



Preparing for the future:

Understanding the skills & training needs
of the automotive retail sector

Repair and maintenance of heavy motor vehicles

imi

THE INSTITUTE OF THE
MOTOR INDUSTRY

Institute change.

Contents

04	Introduction
04	Purpose
05	Methodology
06	Background
09	Heavy Vehicle business approach to staff training and development
12	Qualitative in-depth interviews
13	Job-role specific skills needs
16	Skills needs across the sub-sector over the next two years
17	Quantitative telephone survey
17	Focus groups and web survey
17	Focus group
17	Web survey
18	Conclusions
19	Prioritised skills and training needs for the heavy vehicle sub-sector
20	Recommendations
23	Annex 1: Skills and training needs by job role and priority
26	Annex 2: Focus group

Introduction

Purpose

Each year the Institute of the Motor Industry (IMI), as the Sector Skills Council (SSC) for the automotive retail sector, carries out a Sector Skills Assessment (SSA). The SSA, which is commissioned and funded by the UK Commission for Employment and Skills (UKCES), gives a high level overview of the skills needs of the sector.

In order to enable employers to prepare for the future, the IMI initiated and conducted an extensive programme of in-depth granular research, building on the SSA, to fully understand the extent of the skills and training needs across each of the 12 sub-sectors within its footprint. The purpose of this research is to recognise, at job role level, within each distinct sub-sector, precise skills and needs within the existing workforce.

It is vital that the IMI, as the SSC and the professional association for the automotive retail sector, understand employers' immediate and critical skills needs in order to identify and/or formulate effective solutions to address these skills needs. We need to ensure that the automotive retail sector begins to improve its overall productivity and profitability. This will ultimately help business position themselves for economic recovery, when it comes, allowing them to compete in a globally competitive market.

Methodology

To achieve our stated purpose the IMI engaged with employers, stakeholders, training providers and trade associations to ensure that the research findings were accurate, validated at each stage, robust and fit for purpose.

To accomplish this, a qualitative phase of research was carried out. This involved 170 in-depth telephone interviews, each lasting one and a half hours, with employers across each of the sub-sectors. The focus of these interviews was on skills and training needs within the business, the issues facing the employer and the future challenges they envisaged over the next 18 months – 2 years. This first qualitative element (i.e. the use of open questions to gain responses) successfully defined the broad skills needs of the sub-sector.

The second phase of the research, the quantitative phase, was designed to validate and expand on the issues raised in the first phase, by the use of a telephone survey which contained the summary findings and analysis from the first stage. The telephone interview asked respondents to confirm that the skills needs identified from the in-depth interviews were accurate, they were then asked to prioritise each of the skills and training needs identified. In total, 1,000 employers took part in the telephone interviews, 100 from each sub-sector, to enable accurate data to be collected and robust conclusions to be drawn. This stage was complemented by a web survey, which furnished 630 additional responses, to ensure that as many employers as possible had the opportunity to respond to the questionnaires in as many different ways as possible.

The final main phase of the research involved 12 focus groups with employers to benchmark their views on skills needs against the findings from the first and second phases of the research. This enabled us to arrive at a final set of core skills needs, covering technical, management and customer service job roles.

Once all the data had been collected it was analysed by channelling the responses from the initial in-depth interviews into a much more concise number of core skills needs, using the findings from each consecutive stage of the research as the starting point for the next. By doing this, we have achieved a high level of confidence in the conclusions we have arrived at.

For the heavy vehicle sub-sector, the first phase of research involved in-depth interviews with 25 employers. The nature of qualitative interviewing allows conclusions to be drawn from small samples; essentially it is answering the 'what' and the 'why' question and not quantifying the response at this stage. In the second phase of the research 92 telephone surveys were carried out along with a focus group of industry experts to assist the IMI in prioritising skills needs, adding or refining the skills needs identified through the first phase. The web survey outcomes were used to assist in decision making should there be 'borderline' critical skills needs identified or where it was difficult to distinguish which skills needs should be categorised as critical.

Background

Across the automotive retail sector as a whole, in 2008 the sector generated £146 billion or 4.7% of all UK turnover and contributed £25 billion or 2.8% of gross value added. The sales of motor vehicles sub-sector (SIC 50.10) generated the majority of turnover (70%) and contributed the most in value added terms (47%). Geographically England, as would be expected, generated the majority share in terms of both turnover and value added at 88%.

In the latest IMI State of the Sector Report (July 2011), businesses report that trading conditions remain challenging, with 54% of companies experiencing lower orders/sales over the last six months and 66% showing lower profit margins.

Predictions for the next six months are similar, with 41% showing reduced orders/sales and 21% predicting higher sales.

