



Preparing for the future:

Understanding the skills & training needs
of the automotive retail sector

Repair and maintenance of motorcycles



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Introduction

Purpose

Each year the IMI, as the Sector Skills Council (SSC) for the automotive retail sector, carries out a Sector Skills Assessment (SSA). The SSA, which is commissioned and funded by the UK Commission for Employment and Skills (UKCES), gives a high level overview of the skills needs of the sector.

In order to enable employers to prepare for the future, the IMI initiated and conducted an extensive programme of in-depth granular research, building on the SSA, to fully understand the extent of the skills and training needs across each of the 12 sub-sectors within its footprint. The purpose of this research is to recognise, at job role level, within each distinct sub-sector, precise skills and needs within the existing workforce.

It is vital that the IMI, as the SSC and the professional association for the automotive retail sector, understand employers' immediate and critical skills needs in order to identify and/or formulate effective solutions to address these skills needs. We need to ensure that the automotive retail sector begins to improve its overall productivity and profitability. This will ultimately help businesses position themselves for economic recovery, when it comes, allowing them to compete in a globally competitive market.

Methodology

To achieve our stated purpose the IMI engaged with employers, stakeholders, training providers and trade associations to ensure that the research findings were accurate, validated at each stage, robust and fit for purpose.

To accomplish this, a qualitative phase of research was carried out. This involved 170 in-depth telephone interviews, each lasting one and a half hours, with employers across each of the sub-sectors. The focus of these interviews was on skills and training needs within the business, the issues facing the employer and the future challenges they envisaged over the next 18 months – 2 years. This first qualitative element (i.e. the use of open questions to gain responses) successfully defined the broad skills needs of the sub-sector.

The second phase of the research, the quantitative phase, was designed to validate and expand on the issues raised in the first phase, by the use of a telephone survey which contained the summary findings and analysis from the first stage. The telephone interview asked respondents to confirm that the skills needs identified from the in-depth interviews were accurate, they were then asked to prioritise each of the skills and training needs identified. In total, 876 employers took part in the telephone interviews (100 from each sub-sector were targeted), to enable accurate data to be collected and robust conclusions to be drawn. This stage also complemented by a web survey, which furnished 630 additional responses, to ensure that as many employers as possible had the opportunity to

respond to the questionnaires in as many different ways as possible.

The final main phase of the research involved 12 focus groups with employers to benchmark their views on skills needs against the findings from the first and second phases of the research. This enabled us to arrive at a final set of core skills needs, covering technical, management and customer service job roles.

Once all the data had been collected it was analysed by channelling the responses from the initial in-depth interviews into a much more concise number of core skills needs, using the findings from each consecutive stage of the research as the starting point for the next. By doing this, we have achieved a high level of confidence in the conclusions we have arrived at.

For the motorcycle sub-sector, the first phase of research involved in-depth interviews with 11 employers. While this may look on the surface to be a small number, the nature of qualitative interviewing allows conclusions to be drawn from small samples; essentially it is answering the 'what' and the 'why' questions and not quantifying the response at this stage. In the second phase of the research 95 telephone surveys were carried out along with a focus group of industry experts to assist the IMI in prioritising skills needs, adding or refining the skills needs identified through the first phase. The web survey outcomes were used to assist in decision making should there be 'borderline' critical skills needs identified or where it was difficult to distinguish which skills needs should be categorised as critical.

Background

Across the automotive retail sector as a whole, in 2008 the sector generated £146 billion or 4.7% of all UK turnover and contributed £25 billion or 2.8% of gross value added. The sales of motor vehicles sub-sector (SIC 50.10) generated the majority of turnover (70%) and contributed the most in value added terms (47%). Geographically England, as would be expected, generated the majority share in terms of both turnover and value added at 88%.

In the latest IMI State of the Sector Report (July 2011), businesses report that trading conditions remain challenging, with 54% of companies experiencing lower orders/sales over the last six months and 66% showing lower profit margins.

Predictions for the next six months are similar, with 41% showing reduced orders/sales and 21% predicting higher sales.

