

AUTOTECH RECRUIT

AUTOMOTIVE RECRUITMENT SURVEY REPORT

JUNE 2022



Part of Autotech Group

The skills shortages we see in the automotive industry isn't a new phenomenon.

The lack of young people entering the sector, the mass retirement of vehicle technicians and a drain of skilled workers into other industries have contributed to the trend for many years. Furthermore, the impact of the Covid-19 pandemic and Brexit has undeniably worsened the situation.

With one in five people actively thinking about switching jobs this year*, we are still right in the middle of the phenomenon called 'the great resignation'. The workers are walking out of their jobs across all industry sectors in search of better pay, work-life balance and appreciation for their skills. The fact that the automotive sector is one of many industries struggling to keep existing employees and attract new talent, makes it even more challenging as the competition with other organisations for best workers is at its peak.

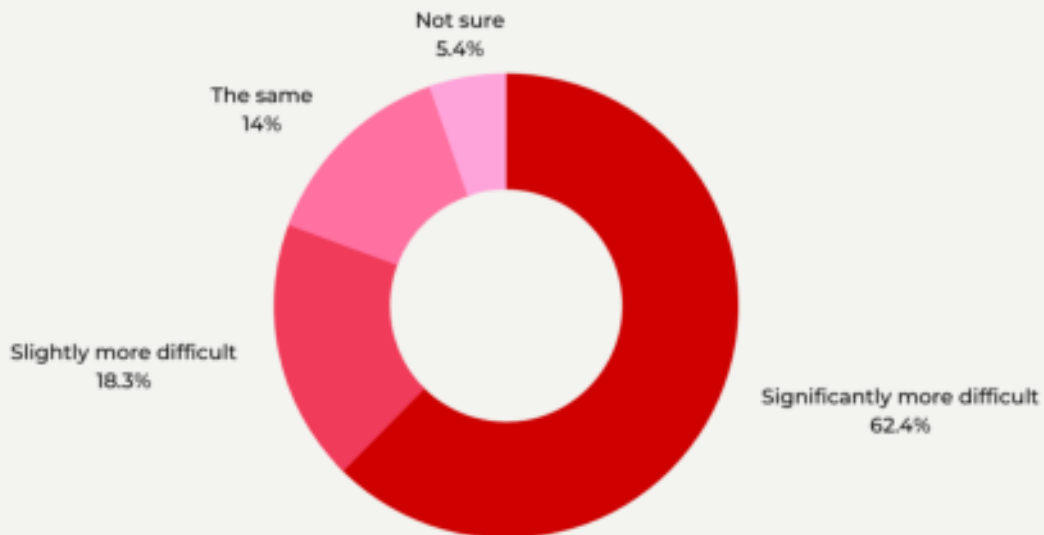
The Automotive Recruitment Survey 2022 is Autotech Recruit's first independent report of the skills challenges that motor industry employers are currently facing.

The survey was conducted between 15 March and 20 April 2022 amongst Autotech Recruit's clients and LinkedIn network representing dealer groups, independent garages, fast fit specialists and other types of automotive organisations. The respondents included business owners, directors, workshop managers, service managers, HR managers, etc. with responsibility for recruitment within the automotive aftermarket.

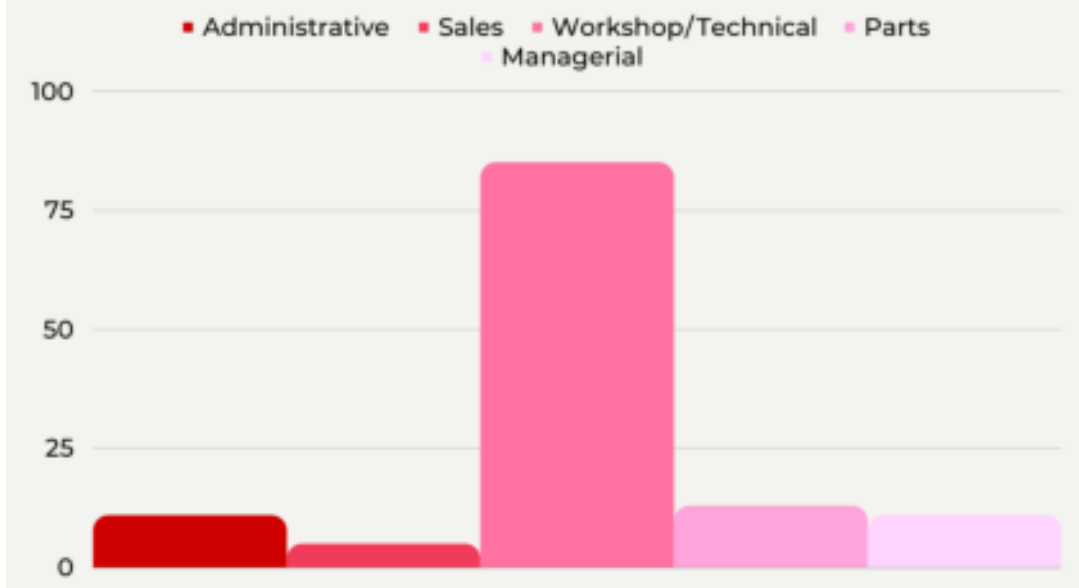
Questions focused on challenges around recruiting due to skills shortages, but also looked at recruitment and training plans and future predictions.

