

A group of diverse business professionals, including men and women of various ethnicities, are shown in profile, clapping and smiling. They are wearing light blue button-down shirts. The background is a soft, out-of-focus office setting. The image has a blue overlay on the left side where the text is located.

# ***THE STATE OF DEALERSHIP STAFFING***

JUNE 2021

**Cox**  
**AUTOMOTIVE™**

Research & Market Intelligence

# About the Study...

- Goals: 1) How can dealers effectively recruit and retain employees?  
2) How can dealers optimize their staffing strategy in an increasingly more digital environment?

Online survey conducted **February 23 – March 10, 2021**

**440** Employees  
at franchise &  
independent dealerships

- 151 individual contributors
- 127 department managers
- 162 dealership leaders

**394** Employees  
at non-dealership  
companies

- 147 individual contributors
- 63 department managers
- 147 leaders
- 37 not currently employed, but looking

# State of Dealership Staffing

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1

## Interest in working at dealerships is growing

- 36% of non-dealer employees are interested in working at a dealership, up from 25% in 2019.
- 65% of dealers plan to increase the number of employees in 2021.
- 32% of job seekers not interested in dealership jobs don't think they have the needed skills.

2

## Thriving dealers\* adopt a “people-first” approach

- 65% of dealers ask more of their employees now than in the past.
- 67% of franchised dealers say motivating/retaining quality employees is a challenge.
- Top driver of employee engagement is a supportive work environment.

3

## Digitization requires an evolved staffing strategy

- 85% of heavy digital dealers say current staff have taken on new skills or roles.
- 67% invest in training beyond that provided by their OEM.
- Automotive experience is **not** one of the top characteristics sought in new employees.



A man in a blue suit and tie stands in a car dealership, holding a tablet. He is looking directly at the camera. In the background, several cars are parked, and a yellow sign is visible. The scene is brightly lit, suggesting a modern and professional environment.

# 1

Interest in Working at  
Dealerships is Growing

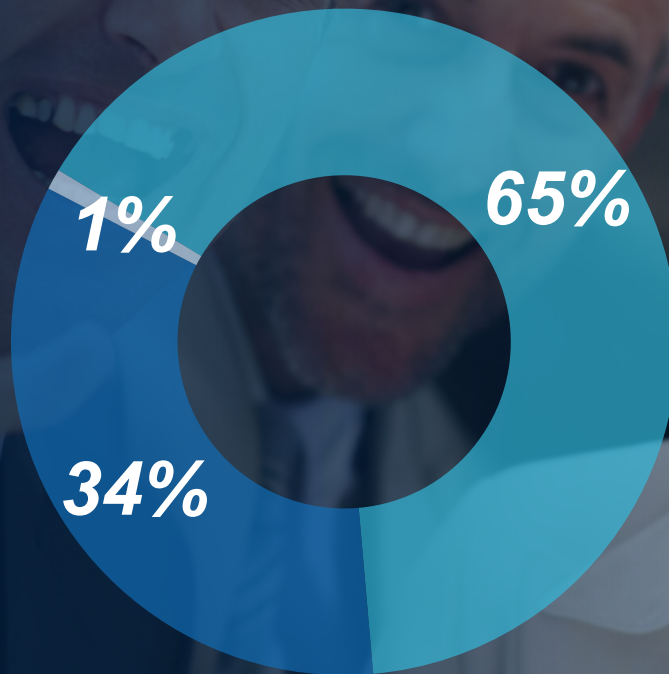




# Many Dealerships Will Continue to Grow Headcount

% Dealers Plan to Make Changes to Number of Employees in 2021

- Grow
- No change
- Reduce



# Finding and Hiring the Right Employees Is Top Staffing Challenge

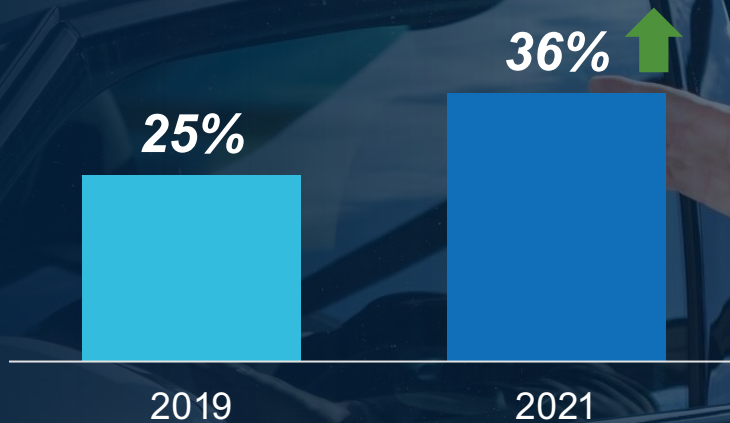
72%

of franchise dealers say  
finding and hiring the  
right employees is  
currently a challenge