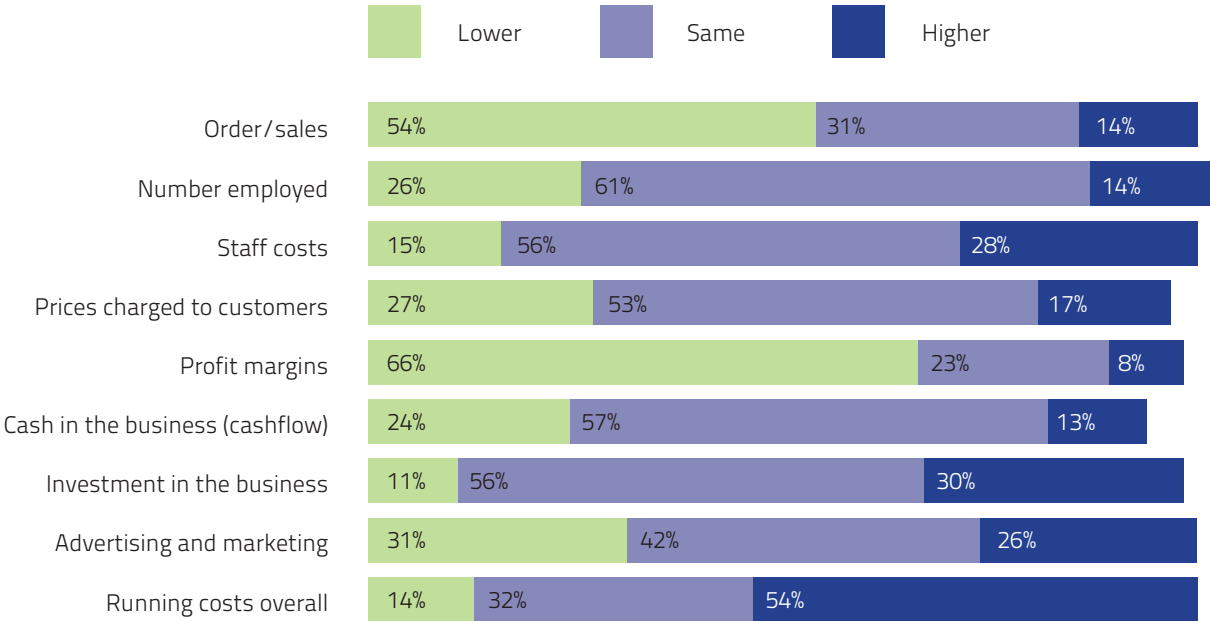


Table 1. Business performance in last 6 months, compared with previous 6 months
Source: IMI State of the Sector (July 2011)

Respondents to this current research were asked what the main issues were affecting their overall business, and it was clear that three issues were critically important:

- Impact of changes in legislation, and changes in legislation forecast over the next 18 months.
- Trading conditions – the fall in car sales in particular over the last two years and the sluggish revival (particularly important to the sales sub-sector).
- The relentless drive in technology development across all vehicle types.

Across the whole automotive retail sector, 85% of businesses are micro businesses, employing less than 10 people. However, they employ only 38% of the total sector workforce. While 57% of all employment is concentrated in those companies that employ over 11 (this accounts for only 14% of all companies), with the remaining 5% of the workforce working for large employers who account for less than 1% of all businesses. See table 2 below. Given the make up of the automotive retail sector, we are confident that our telephone research was targeted at the appropriate range of businesses.

	% of workforce	All UK	Difference
1-10	38%	21%	16%
11-199	57%	47%	10%
200+	5%	32%	-26%

Table 2. Employees by business size
Source: Annual Business Inquiry (2008)

Across the motorcycle sub-sector there are approximately 2,300 business employing 11,535 staff. The number of micro businesses in his sub-sector is above average, with 2,075 micro businesses (90%), 225 small-medium enterprises and no large businesses.

	No. of businesses	% of all businesses
Micro (1-9)	2,075	90%
SME (10-249)	225	10%
Large (250+)	0	0.01%
TOTAL	2,300	100%

Table 3. Breakdown of businesses by size
Source: IDBR 2010

There are approximately 1,300,000 million licensed motorcycles in Great Britain.

Motorcycle business approach to staff training and development

Previous research undertaken by the IMI (2009 Employer Survey) has shown a high proportion of hard to fill vacancies within this sub-sector, with the main reason for recruitment difficulties being the lack of people with the right skills.

Of the total sample 81% operated from one site, this increased to 95% for independents with 70% of franchise operators operating from one site.

The number of people employed across the organisations interviewed shows an unexpected breakdown between independent and franchise – both independents and franchise organisations predominantly employed between 2 and 10 people.

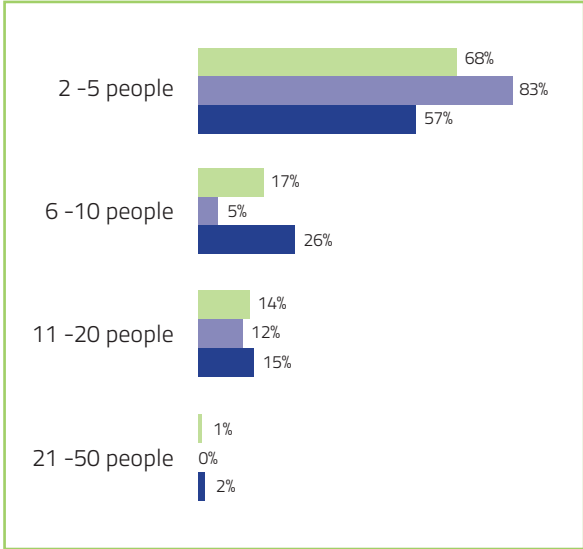
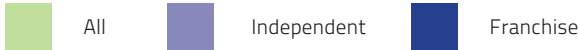


