Canadian Automotive Repair and Service

Service d'entretien et de réparation automobiles du Canada

PERFORMANCE *driven*

GOVERNMENT:

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.

Sector Profile:

The Canadian automotive repair and service sector is comprised of 306,165 employees (Statistics Canada, *2006 Census*) and 66,262 facilities across Canada. The majority of shops in the sector are small with 55% employing 1 to 5 people. Since 2005, the sector has experienced considerable consolidation and the number of larger shops (10 or more service bays) has increased from 21% in 2005 to 26% in 2009. However, small independent repair shops still comprise the largest proportion of businesses in the sector.

The most common occupation in the automotive repair and service sector is that of automotive service technician (AST) accounting for one in four sector employees (25%). The second most common occupation is counterperson, constituting just over one tenth of sector employees, with an average of 3.05 per location. Installers and technician specialists are also common, each accounting for 9% of all sector employees.

Labour market:

The 2009 CARS LMU paints a picture of a sector with an estimated 13,000 unfilled positions, of which about 37% are service technician positions. The report notes that 29% of industry employers surveyed say they have one or more unfilled positions.

The study also reports that labour supply and demand will continue to be closely matched for the next five years thus demanding an investment in both technology and training as a long-term necessity. The study also highlights the fact that the utilization of new and emerging labour-saving technology will continue to generate a need for a more highly trained and specialized workforce.

Costs of equipment and tools:

Employees in the sector are required to purchase most of the tools and equipment necessary to their trade including sophisticated electronic diagnostic tools.

This represents a significant financial outlay and can be a major barrier to those entering the sector.

Need for ongoing skills development:

Driven by consumer demand, safety, fuel economy and environmental concerns, new technologies continue to revolutionize the way in which the sector operates. The rapid pace of technological change has placed a premium on the demand for new skills, knowledge and training for employees.

The LMU study noted the two key factors challenging industry participants were the pace of change and the increasing intricacy of new vehicles. Motive power formats and new onboard technologies, many of which are becoming electrical or electronic in nature, are becoming more and more prevalent.

The complexity of vehicles now requires that technicians become familiar with very complex electrical and electronic technologies and be able to understand and operate the more sophisticated technologies.

The importance of essential skills:

The majority of employees working in the automotive repair and service sector are confident that they possess the knowledge and skills to perform their jobs but some 35%, are less confident.

CARS' research indicates that essential skills, or foundation skills, remain an area in which many industry workers could be improved. More than one half of employers say their employees need improvement in the following areas:

- Problem solving;
- Continuous learning;
- Decision making;
- Job task planning and organization;
- Computer usage; and
- Critical thinking.

Government incentives:

The LMU illustrated the fact that few employers access available government assistance programs or tax incentives to facilitate the hiring of apprentices. Over 60% of employers reported that they did not use these incentives and another 9% of employers said they were not aware of the programs.

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

This is a surprising finding given the evidence in support of the documented Return On Investment (ROI) and potential for revenue growth attributable to the recruitment of apprentices.

CARS research confirmed that, of firms who employ apprentices, some 58% experienced revenue growth in 2008; and, of those who do not, only 49% saw revenue growth that year.

Additionally, the Canadian Apprenticeship Forum (CAF) in its study *Calculating the Return on Training Investment for Skilled Trades Employers in Canada: A Study of 16 Trades, Phase II, June 2009* has found that employers' costs for automotive service technician, motor vehicle body repairer and partsperson apprentices are greatly outweighed by the benefits received with a benefit-cost ratio on average of 1.69 for each dollar invested in 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.

This project is funded by the Government of Canada's Sector Council Program

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