SAVING THE LOST APPLICANT:

HIRING TRENDS TO WATCH

PRESENTED BY:

HIREOLOGY & NADA

at Elevate 2019

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FOREWORD

From the entire team at Hireology, I'd like to thank you for reading our first-ever research on recruitment marketing and hiring trends across retail automotive. We're incredibly excited to share our data and key findings to help provide a better candidate experience and keep great talent within retail automotive.

Our findings are divided into several sections. First, we'll share overall hiring trends across retail automotive and how talent needs have shifted since 2018. Next, we'll dig into recruiting challenges across dealerships of different sizes, regions, types and positions – and review the impact of inefficient dealership hiring processes.

We'll also explore how different recruitment channels perform to reveal the most efficient and cost-effective sources to hire, and the benefits of running a multichannel recruitment strategy.

A prominent theme our research uncovered is the lost applicant – why today's dealership applicants lose interest because of an inefficient process, and how simple changes can lead to upwards of 20% more applicants for each open role.

With the high demand for talent matched with a shrinking labor pool, finding great employees to build your best team is only going to get harder. At last year's Elevate event, we coined this phenomenon the "Applicant Economy." This report shows dealerships a true picture of today's hiring process so we can understand what's working and what we can do better as an industry.

As the only vendor with this data-driven approach, representing one in five new car dealerships nationwide, we're honored to collaborate with NADA on this study and are excited to share what we discovered with you. Read on if you are interested in setting your dealerships up for success next year and beyond by planning for the needs of your true competitive advantage: your people.

Adam

Adam Robinson
Hireology Co-Founder & CEO

EXECUTIVE SUMMARY

Hireology and NADA are excited to share *Saving the Lost Applicant: Hiring Trends to Watch*.

This first-of-its-kind report analyzes hiring activity across 4,000+ retail automotive dealerships representing all major brands and markets. The scope includes every open role, application submitted, candidate considered, and hire made across our network in the first half of 2019, which represents 20% of dealerships nationwide. The following pages highlight the insights and opportunities we've uncovered.

Through our research, we're excited to share three key learnings on the state of hiring in retail automotive:

Hiring is getting harder for dealerships across the country. Year over year, retail automotive applicants have dropped 10% for all open roles. Adding to this challenge, dealerships need an average of 25% more applicants than they did in 2018 to find someone qualified enough to make a hire. Decreasing applicant interest matched with an increasing need for additional applicants is creating friction for dealerships of all sizes.

Lost Applicants should be top of mind for dealerships of all types, sizes and regions. By not requiring hiring managers to review all applicants for a given role, retail automotive left over one million applicants on the table in the first half of 2019. With the battle for talent only increasing, this is a substantial loss at not only the dealership level, but across the entire industry.

Recruitment ad performance – and costs – vary greatly by channel. For example, career sites drive just 4% percent of applicant traffic, but are responsible for 30% of eventual hires. Just like marketing vehicle inventory, the best dealerships use multiple channels to recruit applicants for their open jobs, to drive applicants, hires, and ROI across owned, earned and paid recruitment marketing sources.

Continue reading to explore these insights – and so much more – in the pages ahead.

AUTOMOTIVE WORKFORCE UPDATE

BUSINESS AND TALENT SNAPSHOT

The people side of the dealership has never been busier. ***In the first half of 2019, Hireology saw dealerships open 28,000 new roles, process 1.1 million applications and make 18,000 new hires.*** Yet, as dealerships across the country open more jobs compared to 2018, they are left with a decreasing applicant pool to source from for in-demand open roles.

GROWTH OF OPEN ROLES

Between January and June 2019, the average dealership rooftop had between 8-10 job openings at any given time. This was consistent across dealership groups of all sizes. Single-location and small dealership groups have increased the demand for roles 5% and 6%, respectively, compared to 2018. Mid and large dealerships were flat in terms of job growth, with just 1% and 2% additional open roles, respectively.

DECREASING APPLICANTS AND FEWER HIRES

350-540

is the average total applicants rooftops saw in the first half of 2019.

Single-location and smaller groups with 2-5 locations experienced a 9-10% drop in applicants year over year, with larger groups losing 6% of total applicants compared to one year ago.

This trend of decreasing activity continues when reviewing dealership hires. While single rooftop dealers made 11% fewer hires compared to the first half of 2018, small groups decreased their hires by 30% with mid and large groups making 23% and 26% fewer hires, respectively.