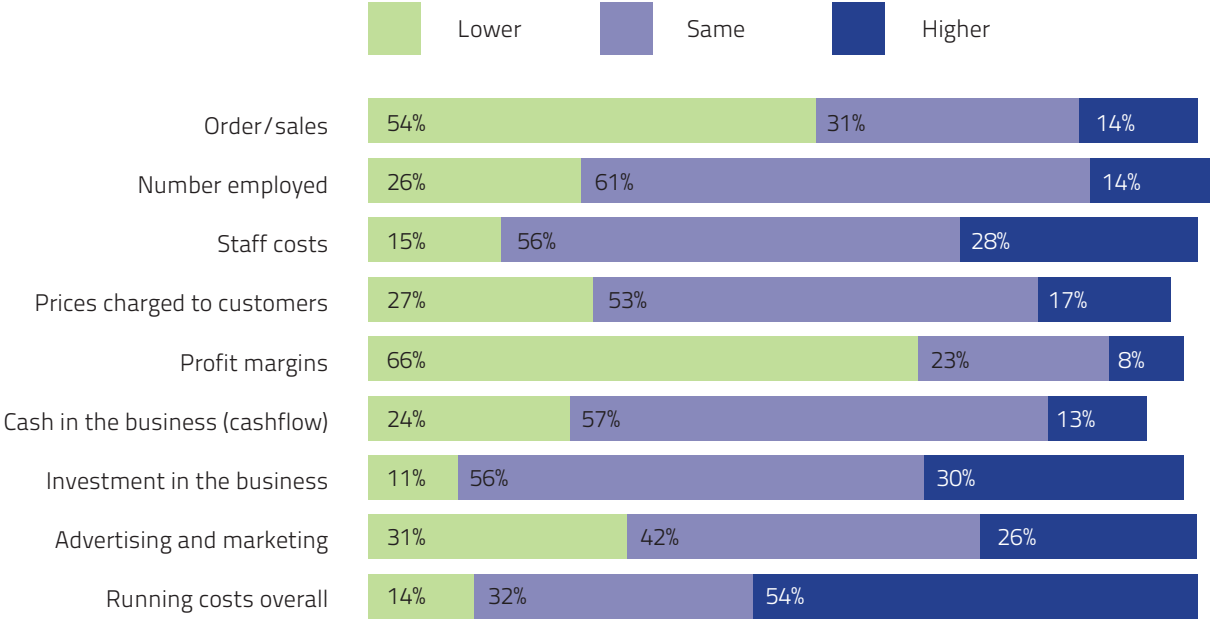


Table 1. Business performance in last 6 months, compared with previous 6 months. Source: IMI State of the Sector (July 2011)

Respondents to this research were asked which issues affected their overall business most. It was clear that three areas were critically important:

- Impact of changes in legislation, and changes in legislation forecast over the next 18-months.
- Trading conditions – the fall in car sales in particular over the last two years and the sluggish revival (particularly important to the sales sub-sector).
- The relentless drive in technology development across all vehicle types.

In terms of heavy vehicle sales the sub-sector has performed positively, with van and truck registrations up 8.8% to 43,442 units in September, rolling year up 20.9% to 293,703. (Source: SMMT October 2011)

Across the whole automotive retail sector, 85% of businesses are businesses employing less than 10 people. However, they employ only 38% of the total sector workforce. While 57% of all employment is concentrated in those companies that employ over 11 (this accounts for only 14% of all companies), with the remaining 5% of the workforce working for large employers who account for less than 1% of all businesses. Given the make up of the automotive retail

sector, we are confident that our telephone research targeted the appropriate range of businesses.

	% of workforce	All UK	Difference
1-10	38%	21%	16%
11-199	57%	47%	10%
200+	5%	32%	-26%

Table 2. Employees by business size
Source: Annual Business Inquiry (2008)

Having experienced great difficulties in obtaining sub-sector business and workforce data in the format that the sector uses, e.g. the breakdown of vehicle maintenance and repair into autoglazing, fast fit, vehicle inspection, roadside assistance and recovery, accident repair and light and heavy vehicle, it is not possible to state reliable government data on numbers of businesses and staff. All businesses surveyed by BMG were small or medium sized enterprises (SMEs) employing between 1 and 50 people¹.

Of those surveyed in the heavy vehicle sub-sector 81% of independents employ fewer than 10 people while 40% of franchise businesses employ fewer than 10.

The heavy vehicle sub-sector is particularly likely to employ no more than five people at their site (51%) and the sub-sector is predominantly one of independent businesses (84%).

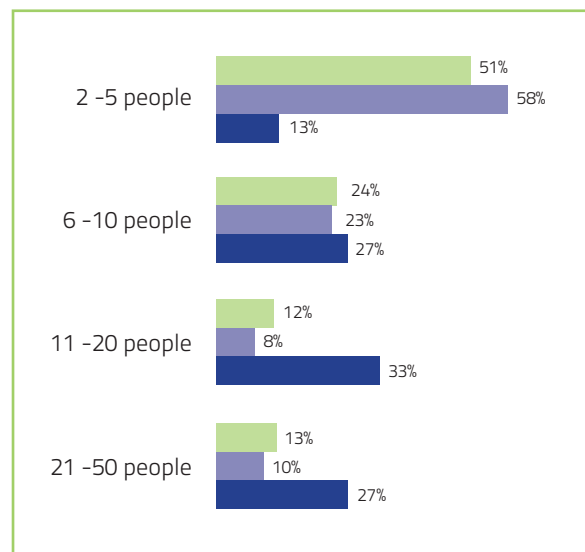
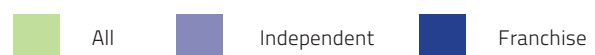


Table 3. Number of employees at that site
Source: IMI quantitative telephone interviews September 2011



¹ Source BMG telephone interviews September 2011

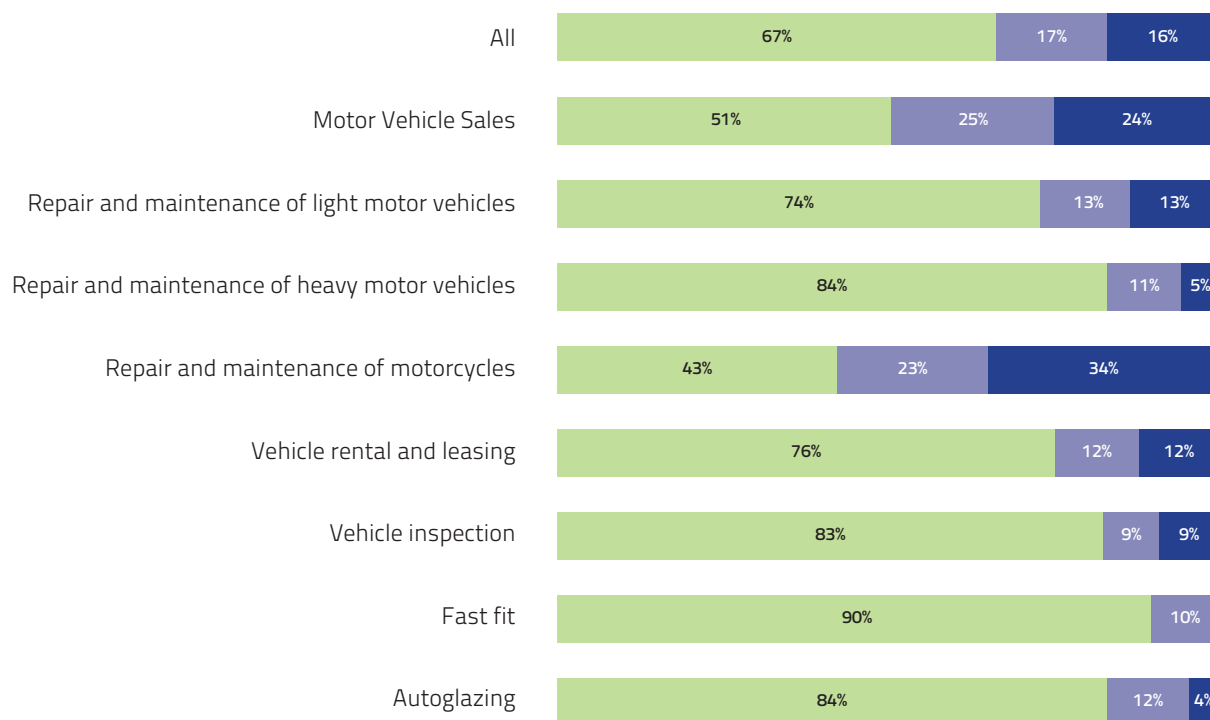
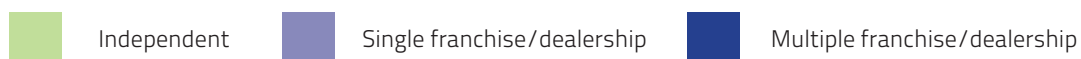


