

The Retail Motor Industry: Recruiting and Retaining High Potential Employees

**A Report for RTS Consultants (UK) Ltd
9th March 2004**

“There is a real lack of awareness that there is that connection between how developed people are and how motivated they are and the business results. The focus in the motor industry going back has been on moving metal, how many cars you sell in a month, understandably”.

James Wells MSc
Applied Psychology
Cranfield University

Table of Contents

1. EXECUTIVE SUMMARY	2
1.1 BACKGROUND	2
<i>Forces for Change</i>	<i>2</i>
<i>People First.....</i>	<i>2</i>
<i>High Potential Employees.....</i>	<i>3</i>
1.2 METHODOLOGY	4
Summary	4
Stage one - Interviews.....	4
Stage two – Postal survey	4
1.3 KEY OBSERVATIONS	5
Culture – A barrier to diversity	5
A low perceived job image – The need for positive leadership	6
Training and developing people – Positive about the future	6
2 FINDINGS	8
2.1 CULTURE – A BARRIER TO DIVERSITY	8
A male dominated industry	8
An increasing graduate population	10
A stereotypical employee.....	11
2.2 A LOW PERCEIVED JOB IMAGE – THE NEED FOR STRONG LEADERSHIP.....	13
A respected or modern trade?	14
Management feelings about the future.....	15
2.3 TRAINING AND DEVELOPING PEOPLE– POSITIVE ABOUT THE FUTURE	16
Very few dealerships offer structured graduate or management training paths.....	16
Little or no development of soft skills in managers	17
Succession planning is often basic or nonexistent.....	18

1. Executive Summary

1.1 Background

This report was commissioned by RTS Consultants (UK) Ltd in 2003 in an effort to identify reasons for the franchised sector's general inability to attract and retain high potential employees. Their concern stems from observations in their role as consultants to the retail motor industry and in particular their involvement via a number of manufacturers and groups in recruitment programmes and management development programmes. It appears that very little research has been undertaken to look at this issue within the retail franchised sector of the motor industry. The report therefore seeks to identify existing obstacles and make recommendations for improving the sector's ability to attract and retain high potential employees.

Forces for Change

The retail motor industry is currently experiencing a significant number of forces for change that have accumulated over a number of years;

1. The introduction of the European monetary union is affecting car prices across the European Union by making price comparisons across markets much more transparent, the result being lower prices across most markets.
2. The internet is allowing consumers to shop around therefore adding to competitive pressures on dealerships.
3. New competitors have emerged to claim business that has traditionally been linked to dealerships, i.e. insurance repair centres, finance houses, fleet management, tyre and exhaust centres and contract hire.
4. Improving technology, quality, and reliability of cars has reduced the demand for after-sales, putting pressure on absorption rates together with reduced contact with customers between purchase decisions.
5. There is also the added pressure of legislative changes that came into effect in October 2003 referred to as block exemption. The new regulations mean that the link between sales and after-sales is no longer required, acknowledging that both economic activities may be conducted separately, while they were tied in previous legislation. Repair and servicing contracts will also no longer be tied to manufacturer approved dealers.

If the franchised sector is to prosper, it is essential that its people to move forward and meet these challenges head on.

People First

As yet nobody knows precisely how the industry will look in the future: however, it is clear that the structure and competitiveness of the sector will change, along with the needs of customers.

Competitors are almost always able to match products, processes, locations, and distribution channels etc. What is far more difficult to match is a workforce made up of highly knowledgeable, developed, and motivated people.

In almost all industries the characteristic that differentiates successful businesses from their less successful counterparts is the quality of people they are able to recruit and retain. The retail motor industry is no different in this respect, the success of franchised dealerships in the future will depend on their ability to attract and retain the best employees. Only by doing this will they be able to successfully manage change, create new solutions to existing problems, forge innovative ways of operating in the future and help to develop the industry as a whole.

High Potential Employees

The term high potential employee is referred to in this report as those who either already possess the knowledge, skills, and attitude (KSA's) that are required to succeed, or possess the potential to acquire them. It would be misleading simply to refer to high potential employees as graduates; however, with the number of people now attending University it is safe to say that a large proportion of high potential employees now enter the workplace with a degree or equivalent qualification. The number of graduates entering the retail motor industry at present is low, partly because it is not seen as an attractive career choice, but also because the industry has traditionally acquired managers from technical skills roles. This second point is partly responsible for the fact that the industry does not target graduates like other industries. However, the UK economy has changed significantly over the past 30 years and is increasingly moving towards a knowledge based environment. The retail motor industry can ill-afford to ignore this group of potential candidates

Acknowledgement

We would very much like to thank all those who contributed directly to the research by providing honest and frank opinions. We would also like to thank all the dealerships and groups who co-operated by allowing their employees to participate.

1.2 Methodology

Summary

Research data was collected over two stages, incorporating both qualitative and quantitative techniques. Stage one consisted of an initial exploration of the relevant issues using interviews with senior executives and managers. Stage two centred on the design and distribution of a postal survey. Anonymity was assured at both stages of the research as it was felt this would lead to open and honest view points of the industry.