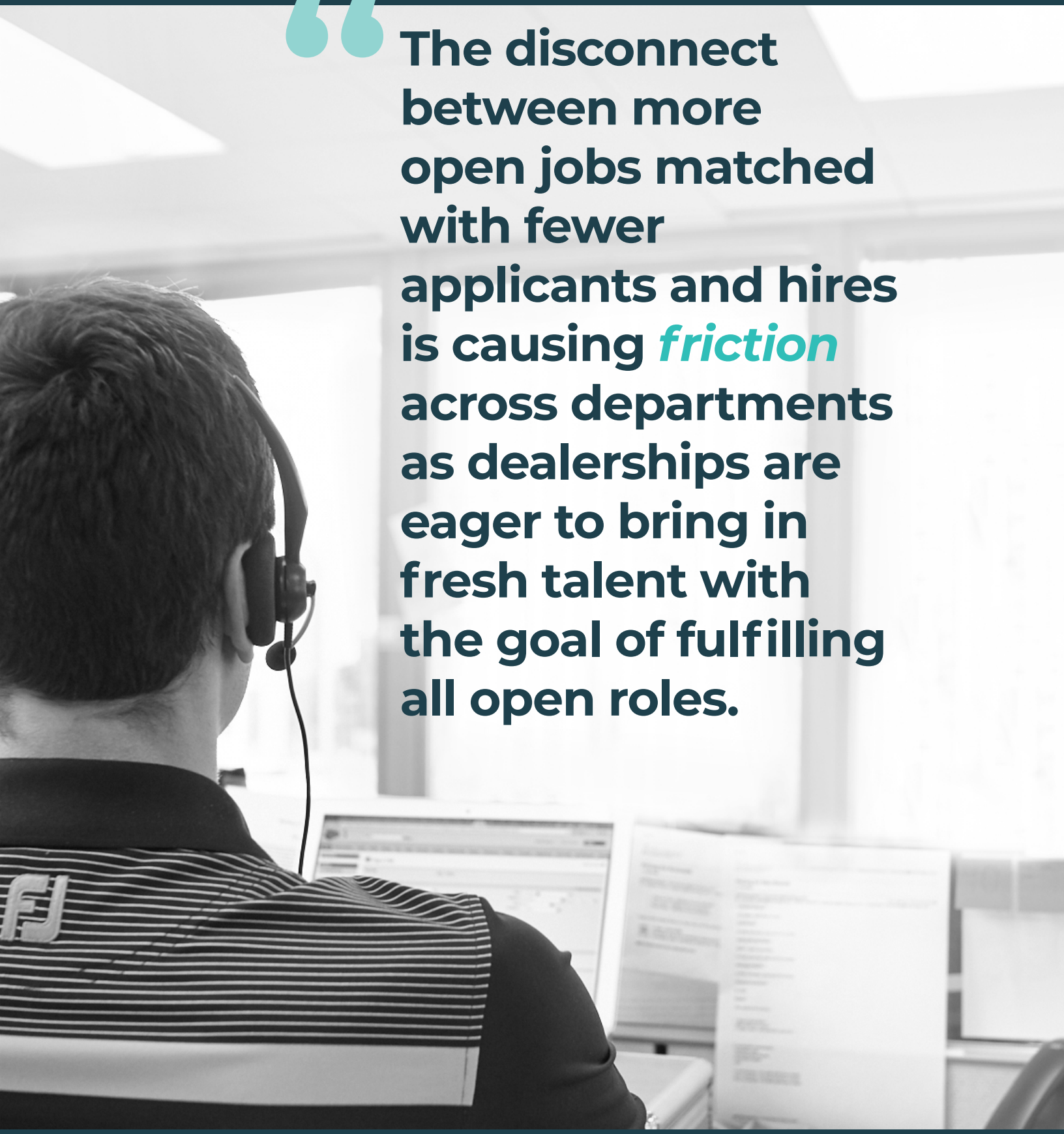
The disconnect between more open jobs matched with fewer applicants and hires is causing friction across departments as dealerships are eager to bring in fresh talent with the goal of fulfilling all open roles.

APPLICANTS NEEDED TO MAKE A HIRE INCREASES

To add to the work dealership HR managers must complete, the number of applicants dealerships need to find a qualified hire continues to increase. Compared to the first half of 2018, dealerships with multiple locations need to review 23-29% more applicants before making a hire. Single-location dealerships see a slight increase, requiring 3% more job applicants to hire a new employee.

COST PER HIRE DROPS ACROSS THE BOARD

The above metrics may paint a bleak picture: dealerships are opening more roles than ever before but are seeing less applicant interest and making fewer hires. One benefit is the rapidly decreasing cost per hire metric, which is down between 75-79% across the board. This trend may be credited to dealerships relying on fewer job board sponsored ads and instead investing into their own referral programs and employer brand to source talent at a much lower cost.



> **The disconnect between more open jobs matched with fewer applicants and hires is causing *friction* across departments as dealerships are eager to bring in fresh talent with the goal of fulfilling all open roles.**

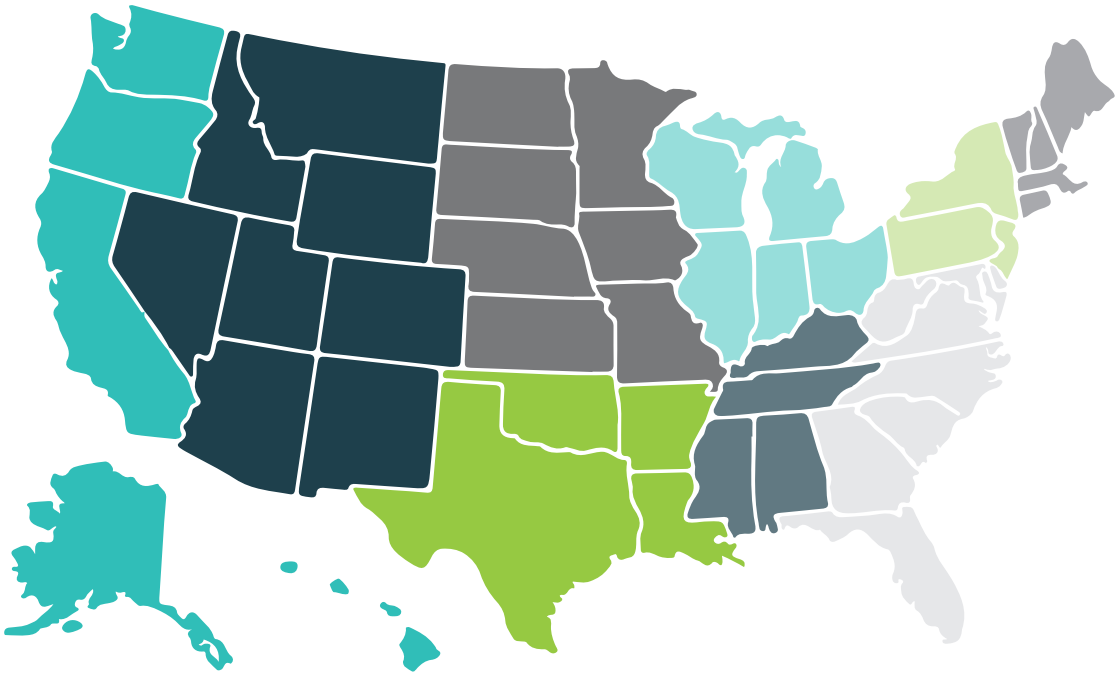
REGIONAL CONSIDERATIONS

While macroeconomic trends show overall activity across the dealership universe, filtering activity by region shows how differences in geography impact overall hiring trends.

The regional breakdown presented throughout this report aligns to the standard regions established by NADA. Filtering the results by region shows interesting trends across major geographic markets across the country. Reviewing recruitment marketing and hiring performance within each region demonstrates the unique challenges and opportunities each market presents, and how specific labor markets lead to substantial changes in terms of hiring activity, applicant sourcing costs, and overall process adherence.

