

Building your dream team

Strategies to Attract Top Performers and Build an Exceptional Team

The booming economy has created hiring headaches for many industries, including automotive retail. Attracting your “dream team” requires inspiring candidates about the industry, emphasizing your people-focused culture and leveraging digital and social platforms to connect.



Dealerships of all sizes struggle to find dynamic salespeople, qualified service technicians and ambitious staff who are committed to the long-term career potential that the retail automotive industry provides. Highly talented job seekers have their pick of positions across industries in what has been dubbed the “applicant economy” by Hireology,¹ a hiring and talent management consultant for retail automotive firms and other industries. Dealerships compete for the same talent as industries such as software or finance, especially at entry-level positions.

Many dealers use online job boards such as Indeed, Monster, or ZipRecruiter to drive a high quantity of applicants when they have a job opening. Unfortunately, competing for quality candidates causes dealers to overspend to find top talent and pay an “applicant tax.”² Profitability can quickly come under pressure if the costs of employee recruitment and retention are not strategically managed. Hiring and onboarding a new employee costs an average of \$10,000 at a dealership, and annual turnover rates can be as high as 67% for sales positions.³ The wrong hiring decisions can be costly.

According to the Dealer Workforce Study conducted annually by the National Auto Dealers Association (NADA), the last several years have been challenging in terms of tenure and retention rates:⁴

- Average employee tenure in 2011 was 3.8 years and dropped to approximately 2.5 years by 2017.
- Three-year retention is holding at 45% for automotive compared to 65% for the overall U.S. non-farm sector.
- Employees typically require an average of three full years to reach optimum productivity, meaning that almost half of retail automotive hires do not reach their performance potential during their tenure, which impacts dealer profitability.

Finding the right talent takes progressive strategies beyond using online job boards to immediately fill a position. “The *Right* people are so essential to our ongoing success that one of our main strategies is to keep our talent pipeline filled by continually looking for the best candidates, even when we don’t need them,” says Mike Van Ryn, Director of Talent Development for the Zeigler Auto Group. The group has 26 locations throughout the Upper Midwest.

“Since we’re very selective about the type of employee we bring into our stores, we make recruitment an ongoing, proactive process. We’ve found that the time and attention we put into recruiting has reduced our turnover,” he says.

Bill O’Flanagan, President and General Manager of the Reedman-Toll Auto Group in Pennsylvania, explains that his locations run regular Monday night interviews where they meet candidates for all positions. “By seeing what kind of talent is out there on an ongoing basis, it helps us to make the right decision when an opening does come up. We don’t get ourselves into a panic state with turnover,” he explains.

HIRE FOR ATTITUDE AND CHARACTER

The last decade has seen the overall retail industry transformed through more engaging online experiences, increased product customization and seamless customer experiences. This same transformation is happening in automotive retail as well, requiring dealers to hire top talent who will deliver an approach that is more customer-centric than it is transactional. More transformations are on the horizon as the industry continues to evolve.

That means dealers need to seek talent who will adapt, and grow with the industry and the organization. “It doesn’t matter what position we’re hiring for, we are looking for someone who shares our value of being customer-first and has the aspirations and work ethic to grow just as Zeigler does,” adds Van Ryn.

CREATE ASPIRATION FOR THE INDUSTRY

Keeping an ongoing dialogue with talent—those looking for jobs right now and those considering a career switch to the automotive retail industry—is a great first step in being more proactive with recruitment. But how do you make sure you tell the right story when you talk to high-potential candidates?

“Our industry is not perceived as being aspirational,” explains O’Flanagan. “We suffer from an old-school image. All of us need to improve the perception of the automotive retail industry as one with terrific long-term career potential and the ability to make good money.” He points out that salaries in automotive retail can be as, or even more, competitive as those in technology or other highly compensated industries.

O’Flanagan explains that during candidate interviews, the Reedman-Toll recruiters spend time outlining a clear career path—one that offers training, promotion and financial opportunities, as well as the ability to move between departments, such as from sales to finance.

“We’ve earned a reputation as a great place to build a personally and financially rewarding career. Our customers see how motivated and engaged our employees are, and they often refer candidates to us. Nothing beats word-of-mouth as a recruiting tactic.”

BE A PEOPLE-FIRST CULTURE

Dealers who successfully engage and recruit top talent know candidates choose a position based just as much on culture and values as on specific job descriptions. That’s because top candidates don’t expect their first job at a dealership to be their only job – they seek professional and personal growth through formal training, mentoring and other learning opportunities. Having a clear people-first strategy will make your dealership more attractive in today’s market.

“We’ve found that there is a direct correlation between our company’s growth and finding and developing the right talent,” says Van Ryn. His company has formalized its commitment to people and their training through its Zeigler University, which offers sales and customer service training, manager development and even a guest speaker series featuring nationally known motivators in performance and career growth.

