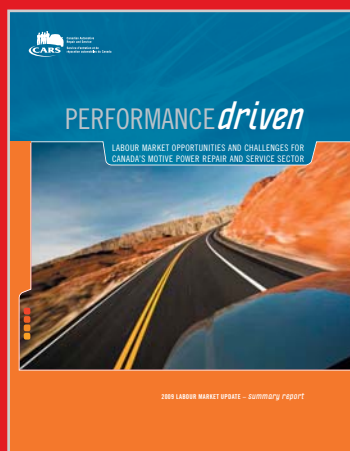


## PERFORMANCE *driven*

LABOUR MARKET OPPORTUNITIES AND CHALLENGES FOR  
CANADA'S MOTIVE POWER REPAIR AND SERVICE SECTOR

**"Performance driven"** is the new CARS report that puts 2009 labour market data in perspective for you, so you can effectively plan for your ongoing staffing and training needs.

This edition of *CARS News* highlights key labour market findings from the perspective of the human resource and training needs of the motive power industry over the next three to five years.



### Sharing HR Best Practices

Employers from across the Motive Power Repair and Service (MPRS) industry told CARS they want to see the industry pull together, to identify the common challenges that face all employers, and to share best practices related to business management and staffing.

The cornerstones of such idea sharing have already emerged from the employer and employee feedback from both the surveys and focus groups that were part of the labour market update study.

#### PLANNING

Successful employers, large and small, who participated in the study, have demonstrated clearly that achieving greater profitability is tied to having some form of business plan, that includes a training plan and budget. Employers who saw revenue growth from 2007 to 2008 are more likely to have both a training plan and budget.

*(continued on page two)*



### The "Performance Driven" Industry

A significant finding, is that the recent economic downturn did not automatically put the brakes on growth for industry businesses. **53% of businesses saw revenue growth in 2007-2008.** One in three, or 33% of shops now earn more than \$1 million a year, compared to one in four in 2005. And, 45% still predicted growth for 2009.

**Businesses that grew in 2008, and expected to grow in 2009,** share some common markers for success. Typically, they are the businesses that jump to take advantage of opportunities that present themselves, and they:

- operate at full capacity for 7+ months a year.
- offer training as a recruitment strategy.
- hire apprentices.
- are likely to have a human resource (HR) plan, which they regularly revise.

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# Sharing HR Best Practices



**Sharing Best HR Practices**  
(continued from page one)

Employers whose revenues stayed the same, or declined, over the same period, are more likely to have neither a training plan, nor budget. Examples of how employers are planning for their future success include:

- taking an active role in managing the mentor/apprentice relationship, by creating a contract or training plan template outlining the roles and responsibilities of the apprentice and employer.
- determining what equipment and staff training they need to get to prepare their shop to service and repair new vehicle technologies, then putting a purchasing and training plan in place so the shop is prepared by the time the vehicles come off the manufacturers' warranties, usually within three years.

## INVESTING

Employers with foresight have been able to boost their long-term profitability by investing in people, tools and technology.

- 81% of employers offer training when recruiting new employees. On average these employers report higher retention of apprentices and journeypersons than those not offering training.

- Some suggest tool-based employee incentives or benefits. Some employers buy tools and create complete tool boxes for new technicians to buy. Others pass employer discounts on bulk tool purchases on as savings to employees. Employers say that one way employee retention is improved is by enabling new employees, who are just beginning their career, to build up their tool chest by making payments on costly tools.
- Some employers recommend the use of formal skills assessment tools, such as CARSability, to pinpoint the exact training gaps and tailor the staff training plan and budget to employee needs.

## COLLABORATING

Advances in vehicle technology are creating a variety of HR management challenges for employers industry wide. A growing number of employers feel that the best way to meet

***“Retention is the biggest part of success.***

***All you really need to do to address this key issue, is to be open with your employees. When we have problems, and they could be personal problems, we have a team meeting, and we decide as a team what we can do.***

***My biggest piece of advice to other employers is to make the team, not just one employee, the winner at the end.”***

***- Jean Bouchard, Shop Owner,  
Boucherville, QC***



these challenges head on is to collaborate in identifying and sharing best practices. They foresee potential industry-wide benefits in collaborative efforts in:

- sharing of tools and equipment. Given current high equipment costs, few businesses will be able to purchase all the required equipment for every vehicle make. Such sharing, creates an opportunity for some firms to specialize in certain makes and outsource to others as needed.
- tool trading online through a central website, linking buyers with sellers of used automotive tools, such as technicians retiring from the sector who have accumulated tools over their entire career.

## ACCOMMODATING

Labour demand estimates show that the MPRS sector has nearly 13,000 unfilled positions, and that 29% of employers report one or more unfilled positions. The labour market update also revealed a growing demand for flexible work arrangements, consistent with lifestyle changes among Canadians in general. Employers told CARS that they are able to increase employee retention by:

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# The “Performance Driven” Industry

## The “Performance Driven” Industry

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**The medium sized businesses, with 3-9 bays, that grew in 2008-2009 have an ongoing human resource plan, including a training plan and budget.**

Businesses that are growing are also **proactive** about training.