* Source: PwC 'Global Workforce Hopes and Fears Survey 2022'

Compared to pre-pandemic, is it easier or more difficult to recruit skilled staff?



What positions within your business are the most difficult to fill?

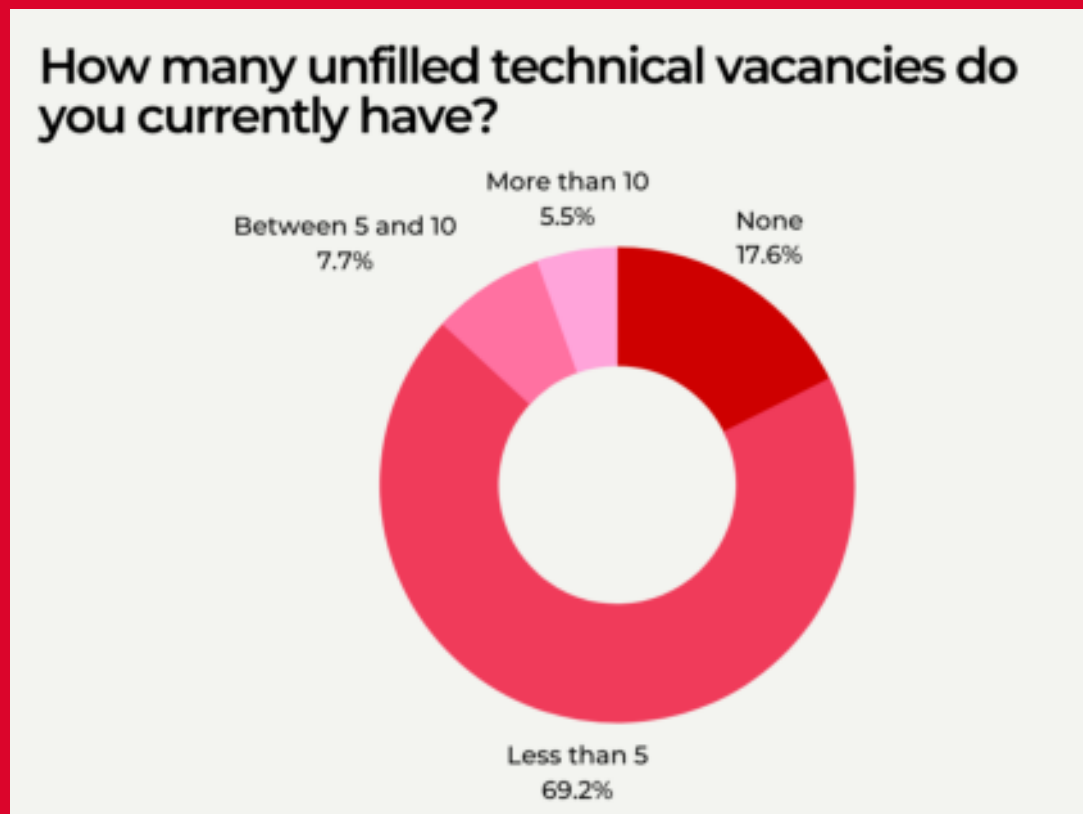


Over 80 per cent of automotive employers stated that attracting new talent is now more challenging than before the Covid pandemic.

