



The Future of Automotive Hiring 2022



How the talent shortage created
a new set of hiring best practices
that will become table stakes
in years to come



Introduction

While organizations in many industries faced difficulties keeping their businesses afloat during the pandemic, automotive dealerships were hit particularly hard. Coupled with inventory shortages, dealerships were forced to adjust to e-commerce, reduce staff, and radically adjust their sales approach to reach their socially-distanced customers. In short, dealerships had to learn how to do more with less, both in terms of inventory and staff.

But as the economy recovered and consumer demand skyrocketed, you needed to staff up and backfill the roles you lost — fast. But that proved to be easier said than done. Folks who lost their jobs at the onset of the pandemic weren't eager to jump back into the roles they once held due to factors like ongoing health concerns, lack of childcare, a need for better pay and benefits, and more. Many chose to pursue different types of work or remain on the sidelines altogether.

As a result, many businesses — auto dealerships included — struggled to remain fully staffed and thus serve their customers at the level they'd like to.

71% of dealerships say that the hiring crisis has negatively impacted their ability to serve customers

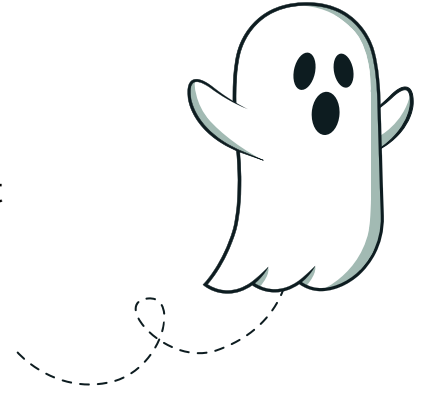


Despite these considerable challenges, there were dealerships that thrived during this time. Those businesses were ones that envisioned what their new ideal auto worker looked like and adjusted their recruiting and hiring practices to capture those candidates. They turned their backs to outdated processes and refined their approaches and tactics to attract and quickly hire top talent in the volatile labor market. These strategies worked — and they are here to stay.

Hireology received feedback from nearly 200 of our auto dealerships about what they found created the most successful offense against these hiring obstacles. From attraction to retention, we wanted to know what they found drove the best results — and we're sharing our findings with you.

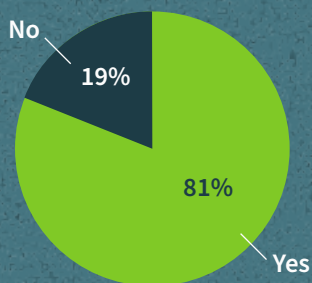
The candidate experience is priority

When job seekers have the upper hand, they simply do not have to endure hiring processes that are inconvenient or difficult to navigate. For example, candidates who are asked to come in person for multiple interviews might drop out because they can't find childcare or get away from their current job. Or, candidates might find it difficult to communicate with recruiters via email if they are busy and on-the-go.

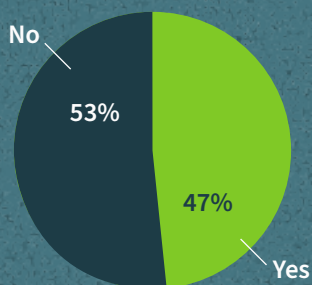


These types of hiring process frustrations combined with an labor supply and demand imbalance have led to a new phenomenon called “ghosting” — where candidates drop out of the hiring process without notice. According to the survey, 80% of dealerships say they have experienced candidates ghosting interviews in the last six months. Of those, 27% say it happens more than 30% of the time. What's more, 46% of auto respondents say they have had candidates even ghost an offer.

