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Retaining frontline automotive talent through career mobility and growth Insights from Deloitte

Frontline Automotive Worker Blog 2: Mobility and Growth

Frontline automotive workers are critical to your organization's success. They operate the machinery on the manufacturing floor, conduct product quality checks, and complete financing and sales activities to get the vehicle from the dealer's showroom into consumer hands.

Due to rapid digitization and advanced technologies, companies are increasingly asking frontline workers to do more—and investing in growing their skills in customer service as well as in new technologies. They often make up the majority of a company's workforce yet receive little attention—and continue to turnover at alarming rates.

But frontline workers are difficult to attract and expensive to replace, so shouldn't you do everything possible to retain them? Reducing turnover makes both financial and operational sense: the average cost to replace US employees can range from <u>one-half to two times</u> their annual salary.¹ And employees who stay longer are more experienced and productive—with higher morale and job satisfaction, contributing to better customer service.

To reap these benefits, organizations need to rethink the frontline automotive worker experience. Those with meaningful programs and opportunities can reduce turnover, spend more time upskilling rather than training, and turn frontline employees into loyal, proud brand ambassadors.

Whether you are an original equipment manufacturer (OEM), a captive lender, or an automotive dealership, here are three strategies to quell turnover and retain frontline automotive workers.

¹ This Fixable Problem Costs US Businesses \$1 Trillion, 13 March, 2019

Help workers see the long game

Frontline hourly workers prioritize career growth, according to a <u>WorkStep study</u>.² Companies need to be clear from the beginning what a career could look like if you start on the frontline. Provide a career framework so that frontline workers—regardless of their aspirations and goals—can find a path that works for them.

Skills-based hiring, as described in the first article in this series, is an important first step to building a career framework. With a talent pool of skilled frontline workers, you can fill a pipeline that's geared toward more responsibility and salaried work. If you've already matched and hired candidates with the right skills, those new hires and employees will be able to leverage and build on their skill strengths and stay engaged. Who better to manage an engine plant than someone who has operated the manufacturing machines, scheduled the receipts of components, completed the final quality check, and performed all the other tasks associated with manufacturing an engine?

Companies should constantly be evaluating their frontline talent pool for high-potential workers who can be groomed for more responsibility and upward or mobile career paths. Another benefit is that since frontline workers tend to be more diverse than others in the company, organizations can advance diversity, equity, and inclusion (DEI) efforts and benefit from a more diverse workforce. Efforts to promote and sustain DEI represent a significant opportunity for businesses to differentiate themselves by providing a compelling proposition when it comes to attracting and retaining frontline talent.³

Done well, career mobility is about investing time and energy into your frontline people for their growth and the benefit of the organization.

Offer opportunities to build skills—and resumes

As organizations shift their <u>strategy from filling jobs to acquiring</u> <u>skills</u>,⁴ upskilling employees presents a valuable opportunity to develop those needed skills. Upskilling is when an employee builds a higher level of competency in a skill or set of skills to better perform in current or future roles. It can be on-the-job training, formal instruction, outside classes, or all of the above. Providing job-centric upskilling is the first step, followed by monitoring whether employees thrive or progress in their jobs or improve their performance and measuring if employees stay longer.

One avenue to retain qualified frontline workers is to build internal certification programs, or in the case of automotive technicians, prepare them to achieve US <u>Automotive Service Excellence (ASE)</u> certifications. The certification process allows employees to work toward goals, be recognized for new skills, and add certifications to their resume. For example, introducing some new courses aimed at upskilling workers around electric vehicle technology.

Taking inspiration from companies out of the automotive sector, a highly publicized effort has been <u>Amazon's pledge</u>⁵ of US\$700 million to upskill 100,000 of its US workers by 2025. Some of the programs, including Amazon Technical Academy, Associate2Tech, and Machine Learning University, target the <u>development of technical skills</u>⁶ for indemand jobs, helping to keep frontline workers current in both the theory and application of emerging technologies.



- 3 Leading at the front(line): Diversity, equity, and inclusion imperatives, 09 August 2022
- 4 Moving your organizational strategy from jobs to skills, 15 July 2022
- 5 Beyond Reskilling Investing in Resilience for Uncertain Futures, 15 May 2020
- 6 Beyond Reskilling Investing in Resilience for Uncertain Futures, 15 May 2020

² What's Driving Supply Chain Workforce Turnover?, 19 October 2021

Prioritize learning for employee confidence and organizational success

Forty-six percent of frontline workers feel pressure to adapt to new technology over fear of losing their jobs—and 55 percent say they've had to learn new tech on the fly, with no formal training or practice.⁷ The ability for frontline automotive workers to learn, connect, and drive innovation and effectiveness can differentiate your employment opportunity from competing jobs.

Digital learning platforms and tools, including adaptive learning platforms, custom mobile applications, collaboration tools, and social media now fuel a <u>training model</u>⁸ where employees have access to information and learning content wherever they are. Digital learning can be embedded into employees' daily lives and work with quick bites of information and knowledge checks.

When large call centers had to ramp back up quickly after COVID, digital tools were used to train both technical and soft skills including how to deal with difficult customers—rapidly and at scale. One company implemented an adaptive learning platform that fed quick "bites" of learning to agents based on the types of calls that were coming in and recent business performance. This digital learning technique could be used in captive finance centers where frontline workers are handling costly automotive purchases that are becoming increasingly difficult to qualify for with the combination of complexity and increasing interest rates.

Other companies are experimenting with simulations and AR/VR technology to let call center agents practice dealing with challenging customer situations and receive feedback to grow their capabilities. As call center agents build their own confidence, the company often sees increased engagement and retention.

Retain workers for the frontline win

Make the most of your hiring and onboarding efforts by planning for the longer-term. To succeed, identify and launch innovative career pathing, upskilling programs, and digital learning capabilities to keep employees satisfied and productive, longer.

Ready to reimagine career growth and agility for frontline workers? Give us a call to continue the conversation.



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⁷ Technology Can Help Unlock a New Future for Frontline Workers, 12 January 2022

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