Stage one - Interviews

Occupational roles of participating representatives at the time of interview

** Chief Executive of a leading organisation affiliated with the sector*

** Managing director of a consultancy to the industry*

Directors of a dealer group

Dealer Principals

Sales Managers

Aftersales Managers

Graduates on a management programme provided by a leading manufacturer

- There was a mix of (66%) male and (33%) female contributors
- Interviews lasted between 45 and 65 minutes each

Two unstructured interviews were first conducted to ascertain the full range of relevant issues. These two interviews were conducted with the two most high profile representatives (* highlighted in bold italic) in order to get an overview of the relevant issues. Information gained from these two interviews was then used to construct a set of open ended questions that were used to direct the interviews with the remaining contributors.

Stage two – Postal survey

Occupational roles of employees who responded to the postal survey questionnaires (totalling 450):

Dealer Principals

Sales Managers

Service Managers

Parts Managers

Aftersales Managers

Sales supervisors/controllers

Service supervisors/controllers

After-sales supervisors/controllers

Parts supervisors/controllers

Sales/customer facing advisors

Administrators

Technicians/other support

- 103 respondents were in management roles (highlighted in bold italic)
- The sample was acquired from 3 multi-franchise dealer groups and 4 independent dealerships
- 78% of respondents were male and 22% were female

The questionnaire used a seven-point scale to capture data relating to the issues raised at interview. The questionnaires were distributed directly to representatives via the participating groups and dealerships.

1. 3 Key Observations

When representatives at interview were asked whether they thought the retail motor industry was an attractive career choice for high potential employees, 89% held the view that the industry was not an attractive choice. The overwhelming view was that the retail motor industry in its present form is no competition to many other industries when it comes to attracting and retaining high potential employees.

A number of themes subsequently emerged as to why the industry is not an attractive choice for high potential employees. These themes are essentially captured in the following three areas;

1. Culture – A barrier to diversity

People within industry claim that it is difficult to get the skilled workers they need: however, another message also coming from industry is saying, “We don’t want women, we don’t want graduates, and we don’t want people who haven’t got experience of the motor industry.” The industry needs to be more proactive in targeting and recruiting a more diverse workforce, especially at management level.

Summary

The research highlighted a lack of diversity, especially at management level, in terms of gender and people from different backgrounds. Over time this has helped to foster a culture that is exclusive and uninviting to many groups who have the potential to make a significant contribution to the industry by introducing new ideas and fresh perspectives. The existing culture also makes the industry an unattractive choice for many employees, especially females, because it espouses values and beliefs that are at odds with the norms that exist in most modern retail environments. When participants were asked to describe the culture of the industry, the predominant themes to emerge were; traditional, old fashioned and not very creative or innovative

The present situation

- The present workforce at management level across the industry is dominated by white males who have come from similar backgrounds
- Females are predominately employed in administrative roles
- There is a reluctance to target and recruit people with management experience gained outside of the motor industry
- The industry at present is reluctant to target and recruit graduates

Recommendations to overcome barriers to change

- More effort is required to improve understanding at management level and dissemination of the wider arguments surrounding workforce diversity and the potential benefits to be gained.
- Arguments and beliefs have developed from within the present culture, which reinforce its exclusivity, promote insularity, and act as barriers to change. These need to be countered by business leaders.
- More effort is required to take account of the specific needs and aspirations of specific groups such as graduates and high potential candidates.

- Improved recruitment practices are required to ensure that the 'right person' for a role is well defined to break the cycle of employing the 'wrong type of person'.

2. A low perceived job image – The need for positive leadership

The industry as a whole needs to create a more positive vision for the future, which can then be communicated to the wider population.

Summary

The research revealed that people working within the industry think that it is viewed negatively by the wider population. During the interviews representatives talked about it being perceived as a 'cowboy type' industry with worker stereotypes including 'Authur Daley type people' or the 'dodgy salesman'. It was not the concern of this research to determine whether or not the industry is indeed viewed in these terms; what is important is the fact that workers within the industry believe this to be so. The implication is the effect this is having on work attitudes, esteem, and behaviour.

The present situation

A belief was revealed among employees that the retail motor industry;

- Is not perceived as a respected trade to work within
- Is not perceived as a modern industry

Recommendations to overcome barriers to change

- There was strong feeling among respondents about the perceived poor image of the industry, resulting in a situation where it is difficult to create a vision of the future that will inspire and motivate employees. Managers and business leaders must focus on the positive aspects and seek ways to convey these to a wide audience in a consistent manner, helping create a "feel-good" factor for existing employees, to excite potential employees and boost the confidence of consumers in the sector.

3. Training and developing people – Positive about the future

Dealerships need to more positive about investing in the future. Commitment can be bought by demonstrating that there is no need to leave the business in order to develop and progress.

Summary

The interviews revealed a belief that dealerships and groups are reluctant to resource structured management training and development programmes, fearful that competition will poach employees once they have made an investment. Succession planning was also thought to be scarce, with dealerships often equating this to promoting from within. The result is that a lot of dealerships buy in skills at the required level, often poaching from each other through inflated wages. It was also felt that whilst the industry had made big improvements in providing technical training within dealerships, the soft skills crucial for managing people are not being developed.