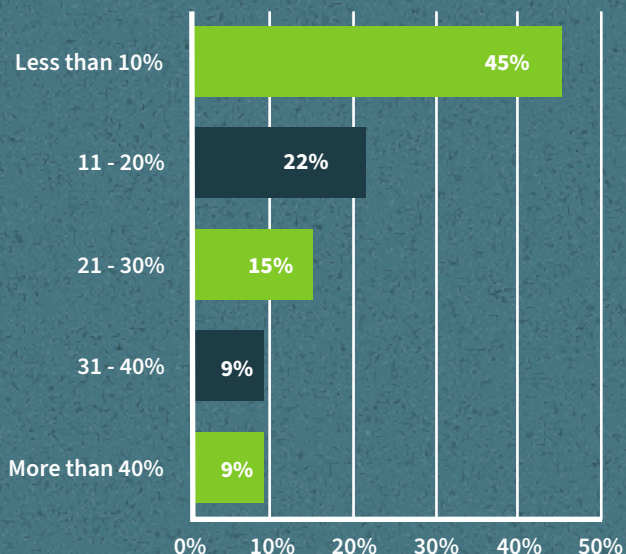
In the past six months, have you ever had a candidate “ghost” an interview?
(e.g., candidate doesn't show up and gives no warning)?



In the past six months, have you ever had a candidate “ghost” an offer?
(e.g., candidate doesn't respond)?



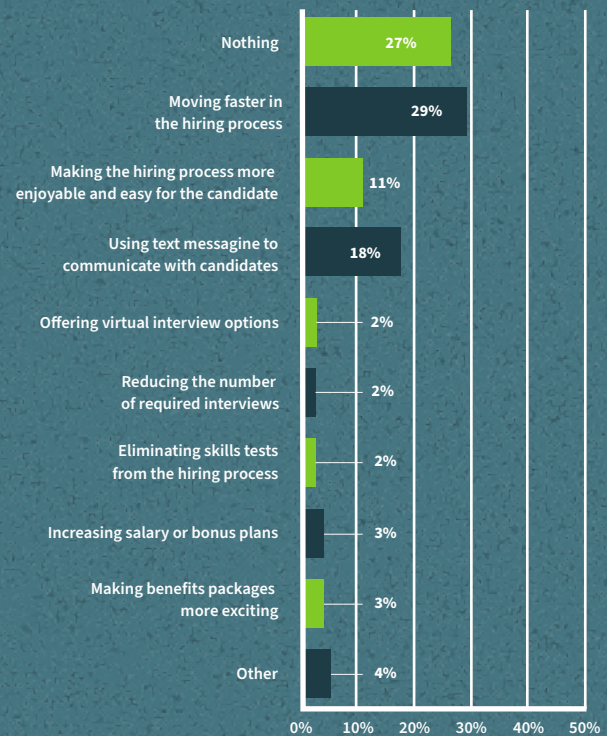
If yes, about what percentage of interviews are “ghosted”?



While a little over a quarter of our dealership respondents say they feel there is nothing they can do about candidates who ghost, the rest have a more positive outlook. According to the survey respondents, moving faster in the hiring process is the number one way to combat candidate ghosting, while others noted texting and improving the candidate experience have worked.

Although there will come a time where the labor supply and demand imbalance will even out, providing a great candidate experience is a best practice that will always be important. If you're asking someone to come work for you — regardless of how bad the hiring crisis is — why make them jump through hoops and be inconvenienced in the hiring process? You should be treating them like you would a customer — making the process as easy and seamless as possible from their end.

What have you found works best to combat “ghosting”?



Hireology Tips

Get more organized

Candidates can sense when your dealership is unorganized behind the scenes, and it gives them an idea of what it's like to work for you. Mistakes like double booking your team for interviews, data errors, or ill-prepared interviewers can leave a bad taste in your candidates' mouths. Avoid these issues by centralizing your hiring tools — all candidate information, candidate communication, interview notes, skill tests results, and more should live within one single platform.

Prioritize convenience

Failure to make the hiring process as easy and convenient for candidates is another sign that you do not respect the needs of your people. So when it comes to tasks that are traditionally clunky — like communicating back and forth and scheduling interviews — use tools that streamline these steps a bit. For example, maybe you use text instead of email when communicating with candidates so they don't have to navigate through cluttered inboxes or try to respond to emails on their phones.

Move faster

Slow hiring processes signal to candidates that you do not respect your employees' time. So if you're a leader on your team, mandate 24-48 hour response times to initial applicants. When it comes to the rest of the hiring process, try to keep it between two and three weeks. And never make a candidate wait more than a day to hear back about next steps after an interview or a skills test completion.

