



# Preparing for the future:

Understanding the skills & training needs  
of the automotive retail sector

Vehicle inspection

**imi**

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# Introduction

## Purpose

Each year the Institute of the Motor Industry (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 business 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, 1,000 employers took part in the telephone interviews, 100 from each sub-sector, to enable accurate data to be collected and robust conclusions to be drawn. This stage was 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 vehicle inspection sub-sector, the first phase of research involved in-depth interviews with 11 employers. The nature of qualitative interviewing allows conclusions to be drawn from small samples; essentially it is answering the 'what' and the 'why' question and not quantifying the response at this stage. In the second phase of the research 35 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 data on skill needs are based on 41 responses as a further six responses were completed online. 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.

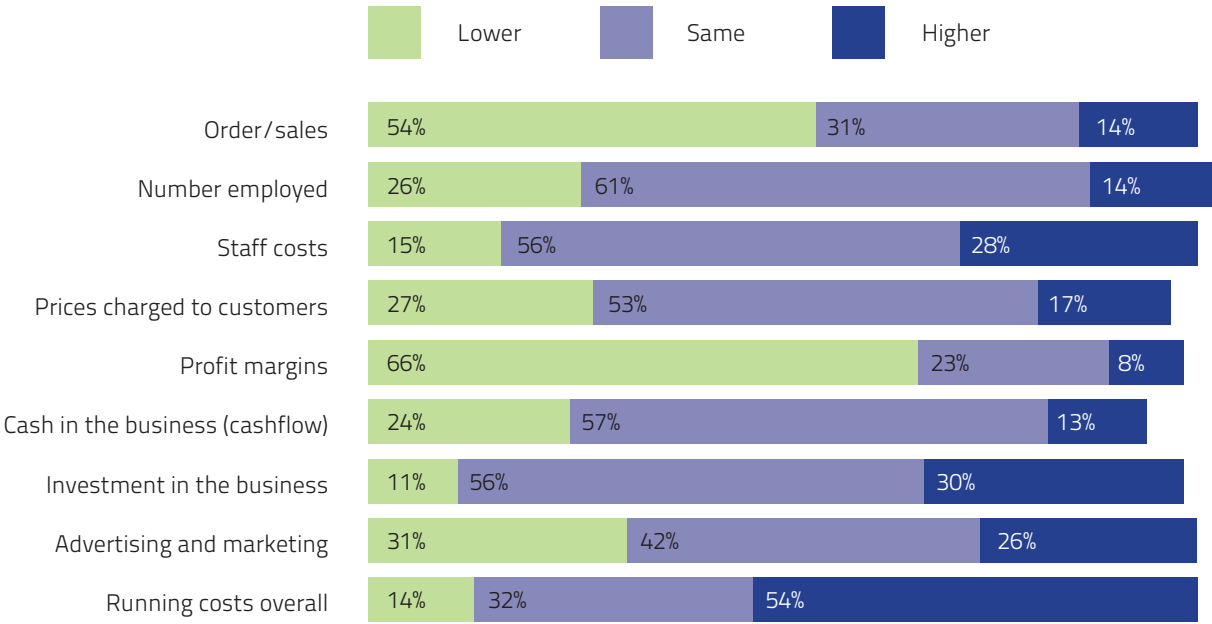


Table 1. Business performance in last 6 months, compared with previous 6 months  
Source: IMI State of the Sector (July 2011)

Respondents to this 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, 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. Given the make up of the sector, we are confident that our telephone research targeted 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)

# Vehicle inspection

Having experienced great difficulties in obtaining sub-sector business and workforce data in the format that the sector uses, e.g. the breakdown of vehicle maintenance and repair into auto-glazing, fast fit, vehicle inspection, roadside assistance and recovery, accident repair and light and heavy vehicle, it is not possible to state reliable government data on numbers of businesses and staff.

Sections 45 to 48 of the Road Traffic Act 1988 provide the legislative basis for MOT testing.

The purpose of the MOT test is to ensure that light vehicles over three years-old are inspected once a year to ensure that they comply with key road worthiness and environmental requirements.

The requirement for annual testing has provided the service, maintenance and repair sub sector with an enormous source of work with regard to the physical test itself and associated repairs highlighted by test

failures. Changes around the MOT criteria and requirements also have a large impact on these businesses.

Over 19,000 garages and workshops are authorised to perform testing and issue certificates (in Northern Ireland tests are performed exclusively at the DVA's own test centres). These businesses must keep their workforce up to date with the current regulations.



