

# Seeking Qualified Technicians:

How to Recruit  
(and Retain) Talented  
Service Technicians



## Recruiting and retaining qualified service talent for auto retail today is a continuing trial.

"It keeps business owners and managers up at night," notes Rich Diegle of ALldata.<sup>1</sup> "Nobody disputes the fact that there are not enough good, certified technicians to fill the needs of the automotive industry."<sup>2</sup>

Finding skilled labor or interested and capable individuals is a global concern. In fact, skilled trades, which include automotive and collision center technicians, have, for the last 10 years, been at the peak of the Top 10 list of hardest employment roles to fill according to ManpowerGroup's *2018 Talent Shortage Survey*.<sup>3</sup>

Ford Motor Company says the automotive retail industry will need 45,000 technicians over the next seven years.<sup>4</sup>

Not everyone is convinced about the extent of the opportunity however.

"I'm not so sure there is a shortage of technicians," suggests Trish Serratore, president of the ASE Education Foundation. "Dealerships still get cars done in a day or two, depending on the problem. What I hear is, 'I can't find the *right* person for my job.' That's a different story entirely. Tech schools are turning out entry-level techs all the time."

Nationwide, 2,300 ASE-accredited technical schools that offer automotive technologies programs are graduating upwards of 40,000 students a year. A TechForce analysis of U.S. Bureau of Labor Statistics data indicates demand for new-entrant technicians through 2026 across all sectors—automotive, diesel, motorcycle, RV—is 75,900 new techs *per year*, three times higher than expected.<sup>5</sup>

Those graduates find their way into the aftermarket, RV dealerships, fleet organizations, and retail automotive dealership service departments. Along the way, many of them conclude that an automotive service technician career isn't right for them and they pursue other options.

What is causing this situation? Where is all the talent? How do you recruit and retain qualified technicians for your dealership? Read on to find out more. And don't miss the recruitment and technician best practices at the end of this whitepaper. We encourage you to consider how your dealership and service staff can get more involved in the mission to find and keep excellent technicians.

## The Situation

A 2001 *Wards Dealer Business* magazine article, "Teaching Tomorrow's Dealership Staff Is a Labor of Love and Frustration,"<sup>6</sup> focused on the technician talent drought.

"You could write that story again today exactly as it appeared then," says Jay Knobbe about the state of tech recruiting and retention in 2018. He has spent 23 years in automotive service, in the bays turning wrenches and in dealership service management. Today, he is the parts and service director for Palmen Motors in Kenosha, Wisconsin.

Knobbe is also actively involved in developing new technician talent, having moonlighted for more than 19 of his career years as an automotive technologies instructor for local community colleges. Today, Knobbe is an advisor to the Horizon Center at Gateway Technical College in Kenosha, serving as an ambassador for Fiat Chrysler Automobiles' (FCA) Mopar® Career Automotive Program.

Knobbe was interviewed in that 2001 state-of-the-technician article and lamented then that only one of 10 students in his classes would end up pursuing an automotive technology career.

The story's as sad today as it was then.



“The story hasn’t changed in 20 years,” Knobbe affirms. “Finding and recruiting young people for this career is getting worse. They don’t want to work on cars, and in general, there’s not the same level of interest in the career there was once. So, a dealer has to work harder to find interested individuals and cultivate their careers long term.”

For Mercedes-Benz of Arlington (Virginia), the retention rate is somewhat better, notes Fixed Operations Director Stan Rodia. “Over the years we’ve sponsored internships for 40 young technicians, of which, maybe a dozen have stuck,” he says.

Like Knobbe, Rodia has been an active champion of auto-tech education and recruitment for decades. He helped bring automotive technician education to the Washington D.C. area when, in 1999, he hooked up with AYES—Automotive Youth Educational Services—a dealership-intern program started by General Motors and now part of the ASE Educational Foundation. Four AYES interns work at his dealership. He also sources young techs through the Mercedes-Benz DRIVE program and through area secondary and community colleges’ auto-technician education programs.

Even with such an extensive outreach, the going is never easy. “I have 45 techs now and I need 10 more,” Rodia says.