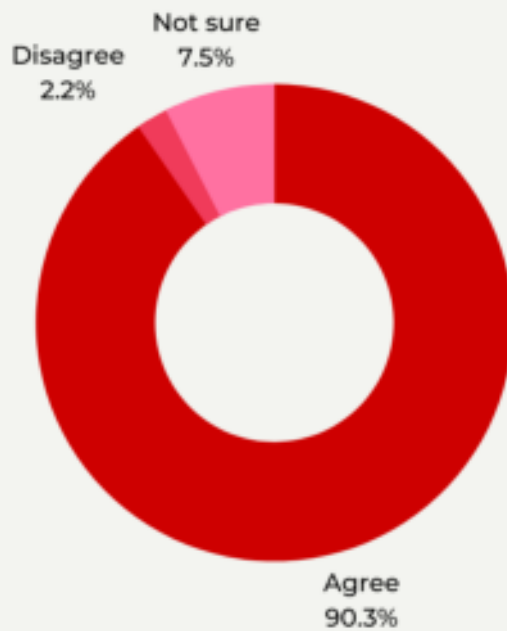
Some roles can be harder to fill than others – and technical positions continue to be the most difficult to recruit for.

Vast majority of employers (90 per cent) report that the positions they struggled the most to hire for were workshop/technical roles, while administrative, parts and managerial roles were also marked as the most difficult to fill by around one in ten respondents.

Only under a fifth of employers who took part in our survey currently have no technical vacancies. A staggering 80 per cent have at least one open workshop position to fill in their organisation.



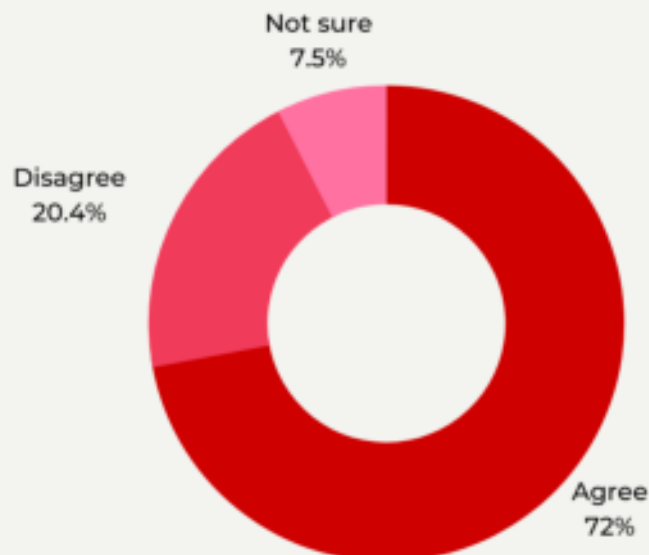
Will recruiting skilled vehicle technicians become harder in the next few years?



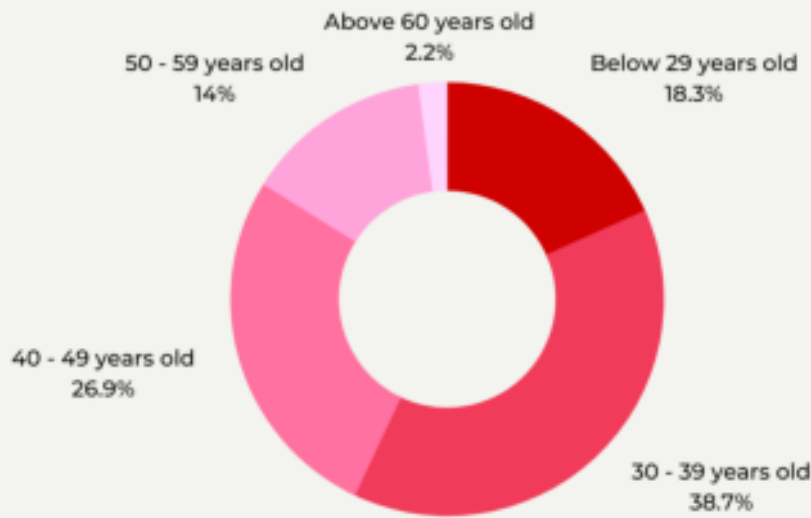
Worryingly, 90 per cent of respondents do not predict any respite in the years to come and expect that the struggle to find skilled vehicle technicians will not only continue but will actually get worse.