Table 4. Proportion of businesses that have franchise or dealership arrangements, by sector (excludes parts distribution and roadside assistance and recovery)
Source: IMI sample telephone interviews September 2011



Heavy vehicle business approach to staff training and development

Data from the quantitative telephone survey (Table 5, below) shows that 39% of the heavy vehicle businesses surveyed had a business plan, this figure rose to 61% of all businesses employing 10 or more staff but only 32% of those employing 1-10 staff.

The same pattern applied to those companies with a training plan, with 65% of larger businesses having a training plan compared to 25% of those employing 1-10

staff. Only 17% of smaller businesses had a training budget, however 55% had undertaken training in the last two years, and 39% of these smaller businesses plan to undertake training in the next two years.

An impressive 91% of businesses employing 11 or more staff have undertaken formal training in the last two years.

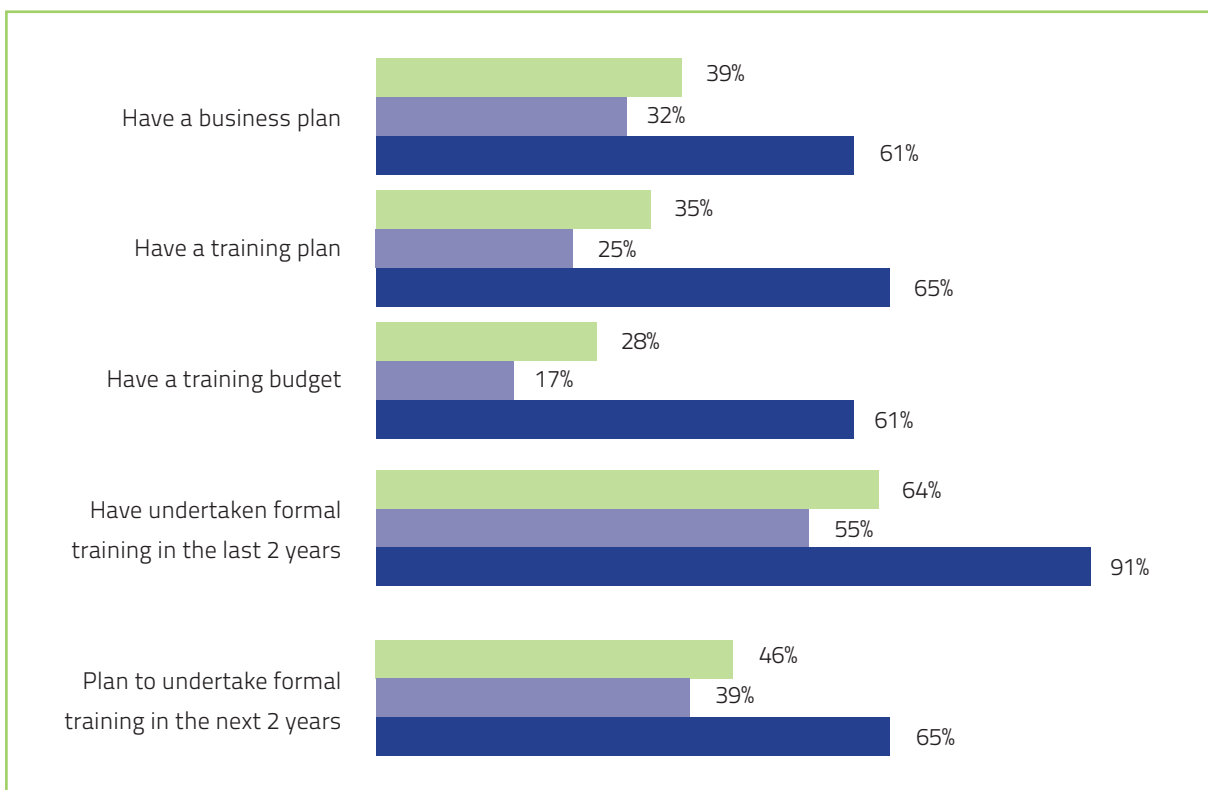


Table 5 Business and Training Plans – Heavy Vehicle
Source IMI quantitative telephone interviews September 2011



17% Of the sample across the heavy vehicle sub-sector had a structured training and development programme (see Table 6 below) as part of a business strategy, but this figure increased to 43% for larger organisations and reduced to 9% for smaller organisations with fewer than 10 staff.

54% Of smaller businesses train only when they feel it is necessary compared to 39% of larger organisations. 7% Of smaller businesses, 7% report that they never or hardly ever train managers or staff but all businesses with 11 or more employees carry out training.

