent strongly agree while 48 per cent strongly disagree. Approximately one-third think that consumers would be willing to pay "additional costs" to insure renovation work; just seven per cent agree strongly that consumers would be willing to pay more.

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## 8.9 Key Themes

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### *(a) Segmented Industry*

The profile of renovation companies developed from this study shows that almost all the firms involved are small businesses run by owner-operators with relatively few workers. Despite some apparent commonalities in the industry as a whole, the industry is highly segmented and should not be viewed as a single entity. Human resource initiatives should be designed to target different segments of the market. This report helps to identify some of the key segments, with some of the most important variables that characterize different types of renovators based on the following:

- ❑ reliance on residential renovation: full-time versus part-time renovators;
- ❑ staffing: hiring of full-time employees versus use of only part-time workers and/or sub-contractors;
- ❑ behaviour with regards to formal training activity;
- ❑ support for industry designation program; and
- ❑ regional differences: there were significant differences by region in each of the three major areas studied: characteristics of renovation companies, activities and attitudes about training and human resources, and opinions about steps to professionalize the industry.

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***(b) Linkage of Training to Staffing Practices***

The reluctance of many renovators to hire full-time staff and to make commitments to employees results in lower overall levels of training in the industry as employer-sponsored training generally occurs only in companies with full-time employees. Companies which work exclusively with sub-contractors do not have as strong an incentive to make direct investments in training. Private sector investment however, is crucial to the success of human resource development strategies for the industry. The current human resource practices of many companies in the business — only two-thirds of companies hire full-time employees — increase the need for industry-wide initiatives as well as company-sponsored training.

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***(c) Opportunities to Professionalize the Industry***

Despite scepticism about the levels of public knowledge of the renovation industry and the public's willingness to pay for quality work, there is a strong interest among renovators to educate the public and to improve public confidence in the renovation industry.

There is also a strong core of support among renovators for making progress in the areas of worker certification and company recognition through training and formalized designation programs. There is far less interest however, in third-party warranty programs.

The CHBA has a great deal of credibility as a source of information and as a vehicle to develop and coordinate new initiatives to professionalize the industry.

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***(d) Challenges for Initiatives to Professionalize Industry***

There is a substantial amount of scepticism about the ability of any formal program introduced "from above", whether by government or industry, to improve the business prospects of companies operating in local markets. There are concerns about paperwork, bureaucracy, costs, ineffective measures, etc. Some have said that these types of initiatives would be a "hard sell". Undoubtedly, there will be reluctance to participate and certainly to pay without a clear demonstration of the benefits.



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***(e) An Industry Poised for Development***

There are several signs that point to an industry that is poised for development towards higher levels of professionalism and public acceptance. First of all, business prospects are positive, which will help to create a favourable environment for increasing the level of professionalism in the industry. Residential renovation is the only construction activity that has not suffered a net decline over the last few years. Demographic and other trends affecting the demand for housing also favour growth in the renovation sector.

One of the most important factors that will continue to push the industry in the direction of increased professionalism is the characteristics of the renovation contractors working in the industry as owner-operators. There are many highly qualified people working as renovation contractors. Their education levels are similar to the Canadian averages; many also have formal trade qualifications in addition to their extensive renovation experience. The majority of renovators are in or entering their peak earning years — half are between the ages of 35 and 45 — when interest in professional development should be high.

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***(f) Gradualism: A Step-by-Step Approach***

There are advantages to starting with initiatives for which there is the greatest levels of support: for example, short-term renovator training, public education, and local worker and company designation programs. These types of initiatives could begin in key markets where there is already a strong core of support for them and where there are well organized associations of renovators. Industry-wide designation programs at a national level might be the next step. Broad-based consumer education should start immediately, while consumer protection programs through third-party

warranty programs should be deferred until there is a stronger constituency for this type of program.

**APPENDIX A**  
**FOCUS GROUP MODERATOR GUIDE**

## CHBA SURVEY OF RENOVATORS MODERATOR'S GUIDE

### INTRODUCTION (15 minutes)

*The moderator introduces himself and gives the following brief introduction:*

Thank you very much for coming to this group discussion. The purpose of the discussion is to learn about your needs and attitudes about training and human resource development. The information obtained through this study will be used to assist in developing a report on the human resource development needs of Canadian renovation contractors and to guide the development of training programs for them.

The research involves five focus group discussions with renovators, however, the main method that will be used to obtain the views of Canadian renovators will be a national mail survey of renovators. The survey was mailed in June and we have some preliminary results. The research project, as well as today's discussion will examine four broad issues:

- profiling renovation contractors in Canada;
- profiling attitudes towards standardization and regulation of renovation skills in the industry;
- measuring training needs for contractors in renovation; and
- profiling attitudes and practices in human resource development, particularly with respect to training.

I would like to explain how our discussion will proceed. I'll be asking you some questions about these issues, and after each question I will encourage you to talk about your opinions on the issue. Please feel free to say whatever is on your mind; there are no right or wrong answers, and differences of opinion are perfectly acceptable in the discussion. The discussion will last approximately two hours and we will have a short break in the middle.

- I should mention that the discussion is being **tape recorded** so that an accurate summary of the discussion can be prepared.
- Also, some representatives of the CHBA are **observing our discussion** from the next room so they can hear your views first hand.
- Of course, your comments will be kept **strictly confidential**. Your names will not be given to anyone and we will not report what any particular person is saying; what we do is **summarize** what we learn from renovators in this and other group discussions which we are doing.
- Because we are taping the discussion, I would appreciate it if you could try to speak one at a time.

