



## 2019 DEALERSHIP STAFFING STUDY

ENGAGE YOUR PEOPLE  
AND OPTIMIZE YOUR  
GREATEST ASSET

# Background and Methodology

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## Methodology

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Research was facilitated by KS&R.

An online survey was administered to current franchise and independent dealership employees, managers, and leaders. The sample was provided by Cox Automotive.

The survey was also administered to consumers employed or looking for a job through an online panel. Results represent Gen Z through Gen X in the workforce.

**Field dates: February 7-17, 2019**



## Completions

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502 dealership employees:

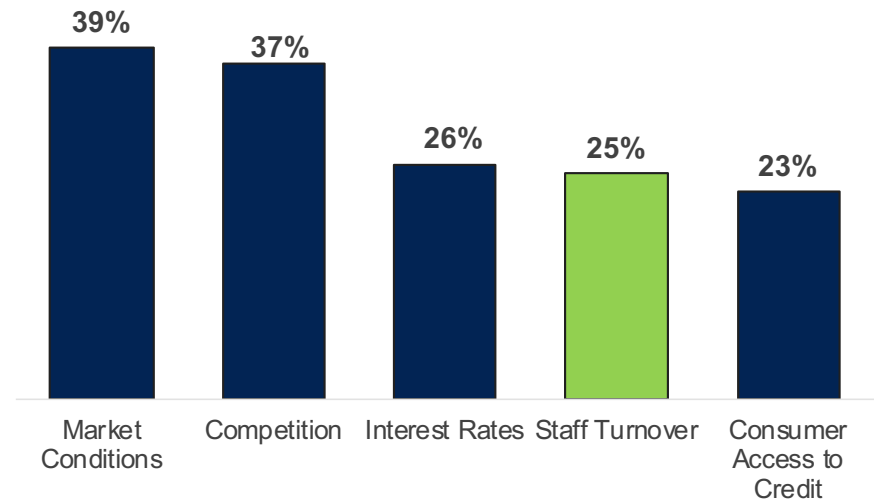
- 236 staff members (individual contributors)
- 145 department managers
- 121 dealership leaders

718 non-dealership employees:

- 361 employee (individual contributors)
- 128 department managers
- 129 leaders
- 100 not currently employed, but looking



### Top Concerns Holding Back Franchise Dealers (2Q19)



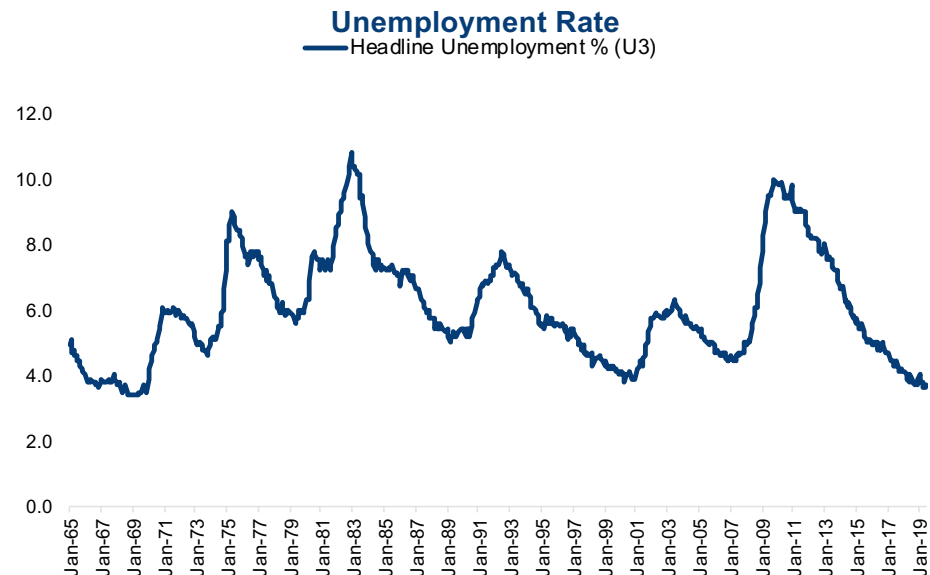
*“Automotive careers do not seem to be on the radar of many people in younger generations who are just entering the workforce, so finding good help is becoming increasingly more difficult.”*

Source: 2Q19 Cox Automotive Dealer Sentiment Index  
DE4. Which of the following factors, if any, are holding back your business? Please select all that apply.

*With Competition for Talent Fiercer than Ever Due to Low Unemployment Rates, Dealers Must Focus on Attracting, Retaining, and Engaging Employees*

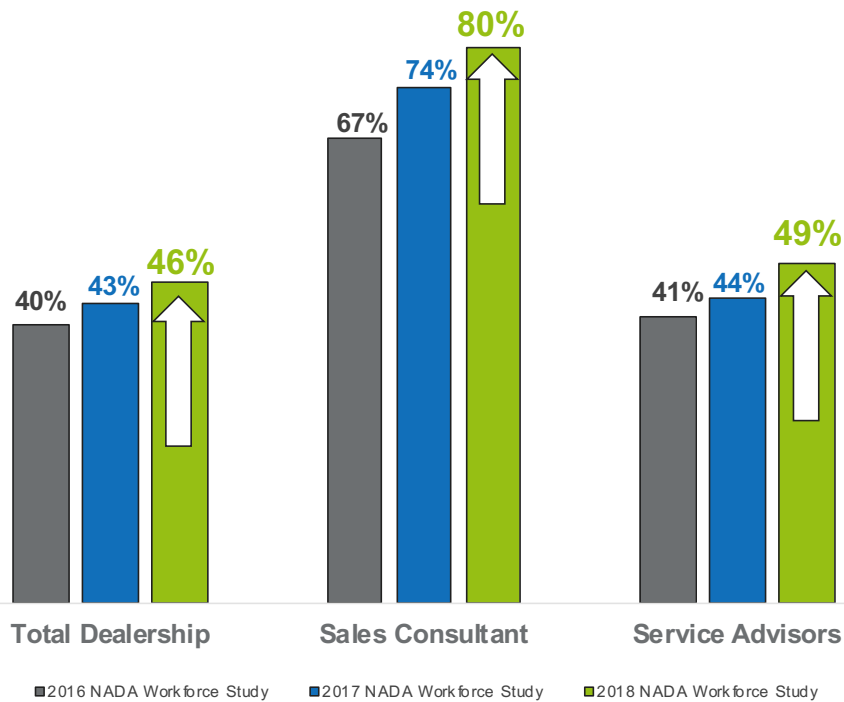
**20% of dealership staff** likely to look for another job in the next six months