# There Is Good News! Interest in Dealership Jobs Is Increasing...

## % Interested in Working at Dealership (among non-dealer employees)





# Expanding the Number of Service Technicians Is Highest Priority for Dealership Leaders

## Top Roles Dealers Plan to Grow in 2021

1. Service Technician **(60%)**
2. New Vehicle Sales Associate **(54%)**
3. Used Vehicle Sales Associate **(48%)**
4. Service Advisor **(38%)**
5. BDC Specialist **(33%)**





# Top Barriers to Recruiting for any Dealership Job Include Skills, Pay, & Schedule

**64%**

are not interested in  
working at a dealership  
(among non-dealership employees)

## Top Reasons Not Interested in Dealership Jobs (among those not interested in working at dealership)

1. I don't have the necessary skills **(32%)**
2. Don't want to be paid on commission **(30%)**
3. Don't want to work weekends **(29%)**
4. It doesn't pay well **(19%)**
5. I want to work in a job where I make a difference **(19%)**

# 2

Thriving dealers\* adopt a  
“people-first” approach



\*Reached higher levels of profitability and efficiency



COX AUTOMOTIVE

Research & Market Intelligence



# Demands Placed on Dealership Employees Have Grown Over Time...

# 65%

of dealers say they ask  
more of their employees now  
than they have in the past





## ...Making Employee Engagement a Challenge for Many Dealerships

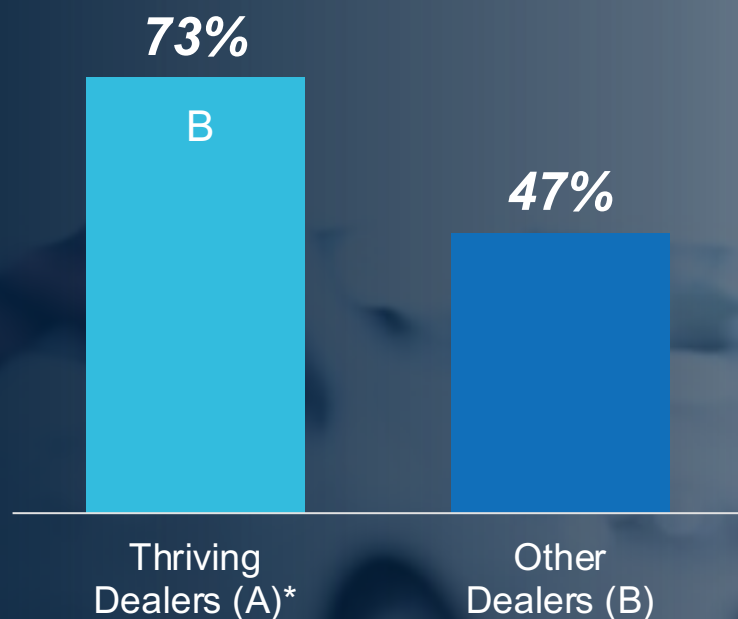
67%

of franchised dealers say motivating and retaining quality employees is currently a challenge