Wage increases aren't the only way to compete

When labor supply and demand is off, the most common approach dealerships take to outcompete competitors for talent is offering higher pay. This is a tactic that 57% of our survey respondents say they've used in the last year. As a whole, the country has experienced a wage hike of 5.7% YoY.

Although hiking wages can certainly help you attract more talent in the short term, it is not the only way to compete long-term nor is it the most effective. Wage hikes can of course become harmful to your profit margins in the long run so there has to be a limit. On top of that, workers don't necessarily just want jobs that pay a lot if the company and the role doesn't also meet other needs. Most are looking for a balance of good pay for the type of work along with non-monetary benefits like great culture, good working conditions, flexibility, and growth opportunities.

According to our study, nearly 30% of our surveyed dealerships say they've actually had candidates accept roles at their company over a higher-paying offer because they've prioritized the perks that truly matter to workers. Those who said they have had candidates accept a role at their company over a higher-paying offer were significantly more likely to offer greater flexibility than those who haven't had a candidate choose their offer over a higher paying one (47% vs 24%). This group was also more likely to offer educational opportunities (30% vs. 20%).

65%
greater flexibility



38%
less flexibility



Those who said they have had candidates accept a role at their company over a higher-paying offer were significantly more likely to offer greater flexibility than those who haven't had a candidate choose their offer over a higher paying one.

35%
educational opportunities

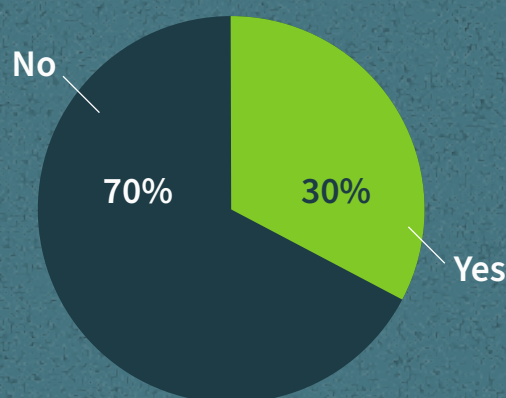


24%
no educational opportunities



This group was also more likely to offer educational opportunities.

In the past 6 months have you had a candidate accept a role at your company over one that was higher paid because you offered better non-monetary benefits (e.g., flexibility, great culture)





Hireology Tips

Get to know your target audience

There is no universal set of priorities for all job seekers. Everyone has different benefits that they favor. Conduct your own research through surveys or interviews, look at industry benchmarking data, and speak with your existing team to learn what your particular target audience favors. With the changing landscape of the automotive industry, certain positions may be afforded more flexibility than before with eCommerce becoming the norm, while others may simply benefit from scheduling flexibility.

Enhance your employment brand

Once you figure out what it is that your target employees want in a job, you need to advertise that you meet these needs. The best channel for this is your career site. This is your chance to really highlight everything that makes your dealership a great place to work — whether that's your exceptional culture, your career growth opportunities, or flexible working conditions. Social media is another great channel for employment brand messaging.



Top candidates move fast, so you have to be even faster

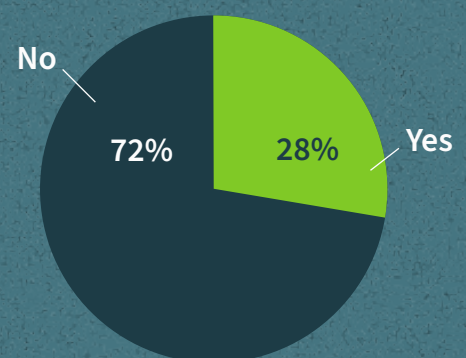
Given the demand for workers in the past two years, any job seeker who has wanted a job was able to find one rather quickly. In fact, a previous Hireology study of recent job seekers found that for 42% of job seekers the entire job search and hiring process took only two weeks — from initial application to offer. When companies come across a great candidate in a tough hiring market, they waste no time scooping that person up.