**1/3 of non-management employees** do not feel engaged or excited about their jobs



# Dealership Turnover is at All-time High!

Annualized Dealership Turnover by Department<sup>1</sup>



Source: 2018 NADA Workforce Study

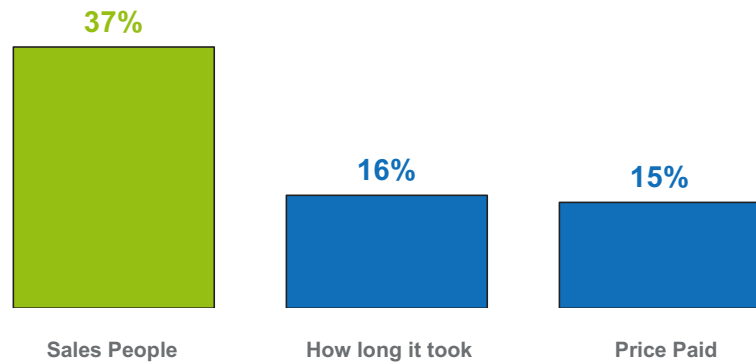
1: Annualized turnover is an estimate of how many employees a business should expect to lose in one year

## Sales Staff Have the Highest Turnover, but Are an Integral Part of the Dealership Experience

Dealerships at high-risk to lose a portion of their sales consultant staff, (80% turnover)

Sales staff is the group attributed as the “top driver of buyer satisfaction”

### Drivers of Buyer Satisfaction With the Dealership Experience



*Dealership Employment Engagement is Fading*



**1/3**

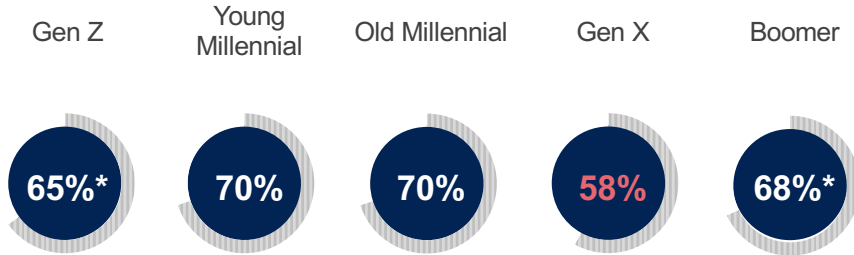
**of dealership staff**  
are NOT engaged  
nor excited  
about their jobs



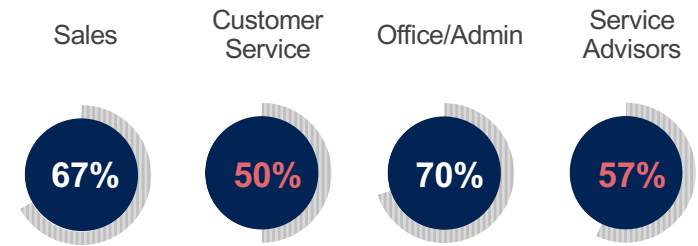
Engagement is lowest among GenX and those in Customer Service/Service roles

### Dealership Staff Engagement (4-5 Stars)

#### By Age Group



#### By Role



Q. Please rate your agreement with each of the following statements related to the overall culture of your dealership: "I feel engaged and excited about my job". % 4-5

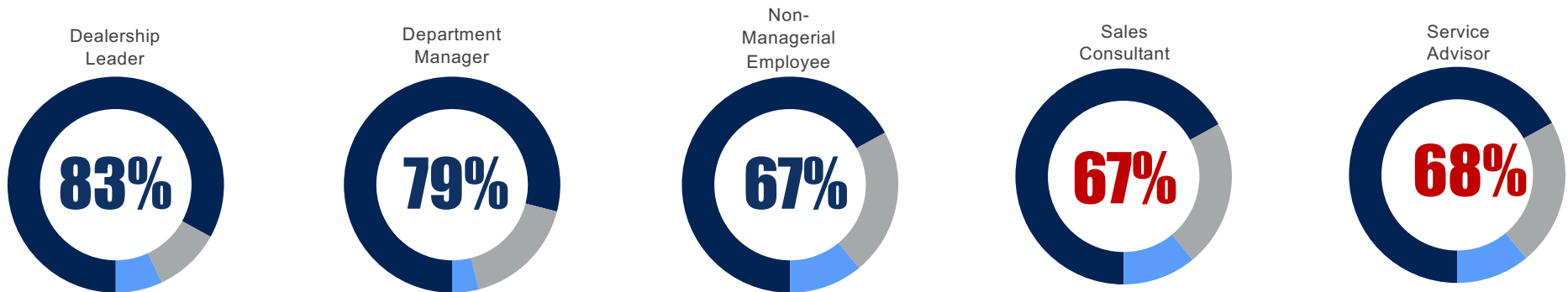
\*Caution: Base size under 30.



Job satisfaction is 16 points lower for dealer employees than leaders, 12 points lower than dealer managers.