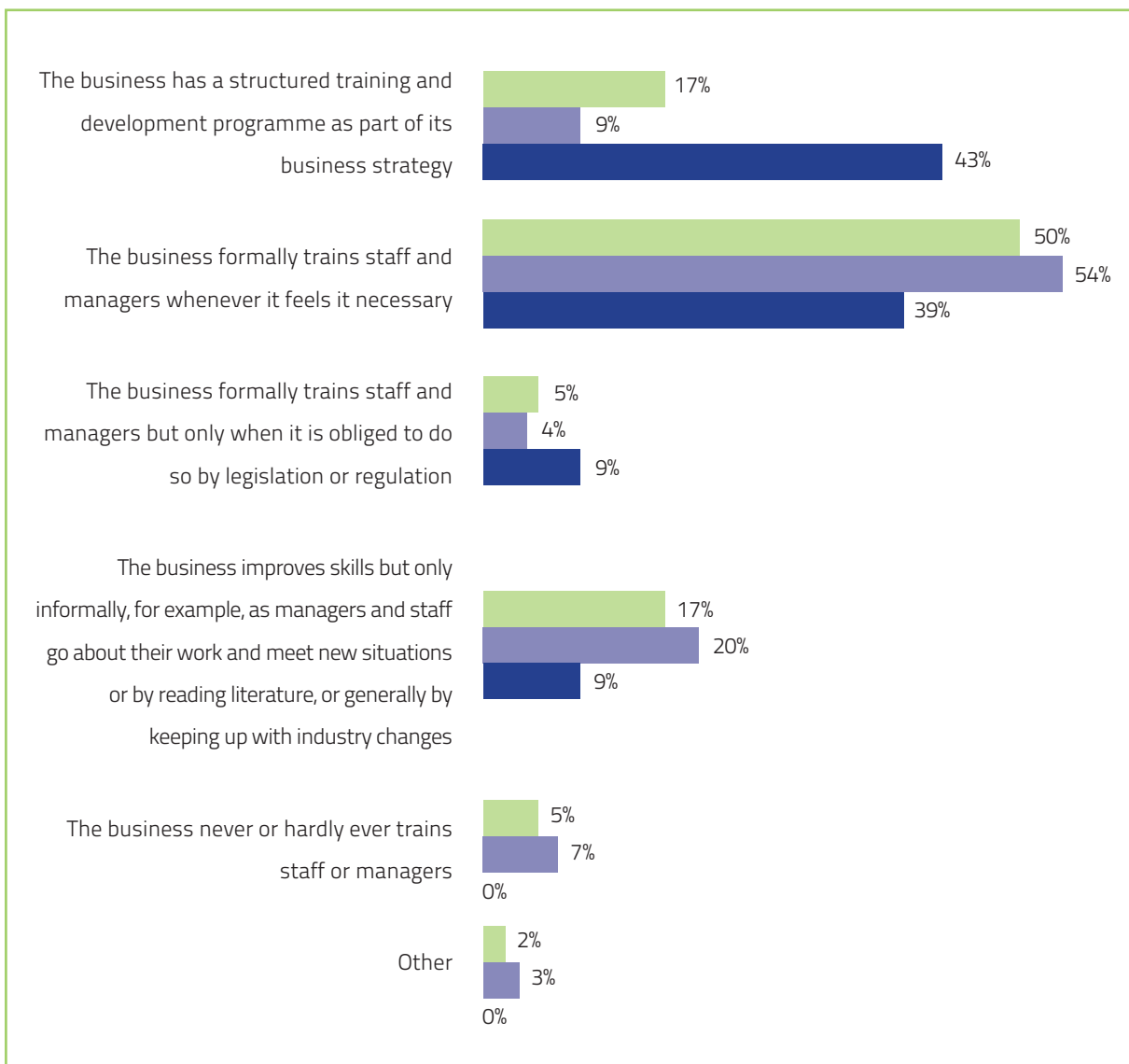


Table 6 Involvement in Training – heavy vehicle
Source IMI quantitative telephone interviews September 2011



The most common reason given for not training (see Table 7 below) is that the business is small and their employees are fully skilled (86%). This is followed by organisations that only recruit staff fully skilled (57%) and training courses being too expensive (43%). Interestingly 38% felt that training would not improve business performance.