Nearly 30% of our survey respondents said they have lost candidates because they weren't able to move fast enough in the hiring process. And as noted above, moving faster is actually the most effective way to combat ghosting too. Gone are the days of candidates slogging through month long hiring processes with multiple in-person interviews and week-long gaps in communication. Hiring today happens fast.

As we approach a potential end to the post-COVID hiring crisis, speed isn't going to be a factor that loses importance. In fact, candidates will have become accustomed to employers offering a faster and more efficient hiring process and they're going to think negatively about those that return to bureaucratic, slow-moving processes. So if you haven't prioritized streamlining your hiring process and trimming your time-to-hire it's not too late.



In the past 6 months have you lost a great candidate because you weren't able to move them through the process fast enough?





Hireology Tips

Streamline your process

Define a repeatable and predictable process that everyone on your team knows inside and out. Just like your sales strategies, your process should include timing for each step too. For example, initial application review should happen within 24 hours, and candidates should hear back about next steps within 48 hours of an interview. That way there is no question about what to do next and when. Nothing falls through the cracks and folks don't waste time deciding what to do next.

Text your candidates

In addition to being more convenient for candidates, texting can shave days off your hiring process. People live their lives on-the-go, and despite how advanced smartphones have become, email is difficult to navigate on mobile devices. On top of that, email inboxes are cluttered with marketing messages, making it easy for your messages to get lost. Cut through the noise and save time by texting your candidates directly about things like interview scheduling or reference checks.

Centralize your HR tools

Jumping from system to system to complete tasks like interview scoring, background check orders, and reference checks can add days to your hiring process — days you can't afford to waste. On top of that, you risk making mistakes that can be detrimental to your efforts. But when you bring every step in your hiring process into one central system (as well as all of your data), it's easier to quickly move from step to step and reduce the risk of error.



Talent is out there — you just have to cast a wider net

The pandemic also forced dealerships to get creative to find talent. While distributing open roles on job boards alone may have worked in the past, relying on these sites without any sort of supplemental sourcing strategy no longer cut it during the 2021 talent shortage. In fact, 38% of our survey respondents said that in order to attract more talent they posted job openings on a wider variety of channels.

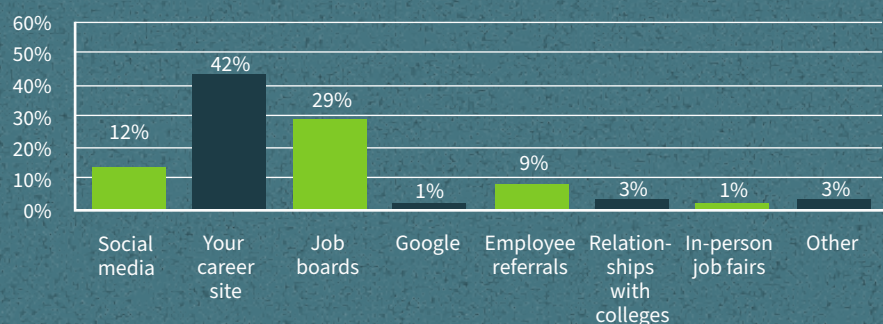
In the past year, 53% of employers have posted job openings on a wider variety of channels in order to attract more applicants

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What channels worked the best? According to our study, job boards still drove the most applicants for 29% of dealerships, but 41% of respondents said career sites outperformed all of their channels, and 12% said social media has performed best. There is no single answer to which channel will drive the best ROI in terms of hires. What matters most is that you monitor the effectiveness of your channels and allocate your resources toward the one that performs best.

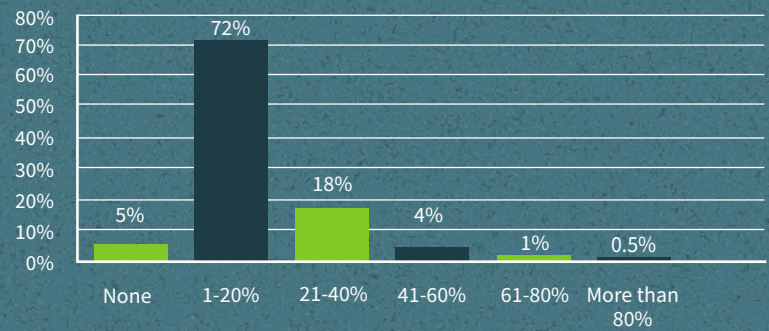
When it comes to referral programs specifically, 77% of our surveyed auto dealerships said they did have one in place but 72% of respondents said that only 1-20% of their applicants come from referrals. This indicates that while referral programs are common, most are not as effective as they could be. Those who do not have a referral program said they don't have the budget for it or don't know where to start.