Investigating general hiring activities between regions show differences emerging when reviewing overall open roles, the number of applicants an average dealership receives, the amount of hires made and the average number of applicants a dealership needs to review before making a hire.

HIREOLOGY AND NADA REGIONS



Region 1: **New England**
Region 2: **Mid-Atlantic**
Region 3: **East North Central**
Region 4: **West North Central**
Region 5: **South Atlantic**
Region 6: **East South Central**
Region 7: **West South Central**
Region 8: **Mountain**
Region 9: **Pacific**

OPEN ROLES ACROSS REGIONS

Looking at regional differences, the South Atlantic and East South Central regions have the most open roles at 10.4 and 9.8, respectively. The West North Central and New England regions have the fewest open roles, coming in at 7.1 and 7.2, respectively.

APPLICANT ACTIVITY ACROSS THE U.S.

Dramatic differences in applicant activity are noted by region. While dealerships in the South Atlantic region can expect an average of 562 applicants per rooftop, dealerships in the West North Central region see just 44% of this activity or 252 applicants per rooftop. The Pacific region represents the overall average with 403 average applicants per location.

REGION	AVG. OPEN ROLES	AVG. APPLICANTS	AVG. HIRES	APPLICANTS PER HIRE
South Atlantic	10.4	562	7.1	80
East North Central	8.5	375	6.7	56
Mid-Atlantic	8.6	368	4.1	90
West South Central	7.6	482	9.4	51
Pacific	7.5	403	5.4	75
Mountain	7.3	335	8.0	42
West North Central	7.1	252	8.7	29
East South Central	9.8	462	5.3	87
New England	7.2	372	2.8	133

HIRING ACTIVITY ACROSS THE U.S.

Examining regional differences in the average number of hires made and the number of applicants it takes to make a hire show vast differences between major markets. Dealerships in New England made an average of 2.8 hires in the first half of 2019, while those in the West South Central region have 3.3x the hiring activity, making 9.4 hires on average.

> *Dealers in the West North Central region require 29 applicants to make a hire. In contrast New England dealers process an average of 133 applicants for each hire.*

This discrepancy means different regions must rely on a process to ensure a large volume of applicants can be properly reviewed without slowing down the overall time to hire.

Regional Hiring Trends

The variance between regional hiring trends can be seen as a divide between rural, suburban and urban job markets. The West North Central region has a lower population density, leading to fewer technicians with OEM-specific certifications and skills required by dealerships who are in the process of replacing fixed ops talent nearing retirement. As a result, the West North Central region may have hiring managers who have a smaller professional network to pull from, compared to larger markets like the Mid-Atlantic, East South Central or South Atlantic which are more suburban or urban, with larger cities to attract new automotive talent.

RECRUITMENT CHANNEL PERFORMANCE

SOURCING EFFICIENCY INDEX

Dealerships can gain a competitive advantage by better understanding the effectiveness of different recruitment channels. Key channels evaluated in this section include employee referrals, the dealership career site, organic job boards, sponsored job boards, Google for Jobs, Facebook, and text messaging (SMS).

While each of these channels drive applicants, focusing on the sources that drive the most hires will help focus recruitment spend and ultimately drive top applicants more effectively. The standard way to measure effectiveness is to evaluate the number of applicants required to make a hire by each channel.

APPLICANTS PER HIRE BY CHANNEL

APPLICANT CHANNEL	APPLICANTS NEEDED PER HIRE
Referrals	4
Career Site	10
Facebook	16
Google	21
SMS	21
Sponsored Job Boards	42
Targeted Ads	90
Organic Job Boards	126

WORD OF MOUTH REFERRALS

Internal referrals – by other hiring managers sharing candidates and employees bringing in outside talent are the most effective method to source talent. When another hiring manager shares an applicant, it takes only two referrals to make a hire. Similarly, referrals from dealership team members require just four applicants to make a hire.

OWNED RECRUITMENT CHANNELS

Recruitment channels that the dealership controls – the career site, social media posts and direct candidate engagement are effective ways to source hires. A dealership's career site is the most efficient recruitment channel to attract highly engaged applicants. A hire can be made after just ten applicants visit and apply to an open role. ***While career sites account for just 4% percent of all applicant traffic, they are the source for over 30% of all hires.***

Following the career site, jobs shared on Facebook are also very effective, requiring 16 applicants per hire. Shortly behind Facebook is Google, where 21 applicants are needed for each hire. As a new player in the recruiting space, Google debuted a new search results page that highlights relevant job openings for searches like "technician jobs" or "automotive sales."

> *Hiring managers who engage their existing talent database with text messaging require just 21 applicants to make a hire. Like Google, SMS is a relatively new recruitment channel that is driving high engagement with applicants who are mobile-first and looking for their next career move.*

TARGETED EMPLOYER ADS

A new channel dealerships are using to find applicants for hard-to-fill roles is targeted employer ads. More like a virtual recruiter than a classic job board, targeted ads can show employer-related text or display advertisements on search pages, social media, popular websites, online classified pages or specialized job boards. While the auto industry has been using targeted ads for years to advertise vehicles to customers, savvy dealerships are just beginning to leverage targeted employer ads to reach more applicants, especially for difficult to fill roles like technicians.

Targeted ads are better for roles that require specialized certifications or are challenging to fill because they reach across multiple sites at once. ***By serving potential applicants an employer ad relevant to their career growth across the web, targeted ads can engage with these in-demand employees and drive them to the dealership career site.***

An average targeted ad requires 90 applicants to make a hire. While this may appear less effective compared to channels like referrals or career sites, targeted ads help connect with specific applicants who may not be actively seeking a new role as they may see an employer ad while browsing a news site or social media.

ORGANIC AND SPONSORED JOB BOARDS

Job boards have been a long-term staple for dealership recruiting teams. Many hiring managers look to have their open jobs get picked up by organic job board feeds or pay to sponsor an ad to drive additional applicants. While job boards drive an influx of applicants, they are less effective than owned channels at finding hires but are still valuable for quick bursts of applicant activity. In the first half of 2019, it took 126 organic job board applicants to convert one hire, which has been flat since 2018.

