



MNP

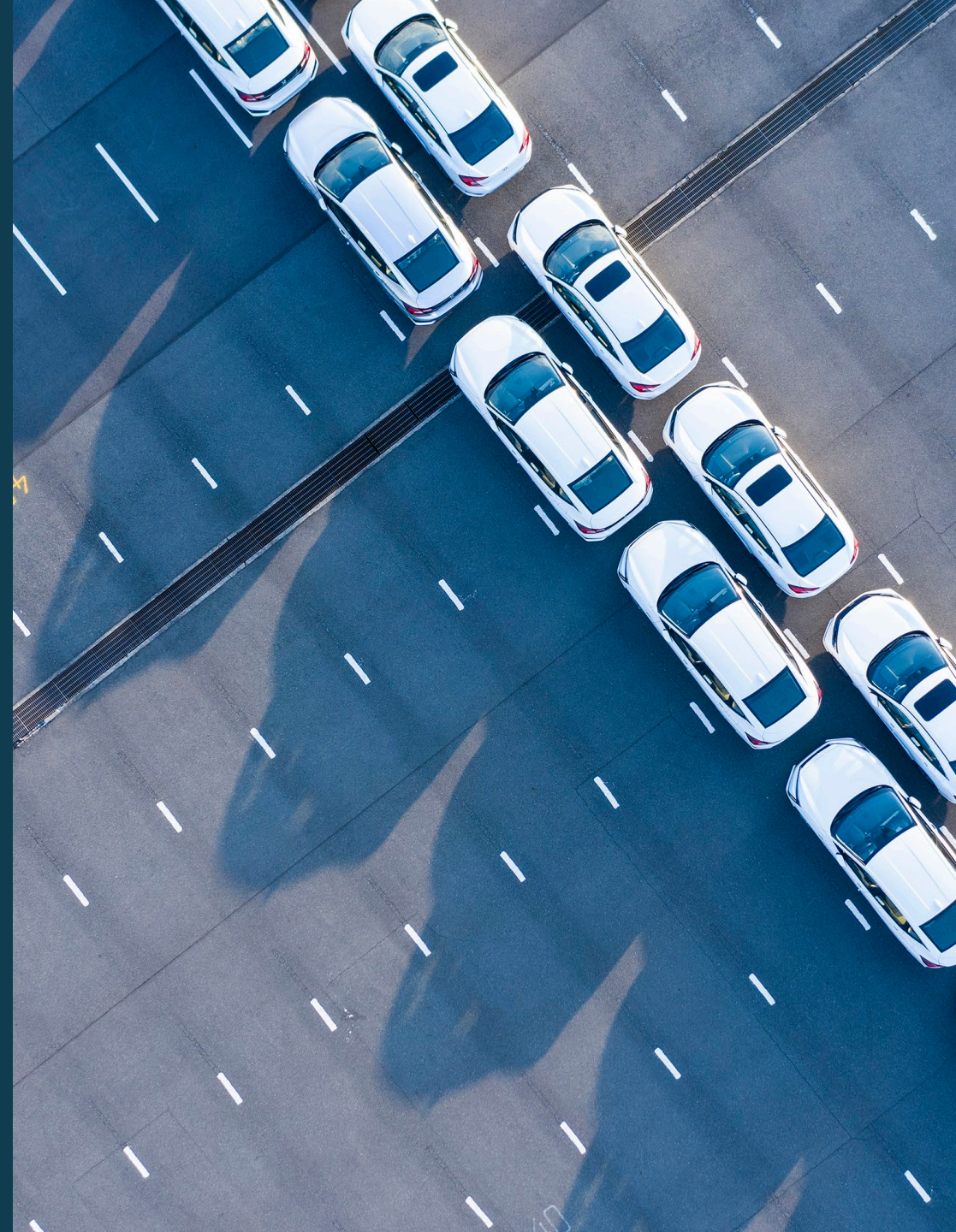
The Future of Talent in Canadian Dealerships

Modern Workforce Trends



Wherever business takes you

[MNP.ca](https://www.mnp.ca)



Today's discussion topics

01

Survey Snapshots

02

Workplace Trends Impacting Automobile Industry

03

Compensation and Total Rewards

04

Retention and Turnover

05

EDI & Modern Workplace Trends

Introductions



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Partner

25 Years HR & Organizational Design

- Workforce Planning
- HR Supports
- Organizational Design
- Performance Evaluation
- People and Culture
- Change Management (PROSCI)



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18 Years HR & Talent Management

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Session Objectives

In today's session, we hope to achieve the following objectives:

- ✓ Reflect on CADA National Workforce Study Survey Results
- ✓ Discuss Trends in the Workplace Today and what is shaping the Future of Talent
- ✓ Share modern workforce practices for optimizing:
 - Compensation
 - Recruitment and Retention
 - Equity, Diversity and Inclusion in dealerships

POLLING QUESTION

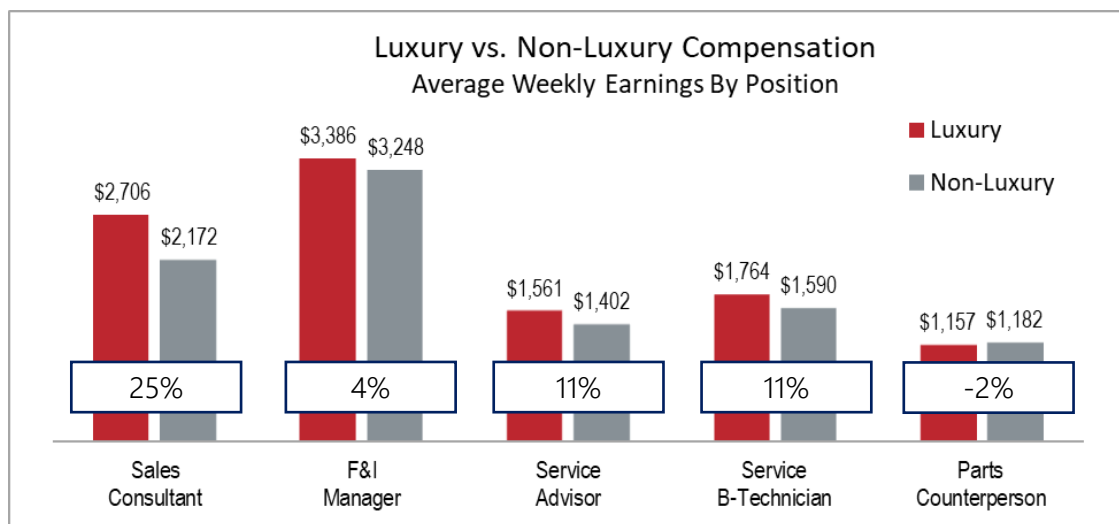
When thinking about your dealership strategic priorities, how critical is workforce planning and the future of talent to your dealership?