In the past 6 months, which channel has been your top source of hires?



Even as hiring becomes easier, we will never return to a time where organically posting jobs on Indeed.com is enough to reach quality applicants. The goal should never be to simply maximize the quantity of applicants, but rather to maximize quality of applicants. And many of the tactics used during the post-pandemic hiring crisis are actually much more effective when it comes to quality over quantity, especially in the automotive industry.

If yes, what percentage of hires come from referrals?



For example, among Hireology customers, career sites drive 34% of eventual hires. And employee referral candidates are four times more likely to get hired than non referral candidates. Folks who seek out your career site and take the time to apply there are typically more interested in your organization, whereas job board applicants are usually less serious about your open roles. Similarly, referral candidates are essentially already vetted by your existing employees, making them ahead of the curve compared to candidates from other sources.



Hireology Tips

Use social media

Seventy-two percent of U.S. adults are active on at least one social media site, making social media a really easy and free way to expand your reach to more people. You can post your open roles organically or take advantage of social media job boards like LinkedIn. Social media is also a good way to reach people passively — not all social media users are actively looking for a job, but if you show up in their newsfeed they might think twice.

Enhance your employee referral program

Your employees' networks can be a great source of top talent. So if you don't already have an employee referral program in place it's time to start one now. If you do, chances are it's in need of some love. Think creatively when it comes to promoting your program internally and motivating folks to participate. One approach many Hireology automotive customers have found success with is gamifying their program and tapping into their teams' competitive side. This might include creating a public leaderboard to promote competition or rewarding your top performers with additional cash bonuses or other prizes.

Beef up your career site

As noted above, your career site is a great opportunity to brag about yourself. Feature everything that makes you a great employer “above the fold” on the page. Additionally, it’s important to incorporate SEO best practices so that your site shows up in Google search results. Incorporate important keywords, break the text down into sections, use bullet points, and make sure the content is well written.

A new era of hiring requires new job descriptions

Because pandemic-era job seekers are pickier and more selective than ever, many organizations are reimagining their job descriptions in order to attract them. On top of that, in a labor supply and demand imbalance, employers are also looking for different types of talent than they may have in the past, which also requires new job descriptions. For example, the type of talent dealerships are searching for now extends beyond what previous roles entailed. To fill the vacancies, dealers need to be open to folks who don’t have specific industry experience but do possess the soft skills or eagerness necessary to succeed. Others have considered looking for people with different educational backgrounds in order to expand their pools of talent.

In the last 6 months, 33% of surveyed dealerships have changed the required skills and experiences listed in job descriptions in order to attract different types of applicants


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So how exactly has this changed job descriptions? First, top automotive dealers have chosen to use job descriptions as more of a selling tool, listing benefits and perks of the job first rather than roles and responsibilities. The goal is to show job seekers that you offer what they want right off the bat, then get into exactly what the job entails.

Secondly, many dealerships are choosing to list a wider range of skills and equivalent experience in order to attract more applicants who might have a high potential for success, but lack all the requirements to apply. Building off the example above, you might list more general experience and skills like desire to learn, experience working directly with customers in any setting, and tech savviness rather than specific software skills or experience in your industry.

Example Job Description

Automotive Sales Associate

 Post Falls, ID Full Time

[APPLY NOW](#) or [APPLY WITH INDEED](#)

Knudtsen is a family-owned and operated company that provides the community with new and used cars, a full-service body shop and service department, as well as Genuine GM Parts. At Knudtsen, we strive to be a team and truly value our relationships with each other, our customers, and the community.