In contrast, paid job boards required 42 applicants per hire, representing an impressive 51% decrease from the previous year where 87 sponsored job board applicants were required for a hire to be made.

ROLE	COST PER APPLICANT	COST PER HIRE
F&I Manager	$3.11	$335.45
General Manager	$2.32	$205.15
Parts Consultant	$2.19	$247.75
Parts Manager	$3.12	$494.88
Sales Consultant	$2.42	$102.67
Service Sales Manager	$2.84	$343.48
Service Advisor	$2.62	$208.36
Service Manager	$3.64	$371.94
Service Technician	$8.84	$209.90
Other	$8.84	$163.61

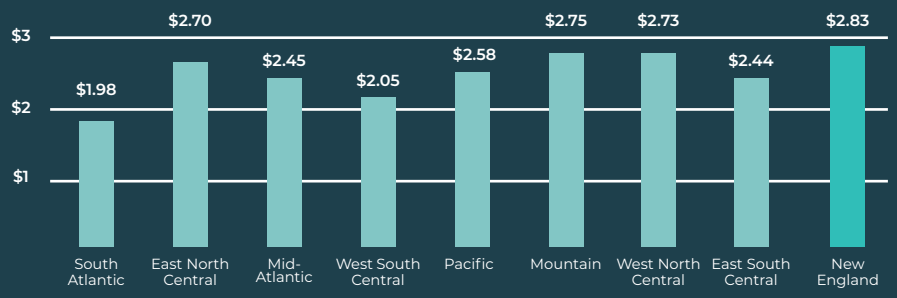
PERFORMANCE BY ROLE

Overall recruitment performance is highly dependent on the department and individual role. The cost per applicant, however, is relatively consistent across roles, with many applicants, regardless of department, falling within $2.19 and $3.64. The sole exception is the service technician role. ***Applicants for this in-demand position cost $8.84 per applicant, roughly 4x the cost of other dealership roles.***

On the cost per hire side, a different story unfolds. The same service technician role at $8.84 per applicant translates to a $209.90 cost per hire. This is relatively in line with other dealership roles, and is much more affordable compared to other jobs such as a parts manager, which costs an average of $494.88 per hire. Similarly, service managers come in at $371.94 per hire, showing that more specialized roles take longer to fill, resulting in a higher cost.

For roles on the sales side, the larger talent pool results in cost savings on both the cost per applicant as well as the cost per hire. The average sales consultant has a cost per applicant of $2.42 and a cost per hire of $102.67 – the lowest for dealership roles reviewed. Similarly, sales managers were on the lower end of the cost spectrum. Sales managers had an average applicant cost of $2.84 and an average cost per hire of $343.48. The slight cost increase on the hiring side is likely due to the more senior nature of the manager role. Surprisingly, general managers were also among the more cost-effective roles to source. The average general manager applicant set dealerships back $2.32 with the cost per hire at $205.15.

COST PER APPLICANT BY REGION

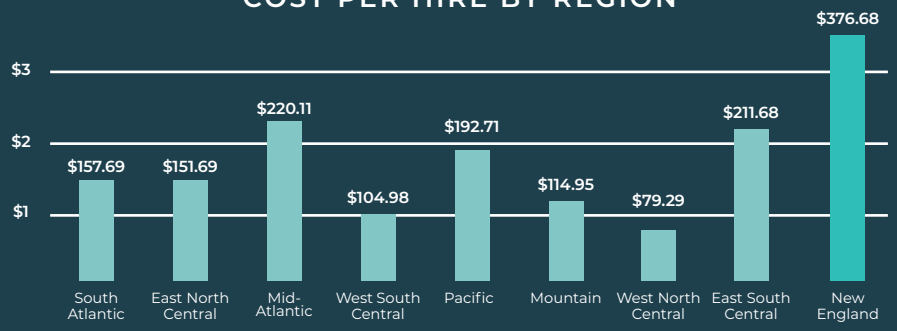


PERFORMANCE BY REGION

Recruiting budgets also vary depending on the region. Dealerships, regardless of location, were able to source an average applicant for less than $3.00. New England dealerships paid the highest amount per applicant, at $2.83. In contrast, dealerships in the South Atlantic region spent an average of $1.98 sourcing an applicant.