## Why the Shortage?

Blame the shortage of qualified techs on the demise of the neighborhood gas station where many older mechanics (who are now retiring out of the system) got their start. Blame it on the overwhelming spread of digital systems in today’s vehicles that require different skills that are less physical and more cerebral. Blame it on the competition from and allure of “cleaner” careers in IT, digital retailing, virtual reality, and gaming technologies.

The service technician turnover rate is around 22 percent, according to NADA Workforce studies. Many service technicians leave for opportunities at other dealerships, at aftermarket shops, or in a different profession altogether.

Ed Kovalchick, president of the automotive management company Net Profit Inc. and long-time industry columnist, says the aftermarket, however, isn’t seeing as much talent challenges as the dealer franchise system.

“We’ve seen tremendous growth in the aftermarket’s appeal to dealer technicians because the aftermarket often pays by the clock hour, plus incentives, and provides tempting benefits packages. Plus—and this is important—their technicians don’t have to do warranty work,” he notes.





Kovalchick's personal observations aside, tech recruiting is a popular topic of discussion among aftermarket operators, at least according to content published by The Automotive Management Network.

"First of all, the skills gap is real," agrees Tim Lawrence, executive director of SkillsUSA, a partnership of 360,000 students, teachers, and industry representatives working together to ensure America has a skilled work force.

"We have more than 100,000 jobs going unfulfilled in this country, and every day, 10,000 people turn 65. We're losing 10,000 people every month, and the technician pipeline is not back-filling as fast as industry needs it to," he says.

## Get Involved in Education

The U.S. Bureau of Labor Statistics notes that the median automotive service technician pay is \$39,550 a year, or \$19.02 an hour, and the employment opportunity is attractive.

"Job opportunities for qualified applicants should be very good, whether they obtained their knowledge through education or experience," the agency reports.

In 2016, nearly 750,000 individuals were employed as automotive service technicians or mechanics, with 795,800 individuals projected to be working in the career in 2026, a 6 percent increase. In 2016, 31 percent of this pool worked in auto dealerships.<sup>7</sup>

"But the industry will need to develop many more than that number of technicians just to replace the tens of thousands of veteran techs who retire or quit each year. And the next wave of techs will need a far broader skill set," notes *Automotive News' Fixed Ops Journal*.<sup>8</sup>

The emergence of electric vehicles (EV) will require new service skill sets. Dealers should already be in internal and factory discussion about this coming transition from conventional to EV service needs.

In the meantime, the majority of vehicles on the road for the near future will remain hybrid and conventional systems, so the inflow of skilled technicians possessing both general and brand-/platform-specific expertise will not let up soon.

Dealerships like Palmen Motors invest multiple resources into technician development and recruiting. For example, Palmen's donations helped build the Horizon Center tech training facilities. Service managers like Knobbe invest time and talent to teach and guide. He says it's an excellent way to support the mission but also create first-look opportunities to see future talent a dealer might want in his or her service department one day.



Vendors get involved as well. For instance, Snap-on and Manheim recently announced a collaboration with the TechForce Foundation, making a \$50,000 annual commitment to support future tech talent.

The ASE Education Foundation works with more than 2,300 automotive technology-training programs and more than 50,000 students nationally.

“Even if half of them go into the industry, what’s happening to them?” Serratore asks.

“Part of the problem is the auto service work environment is different than it was,” Serratore says. “Benefits are not comparable to white collar jobs that tend to attract young people. The flat rate system can be counterproductive, and we neglect to promote. No one wants to be stuck on the lube rack without upward progress; they’ll go elsewhere.”

Manufacturers, technician training and certification organizations, and dealerships could do better if they would aggressively present opportunities available in the automotive industry to the parents of middle school students.

A *Car and Driver* magazine article pulled a few trouble codes of its own about the need.<sup>9</sup> “Tech-school instructors and career counselors tend to blame flagging interest in automotive careers on three main reasons:

- The job’s ‘grease-monkey’ stigma
- High school counselors pushing four-year university degrees as the ultimate goal for most students, and
- Millennials’ resistance to the older generation’s efforts to teach them about cars.”