If you're passionate about working with people, want to continue their own professional development, and have the desire to be an integral part of a team, come join our family for a rewarding opportunity in automotive retail.

Our Core Values:

1. Relationships
2. Legacy
3. Passion
4. Excellence
5. Transparency

Why Knudtsen?

At Knudtsen, we are committed to our employees, customers, and the community in which we live, work, and play. We love supporting and attending local events and encourage our employees to get involved as well! Additionally, we have some phenomenal benefits:

- Paid health insurance – medical, dental, vision – for employees and dependents
- Life insurance plans
- Paid holidays
- Sick pay
- Paid vacation
- Employee purchase discounts
- 401(K) Retirement Savings Plan
- Community service opportunities
- Fitness room
- Training and education assistance

Compensation \$50,000 to \$80,000 plus a year

Automotive Sales Associate

Responsibilities

At this time we are looking for someone with a minimum of 2- 5 years Automotive Sales Experience

- Approach, greet, and offer assistance or direction to all customers.
- Determine customer needs, perform vehicle walk-arounds, and take customers on test-drives to set up for a successful sale.
- Fully explain product performance, application, and benefits to customers. Describe all optional equipment available for customer purchase.
- Write complete paperwork according to dealership standards, work with sales manager to close deal, and turn all closed deals and paperwork over to the Finance Department.
- Deliver vehicle to customer, ensuring the customer understands the vehicle's operating features, warranty, and paperwork.
- Introduce customer to service department personnel to emphasize the quality and efficiency of service repairs and maintenance available.
- Maintain prospect development and owner follow-up systems to encourage repeat and referral business. Additionally, follow up on all post-delivery items.
- Complete required training and keep up-to-date on new products, features, accessories, etc. and the consumer benefit.

Qualifications

- A team player focused on providing ethical, exemplary customer service.
- Self-motivated with the ability to set and achieve targeted goals.
- Excellent written and oral communication skills.
- Experience in automotive sales is preferred.
- Working knowledge of computers, basic software, and Internet, and ability to learn database management and customer relationship software. Has familiarity with all federal, state, and local laws which govern retail automobile sales, as well as a basic knowledge of equity, values, and depreciation and can explain them to the customer.
- Have a valid driver's license.
- Pass a motor vehicle report and possess a safe driving record.
- Pass a criminal background check and drug test. Also subject to random drug testing at the company's request.

We are an equal opportunity employer and prohibit discrimination/harassment without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state or local laws.

[↑ Hide full job description](#)



Hireology Tips

Restructure your job descriptions

When you're selling a car, you lead with its best aspects — why your vehicle is better than those of your competitors. You need to do the same for your jobs, starting with your job descriptions. That means leading with the benefits you offer and what employees gain from working for your dealership. For example you might start by describing your great culture and flexibility offerings, then you'd describe other benefits like health insurance and PTO. Finally, you'd describe day-to-day responsibilities and requirements.

Offer more training

If you're going to expand the types of folks you hire for certain roles, it's important to offer the right training so that your new hires can gain those hard skills necessary for the job. For example, if you hire someone with adjacent experience, who is a go-getter with good people skills but doesn't know how to negotiate for best profit, give them a comprehensive training session during week one rather than asking them to figure it out on their own. The latter leads to frustration and unhappiness in the long run.

Conclusion

The pandemic fundamentally changed many aspects of life as we know it — recruiting and hiring included. We went from record unemployment in April of 2020 to an unprecedented labor shortage for much of 2021. As an employer, you had to adapt your hiring strategies, experiment with new tactics, and step outside of your comfort zone. Winning employers will recognize that the industry has changed permanently, and that everlasting changes to the hiring process are necessary for survival.

Hireology is designed to help you do just that. We're committed to evolving our product alongside hiring best practices and workforce trends. Our platform is an all-in-one recruiting, hiring, and employee management solution that includes features like built-in employee referral program software, skills tests, candidate texting, digital onboarding, and more.

Schedule a demo today to learn how Hireology can help you get ahead of today's hiring trends and win as we navigate today's post-pandemic economy.

Methodology

Hireology surveyed 190 automotive dealership leaders in December of 2021.