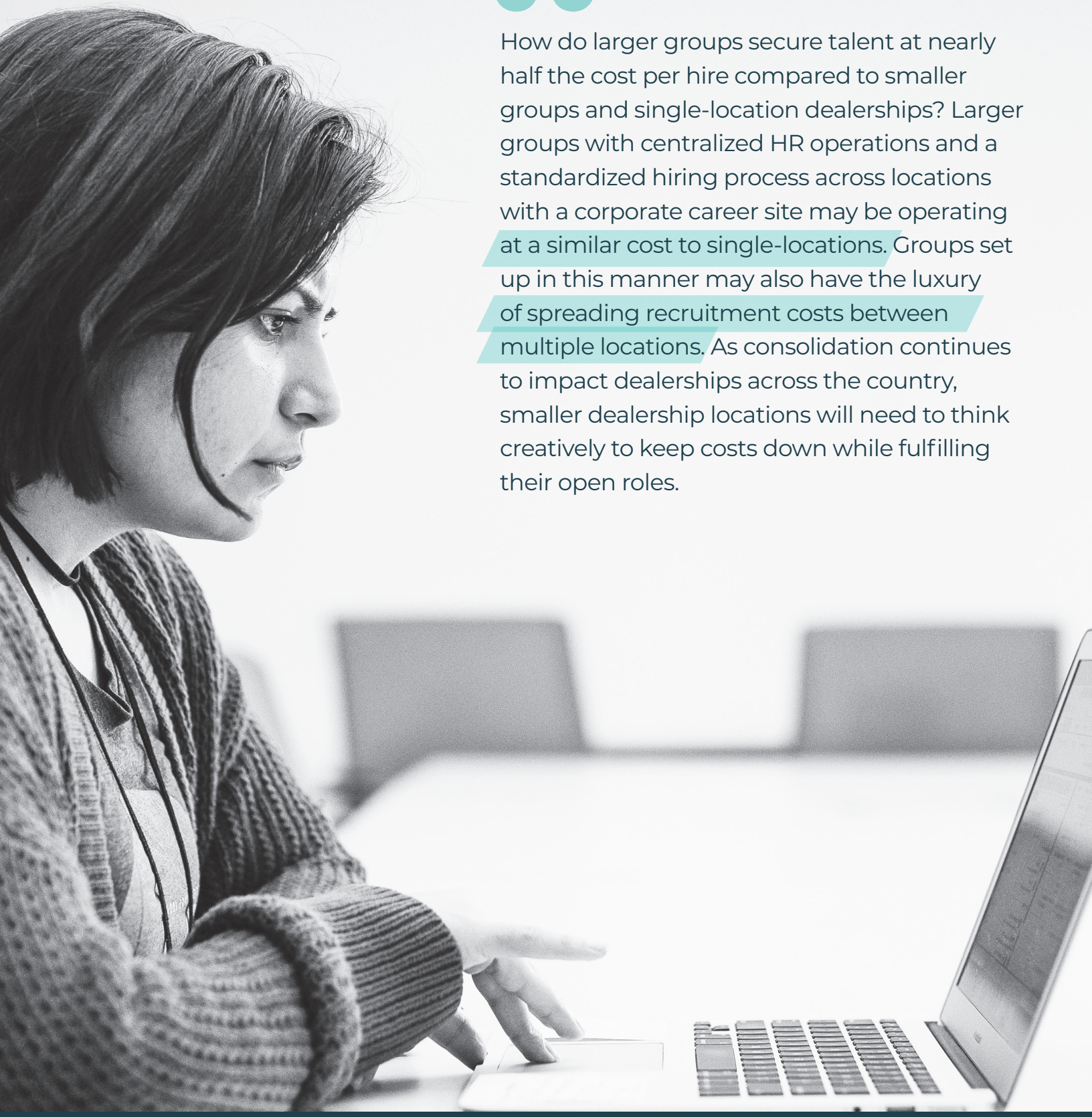
While within a dollar of variance, this difference means New England dealerships are paying 42% more for each applicant. Scaled across all applicants a dealership requires over the course of a year – or across all dealerships in the New England region – this translates into a substantial investment to attract applicants.

COST PER HIRE BY REGION



An even wider range is seen when analyzing the cost per hire. The New England region once again has the highest cost when focusing on the total cost all of the activity required in making a hire. Dealers in this region can expect to spend $376.86, higher than the second-costliest region, the Mid-Atlantic, which has an average cost per hire at just $220.11. West North Central is the only region with a cost per hire under $100, coming in at just $79.29.

This 4.75x cost variance shows the difference in applicant and hiring costs per region. The local workforce, economic makeup, regulations, and cost of living may factor into these regional cost differences. However, understanding these costs and how they scale from a single applicant to a group's overall annual hiring needs can help dealership teams make more informed decisions when planning their overall recruitment and hiring investments.



How do larger groups secure talent at nearly half the cost per hire compared to smaller groups and single-location dealerships? Larger groups with centralized HR operations and a standardized hiring process across locations with a corporate career site may be operating at a similar cost to single-locations. Groups set up in this manner may also have the luxury of spreading recruitment costs between multiple locations. As consolidation continues to impact dealerships across the country, smaller dealership locations will need to think creatively to keep costs down while fulfilling their open roles.

DEALERSHIP SIZE	COST PER APPLICANT	COST PER HIRE
1	$2.69	$239.13
2-5	$2.07	$166.80
6-10	$2.15	$148.26
11 plus	$2.76	$127.25

PERFORMANCE BY DEALERSHIP SIZE

There is considerable variance in the cost per applicant when comparing dealerships of different sizes. Interestingly, single-location and large group dealerships have the largest average costs per applicant, at $2.69 and $2.76, respectively. Small and mid sized groups realized minor savings on the cost per applicant front, with costs at $2.07 and $2.15, respectively.

However, evaluating the cost per hire based on group size shows the advantage larger groups have over their smaller counterparts. Dealerships with a single location spent an average of $239.13 per hire, while the largest groups will 11 locations or more spent just $127.25 – a savings of 47%.

BRAND TYPE	COST PER APPLICANT	COST PER HIRE
Non-Luxury	$1.91	$114.00
Luxury	$1.57	$130.52

PERFORMANCE BY DEALERSHIP TYPE

Comparing the sourcing costs across dealership types shows little difference between the cost per applicant and hire between luxury and non-luxury rooftops. Luxury dealerships have a slightly smaller cost per applicant vs. non-luxury locations ($1.91 vs. $1.57), but have a slightly hire cost per hire ($130.52 vs. $114.00).

SOURCING PERFORMANCE BY CHANNEL

Looking into individual channel performance shows how different recruitment efforts impact both applicants and hires. Some channels are better at driving a substantial amount of applicants for roles that need to be filled but may not require specialized skills. On the other hand, different recruitment channels may not drive a large number of applicants, but the individuals who apply through these sourcing efforts may be more specialized or skilled for niche jobs around the dealership such as senior technicians or parts managers.

No single channel will help solve all dealership recruitment needs, but understanding the strengths and weaknesses of each will lead to smarter recruiting efforts, more staffing ROI and a faster hiring process overall.

SOURCING COSTS BY CHANNEL

Hiring managers have many different recruiting channels to source dealership applicants. Yet the above section uncovered that different channels are good for different recruitment needs, and ***the channel mix used for different roles can make a substantial difference in terms of sourcing efficiency.***

This trend of efficiency continues when examining the cost per applicant and hire by each major recruitment channel, and analyzing whether the channels that drive

CHANNEL	COST PER APPLICANT	COST PER HIRE
Referral	$6	$21
Career Site	$5	$46
Organic Job Boards	$1	$87
Other	$9	$114
SMS	$7	$147
Facebook	$14	$220
Google	$12	$251
Targeted Ads	$25	$2,261
Sponsored Job Boards	$75	$2,681

the lowest applicant costs also have the lowest costs per eventual hire. The costs included in this examination include any third-party fees for ad placements in addition to the costs of technology such as website hosting and the applicant tracking system (ATS). An internal referral program discussed in the previous section highlights one of the lowest costs per applicant, and the lowest cost per hire at just $21.

