



The Automotive Workforce Crisis

In July last year, the Motor Trades Association of Queensland held its fifth Carmageddon, a one-day automotive innovation conference with attendees from a large cross section of the automotive industry, as well as government, academia, and media.

It was a terrific event and I was fortunate enough to be part of a panel that discussed the current automotive workforce crisis. In the lead up to Carmageddon 2023 in July, it's worth revisiting what we covered in that session, given the continuing workforce crisis.

Of course, the workforce crisis is not just effecting the automotive industry.

Has it ever been this bad?

I've been working in the field of Human Resources for more than 25 years and I've never seen it this bad. The workforce crisis is having an obvious impact on the automotive industry, as well as many other industries, and it's causing stress and burnout.

There are lots of employers advertising roles (e.g. on Seek) and receiving no applicants, or no qualified applicants.

The impact

I've seen the impact of this situation on a number of business owners. The stress of being short-staffed means existing staff and the owners have to work longer hours. It's causing stress for workers and it's leading to burnout. In many cases, working parents are spending less time with their children and partners and this is putting marriages under strain.

I know a number of business owners who are considering selling their business because of the trouble they are having with finding staff. One of the most alarming examples of this crisis is two business owners I know who caught employees stealing from them (via CCTV cameras), and decided to take no action. Both decided it was better to put tighter controls in place, rather than go through the difficulty of replacing the employees.

And of course wages are increasing rapidly in a lot of industries. Employers are having to pay more than ever before to attract staff and many employers are giving their employees pay increases to reduce the risk of them leaving.

What's the solution?

Unfortunately, there's no simple solution to the crisis, but you can minimise the impact of the crisis on your business. The first priority is to retain the good staff you already have. It's never been easier to switch jobs and many employees are leaving jobs, usually for more money. But while money is important to all of us, it's not the only thing that drives an employee to leave their job.

The good employers are able to retain employees because of a range of reasons, not just pay.

1. Encouragement and verbal rewards. Don't underestimate the value of creating a work culture where employees are thanked for doing a good job. A recent study by Gallup (From Praise to Profits) shows that only 1 in 4 employees agreed that they received recognition for doing a good job.

My experience and involvement with staff surveys has shown me that most employees in most organisations are not happy with the feedback they receive about the job they are doing. People crave feedback, in general, but especially positive feedback when they do a good job. When employees receive recognition for doing a good job, it has a remarkable impact on productivity. And people are less likely to leave a job when they feel appreciated.

2. Providing employees with new challenges and training. People want challenge and they want to develop new skills. It's important to provide opportunities for employees to further develop their skills, and it's a way to retain employees. Nobody wants to do the same repetitive work day-in-day-out. One option is to set up a system of rotation, so employees get to learn new tasks, feel challenged, and develop new skills.

3. Annual pay reviews. Employees will start to feel a sense of unfairness if their pay rate is not reviewed, particularly when they know it is out of step with what others are being paid, either within the same organisation or in similar jobs in other organisations. It's important to review pays on a regular basis. A good time to do this is at the end of the calendar year or at the end of the financial year.

The next piece of the puzzle is to find innovative ways of attracting employees to your business. Apart from advertising,

some additional options you should consider include:

1. Consider employing overseas workers. There are a number of migration agents that assist employers to source workers from overseas. You can employ someone on a short-term visa (e.g. a working holiday visa) at a relatively low cost, before making a decision about whether you want to employ that person longer-term, on a more costly sponsorship visa. While sponsorship can be costly, a key benefit is that employees are tied to the sponsoring employer.

2. Train employees from scratch. Increasingly, employers are having to employ unskilled employees and then train those employees to perform a range of automotive jobs (such as tyre fitting or apprentice mechanics). It's time consuming to train unskilled workers, but it's an increasingly important investment given how difficult it is to find skilled staff.

3. Diversify. Consider employing older workers, younger workers and females. The government is creating incentives to encourage employers to employ older workers.

Also, while the automotive industry has traditionally been a male dominated industry there were some great and refreshing examples at Carmageddon of employers recruiting females into a variety of jobs. These include apprentice mechanics, tyre fitters, and sales roles and they appear to be experiencing great success with this strategy. There are plenty of females who are passionate about the automotive industry.

About John Girardi

John Girardi is a human resources consultant who runs Girardi Human Resources. He works with a number of employers in the automotive industry to provide outsourced human resource support, including providing Fair Work advice, drafting employment contracts, performance management, management training, and recruitment.



You can find out more about Girardi Human Resources here: www.girardi.com.au

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