Answers will be anonymous

Survey Findings Overview

Survey Findings

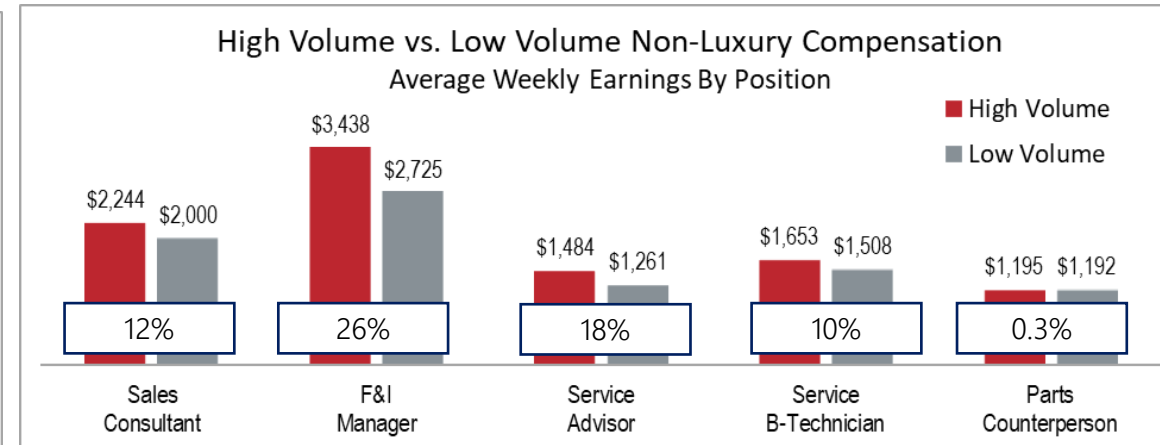
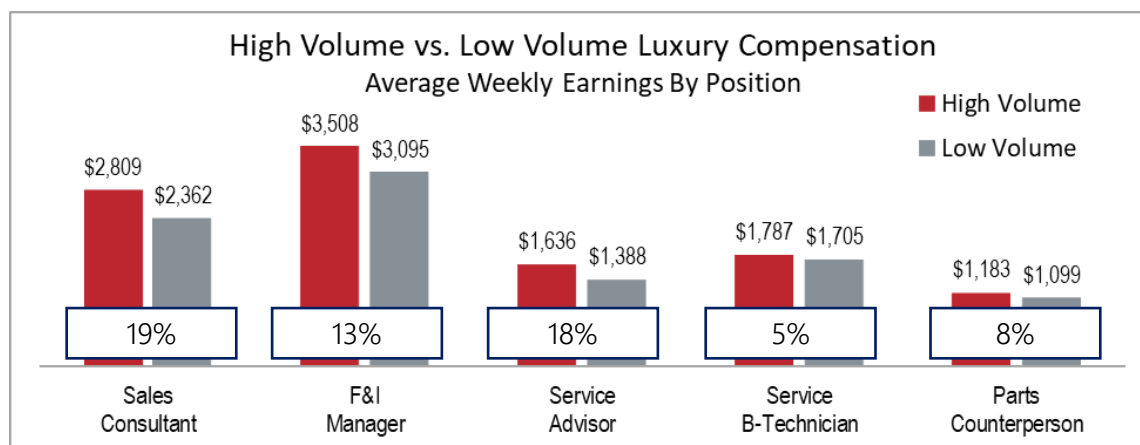
Compensation Snapshot – Luxury vs. Non-Luxury



Luxury franchise dealerships **have higher earnings** compared to Non-Luxury or mass market dealerships

High Volume Luxury franchise dealerships have **higher earnings** compared to smaller low volume dealerships

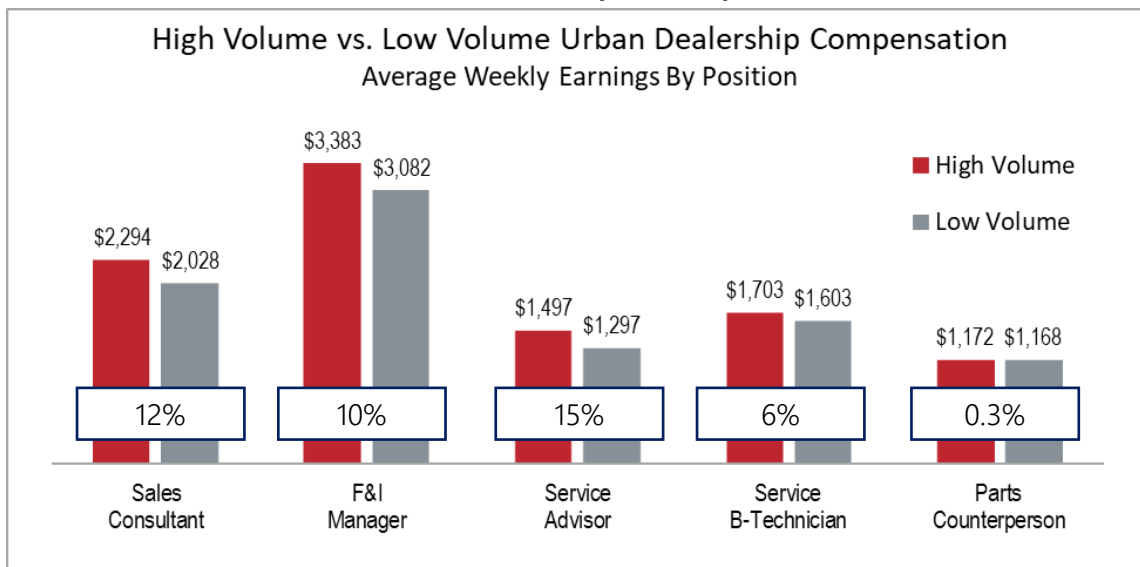
High Volume Non-Luxury franchise dealerships have **higher earnings** compared to smaller low volume dealerships