Are there any questions before we begin? I would like to go around the table and have each of you introduce yourself to the others and tells us how long you have been in the renovation business and whether you are a full-time or part-time renovator.

## I. HUMAN RESOURCES AND TRAINING

I would like to talk about human resources: staffing, education and training qualifications of workers, the need for improved training in the industry and your interest in training programs. I would like you to tell me about your hiring practices, the type of staff you have working for you, and about the types of training you and your staff have taken in the past and will need in the future.

1. First, I would like you to briefly describe the process by which you hire people.
  - do you have access to self-employed skilled workers when necessary?
  - do you rely mainly on your permanent staff?
2. What about differentiating these costs by the type of worker: full-time staff, part-time staff, contract workers?
3. What qualifications do you require of your workers?
  - could you describe the ideal worker?
4. What do you do when you cannot find enough qualified workers?
5. What kinds of courses or training programs have you taken over the last couple of years (probe for longer/shorter time periods)?
  - types of courses
  - details of courses: where taken, for how long, costs, etc.
  - usefulness of training; how training provides practical benefits
6. What are some of the reasons that prevent you or your workers/employees from taking more training in areas that would help your renovation business?
  - need and interest
  - cost: financial; lost production time
  - availability of qualified candidates
  - losing workers to other companies/poaching
  - shortage of skilled workers in the local labour market
  - lack of information
  - shortage of suitable courses and training institutions/trainers
  - inadequate government assistance
7. What kinds of support, if any, do you provide to employees who are interested and in need of training?
  - What about sub-contract workers?
8. What kinds of changes would you like to see in the training systems available for people in this industry? I am asking about this very broadly, considering things such as the amount of training, the quality of training, the suitability of training to renovation (as a specialized activity), etc.

9. What are the best ways of organizing training for this industry?

- types of training
- format of training
- duration of training: length, scheduling
- preferred trainers

## II. SUPPORT FOR WARRANTY AND INDUSTRY DESIGNATION PROGRAMS

During the next few minutes, I would like to discuss with you your willingness to support and comply with a set of minimum business, technical and ethical standards which would define a *skilled renovator* and lead to a higher level of professionalism in the industry. I would also like to obtain your thoughts on the creation of self-funded designation and warranty programs.

The objective of warranty programs is to provide customers with a certain amount of protection and reassurance when they renovate their home. Warranty programs can also benefit renovators by encouraging people to purchase renovation services. Of course, these programs are not without costs. Québec has established a warranty program for renovation and a rough estimate of the cost to the consumer is about five per cent. Also, there are a number of ways that such a program could be designed and administered.

1. What kind of guarantees or warranties do you provide to your customers?

- Does the approach you use help your business? Do you think that you would have more business if the customer guarantees were better? What kind of guarantee are your customers looking for?

2. I would like you to tell me whether you think that the establishment of a national warranty program for renovators is a good idea?

3. Do you think that it would be better to provide a third-party warranty to customers or to have the renovators provide a company guarantee to customers?

4. What would be the impact of a third-party warranty on your business?

5. Under what circumstances would you support and comply with a set of business, technical and ethical standards that would define a skilled renovator?

6. What would be the best way to enforce standards? who should ensure compliance?

7. What do you see as being the major costs and benefits of a warranty program?

8. Would you support a self-funded designation program?

9. Would industry designation be needed to promote the success of a warranty program?

10. Which designation model would you prefer?

- formal certification
- formal recognition
- formal renovator technologist designation from a community college, technical, or vocational college
- informal industry designation tied with industry involvement

### III. COMPANY PROFILE

I would like to begin by asking you some general questions about your business and about your motivations for becoming renovators. Then I would like to ask you some specific questions about your company.

1. I would like you to tell me how you became a renovator. Perhaps you could begin by talking about how you acquired your skills and then tell us about the process you went through to become a renovator in terms of the motivation, and also how you got your business off the ground.
2. How is your business organized? I am thinking in particular about how your different responsibilities like project work, office work, sales and marketing, etc. are organized and who makes the decisions for the different activities.
3. Do you contract professional services for legal, accounting and design services on a regular basis?
4. Do you consider yourself to be a professional -- a renovation professional? Why?
5. Do you use computers in your business?
  - are they used mainly for administrative/accounting purposes or do you also use them for project planning and design?
6. How has the GST affected your business?
  - how often do potential clients ask you to provide them with a cash quote?
  - do you ever have to discount the GST or have clients who simply refuse to pay the tax?

**IV. OPINIONS ABOUT TRENDS IN THE INDUSTRY**

1. How has the GST affected your business?

2. What do you see as being the most important trends in the residential renovation industry over the next five to ten years?

- aging population
- high cost of housing
- consumer demand for energy saving/environmentally friendly homes
- additional penetration into renovation business of small/independent contractors. How about renovation franchises or renovation done by large companies such as Sears?

**END OF DISCUSSION: THANK PARTICIPANTS**



**APPENDIX B**  
**ENGLISH SURVEY MARGINALS**

## NATIONAL SURVEY OF RENOVATORS MAILBACK QUESTIONNAIRE MARGINALS

The following questions are intended for the owner(s)/operator(s) of your company and ask about their personal involvement in the business and the characteristics of your company.

### I. PROFILE OF RENOVATORS AND RENOVATION COMPANIES

The first series of questions are designed to obtain information about the characteristics of the renovation industry in Canada, including the types of companies in the business, the ownership and management of these companies and the importance of renovation to the overall operations of companies in the business.