# Thriving Dealers Prioritize Employee Satisfaction...

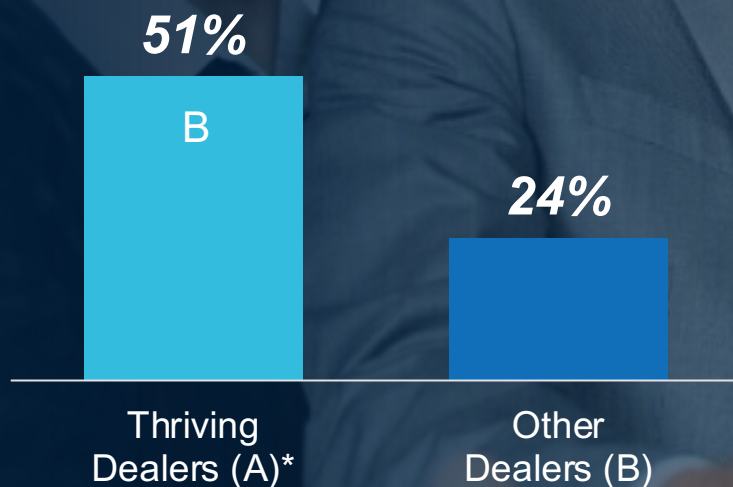
**% Franchise Dealers Made Employee Satisfaction as Important as CSI Scores**



\*Reached higher levels of profitability and efficiency

## ...And Are Seeing Positive Results

**% Franchise Dealers Agree  
Employee Satisfaction Has Been  
Higher in Recent Months**



\*Reached higher levels of profitability and efficiency

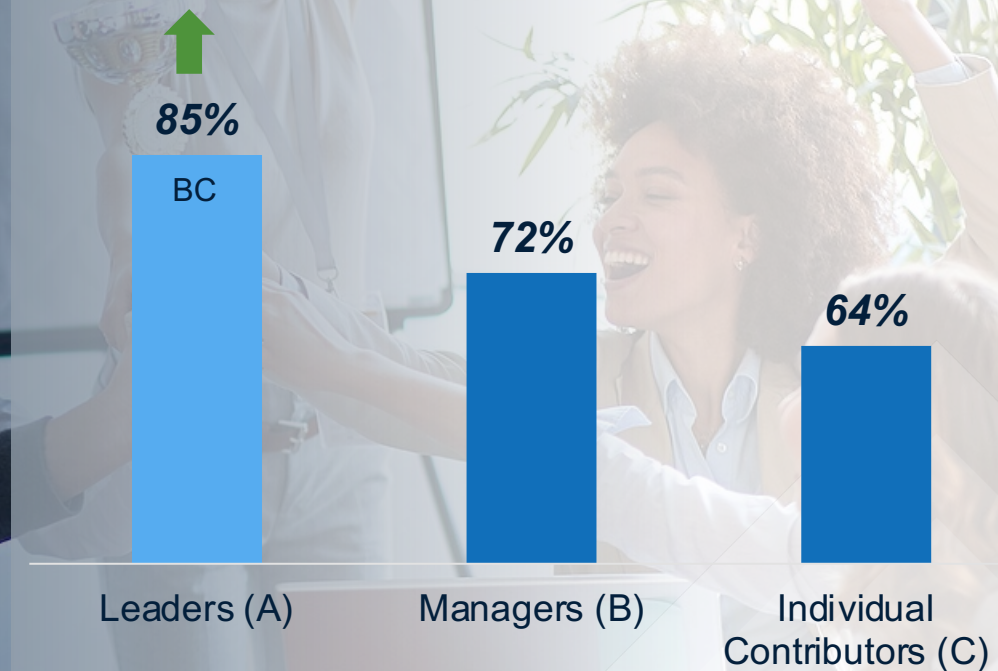


# How to Create Motivated & Engaged Employees

# #1

Top driver of employee engagement is a  
**SUPPORTIVE WORK ENVIRONMENT**

**% Dealer Employees**  
“environment supports my ability to be successful”



# A Supportive Work Environment Includes Five Elements

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- #1** Career Development
- #2** Communication
- #3** Appreciation
- #4** Shared Values
- #5** Diversity & Inclusion





# Element #1: Career Development

Providing Advancement Opportunities Is Key to Reducing Staff Turnover  
(Especially Among Individual Contributors)

**~1 in 3**

dealer leaders rate their organization **LOW** on ensuring all of their employees have opportunities for advancement

## Top Reasons Dealership Employees Consider Looking for a New Job

1. Better Pay (**48%**)
2. More advancement opportunities (**28%**)
3. Better work-life balance (**26%**)



*“Advancement opportunities”* is significantly higher for individual contributors at 39%

## Element #2: Communication

Better Communication Is Key to Building Trust Between Individual Contributors & Leaders

