Create A Dealership Culture Your Competitors Envy
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Positive Work Environments Impact Employee Satisfaction

Why Your Culture Matters

Do people love coming to work at your dealership? Is employee retention barely on your radar because your employees tend to stay for years? Unfortunately, most dealerships have some room for improvement when it comes to employee satisfaction. The average dealership loses four out of 10 employees a year to turnover, and culture can be a key factor in that decision whether to stay or go.

Creating a positive work environment can make a big difference not only with employee loyalty, but also with employee motivation and morale. It’s also crucial to the bottom line. Ninety-two percent of executives surveyed in a joint study by Duke’s Fuqua School of Business and Columbia Business School say that improving their firm’s corporate culture would improve the value of the company. Many point to benefits in areas such as productivity, creativity, profitability and growth.

What does it take to create a great dealership culture? While you may have your own unique customs and practices—such as a special celebration any time your team exceeds sales targets—there tend to be similarities among dealerships known for positive cultures.

This eBook covers those similarities and gives you suggestions for how to implement them at your own business. By following these ideas, you’ll have a great foundation in place as you aim to enhance your culture.

Hireology recognizes the value that a strong culture provides. In 2015 we were recognized by Entrepreneur for having one of the “Top Company Cultures,” and just this year, we were named one of Chicago’s “Best and Brightest Companies To Work For.” You can bet that we practice what we preach!
It All Starts at the Top

SET THE TONE

Leaders set the tone throughout the organization. It’s up to you to shape the culture into something impressive. This doesn’t mean you have to introduce practices that are hard to implement in your line of business. Throwing Frisbees around the office and having a ping-pong table in the corner may be fun at a high-tech startup, but can be distracting in the showroom of your dealership.

Try doing something fun that you know your people will enjoy, like hosting a golf invitational for top sellers, or taking in a night at the big game. These kinds of experiences will be memorable, and they’ll let your team know you want work to be fun and exciting for them.

VALUES MATTER

Focus on your core values. Commonly, these include a commitment to hard work, customer service and business ethics. Leaders need to stress these values so they are well understood throughout the organization. Keep in mind that whatever you decide to do to enhance your culture will be centered on your values.
Put Core Values into Action

AMPLIFY YOUR CORE VALUES

Values are more than just words. It doesn’t mean much if you say that your people are your greatest asset but then you won’t support training or time off requests. If your motto is “Ethics Above All” but not all of your salespeople adhere to this belief, you’re sending mixed messages. Try instilling a formal practice of giving shout-outs to team members who exemplify certain values, and give a prize to the person who gets the most shout-outs each month.

BE CONSISTENT

The best dealerships have consistency with words and actions. Leaders are held up to the same standards as employees, too. If it’s “all hands on deck” for that big Memorial Day sale, leaders should be onsite as well. When employees understand the standards and know that everyone from the dealership owner to entry-level staff will be held accountable, it creates a positive culture based on fairness.
Welcome New Ideas

GET EXCITED

Are your employees excited about their jobs and focused on what they’re doing? A Gallup report found that 63 percent of employees are not engaged at work—that’s six out of 10 workers. A great way to boost employee engagement is to get them more involved in generating new ideas and participating in decisions.

BE OPEN MINDED

Make sure you’re truly open to ideas. If you ask for suggestions but never implement the really great ones, you’ll only harm morale. And if you say you have an open-door policy, make sure your door is open—literally. If you’re locked away behind closed doors all the time, you really don’t have an open management culture.

GATHER FEEDBACK

Ask for team feedback on ways to handle certain activities or plans at work. If you’re introducing a new car model soon, what features do salespeople think are most important to highlight? Get their input on the best ways to approach sales. If you’ve hired well and give your employees a solid foundation in training and mentoring, they can play a key role in business decisions.
Hire the Right People

DON’T COMMIT TOO EARLY

Be selective when hiring, no matter how eager you are to fill a position. Even if your dealership has a great culture, morale can erode when bad hiring decisions are made. Just one new employee who doesn’t meet expectations, has attitude problems or simply doesn’t fit in with the team can throw everything off-balance.

PATIENCE PAYS OFF

Take your time to ensure the candidates you select are a precise match to your needs and organization. Hiring tools such as Hireology’s applicant tracking system allow you to incorporate prescreening tests into your evaluations. Adding this step allows you to assess candidate fit better than resume reviews and interviews alone. A process-driven approach such as Hireology actually saves time by automating most hiring activities.

“Just one new employee who simply doesn’t fit in with the team can throw everything off-balance.”
Build a Diverse Workplace

BE INCLUSIVE

Hiring people of different religions, gender, racial backgrounds, age groups, educational histories and other factors can give you a vibrant workforce and inclusive culture. If you only hire people who look and think like you, you’re not likely to generate a variety of new ideas that benefit your dealership. Embrace fresh perspectives by aiming to hire a wide range of candidates.

Only 8% of women working at dealerships are in leadership positions.