#### A. PERSONAL INVOLVEMENT IN INDUSTRY

##### 1. Do you consider yourself to be a renovator?

<i>Yes, full-time renovator</i> .....	1	55.5	
<i>Yes, part-time renovator</i> .....	2	44.5	n = 663

##### 2. How many years have you been working in the renovation industry?

$\bar{x}$  = 14.2  
s = 8.4  
n = 623

##### 3.a. Do you plan to continue to work in the renovation business?

<i>Yes</i> .....	1	95.5	
<i>No</i> .....	2	4.5	n = 599

##### b. IF NO: Why will you be leaving the renovation business?

<i>Retirement</i> .....	1	11.4	
<i>Business not profitable</i> .....	2	40.9	
<i>Focus on new construction</i> .....	3	36.4	
<i>Taking a job in another industry</i> .....	4	4.5	
<i>Going to school</i> .....	5	0.0	
<i>Other</i> .....	6	6.8	n = 44

**B. BUSINESS CHARACTERISTICS**

The next set of questions are about the ownership and organization of your company.

4.a. Which of the following arrangements *best* describes your company's ownership?

<i>Legally-incorporated company</i> .....	1	67.7	
Non-Incorporated Company			
<i>Individual owner</i> .....	2	27.7	
<i>Partnership</i> .....	3	4.6	n = 654

b. How many owner/operators and partners are there?

$\bar{x} = 1.6$   
 $s = 1.0$   
 $n = 620$

c. What is the relationship between the owner(s) and operators(s) of the business?

<i>Owner(s) operate the business</i> .....	1	98.4	
<i>Owner(s) are investors not involved in day-to-day operations</i> .....	2	1.6	n = 617

5. Are family members involved in your business?

	Yes	No	
<i>Spouse</i> .....	1	2	
	57.7	42.3	n = 575
<i>Other family members</i> .....	1	2	
	48.5	51.5	n = 456

6. Who in your company is primarily responsible for making decisions in the following areas:

	Owner/ Operator	Spouse/ Family Member	Partner	Full-Time Employee	Other	
a. <i>Project design and planning</i> .....	1	2	3	4	5	
	84.5	4.6	3.0	4.3	3.5	n = 624
b. <i>Renovation project work</i> .....	1	2	3	4	5	
	80.8	3.1	3.7	11.4	1.0	n = 616
c. <i>Sales and marketing</i> .....	1	2	3	4	5	
	84.1	6.6	3.0	4.4	2.0	n = 610
d. <i>Business management and administration</i> .....	1	2	3	4	5	
	72.4	21.4	2.5	3.1	0.7	n = 608

**D. OVERALL BUSINESS ACTIVITY**

The next two questions are about your business activity in the building industry, including renovation and new construction.

7. **Approximately what percentage (in terms of gross revenues) of your total business activity in the building industry, in the last year, falls into the following categories?**

	$\bar{x}$	s	n
a. <i>residential renovation</i>	51.8	34.4	654
b. <i>commercial renovation</i>	14.0	21.5	654
c. <i>new home construction</i>	22.1	30.2	654
d. <i>commercial, institutional and high-rise residential construction</i>	4.9	14.9	654
e. <i>other</i>	6.2	17.6	654

8. **Considering these same business categories, over the last two years would you say that your business has increased, decreased or stayed about the same?**

	DECREASED A GREAT DEAL		STAYED THE SAME			INCREASED A GREAT DEAL		$\bar{x}$	s	n							
	1	2	3	4	5	6	7										
a. <i>residential renovation</i> . . . .	1	2	3	4	5	6	7	11.4	10.2	14.1	31.3	19.5	10.0	3.6	3.8	1.6	640
b. <i>commercial renovation</i> . . .	1	2	3	4	5	6	7	15.7	15.3	15.0	34.9	10.0	7.5	1.6	3.4	1.5	439
c. <i>new home construction</i> . . .	1	2	3	4	5	6	7	19.9	15.3	15.3	26.1	12.0	7.7	3.8	3.3	1.7	418
d. <i>commercial, institutional and high-rise residential construction</i> . . . . .	1	2	3	4	5	6	7	22.1	12.4	13.4	34.6	8.3	6.9	2.3	3.2	1.6	217

## E. OFFICE LOCATION AND EQUIPMENT

9. Which of the following best describes the type of office your company operates from?

<i>Office in your home</i> .....	1	64.7	
<i>Rented space outside your home</i> .....	2	20.4	
<i>Space in a building owned by your company</i> .....	3	14.2	
<i>Other</i> .....	4	0.5	
<i>Do not operate an office</i> .....	5	0.2	n = 641

10. Typically, how far do you work from your base of operations? Within:

<i>less than a 15 km/10 mile radius</i> .....	1	19.7	
<i>a 15-29 km (=10-19 miles) radius</i> .....	2	24.7	
<i>a 30-44 km (=20-29 miles) radius</i> .....	3	18.4	
<i>a 45-60 km (=30-40 miles) radius</i> .....	4	20.2	
<i>more than a 60 km (=40 mile) radius</i> .....	5	17.0	n = 640

11.a. Do you use a computer for business purposes?

<i>Yes</i> .....	1	59.1	
<i>No</i> .....	2	40.9	n = 646

b. IF YES: For which of the following business activities do you use a computer?

