

A photograph of a lighthouse with a black base, a red middle section, and a white top section, situated on a rocky outcrop overlooking the ocean under a blue sky with scattered clouds.

Viewpoint

Motor dealer services

The impact on business is enormous with many businesses operating at below capacity with owners complaining they are failing to meet business targets.

Attracting and retaining staff

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Challenge area

In a recent study 81% of CEO's surveyed rated recruiting and retaining skilled employees as the number one challenge for business in Australia.

New Perspectives

The study conducted by the Australian Human Resources Institute (AHRI) and the Committee for Economic Development (CEDA), showed that around 90% of organisations are currently dealing with attraction and retention issues at the board or senior management level and that it had become a key challenge for many businesses.

Some of the factors driving the staff deficit include: a strong economy; low unemployment; a shortfall of labour in the market; and social changes. Compounding the situation is the exit of the Baby Boomer generation from the paid employment market and the replacement of labour in succeeding generations.

The impact on business is enormous with many businesses operating at below capacity with owners complaining they are failing to meet business targets. Coupled with spiralling HR costs, organisations are also being forced to spend more on ever lengthening recruitment processes.

The difficulty associated with attracting and retaining staff is exacerbated in some motor dealerships. There are a number of reasons for this:

- Highly mobile workforce
- Key skills shortages
- It is becoming increasingly difficult for any organisation, including dealerships, to retain qualified tradespeople.
- Management practices & conditions of employment



So where should dealerships start when looking to attract and retain staff to their business?

- The nature of the industry encourages the development of negative, or 'tough' workplace cultures – not always conducive to encouraging staff to stay. Furthermore, the demand of a six day week or long hours, in a market where employees can find another position within days, adversely affects retention.
- Recycled workforce
- There is an industry tendency to employ people with previous sales experience irrespective of the quality of the candidate.

The way forward

So where should dealerships start when looking to attract and retain staff to their business? Given the salience of attraction and retention issues, there exists an overwhelming amount of information and a multitude of strategies for addressing these problems. Here are a few basic guidelines:

Develop & implement a well-conceived retention strategy

Introducing new products and services or expanding into new markets presents a strategic challenge for successful businesses. Once you've established the direction you would like to see your business grow, there are four basic options to achieve this growth:

1. Find out which staff are most likely to leave and when (record your turnover!).
2. Conduct exit interviews to find out why.
3. Use exit interview data to build a retention strategy considering issues like location and remuneration.
4. Identify top performers and have regular conversations with them. Discuss levels of satisfaction and career aspirations – find out what it will take to keep them.

Utilise the HR practices of big business

Large organisations offer employees a clear career progression, rewards for good performance and training and development opportunities. While some dealerships provide highly sophisticated and effective incentive systems and career progressions others fall behind in the softer areas of HR practice such as being family friendly or providing work/life balance. As the skills shortage intensifies it will be those dealerships able to provide flexible working conditions that will thrive.



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Always be recruiting & training

By implementing a rolling recruitment campaign throughout the year, in which new staff are routinely hired and put through a structured training program, the effect of losses on the business will be minimised. In addition, the provision of career training will help position your dealership as an employer of choice within the market.

In many cases, the development of new talent will cost the dealership significantly less than the impact of an ever changing workforce.

There is no one size fits all approach to attracting and retaining staff, read widely and choose the strategies that best fit your situation. The key is to be creative, address problems, change strategies that aren't working and remain focussed on the end goal: a committed, satisfied and productive workforce.

About the author

Alan is the Director of BDO Kendalls' Organisational Consulting Division. Alan has a strong background in human resource management as the former Director of HR at a major Queensland University, as Queensland Manager of an international human resource firm and as Managing Partner in his own HR consulting firm. His proven ability to work with organisations to review their performance systems and structure has helped them respond to competitive challenges and improved profitability.

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