The figure below (Table 3) shows that almost 90% of independent businesses employ up to 11 people, compared to 66% of franchise organisations employing over 11 people.

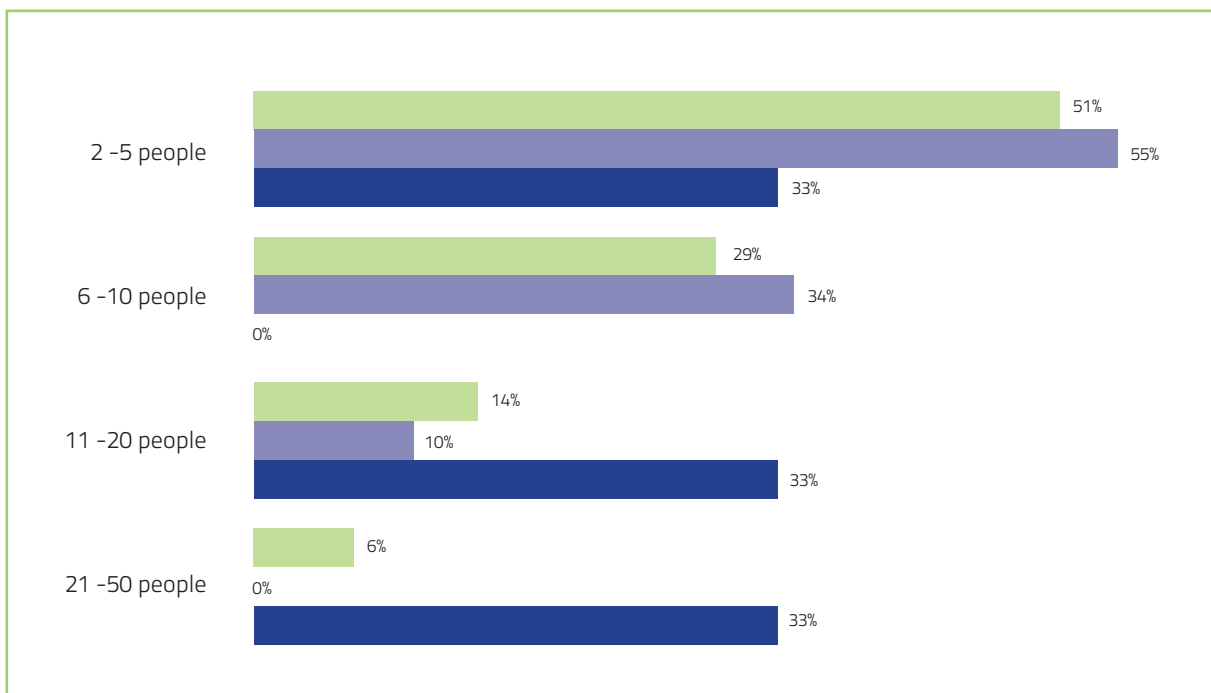


Table 3 Number of people at that site – vehicle inspection sub-sector  
Source IMI Quantitative Telephone Interviews September 2011



The figure below (Table 4) shows 46% of all organisations have a business plan, rising to 67% of all franchise organisations but only 43% for smaller businesses.

49% of all businesses have a training plan, with 83% of franchise organisation having one compared to 41% of independents.

Over 80% of both independents and franchise organisations have undertaken formal training over the last two years, with 83% of franchise and 55% of independents forecast to undertake training in the next two years.