The survey shows that struggles with recruiting talent have a significant impact on automotive businesses with nearly three quarters of our respondents saying skills shortages hit the profitability of their business.

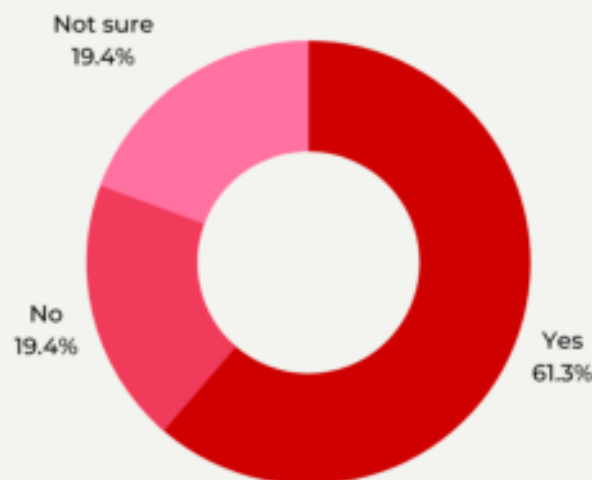
Do you agree that the skills shortage is holding your business back from achieving higher profitability?



What is the most represented age group amongst the vehicle technicians in your workshop/garage?



Are you planning to employ apprentice vehicle technicians in your workshop in 2022?

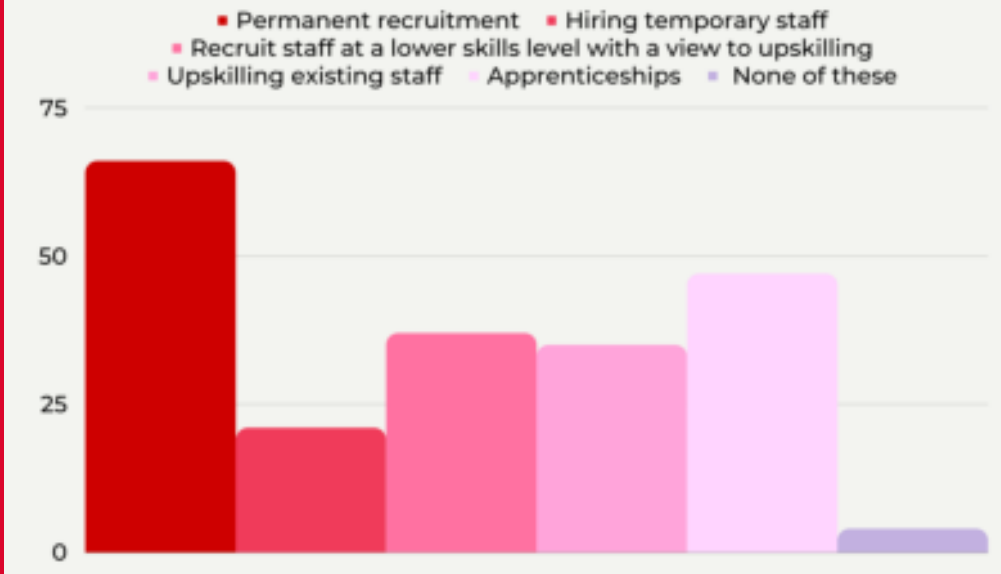


Over 65% of automotive businesses mainly employ technicians who are between 30 and 49 years old, with around 16% having their workshop staffed predominantly with skilled staff who are older than 50 years old. Only 1 in 5 automotive employers declare that the most represented age group of vehicle technicians in their garage are those who are 29 or younger.

To safeguard the future of the sector, the automotive industry needs to shift its focus to apprentice and college leaver recruitment. It is encouraging to see that 6 in 10 employers are planning to employ apprentices in 2022. However, according to the IMI, although in academic year 2020/2021 the apprenticeship starts were higher than the previous year, these numbers are not growing fast enough to fill the skills gap.

* Source: The IMI's Automotive Education Report, Edition 2

Which resource solutions do you expect to use in 2022 to tackle skilled staff shortages?