Table 4. Number of employees at that site
Source: BMG sample telephone interviews



When asked about the businesses involvement in training, 51% of the sub-sector formally trains staff and managers when there is a business need (55% of franchise and 45% of independents). Informal training is predominantly a characteristic of small independent organisations (33% of independents and 28% of 1–10 companies, compared to only 11% of companies employing over 11 people).

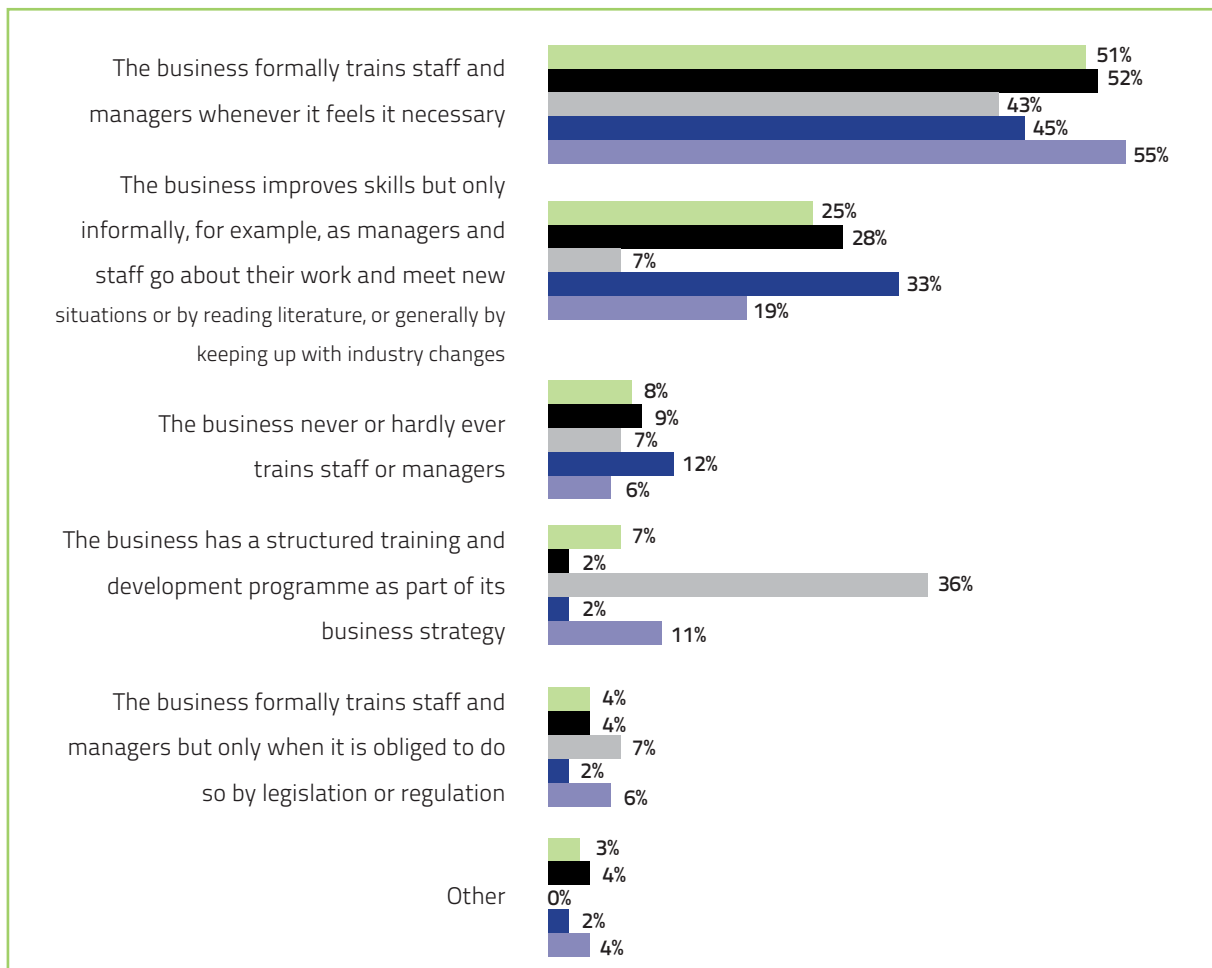


Table 5. Involvement in training
Source: BMG sample telephone interviews



36% of larger companies, compared to 2% of smaller companies, have a structured training and development programme for their staff.