<i>Word processing</i> .....	1	81.7	n = 309
<i>Accounting/bookkeeping</i> .....	2	84.9	n = 321
<i>Cost estimation</i> .....	3	36.8	n = 139
<i>Project cost management</i> .....	4	39.4	n = 149
<i>Project planning and scheduling</i> .....	5	14.8	n = 56
<i>Computer-aided design (CAD)</i> .....	6	24.3	n = 92
<i>Payroll</i> .....	7	48.4	n = 183
<i>Other</i> .....	8	5.3	n = 20

12. How satisfied are you with the level of computer skills in your firm?

<b>EXTREMELY DISSATISFIED</b>		<b>NEITHER</b>			<b>EXTREMELY SATISFIED</b>		
1	2	3	4	5	6	7	
4.1	6.1	13.3	33.7	21.5	13.3	8.0	

$\bar{x} = 4.3$   
 $s = 1.4$   
 $n = 489$

**F. FINANCIAL INFORMATION**

The following questions are intended to gain an approximate idea of the size of your company. We would like to reassure you that all information collected in this survey is completely confidential.

13.a. **How important to your company's business is financing (e.g., loans, lines of credit, etc.) from lending institutions?**

NOT AT ALL IMPORTANT		MODERATELY IMPORTANT			EXTREMELY IMPORTANT		
1	2	3	4	5	6	7	$\bar{x} = 4.4$
10.8	10.3	5.7	29.7	10.3	13.1	19.9	$s = 1.9$
							$n = 609$

b. **How difficult is it for your company to get financing from lending institutions?**

EASY/NOT AT ALL DIFFICULT		MODERATELY DIFFICULT			EXTREMELY DIFFICULT		
1	2	3	4	5	6	7	$\bar{x} = 3.6$
16.7	18.0	14.6	22.3	9.0	8.3	11.0	$s = 1.9$
							$n = 444$

14. **Does your company help to arrange financing for your customers for renovation work?**

Yes .....	1	17.9	
No .....	2	82.1	$n = 653$

15. **Approximately what were your gross revenues for 1992?**

	$\bar{x}$	$s$	$n$
a. <i>Total construction business (including new construction and renovation)</i>	\$878,333.91	\$2,283,892.97	452
b. <i>Renovation business only</i>	\$434,311.28	\$1,430,340.47	492

16. **In total, approximately how many renovation projects did you work on in the last 12 months?**

<i>Number of renovation projects</i>	$\bar{x} = 65.2$
	$s = 230.5$
	$n = 622$

## G. RENOVATION ACTIVITY PROFILE

An important objective of this research is to produce a profile of renovation activity in Canada. We want to know the scope of the renovation business as well as the types of activities in which renovators are most commonly engaged.

17. Considering only renovation work, approximately what proportion of the work done by your company falls into the following three broad categories?

	$\bar{x}$	$s$	$n$
a. <i>Repairs, maintenance and restorations: work to restore or maintain a dwelling in its original condition</i>	27.9	27.8	640
b. <i>Improvements: remodelling or upgrades to enhance the dwelling</i>	42.1	28.0	640
c. <i>Additions and conversions: adding new space or converting space from one use to another (e.g., making an accessory apartment in a basement)</i>	28.7	27.7	640

- 18.a. More specifically, what are the two most important types of renovation work for your business?

	Code		
<i>Kitchen</i> .....	01	23.7	n = 157
<i>Bathroom</i> .....	02	24.0	n = 159
<i>Exterior: structural, siding, walls, roof, etc.</i> .....	03	34.8	n = 231
<i>Attached structures: garages, decks, etc.</i> .....	04	12.7	n = 84
<i>Windows and doors</i> .....	05	24.1	n = 160
<i>Basement/attic conversions/finishing</i> .....	06	11.5	n = 76
<i>Heating, ventilation, air conditioning</i> .....	07	1.4	n = 9
<i>Energy conservation</i> .....	08	1.8	n = 12
<i>Additions: new rooms/space</i> .....	09	35.1	n = 233
<i>Accessory apartments</i> .....	10	1.1	n = 7
<i>Other</i> .....	11	7.1	n = 47

- b. What percentage of your renovation business is represented by each of these two types? (Please place the circled codes selected in 18.a. in the boxes below, and indicate the percentage.)

Type of renovation work	Percentage of renovation business		
	$\bar{x}$	$s$	$n$
Kitchen	43.8	25.1	148
Bathroom	40.4	24.8	153
Exterior: structural, siding, walls, roof, etc.	49.1	22.4	217
Attached structures: garages, decks, etc.	37.5	17.3	81
Windows and door	42.9	23.8	153
Basement/attic conversions/finishing	45.8	21.0	73
Heating, ventilation, air conditioning	36.7	23.3	9
Energy conservation	48.0	28.1	10
Additions: new rooms/space	54.7	22.4	226
Accessory apartments	52.0	25.9	5
Other	79.3	25.0	11

19. Has your firm done work in any of the following areas in the past 12 months?

	Yes	No	
a. Modifications for disabled persons . . . . .	1	2	
	33.9	66.1	n = 631
b. Renovations to meet the needs of seniors . . . . .	1	2	
	33.2	66.8	n = 623

## II. HUMAN RESOURCES AND TRAINING

In order to obtain a profile of the types of workers employed in the renovation industry, as well as the level of training activity, the next section addresses staffing and training issues.

### A. CURRENT STAFF PROFILE

20.a. On average, over the last 12 months, approximately how many employees, (excluding owners/operators and partners), did your company employ?