The present situation

- Very few dealerships offer structured management or graduate training and development programmes
- There is a lack of focus on developing the soft skills required to successfully manage people

- Succession planning is often basic or nonexistent

Recommendations to overcome barriers to change

- A general feeling of uncertainty about the future and limited margins has created a situation where there is a reluctance to plan and resource for the future. Managers and business leaders should embrace a “people-development” culture where every individual has an opportunity to be developed in tune with business objectives.
- Structured development for existing managers (particularly in the “soft”, people skills) and programmes for graduates and high potential candidates will assist in recruiting and retaining the best people.

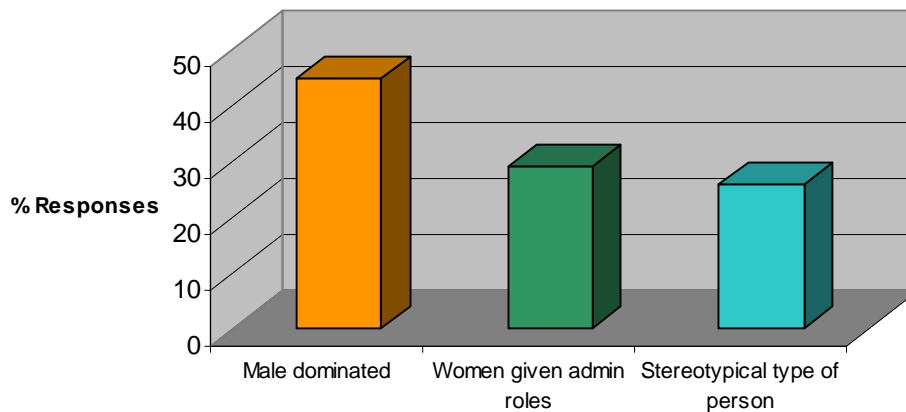
2. Findings

2.1 Culture – A barrier to diversity

People within industry claim that it is difficult to get the skilled workers they need: however, another message also coming from industry seems to be saying we don't want women, we don't want graduates, and we don't want people who haven't got experience of the motor industry.

Fig 1. Views held by interviewees

"Describe the retail motor industry in terms of workforce diversity"



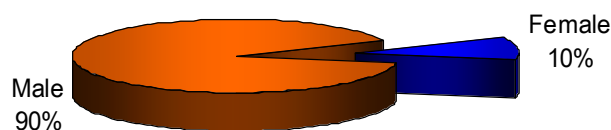
School leavers are better qualified than ever and a greater percentage is also going on to higher education. Is there really a shortage or is the industry simply not spreading the net wide enough. Most industries increasingly place a strong emphasis on attracting and employing a diverse mix of people. One reason for this is because the UK population, and therefore the workforce, is more diverse than ever before. This trend is, of course, also reflected in the graduate population, whose numbers have increased dramatically over the past 20 years. However, this norm is at odds with the data collected for this report.

A male dominated industry

The overwhelming view of contributors at interview was that the sector is male dominated, with females predominately fulfilling administration-type roles.

Fig 2. Survey results

Gender balance of respondents at management level



Comments included:

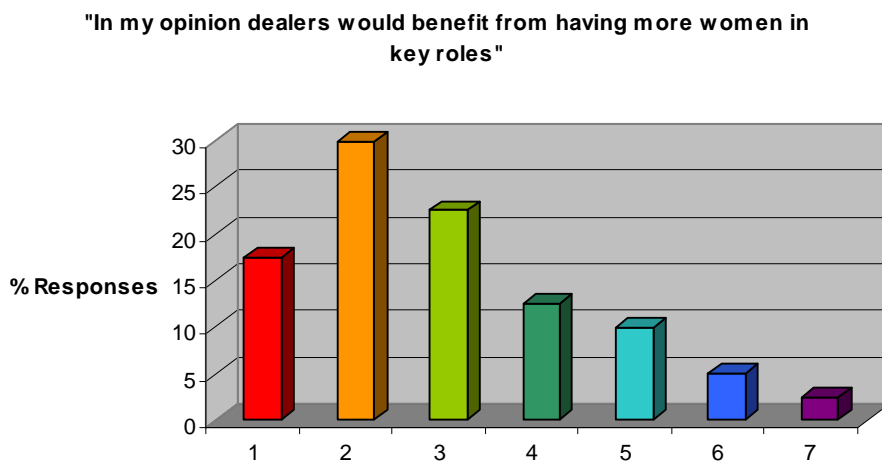
“I think on the management side there are an awful lot of females in other industries who could make very fine female managers, but the culture of many of the businesses doesn’t lend itself naturally to a particularly comfortable arena for a lot of women”.

“I think the motor industry has always been considered a male’s industry, you know, boys and their toys, I want the biggest engine, and the biggest wheels, and the biggest car, and that kind of thing. That’s cost us in two ways; firstly, the business is attracting women to come and buy cars who now equate to something like 30-40% of decision makers, so they automatically feel there is a barrier when they come in. Secondly, it’s pigeonholed people within the industry, it has affected the way we recruit. When we think we need an administrator we say we need an administration girl, and that’s I think, a major culture issue for the industry”.

