



EMPLOYERS:

WHAT YOU CAN LEARN FROM THE CARS 2009 LABOUR MARKET UPDATE STUDY!

The Canadian Automotive Repair and Service (CARS) Council continues to keep an ear to the ground to assess the rapid pace of change that pervades the automotive, truck and collision repair and service sector.

The most recent of these studies is the 2009 LMU study.

Characteristics of a profitable business:

The CARS study profiles reveal an association between growth and management behaviour.

Those shops who forecast growth over the next 12 months are typically businesses that have an HR plan in place; a training plan and budget; a mechanism to assess their employees' training needs; and, are prepared to offer benefits to employees who complete training.

In addition, these firms typically also share the following characteristics:

- Pay staff training fees in full;
- Allow staff new responsibilities after training;
- Offer manufacturer training at the work-site or at an institution/training facility;
- Offer IDL or e-learning;
- Offer training as part of a recruitment strategy;
- Operate at full capacity for 7+ months;

- Pay flat rate;
- Hire apprentices;
- Use written or practical skills assessments;
- Pay staff time off for training; and,
- Promote staff after training.

A tight labour market:

The supply of qualified new hires continues to be an impediment to growth and profitability for the industry.

A growing segment of the industry's current workforce (55%) has less than 10 years of experience in the industry with some 16% of this cohort under the age of 25. At the same time, the proportion of workers 45 years and older has increased from 23% in 2005 to 32% in 2009.

The demographics of the workforce represents a number of challenges for employers. The potential loss of the industry's most experienced workers through retirement, coupled with the relative inexperience of over half of the remaining workforce, is further compounded by insufficient supplies of qualified new hires.

Recruitment and Retention:

The 2009 LMU illustrates the enigma faced by the majority of industry employers – balancing the day to day practicalities of business with a myriad of human resource challenges; specifically, how to hire effectively, how to train, motivate and retain their employees.

The CARS LMU study identified that only some 34% of employers have a human resource plan that addresses recruitment, retention and training. More importantly, the study observed that employers with such plans were more likely to report revenue growth in 2008 and expectations of revenue growth for 2009. Thus, confirming that human resource planning remains a necessary prerequisite to business growth, hiring and retention.

Skills assessment and training:

The CARS study determined that the availability of training was a key factor in recruitment and in improving retention with over 80% of employers surveyed reporting that they offered training as part of their recruitment strategy.

The study also identified that critical to the successful take-up of training, was the ability to effectively assess the training needs of employees as part of a responsive training plan.

The study indicated that the majority of industry employers are not accessing available resources necessary to conduct accurate needs assessment and direct employees to appropriate learning solutions.

Participants in the LMU roundtable discussions cited online resources such as CARSability and CARS OnDemand as being particularly useful tools in the development of a training plan.

The issue of labour supply and demand:

The 2009 CARS LMU revealed some interesting facts about the use of apprentices in the sector.

- Approximately 13,000 positions are unfilled within the industry, of which about 37% are service technician positions;
- 29% of industry employers surveyed say they have one or more unfilled positions;

CARS 2009 LMU Study Highlights:

- The impact of new vehicle technologies
- Critical new skills needed now
- Barriers and constraints to business development
- Need for planning in recruitment and retention
- Need for sharing of HR 'best practices'
- The value of apprenticeship
- New training for new vehicle technologies
- Need for training in new business technologies

- Yet, some 31% of employers reported that they did not employ apprentices – despite documented evidence supporting a positive return on investment for employers who did and financial incentives available through government programs and tax incentives.

Although 67% of journeypersons indicated a willingness to work with apprentices, the CARS study pointed to barriers to apprenticeship that should be addressed by employers.

- Flat-rate compensation ensures the journeyperson is focused more on the task at hand than mentoring;
- Fears that sharing knowledge threatens job security;
- High apprentice turnover undermines a journeypersons willingness to spend time with apprentices.

The CARS study also presents simple solutions to counteract high apprentice turnover such as ensuring that apprentices have the opportunity to hone their craft through meaningful work and to encourage mentorship by paying journeypersons for pooled work performed with an apprentice.

For more information, go to www.cars-council.ca

In compiling the 2009 Labour Market Update, CARS conducted 2,181 employer surveys; 1,481 employee surveys; interviews with 48 post-secondary institutions; and, 12 roundtable discussions with employers, employees and educators/policy makers.