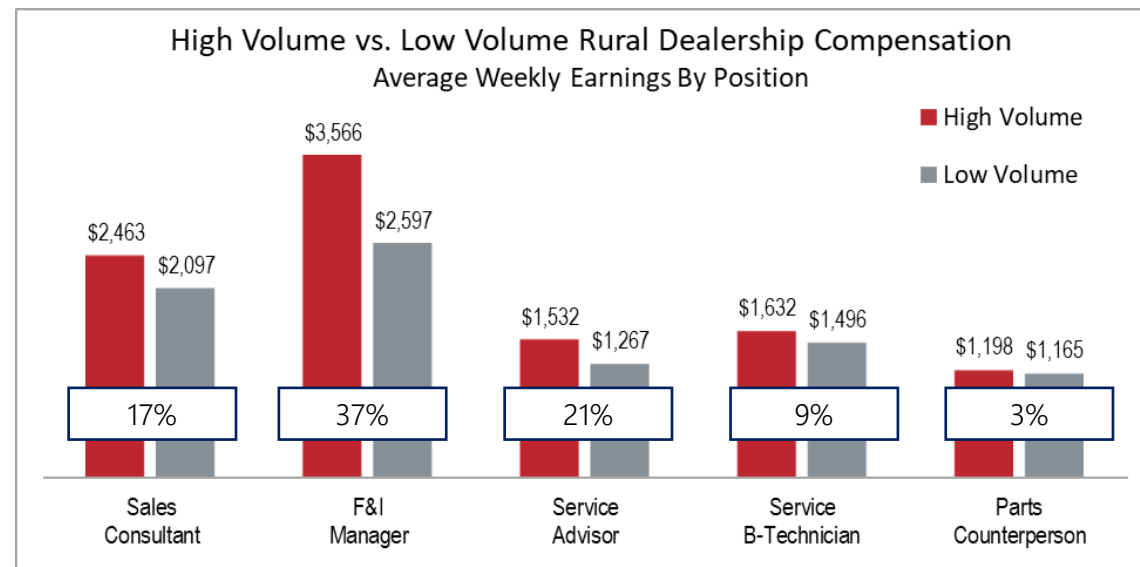
Survey Findings

Compensation Snapshot – Urban vs. Rural

Urban Dealership Compensation



Rural Dealership Compensation

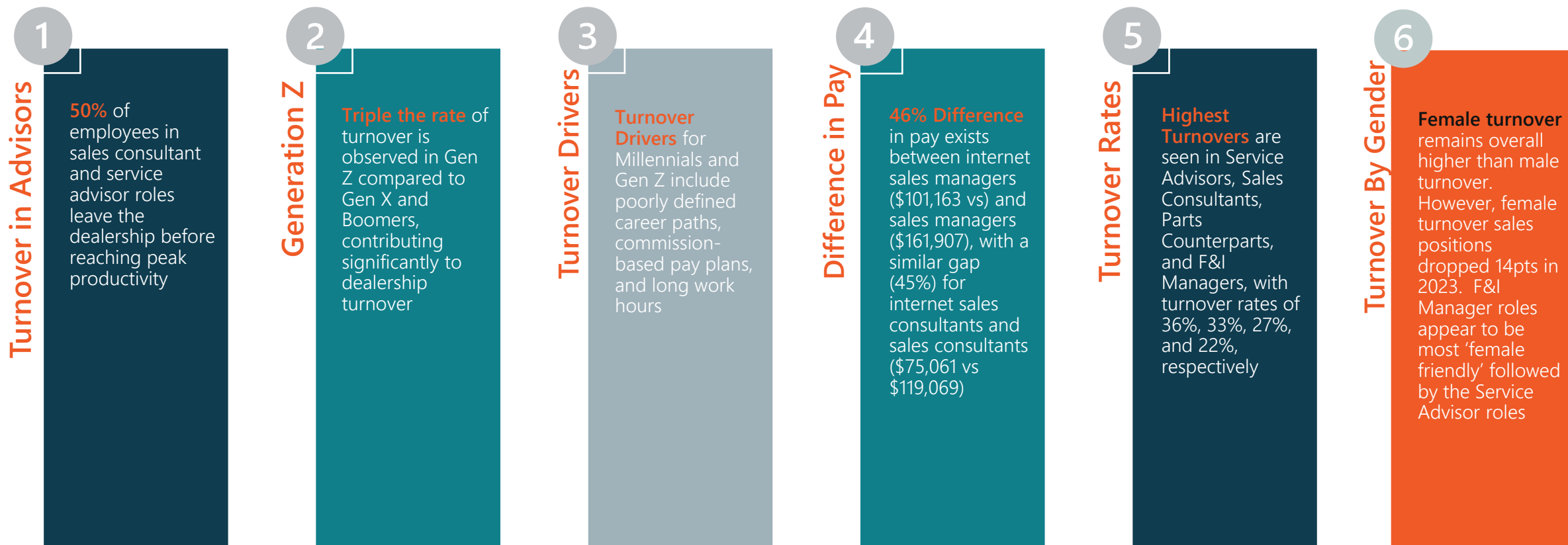


High Volume larger dealerships have **higher earnings** in both Urban and Rural dealerships compared to smaller low volume Urban and Rural dealership employees

Urban and Rural compensation is **comparable** with no significant pay variances across dealerships