“I am not phased by it, but my perception is that it is a very male dominated industry, and that never bothers me, but I feel that I can probably say that there are another 50 women who wouldn’t even attempt to enter. So you are missing half of the population.... there’s lots of jokes about it and I think that is sad, you know, we are missing a real opportunity to develop the industry by the fact that so many people assume that it has to be that way, because then it continues to be that way and you lose that richness of ideas that you only get when you have a real diverse mix of people, different genders, different ages, and different backgrounds”.

One objective of the research was to identify possible barriers to change that may exist. One of the items on the questionnaire therefore asked participants to indicate on a scale from 1 to 7 to ‘please state how actively involved you are in the decision-making process regarding the recruitment of new employees’. All those who responded with a 6 or 7, therefore indicating a high level of decision making, were then selected for further analysis.

Fig 3. Survey results



Where 1 indicates “no agreement whatsoever” and 7 indicates “definite agreement”

- **Mean = 2.9**
- **47% indicated a very low agreement (i.e. a response of 1 or 2)**
- **7% indicated a very high agreement (i.e. a response of 6 or 7)**

These findings do not necessarily uncover an overt attempt to keep the status quo. As one dealer principal commented when asked whether it would benefit dealerships to have a more balanced gender representation: *“I don’t think it could harm, and I think everybody needs to be given an equal opportunity to come and join, but you have to be good enough to get on regardless of who you are, and I don’t think we should do it just for the sake of doing it”*. Of course there is nothing fundamentally wrong with this point of view, and of course people should be competent to do the job. However, there is a wider argument that this point of view fails to take account of. Unless more women are encouraged to come and work in key roles within dealerships then the industry is going to remain a poor career choice for half of the population, half of the talent, half of the ideas, simply because the culture will continue to put women off applying.

The overall picture is that the industry does not attract many women because of the male-dominated culture that exists throughout the industry, and of women being given administration jobs when they do work within the industry. This is not to say that this is indicative of all groups and dealerships: of the individuals who generously gave their time to be interviewed, all but one gave examples of women either already working in various roles or positive attempts to change the gender balance. The problem that exists for the people who do want to change this is the culture that presently exists across the industry and the way it is perceived by those outside of the industry.

However, probably the defining factor for change not occurring is the fact that 92% of the respondents who reported being highly active in the decision-making process relating to recruiting new employees were male.

An increasing graduate population

The UK economy is increasingly becoming a knowledge-based market place, which is being driven by a graduate population larger than at any time before. It would be misleading to refer to high potentials as graduates only; however, with the number of people now attending University it is safe to say that a large proportion of high potentials now enter the workplace with a degree or equivalent qualification. There is strong evidence to demonstrate that graduate numbers across the retail motor industry are low compared to other industries.

When looking at the numerous careers advice booklets for graduates in the UK such as the Hobson’s directory or the prospectus directory it soon becomes apparent that the retail motor industry is not represented. You will also fail to see representatives from the retail sector at University milk rounds. None of the University career booklets contain information designed at persuading graduates that a career within the retail motor industry is for them. This is an odd situation given that the industry is such a big contributor to the UK economy. It is even odder when one considers that certain high street burger outlets target and recruit directly from universities.

One person commented:

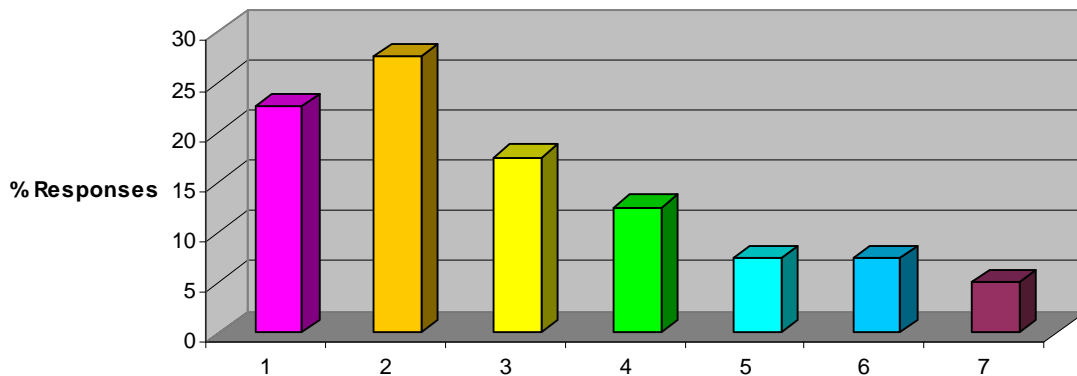
“The industry has traditionally looked for hand skills more so than mind skills, and I am not so sure it has totally changed yet. The industry perceives the route through, and has done for some years, from technical skills to management, and I don’t think this is necessarily the way forward in this day and age, perhaps it never has been. So I don’t think the mindset of this industry is set up to attract

graduates, to offer them the training and development opportunities, the working conditions etc.. The graduates are there, they're able, they're willing, but I don't think as an industry we are quite set up to take them on board as we ought to".