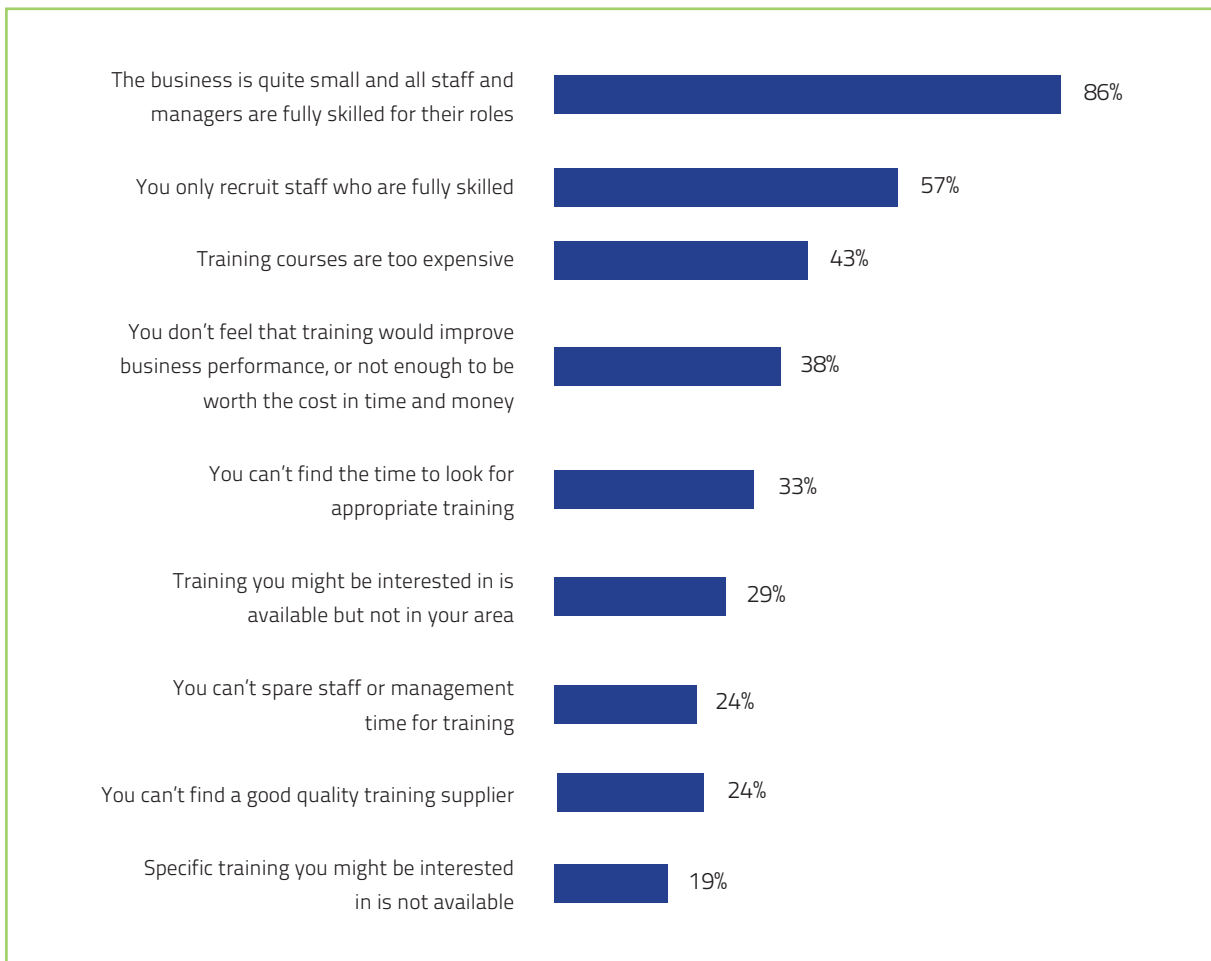


Table 7 Business and Training Plans – Heavy Vehicle
Source IMI quantitative telephone interviews September 2011

Qualitative in-depth interviews

Qualitative research was carried out with 25 businesses within the repair and maintenance of heavy vehicles sub-sector, these were pre-arranged telephone conversations with previously identified, appropriate staff who could comment authoritatively on relevant job roles within their business. These interviews lasted approximately one and a half hours and were conducted by researchers from BMG Research, Birmingham.

The interviews were mostly unstructured and used open questioning (i.e. they didn't ask questions where a 'yes'/'no' answer could be given), covering a range of different types of organisation, mostly independents employing up to 50 people, but with a small number of franchise organisations contacted as well. Interviews were conducted across all nations, England, Scotland, Northern Ireland and Wales in August 2011.

The following questions were asked by the researchers, who asked to speak to employers capable of covering at least two job roles within the interview:

- What job roles exist within the business?
- What are the current skills and training needs required by (each job role)?
- Which of these skills and training needs are particularly important or critical to your business?
- What skills and training needs do you anticipate you will have in the next two years.

The focus was on identifying skills needs related to key job roles. From the responses to the open questions it was possible to identify the training and skills needs, which are listed overleaf.

Job-role specific skills needs

The following skills needs were identified across the heavy vehicle sub-sector. The focus was on identifying skills needs related to key job roles. From the responses to the open questions it was possible to identify the training and skills needs, which are listed below.

Heavy vehicle technician and master technician

- Effective knowledge and understanding of the braking systems, changing disks, realigning, testing, maintenance, diagnosis
- Ability to strip down and rebuild the braking system – developing a Technician's competence and skills
- Understanding modern electronics in trucks, e.g. control units, ABS, EBS
- Developing effective preventative maintenance processes in the workplace
- Health and Safety training – how to work safely in the workplace
- Awareness and understanding of re-configuring the electrics system
- How to effectively use diagnostic systems with modern trucks
- Developing awareness of new products for body repair, e.g. adhesives, paint
- Developing awareness and understanding of electronics in relation to gear selection
- Developing an effective understanding and awareness of the electric systems on modern trucks, how they link together, ECU, Dashboard, lighting system, how mechanical systems are controlled electronically
- Developing and effective awareness and understanding of dual fuel systems, how to diagnose faults, repair and replace

- How to work safely with high pressure
 - understanding the principles of safe working
- Developing understanding and awareness of EDC, common rail system
- Developing effective awareness and understanding of drive systems, to be able to maintain and diagnose
- Developing effective awareness and understanding of fuel injection, to be able to maintain and diagnose
- Developing effective awareness and understanding of diesel management systems, to be able to maintain and diagnose
- Developing effective awareness and understanding of engine management systems, to be able to maintain and diagnose
- Understanding and awareness of suspension – e.g. steel suspension identifying and replacing broken springs, diagnosis and fix, identify future problems, re-calibrate, wheel alignment settings, electronic air suspension diagnosis and repair
- Effective use of steering and tracking gauges for the HV technician
- Understanding anti roll principles
- Developing the ability to inspect and repair the chassis
- Awareness and understanding of Lane Guard systems
- Understanding the legal issues relating to wheelbase
 - legal lighting requirements, security markings, maximum widths

Management staff

- Effectively managing the flow of work through the workshop
- Effective customer liaison
- Effective delegation for managers
- Understanding and awareness of health and safety
- Effective target setting for managers
- How to deal effectively with complaints
- How to keep staff effective
- Understanding the customer viewpoint and defining their needs and meeting them
- Updating HV technical knowledge of managers
 - new updates in technology
- Understanding and awareness of changes in legislation within the HV sector
- Effective team management
- Understanding finance, cost control, budgets and forecasting, PAYE, accounts and debt management
- Understanding and awareness of employment law
- How to undertake appraisals
- Effective time management for managers
- How to effectively coach team, including leadership principles
- Effective communication for managers
- Effective report writing for managers

Customer service staff

- How to effectively undertake follow up calls following servicing/sales within the HV sector
- Effective problem solving – dealing with customers to ensure their needs are addressed
- Effective telephone skills
- Effective sales skills for customer advisers
- Understanding and awareness of costing principles for repair
- Understanding new vehicles technology
- Background understanding of new vehicles being introduced
- Effective communication for customer service advisors within the HV sector
- Awareness and understanding of IT in the workplace, invoicing, accounts, booking
- How to deal effectively with complaints
- Effective counter service skills for customer advisers within the heavy vehicle sector

Skills needs across the heavy vehicle sub-sector over the next two years

Respondents were asked to record the changes they expected to their skills and training needs over the next two years.

The key areas reported included the increased use of IT throughout the sector, the increasing use of diagnostic machines, EBS (electronic braking); as more electronics in vehicles means that the technician role will change significantly. The use of new products (e.g. 'Ad Blue' to reduce pollution from the exhaust), Euro 5 / 6, CAN system, less wiring on vehicles, heating systems evolving all the time, new fuel systems, hybrid, internal environment control systems, less emissions from engine being required.