36%

of individual contributors  
rate their dealership **LOW**  
on informing them about  
things that are relevant

(vs 24% of Managers  
& 19% of Leaders)

42%

of individual contributors  
rate their dealership **LOW**  
on listening to their ideas  
and opinions

(vs. 25% of Managers  
& 12% of Leaders)

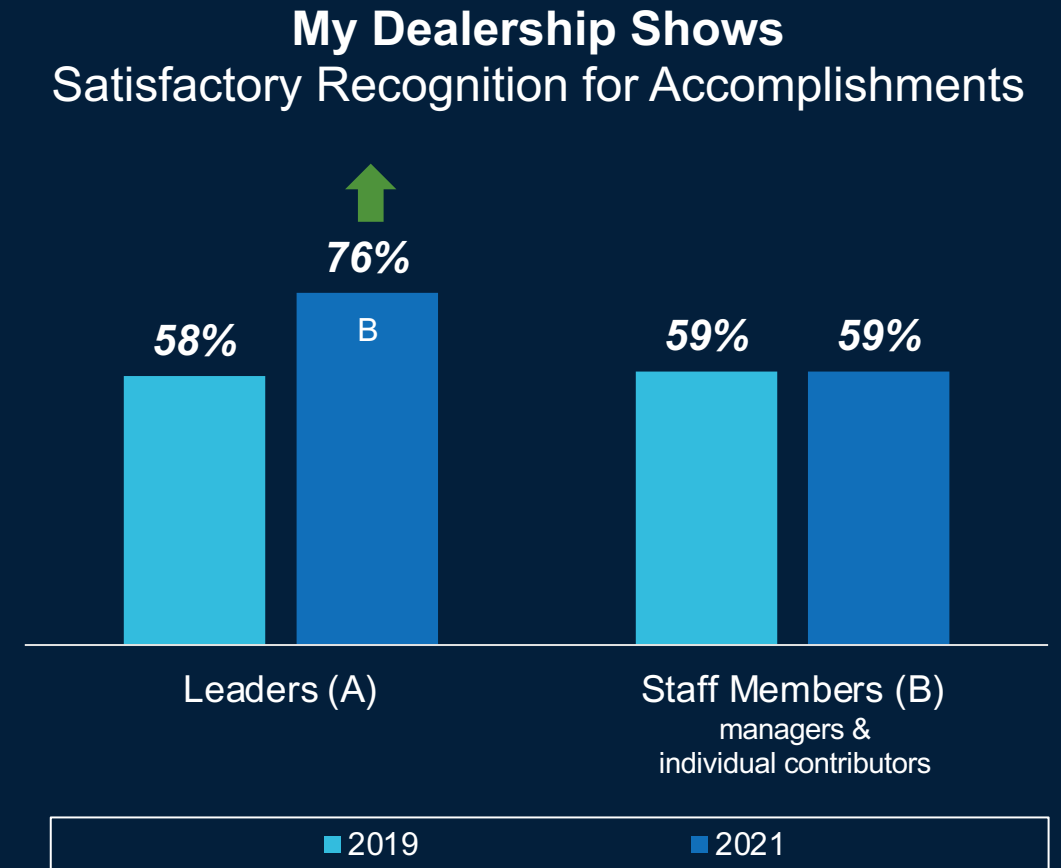
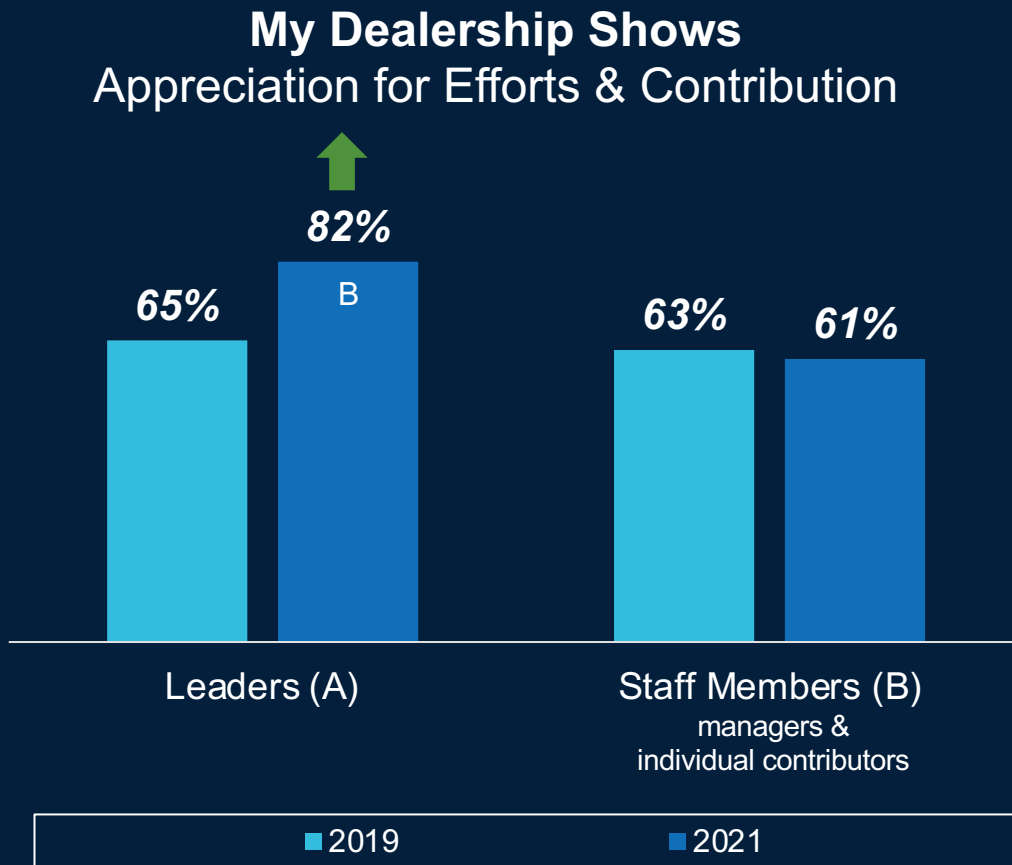
3X  
more likely