In order to investigate possible barriers to change, decision-makers in the recruitment process were again selected by asking all respondents to 'please state how actively involved you are in the decision making process regarding the recruitment of new employees' on a scale from 1 to 7. Again, all those who responded with a 6 or 7, therefore indicating a high level of decision making, were selected for further analysis.

Fig 4. Survey results

"In my opinion dealers would benefit from attracting more graduates into management positions"



Where 1 indicates "no agreement whatsoever" and 7 indicates "definite agreement"

- **Mean = 3**
- **50% indicated a very low agreement (i.e. a response of 1 or 2)**
- **12% indicated a very high agreement. (i.e. a response of 6 or 7)**

A stereotypical employee

The final theme to emerge when representatives were asked to describe the retail motor industry in terms of the diversity of its workforce was that a stereotypical person works within the industry, which is fuelled by a tendency to recruit 'people like us'.

Comments included:

"Generally I think there is still a fear of actually seeking to bring people in who don't come from the retail motor industry, and unless you do that you are going to end up just repeating what you have always done. Unless you start saying 'I need to get some people who have worked in finance, worked in retail, and worked in the public sector'. There is still a myth that unless you have worked in the retail motor industry you don't understand it, you can't understand it, which is a kind of self fulfilling prophecy".

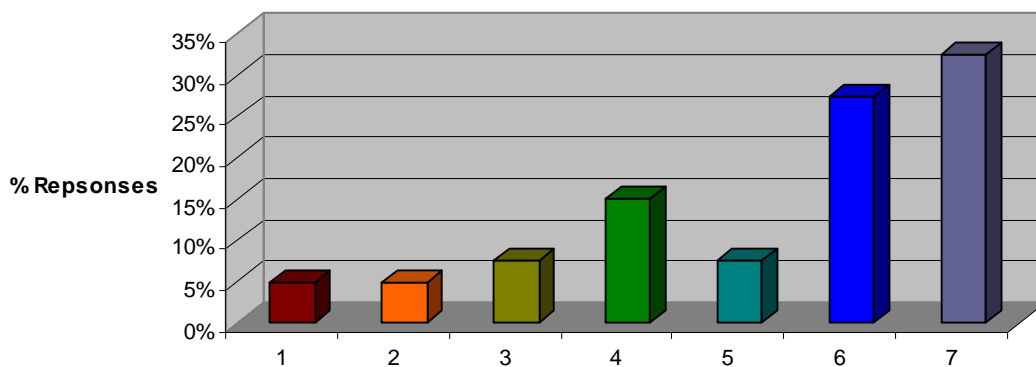
"What often happens within the industry is that skilled people leave a business, somebody turns up, they don't have a criminal record, they have two arms and legs, and they get taken on because the business has a need there and then on that day; and that happens a lot throughout the industry".

“Companies often say ‘we need to recruit somebody’, but they haven’t actually looked at their business model to say, do we really need to recruit that person. We have a tendency in this industry that Y leaves, so we replace them with Y, as opposed to asking ‘is that the most appropriate way to address our recruitment needs’”.

Respondents to the survey who indicated being highly involved in the recruitment process were again selected to determine whether they thought it is important to have experience of the retail motor industry in order to fulfil a management role within a dealership.

Fig 5. Survey results

"In my opinion it is important to have experience of the retail motor industry in order to fulfil a management role within a dealership"



Where 1 indicates “no agreement whatsoever” and 7 indicates “definite agreement”

- **Mean = 5.3**
- **60% indicated a very high agreement (i.e. a response of 6 or 7)**
- **10% indicated a very low agreement (i.e. a response of 1 or 2)**

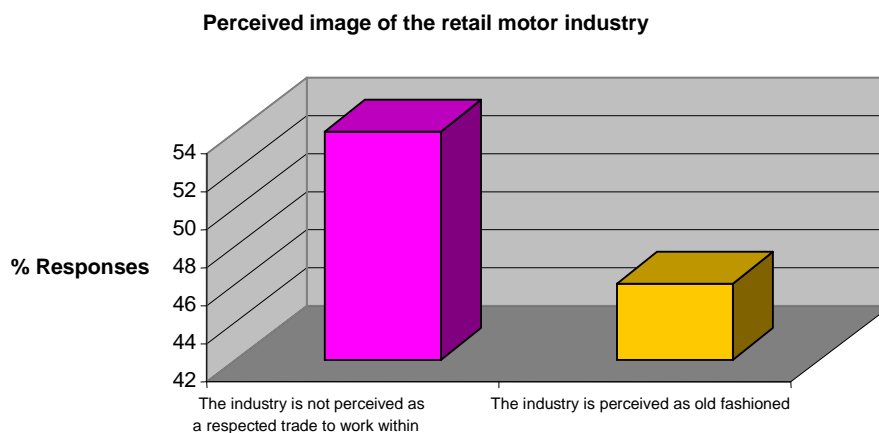
Recruitment practices across significant pockets of the industry were talked about in terms of a process that is often focussed upon only when somebody leaves a business, which leads to the process being unstructured and lacking a formal strategy. Ignoring the fact that the UK workforce is more diverse than ever before is costing businesses in three ways;