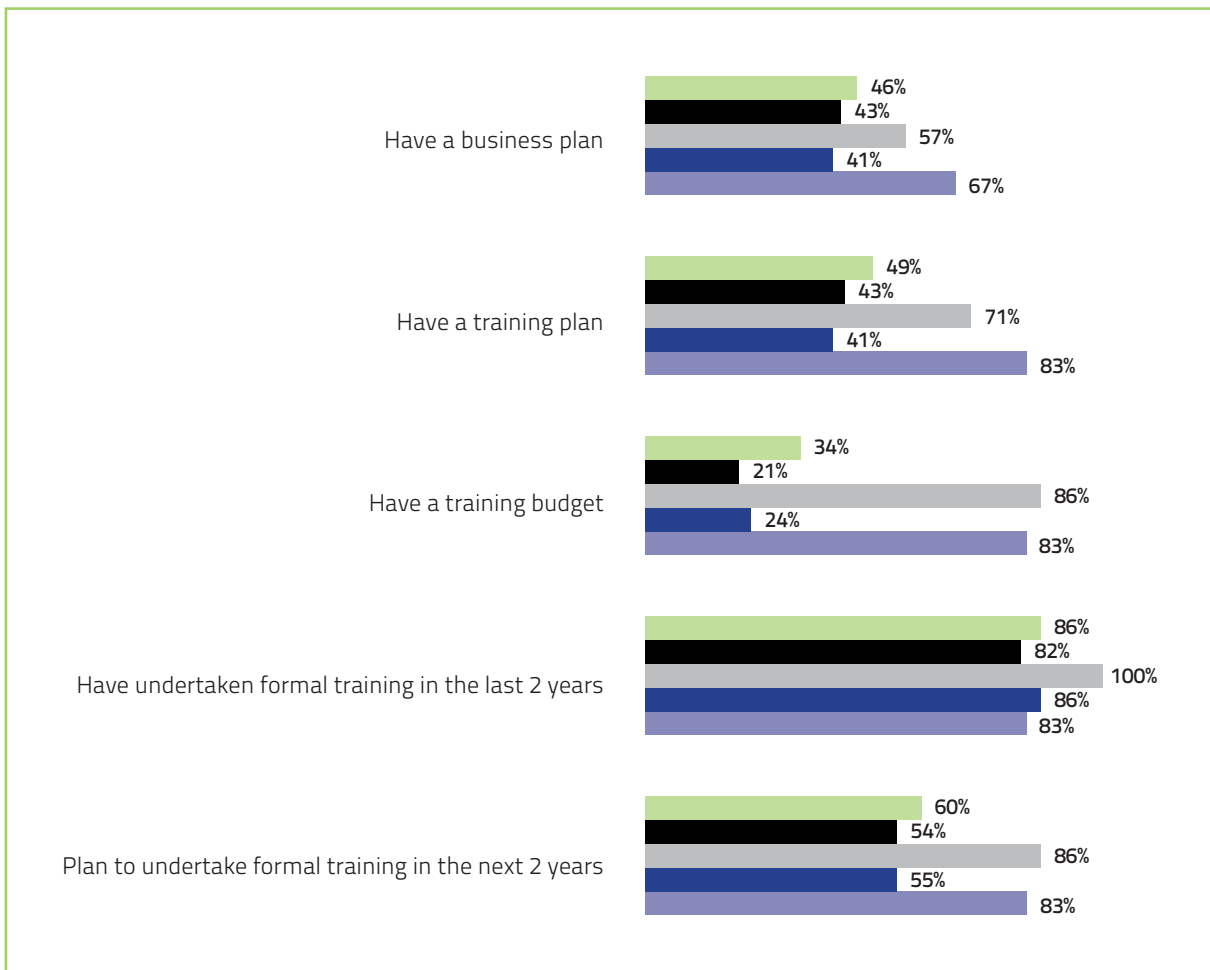


Table 4 Training practice – vehicle inspection sub-sector  
Source IMI Quantitative Telephone Interviews September 2011

All
  1-10
  11+
  Independent
  Franchise

The figure below (Table 5) shows 71% of all organisations with 11+ staff within the sub sector have a structured training and development programme, compared to 14% of micro businesses. For independents, 64% train managers and staff when they feel it is necessary.

