

Retaining staff to increase profitability

Almost one third (29%) of employers in the automotive repair and service industry currently have unfilled positions in their shops, for a total of about 13,000 positions in Canada.

57% of the demand for new staff is due to workers leaving the industry. Moving forward, it will be increasingly important to reduce turnover and retain employee experience.

This edition of **CARS News** will take a look at some strategies that employers are using to reduce their recruitment and training costs, keep employee knowledge and experience in the business and ultimately reduce or delay staff turnover.

The top reasons for employee turnover

According to employers:

- Other employment within the industry
- Termination due to poor performance
- Work in another industry
- Personal reasons
- Lay off due to work shortage
- Retirement
- Injury or physical inability to do the work

The employee perspective:

- 31 % expect to leave current employer over next 5 years
- 17% will leave sector, 6% will retire
- Least satisfied with their pay scale, rate of pay and benefits
- Majority of those tempted to leave say that better management would persuade them to stay.
- Interested in more flexible work arrangements and phased-in retirements

(Numbers taken from the 2009 CARS Council labour market update study - PERFORMANCE driven – Labour Market Opportunities and Challenges for Canada's Motive Power Repair and Service Sector, Summary Report)

It Pays to Talk to your Employees

The road to profitability is paved with employee loyalty and open communications

The CARS Council recently asked a number of employers from various parts of the industry for their comments on what it takes to retain good staff. Although each of them touched on a slightly different aspect of running a shop, all comments ultimately boiled down to open and honest communication. Staff loyalty rests on open dialogue, respect for individuals and shared expectations.

Expectations

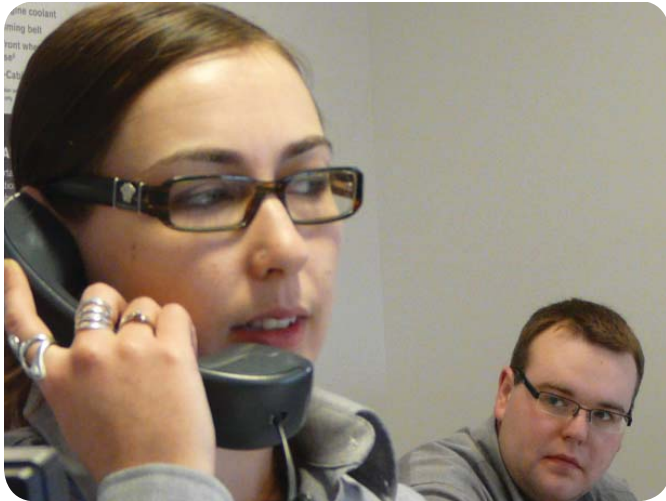
Ian MacDonald, of Ian MacDonald Autobody in Wallace, Nova Scotia says his father, who ran a seniors' residence, gave him good advice when it came to going into business for himself.

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It Pays to Talk to your Employees

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'You have to be reasonable in your expectations', he told me. "You can't expect employees to go the extra mile all the time." The fact that everyone has family lives with children's activities or medical appointments is something that Ian includes under reasonable expectations. "Provided staff members let you know what's going on, you can make accommodations and pick up the slack. There's no need to dock any hours," he says.

Al Rogers, a manager at a 13-employee NAPA Auto Parts franchise in New Brunswick, attributes the long-term staff loyalty – employees have remained at his store 17-18 years on average – in part to working conditions and benefits governed by corporate policy. More than that though, he believes that honesty is key when it comes to attracting and retaining staff. When potential employees show up for an interview, "tell them what the job really is, don't gloss it over. If the reality is that they will be counter clerks for the next five or six years, then say so," he insists. Once you frame what a person can realistically expect, then "you can project out four, five years into the future and say this is where you should be at that point."

Hiring

Positions to be filled in 2009 - 4,808 service technicians, 1,897 parts counterpersons or sales consultants, 1,864 body and collision damage repair technicians

Creating clarity is the basis of all staff management for Jeff Labanovich, owner and manager of Durham CARSTAR Collision Centre. "Even before having a training plan in place," he says, "it is important to get a clear understanding of what an employee wants. Employers need to have both a clearly defined vision of where they want their business to go, at the same time as they help employees spell out where they want to get to." It's possible for employees to find themselves doing something they absolutely hate. "In that case, you help both the employee and yourself by cutting them loose," says Jeff. "On the other hand, you may discover in talking to the employees that they would like what they are doing just a little more if they added or subtracted one thing or another.

Team building through knowledge transfer

58% of firms which employed apprentices in 2008 experienced revenue growth.