1. Limiting the pool of potential candidates is in turn limiting the numbers of high potential candidates to choose from
2. By employing a workforce that is limited in terms of diversity, businesses are failing to capitalise on the diversity of expression and ideas such a population can bring to the workplace
3. Graduates, high potentials, and women who make up half of these groups will continue to ignore the sector as a viable career choice, and leave it if entered, simply because the culture does not share a set of beliefs and values that are common place in modern work environments

2.2 A low perceived job image – The need for strong leadership

Perceived job image refers to the shared beliefs about the meaning of occupational membership in relation to the social status, capability, and behaviour patterns of individual members. Shared beliefs are influenced by how individual members think that others outside of their occupation perceive them as members of that occupation. Perceptions held by people outside of an occupation act as a sensitizing influence on the behaviours and work attitudes of occupational members.

Fig 6. Views held by interviewees



For a number of years the retail motor industry has received bad press and been the butt of many jokes, e.g. headlines such as ‘Car dealer cowboys’. This has led to the industry suffering from a poor public image. The industry has also been portrayed as an industry that has poor working conditions, pays poorly, and does not provide training. Not only has this had an effect on the attractiveness of the industry as a career choice for many, but has also affected the way that people within the industry view their industry, and their place within it.

Comments included:

“I mean when I started in this industry it was a fairly respected trade to be in. I think as time has progressed, you have seen it go from a respected trade to labelled a ‘cowboy’ type industry”.

“The industry is fed up of being seen as the poor choice for people, ‘only if you can’t do anything else do you end up going into the industry’. I think they’re sick of seeing all the bad press. The only programmes that make it about the motor trade are where it’s the rip-off mechanic where parts are put on when they didn’t need it, or when somebody hasn’t serviced the vehicle properly”.

“People in the motor industry, they are perceived as Arthur Daley type people”.

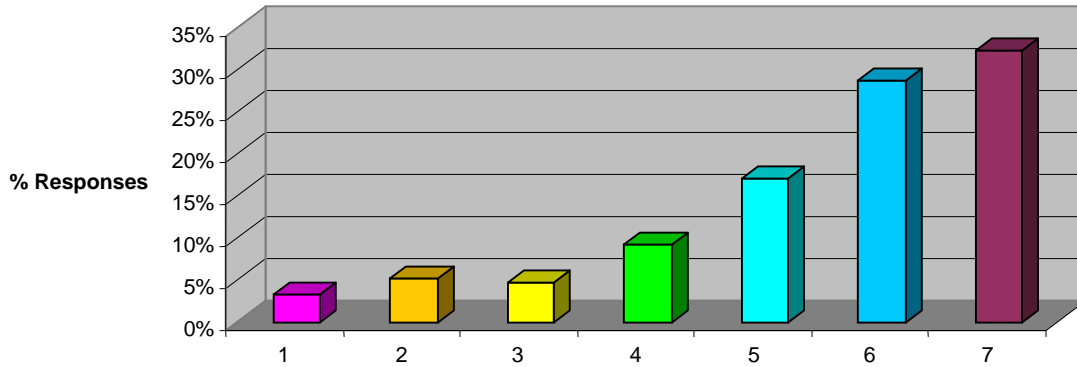
“I think people see the car industry as a bit backward in terms that it hasn’t really moved on in recent years”

A respected or modern trade?

In order to investigate whether or not people within the industry think that it is viewed negatively by the wider population, responses were recorded relating to the following two statements.

Fig 7. Survey results

"In my opinion the general public do not perceive the retail motor industry as being a respected trade to work in"

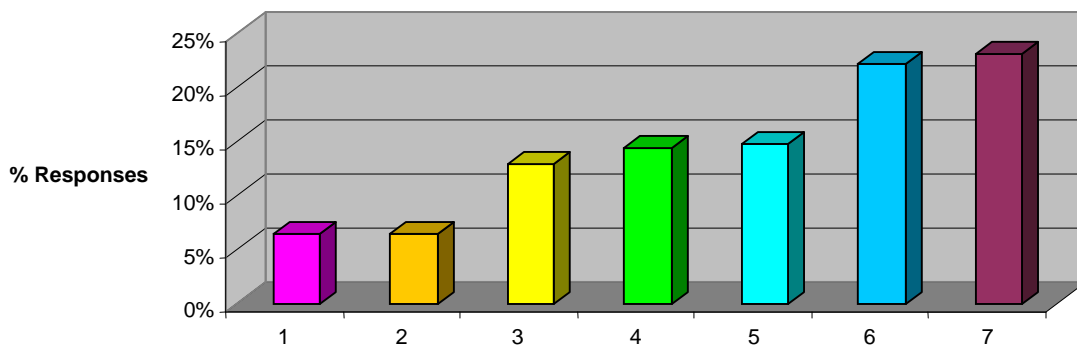


Where 1 indicates "no agreement whatsoever" and 7 indicates "definite agreement"