Career sites are the second most effective recruitment channel – and the most efficient non-referral based sources at just $5 per applicant and $46 per hire. Finally, organic job boards round out the sources that realize a cost per hire under $100, coming in at just $87.

> *Dealerships looking to drive substantial cost savings on their people operations should focus on these channels – building a comprehensive referral program, developing a content-rich career site, and optimizing for SEO to ensure jobs are circulated on leading job boards organically.*

On the other end of the recruitment spectrum, sponsored job boards have both the highest average cost per applicant and cost per hire, at $75 and $2,681, respectively. Comparing the cost per hire of a sponsored job board to a hire made through a dealership's employee referral program shows referrals are over 99% more cost-effective than paid job board ads.

Sourcing hires from sponsored job boards alone would cost dealers 20x of what they're currently spending on recruitment today. Dealerships with a combined approach of a strong employment brand in the form of a career site, organic job board presence, and targeted marketing spend enables dealers to hire efficiently, with an average recruitment marketing cost of $155 per hire across these diverse channels.

Similarly, targeted employer ads are slightly more affordable with a cost per applicant of $25 and a cost per hire of $2,261. This platform is becoming more popular with dealerships looking to source across multiple job boards, display ad networks and social media simultaneously, similar to marketing tools used to advertise vehicles across the internet.

The most successful use cases for targeted ads are to source applicants for niche roles that require specializations or OEM certifications, such as senior technicians, parts managers, and other fixed ops roles where mass-market recruitment channels may be less effective.

TOP ROLES SOURCED WITH TARGETED ADS

1 | Sales Consultant
2 | Sales Representative
3 | Service Advisor
4 | General Technician
5 | Service Technician

RECRUITING TRENDS

While there are unique challenges region by region, overall, dealerships are looking to hire for more roles from a decreasing pool of talent. In this competitive market, this requires providing applicants with an exceptional candidate experience once they enter your hiring process.

Going inside the dealership to understand how dealers implement a hiring process can show an insightful look at what is working to engage top talent and what can be improved.

COMPONENTS OF THE HIRING PROCESS

The hiring process can be broken into two core components: the time to review and time to hire.

01

TIME TO REVIEW

The time between an applicant submitting a job application and the hiring manager reviewing their submission, deciding to reject or advance them in the process.

02

TIME TO HIRE

The time between an applicant submitting their application through offer acceptance.

On the sales side, these metrics are similar to the time to lead and time to closed sale. Dealership sales teams set the expectation to reduce the time to lead as much as possible. Applying this sales tactic to hiring and treating applicants like "employee leads" will have a substantial impact on hiring velocity.

TIME TO REVIEW AND HIRE BY ROLE

ROLE	DAYS TO REVIEW (ALL APPLICANTS)	DAYS TO REVIEW (HIRES ONLY)	DAYS TO HIRE
F&I Manager	5.6	5.6	13.7
General Manager	4.8	4.3	19.5
Parts Consultant	4.6	3.5	15.7
Parts Manager	2.5	1.6	22.6
Sales Consultant	5.7	2.5	14.9
Service Sales Manager	4.9	4.3	17.1
Service Advisor	5.0	2.6	18.2
Service Manager	4.0	1.9	19.0
Service Technician	4.7	2.3	20.5
Other	5.6	2.4	15.2

TIME TO REVIEW BY ROLE

Breaking down the time to review by role shows just how long applicants await review by a hiring manager.

Comparing time to review for all dealership applicants to those applicants who were eventually hired also shows a significant difference for key roles. ***On the fixed ops side, service technicians and service managers who were hired had review times that were twice as fast as the general audience – being reviewed in 2.3 days vs. 4.7 days, and 1.9 days vs. 4.0 days, respectively.***

On the sales side, the average sales consultant applicant spent 5.7 days in a hiring manager's inbox before being reviewed. For sales consultants who were eventually hired, the time to review drops by over half to just 2.5 days.

TIME TO REVIEW AS A PERCENTAGE OF THE OVERALL HIRING PROCESS

Another insight into overall process health focuses on how much of the overall hiring process is held up in a hiring manager's inbox.

F&I manager applicants spend upwards of 40% of their time waiting for a hiring manager's initial review. Similarly, an average sales consultant spends 38% of the process awaiting review.

Applicants for in-demand fixed-ops roles spend a significant amount of time waiting in the dealership HR team's inbox. While parts managers spend the least amount of the hiring process (11%) in the review stage, this increases dramatically for service managers (21%), service techs (23%) and service advisors (27.4%). This review time contrasts with applicants who are eventually hired into their role.

> *Service technicians who are eventually hired spend just 11% of the process awaiting review, moving 52% faster than all other applicants who do not receive a job offer.*

REGION	DAYS TO REVIEW (ALL APPLICANTS)	DAYS TO REVIEW (HIRES ONLY)	DAYS TO HIRE
South Atlantic	6.7	3.1	16.1
East North Central	4.2	1.9	15.4
Mid-Atlantic	5.9	3.7	14.5
West South Central	5.3	2.2	15.7
Pacific	6.2	3.5	17.4
Mountain	4.6	2.8	17.6
West North Central	3.1	1.7	13.1
East South Central	7.0	2.8	15.3
New England	5.0	3.2	19.9

REVIEW RATES ACROSS REGIONS

Between major dealership markets across the U.S., there is a large amount of variance regarding applicant review rates. Dealerships in the West North Central region review applicants quickly, with an impressive 3.1 days for the average role. The East North Central and Mountain regions are just behind, coming in at 4.2 and 4.6 days, respectively. On the slower end of the spectrum, the Pacific and South Atlantic regions clock in at 6.2 and 6.7 days, with the East South Central having the biggest opportunity to improve applicant review times with an average of 7 days – an entire week – to review new job applicants.

This translates directly to the overall time to hire. The dealership regions that are fastest to review in the West North Central region also enjoy an industry-leading time-to-hire average of just 13.1 days. Conversely, New England dealerships take an average of 19.1 days to hire, adding nearly an entire week to the overall process of bringing new talent into the dealership.

REVIEW RATES ACROSS DEALERSHIP SIZES AND TYPES

The size of a dealership has little bearing on time to review and time to hire. All dealerships surveyed, from single-locations through large groups, had an average review time between 5.0 and 5.9 days, with single locations reviewing applicants the fastest.