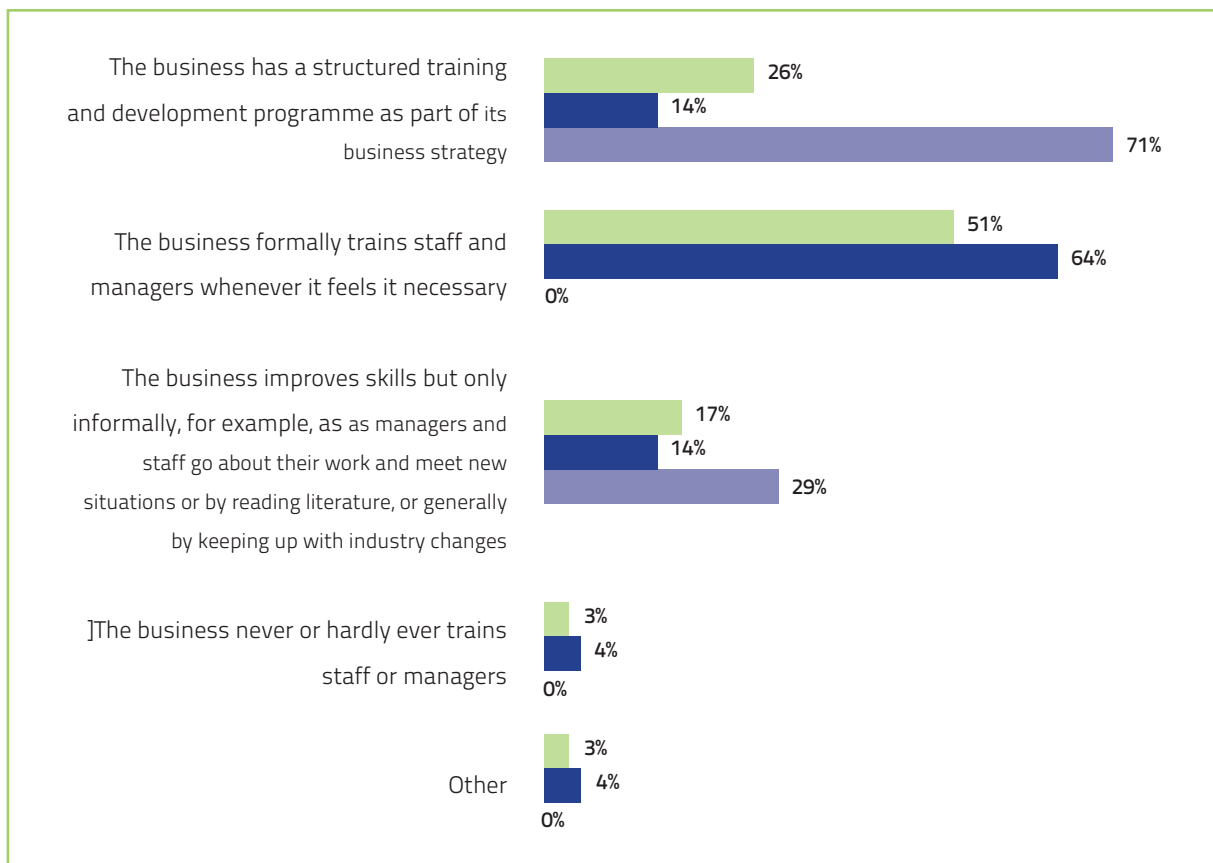


Table 5 Involvement in training – vehicle inspection sub-sector  
Source IMI Quantitative Telephone Interviews September 2011

All
  1-10 staff
  11+ staff

The most commonly given reason for not training is that the business is quite small and staff are fully skilled for their role (86%). 71% of businesses state that they only recruit staff who are fully training. A significant number (57%) state that training is too expensive and an equal number that training is not available in the area. 43% believe that training will not lead to business benefits.