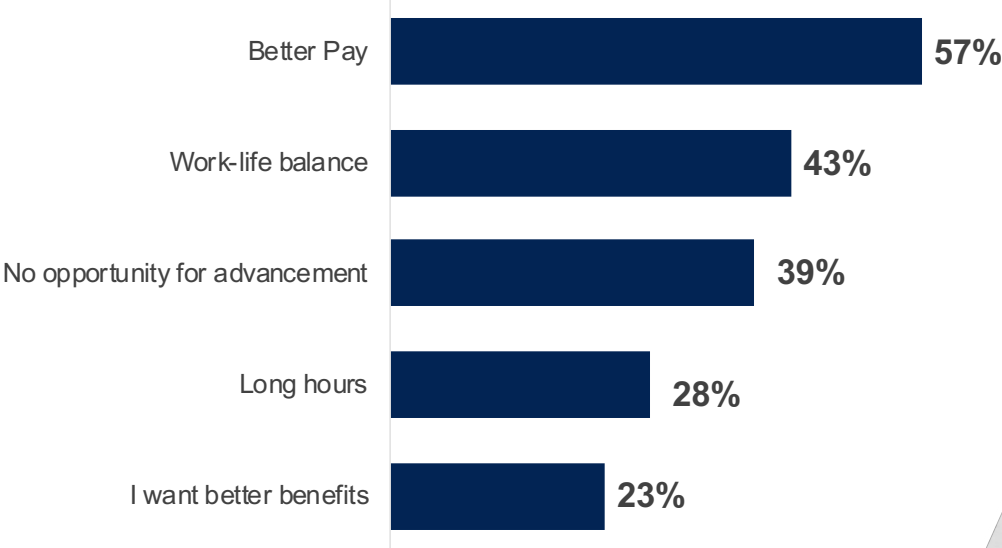
**20%** are likely to look for another job in the next 6 months (directionally higher for sales and service, lower for management).

### Overall Satisfaction (4-5 Stars)



Q1. How would you rate your overall satisfaction with your current job?  
S14. How likely are you to look for a new job within the next 6 months?  
Q5. Which of the following describes why you are considering a new job?

### Top 5 Reasons Why Dealership Staff Considers Leaving *(among those considering a new job)*

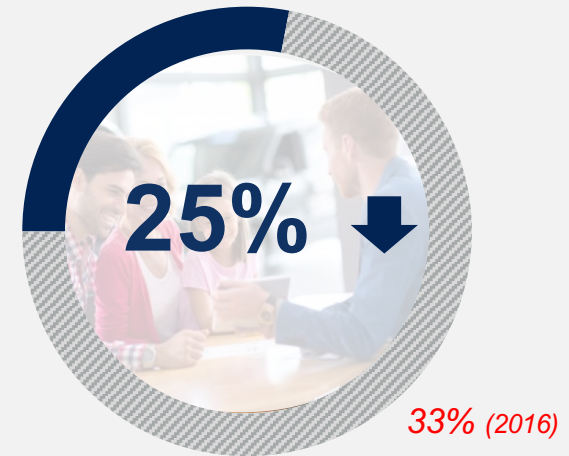


Q5. Which of the following describe why are considering a new job?

## Interest in Dealership Jobs is Declining



### Interest in Working for Dealership (among non-dealership employees) (%4-5)



Q33. How likely would you be to consider a job at a car dealership?

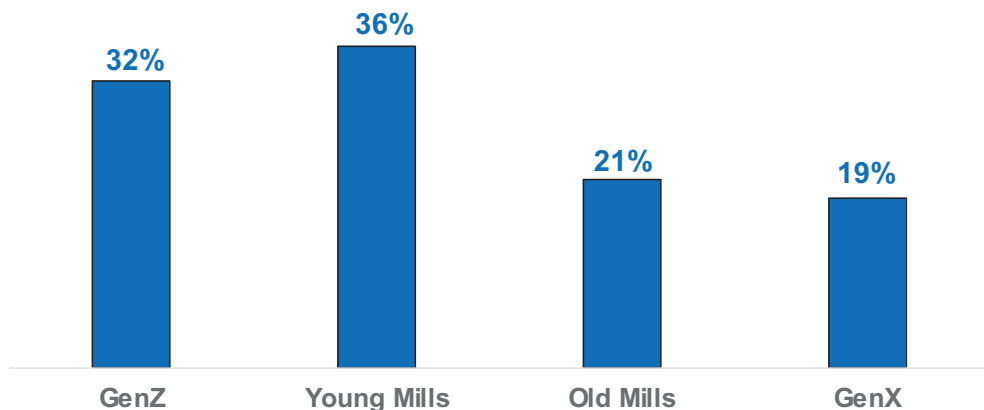


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## The Good News: The young show interest!

Interest in Working for Dealership  
(among non-dealership employees)  
(%4-5)



Gen Z will make up **20%** of the workforce by 2020<sub>1</sub>

Q34. How likely would you be to consider a job at a car dealership?

1. Source: US Census



# How to Create Engaged Dealership Employees



Q12.1/Q14/Q17. Please rate your agreement with each of the following statements.  
Drivers of Engagement determined using step-wise regression and relative importance.

# FIVE TACTICS

to Attract, Retain, and  
Engage your Employees



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## *Tactical Changes Dealers Can Consider to Help Attract and Retain Employees in a Competitive Market*

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- 1** Embrace a more flexible culture
- 2** Review pay your structure and benefits plan to ensure they are competitive and meet the needs of your workforce
- 3** Ensure you create an environment where your employees feel valued through career planning discussions and professional development opportunities
- 4** Offer the latest tools and technology
- 5** Prioritize workplace diversity for both your employees and customers → experience





# TACTIC #1

Embrace a More Flexible  
Culture



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## Important Job Attributes for Dealership Staff

**61%**  
Free  
Nights

**60%**  
Free  
Weekend

**62%**  
Flexible  
Work Schedule

**53%**  
More  
Vacation Time

Q31. Please consider each of the following attributes and rate the importance of each to you in a job where 5 means extremely important and 1 means not at all important - % 4-5



*The Absence of Work / Life Balance  
Can Lead to Turnover*

**40%**

**of former dealership employees  
left due to the work/life balance**

**43%**

**of dealership employees are considering  
leaving because they don't feel there is enough  
work/life balance (31% due to the long hours)**

Q5. Which of the following describes why you are considering a new job?  
Q50. Why did you decide to leave?