There is a similar trend when looking at the time to review applicants who become hires – the total review time drops to between 2.0-3.3 days. For groups that have 6-10 rooftops, this translates to a difference of hires being reviewed 67% faster than all total applicants. The overall time to hire is relatively consistent across group size as well, with all dealerships completing the hiring process between 15.2-17.3 days.

While the luxury market takes nearly two days longer to make a hire compared to non-luxury dealers – 17.8 days vs. 15.5 days, we see similar behavior in overall time to review (5.3 vs. 6.9 days) being twice as long compared to those who were eventually hired (2.5 vs. 2.6 days).

REVIEW RATE PROCESS IMPACT

Year to date, 67% of automotive hires were reviewed within the first day that they applied.

A total of 82% of hires were reviewed within three days, and 94% of all eventual hires were reviewed by a hiring manager within seven days.

Just 6% of hires had a review time exceeding the seven-day threshold. Overall, the average time to review for retail automotive hires is less than three days (2.5), which is nearly twice as fast as the average time for all applicants. With just 6% of job seekers becoming hired if their review rate exceeds a week, hiring managers should make a concentrated effort to evaluate new applicants as quickly as possible.

OF ALL AUTOMOTIVE HIRES MADE...

67%
reviewed within the first day

82%
reviewed within three days

94%
reviewed within seven days

UNDERSTANDING LOST APPLICANTS

Lost applicants are job applicants who are either never reviewed by a hiring manager, or have a review time greater than 21 days: the average time it takes to find a job.

As dealership teams are faced with talent shortages, understanding the number of lost applicants will make an immediate impact in "finding" new applicants – in some cases 20% or more – by simply having hiring managers review each application they receive.

LOST APPLICANT IMPACT

The following sections look at lost applicants by dealership role, region, size and type, across the board. There is an opportunity to improve the review rate for dealerships to have many more applicants to review and staff up with – without changing anything beyond looking at the applications submitted to today's open dealership roles.

How large is this opportunity? In the first half of 2019, nearly one in every five applicants in the automotive industry was lost, translating to roughly:

One million applicants

not being reviewed in a timely manner.

The opportunity for dealerships of all sizes and across all regions is to get back one million applicants – by doing nothing more than reading the applications submitted to fill today's open roles.

> Hiring managers should also review new applicants even when candidates near the end of the interview process. Stopping the review process for new applicants because a candidate is near the offer stage could result in other strong candidates being lost in a pile of applicants.

ROLE	LOST APPLICANT PERCENTAGE
F&I Manager	18.7%
General Manager	18.0%
Parts Consultant	18.8%
Parts Manager	13.8%
Sales Consultant	16.0%
Sales Manager	14.5%
Service Advisor / Writer	12.4%
Service Manager	11.9%
Service Technician	7.5%
Other	18.8%

LOST APPLICANTS BY ROLE

Nearly all of the most commonly staffed for roles have double-digit lost applicants. General managers and F&I managers have 18.7% – nearly one in five applicants are not reviewed by a hiring manager, or are reviewed in a time greater than 21 days.

Fixed-ops roles – specialized and hard to source – have significant lost applicant rates: 18.8% for parts consultants, 13.8% for parts managers, 12.4% for service advisors and 11.9% for service managers. Just one fixed ops role, the service technician, has a single-digit lost applicant rate, coming in at 7.5%.

> *As roles are constantly open for the fix-ops side of the business, committing hiring managers to review all applicants could find nearly 20% more applicants without spending any additional money on outside recruitment channels.*

LOST APPLICANTS BY REGION

There are also regional differences in lost applicant rates. Dealerships in the ***West North Central, which also have the fastest review times, have the lowest rates of lost applicants, coming in at 10.4%. Dealerships in the South Atlantic and East South Central are losing substantially more applicants, at 22.1% and 23.5%, respectively.*** For dealerships in the East South Central region, this means that nearly one in four job applicants are never reviewed or are forced to wait so long for feedback that they have time to find work elsewhere.

REGION	LOST APPLICANT PERCENTAGE
South Atlantic	22.1%
East North Central	14.9%
Mid-Atlantic	16.1%
West South Central	18.0%
Pacific	17.7%
Mountain	14.9%
West North Central	10.4%
East South Central	23.5%
New England	16.2%

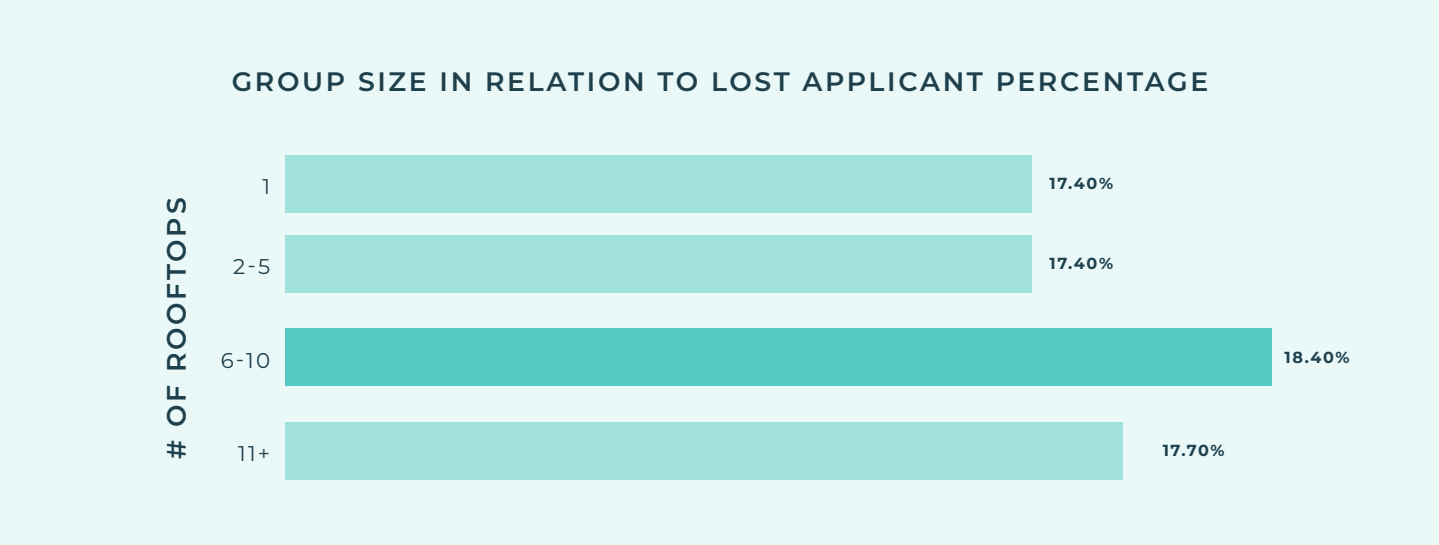
Simply by having hiring managers review these lost applicants means increasing the available talent pool by nearly 25% without making any other process changes or investment.