- **Mean = 5.5**
- **61% indicated a very high agreement (i.e. a response of 6 or 7)**
- **8% indicated a very low agreement (i.e. a response of 1 or 2)**

Fig 8. Survey results

"In my opinion the general public perceive the retail motor industry as being old fashioned"



Where 1 indicates "no agreement whatsoever" and 7 indicates "definite agreement"

- **Mean = 4.8**
- **45% indicated a very high agreement (i.e. a response of 6 or 7)**
- **13% indicated a very low agreement (i.e. a response of 1 or 2)**

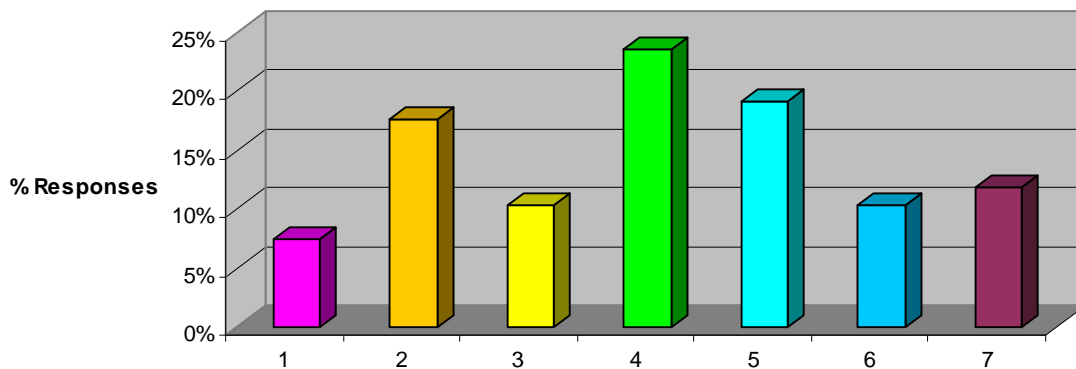
Although good managers should also be able to lead, the two roles should not be confused. Managers incorporate order and consistency by planning rigid organisation structures and then monitoring results against these plans. Leadership on the other hand instils direction by developing a vision of the future, communicating this to the wider audience with the goal of bringing people together under one vision that is used to inspire and motivate.

Management feelings about the future

It stands to reason that those who are in roles where leadership is required should themselves be positive about the future. Those in management positions who responded to the survey were therefore selected in order to find out how positive they feel about the future of the industry.

Fig 9. Survey results

"How positive do you feel about what the future holds for the retail motor industry in general?"



Where 1 indicates "not at all positive" and 7 indicates "extremely positive"

- **Mean = 4.1**
- **22% indicated being very positive (i.e. a response of 6 or 7)**
- **25% indicated being not very positive (i.e. a response of 1 or 2)**

It is clear from the results in Fig 9. that management are mixed as to whether they believe the industry has a positive future. This is not surprising given the atmosphere that has surrounded the industry for some time, e.g. uncertainty surrounding block exemption and bad press: however, it is difficult to see how a positive vision can be created when so many people who are responsible for building this vision do not feel positive about the future themselves.

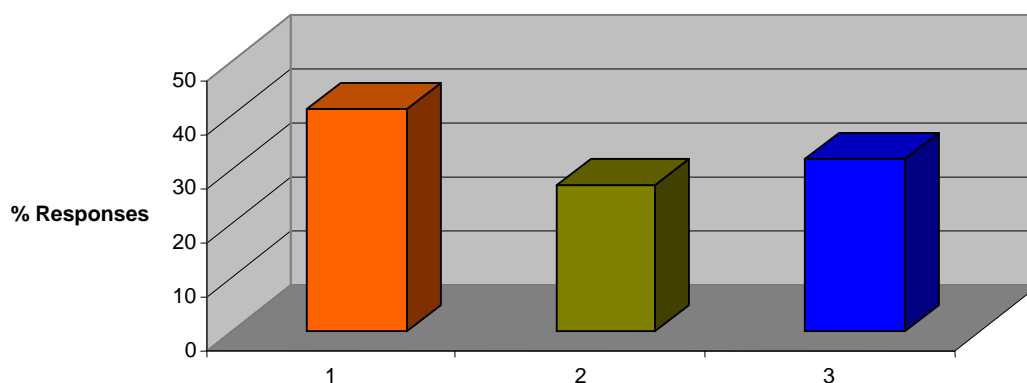
2.3 Training and developing people – Positive about the future

In a report carried out by the Institute for Employment Studies (IES) June 2003 it was claimed that new graduate recruits are highly valued, with 56% of employers admitting they had some new graduates they 'couldn't afford to lose'. But there is no real sense of a shortage of graduate talent, with only 30% of employers agreeing they had to 'fight with competitors over a small pool of good new graduates'.