Survey Findings

Turnover and Pay Variances



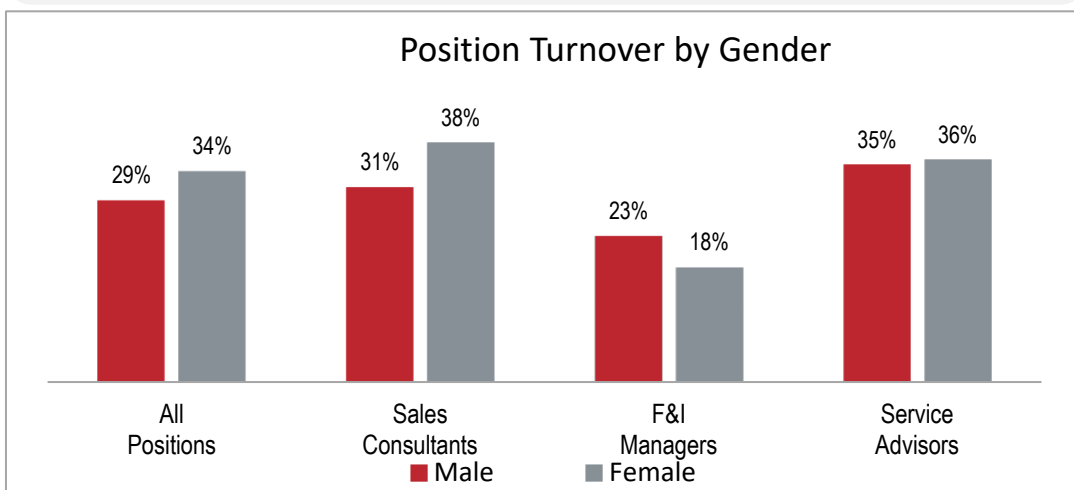
Survey Findings

Gender and Generation Gap

All Positions have a higher female turnover ratio, except F&I Managers

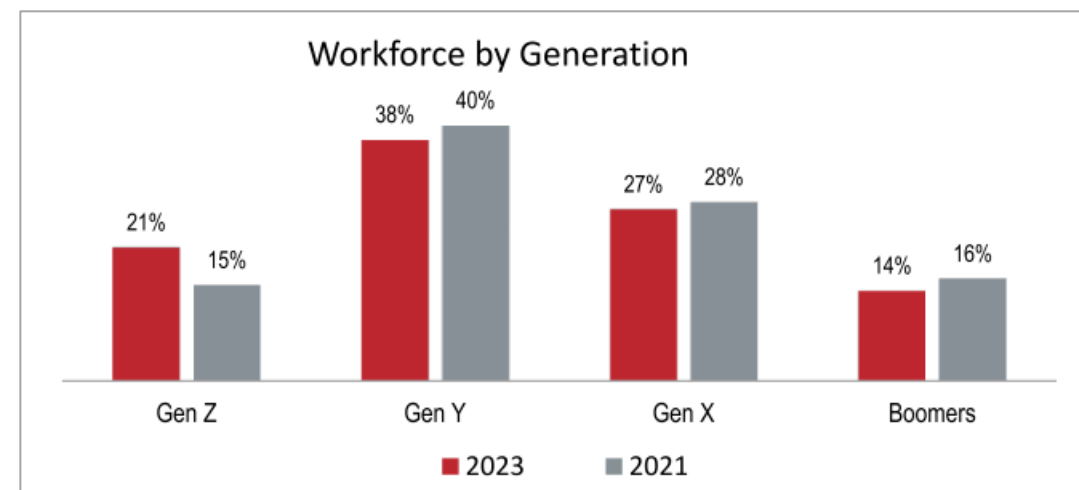
23% of active employees, at the end of 2023, in Canadian new car dealerships were women – no change since 2021

Highest Ratio of women is found among F&I managers at 41%, followed by service advisors at 35%



Gen Z employees made up 42% of all new hires at new car dealerships in 2021, while the percentage of Gen X hires declined to 16%

59% of dealership workforce are now Millennials (Gen Y) and Gen Z



Modern Workplace Trends

Workplace Trends in Canada

Challenges and Practices overall Canada

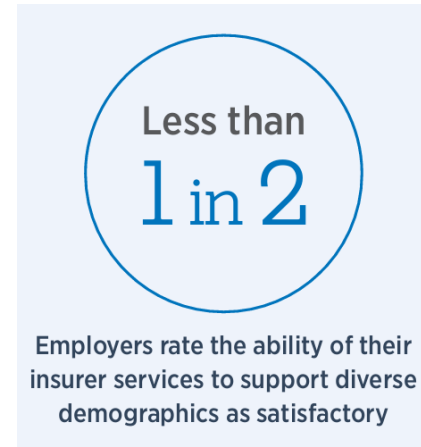


Turnover

33% of employers experienced a turnover of 15% or more in 2022. Attraction and retention were the top challenges for employers in 2023. To combat turnover, the use of **personalized and comprehensive total rewards statements** has increased, highlighting the full value employees receive beyond just their pay.

Modernized Benefits

Many employers want to introduce **more inclusive and modernized benefits**, but carriers often lack the advanced capabilities required. The expectation for **personalized and non-traditional benefits** is putting pressure on insurers and employers.

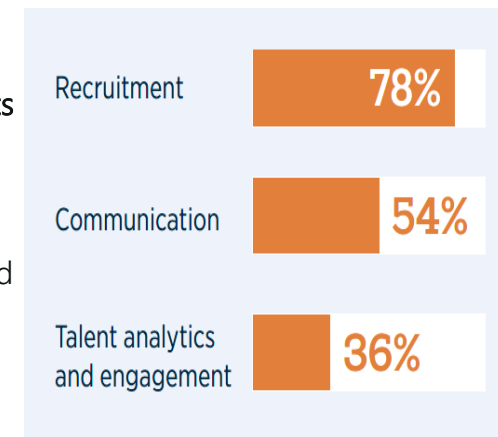


Technology and Analytics

Employers are interested in HR technologies to improve trend monitoring and assess how **HRIS, AI, and Data Analytics** solutions supports productivity, performance, and profitability

Inclusion and Diversity

Inclusion and Diversity (I&D) are **defining elements of culture, employee experience, and organizational attachment**. Employers are increasingly recognizing the competitive advantage of applying supportive I&D policies and practices internally consistent.



People Planning – World of Work Trends



“Organizations that doubled down on employee engagement in times of economic uncertainty performed twice as well financially as organizations that deprioritized it.”

“It takes more than a 20% pay raise to lure most employees away from a Manager who engages them, and next to nothing to poach most disengaged workers.”