These figures show a sub-sector which displays a clear difference between the large franchise operator and the smaller independents – structured training takes place in both but is dominated by the franchise organisation, whereas independents are far less structured in their training provision, providing development opportunities when the need arises.

This shows significant training activity across the motorcycle sub sector, some of which is planned and structured and some of which is more reactive and informal.

The same breakdown applies to training plans, 43% of franchise organisations have a plan compared to only 24% of Independents and 35% for the sample as a whole. For organisations with a training budget 19% are franchise organisations and 7% independents. See table 8.

All of those businesses employing over 11 people have undertaken training in the last two years compared with 59% of those employing 1 – 10. 65% of businesses have provided formal training in the last two year. Finally 57% of franchise organisations plan to undertake training in the next two years compared to 31% of independents. 86% of those employing over 11 plan to undertake training in the next two years.

The top reasons given across the motorcycle sub-sector for not training are that the business is small and staff fully skilled (94%). This is followed by organisations that only recruit staff fully skilled (56%) and training courses being too expensive (47%). Interestingly 47% felt that training would not improve business performance.

These figures show a number of employers still do not feel there are any skills gaps in their workforce (which may be correct but it may also show that employers find it difficult to identify gaps that do exist). See table 6 below.



Table 6. Reason for not providing training
Source: BMG sample telephone interviews

Turning to business plans, their existence is slightly more prevalent within franchise organisations, 53% compared to 40% for independents and 47% for the sample as a whole.

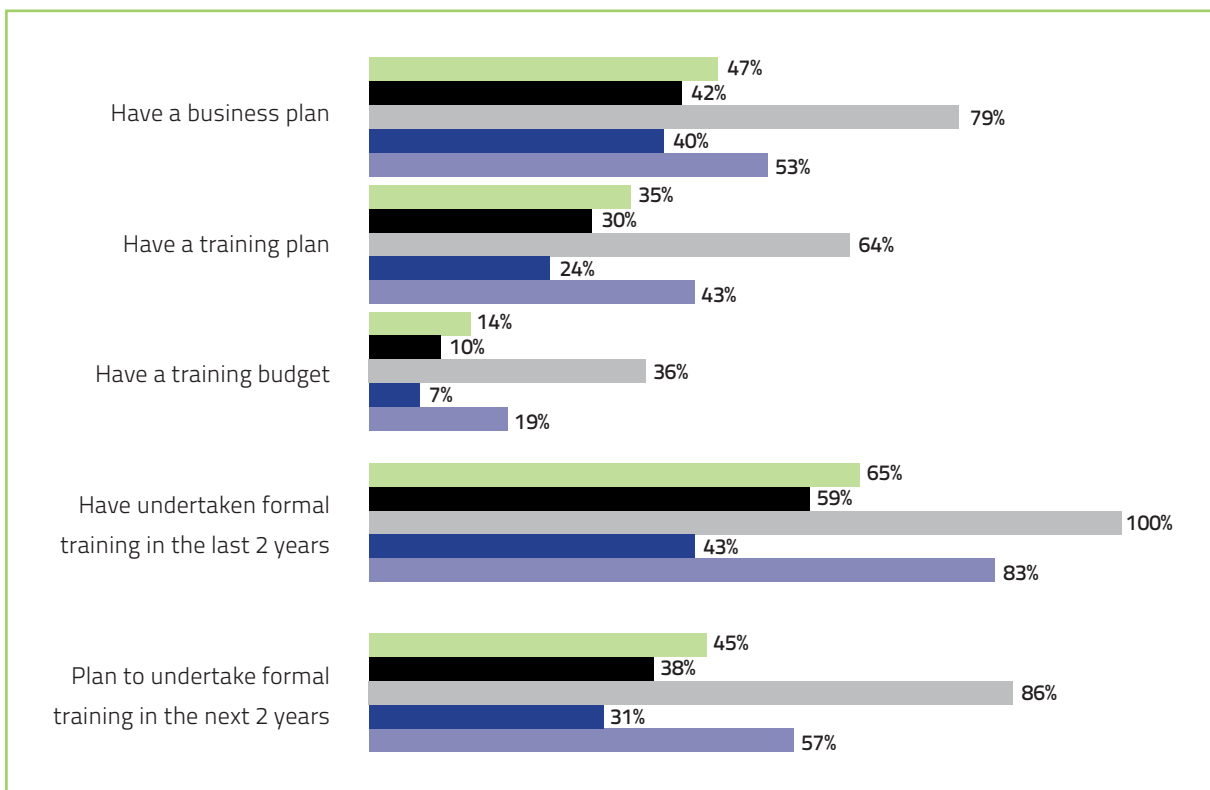


Table 7. Involvement in training – business plans
Source: BMG sample telephone interviews



It should be noted however, that not having a training plan or budget does not preclude training from taking place in the motorcycle sub-sector. However,

the independent sector is more likely to train as and when necessary as opposed to having a structured training and development programme.