	$\bar{x}$	s	n
Full-time	3.8	7.3	663
Part-time	2.0	4.1	663

b. On average, over the last 12 months, approximately how many of these employees worked in the following categories? (If employees work in more than one area, choose the principal area they work in.)

	Full-Time	Part-Time
<i>Project design and planning</i>	$\bar{x} = 0.6$ s = 1.4 n = 329	$\bar{x} = 0.2$ s = 0.6 n = 305
<i>Renovation project work</i>	$\bar{x} = 2.3$ s = 3.6 n = 558	$\bar{x} = 1.7$ s = 4.1 n = 547
<i>Sales and marketing</i>	$\bar{x} = 0.9$ s = 2.8 n = 352	$\bar{x} = 0.3$ s = 1.0 n = 311
<i>Business management and administration</i>	$\bar{x} = 0.7$ s = 1.4 n = 372	$\bar{x} = 0.2$ s = 0.5 n = 335



21. On average, how long has your company used the same sub-contractors?

**Trades**  
(e.g., electrician, plumber)

$\bar{x} = 6.8$   
 $s = 4.9$   
 $n = 567$

**Professionals**  
(e.g., accountant, lawyer)

$\bar{x} = 8.2$   
 $s = 6.2$   
 $n = 571$

22. Approximately how many workers do your sub-contractors assign to your jobs on a regular basis?

**Trades**  
(e.g., electrician, plumber)

$\bar{x} = 3.9$   
 $s = 7.3$   
 $n = 537$

**Professionals**  
(e.g., accountant, lawyer)

$\bar{x} = 1.4$   
 $s = 1.3$   
 $n = 467$

23. Does your company require any formal education and training qualifications for staff who work in the following areas?

	Yes	No	
a. <i>Project design and planning</i> .....	1	2	
	45.1	54.9	$n = 508$
b. <i>Renovation project work</i> .....	1	2	
	53.0	47.0	$n = 589$
c. <i>Sales and marketing</i> .....	1	2	
	35.2	64.8	$n = 503$
d. <i>Business management and administration</i> .....	1	2	
	50.0	50.0	$n = 528$

24. Does your company require formal qualifications for workers supplied by your sub-contractors?

	Yes	No	
a. <i>Trades (e.g., electrician, plumber)</i> .....	1	2	
	75.9	24.1	$n = 605$
b. <i>Professionals (e.g., accountant, lawyer)</i> .....	1	2	
	76.8	23.2	$n = 573$

25. There are a number of problems your company may have when looking to staff positions. Please rate the extent to which each of the following pose problems to your company when hiring employees or sub-contractors.

	NO PROBLEMS		MODERATE PROBLEMS			SERIOUS PROBLEMS		$\bar{x}$	s	n
	1	2	3	4	5	6	7			
a. Skilled workers do not understand renovation work .....	1	2	3	4	5	6	7	3.4	1.7	617
	20.9	11.7	11.7	30.6	12.3	9.6	3.2			
b. A shortage of skilled workers in local labour market .....	1	2	3	4	5	6	7	3.7	2.0	610
	22.3	11.8	9.0	21.3	12.3	14.6	8.7			

**B. TRAINING ACTIVITY PROFILE**

This section deals with different types of job-related training: formal and informal.

**Formal training** is distinguished by the following two features: 1) a structured format and 2) activities which may be monitored or evaluated by a trainer or through a self-paced training package, either on or off the job.

**Informal training** is distinguished by; 1) an unstructured format; 2) being taken on an "as needed" basis; 3) being provided on the job; and, 4) being delivered by another staff member.

26. How many of the staff in your company (including yourself) have taken FORMAL training in the last 24 months?

Number of people	$\bar{x} = 2.5$
	$s = 2.7$
	$n = 307$

27. Have you or any of your company's employees taken any of the following types of FORMAL training in the last 24 months?

	Yourself (Owner/Operator)			Employees		
		$\bar{x}$	n		$\bar{x}$	n
a. occupational health and safety .....	01	38.5	109	01	43.7	94
b. technical and trade courses .....	02	42.8	121	02	55.8	120
c. business and management courses ...	03	42.0	119	03	18.1	39
d. computer courses .....	04	32.9	93	04	31.6	68
e. sales and marketing courses .....	05	29.0	82	05	17.2	37
f. formal product training by manufacturers	06	27.9	79	06	26.0	56
g. customer service/client relations .....	07	21.2	60	07	11.6	25
h. other courses .....	08	7.4	21	08	7.0	15

28.a. Approximately how many hours have staff in your company (including yourself) spent in FORMAL training in the last 24 months?

	Yourself	Employees
<i>Number of hours</i>	$\bar{x} = 27.0$	$\bar{x} = 45.1$
	$s = 55.4$	$s = 210.6$
	$n = 643$	$n = 643$

b. Approximately how much money was spent on this training (i.e., tuition fees and expenses)?

	Yourself	Employees
<i>Approximate dollar value</i>	$\bar{x} = \$340.70$	$\bar{x} = \$444.79$
	$s = \$885.97$	$s = \$3,428.08$
	$n = 620$	$n = 617$

29. Does your company provide any of the following types of support to employees who are interested and in need of FORMAL training?