Current Generational Trends in the Workforce

Future considerations for employers in the industry

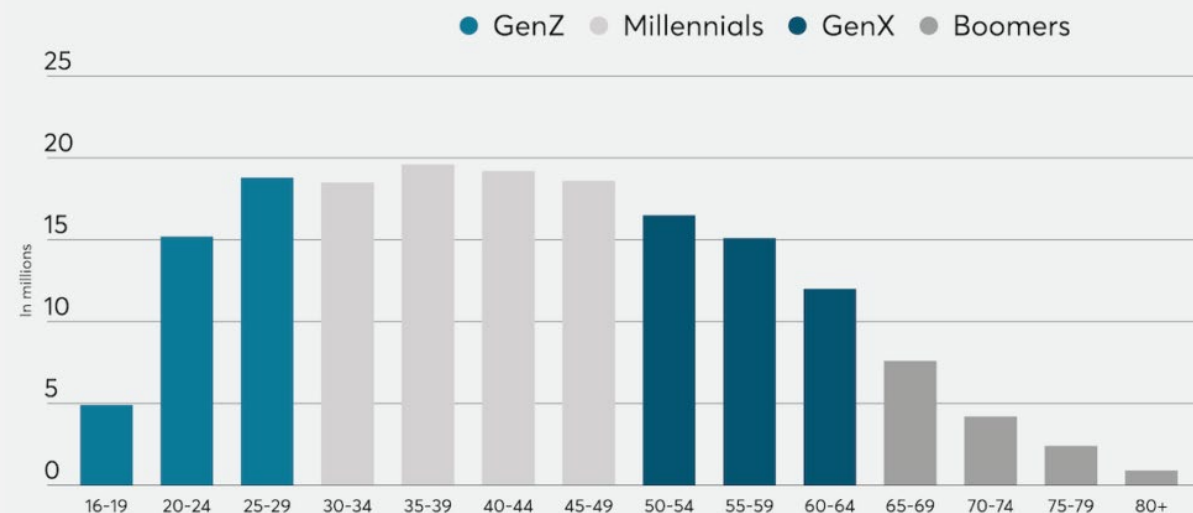
By 2029, Gen Z is expected to make up about 30% of the global workforce, bringing new expectations and behaviors into the workplace

Flexibility in work hours and location is a non-negotiable for Gen Z. Many companies are offering hybrid work options and flexible schedules to attract and retain this generation

Mental health resources are crucial for attracting and retaining Gen Z workers. Companies are increasingly offering wellness programs to meet these demands

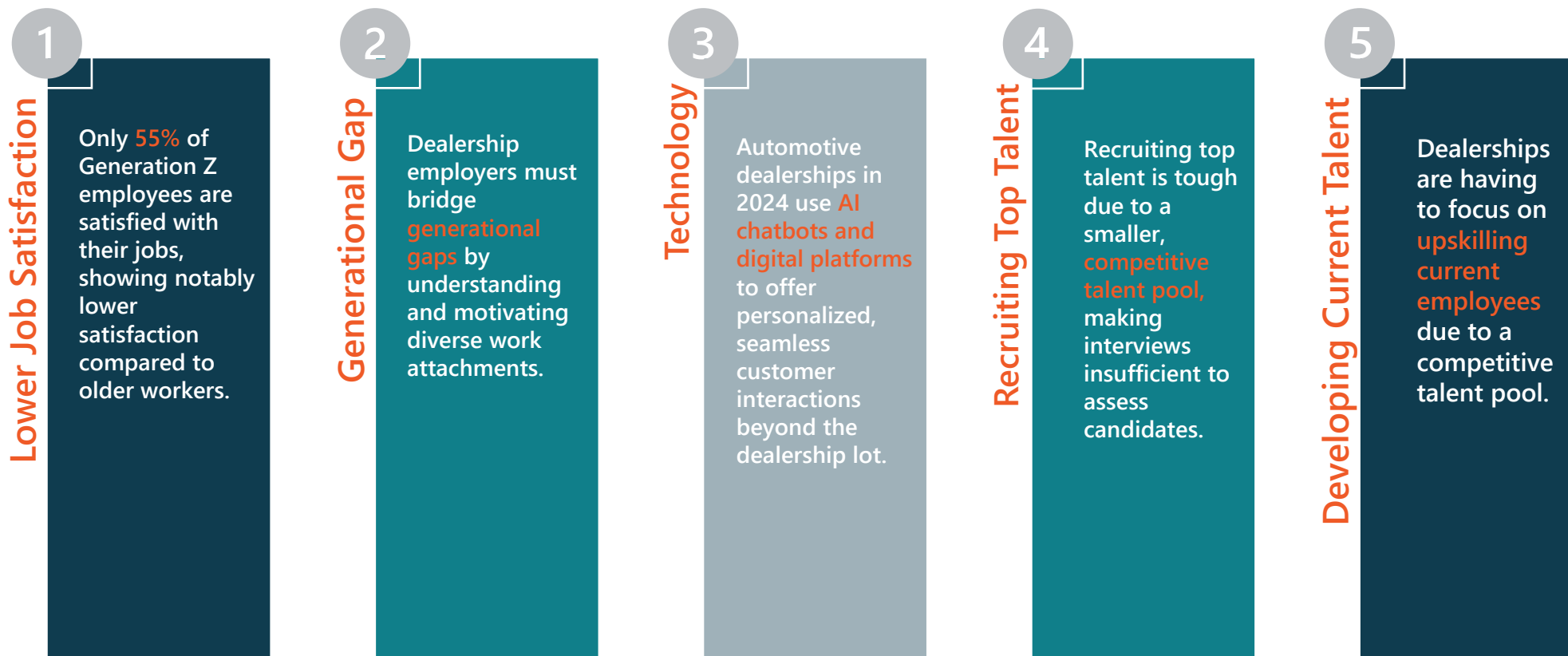
Gen Z looks for employers who offer continuous learning and clear career progression. Companies in the industry are leading the way with internal development programs.