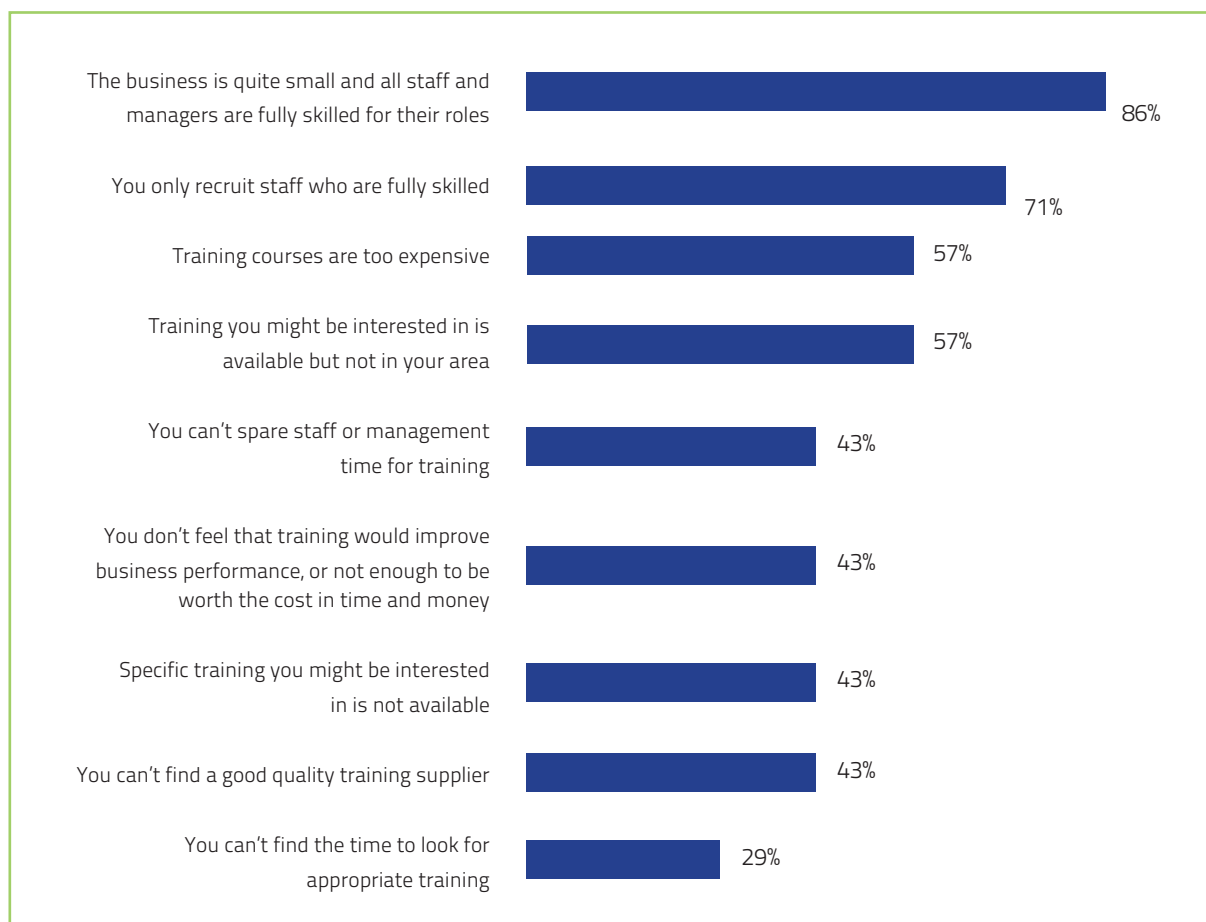


Table 6 Reasons for not training – vehicle inspection sub-sector  
Source IMI Quantitative Telephone Interviews September 2011

# Qualitative in-depth interviews

Qualitative research was carried out with 11 businesses within the vehicle inspection 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 vehicle inspection sub-sector. 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 below.

## Vehicle inspection – technicians/MOT testers

- Effective use of ramps with shaker plates
- Effective emissions testing using approved equipment
- Effective use of equipment for testing e.g. headlight / exhaust emissions, roller brake, tyre and tread depth
- Understanding of emission analyser test results
- Effective inspection of suspension joints, brakes and headlights
- How to ensure a vehicle is safe and roadworthy, identifying worn parts which don't fail but need highlighting to the customer
- Understanding how to advise customers when a component is within or outside tolerance
- Understanding brake roller machine test results
- Effective use of brake roller machine to test braking efficiency
- Ability to understand when a component is new, wearing or worn out
- Effective understanding of tolerances and how they impact on the test
- Awareness and understanding of workshop layout required for inspection
- How to effectively use IT associated with the MOT test
- How to effectively use IT within the workshop
- Effectively identifying faults on a vehicle whilst carrying out a vehicle inspection

## Management staff

- Effectively managing the flow of work through the workshop
  - Effective customer liaison
  - Effective delegation for managers
  - Understanding and awareness of health and safety
  - Effective target setting for managers
  - How to deal effectively with complaints
  - How to keep staff effective
  - Understanding the customer viewpoint
  - Updating technical knowledge of managers – new updates in car technology
  - Understanding and awareness of changes in legislation
  - Effective team management
  - Understanding finance, cost control, budgets and forecasting, PAYE, accounts and debt management
  - Understanding and awareness of employment law
  - How to undertake appraisals
  - Effective time management for managers
  - How to effectively coach team, including leadership principles
  - Effective communication for managers
  - Effective report writing for managers
- 

## 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 advisers
- 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 vehicle inspection sub-sector over the next two years

Respondents were asked to record the changes they expected to their skills and training needs over the next two years.

The key areas reported included the use of advanced electronics, the use of diagnostic systems for gas analysers, a new check on tow bars (including the electrics), having to test more electric cars (and the requirements for the way the engine runs), more electrics / electronics in cars, the use of diagnostic systems for checking cars generally, need to adapt to do other types of work to replace reduction in service work e.g. air conditioning (a result of cars service intervals getting longer). In addition, new skills may be required to take into account changes in legislation (particularly emission laws).