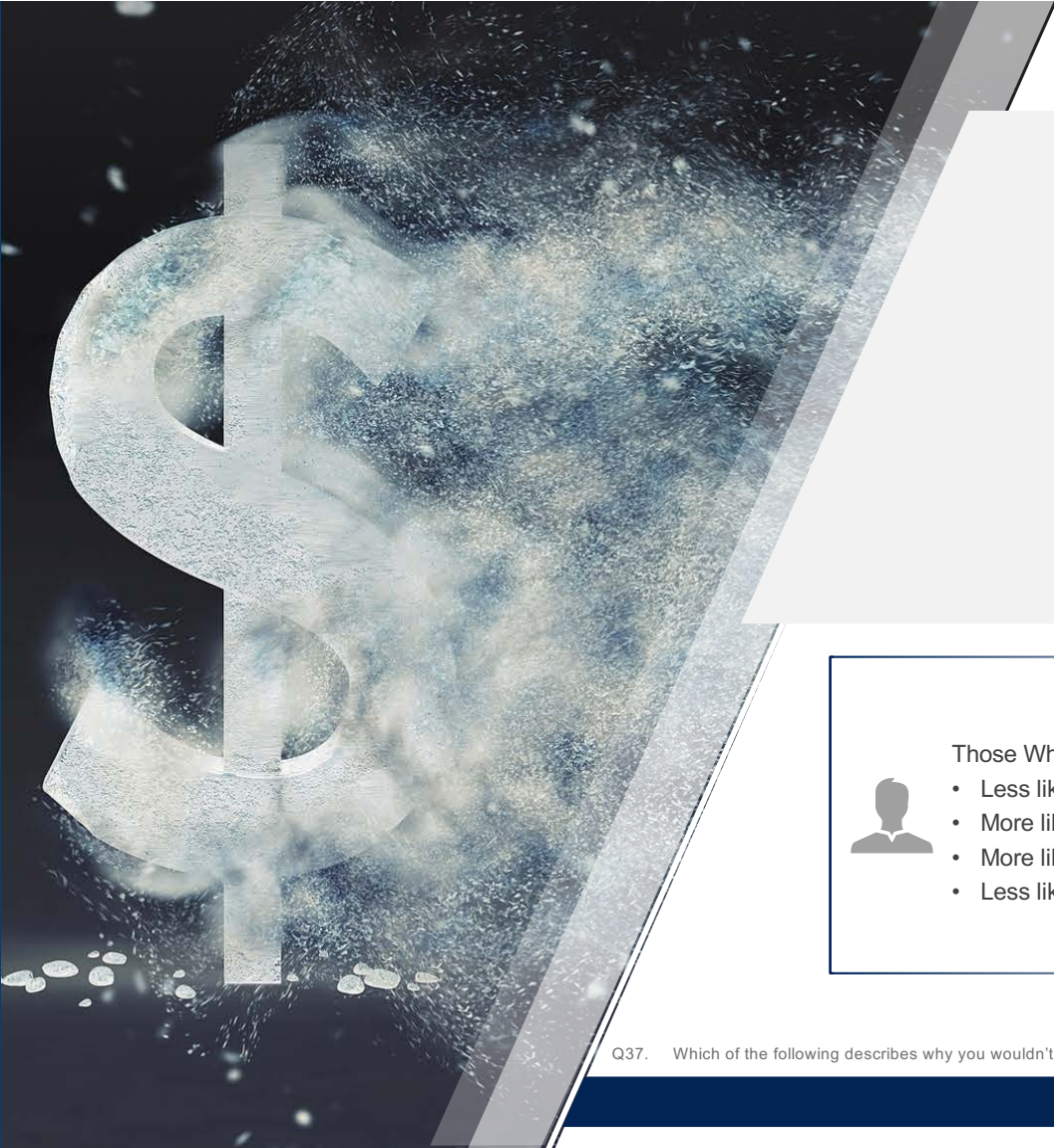
# TACTIC #2

Reconsider Your Pay and  
Benefits Plan



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# 41%

Of job seekers would **NOT** consider a role that was paid on commission



Those Who Don't Want A Job Where They Get Paid On Commission Are...

- Less likely to be looking for a new job within the next 6 months
- More likely female
- More likely to have a college degree
- Less likely Gen Z and more likely Older Millennials

Q37. Which of the following describes why you wouldn't be interested in a job at a car dealership?





**32%**

**of current dealership sales consultants are considering leaving due to commission-based pay structure**

Q5. Which of the following describes why you are considering a new job?