Projected workforce size by 2030



Workplace in Dealerships

Workplace Trends impacting the dealership industry



References:

1) Gen Z Workers at Dealerships Want a 401K and Feedback. 2024 | [Link](#). 2) Dealing with Multi-Generational Dealership Employees. 2022 | [Link](#). 3) 2024, Top 4 trends accelerating dealership transformation. 2024 | [Link](#). 4) The automotive industry is experiencing a profound shift.. 2023 | [Link](#). 5) Navigating HR Challenges in Auto Dealerships.. 2023 | [Link](#)

Recruitment Trends

Insights across Canada



The Divide on Returning to the Office

Amidst the evolving workplace dynamics, many employers are advocating for a return to the office, while employees are expressing resistance, preferring the flexibility and autonomy that remote work offers.

- As hybrid work becomes more common, companies are recognizing the benefits of flexible work schedules, which can help balance productivity and employee well-being.



Recruiters Leveraging AI

In 2024, recruiters are increasingly leveraging AI to streamline the hiring process, from sourcing candidates to final selection. AI-powered tools are being used to analyze job descriptions and match them with candidates' resumes, predict candidate success, and even conduct initial screening interviews.

- 82% of CEOs and senior leaders expect AI to have a significant or extreme impact on their business, reflecting a broad recognition of AI's potential in the workplace.



Broadening the Applicant Pool: Leveraging Equity, Diversity, and Inclusion (EDI)

Organizations are focusing on EDI, which includes adopting inclusive recruitment techniques and rethinking role requirements. These efforts aim to create a more diverse workforce, which is key to building stronger teams and achieving greater success.

- Canada aims to welcome 442,500 to 550,000 new permanent residents in 2025.



Personalized benefits packages

The trend of customizing benefits packages is on the rise, enabling companies to cater to the individual preferences and requirements of their workforce. Employers are setting themselves apart by offering distinctive perks including:

- Personalized health and wellness benefits
- Spending accounts
- Education funds



Empathetic Leadership

Candidates are drawn to employers that portray empathetic leadership and work culture.

The research on emotional intelligence also suggests that empathy makes leaders more effective, and more likely to have engaged employees. All these in turn, points to a higher level of job satisfaction and performance.

- Leaders who listen to their teams and support well-being are more likely to foster high energy and performance within their teams.

References:
 Government of Canada 2023 / [Link](#)
 Korn Ferry Talent Acquisition Trends 2024 | [Link](#)
 Adecco Top Trends Shaping the Recruitment Landscape in 2024 | [Link](#)
 Indeed 2024 Canada Jobs and Hiring Trends Report | [Link](#)

EDI in the Modern Workforce

Companies are evolving their recruitment processes, focusing on diverse hires and implementing blind resume reviews to reduce unconscious bias

ERGs (Employee Resource Groups) are becoming more common, providing support networks for women, BIPOC employees, and other underrepresented groups. For example, Tesla and GM have established ERGs to foster inclusivity.

Companies in the automotive industry are setting and reporting on equity, diversity, and inclusivity targets within their teams to ensure representation at all levels



What Does This Mean for Dealerships?

Workplace Trends impacting the dealership industry



Aligned Workforce to Evolving Consumer Behaviors

Adapt Traditional vs. Non Traditional Dealership roles with consumer behaviors



Pay PLUS Employee Experience

Fair pay + mental health and wellness, personalized benefits, career pathing, work-life balance



People Fuel Profitability

Retention incentives, stay bonuses heighten staff productivity and engagement reduce costs of turnover, recruitment and onboarding



Embracing Generations and EDI

Understanding generational differences and inclusive HR can be competitive advantages

Compensation & Total Rewards

Industry Compensation

Average Annual Earnings

- In 2023 64 percent of all employees in the CADA Workforce Study earned more than the 2023 All Canadian average weekly earnings.
- According to StatCan, the Consumer Price Index (CPI) increased 10.9 percent from 2021 to 2023. With an earnings growth rate of 11.4 percent from 2021 to 2023, dealership employee earnings on average kept slightly ahead of the pace of inflation.

Median Annual Earnings

- The median means that half (50%) of people working in car dealerships are earning less than \$77,272 while the other half are earning more than \$77,272.
- The 2023 National median salary across All Positions in the Workforce Study is \$77,272 per year, a 10 percent increase compared to 2021.

	Average Annual Earnings				Median Annual Earnings			
	2021	2023		Growth*	2021	2023		Growth
All Positions	\$87,798	\$97,749	↑	11%	\$70,290	\$77,272	↑	10%
General Manager/Operator	\$280,348	\$289,693	↑	3%	\$239,284	\$251,450	↑	5%
Sales Manager	\$152,730	\$161,907	↑	6%	\$141,638	\$150,145	↑	6%
F&I Manager	\$152,511	\$170,052	↑	12%	\$144,667	\$157,410	↑	9%
Service Manager	\$109,809	\$119,875	↑	9%	\$105,000	\$113,466	↑	8%
Parts Manager	\$89,883	\$101,382	↑	13%	\$86,547	\$94,852	↑	10%
Sales Consultant	\$103,350	\$119,069	↑	15%	\$89,074	\$105,038	↑	18%
Service Advisor/Writer	\$68,477	\$74,718	↑	9%	\$65,704	\$72,292	↑	10%
Service B-Technician	\$78,485	\$84,755	↑	8%	\$75,588	\$80,803	↑	7%
Parts Consultant	\$54,503	\$61,205	↑	12%	\$53,215	\$59,705	↑	12%