<i>Salary (while training)</i> . . . . .	1	18.3	$n = 121$
<i>Travel expenses</i> . . . . .	2	15.8	$n = 105$
<i>Course fees</i> . . . . .	3	33.0	$n = 219$
<i>Financial reward for successful completion of a required training course</i> . . . . .	4	6.3	$n = 42$
<i>Other benefits for successfully completing a training course (e.g., increased responsibility, promotion or job security)</i> . . . . .	5	25.8	$n = 171$

30. Thinking now about INFORMAL training, how important are informal training methods for upgrading the job skills of your company's employees?

	NOT AT ALL IMPORTANT	MODERATELY IMPORTANT			EXTREMELY IMPORTANT			
	1	2	3	4	5	6	7	
	6.2	1.7	4.3	26.4	15.7	22.0	23.7	$\bar{x} = 5.0$
								$s = 1.7$
								$n = 599$

31. In the coming year, do you think that your company will be able to meet all its training needs using INFORMAL methods only?

<i>Yes</i> . . . . .	1	60.1	
<i>No</i> . . . . .	2	39.9	$n = 426$

The next few questions deal with training activity in general: both formal and informal.

32. There are many factors which might limit the ability of an organization to conduct training. To what extent do the following pose problems for training workers in your business?

	NO PROBLEMS		MODERATE PROBLEMS			SERIOUS PROBLEMS				
	1	2	3	4	5	6	7	$\bar{x}$	s	n
a. Available candidates are not suitable	1	2	3	4	5	6	7	3.6	1.8	506
	20.0	11.3	9.7	31.8	10.7	8.5	8.1			
b. Direct financial costs	1	2	3	4	5	6	7	4.8	1.9	546
	9.7	6.2	7.1	20.1	14.8	15.4	26.6			
c. Lost production time	1	2	3	4	5	6	7	4.8	1.8	547
	7.3	4.6	8.4	24.7	14.6	17.7	22.7			
d. Losing employees to other companies when training is complete ("poaching")	1	2	3	4	5	6	7	4.0	2.1	519
	18.9	12.9	8.3	19.5	10.0	13.9	16.6			
e. Inadequate information about training courses and programs	1	2	3	4	5	6	7	3.7	1.9	513
	17.2	15.6	9.9	23.8	13.3	10.5	9.7			
f. Lack of worker interest and commitment	1	2	3	4	5	6	7	4.2	1.9	541
	11.3	11.5	11.5	21.1	12.6	16.5	15.7			
g. Lack of suitable training courses or centres	1	2	3	4	5	6	7	3.9	2.0	512
	17.6	13.9	11.3	18.0	11.9	15.8	11.5			
h. Insufficient government assistance for training programs	1	2	3	4	5	6	7	4.8	2.0	492
	10.0	7.1	7.7	16.9	9.8	19.1	29.5			
i. The number of candidates who do not complete (drop-out) the training course	1	2	3	4	5	6	7	3.2	2.0	431
	29.5	16.7	9.5	19.3	7.9	9.7	7.4			

33. How would you rate the priority of each of the following types of training for renovation workers in your company, including the owner/operator?

	LOW PRIORITY		MODERATE PRIORITY			HIGH PRIORITY				
	1	2	3	4	5	6	7	$\bar{x}$	s	n
a. Occupational health and safety	1	2	3	4	5	6	7	5.0	1.9	619
	6.9	5.5	4.8	25.5	11.6	14.7	30.9			
b. Technical and trades	1	2	3	4	5	6	7	5.5	1.5	617
	2.8	1.6	3.1	18.3	16.4	24.0	33.9			
c. Business and management	1	2	3	4	5	6	7	4.3	1.9	593
	12.3	8.8	6.7	25.8	14.3	15.0	17.0			
d. Computer	1	2	3	4	5	6	7	3.8	2.1	579
	24.0	9.2	5.7	22.3	14.2	13.8	10.9			

33. Continued.

	LOW PRIORITY		MODERATE PRIORITY			HIGH PRIORITY		$\bar{x}$	s	n
	1	2	3	4	5	6	7			
e. <i>Sales and marketing</i> .....	16.8	7.5	5.9	20.2	12.7	15.1	21.7	4.4	2.1	589
f. <i>New technologies and materials</i> ...	3.6	2.6	5.7	21.9	17.3	18.6	30.2	5.2	1.6	612
g. <i>Client relations and customer satisfaction</i> .....	2.1	2.6	2.7	9.2	10.3	17.1	56.0	6.0	1.5	620

34. How would you rate the overall importance of training to the success of your company?

NOT AT ALL IMPORTANT	SOMEWHAT IMPORTANT			EXTREMELY IMPORTANT			$\bar{x}$	s	n
1	2	3	4	5	6	7			
2.1	1.4	3.1	17.8	21.1	23.2	31.4	5.5	1.4	622

The following questions deal with preferences for various training formats.

35. In general, would you say that your company prefers:

<i>Formal/structured training methods</i> .....	1	10.8	
<i>Informal/unstructured training methods</i> .....	2	24.6	
<i>Combined formal and informal training</i> .....	3	64.6	n = 621

36. Thinking primarily of formal training programs, would you say that your company prefers:

<i>Short-term training programs (programs of less than 30 hours duration)</i> .....	1	83.0	
<i>Long-term training programs (programs of more than 30 hours)</i> .....	2	17.0	n = 600

37. Does your company prefer training to be conducted:

a.	On-site .....	1	22.9	
	Off-site .....	2	19.0	
	Combination of both .....	3	58.2	n = 617
b.	During work hours .....	1	19.8	
	Outside work hours .....	2	31.2	
	Combination of both .....	3	49.0	n = 612
c.	In the schools, colleges, universities .....	1	17.5	
	By industrial trainers .....	2	46.3	
	By your own staff .....	3	29.9	
	Through distance learning (e.g., instructional TV or correspondence education) .....	4	6.2	n = 531