## Important Job Benefits According to Dealership Staff

**61%**  
Great Health  
Benefits

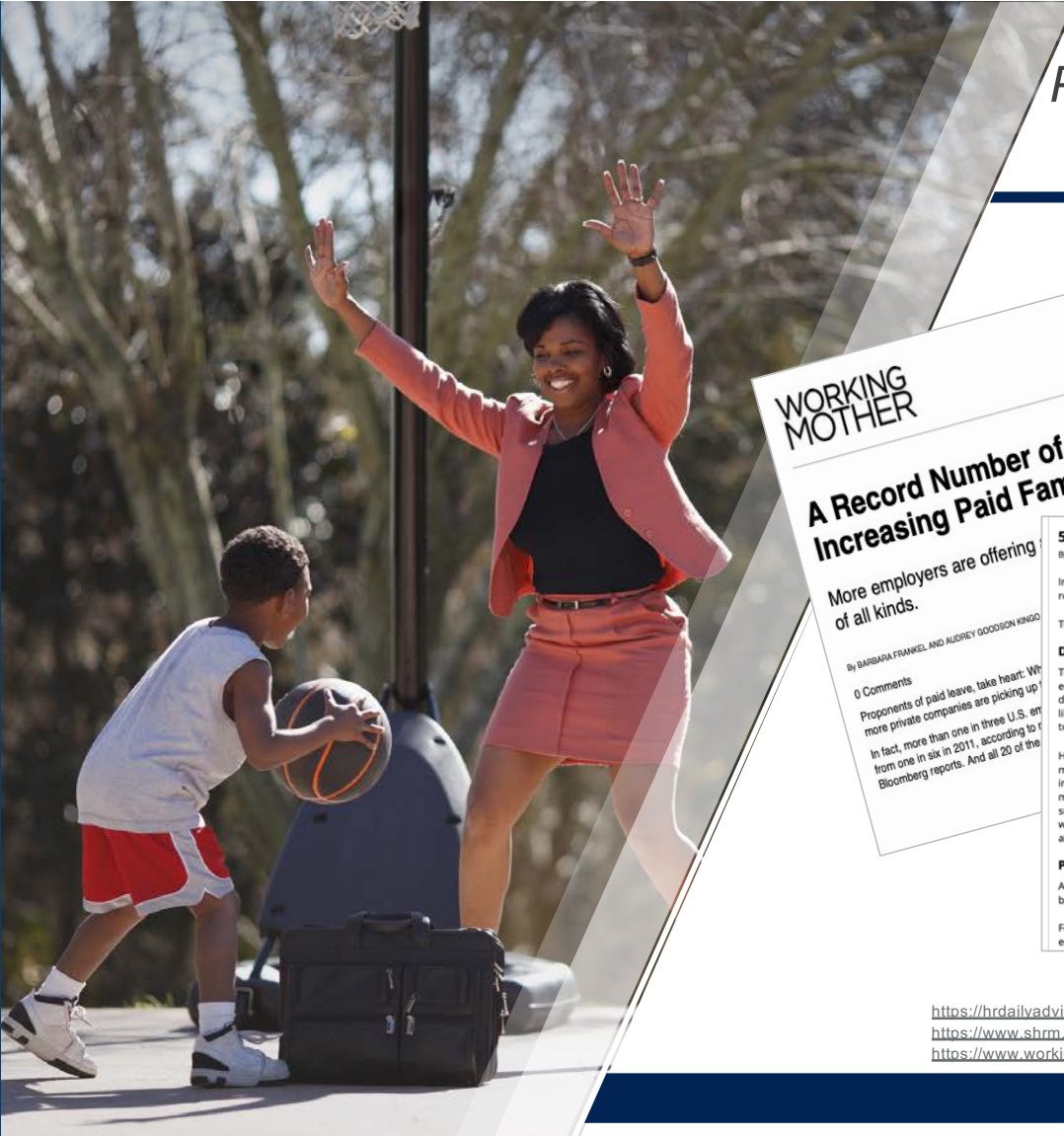
**36%**  
Flexibility When Children  
Are Ill / Out of School  
(46% for Female Employees)

**32%**  
Child Care  
Benefits

**33%**  
Maternity /  
Paternity Leave  
(36% for Female Employees)

Q31. Please consider each of the following attributes and rate the importance of each to you in a job where 5 means extremely important and 1 means not at all important - % 4-5





## Parental Leave, Health & Childcare Benefits Are the New Norm

### WORKING MOTHER

#### A Record Number of Companies Are Increasing Paid Family Leave in 2018

More employers are offering of all kinds.

By BARBARA FRANKEL AND AUDREY GOODSON KING

0 Comments

Proponents of paid leave, take heart: While more private companies are picking up the slack, more than one in three U.S. employers now offer some form of paid family leave, up from one in six in 2011, according to new Bloomberg reports. And all 20 of the

#### 5 Key Benefits Trends for 2019

By Chris Whitlow, Founder and CEO of Edukate | Dec 28, 2018 | Benefits (<https://hrdailyadvisor.blr.com/category/benefits/>)

In 2019, HR managers will be utilizing deep data insights into how employees use their existing benefits to create the most robust package in order to attract and retain talent. Technological solutions will also be a major player in 2019.

The top benefits trends to watch out for in 2019 are:

##### Deeper Organizational Analytics

The first major trend to pay attention to is a shift in how employers are recording and keeping track of employee data. Broad-stroke categorizations of employee groups like Millennials, Gen X, and Gen Z are no longer enough to shape benefits packages effectively.

HR managers are shifting their focus to not only monitoring benefits utilization but also keeping tabs on individual employee preferences throughout the year. E-mail tracking, benefits utilization rates, anonymous surveys, and VOIs are examples of how employers are wielding data to make the smartest decisions they can about benefits offerings in 2019.

##### Personalized Benefits Offerings

As a consequence of deeper insights into employee wants and habits, employers are shifting their focus away from blanket benefits solutions to more personalized options.

For younger employees, that may mean student loan reimbursement in lieu of a retirement plan. For older employees, educational resources around planning for retirement may be more relevant.



(<https://news.blr.com/app/uploads/sites/3/2018/11/2019-Trends.jpg>)  
Weedesign / iStock / Getty Images Plus



#### 6 Big Benefits Trends for 2019

Expect new approaches to controlling health care costs and a growing focus on being family-friendly.

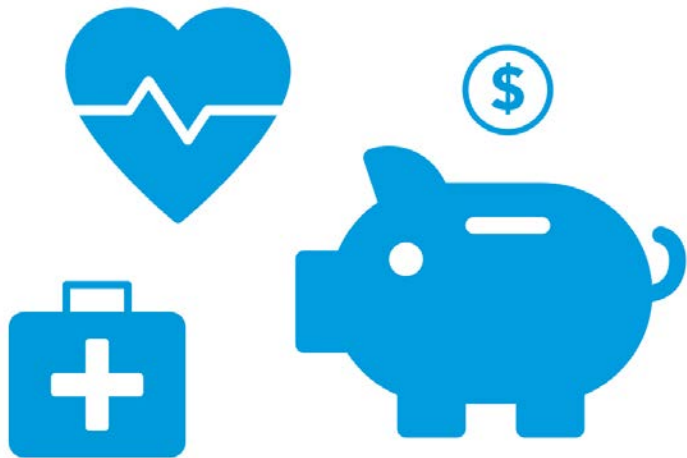
By Stephen Miller, CEBS  
January 3, 2019

While 2018 in the rearview mirror, benefits experts are looking down the road to what 2019 will bring for employers and employees.

1. Account-based health plans will create better...  
2. ...  
3. ...  
4. ...  
5. ...  
6. ...

- <https://hrdailyadvisor.blr.com/2018/12/28/5-key-benefits-trends-for-2019/>
- <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/big-benefit-trends-2019.aspx>
- <https://www.workingmother.com/2018-might-see-record-number-companies-increasing-paid-parental-leave>

*Expanded Benefits Plans Are  
Becoming Increasingly Popular,  
and Necessary to Compete*



**24%**

**of current dealership  
employees are considering  
leaving their current role for  
better benefits elsewhere**

Q5. Which of the following describes why you are considering a new job?