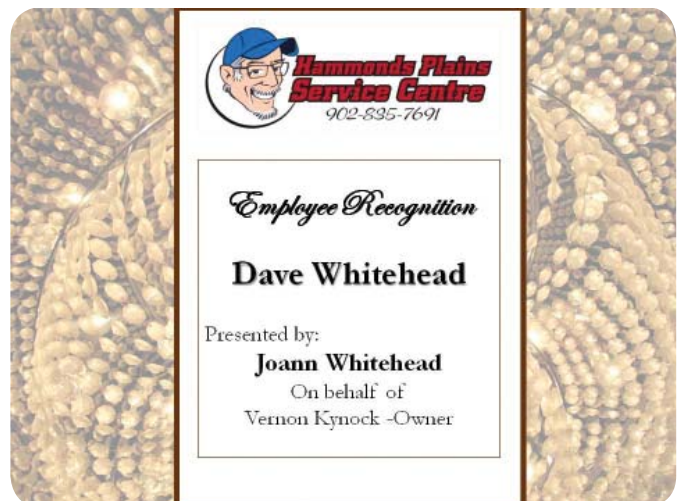
Ian MacDonald is an advocate of long-term team building. "When you're looking for someone, you're better off grooming students right from high school, bringing them in after they graduate, then training them through their apprenticeship. A lot can be accomplished through hands-on training when someone really wants to learn." When apprentices are teamed up with more senior staff, it can give them a chance to spread their wings, try their hand at new things.

Asked about his strategy for imparting knowledge to new employees, Al talks about "tacking the new employees on to a senior filler for the first two months they are on board. These senior employees are ideal mentors and trainers, given all the knowledge they have," he says "because they have seen it all and done it all. They can impart to the young employees their ability to deal with people and to handle situations that aren't quite the norm."

Sharing newly acquired knowledge and skills with other staff members is one way to build team spirit and respect. Sharing information at regular staff meetings ensures that all staff members are on the same page when it comes to knowing what needs to be done and what is expected of them. Open dialogue fosters the flexibility that allows the team to accommodate everyday challenges without sacrificing productivity.

Recognition

Dave Whitehead, long-time employee of Hammond Plains Service Centre (HPSC) was one of several honorees being celebrated at a recent awards night hosted by the Nova Scotia Automotive Human Resources Sector Council. General Manager Joann Whitehead was there to pass on the congratulations of Vernon Kynock, President of HPSC. "Dave started working for HPSC in the fall of 1975 and has been employed ever since, with well over 30 years to his credit. Dave has played a huge part in the success of Hammonds Plains Service Centre. I don't have words to describe Dave's dedication, loyalty, honesty and work ethic and at age 63 he still sets the pace in our shop. When a job requires soft hands and





Pictured: Joann Whitehead, General Manager of Hammond Plains Service Centre and Dave Whitehead, Honoree at the Nova Scotia Automotive Human Resources Sector Council Awards Night.

creativity, he's the man. I am so glad that Dave is being recognized. At HPSC, his impression will last for a very long time as we have implemented his profile firmly on our signs and artwork as our mascot and logo".

Lay-offs

Even when a turn in the economy or the weather spell a downturn in business, it is best to be straight forward with employees, according to Jeff Labanovich. The early spring of 2010 was very slow for the collision repair industry in southern Ontario, forcing Jeff to lay off three out of 10 employees. Jeff believes by making it clear that he was hanging on to top performers, "staff got the message that if they pulled together and assumed extra roles for the time being, that their jobs were secure." Jeff believes that, as the business cycle goes on the upswing, his staff will remember that accommodation and remain loyal to the shop.

Positive management

43% of those considering leaving the sector and 37% of those retiring would consider staying in the sector if they had better management

As one Canadian Tire service manager put it "You all have to work together, communicate and make it a very good working environment, but ultimately it is up to the owner or manager to set the tone. If the boss is miserable, so is the work environment, and productivity goes down the tubes."



Canadian Apprenticeship Forum
Forum canadien sur l'apprentissage

Second Issue of the Canadian Apprenticeship Journal now available online

On July 8, 2010, the Canadian Apprenticeship Forum (CAF) released the second issue of the *Canadian Apprenticeship Journal* online at www.caj-jca.ca

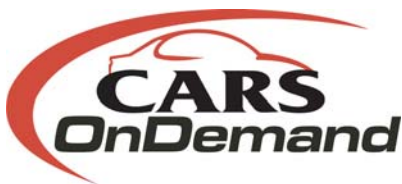
Check out the latest addition to the Journal, *What's New in Apprenticeship Research?*, to get an overview of some of the more recent research on apprenticeship training and certification from Canada and around the world. This section provides readers with brief descriptions of the papers, articles and reports and the links through which they can be accessed.