One of the most striking features of the survey has been the references to new technology made in the in depth interviews (across all sub-sectors). It is clear that respondents are aware of a significant change in the underlying make up of vehicles, in particular the impact of advanced electronics both within the overall management and performance of the engine, and also across the brakes, gearbox, suspension and interior 'comfort management systems'. This development impacts on how the modern vehicle works, how it needs

to be maintained and serviced, and how it needs to be repaired in the event of an accident.

The demands of commercial vehicle customers differ somewhat from those of passenger car keepers. For commercial vehicle operators, downtime is lost income, which may have a significant impact on business success. So, for example, all-hours maintenance and repair services are commonly offered combined with a 'can-do' engineering-focused, problem-solving ethos in support of customer needs. Overall the dynamics of sales, maintenance and repair activities are different from that found in the car market.

For managers, modern employment law is expected to change quite dramatically, especially human rights, discrimination and bribery policies. There are also likely to be changes in the way organisations communicate with customers, for example, internet, web, apps etc. There is expected to be a greater emphasis on sales across all levels and roles and a growing requirement for managers to keep up to date with human resources legislation and health and safety.

The relentless drive in technology development across all vehicle types was noted across all sub-sectors, with the impact increasingly being felt within sales, technical and customer service roles within the sector (data taken from the IMI State of the Sector Report 2011).

Quantitative telephone survey

Once the qualitative in-depth interviews had identified the skills needs of the heavy vehicle sector, the quantitative series of telephone interviews were carried out. Respondents were prompted with the skills and training needs identified in the previous stage of research and were asked to rank them in order of priority: (i) critical need, (ii) some need or (iii) no need.

This survey quantified the initial set of responses and identified a potential set of skills and training needs that were seen as critical, of some need, or of no need. This phase of the research was pivotal in identifying those skills and training needs that were in need of priority action.

In total 92 interviews were conducted with employers and business owners across the heavy vehicle sub-sector.

The final outcomes of this process are detailed in the Conclusions section of this report.

Focus groups and web survey

Focus group

The heavy vehicle focus group was held in September 2011 and comprised representatives from heavy vehicle employers and training providers. The main agenda for these group meetings was to confirm the validation of the findings from the qualitative and quantitative telephone interviews. For the heavy vehicle sub-sector, this particular focus group raised no issues with the outcomes of either sets of interviews. The focus group confirmed the skills and training needs of the heavy vehicle sub-sector.

Web survey

The web survey was conducted across the entire automotive retail sector, with respondents identifying which sub-sector they worked in and was able to comment on. Due to some sub-sectors having a small number of respondents, the outcomes of the web survey were only factored in, if the outcomes of the qualitative and quantitative telephone interviews, along with the focus groups, did not produce an unambiguous outcome in terms of identifying the criticality of skills and training needs for the sub-sector.

Conclusions

The aim of this research was to be able to identify and prioritise the skills and training needs of the automotive retail sector at a 'granular' level, which has never been achieved before. We have been able to achieve this by looking at each individual sub-sector across the whole of the automotive sector footprint.

For the heavy vehicle sub-sector we have achieved this aim, through a blended approach of telephone interviews, focus groups and web surveys. The methodology applied was as follows:

- Taking the skills needs identified by the in-depth telephone survey at the beginning of the research project as the basis for the analysis.
- Taking the focus group and telephone responses and comparing the skills needs identified by the group with the results from the in-depth telephone survey, to arrive at a more refined set of skills, set in a priority listing.
- Taking the website results and applying these to the outcomes of the previous stages to either confirm or change the list.

In the heavy vehicle sub-sector there were clear and unambiguous outcomes in terms of criticality, however, the web survey results were used to place the fifth priority skills need for customer service advisors and for technicians.

Prioritised skills and training needs for the heavy vehicle sub-sector

As a result of the three-stepped approach outlined previously, the following sets of skills and training needs were identified as critical to the vehicle parts and distribution sub-sector. They have been ranked in order of criticality with 1 seen as the most critical.

Heavy vehicle technician

1. Effective knowledge and understanding of the braking systems, changing disks, realigning, testing, maintenance, diagnosis
2. Ability to strip down and rebuild the braking system – developing a Technician’s competence and skills
3. Health and Safety training – how to work safely in the workplace
4. Understanding modern electronics in trucks, e.g. control units, ABS, EBS
5. Understanding and awareness of suspension – e.g. steel suspension identifying and replacing broken springs, diagnosis and fix, identify future problems, re-calibrate, wheel alignment settings, electronic air suspension diagnosis and repair

Management staff

1. Effectively managing the flow of work through the workshop
2. Effective customer liaison
3. Understanding and awareness of health and safety
4. How to keep staff effective
5. Understanding the customer viewpoint and defining their needs and meeting them

Customer service staff

1. Effective problem solving – dealing with customers to ensure their needs are addressed
2. How to deal effectively with complaints
3. Effective telephone skills
4. Awareness and understanding of IT in the workplace, invoicing, accounts, booking
5. Effective communication skills

Recommendations

The skills and training needs listed in this report are those that employers have reported as being critical for their business. Numerous reports have identified the link between training and business performance. The IMI itself has recently conducted ROI studies across a number of sectors that have identified significant increases in business performance from rolling out training and accreditation programmes. The studies show that up-skilling in the automotive retail sector delivers a conservative gross value added (GVA) of £4,000 per person per annum².

The commitment to train and develop staff is not as prevalent within the heavy vehicle sub-sector with only 35% of businesses having a training plan compared to 54% for the automotive retail sector as a whole. However, larger businesses are far more likely to have training and business plans (65% and 61% respectively).

Within the automotive retail sector as a whole, 78% of larger companies and 80% of franchise companies have training plans compared to 38% of smaller companies (fewer than 10 staff) and 39% of independent.

The value of this project is the underlying understanding and knowledge in granular detail required to direct provision across the sub-sector and all job roles. Our challenge is to use this research to ensure that training is relevant and up to date, meeting the needs of the whole sector.

As the SSC, the IMI will focus on developing skill solutions, across job roles, against the priority skills needs highlighted in this report.

The IMI commits to prioritising the development of solutions to meet the skills needs where employers have identified their need as being either critical or of some need. Therefore, solutions to the following skill needs will be progressively developed over the next 12 months.

² www.theimi.org.uk/information/roi-ata.html

For technicians in the sub-sector the following were critical skills needs.

