

# How dealers can get 'the people bit' right

**T**he staff attrition rate in the motor retail industry is between 30% and 40%, according to BDO, which conducts an annual salary and employment survey in the sector. The average cost of recruiting someone is £8,000, according to the Chartered Institute of Personnel Development.

Putting both figures together shows how franchised dealers may be throwing away thousands of pounds a year by not successfully holding on to their people. However, GMD People believes it can help.

Nigel Banister co-founded GMD People with his wife, Michelle, 16 years ago. He had previously been HR manager at Volkswagen Group and she was head of HR at Mercedes-Benz Finance.

"The retail automotive sector, in our experience, has fundamentally stayed the same over many years, with the networks focused on the job of selling cars, parts and hours profitably. Most dealers do that very well," said Nigel.

"But what they are not good at is recruiting people properly, looking after them when they are there, and thinking about their development within that business."

Banister said it is "the people bit" in motor retail that needs the most work.

"It's about recruiting them, engaging them and leading them. That is the area where managers are weakest, which is why there's this 30-40% attrition rate. We're on a mission

to try to bring that down," he added.

In an era of LinkedIn, Skype and online CVs, businesses may be tempted to take short cuts in their management recruitment process in an attempt to reduce costs. However, recruitment company Steele-Dixon believes there are still sound benefits from the traditional approach.

"We're not an organisation which hides behind the internet," said Ed Steele, the managing director of the business founded by his grandfather.

"Some traditional styles are fundamental to successful recruitment – meeting clients face to face, spending time getting to know them, interviewing candidates face to face.

"A lot of recruitment now online seems such an easy, low-cost solution. But it doesn't provide the best results. That's when you need a specialist. We've been doing this for 56 years, and our knowledge, and judgement, is unique. Judgement, particularly, can only be built up over a long period of time."

That experience also comes to the fore in management training. GMD People's assistance can include a two-step personality-profiling system, AM Trait, which is connected to the Institute of the Motor Industry Management and Leadership Competency Framework, and creates a 25-page report on each individual.

The first step in the process gives GMD an insight into an individual's personality,

while step two shows how they would rate in a series of 16 management competencies defined by the IMI.

GMD also uses 360-degree assessment, which involves asking managers to score themselves. They are also rated by their boss and up to six peers or staff. The results give an insight into that person's personality and competencies.

GMD's third approach is to meet an individual face-to-face in a dealership, then observe them during a business day to assess their abilities against the framework, which provides them with IMI-accredited automotive manager status.

A subsequent 'training-needs analysis' suggests how the individual could become an even better manager by addressing any shortfalls, or may even identify that an individual is more suited for another role in the business.

Training, or one-to-one coaching if necessary, is offered over time. GMD supports about 1,000 people over the course of a year.

It has run a programme for Raytheon with managers in the Vauxhall Retail Network for more than three years and Banister said the repeat business it gets shows clients' satisfaction. He said some of it is down to the culture in those businesses – groups that are people-driven rather than numbers-driven may enjoy much lower staff attrition, so there can be a real return on investment. In addition, businesses with a people-driven

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approach to recruitment tend to carry it on into induction and career development.

Of course, management training can only go so far if the dealer is not finding the right calibre of recruits to suit its precise needs.

Steele said a lot of recruitment companies are short-termist and focused on getting a fee. He said Steele-Dixon is not out to "take advantage of a client" and has worked with some industry executives and dealer groups for decades.

"Recruitment is such a two-faced industry – one minute you're dealing with a company, and the next, one of their staff is applying for one of your jobs. How you handle that is very complicated, but by having honest relationships you can manage that. A recruitment company, like any other, is reliant on good relationships. That's how we survive."

Putting forward suitable candidates is made easier by being focused on the automotive sector and having decades of experience. Steele said his team knows what different franchises, and different dealer groups, require in terms of aptitudes – for example, experience with a certain dealer management system – to avoid wasting a

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client's time. Steele-Dixon specialises in fields including accountancy, aftersales management, general management and senior management.

Steele said: "Arguably, all recruitment now is head-hunting. Because we are such specialists, if we don't know the people already, what have we been doing for the past 50 years?"

Despite dealers' talk about their ambitions to bring in non-industry people, Steele said middle- and senior management positions

always seek motor retail experience – groups want people who can hit the ground running and who understand what manufacturers want. With the pressure of targets, they cannot give new entrants time to learn.

"We're as active as we've ever been, and we're confident that we can make a difference to a recruitment process and either make it more successful or more enjoyable," he added.

However, he said clients need to understand that far more recruitment is unsuccessful than successful. About 20% of positions will have already been filled internally, and with another 20% the candidate put forward will pull out at a late stage. Steele said the critical thing is that the recruitment company keeps in regular touch with the client, to keep them updated.

He added that there is a lack of appetite to relocate compared with decades ago, for reasons such as partners with their own commitments or family support with childcare. There are also not enough new people coming into the industry, he said, so it tends to be the same familiar faces moving around within a region.



Ed Steele, managing director of Steele-Dixon: 'Some traditional styles are fundamental to successful recruitment'

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