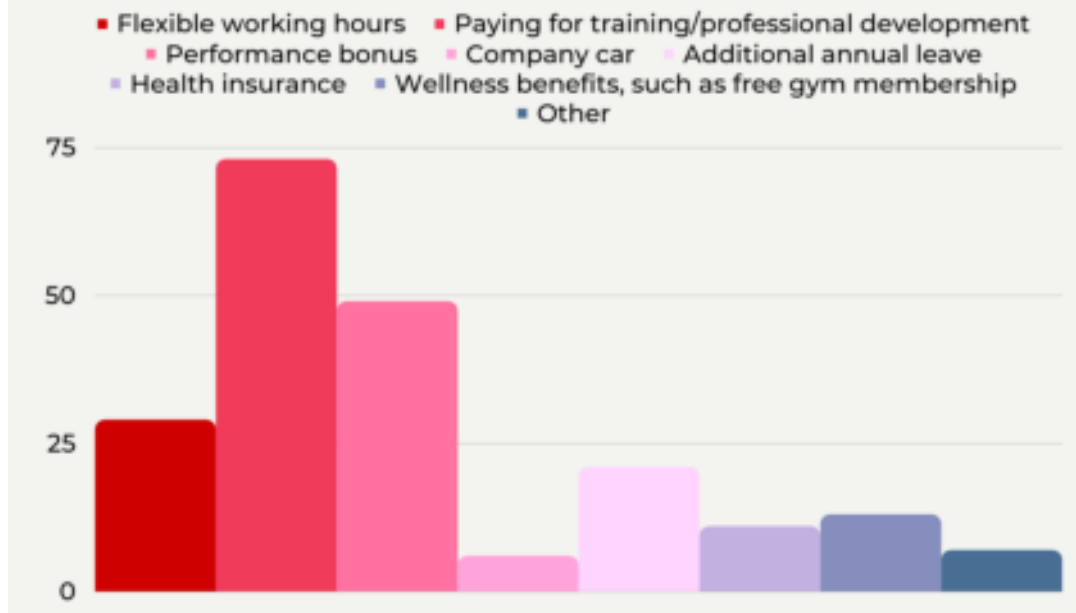
To tackle the existing staff shortages, our respondents expect to use a combination of resource solutions but permanent recruitment is at the forefront of these efforts with 70% respondents planning to recruit for full time employees. Training of new starters or existing staff to reach the required skillset are also seen as key strategies with 39% and 36% of respondents respectively indicating their intention to do so as a way of dealing with skilled talent shortages.

While these solutions are important, the changing dynamic of the working world around us shows a growing trust and reliance on temporary technical staff. Compared to last year's survey conducted by Motor Trader, where only 6% of automotive employers expected to use the services of temporary technicians, this year 20% of employers plan to use skilled freelance technicians and MOT testers to cover for staff vacancies (62%), staff annual leave (46%), business peaks (45%), sickness (38%), and training (18%).

What are your reasons for using contract technical staff?



Does your business currently offer any of the following benefits to attract/retain workshop staff?



In an increasingly competitive market companies need to do all they can to stand out from the competition – and benefits packages are becoming the battleground. Offering competitive perks can significantly improve the company's success in both attracting top talent and retaining their existing staff.

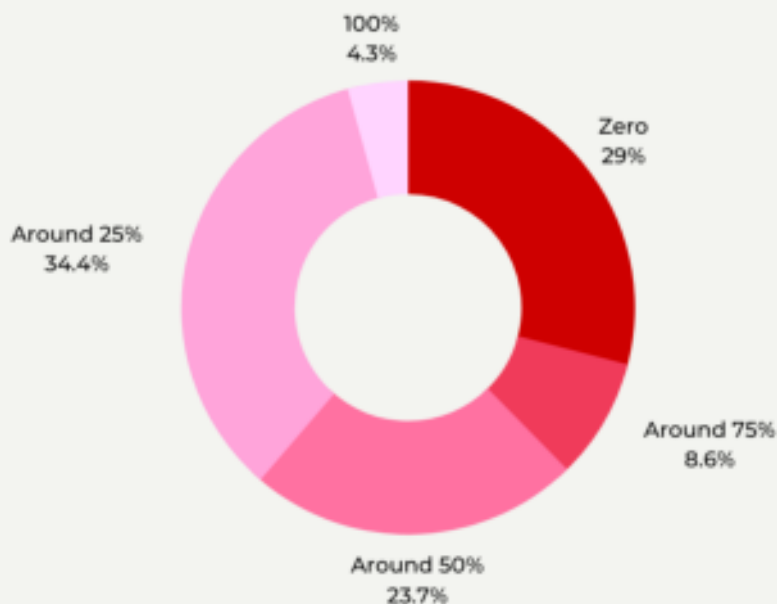
However, our survey shows that automotive employers tend to offer fairly modest benefits packages, which, combined with potentially non-competitive salaries, can significantly affect their success in attracting and retaining employees.