When Interstate Batteries surveyed 2,000 auto technicians to understand their career issues, a third were unsure if being an automotive technician was a long-term career.<sup>10</sup>

But, there’s still hope. “For the first time,” says SkillsUSA’s Lawrence, “university debt has exceeded credit card debt, and parents looking for affordable education careers for their children are finding that technology certificates and accreditation are as valuable as a university degree in pay, opportunity, and prestige. Suddenly, it’s becoming cool again to build with your hands.”

Additionally, consider that “a car dealership is many businesses under one roof,” urges Rodia. “So for someone for whom a technician career might not work out, they might fit better working in another department,” he says. “I had to move a female tech intern for whom the work was physically too difficult into parts where she’s now excelling using her numbers skills.”



## Take Charge

The OEMs aren't idle in all this. They are pushing recruiting best practices to their dealers in various ways:

- Ford's *Recruiting and Retaining Automotive Service Technician* hiring guide<sup>11</sup> points out, "There are direct benefits of intentionally building and investing in your workforce."
- BMW of North America has started its own recruitment program to "sell" the career to secondary school students and promote opportunities utilizing trade fairs.
- Toyota's Technician Training & Education Network (T-TEN) program works with community colleges and vocational schools to help recruit new talent into its Toyota and Lexus dealerships.

Serratore recognizes these OEM programs but says that these alone won't solve the challenge.



"The harder issue is to engage individual dealers to do this, too, with regularity and consistency," she stresses.

Changes underfoot cause some hesitation. "With vehicle electrification that won't require traditional maintenances, dealers are thinking, 'Maybe we won't need these technicians,'" Rodia says.

Another concern is simply how business service managers, on whom intern development and tech training falls, already have plates too full.

## Let Service Managers Focus on the Right Tasks

"Service managers, who I work with regularly, work very hard and get tremendous amounts of distracting stimuli that hamper their ability to institute an effective in-house technician training plan. It is the worst situation for managers that I have seen since I got in the business in the '70s," notes fixed ops consultant/trainer Kovalchick.

"Service managers start out with the best intentions, but the constant phone calls, customer questions, endless warranty issues, and claims paperwork—not to mention the scramble to fill gaps when someone doesn't show up for work—don't leave them time for staff development these days," he says.

A similar theme runs through "Stop Wasting your Service Manager's Time," an article CarBizCoach Founder Leonard Buchholz wrote for a recent issue of *Auto Dealer Today* magazine. "I typically find the person responsible for these profits [the service manager] working on everything not related to profits while believing that they are working on everything related to profits," Buchholz writes.<sup>12</sup>



"In my opinion," Kovalchick says, "the biggest thief of time and effort is the attention and energy the service manager must give to elevating customer satisfaction scores. Rather than measuring customer satisfaction, as was the original concept, now the many questions are driving unrealistic expectations and behaviors, which are almost impossible to meet in so many cases."

He says the volume of email service managers get every day distracts them from a training focus. "I was in a dealership not long ago and the service manager had gotten some 30 emails from factory reps in one day. Guess what an entire morning was dedicated to?" notes Kovalchick.

## Nurture Your Technicians

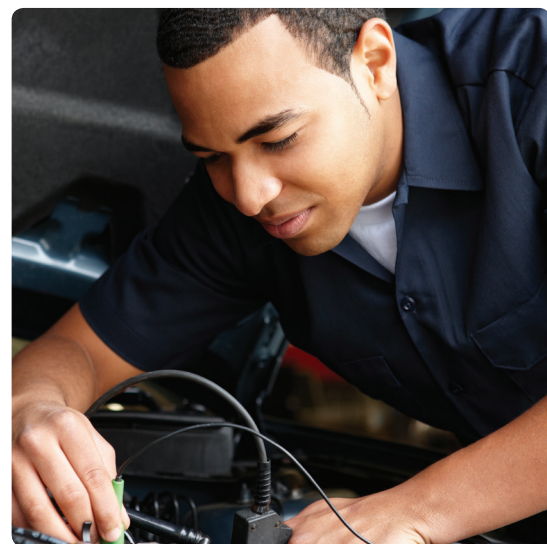
Whatever the distracting stimuli, they compound a service manager's difficulty at running the day-to-day shop and attending to the training and nurturing needs of technicians.

When *Automotive News* covered the technician shortage topic, they asked, "What's causing this problem?" A tech school automotive programs manager and an industry analyst found the same answer: "the service adviser [sic] system."<sup>13</sup>

According to the analyst, "We asked the technicians, 'What's the biggest issue you have?' The No. 1 issue was communication with service advisors."