At Reedman-Toll, team collaboration is fostered through group goals and projects, as well as a mentoring program between senior and junior employees. O’Flanagan says these initiatives build a strong and supportive network for employees.

One of the key ways to demonstrate to employees that you are a people-first company is to establish an HR department with experts dedicated to attracting, hiring and training new employees. As head of Zeigler’s recruitment and talent development, Van Ryn notes his team includes five other recruiters who source for talent as well as train within Zeigler University and constantly focus on culture within the group.

By emphasizing company culture and having dedicated HR experts executing a formal recruitment and training program, dealers can demonstrate their commitment to a people-first approach to both potential hires and current employees.

LEVERAGE TECHNOLOGY FOR CONNECTION

While online job boards may have their place in a recruitment strategy, the most effective use of technology happens with a dealership’s own website and social media platforms. Candidates look to learn everything they can about a company and are influenced through multiple social and digital touchpoints. Growing your reputation as a desired employer depends a great deal on your website’s content, as well as via social media platforms that include LinkedIn, Facebook, YouTube, Twitter and Instagram.

Your website should include a compelling careers section with employee testimonials, videos of company events and key leaders, a comprehensive overview of career paths and benefits, and other content that showcases your unique culture. Top talent looks for more than just a job for money, and needs a compelling way to determine if they can learn and grow with your company. According to Hireology, a career site is seven times as cost-effective as job boards in attracting quality talent.⁵

“At the end of the day, you can’t communicate enough with prospective employees about your culture and how career development is structured,” explains O’Flanagan.

YOUR DREAM TEAM: MORE MILLENNIALS, MORE WOMEN

Forward-thinking dealerships want to attract more millennials and more women as employees to mirror the demographics in society and their consumers. According to the NADA study, millennials continue to turn over at a disproportionately higher rate than Gen X or baby boomers.⁶

Dealers can reduce millennial turnover by recognizing that this cohort group has specific expectations of their employers and subsequently create a culture that supports their vision of a rewarding career experience by offering the following:

- Flexible hours to achieve work-life balance
- Collaborative, not competitive, work environments
- Adoption of technology to make work more efficient
- Company-supported opportunities to give back to the community
- Perks and benefits that par with leading employers in tech and consulting

"I think we offer millennials the opportunity to work in a fun, fast-paced industry. Cutting-edge technology is being embedded into cars, and dealerships will play a role in addressing the mobility challenges of a growing population," says Van Ryn. "Millennials expect a lot of coaching and feedback in order to improve their skills and performance. To address this need, we developed a program to help managers become better coaches: the Master Coach Series."

Many dealers understand that customers like buying cars from salespeople who are relatable. And with most car sales influenced by women today, dealers need to make it a high priority to hire more female sales people. The NADA workforce study shows that the retail automotive industry struggles to attract and retain women.⁷

- Female dealership talent has hovered at 20% over the last few years
- Women were hired for only 22% of new roles during this time
- Turnover among female sales consultants was a full 25 percentage points higher than their male counterparts

To engage and retain more women in the automotive retail sector, dealers should consider several approaches:

- Make sure job descriptions are gender-inclusive
- Offer schedule flexibility for work-life balance
- Partner with women-led professional networks
- Develop strong mentoring programs

4 UNCONVENTIONAL WAYS TO SEEK NEW TALENT

1. Talk to students working on technology-focused degrees and programs at colleges and trade schools, emphasizing the growing use of innovative technology in all aspects of the retail automotive industry.
2. Subsidize the auto tech program at a nearby community college or trade school.
3. Seek experienced professionals accustomed to working nights and weekends in customer-facing jobs, such as real estate agents or insurance sales people.
4. Recruit the happiest customers you've had in the last six months. Reach out to them through a friendly email or phone call. They've already had successful customer experience, why not ask them to consider making it a successful employment relationship?

1 Robinson, Adam. "How auto retailers should lure top talent." Automotive News. 25 February 2019. <https://www.autonews.com/commentary/how-auto-retailers-should-lure-top-talent>

2 Kempton, Beth. "Are You Paying A Steep Applicant Tax?" Hireology.com. 19 April 2019. <https://hireology.com/blog/are-you-paying-a-steep-applicant-tax-to-attract-top-talent-in-todays-applicant-economy/>

3 "Meeting the Challenges of a Changing Workforce: Dealership Staffing Study." Cox Automotive. 20 September 2017. <https://www.coxautoinc.com/learning-center/dealership-staffing-study/>

4 "NADA 2017 Workforce Study: Immediate Takeaways for Dealers and HR Leaders." Hireology. <https://hireology.com/resources/key-takeaways-from-the-nada-2017-dealership-workforce-study/>

5 Kempton, Beth. "Are You Paying a Steep Applicant Tax to Attract Top Talent?"

6 "NADA 2017 Workforce Study: Immediate Takeaways for Dealers and HR Leaders." Hireology.

7 Ibid.

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