# TACTIC #3

**Offer Career Planning and Professional Development Opportunities**



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*Ensure You're Creating an Environment Where Your Employees Feel Valued Through Career Planning Discussions and Professional Development Opportunities*

## 1 in 3 Dealership Leaders...

***Aren't*** investing in training opportunities for their employees beyond what OEM provides

***Agree*** training their employees is a top challenge for them

Q16. Please rate your agreement with each of the following statements related to the support, training, and development of your staff - % 4-5

Q25. Now please consider all of the challenges that you face as a leader/manager. % 4-5



## Implement Regular Goals and Career Pathing Discussions

**Only 50%**

of dealership staff say their manager meets with them regularly to set goals/objectives...  
yet **59%** of managers say they do

**1 in 3**

dealership leaders don't think their employees understand their career path options

Q14. Please rate your agreement with each of the following statements related to your role and the development opportunities available to you - % 4-5  
Q16. Now please rate your agreement with each of the following statements related to the support, training, and development of your staff - % 4-5





## *Implement Regular Goals and Career Pathing Discussions*

# 39%

**of dealership staff are considering leaving because they don't feel there is opportunity for advancement...**

**...because 62% say career growth potential is an extremely important job attribute**

Q5. Which of the following describes why you are considering a new job?

Q31. Please consider each of the following attributes and rate the importance of each to you in a job where 5 means extremely important and 1 means not at all important - % 4-5



# TACTIC #4

Offer the Latest Tools and Technology





**85%**

**of dealership leaders agree the way consumers buy vehicles is changing and they need to adapt**

Q25. Now please consider all of the challenges that you face as a leader/manager. % 4-5



**61%**

of dealership employees don't believe they are using the latest technology in the store

Q13c. For each pair of statement below, please select the statement that best describes your dealership's culture (behind the times or neutral).





**39%**

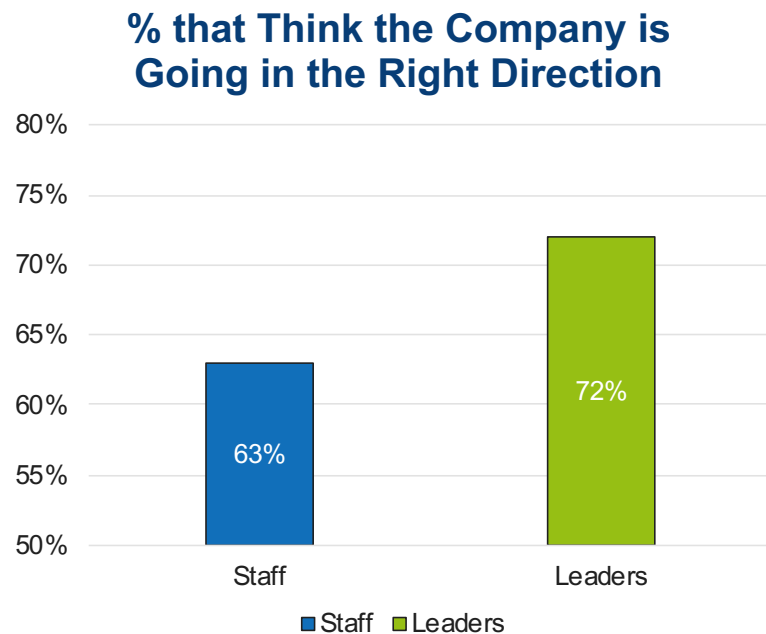
**of dealership leaders/managers agree  
implementing new technology is a top  
challenge for them**

Q25. Now please consider all of the challenges that you face as a leader/manager. % 4-5





## Many on Your Staff May Leave if this Problem Doesn't Get Addressed, and You May Not Even Be Aware of It



**25%** of current dealership employees are considering leaving because they don't believe their company is headed in the right direction

Q5. Which of the following describes why you are considering a new job?

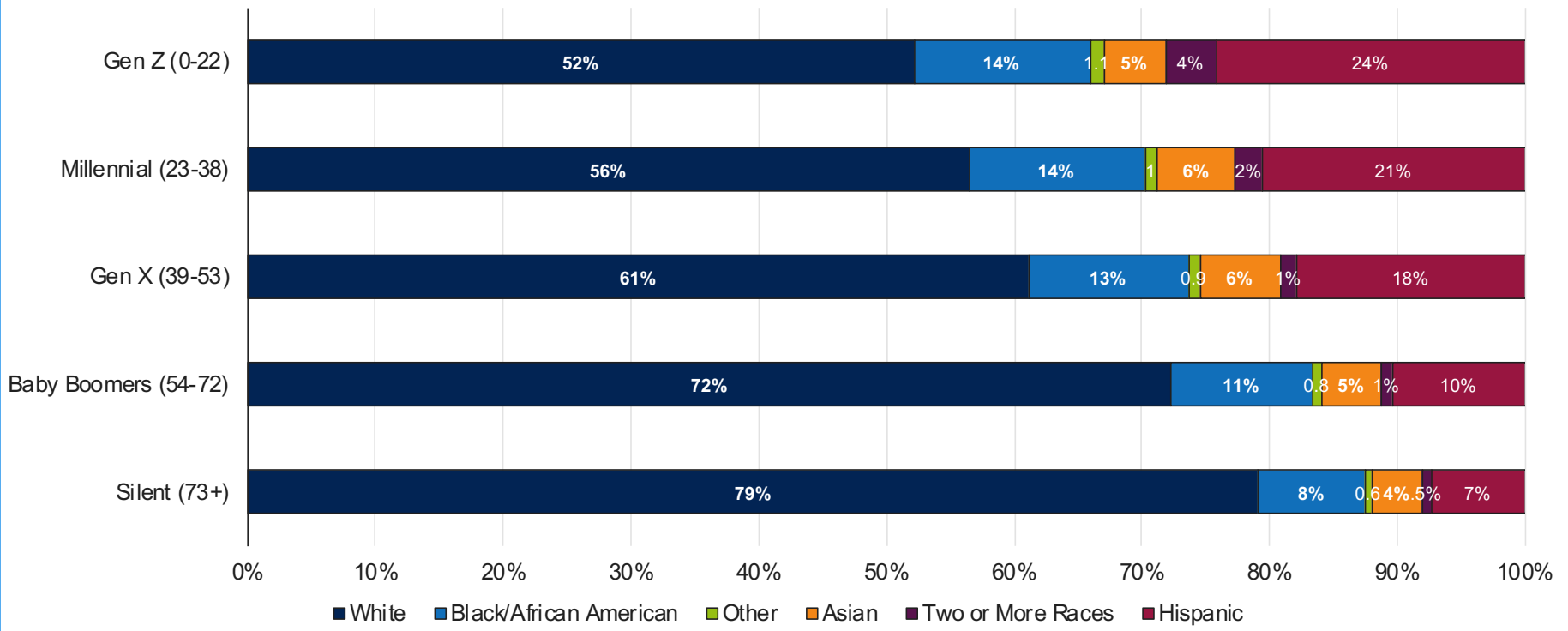
Q12a. Please rate your agreement with each of the following statements related to the overall culture of your dealership