Another issue for technicians is their unmet desire for continued training. A recent Interstate Batteries survey found that 67 percent of auto service technicians want more training.

"Techs aren't recognized and are undermanaged and unfulfilled," Kovalchick says. "Without management to provide this, techs are not getting the continuing guidance and learning they need—and management isn't there to celebrate their victories and accomplishments."



## Always Be Recruiting

Hireology, a provider of hiring and talent management technologies, suggests dealers host job fairs, provide well-defined career paths for candidates, and engage them in the proper job training and continuing educational opportunities.<sup>14</sup>

Mercedes-Benz of Arlington, to encourage the student techs it brings on, subsidizes tuition for their ongoing technical training. The dealership is in step with market trends. For instance, an Accenture study found that 80 percent of recent college graduates expected their first employer to provide their formal training while on that job!<sup>15</sup>

Serratore encourages dealers to create internships. "That's the best way to test drive a young person," she says.



Palmen Motors recruits from its local CAP program, and Knobbe uses Indeed and CareerBuilder to post employment opportunities. “I have to filter through a lot of coal to find the diamonds though,” he notes.

Fixed ops veteran Kovalchick offered 10 of his personal recruitment tools he shares with dealership clients.

1. Email the dealership customer base to offer a “finder’s fee” (i.e. \$500) for referrals.
2. Use a “Hiring Techs” sandwich board and walk routes along areas of high vehicular traffic.
3. Attach vinyl “Hiring Techs” signs on dealership parts delivery vehicles and customer shuttles.
4. Utilize temporary Facebook and dealership website pop-up recruiting ads—highlight “great pay” and benefits and provide an online “Apply Here” button for application convenience.
5. Post “Positions Available” notices at state and local technical job boards.
6. Get active in local high schools and post-high school tech schools and offer to speak.
7. Park a vehicle with recruiting signage on it at big box stores, malls, and other areas of high traffic.
8. Enlist tool-truck drivers for referrals and provide them a spiff for each one.
9. Recruit from employment websites such as [www.recruitmilitary.com/employers](http://www.recruitmilitary.com/employers).
10. Ask your own employees for referrals and provide a bonus when those referrals sign on.

## A Four-Point Retention Plan

A well-crafted retention plan keeps the talented technicians you recruit on your team. Is now the time to incorporate new ideas into your service department procedures and policies? Here is a four-point plan to help you boost retention:

### 1. DEFINE INDIVIDUAL TRAINING PATHS



- ✓ **Personalize their path:** Tailor each technician’s training path to his/her skill level and growth potential. Use your OEM’s path as a guide and give realistic completion dates, even blocking off the technician’s schedule if necessary. Discuss each person’s progress during individual monthly or quarterly training path reviews. Then, give them many opportunities to put their new knowledge to work and reward them for reaching milestones along the way.
- ✓ **Promote ASE certifications:** ASE certifications are a great way to validate your technicians’ knowledge, ability, and experience. If your OEM doesn’t require them, be sure you include ASE tests in your technicians’ training paths, placed in line with the OEM courses. Make it easy for them to complete these certifications by scheduling the tests and even paying the fee if they pass. For ideas, go to [www.ase.com/home.aspx](http://www.ase.com/home.aspx).
- ✓ **Encourage state inspection licenses:** Motivate technicians to obtain their state inspection licenses (if your state requires safety and/or emissions inspections) by including them in the training paths. Keep track of their license renewal dates and help them get recertified. Consider covering all or part of the cost to obtain inspection licenses and renewals. Remember, these inspections are beneficial not only to the technician but also to your dealership.