Individual  
contributors at  
dealerships who  
are listened to &  
kept informed  
are nearly  
3x more likely to  
trust their leaders



# Element #3: Appreciation

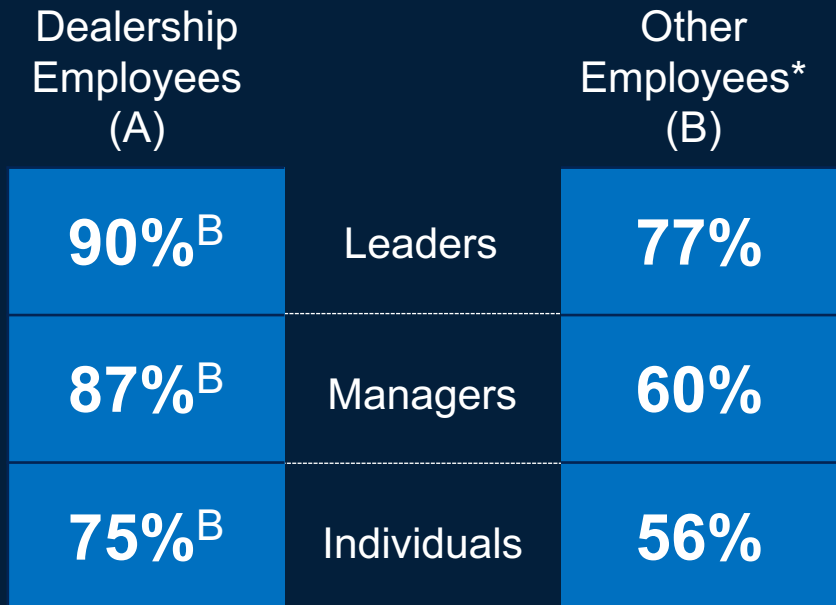
Leaders Are Not as Good at Showing Appreciation as They Think They Are