Qualitative in-depth interviews

Qualitative research was carried out with 25 businesses within the light vehicle maintenance and repair sub-sector through pre-arranged telephone conversations with previously identified, appropriate staff within the businesses who could comment authoritatively on relevant job roles within their business. These interviews lasted approximately one and a half hours and were conducted by researchers from BMG Research, Birmingham.

The interviews were mostly unstructured and used open questioning (i.e. they didn't ask questions where a 'yes'/'no' answer could be given), covering a range of different types of organisation, mostly independents employing up to 50 people, but with a small number of franchise organisations contacted as well. Interviews were conducted across all nations, England, Scotland, Northern Ireland and Wales in August 2011.

The following questions were asked by the researchers, who asked to speak to employers capable of covering at least two job roles within the interview:

- What job roles exist within the business?
- What are the current skills and training needs required by (each job role)?
- Which of these skills and training needs are particularly important or critical to your business?
- What skills and training needs do you anticipate you will have in the next two years.

The focus was on identifying skills needs related to key job roles. From the responses to the open questions it was possible to identify the training and skills needs, which are listed overleaf.

Job-role specific skills needs

The following skills needs were identified across the motorcycle sub-sector.

Technician, including diagnostic and master technician

- Developing effective awareness and understanding of braking components and their operation, inclusive of disc wear and tear, alignment and leaks
- Effective MOT pre service skills
- Awareness and understanding of health and safety legislation as it relates to braking systems
- Awareness and understanding of hydraulic systems, especially control systems and diagnostics
- Effective diagnosis of repair of ABS, sensors and electrics
- Awareness and understanding of making the bike safe
- Awareness and understanding of modern electronic components, using modern diagnostic systems
- How to effectively rebuild a modern bike – from the bottom up
- Effective bike tuning – understanding the principles
- Understanding modern bike engine principles
- Awareness of how the gearbox and engine operate, how to dismantle them and rebuild effectively
- Developing an effective awareness and understanding of electrical systems, following wiring diagrams, use of diagnostic machines, relays, coupling and theories of resistance/OHMs law
- Awareness and understanding of lighting and the regulations affecting it
- Dealing with complex electrical faults, diagnostic, fault finding, management control systems
- Developing an awareness and understanding of new electrical systems, electric steering, suspension, brakes
- Awareness and understanding of electronic network communication systems and the associated electronic systems
- Awareness and understanding of fuel management, how systems work and main fault finding techniques
- Awareness and understanding of drive transmission, chain/belt/automatic semi-drive systems, service intervals, lubrication products and processes, safety implications
- Awareness of developments in steering systems

- Maintaining modern suspension systems, fault diagnosis, anti-dive systems, pressurized oils, hydraulics, electronic suspension control
- Effective awareness and understanding of CAN Bus systems on modern bikes
- How to understand electrical diagrams and to be able to diagnose faults in an effective way
- Effective diagnosis of repairs identified from the customer
- Technical updates for the non franchise repair workshop
- How to effectively set up sports suspension on modern bikes

Management staff

- Developing effective communication within the team
- Effective decision-making for managers within Motorcycle maintenance
- People management – team working, motivation, recruitment, appraisals, delegation, discipline, prioritising, managing targets
- Developing effective time management for managers
- Developing an effective marketing function for motorcycle dealerships
- Effective ways to gain repeat business – driving a ‘customer care’ culture in the motorcycle business
- Effectively managing company-wide targets through the daily targets of staff
- Maintaining positive customer relations/dealing with complaints
- How to make a profit running an efficient department – reviewing the market
- Understanding health and safety legislation and applying it
- Developing effective IT skills for managers
- Effective report writing
- Effective handling/procedures for staff shortages
- Effectively managing wages and bonuses of staff
- Developing awareness and understanding of company law, laws that affect the motorcycle business
- Effectively managing meetings – conference calls
- Having good product knowledge and awareness – new bikes and technology within the sector
- Understanding the business – how this fits in the industry structure
- Managing accounts/books

Customer service staff

- How to effectively undertake follow up calls following servicing/sales
- Effective problem solving – dealing with customers to ensure their needs are addressed
- Effective telephone skills
- Effective sales skills for customer advisers
- Understanding and awareness of costing principles for repair
- Understanding new car technology
- Background understanding of new cars being introduced
- Effective communication for customer service advisors
- Awareness and understanding of IT in the workplace, invoicing, accounts, booking
- How to deal effectively with complaints
- Effective counter service skills for customer advisers

Skills needs across the motorcycle sub-sector over the next two years

Respondents to the quantitative telephone survey were asked what they felt that the changes to skills and training needs would be over the next two years.