- They assess training needs using written or practical skills assessments such as CARSability.
- 85% offer on-the-job training to their employees.
- 72% pay employees’ training fees in full.
- 69% reward employees who’ve taken training by promoting them or giving them additional tasks or responsibilities.
- Many pay staff time off for training.
- Offer e-learning such as CARS OnDemand.

More than 50% of employers offer employees the following opportunities for professional development:

- in-house training;
- apprenticeship training;
- manufacturer- or parts supplier-provided training at the worksite;
- e-learning such as CARS OnDemand; and
- manufacturer- or parts supplier-funded training at educational institutions or private training facilities.

The “*Performance Driven, Labour Market Opportunities and Challenges for Canada’s Motive Power Repair and Service Sector 2009*” report can be found at [www.cars-council.ca](http://www.cars-council.ca).



## REPORT HIGHLIGHTS

- More than **306,000 employees** working in over **66,000 businesses** across Canada.
- Independent shops still comprise the largest proportion of businesses in the sector (47%).
- The most common occupation is Automotive Service Technician.
- 58% of firms who employed apprentices in 2008, experienced revenue growth.
- Over the next five years, supply and demand will continue to be tight at about 16,000 people per year being available and about 16,000 per year being needed.
- **95 new technologies** will be introduced over the next three to five years.
- **The sector must continue to address the need for steady skills upgrading to ensure the continued success of the industry in the Canadian marketplace.**

## THE INFORMATION GATHERING PROCESS

- The research was undertaken for CARS by *Kisquared* and guided by an Advisory Committee representing industry, apprenticeship, education and government stakeholders.
- Across Canada, **2181 employers** and **1480 employees** completed surveys.
- Additional valuable input came from interviews with **31 key industry informants** and at **48 post-secondary colleges and institutes**, as well as secondary-level institutions in Québec.
- **12 roundtable discussions** held in Vancouver, Toronto, Montréal and Halifax, with industry professionals, educators and policy makers, validated and prioritized the survey findings.

# Trans-Canada News

This section of CARS News highlights the activities of other champions of skills development and the motive power industry from across Canada. To have your success stories or events featured in the Trans-Canada News section, please submit your articles and photos to [dagmar@carscouncil.ca](mailto:dagmar@carscouncil.ca)



## AIA's 2010 Grand Forum

March 24, 2010  
Hôtel des Seigneurs,  
St-Hyacinthe, Quebec

More than 600 automotive decision makers are expected to gather at this year's event to gather information on latest industry trends and technologies, as well as sharing best practices crucial to business growth and profitability.

For more information, contact : Marie-Hélène Côté, by telephone : 514-289-0888 or by e-mail at: [marie-helene.cote@autosphere.ca](mailto:marie-helene.cote@autosphere.ca)



## The AARO 'Right to Repair' Booklet

The Automotive Aftermarket Retailers of Ontario (AARO) has compiled a 50 page booklet that tracks the full story of the Right to Repair issue which led to the Canadian Automotive Service Information Standard (CASIS) agreement. For a complimentary copy, contact AARO at **1-800-268-5400** or by e-mail: [aaro@aaro.ca](mailto:aaro@aaro.ca)



## Automotive Sector Council Annual Awards Evening

On February 18, 2010, the Nova Scotia automotive industry held its 10th Annual Awards Evening at the Casino Nova Scotia in Halifax.

This evening, hosted by the Automotive Sector Council of Nova Scotia, honoured outstanding employees, who had been nominated by their employers for their commitment to customer service, leadership and team building.

CARS was a proud sponsor of the event. Congratulations to all the honourees!

## Sharing Best HR Practices (continued from page two)

- offering older employees, who are considering retiring, the opportunity to work flex-time. Flexible work schedules, employers noted, helps to retain some older employees who have a great deal of experience, and are particularly difficult and costly to replace.
- designating older employees as near full-time mentors to apprentices. Older technicians are practiced problem-solvers who can pass their knowledge on, while at the same time reducing their own physical workload.
- providing incentives that favour mentorship rather than counteract it, such as paying the journeyman for the pooled work performed with the apprentice.
- providing formal orientations to new employees. The 66% of employers who told CARS they provide formal orientations for new employees, also reported higher retention of apprentices than employers who do not.

## REWARDING

Given the cost of recruiting and training new staff, employers see significant value in exploring ways of keeping employees longer, particularly employees with a great deal of experience, who are very difficult to replace. Employers and employees suggested a variety of incentives to reduce staff turnover:

- Paying journeypersons for the pooled work done with apprentices they are mentoring.
- Offering a "rent-to-own" tool option, funding the tool purchases and recouping them through regular payments, or payroll deductions.
- Increasing the morale of mentors by formally recognizing and compensating them, and encouraging other journeypersons to take on a mentorship role.

Look for more industry recommended best HR practices and other study details, in the "**Performance Driven, Labour Market Opportunities and Challenges for Canada's Motive Power Repair and Service Sector 2009**" report at [www.cars-council.ca](http://www.cars-council.ca).