In the same report it was claimed that 90% of employers used training and development as a means of recruiting and retaining keeping graduates, 80% used mentoring/coaching, and 66% used career/salary progression. When representatives at interview were asked to describe what the industry presently does with regard to training and developing people the following themes emerged;

Fig 10. Views held by (stage one) interviewees

"Describe what the industry presently does with regard to training and developing people"



- 1 = very few dealers offer management development or graduate training schemes
- 2 = there is little or no development of soft skills in managers
- 3 = succession is often basic or non-existing

Very few dealerships offer structured graduate or management training paths

Graduates and high potential employees increasingly see themselves as consumers where structured career paths, training and development, and career opportunities are the desired product. Increasingly, quality people are attracted by strong brands and career prospects. As much as money and status, career decisions are made around opportunity; to progress, to be challenged, to learn and be stimulated, to make a difference and to be fulfilled.

A picture emerged of dealerships reluctant to allocate resources directed at structured training and development programmes, fearful that competition will poach employees once they have invested in them. The result is that a lot of dealerships buy in skills at the required level, often poaching from

each other through inflated wage offers. The problem is that the cycle is not sustainable, which is partly the reason why the industry is suffering as it is.

Comments included:

"I wouldn't have been attracted to the industry if it hadn't been for my family connections. I wouldn't have chosen the car industry because of the fact that it is perceived as being low paid for long hours, with very little opportunities for career development, and I would guess, to some extent very sales driven and stressful".

"What we found when we tried to recruit people into the dealers, was most of them weren't aware of the dealer groups, they didn't have the same kind of prestige attached to the name of say _____, and they were very concerned about what was in it for them? How were they going to progress, where would they see themselves, and the problem was that a lot of these dealer groups did not have the development opportunities to offer them".

This is not to say that all dealerships are reluctant to resource this issue. A number of the larger groups and a few more proactive dealerships already have structured programmes in place. Representatives from groups that had introduced structured programmes as part of their package claimed that employee turnover had reduced significantly. If businesses can demonstrate to employees that the opportunities they want are available internally and that they don't need to leave in order to get where they want to go, they are more likely to be loyal.

Two of the interviewees reported particularly bad experiences relating to a lack of training and development. The most significant of these centred on the fact that this person had been working in the industry for ten years, progressing from sales executive in one company to sales manager in another, and then to general manager with only having had two basic selling courses;

"I just left on the Tuesday as a sales manager and joined as a general manager on the Wednesday, and that's probably the most daunting 5 months of my life, and many men would have cracked under that because a lot of things went wrong up there, and just to be left in the lurch like that was dangerous. That's the problem with this industry".

Little or no development of soft skills in managers

Although it was claimed that the industry has made significant advances in recent years in providing training aimed at technical roles, the view was that the industry is failing to develop the soft skills that are crucial for managing people effectively.

Comments included:

"I think technically, technicians get the technical training they need, they are sent away and do very specific courses so that they can achieve the quality standards that they need to achieve, and in other areas such as customer service advisors and so on, you will find that the training is there at that technical level. When it tends to get distilled is at management level and in particular the soft skills that are needed. Managers will quite often get slotted in, say for example in sales departments

when people get promoted from senior sales exec to sales manager without the training and the inductions that they need to take that role on”.

“I would say there are probably pockets of the industry that are better than others, purely because of who they have leading them, who they have in a training and development role. Certain dealerships are better equipped than others to take the challenge forward. That’s not to be dismissive of the other dealerships, I just think that they may not have realised the need. They do not have anybody with them who has spotted the connection between development and business results. There is a real lack of awareness that there is that connection between how developed people are and how motivated they are and the business results. The focus in the motor industry going back has been on moving metal, how many cars you sell in a month, understandably”.

Investment into training aimed at customer-facing roles and technicians was regarded on the whole as very good. The reason given for this relates to the fact that these skills are more easily tracked alongside bottom line results, i.e. better sales people equals more sales, and better technicians carry out work to a higher standard of work which equals more satisfied customers. The problem seems to be a lack of understanding that having managers that are better at managing people equals a happier, more motivated and loyal workforce.

Succession planning is often basic or nonexistent

Succession planning was often equated to promoting from within. Almost all of the dealerships and groups that were represented at interview had very few processes put in place for succession paths, with most managing this on an ad hoc basis, i.e. people are promoted in reaction to somebody leaving the business without having had the training and development to equip them with the skills to fulfil that role effectively.

Comments included:

“It [succession planning] would have been done; they would have had bits of training, but not with promotion in mind. It happens by default. They were offered it [training] as supervisors and team leaders and they would have gone through those processes, but not saying OK that guy there, he’s going to be a manager he needs to do A B C and D”.

“In my experience there are a lot of managers who through no fault of their own haven’t had the training, haven’t had management training to actually equip them to be able to succession plan, to train and develop, and to appraise and so on. So that’s where you get a kind of knock-on ripple effect, you get people coming in and their managers aren’t equipped because they’ve moved up from a junior role to a management role without any training, and the thing kind of repeats itself”.

The global issue surrounding these problems seems to be a reluctance to invest in the future, which in part stems from the environment the industry has been operating in for some years, i.e. uncertainty about the future and limited margins.

As one representative commented:

“People are focusing on the immediate result, next month’s result, and the month after. They are not thinking next year, two years, three years, or four years. You will hear that a lot in the industry that

we can't plan ahead. But we could all say that, I could say that, but I think unless you ask what are two or three things that you want to do next year and the year after, you can't resource it, and that is one of the problems".