## Element #4: Shared Values

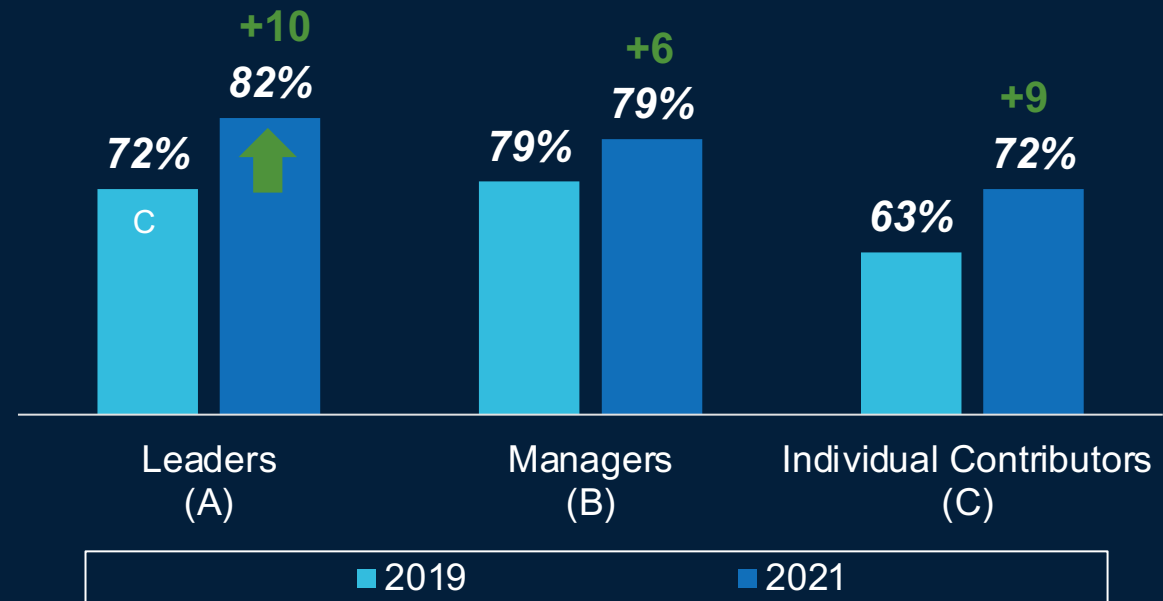
Most Dealership Employees Are Proud to Work for Their Organization and Feel It Is Headed in the Right Direction

### % Employees Proud to Work For Their Organization



\*Employees who work for companies in other industries

### % Dealer Employees My Company Is Headed in the Right Direction





## Element #5: Diversity & Inclusion

While Many Dealers Attempt to Improve Diversity,  
They Struggle to Grow the Number of Minority and Women Employees

**76%**

of dealers say efforts are  
made to ensure our staff  
reflects the diversity of our  
local community

*% Dealership Employees  
Who Are MINORITIES*

2019

**22%**

2021

**18%**

*% Dealership Employees  
Who Are WOMEN*

**34%**

**30%**

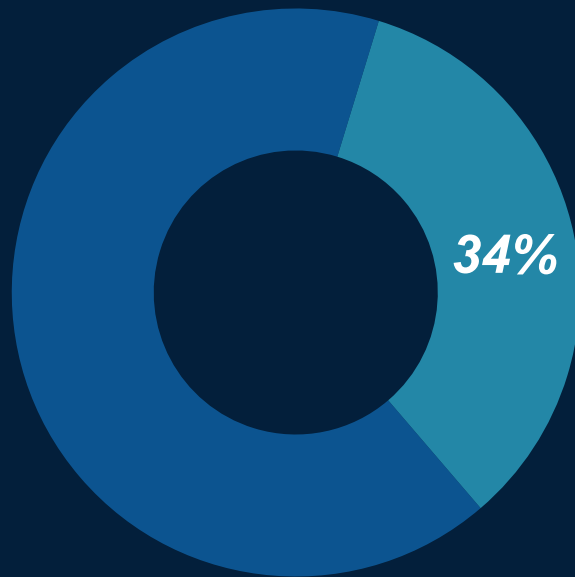
# 3

Digitization requires an evolved staffing strategy



# 1 in 3 Dealers Have Adapted to a More Digital Environment

## Heavy Digital Dealers Outsource 3+ Digital Retailing Activities



## Vehicle Purchase Experience (among Heavy Digital Dealers)

### 50%+ offer these steps online:

- Apply for credit and financing
- Payment calculator
- Receive a trade-in offer
- Find information on incentives
- Notify qualified for financing
- Finalize the purchase price
- Select F&I add-ons