The most popular benefits offered by automotive employers who took part in our survey include: performance bonus (52%), flexible working hours (30%), additional annual leave (22%), wellness benefits, such as gym membership (13%), health insurance (11%), and company car (5%).

Additionally, a few employers stated that they offer more unique benefits, such as free breakfast, free MOT, or free tickets to events.

However, the highest number of all respondents - 77 per cent - indicated offering training and professional development as their employee benefit. Interestingly, if we look at these answers from a different angle, this could also mean that nearly a quarter of employers don't upskill their staff. This is a very worrying trend in times of huge technological changes in our sector, such as ADAS and a shift to electric vehicles. A company is only as good as its employees, and if those employees are not regularly upskilled, it affects not only their performance and sense of job satisfaction but also their employer's ability to stay competitive.

What proportion of your technical team are trained in Electric/Hybrid Vehicles Level 2 or above?



According to the IMI, the number of vehicle technicians now qualified to work safely on electric vehicles is estimated at 24,500, the equivalent of 11% of technicians in the UK*.

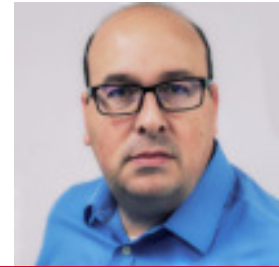
In comparison to this statistic, nearly a third of all automotive businesses that responded to our survey stated that they don't have any staff trained in electric/hybrid vehicles, with only just above 4 per cent saying all of their technicians are EV-trained to minimum level 2.

The shift to electric vehicles forces huge changes in the automotive industry and requires employers backing for upskilling of their vehicle technicians to help workers prepare for a zero-emission future and be able to meet the growing demand, so next year we are expecting to see a large uplift in these numbers as EV training becomes a strategic priority for the aftermarket.

* Source: The IMI's TechSafe Forecast Report March 2022

IT'S TIME TO ACT

COMMENTARY BY SIMON KING,
MANAGING DIRECTOR OF AUTOTECH GROUP



The skills shortage within the automotive industry is certainly not a new problem - it's a direct consequence of years of underinvestment in training and recruiting younger generations. However, Brexit and the pandemic has exacerbated the issue, which is clearly illustrated within the results of our survey.

The motor trade has the sixth highest vacancy rate of all UK industry sectors. Particularly concerning is the fact that almost all of those surveyed (90 per cent) reported that workshop and technical roles are the hardest positions to fill. The situation is dire and requires immediate action.

We are not working within a stagnant market and this highlights the need for greater training for both existing and future staff. Vehicle technologies such as ADAS will have a significant impact on the market and technicians need to hold the relevant skill set to service these vehicles. Inevitably, though, it is the switch to electric/hybrid vehicles which will shape the garage of the future, and it is concerning that so many of those surveyed have yet to EV-train their technicians.

Training needs to be an immediate priority for the aftermarket to meet not only the zero-emission future, but growing consumer demand, particularly as electric vehicles come out of their manufacturer warranty.

The effects of not making the automotive industry, particularly the aftermarket, an attractive option to the school-leaving generation is also being felt. Encouragingly, over 60 per cent of our respondents said they had plans to employ apprentices, but the industry needs to significantly shift its focus and create more opportunities for younger generations.

As an industry, we specifically need to harness the talent of automotive college leavers who lack experience in the garage environment. We need to be more open to recruiting inexperienced young technicians with a view to helping them connect their theoretical knowledge to the work environment, to ensure they don't disappear off into other industries straight after college.

To tackle existing staff shortages our respondents expect to use a combination of resource solutions with 7 in 10 respondents planning to recruit full time employees. While permanent recruitment is still at the forefront, in line with other industry sectors, there is a growing reliance on temporary technical staff amongst automotive employers, with a fifth of respondents planning to use skilled freelance technicians and MOT testers to fill skills gaps in their businesses.

If you would like more insights and advice from the industry experts on the topic of skills shortages in our sector, I encourage you to download and read Autotech Group's "Guide to Overcoming Automotive Staff Shortages".