LOST APPLICANTS BY LUXURY AND NON-LUXURY

Dealership type has a small factor in the lost applicant rate. Non-luxury rooftops experience an average of 17.4% lost applicants, which is nearly five percentage points lower than luxury dealerships at 21.2%.

LOST APPLICANTS BY SIZE

Dealership size has little impact on the lost applicant rate. Single-location dealerships and groups with up to five locations experience a lost applicant rate of 17.4%. This ticks up slightly for medium groups that have 6-10 rooftops (18.4%) and decreases slightly for larger groups (17.7%) showing that there is no dramatic swing in lost applicants based on group size alone.



CONCLUSION

Thank you for reviewing our first-ever research on the state of hiring in retail automotive. By looking back at our data from one in five new car dealerships across the country, it's clear that the challenge to find and hire dependable employees is only increasing.

Dealerships are continuing to open new roles across departments, but seeing decreasing applicant interest for their new positions. To get in front of the right applicants, the most savvy dealerships are leveraging a diverse set of recruitment channels – employee referrals, a career site, job boards and targeted ads to ensure they are reaching applicants across a variety of online sources and spending recruitment dollars efficiently.

Once job seekers begin to apply for open roles, a streamlined review process can ensure no applicants are overlooked. These lost applicants totaled to an estimated one million automotive employees in the first half of 2019. This is a substantial missed opportunity at the dealership level and the industry as a whole if these candidates looked for work outside of retail automotive. Additionally, 67% of all dealership hires were reviewed within one day, showing the importance of reviewing applicants quickly to down top talent in this hyper-competitive job market.

We sincerely hope that by reading this report, you're able to take tactics back to your dealership to improve your process and better connect with top talent to build your best team.

WHY TRUST US

Hireology has established itself as the leader in automotive hiring. Powering one in five new car dealerships across the country, our organization has a substantial understanding of the unique hiring challenges and opportunities facing retail automotive today. Our technology has helped dealerships process seven million job applications and have placed over 100,000 new automotive hires into dealership roles.

By collaborating with NADA on the release of this first-ever research, we're excited to share our unique perspective and data to provide insights on the actual hiring activities occurring across 4,000 dealerships to help the automotive industry remain competitive when attracting and hiring top talent.

METHODOLOGY

To compile this first-of-its-kind study, Hireology analyzed hiring activity representing 4,000 dealership rooftops between January 2019 and June 2019.

Hireology compiled unique insights regarding the recruitment and hiring process to share key learnings across OEMs, regions, and dealership sizes.

SURVEY METRICS EVALUATED:

- Number of Dealerships
- Total Number of Jobs, Applicants, Candidates, Hires
- Average Jobs, Applicants, Candidates, Hires
- Time to Review (All), Time to Review (Hires), Time to Hire
- Applicant to Candidate %, Applicant to Hire %, Lost Applicant %
- Applicants per Candidate, Applicants per Hire
- Efficiency Index, Applicants Needed to Make a Hire
- Soft Cost per Hire, per Applicant
- Recruitment Marketing Channel
- Recruitment Marketing Spend per Applicant, per Candidate, per Hire

SEGMENTATION:

- By Recruitment Source
- By Job Type
- By Region
- By Dealership Size
- By Luxury and Non-Luxury

DEALERSHIP GROUP SIZE DEFINITIONS:

- Single-rooftop: One location
- Small: 2-5 rooftops
- Mid-sized: 6-10 rooftops
- Large: 11+ rooftops

APPENDIX

TERMS AND DEFINITIONS

METRIC	DEFINITION
TOTAL JOBS	The number of distinct job openings that were included in each segment.
TOTAL DEALERS	The total dealers featured in each segment.
APPLICANTS	The number of applicants received during the specified period.
CANDIDATES	The number of candidates received during the specified period.
HIRES	The number of hires received during the specified period.
AVERAGE OPEN ROLES	The average daily number of open roles by rooftop.
AVERAGE APPLICANTS	The average number of applicants by rooftop.
AVERAGE CANDIDATES	The average number of candidates by rooftop.
AVERAGE HIRES	The average number of hires by rooftop.
AVERAGE TIME TO REVIEW	The average delta between a candidate's application date and the date that they were first reviewed, by segment.
AVERAGE TIME TO REVIEW (HIRES)	The average difference, in days, between an applicant's application date and the date that they were first reviewed, by segment; Segmented by the population of applicants that were hired.
TIME TO HIRE	The average delta between a candidate's application date and the date that they were hired, by segment.
LOST APPLICANT PERCENTAGE	The percentage of applicants that had a time to review of > 21 days or were not reviewed at all.
APPLICANT TO CANDIDATE PERCENTAGE	The percentage of applicants that were moved to candidate status.
APPLICANT TO HIRE PERCENTAGE	The percentage of applicants that were hired.
APPLICANT PER CANDIDATE	The number of applicants needed to yield a single candidate.
APPLICANT TO HIRE PERCENTAGE	The number of applicants needed to yield a single hire.
EFFECTIVENESS INDEX	Each segment's percent of the entire hire population divided by each segment's percent of the entire applicant population. The higher a given segment's index, the more effective it is a yielding hires.

HAVE QUESTIONS, FEEDBACK OR WANT TO HEAR MORE?

CONTACT US AT INFO@HIREOLOGY.COM

We would love to hear from you.