DIVERSIFYING ROI

Diversity is also a smart business strategy. Women now buy more than half of all new cars. Yet the dealership workforce doesn’t support this trend: women make up 19 percent of dealership employees, but only 8 percent are in key positions. 91 percent are behind-the-scenes in administrative roles.

Adding more women to your sales and management teams can send a very positive message. A diverse workforce will make a wide range of potential customers comfortable visiting your lot and can potentially boost sales.
Change Your Approach to Failure

TAKE THE FEAR OUT OF IT

Dealerships with a great culture don’t have fearful employees. Keep in mind that even if you’ve hired well, nobody’s perfect and there will be a time when everyone on your team makes mistakes. Someone may accidentally disconnect a call from an important contact or a service advisor may give an inaccurate estimate for how long it will take to repair a car, leading to a customer complaint. These things happen, but make sure you show support to your team and encourage a culture of collaboration so that your employees won’t be scared to fail. They’ll be more likely to succeed if they’re comfortable in the workplace.

SOMETIMES MISTAKES HAPPEN

Mistakes happen and many can be used as learning experiences. When a salesperson isn’t able to close a deal on a fleet of vehicles for a local business, instead of giving a stern talk, consider discussing it openly among sales staff. What went wrong? Have others encountered similar challenges? What can everyone learn from the failed deal? You might even make it a periodic practice in staff meetings for people to share a less-than-ideal situation that happened at work and talk about what could be done differently going forward.

FAILURE IS OKAY

Leaders also need to be willing to admit their own mistakes. Show that it’s safe to fail by talking about a recent slip-up you experienced at work. You might even ask for input from employees on that situation. People will be more open about mistakes if they know they’re in a supportive environment.
Know the Right Way to Praise

RECOGNITION IS APPRECIATED

Don’t go overboard when thanking employees for their hard work and achievements. It’s counterintuitive, but if you lavish praise on people for their efforts constantly, you dilute the impact of your message.

It’s better to offer selective praise and recognition. Maybe you notice your finance manager working late and stop by to say thanks for her work during a particularly busy week. Always try to point out specifics when offering thanks, because it lets people know you noticed exactly what they were doing and cared enough to comment about it.

IT’S CUSTOMARY TO CUSTOMIZE

Customize rewards when you offer them for exceptional work. What appeals to one employee may not appeal to the next. Box seats to a basketball game may seem impressive, but won’t be appreciated by someone who isn’t into sports. Consider offering a number of options or stick with a sure-fire winner—a cash bonus.
Provide Growth Opportunities

BE CLEAR ABOUT ADVANCEMENT

Motivated employees want to be constantly challenged and recognized for their hard work. Make sure everyone in your dealership knows the career paths available to them and what it takes to advance.

PROGRESSIVE MILLENIALS

Millennials are particularly concerned about being recognized with promotions. A study by PwC found that career progression is the top priority for millennials, who expect to rise rapidly through an organization. More than half of those polled said this was the main attraction to an employer, coming ahead of competitive salaries. Millennials make up 48 percent of all dealership new hires, but turnover rates are at 54 percent, suggesting many dealers aren’t doing all they can to give millennials enough recognition on the job.

54% of millennials at dealerships turnover within a year.

TRAINING IS ESSENTIAL

Advancement should be combined with training. The skills that make someone a great service technician, for example, may not be enough to be successful in a management role. Be sure to give adequate training in the areas essential at the next level, such as management principles, personnel matters, budgeting and employee motivation techniques.
Keep Employees in the Loop

TRANSPARENCY GOES A LONG WAY

Aim for a culture of transparency. Share as much as you can about business developments, so everyone feels like a trusted, valued member of the team. When feasible, allow employees to contribute their ideas to those developments, too. Dealerships with great cultures avoid blindsiding employees with news and instead encourage contributions to the plans ahead.

DON’T KEEP PEOPLE IN THE DARK

If you’re keeping people in the dark, they are going to jump to conclusions. The fact that managers have been behind closed doors often in recent weeks may lead employees to believe that something is terribly wrong, when you’re really just focused on plans for a second dealership in another market. Transparency will help create a culture of trust across your team.
Final Thoughts

If you have a take-it-or-leave-it approach to your culture, you risk employees choosing to just leave it. You’ll face a revolving door of employees joining your dealership and quickly exiting as many dealers in our industry are seeing.

Even if you’re confident you have an amazing culture, it’s worth finding out if your employees feel the same. Consider setting up a committee with an employee from each department with the sole focus of discussing your culture and ways it can be improved. At the very least, you might have an anonymous suggestion box or Intranet feature where employees can share their ideas.

Taking culture seriously can give you a boost over your competitors as you develop a team of happy, motivated workers. It all begins with looking at how you’re hiring and then considering the ways you can create a culture where employees have no reason to leave.

To learn how Hireology’s platform can help you make smarter hiring decisions, visit www.hireology.com or schedule a demo by clicking on the link below.

See a demo