### 20%+ started offering these steps online in the past year:

- Vehicle delivery
- Review & sign final paperwork

### 40%+ are starting to offer the following:

- Test drive delivery
- Sight unseen appraisals
- At-home appraisals

## Vehicle Service Experience (among Heavy Digital Dealers)

### 50%+ offer the following:

- Schedule service online
- Text/Email quote approval

### 20%+ started offering the following in the past year:

- Service pick-up/delivery

*50%+ have no plans to offer mobile / remote service in the future*



# Digitization Requires Evolving Roles & Responsibilities...

## Heavy Digital Dealers Made the Following Changes Since Increasing Their Digitization...

- ✓ Existing **job roles** have changed to include additional duties **(52%)**
- ✓ Recognize **new skills** are needed for new ways of doing business **(50%)**
- ✓ Recognize **training and education** is needed for new ways of doing business **(50%)**

*Only 15% added new job roles & 17% eliminated job roles*





## ...And Leaders Are Expecting Current Employees to Adapt

% Heavy Digital Dealers

85%

say **current staff** have  
taken on the new skills  
or roles that are required



# Many Leaders Are Investing in Training Programs to Help

**% Heavy Digital Dealers**

**67%**

invest in training  
beyond that provided  
by their OEM

## **Most Popular Training Enhancements**

- ✓ Online/Digital Tools
- ✓ Communication Skills

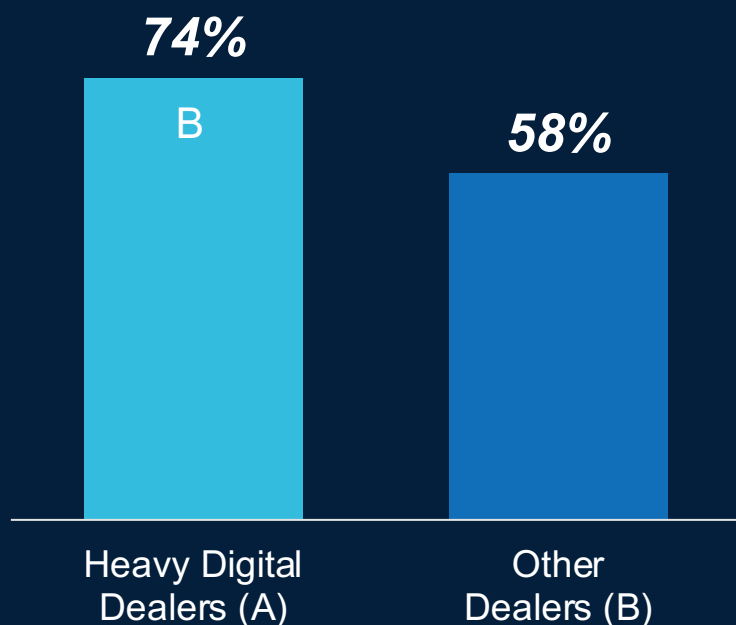
“Ability to communicate via text and messenger type apps. Ultimately, the ability to better communicate with customers when they are not directly in front of you.”





# Heavy Digital Buyers Plan to Grow Headcount in 2021

**% Dealers Plan to Grow Headcount in 2021**



**% Plan to Grow Role in 2021**

|                          | Heavy Digital Dealer (A) | Other Dealer (B) |
|--------------------------|--------------------------|------------------|
| Service technicians      | 66%                      | 55%              |
| New car sales associate  | 59%                      | 47%              |
| Used car sales associate | 53%                      | 43%              |
| BDC specialists          | 41% <sup>B</sup>         | 26%              |
| Service advisors         | 39%                      | 37%              |
| Internet sales associate | 33%                      | 27%              |
| F&I managers             | 27%                      | 26%              |

 = Largest gap between Heavy Digital & Other

# The Right Employee Doesn't Need to Have Automotive Experience

## Top Characteristics Heavy Digital Dealers Seek in New Employees:

- ✓ Willing to go **above and beyond** their specific job responsibilities
- ✓ **Good communicator** across all communication channels (verbal, written, video etc.)
- ✓ Can **easily adapt** to a quickly changing work environment
- ✓ **Tech savvy** / comfortable with learning new technology





# ***THE STATE OF DEALERSHIP STAFFING***

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