- Understanding modern electronics in trucks, e.g. control units, ABS, EBS.
- Developing an effective understanding and awareness of the electric systems on modern trucks, how they link together, ECU, Dashboard, lighting system, how mechanical systems are controlled electronically.

For management staff in the sub-sector the following were critical skills needs.

- Understanding and awareness of changes in legislation within the heavy vehicle sector.
- Effective customer liaison.

In addition, for management staff across all automotive retail sub-sectors the following were identified as critical skill needs.

- Understanding and awareness of health and safety legislation.
- Understanding the customer viewpoint, defining their needs and meeting them (10 including heavy vehicle).
- People management/How to keep staff effective (8 including heavy vehicle).

For customer service staff in the heavy vehicle sub-sector the following were critical skills needs.

- Understanding new heavy vehicle technology.
- Background understanding of new vehicles being introduced.

In addition, for customer service staff across all automotive retail sub-sectors the following were critical skill needs.

- Effective communication skills.
- Effective problem solving – dealing with customers to ensure their needs are addressed.
- Effective telephone skills.
- How to deal effectively with complaints .

Employers in the heavy vehicle sub-sector are least likely to agree that investment in training will help businesses to survive (53%) and most likely to not know if training had an impact (28%). Only 19% felt that training investment had an impact on productivity.³For this research, 38% of businesses surveyed thought that training would not improve business performance.

We commit to work with partners to

- Develop high quality, cost effective training.
- Ensure that the link between business performance and training is clear.

In the heavy vehicle sub-sector larger businesses were more likely to use online training (57%) or distance learning (57%). Of smaller businesses, 8% were likely to use online training and 34% distance learning.

As the SSC we commit to

- Further develop the innovative online CPD management system for the sector.
- Create a common template for training in the sector by ensuring that all provision has clear and measurable learning outcomes that link training to increased business performance.

³ IMI employer Skills Survey, 2010.

The heavy vehicle sub-sector has the lowest incidence of business plans at only 39%.

- We will continue to work with the heavy vehicle sub-sector to advocate the use of business plans.

35% of all heavy vehicle businesses have a training plan but this reduces to only 25% for independent enterprises (see table 5).

- We will continue to work with the heavy vehicle sub-sector to advocate the use of training plans.

The heavy vehicle sub-sector demonstrates the second lowest awareness of the IMI at 65%.

- As the SSC we will work to build on the awareness of the IMI in the heavy vehicle sub-sector and the awareness of skills solutions as being necessary for successful businesses.

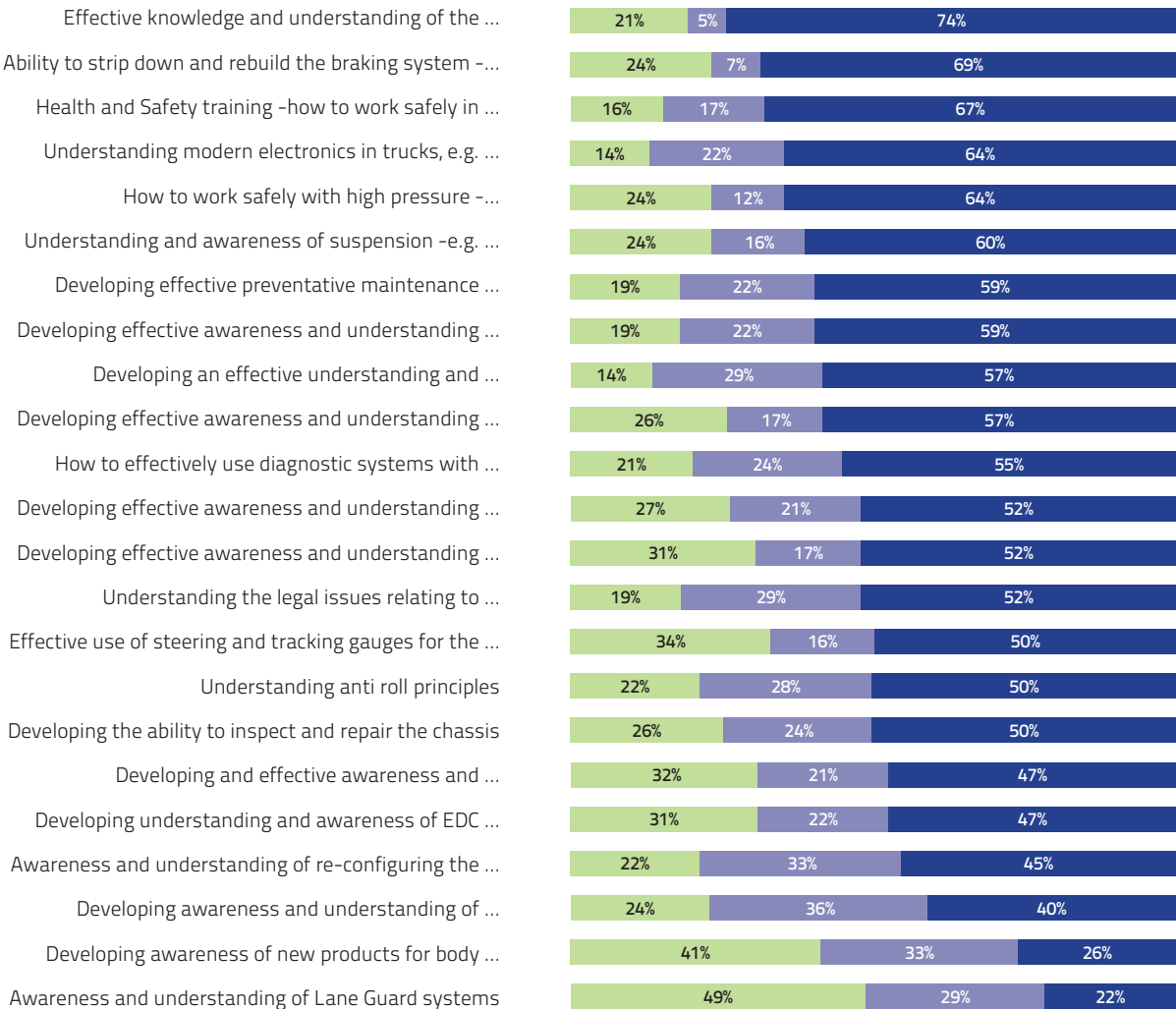
We would like to express our gratitude to the employers and stakeholders who committed time to participate in the vehicle sales part of this research project.