One of the most striking features of the survey has been the references to new technology made in the in depth interviews, across all sub-sectors. It is clear that respondents are aware of a significant change in the underlying make up of vehicles, in particular the impact of advanced electronics both within the overall management and performance of the engine, and also across the brakes, gearbox, suspension and interior

'comfort management systems'. This development impacts on how the modern vehicle works, how it needs to be maintained and serviced, and how it needs to be repaired in the event of an accident.

For people working within the sector this development has significant implications.

For managers modern employment law is expected to change quite dramatically, especially human rights, discrimination and bribery policies. There are also likely to be changes in the way organisations communicate with customers, for example, internet, web, apps etc. There is expected to be a greater emphasis on sales across all levels and roles and a growing requirement for managers to keep up to date with Human Resources legislation and health and safety.

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. Customer handling, technical and sales related skills gaps are increasingly of concern across the sector; hence the findings of this research project will be directly relevant to the prevailing conditions impacting across businesses, by defining in 'granular' detail skills and training needs.



# Quantitative telephone survey

Once the qualitative in-depth interviews had identified the skills needs of the vehicle inspection 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: (i) critical need, (ii) some need or (iii) no need.

This survey quantified the initial set of responses and identified a potential set of skills and training needs that were seen as critical, of some need, or 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 35 interviews were conducted with employers and business owners across the vehicle inspection sub-sector. Data on skill needs is based on 41 interviews as a further six questionnaires were completed online.

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

# Focus groups and web survey

## Focus group

The vehicle inspection focus group was held in September 2011 and comprised representatives from employers, VOSA (the Vehicle and Operator Services Agency) and training providers. The main agenda for these group meetings was to confirm the validation of the findings from the qualitative and quantitative telephone interviews. For the sub-sector, this particular focus group raised no issues with the outcomes of either sets of interviews. The focus group confirmed the skills and training needs of the vehicle inspection sub-sector.

## 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 vehicle inspection 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 Vehicle inspection sub-sector there were very clear and unambiguous outcomes in terms of criticality and the web survey responses have been collated into the telephone survey results.

# Prioritised skills and training needs for the vehicle inspection 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 vehicle parts and distribution sub-sector. They have been ranked in order of criticality with 1 seen as the most critical.

## Vehicle inspection

### – technicians/MOT testers

1. Understanding how to advise when a component is within or outside tolerance.
2. Effectively identifying faults on a vehicle whilst carrying out a vehicle inspection.
3. How to ensure a vehicle is safe and roadworthy, identifying worn parts which do not fail but need highlighting to the customer.
4. Ability to understand when a component is new, wearing or worn out.
5. Effective understanding of tolerances and how they impact on the test.

## Management staff

1. Understanding and awareness of health and safety.

2. How to deal effectively with complaints.
3. Effective customer liaison.
4. How to keep staff effective.
5. Understanding and awareness of changes in legislation.

## Customer service staff

1. How to deal effectively with complaints.
2. Effective telephone skills.
3. Understanding and awareness of costing principles for repair.
4. Effective communication for customer service advisors.
5. Effective problem solving – dealing with customers to ensure their needs are met.

# 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 annum<sup>1</sup>.

49% of businesses in vehicle inspection have a training plan compared to 54% for the automotive retail sector as a whole.

Within the sector as a whole, 78% of larger companies and 80% of franchise companies have training plans compared to 38% of smaller companies (fewer than 10 staff) and 39% of independent.

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 will be progressively developed over the next 12 months.

<sup>1</sup> [www.theimi.org.uk/information/roi-ata.html](http://www.theimi.org.uk/information/roi-ata.html)

For technicians in the sub-sector the following were critical skills needs.

- How to effectively use IT in the workshop.
- Effectively identifying faults on a vehicle whilst carrying out a vehicle inspection.

For management staff in the sub-sector the following were critical skills needs.

- How to deal effectively with complaints.
- Understanding and awareness of changes in legislation.

For customer service staff in the sub-sector the following were critical skills needs.

- How to deal effectively with complaints.
- Understanding and awareness of costing principles for repair.

In the Vehicle Inspection sub-sector one of the most common reasons for not training was cost (57%). A significant number (43%) could not see the link between training and business performance.

We commit to work with partners to:

- Develop high quality, cost effective training.
- Ensure that the link between business performance and training is clear.