The key areas reported included the increased use of diagnostic computers, including applications for ABS and sensors, coverage of new electronic components on bikes (especially for the independent company).

The relentless drive in technology development across all vehicle types was noted across all sub-sectors, with the impact increasingly being felt within sales, technical and customer service roles within the sector (data taken from the IMI State of the Sector Report 2011).

Quantitative telephone survey

Once the qualitative in-depth interviews had identified the skills needs of the motorcycle sub-sector, the quantitative series of telephone interviews were carried out. Respondents were prompted with the skills and training needs identified in the previous stage of research and were asked to rank them in order of priority: critical need, some need or no need.

This survey quantified the initial set of responses and identified a potential set of skills and training needs that were seen as (i) critical, (ii) of some need, or (iii) of no need. This phase of the research was pivotal in identifying those skills and training needs that were in need of priority action.

In total 195 interviews were conducted with employers and business owners across the motorcycle sub-sector. The vast majority were independent organisations employing between 2 – 50 people.

The final outcomes of this process are detailed in the Conclusions section of this report.

Focus groups and web survey

Focus group

The motorcycle focus group was held in September 2011 and comprised representatives from the motorcycle manufacturers, employers and training providers.

The main agenda for these group meetings was to validate, or not, the findings from the qualitative and quantitative telephone interviews. For the motorcycle sub-sector, this particular focus group raised no issues with the outcomes of either sets of interviews.

The group felt that training and skills needs were developing quickly as technology advances within the sector. The independent organisations would be starting to service the more technically advanced bikes (as their warranty ends with the manufacturers) and consequently the focus for meeting skills needs would need to be on independents to begin with.

Web survey

The web survey was conducted across the entire automotive retail sector, with respondents identifying which sub-sector they worked in and was able to comment on. Due to some sub-sectors having a small number of respondents, the outcomes of the web survey were only factored in, if the outcomes of the qualitative and quantitative telephone interviews, along with the focus groups, did not produce an unambiguous outcome in terms of identifying the criticality of skills and training needs for the sub-sector.

Conclusions

The aim of this research was to be able to identify and prioritise the skills and training needs of the automotive retail sector at a 'granular' level, which has never been achieved before. We have been able to achieve this by looking at each individual sub-sector across the whole of the automotive sector footprint.

For the motorcycle sub-sector we have achieved this aim, through a blended approach of telephone interviews, focus groups and web surveys. The methodology applied was as follows:

- Taking the skills needs identified by the in-depth telephone survey at the beginning of the research project as the basis for the analysis.
- Taking the focus group and telephone responses and comparing the skills needs identified by the group with the results from the in-depth telephone survey, to arrive at a more refined set of skills, set in a priority listing.
- Taking the website results and applying these to the outcomes of the previous stages to either confirm or change the list.

In the motorcycle sub-sector there were very clear and unambiguous outcomes in terms of criticality and therefore the outcomes of the web survey were not needed.

Prioritised skills and training needs for the motorcycle sub-sector

As a result of the three-stepped approach outlined previously, the following sets of skills and training needs were identified as critical to the motorcycle sub-sector. The top five have been ranked where more than five skills needs appeared. They are been ranked in order of criticality with 1 seen as the most critical.

Technician including diagnostic and master technician

1. Awareness and understanding of making a bike safe.
2. Awareness of how the gearbox and engine operate, how to dismantle them and rebuild effectively.
3. Developing effective awareness and understanding of braking components and their operation, inclusive of disc wear and tear, alignment and leaks.
4. Awareness and understanding of drive transmission, chain/belt/automatic semi-drive systems, service intervals, lubrication products and processes, safety implications.
5. Developing an effective awareness and understanding of electrical systems, following wiring diagrams, use of diagnostic machines, relays, coupling and theories of resistance (e.g. Ohms law).

Management staff

1. Maintaining positive customer relations and dealing with complaints.
2. Understanding health and safety legislation and applying it.
3. Having good product knowledge and awareness – new bikes and technology within the sector.
4. How to make a profit running an efficient department – reviewing the market.
5. Effective ways to gain repeat business – driving a customer care culture in the motorcycle business.

Customer service staff

1. How to deal effectively with complaints.
2. Effective problem solving – dealing with customers to ensure their needs are met.
3. Effective communication for customer service advisors.
4. How to effectively undertake follow up call following servicing and/or sales to gain repeat business.
5. Effective counter skills for customer service advisors.

Recommendations

The skills and training needs listed in this report are those that employers have reported as being critical for their business. Numerous reports have identified the link between training and business performance. The IMI itself has recently conducted ROI studies across a number of sectors that have identified significant increases in business performance from rolling out training and accreditation programmes. The studies show that up-skilling in the automotive retail sector delivers a conservative gross value added (GVA) of £4,000 per person per annum¹.

