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### The competition for frontline automotive workers

### **Insights from Deloitte**

### Frontline Automotive Worker Blog 1: Talent Acquisition

Responding to a combination of climate change, raising gas prices, and a quest for energy independence, governments around the world are encouraging original equipment manufacturers (OEMs) and consumers to embrace electric vehicle (EV) technology—with many adopting aggressive measures. In the United States, the Inflation Reduction Act provides automotive manufacturers with over \$5 billion in grants and loans to ramp up EV production.¹ However, the pace of EV transformation varies significantly across geographies, with interest in EVs in the United States increasingly driven by lower running costs and better experience.²

With the move toward an electronic mobility future no longer in question, US automotive manufacturers are struggling to grow and maintain a frontline workforce to meet consumer demand. Whether you are an OEM, a captive lender, or an automotive dealership, to win in today's talent ecosystem and attract crucial frontline workers, companies must take a fresh approach to recruiting and hiring, with tactics like these:

### Fill skill gaps, not open positions

In industries that have traditionally focused on filling standardized job slots, some organizations are shifting to a skills-based talent strategy. Traditional hiring practices focus on defining roles, then filling them by posting job openings. Businesses source and evaluate talent based on minimum qualifications such as experience, education, and certification. In contrast, skills-based hiring focuses on posting jobs to fill evolving skills gaps and evaluating talent based on humancentered skills and behaviors. It is also important to identify which skills are required upon starting a job and which can be trained. Implementing well-designed training programs to upskill frontline workers will allow you to broaden your talent pool.

<sup>1</sup> Inflation Reduction Act Benefits: Good Paying Jobs And Revitalized US Manufacturing (forbes.com)

<sup>2 2022</sup> Global Automotive Consumer Study | Deloitte US

<sup>3 &</sup>lt;u>Skills-based organization strategy | Deloitte Insights</u>

So, what does a skills-based approach look like in practice? First, you must identify and be able to evaluate the skills required in each role. For instance, to succeed in their jobs, automotive production line workers and technicians need to be able to receive and comprehend instructions and use basic power tools. Captive customer service agents and dealer frontline sales jobs require customer service and interpersonal skills. With a skills-based hiring approach, the focus is less on experience and education and more on the technical or behavioral proficiency required for a given role. From there, employees can receive training on the specific skills needed to perform the job.

This approach also allows companies to access a larger and more diverse pool of previously overlooked talent.

### Create an enticing brand for employees

In a highly competitive job market, another way to attract frontline workers is by making your organization an employer of choice. To differentiate your company from the competition and attract interest from the best-possible candidates, you need to put yourself in their shoes. Why should a candidate join your organization and not others? What inspires workers here to do well in their jobs? What makes your company unique? Spend time clearly defining the benefits of joining your organization—that is, your employee value proposition (EVP).

EVP is more than pay scales, benefit packages, or vacation time. While all of these factors are very important to hourly workers, for many candidates, flexibility and control over their schedules<sup>4</sup> —when and where they work—is their top consideration. Other aspects of EVP that can help attract candidates in a crowded marketplace include clear opportunities for career advancement, a physically and emotionally healthy work environment, and any unique aspects of your company culture. Offering development opportunities like apprenticeships, rotational programs, and funding for higher education can also help set your company apart.

EVP is especially critical as workers have been drawn to desk jobs in big cities over the past few decades, leaving manufacturing as a less-attractive option. To improve this situation, OEMs should look for opportunities to rebrand and attract people who are seeking alternative career paths. For example, rather than taking a business-as-usual approach, a new automotive entrant added touches like polished concrete floors and modern furniture to create a cleaner, more inviting workspace.<sup>5</sup>

A company's reputation and proven success on the diversity, equity, and inclusion (DEI) front represents another significant opportunity for automotive businesses to differentiate themselves from the competition. Only 38% of frontline workers think their company's DEI initiatives are truly focused on creating a better workplace. Even fewer (34%) feel they can always be their authentic selves at work.<sup>6</sup>



Drawing inspiration from outside the automotive sector, a large hospitality company recently launched a campaign focused on elements of EVP—including clear career paths, opportunities to build a community, and the ability to find purpose in one's work. The campaign showed prospective employees what their life at the company could look like—in both the present and the future—and how dozens of their global colleagues have built interesting and diverse careers. Other businesses are framing EVPs with a focus on charting career paths that make it possible for workers to move from being operators to owners or from the front line to management roles.

<sup>4 2022</sup> Voice of the Blue-Collar Worker

<sup>5</sup> The auto industry is retooling to get ahead of the EV revolution—The Washington Post

<sup>6</sup> Leading at the front(line): Diversity, equity, and inclusion imperatives, 09 August 2022

## Simplify (and accelerate) with tech enabled hiring processes

Lengthy manual hiring processes frustrate applicants and increase your risk of losing talent to competitors. Today, a fast, smooth and easy to apply recruiting experience is table stakes for attracting frontline hourly workers. These prospective employees are used to always on technology and expect near real time hiring decisions. To compete, you need a tech enabled hiring process that's up to the task, including the following:

- Automation. Consider automating application submission and review, interview scheduling and candidate follow up, and offers and hiring. Fewer manual tasks results in a faster overall time to an offer and a greater likelihood of hiring a great applicant before someone else does. Set a goal: do you want to hire in a day, an hour, or a minute? Find out what will attract candidates, then identify the automation that can get you there.
- Gamification. Make the application process more engaging by
  providing a break from the monotony of job hunting.
   Gamified strategies let you engage candidates in a creative
  way. For example, you might create a simulated work
  environment where candidates attempt the tasks they could
  do if hired. Gamification can help you reach a younger
  demographic, build brand awareness, and foster relationships
  while providing valuable insights into candidate abilities.
- Text to apply. Place your keywords and phone numbers in job ads, then invite candidates to apply through the go to communication platform of SMS. Quick, automated responses can kick off a streamlined, friendly experience for candidates while reducing time to hire.

## Addressing the current landscape of frontline automotive workers

To keep your company ahead of the competition, hiring as usual is not an option. To win the battle for frontline workers, you need to shift your perspective and find ways to crack open and accelerate hiring. If you still aren't convinced that a new approach may be needed, consider a transportation and logistics leader that shortened its seasonal hiring process from two weeks to 30 minutes—just by having applicants submit all their paperwork online and forgoing interviews. Applicants could often be working as soon as a day or two after submission. And over the past three years, about one-third of people hired for seasonal package-handler jobs were later hired for permanent positions.<sup>7</sup>

This is how you can win the competition for today's frontline workers-by shifting your perspective and finding ways to crack open and accelerate hiring. To keep your company ahead of the competition, hiring as usual is not an option.

Ready to reimagine recruiting? Give us a call to continue the conversation.

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