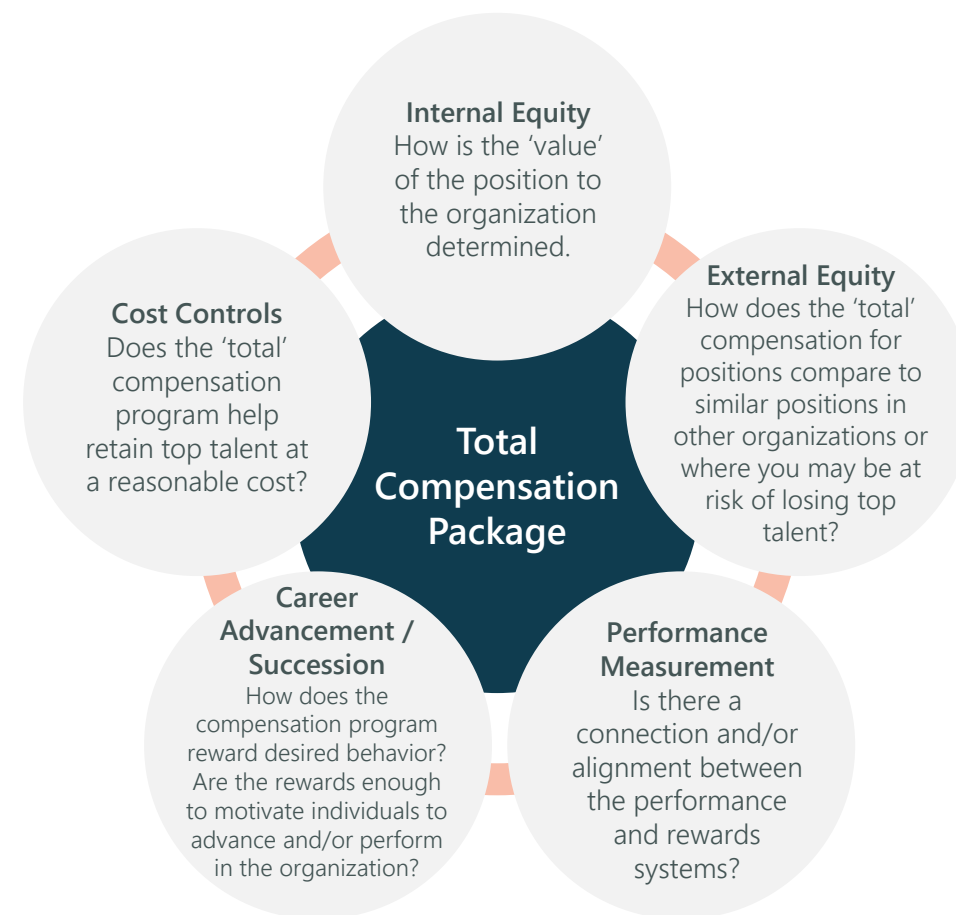
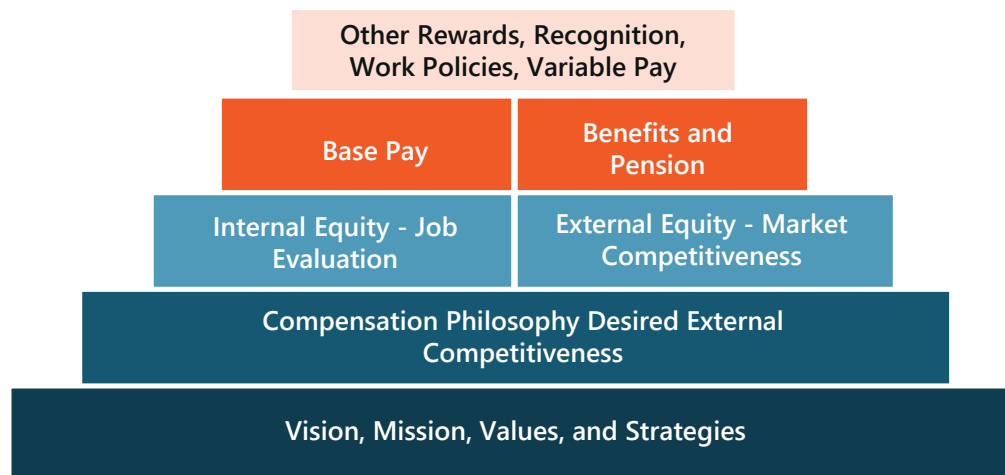
Source: Statistics Canada. [Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted](#)

*Total earnings growth over two years, not annualized growth rate.

Total Rewards Not Just Pay

“Total Rewards” considers cash compensation or base salary **PLUS**:

- Variable pay: bonuses, incentives, commission.
- Core benefits such as health, dental and vision.
- Non-financial rewards and recognition programs, such as long service awards, employee of the month, opportunities to do community service, flexible work schedules, etc.
- Retirement programs.
- Work-life and wellness rewards.
- Training, development, and career opportunities.



What is your Total Rewards package for your team members?

Compensation Leading Practices

Leading practices and emerging trends adopted by companies to ensure competitive, fair pay.



Promotions from Within

Offering internal promotions signals that you value employee growth and development within the organization. A clear path to advancement can serve as a compelling motivator for both new and existing employees.



Perks and Wellness

Benefits that support work-life balance are increasingly vital for attracting top talent in competitive industries. Unique perks, such as wellness programs or flexible schedules, can differentiate your dealership from others. Ensuring that perks align with the diverse needs of your workforce can lead to higher employee satisfaction and retention.



Mentorship

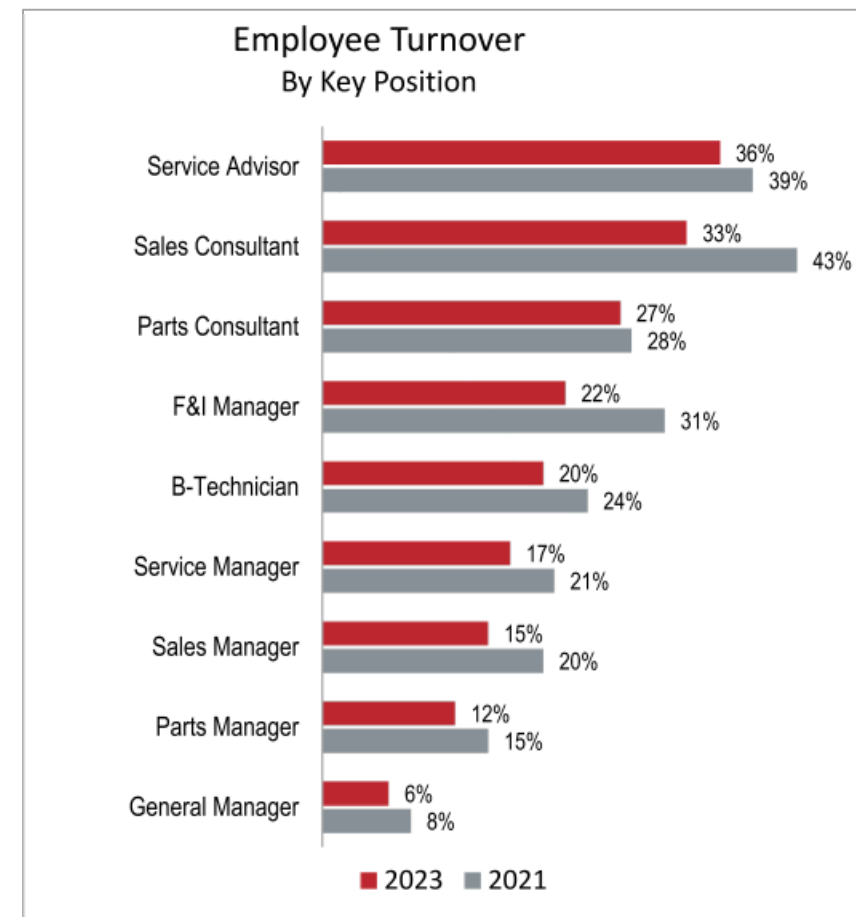
A structured mentorship program fosters professional growth and shows your commitment to employee development. Mentorship helps bridge the gap between junior and senior employees, cultivating a learning-driven culture. By offering mentorship, dealerships can create tailored career paths for employees, ensuring that skills and knowledge are continuously enhanced.