It seems that the commitment to train and develop staff is ingrained within the motorcycle sub-sector, as the demands of changing technology and legislation are ever present. Incidence of formal training is still high at 64% across all businesses. However, this is lower than the 76% average across all sub-sectors.

The value of this project is the underlying understanding and knowledge in granular detail required to direct provision across the sub-sector and all job roles. Our challenge is to use this research to ensure that training is relevant and up to date, meeting the needs of the whole sector.

As the SSC, the IMI will focus on developing skill solutions across job roles, against the priority skills needs highlighted in this report.

The IMI commits to prioritising the development of solutions to meet the skills needs where employers have identified their need as being either critical or of some need. Therefore, solutions to the following skills needs in the motorcycle sub-sector will be progressively developed over the next 12 months:

¹ www.theimi.org.uk/information/roi-ata.html

Customer service staff.

- Background understanding of new bikes being introduced.

Technician, including diagnostic and master technician.

- Developing an effective awareness and understanding of electrical systems, following wiring diagrams, use of diagnostic machines, relays, coupling and theories of resistance (e.g. Ohms law).
- Understanding modern bike engine principles.

In addition, for management staff the following was a critical skill need across all automotive retail sub-sectors.

- Understanding and awareness of health and safety legislation.
- Understanding the customer viewpoint and maintaining positive customer relationships (10 including motorcycle).

For customer service staff the following were critical skill needs across all automotive retail sub-sectors.

- Effective communication skills.
- Effective problem solving – dealing with customers to ensure their needs are addressed.
- Effective telephone skills.
- How to deal effectively with complaints (10 including motorcycle).

In the motorcycle sub-sector only 14% of businesses had a training budget (the second lowest incidence).

We commit to work with partners to:

- Develop high quality, cost effective training.

The motorcycle sub-sector has the second lowest incidence of training plans at 35%.

- We will continue to work with businesses to advocate the use of training plans.

In the motorcycle sub-sector 47% of businesses have a business plan.

As the SSC we commit to:

- Further develop the innovative online CPD management system for the sector.
- Create a common template for training in the sector by ensuring that all provision has clear and measurable learning outcomes that link training to increased business performance.

The motorcycle sub-sector has a high awareness of the IMI at 80%.

- As a SSC we will continue to work to raise the awareness of the IMI in this sub-sector and the subsequent awareness of skills solutions.

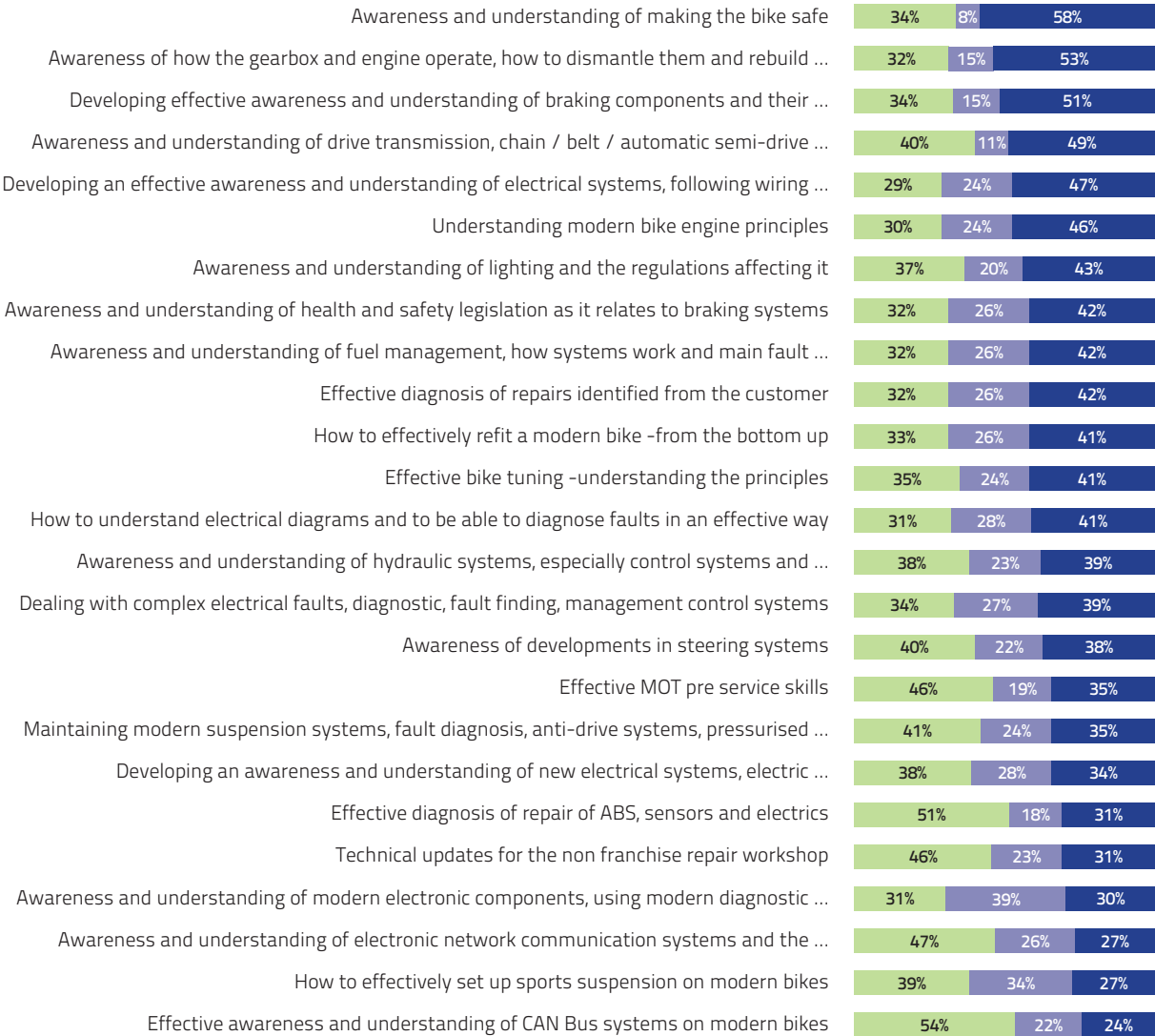
We would like to express our gratitude to the employers and stakeholders who committed time to participate in the vehicle sales part of this research project.