For vehicle inspection businesses, 57% felt that training was not available in their area.

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.

56% of all vehicle inspection businesses have a training plan but this reduces to only 44% for micro enterprises (see table 5).

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

The vehicle inspection sub-sector demonstrates an awareness of IMI at 80%, increasing to 100% of businesses with over 11 employees. This is relatively high compared to other sub-sectors. However.

- As the SSC we will work to build on the awareness of the IMI in the sub-sector and the awareness of skills solutions as being necessary for successful businesses.

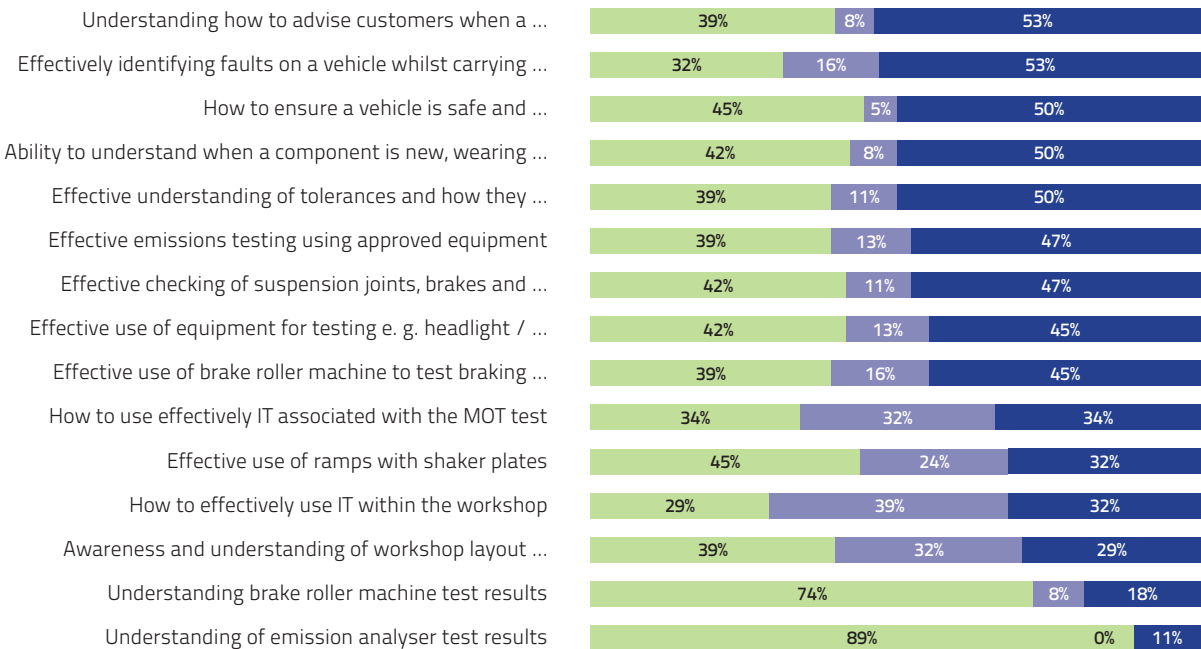
We would like to express our gratitude to the employers and stakeholders who committed time to participate in the vehicle inspection part of this research project.