38. When searching for suitable training courses or programs, where does your company look for information?

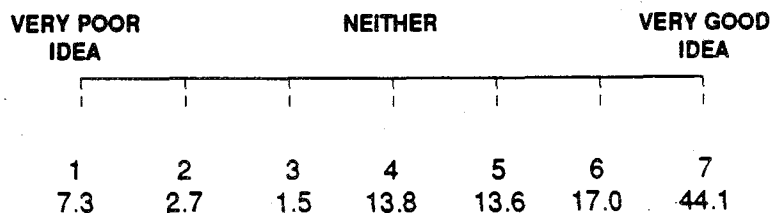
a.	Employees or sub-contractors .....	01	20.5	n = 136
b.	Personal contacts/Word-of-mouth .....	02	40.7	n = 270
c.	Community Colleges .....	03	28.7	n = 190
d.	Local Training Councils .....	04	14.6	n = 97
e.	Provincial government .....	05	11.6	n = 77
f.	Federal government/Canada Employment Centres .....	06	14.6	n = 97
g.	Industry associations .....	07	43.9	n = 291
h.	Other .....	08	6.3	n = 42

III. SUPPORT FOR INDUSTRY RECOGNITION PROGRAMS

In this section we want to ask you several questions dealing with the level of professionalism in the renovation industry and whether the industry should be trying to increase professional standards. Specifically, these questions deal with warranty programs, accreditation of owner-operators and workers in the industry, and industry recognition programs.

39. Some people have suggested that programs which lead to certification of workers and recognition of companies in the renovation industry would be a good idea.

a. By certification we mean a formal title recognizing an individual's qualifications after an approved course of study and examination by an industry-approved organization. Do you think that this is a good idea or a poor idea?



$\bar{x} = 5.5$   
 $s = 1.8$   
 $n = 601$

39.b. By recognition, we mean the formal recognition, by an industry-approved organization, of a renovation *company* with a "certified" worker in their employ, minimum industry experience requirements, recognized consumer protection programs and compliance with a code of practice. Do you think that this is a good idea or a poor idea?

VERY POOR IDEA		NEITHER			VERY GOOD IDEA		
1	2	3	4	5	6	7	
5.2	3.2	2.2	12.0	16.2	18.9	42.3	$\bar{x} = 5.6$
							$s = 1.7$
							$n = 598$

40. Should compliance with industry-set standards for renovator qualifications be voluntary or compulsory?

	Individual	Company
<i>Voluntary</i> .....	1 60.4	1 31.4
<i>Compulsory</i> .....	2 39.6	2 68.6
	$n = 565$	$n = 558$

41. Who do you think should develop and monitor industry standards for renovators?

<i>Canadian Home Builders' Association (CHBA)</i> .....	1	38.1
<i>Organizations of renovators</i> .....	2	26.8
<i>Trade-specific organizations</i> .....	3	13.2
<i>Provincial government</i> .....	4	15.0
<i>Other</i> .....	5	6.8
		$n = 559$

42. How willing are you to support an industry funded recognition program for qualified renovators if it costs:

	NOT AT ALL WILLING		SOMEWHAT WILLING			EXTREMELY WILLING		$\bar{x}$	$s$	$n$
	1	2	3	4	5	6	7			
a. \$500 per year per participating company .....	32.7	9.3	9.8	23.6	7.5	7.6	9.5	3.2	2.0	590
b. \$1,000 per year per participating company .....	65.5	12.7	6.6	8.2	2.0	2.0	3.0	1.9	1.5	502

43. Do you agree or disagree with the following: Overall, the costs of running industry-wide recognition programs will outweigh the benefits?

STRONGLY DISAGREE		NEITHER			STRONGLY AGREE		
1	2	3	4	5	6	7	
14.0	9.4	9.8	24.0	11.2	10.8	20.7	$\bar{x} = 4.2$ $s = 2.0$ $n = 508$

44. Awareness of improved industry standards from outside the industry (e.g., from the public and government) will be a factor in the degree to which these costs will be justified. Do you agree or disagree with the following statements?

	STRONGLY DISAGREE		NEITHER			STRONGLY AGREE		
	1	2	3	4	5	6	7	$\bar{x}$ s n
a. <i>It will be very difficult to make the consumer aware of higher industry standards</i> . . . . .	9.8	11.3	11.1	11.7	17.5	17.6	21.0	4.5 2.0 613
b. <i>Formalizing the qualifications of me or my employees through certification programs will not improve our company business</i> . . .	11.5	13.4	15.4	13.1	9.0	13.0	24.6	4.3 2.1 610
c. <i>Formal worker certification and company recognition programs will improve public confidence in the renovation industry</i> . . . . .	7.7	5.6	4.9	14.3	18.0	23.7	25.7	5.0 1.8 607
d. <i>The formal recognition of renovation companies will improve their credibility with municipal governments (e.g., project tendering, preferential treatment for permits or inspections, etc.)</i> . . .	9.3	5.7	4.4	15.7	16.0	23.5	25.3	5.0 1.9 592



45. Some people involved in renovation think that a third-party consumer protection program, like the warranty program applied to new home construction, would benefit the renovation industry. Do you agree or disagree with the following statements about warranty programs?