Annex 1:

Skills and training needs by job role and priority

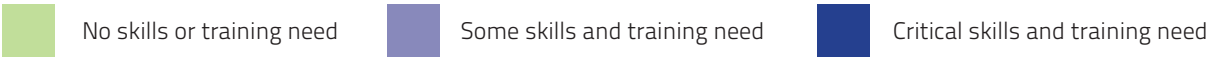
Given below are the detail percentage results of the quantitative telephone survey carried out for the motorcycle sub-sector.

Motorcycle technician

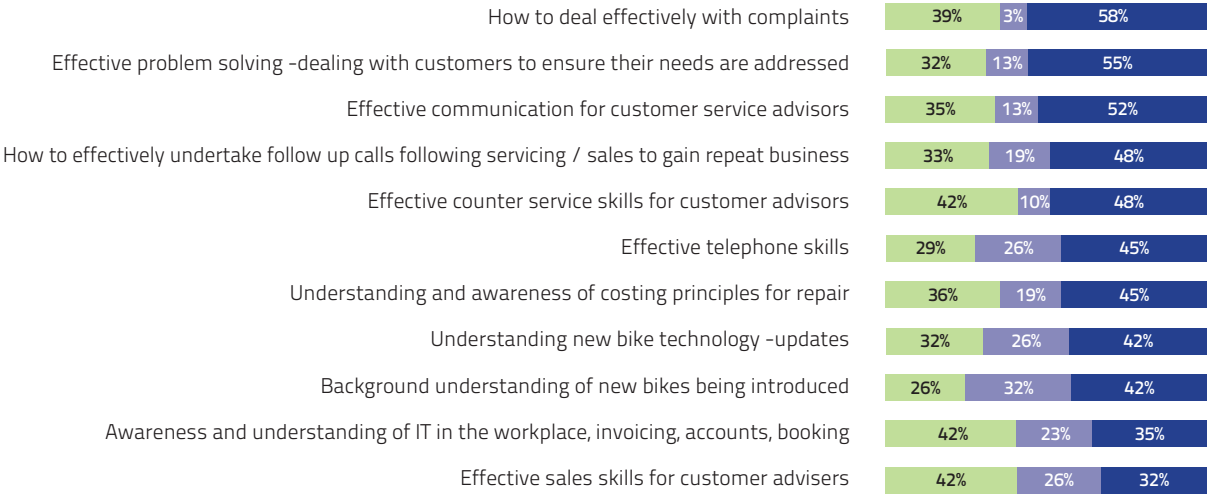


No skills or training need
 Some skills and training need
 Critical skills and training need

Management staff



Customer service staff



No skills or training need
 Some skills and training need
 Critical skills and training need

Annex 2:

Focus group attendees

The focus group for motorcycle met in September 2011 and comprises of representatives from the following organisations:

- Remit Ltd
- Suzuki GB Plc
- Harley-Davidson Europe
- BMW UK
- Kawasaki Motors UK
- PIAGGIO Group