CAF's goal is to share a wide range of perspectives on various topics in apprenticeship and certification. Some highlights in this second issue of the *Journal* include:

- A keynote interview on the importance of apprenticeship training from a business standpoint featuring Don Oborowsky, President of Waiward Steel Fabricators Ltd.
- **The Canadian Automotive Repair and Service (CARS) Council talks about what is happening in the automotive industry's labour market.**
- an international study that demonstrates the positive return for employers who invest in apprentices – this time from the U.K Council

Take the opportunity to share findings and inform the dialogue on apprenticeship in Canada by contributing to this unique peer-reviewed e-journal.

Contact Danielle at danielle_matheusik@caf-fca.org for more information.



CARS OnDemand is a practical and cost-effective training tool that provides technical and business training online for the automotive aftermarket. Participants can choose from hundreds of training lessons presented as video-based instruction 24/7. Courses include supplementary student learning guides and exam that augment the learning experience.

Current CARS OnDemand business management courses include a focus on communication and staff management. Find out more at www.cars-council.ca

Trans-Canada News



Huge Potential in Unrealized Aftermarket Car Repairs

On June 16, 2010, the Automotive Industries Association of Canada (AIA Canada) released a report entitled "**Hidden Potential Unmasked – The Canadian Automotive Aftermarket Demand Study**" which documents the degree by which Canadian vehicles are under serviced when it comes to service manual recommended maintenance and repairs. According to the report, prepared by DesRosiers Automotive Consultants, the potential demand for manufacturer recommended servicing amounts to \$28 billion in Canada, while actual services being performed amount to only \$18 billion. "This significant difference of \$10 billion" says John Watt, the immediate Past Chair of AIA, "indicates the staggering degree of opportunity that is being missed when customers bring their cars in for servicing."

The full report, which outlines how the industry, the environment and the driving public can benefit from proactive service behavior, is available to AIA members on the AIA website at www.aiacanada.com



Have a success story or event you want featured in the Trans-Canada News section of CARS News?

Submit your articles and photos to dagmar@carscouncil.ca



Supporting professionalism and profitability

The Automotive Sector Council of Nova Scotia (ASC) has been active on a variety of fronts lately working with industry professionals, other organizations and education to achieve both greater profitability and professionalism for the automotive industry in Nova Scotia. "Small and medium enterprises make up the bulk of the industry here in Nova Scotia, and they're the ones that need to be supported", says Shannon Smith, ASC Executive Director.

Starting in September, the ASC will be teaming up with international trainer Bob Greenwood to provide a series of business management workshops. Using statistics gathered by Greenwood while working with people on the shop floor in a variety of locations, the workshops will focus on business management skills that, as Shannon sees it, "provide owners and managers with a better understanding of how labour productivity affects net profits." She adds, "Just being very good at what you do on a technical level doesn't always translate into good numbers when you are running a business."

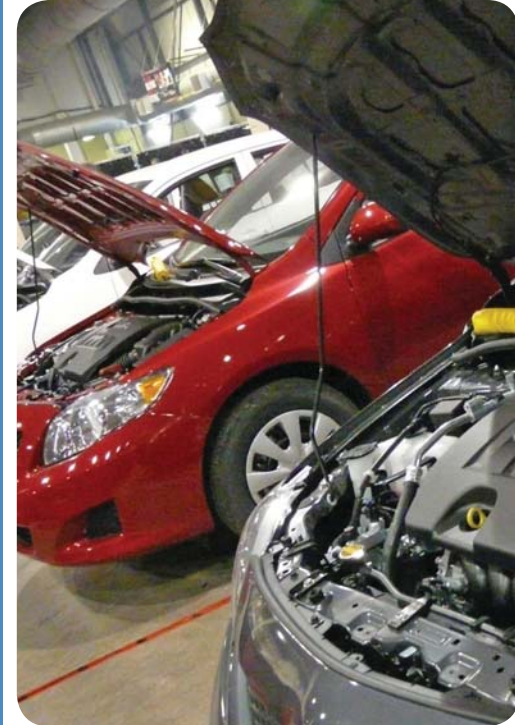
Anyone interested in further details is asked to contact Shannon at 1-877-860-3805.



The 2010 Automotive Retailers Association AGM

The Automotive Retailers Association of British Columbia (ARA) will hold its 2010 AGM at the Mandalay Bay Hotel & Convention Center in Las Vegas, Wednesday October 13th during the International Autobody Congress & Exposition (NACE)/Congress of Automotive Repairs and Service/Automotive Service & Repair Week (ASRW) Conference & Exposition.

Look for further details coming soon to the ARA website at www.ara.bc.ca



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