# Annex 1:

## Skills and training needs by job role and priority

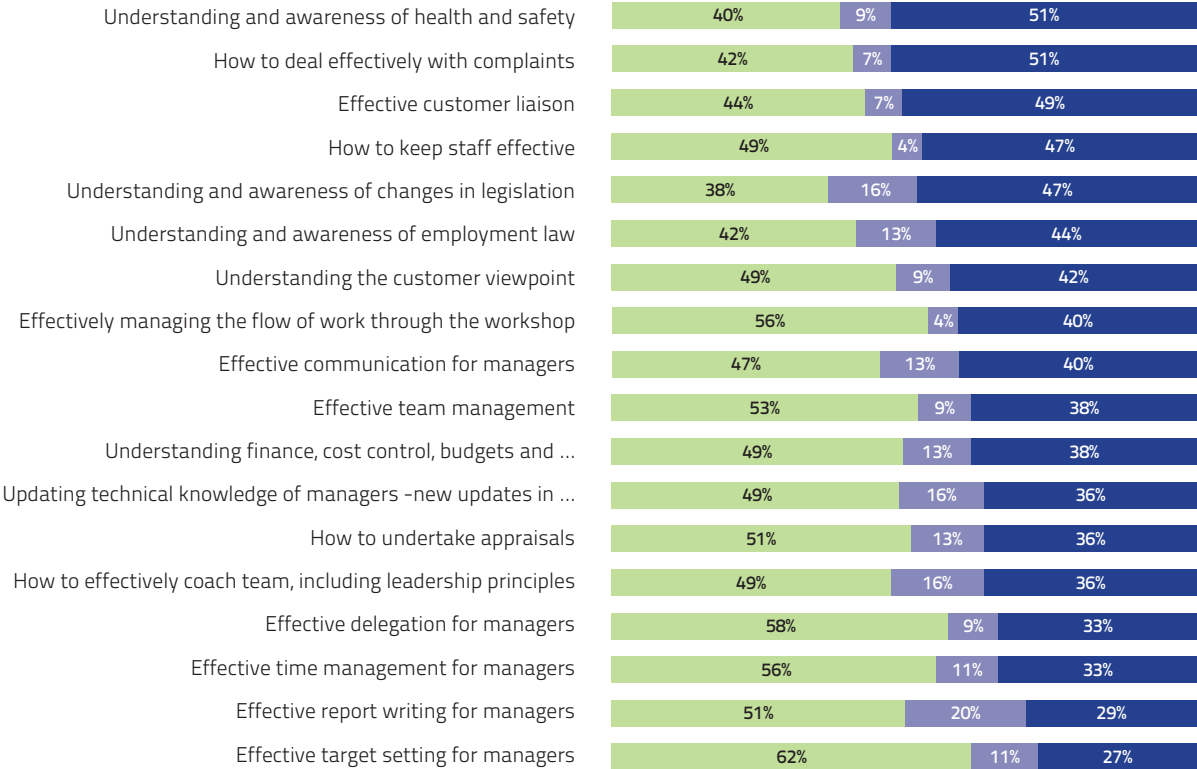
Given below are the detailed percentage results of the quantitative telephone survey carried out for the vehicle inspection sub-sector.

### Vehicle inspection technicians/MOT testers



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

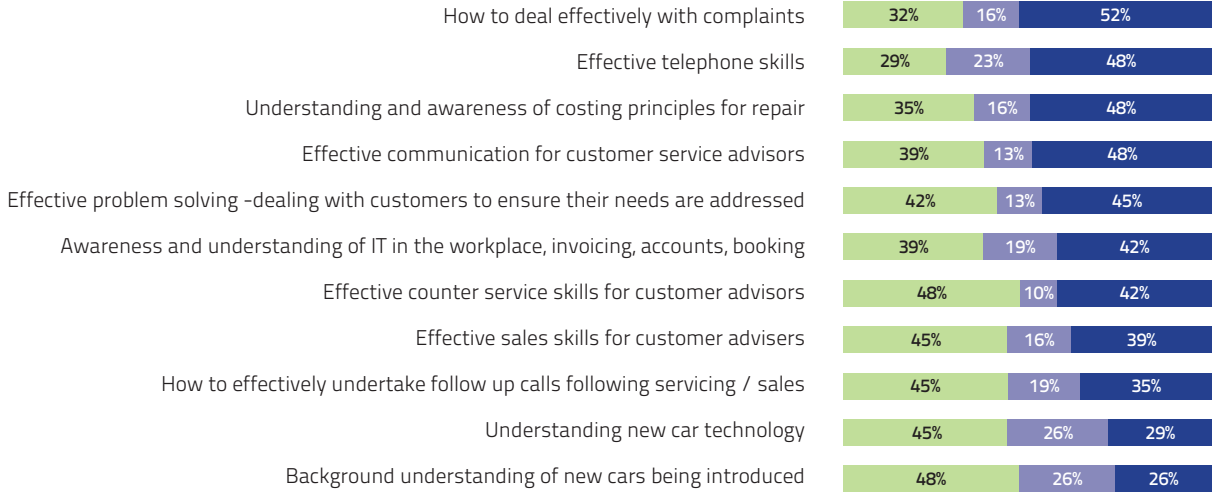
# Management staff



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



# Customer service staff



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

# Annex 2:

## Focus group

The focus group for vehicle inspection was held on 13th September and comprised of representatives from:

- Autologic
- Blackpool and Fylde College
- Hi Q
- GEA
- Premier MOT
- RAC
- S&B Training
- The MOT Doctor
- VOSA
- W G Auto Training