## 2. GROW YOUR TECHNICIANS FROM THE GROUND UP

- ✓ **Choose the right students:** Community vocational schools and post-secondary automotive programs require students to intern. Whether generic or OEM-specific, these programs also utilize local employer advisory boards. Put your service managers on these boards to get first pick of the best apprentices. To find local opportunities, check with your state's automotive advocacy organization, your franchise's representative, or online resources such as [www.tradeschools.com](http://www.tradeschools.com) and [www.aseeducation.org](http://www.aseeducation.org).
- ✓ **Guide carefully:** Assign mentors to each student/intern. Mentors should have the demeanor, skill level, and experience to guide the intern. It's important that they be "bought in" to the process and willing to help apprentices up through the ranks without being threatened by the concept. Compensate the mentor for the extra responsibility with a pay rate increase or by assigning the apprentice's billed hours to them. As the student's skills grow, they can work more independently and retain a portion of their produced hours.
- ✓ **Build loyalty:** Tuition reimbursement is a mutually beneficial investment and a rewarding way to secure a competent student. By dispersing the payments incrementally after graduation, you motivate them to stay in your service department longer. The longer they stay, the more likely they will become long-term team members. Beyond tuition coverage, you can help them get over the costly hurdle of purchasing tools. Snap-on and the ASE Education Foundation have student tool and toolbox plans to help them get quality tools to start their careers. The student pays your investment back with a promised period of work after graduation. For these resources, visit [www.aseeducation.org/resources](http://www.aseeducation.org/resources).



## 3. COMPENSATE CREATIVELY

- ✓ **Inspect and reward:** Track efficiency, productivity, and proficiency. Make sure your technicians know what the dealership's benchmarks are for each area and their individual expected contribution. Align compensation to these goals and set no limits when a technician exceeds the dealership standard. It shows your technicians that their expertise and performance is recognized and rewarded.
- ✓ **Make exceptional service a priority:** Be sure technicians understand their direct impact to customer satisfaction beyond just "Fixed Right First Visit" on survey results. Make sure they understand and can apply the correlation between the customer voice and retention. Technicians must be responsible for their part in boosting customer satisfaction—add a bonus to those who excel.
- ✓ **Get creative with spiffs:** Offer spiffs (rewards) to focus technicians on checking and recommending appropriate upsells. If you pay spiffs in dollars, pay the winners in cash instead of a check. Cash is spendable immediately and it just feels like a better reward. Non-monetary spiffs can include paid time off, lunch off-site with management, OEM apparel, and tool-purchase gift cards.





## 4. SHOW YOU CARE

- ✓ **Master the unplanned one-on-one:** Annual performance reviews are important but cannot be the only form of individual communication. Take a walk through your shop and randomly stop and chat with a technician. Don't talk about work. Let them know you value them as a person, not just as an employee. Always end by asking, "Is there anything I can do for you today?"
- ✓ **Hold shop meetings:** Formal shop meetings keep employees in the loop and are a great place to acknowledge milestones such as tenure and training completions. Distribute an annual calendar listing the monthly date and time with advance copies of the basic agenda each month. Stay positive and use these meetings to tell the shop what is not being done correctly. Every issue can be viewed as an opportunity if addressed appropriately.
- ✓ **Keep the shop current:** Shop equipment that is maintained and working not only increases efficiency but also boosts morale. Keeping a clean, organized, and well-lit facility will also reduce accidents and show your technicians you value them and the space they work in every day.
- ✓ **Feed them:** Nothing makes technicians happier than free food in the shop. When the pizza boxes come out, it gives them the chance to take a well-deserved break and the gesture shows that you care. On hot days, serve them ice cold water and sports drinks—small gestures of goodwill that show how you care for and appreciate them.

## The Bottom Line

Finding the right technicians for your service department and then keeping them on board once you find them can seem like a huge, never-ending task. If you take charge, however, and get involved early in the recruiting process (hopefully while techs are still in school), you will have many more opportunities to find the right talented individuals for your dealership.

Retaining those talented employees once they're on your team is also possible. Get started with a plan to truly nurture them professionally—with additional education, recognition for good work, and competitive compensation—and clearly show you care about them both personally and professionally.

You *can* find the right technicians for your team. And you can keep them on board. You just need a plan. Take an active role today and use the tips you've read about here to decide where you can start at your own dealership.



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Autosoft is a full-featured technology platform offering Vehicle Inventory Management, Sales and F&I, and a dealer management system (DMS) that has been recognized as the All-Time Most Recommended DMS through DrivingSales. With affordable month-to-month contracts and 35+ OEM integrations, Autosoft's easy-to-use products improve processes and reduce operating costs in over 2,000 franchised automotive dealerships.