Retention and Turnover

Survey Findings

Employee Retention and Turnover

- 1. Employee Turnover and Retention:** Turnover in Canadian dealerships fell to 31%. General Managers had the lowest turnover (6%), while positions like lube technicians and receptionists saw the highest (50-60%). One-year retention remained at 76%, but three-year retention dropped to 54%.
- 2. Position-Specific Retention:** Sales consultants (49% retention) and service advisors (45%) often leave before reaching peak productivity, while 69% of service technicians stay for at least three years.
- 3. Tenure Insights:** Median tenure for all employees was 3.3 years, with General Managers at 11.7 years and lower roles, like lube technicians, at just over one year.



A Successful Sustainable Organization

The People Perspective



Retention Trends

Insights across Canada



Employee Morale

Due to the current uncertainty and challenging economic forecast, employees throughout Canada are showing signs of decreased morale.

- 71% of employees want to leave their job in the next 12 months.
- 55% of employees feel more stressed this year compared to the previous year.
- 46% of employees feel unmotivated to perform.



Compensation

In 2024, competitive salaries remain one of the main drivers of retention.

- 39% of employees are dissatisfied with their current salary.
- 59% of employees intend to ask for a pay raise.
- Top 3 motivators outside of salary: Employee recognition, training and development, and a promotion.



Impacts of AI

As AI changes how we work, many organizations are still navigating the best way to leverage it.

- 40% of organizations mentioned they encouraged the use of AI technologies or tools.
- 22% of employees expect AI to replace their job in the next 5 years.
- Main uses of AI for organizations: increase efficiency, creativity and idea generation, and reduced risk of human error.



Work Arrangement

Employers are reevaluating the traditional work model as employees increasingly prefer hybrid or remote roles over full-time office attendance.

- 39% of organizations plan to maintain a hybrid work arrangement, while 33% plan to fully be on-site.
- Employees now have a heightened awareness of the cost of being on-site or in-person such as financial, time, and energy.



EDI Gap

Budget cuts have led to a neglect of Equity, Diversity, and Inclusion (ED) initiatives, causing a gap between policy and practice that undermines employee trust and highlights the importance of a genuine DE&I strategy.

- 87% of employees responded that it is important to them that an organization has a clear EDI strategy.
- 52% of employees feel their organization doesn't take EDI policies seriously.

What Does This Mean for Dealerships?

Practical solutions for consideration



Improved
Onboarding and
Training Programs



Career
Development and
Advancement
Paths



Employee
Engagement and
Satisfaction



Competitive
Compensation and
Benefits

Comprehensive Retention Strategy

Conduct Employee Feedback Surveys	Create a Positive Work Environment
Analyze Feedback and Identify Key Factors	Employee Engagement Programs
Competitive Compensation and Benefits	Flexible Work Arrangements
Career Development Opportunities	Regular Performance Feedback
Recognition and Rewards Programs	Invest in Employee Training and Development
Work-Life Balance Initiatives	Exit Interviews and Analysis
Improve Communication Channels	Continuous Monitoring and Adaptation

Equity Diversity & Inclusion (EDI)

The Role of Equity, Diversity, and Inclusion

What is EDI?

Equity supports each individual based on their specific needs.

- Equity is the condition or state of **fair treatment, access, opportunity, and advancement**, which is not necessarily the same for all.
- The principle of equity acknowledges that there are historically underserved and underrepresented populations and that fairness is necessary to provide equal opportunity to all groups .

Diversity represents the full spectrum of human demographic differences.

- It includes a variety of **unique dimensions, qualities, and characteristics** we all possess, and the mix that occurs in any group of people.
- Race, ethnicity, age, gender, sexual orientation, religious beliefs, economic status, physical abilities, life experiences, and other perspectives.

Inclusion is the extent to which members of an organization who are different from each other feel valued, safe and respected.

- Diversity **thrives** when your culture is inclusive
- “I feel safe at work, and I feel like I belong. I am part of this organization, and I can be authentic at work.”
- Inclusion is the way organizations **embrace and leverage the differences** between members.

The Role of Equity, Diversity, and Inclusion

Significance and Value of EDI

- We believe that bringing together people with unique perspectives from diverse backgrounds creates a collaborative, innovative and diverse workplace that inspires team members to achieve their career aspirations.
- We understand there is no single path toward inclusion and the work never ends.
- The social and cultural makeup of our country is constantly changing. For example, we know that New Canadians bring valuable points of view from different places and experiences.
- We embrace our differences and develop our strengths together, ensuring our team members feel understood, accepted and represented.
- Understanding our shared Canadian history and where we are today is integral to our success across Canada and in creating an environment where everyone feels respected, embraced and supported.

EDI as a Strategic Workforce Solution

Applying an inclusive lens towards your organization both internally and externally can help expand your talent pool, increase employee retention, and remain competitive.

The boxes to the right provides an overview of actionable tips and solutions can help you get started.



POLLING QUESTION

Which section resonated with everyone the most during the webinar today?

Answers will be anonymous

Let's hear from you!

Questions?

Thank you

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