# TACTIC #5

Prioritize Workplace  
Diversity

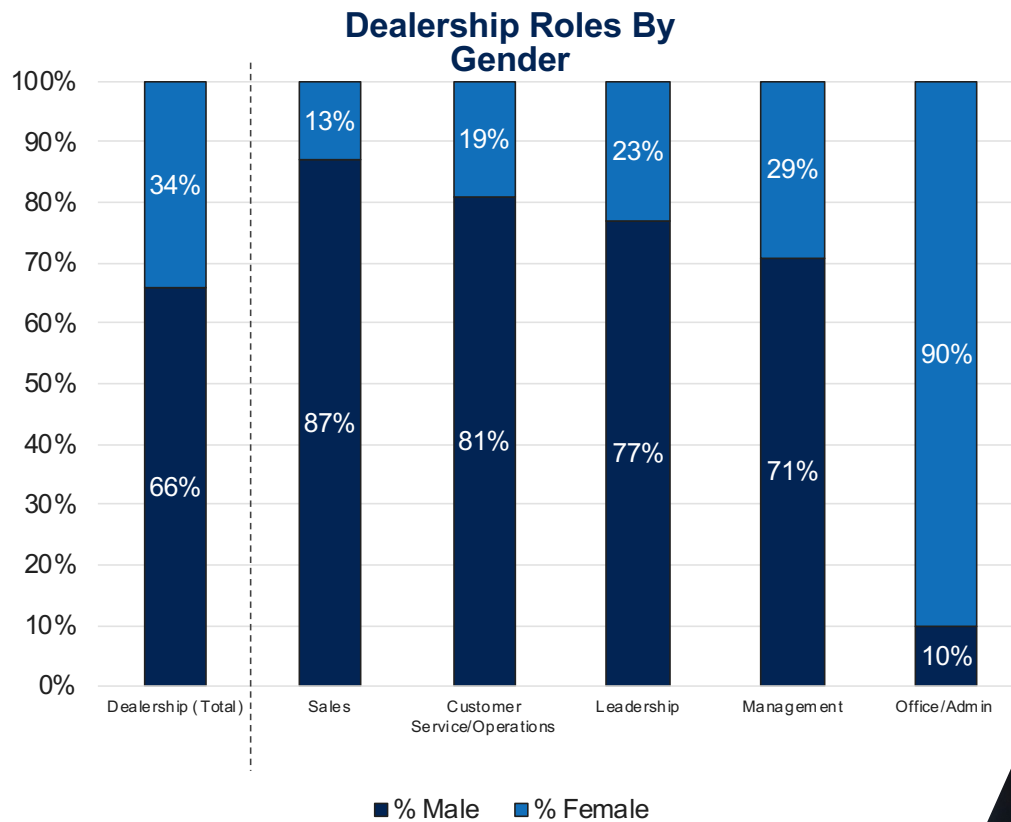


# Gen Z is the Most Diverse Generation to Date; as Your Customers Become More Diverse, Your Staff Should Reflect That



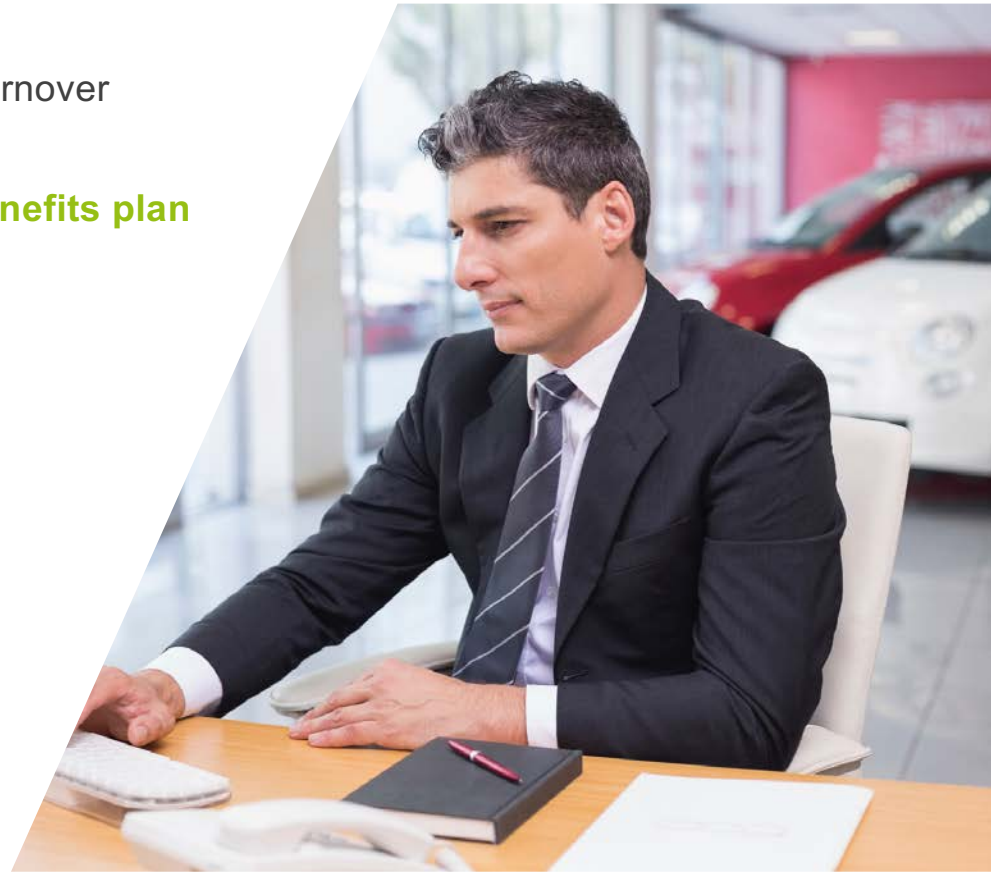
Source: 2018 U.S. Census

# Women Aren't Well Represented in Dealership Staff, Despite Increasingly Being Key Decision-makers in the Car Buying Process



## To Recap:

- ✓ Promote a **healthier work/life balance** to mitigate turnover
- ✓ Create and communicate a **competitive pay and benefits plan**
- ✓ Provide **ongoing employee training** and career planning discussions
- ✓ Be **open to new technology** as we transition into a new era of car buying
- ✓ Ensure your dealership **reflects your market demographics**. The U.S. is becoming increasingly diverse – make sure your dealership changes with it



# PROFILES



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## Profiles



A Satisfied Employee.....**slide 40**

Gen Z in the Dealership.....**slide 41**

Females in the Dealership.....**slide 42**

A Successful Dealership Leader...**slide 43**

S14: How likely are you to look for another job in the next six months?

Q12a: Please rate your agreement with each of the following statements related to the overall culture of your dealership- % 4-5

## Key Drivers of Employee Satisfaction

**I feel engaged and excited about my job**

The environment supports my ability to be successful

My dealership is headed in the right direction

My dealership is responsive to employee needs and concerns

**I receive adequate feedback on my job performance**

My dealership has enough people to do the work for my team or department

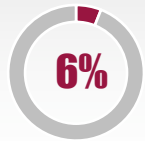
Q1. How would you rate your overall satisfaction with your current job?  
Q12.1/Q14/Q17. Please rate your agreement with each of the following statements.  
Drivers of Satisfaction determined using step-wise regression and relative importance.



# Gen Z in the Dealership

- Turnover in dealerships is highest for Gen Z vs. average (68% vs. 46%). Source: NADA
- They are looking for an exciting, positive environment.

Gen Z make up **only 6%** of all current dealership workers, but **32%** are interested in working at a dealership



Current dealership workers



Interested in working for a dealership

## Looking for in a Workplace



Environment is peaceful, quiet, friendly, & positive



Better management/leadership



Higher pay



Gen Z will make up 20% of the working population by 2020.

## Positions of Interest      Top Reasons for Interest

Technician/ Repair <b>31%</b>	It pays well <b>40%</b>
Vehicle Sales <b>31%</b>	It's an exciting place to work <b>38%</b>
