Only cooperation can solve motor retail’s recruitment crisis

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Only cooperation can solve motor retail’s recruitment crisis

By Professor Jim Saker

In 1997, I wrote an article entitled 'Improving by Degrees' in which I explored the problem of improving recruitment and training in the automotive retail sector. At the time, there was a real problem in attracting good-quality young people to the industry. This was further reinforced by the poor quality of staff development.

Training in the sector was ad hoc at the time. It was non-accredited, so had little transferability from one company to another, and was delivered by training agencies that hired failed sales managers or 'experienced' managers to pass on their supposed wisdom to these new recruits.

Some things have changed since then. The IMI has moved to put training programmes on a recognised framework and over the past 20 years we have been offering degree programmes to people employed in the sector. The training agencies have also improved, with delivery moving away from this how I did it in my day-type programmes to attempting to address contemporary issues.

However, one area in which the sector has summarily failed over the years has been its ability to consistently recruit new graduates. Some companies, such as Vertu, Inchcape, Sytner, Vardy and Phoenix, have programmes that are demonstrating some traction in both attracting and retaining young graduate talent.

Industry-wide initiatives have been unsuccessful by comparison. Some years ago, a programme called Autocare was set up to address this issue, but after an initial burst of enthusiasm the scheme ran out of steam.

This has placed our sector at a disadvantage compared with others that have a more coordinated approach to graduate recruitment. This and other failures have left me fairly cynical about our ability to coordinate education across the sector.

What's new about apprenticeship degrees?

The reason for flagging this up is the new Conservative Government's announcement about apprenticeship degrees. To a large extent, these replicate what we are doing with our BSc programme in that we offer a degree by block release over three years to young people employed in the sector.

The real difference is the Government is saying it will support this scheme with funding. The aim is that young people will be offered a complete package of training and employment.

The Government will pay two thirds of the degree fees, with commercial organisations paying the remaining third. On the surface, this presents a major opportunity to attract young people to a scheme where they can get access to employment and a degree without having the burden of student debt.

This appears to be something that would greatly benefit our sector – the challenge would be how to make this work. Dealer groups have been reluctant in the past to branch out on anything of this scale. Also, the aim of the scheme would be to increase the general pool of talent coming into the sector as opposed to improving recruitment by one organisation.

Motor retail lags behind other sectors in the level of management qualifications held by their managers. On average, 44% of managers in the UK have a level 4 qualification or above.

The figure for the retail automotive sector has remained fairly static over the past few years at about 18%.

If motor manufacturers were included, the number of graduates employed would greatly increase that score.

However, it remains a cause for concern that the level of management qualification is so low at the dealership level, whether technical or sales.

One of the major strengths of our industry is it is highly competitive, but when it comes to initiatives such as apprenticeship degrees, this can also be a weakness. We often view the world as a zero sum game, with winners and losers. We move forward by competing against one another as opposed to collaborating.

There have been some examples of cooperation based around sharing technology to reduce the cost of manufacturing or to get around some legislation that is brought forward by the EU. In the case of apprenticeship degrees it needs to happen again.

By having manufacturers and dealers working together, we could set up degree programmes that would attract young people to our sector. The IMI is exploring the possibility of getting key stakeholders together to look at the possibility of bringing forward some proposals.

I sincerely hope they are successful with this initiative and attract more talented young people into our businesses.

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Professor Jim Saker is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years.