	STRONGLY DISAGREE		NEITHER			STRONGLY AGREE				
	1	2	3	4	5	6	7	$\bar{x}$	s	n
a. I think that a third-party consumer protection program is a good idea for our industry . . . . .	1	2	3	4	5	6	7	4.0	2.1	607
	21.4	10.2	7.2	16.1	14.8	14.0	16.1			
b. I would be willing to pay significant additional costs associated with running a high quality third-party consumer protection program . . . . .	1	2	3	4	5	6	7	2.4	1.8	608
	48.8	16.0	9.2	11.2	7.1	2.8	4.9			
c. Most consumers would be willing to pay additional costs (i.e., renovation warranty) for renovations if the work was insured through an independently run consumer protection program . . . . .	1	2	3	4	5	6	7	3.2	2.0	589
	31.7	16.5	9.0	11.2	16.1	9.0	6.5			
d. The problem with consumer protection programs is that the firms already producing high quality work end up paying for the problems of firms that do not . . . . .	1	2	3	4	5	6	7	6.0	1.7	613
	5.2	2.9	2.4	5.2	7.3	17.6	59.2			

IV. OPINIONS ABOUT TRENDS IN INDUSTRY

In this section of the questionnaire, we would like to obtain your views on some of the major trends currently taking place in the industry.

46. What kind of impact do you think that each of the following trends might have on your renovation business over the next few years.

	VERY NEGATIVE		NEITHER			VERY POSITIVE				
	1	2	3	4	5	6	7	$\bar{x}$	s	n
a. Lifestyle changes that include people changing homes less frequently . . . . .	1	2	3	4	5	6	7	5.2	1.5	596
	3.0	2.9	4.9	23.7	17.6	23.8	24.2			
b. New computer technology . . . . .	1	2	3	4	5	6	7	4.6	1.3	555
	2.7	3.4	4.9	47.7	17.7	12.8	10.8			
c. Demographic changes, particularly an aging population . . . . .	1	2	3	4	5	6	7	5.0	1.5	580
	3.8	2.9	7.9	19.8	23.6	27.1	14.8			
d. Increased immigration of people with construction expertise as a new source of skilled labour . . . . .	1	2	3	4	5	6	7	3.9	1.6	574
	10.5	11.0	10.5	40.1	13.9	7.0	7.1			

46. Continued.

	VERY NEGATIVE		NEITHER			VERY POSITIVE				
	1	2	3	4	5	6	7	$\bar{x}$	s	n
e. Land use restrictions and financial pressures that could limit new development in suburban and rural areas	12.4	11.7	13.3	24.1	15.7	12.2	10.5	4.0	1.8	580
f. Increased competition from firms entering the renovation business	15.0	16.8	22.5	25.6	8.3	5.8	6.0	3.4	1.7	618
g. The effect of the GST on the volume of business	39.4	16.2	13.8	15.2	2.7	3.8	8.9	2.7	1.9	630
h. The implementation of modern management systems and techniques	4.4	3.0	6.0	39.2	21.4	15.4	10.6	4.6	1.4	566

47. What do you think will be the most important trends affecting the renovation industry over the next few years?

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**VII. PERSONAL PROFILE OF CANADIAN RENOVATORS**

Finally, we'd like to gather a few personal details about yourself with respect to your level of formal education and any trade qualifications or accreditations that you might possess.

48. What position do you hold within your company?

Owner/operator/partner	1	91.5
Manager/Administration	2	7.4
Other	3	1.1 n = 639

49. What is the highest level of formal education that you have achieved?

Some high school	1	16.3
High school graduate	2	26.0
Some university/community college	3	21.0
Community college graduate	4	17.6
University graduate	5	14.8
Post-graduate	6	4.4 n = 643

50. Are the institutions where you received most of your training in construction/renovation skills located:

<i>in Canada</i> .....	1	93.0	
<i>outside of Canada</i> .....	2	7.0	n = 603

51. What trade certificates, or professional accreditations do you hold?
- 
- 

52. What industry *association affiliations* do you have (e.g., CHBA, SAWDAC, NECA, HRAI, etc.)?
- 
- 

53. In what year were you born?

$\bar{x}$  age = 43.3 yrs  
 $s$  = 9.6 yrs  
 $n$  = 652

54. Which language did you first learn as a child and still understand today?

<i>English</i> .....	1	63.4	
<i>French</i> .....	2	24.9	
<i>Other</i> .....	3	11.8	n = 655

55. Which language does your company usually conduct its business activities in?

<i>English</i> .....	1	75.2	
<i>French</i> .....	2	21.6	
<i>Other</i> .....	3	3.2	n = 656

56. Are you:

<i>Male</i> .....	1	94.8	
<i>Female</i> .....	2	5.2	n = 658

THANK YOU FOR YOUR HELP.

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**FOLLOW-UP TO THE SURVEY:**

**Would you like to receive a copy of the report on the findings of this survey when it is published?**

Yes ..... 1 88.8  
No ..... 2 11.2 n = 580

**In appreciation of the time that was spent filling out this questionnaire, all respondents are eligible to receive a package containing a number of CMHC publications. Are you interested in receiving such a package?**

Yes ..... 1 89.2  
No ..... 2 10.8 n = 573

**Would you be willing to have your name included on a list of renovators who would receive future surveys from the Canadian Home Builders' Association?**

Yes ..... 1 74.6  
No ..... 2 25.4 n = 559

**If you have answered "Yes" to any of these three questions, please attach your business card or indicate your name and complete mailing address:**

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