Administration <b>31%</b>	I just like cars <b>34%</b>
Marketing/Advertising <b>29%</b>	



## Top 3 Important Attributes in a Leader

Gen Z value leaders who:

- 1 Have a positive attitude
- 2 Value each employee's contribution
- 3 Think both short-term and long-term

## Most Important Job Attributes

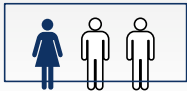
- 1 Free weekends
- 2 Working with people I like
- 3 Working for a dynamic and exciting company

Base sizes in notes  
 † Gen Z who are 18-24  
 Q34a, Q36, Q35, Q11, Q31, Q23. Full text in notes.

# Females in the Dealership

- Females are underrepresented in a dealership's staff
- Turnover for females (50%) in dealerships is higher than turnover for males (45%). Source: NADA

Only 35% of dealership employees are female, and only 23% of females are interested in working at a dealership



Current dealership workers



Interested in working for a dealership



## Top 3 Important Attributes in a Leader

Females value leaders who:

- 1 Have a positive attitude
- 2 Value each employee's contribution
- 3 Inspire them to do great work

“ A place where all departments/ employees/ managers work together. I place where employees can engage with one another and have a little social time to get to know each other on a more personal basis.

## Most Important Job Attributes

- 1 Make a real difference
- 2 Ability to work remote
- 3 Free Weekends

## Looking for in a Workplace

- Environment is peaceful, quiet, friendly, & positive
- Better management/leadership
- Laid-back

Positions of Interest	Top Reasons for Interest
Administration 51%	It pays well 51%
Vehicle Sales 27%	It's an exciting place to work 33%
Finance & Insurance 23%	Just something I'm interested in 24%
Marketing / Advertising 22%	

Base sizes in notes  
Q11, Q34a, Q36, Q35, Q11, Q31, Q23. Full text in notes.

# Profile of a Successful Dealership Leader

## Most Important Leadership Attributes According to Employees



Has a positive attitude



Values the contribution of each individual employee



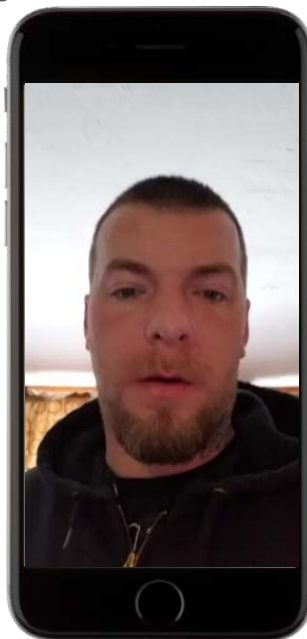
Has my back



Works hard



Inspires me to do great work



(00:39) Service employee discussing what makes a good manager

## What Would Make You a Better Leader?

(Top comments, Unaided)



Providing more training/ education



Better communication with employees



*More interaction with customer-facing employees. Collect input, evaluate solutions, and implement changes to better the customer experience.”  
(Dealership Leader)*



(00:19) Dealer Leadership discussing what would him a better leader



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ENGAGE YOUR PEOPLE  
AND OPTIMIZE YOUR  
GREATEST ASSET