Annex 1:

Skills and training needs by job role and priority

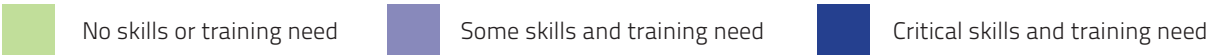
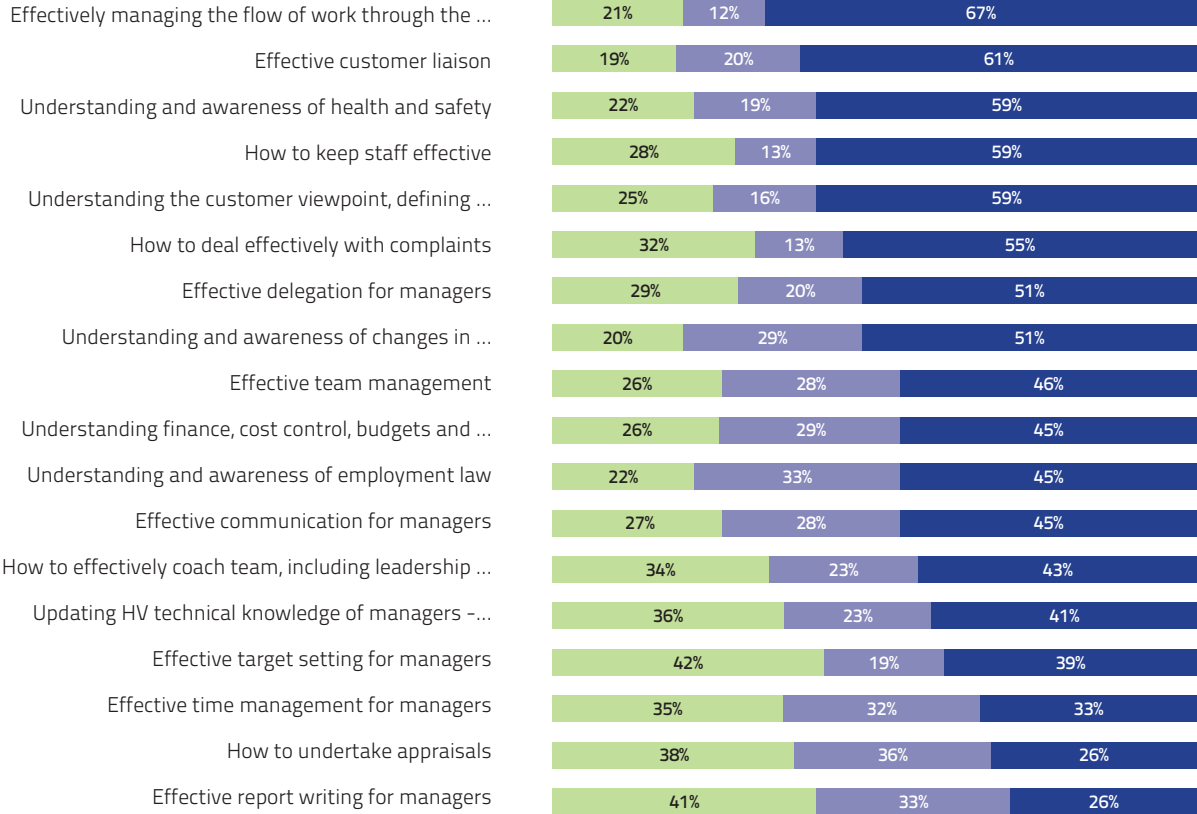
Given below are the detailed percentage results of the quantitative telephone survey carried out for the heavy vehicle sub-sector.

Heavy vehicle technicians

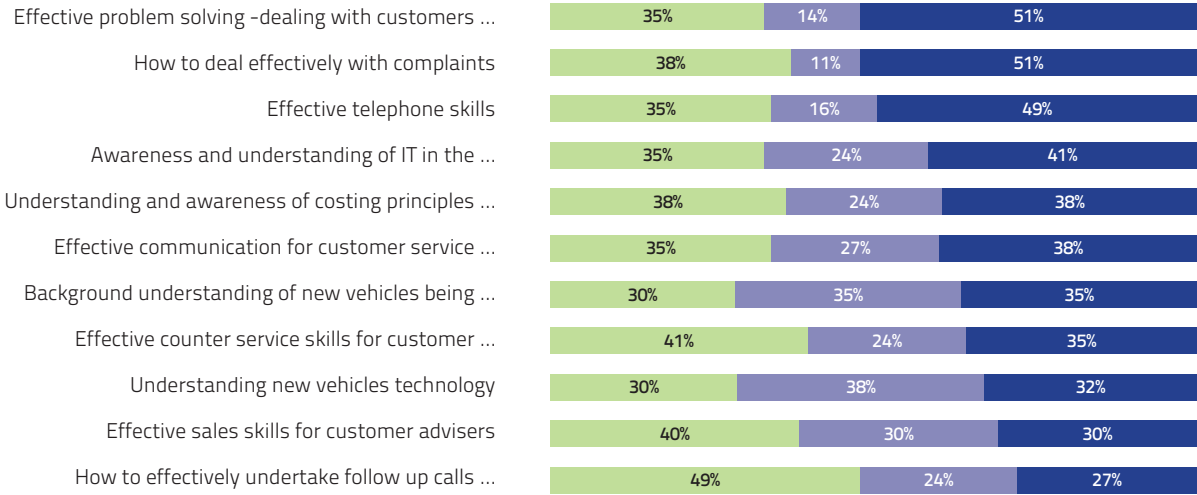


No skills or training need
 Some skills and training need
 Critical skills and training need

Management staff



Customer service staff



No skills or training need
 Some skills and training need
 Critical skills and training need

Annex 2:

Focus group

The focus group for heavy vehicles was conducted online in September 2011 and comprised of representatives from:

- Freight Transport Association
- Babcock
- DAF Trucks Limited
- Mercedes-Benz UK
- Lancashire County Council
- TRUCKSKILLS Limited
- Ryder
- Essex Fire Authority
- SCANIA Great Britain Limited

