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Taking control of your company's destiny

By Tony Passwater



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There are several changes taking place in our industry that we have very little influence on their outcome. There also are many more areas we have a great deal to do with their eventual outcome, but we often do nothing or place the blame elsewhere. Unfortunately, sometimes the items we can change are just forgotten about and placed on a lower priority list due to our busy schedules until they become the "issue of the day or year," and then everyone in the industry scrambles to address them. One such issue has been with us for more than 25 years, talked and complained about for as long but not given the significance it is due — the technician shortage that gets worse with each passing year.

When I speak about this critical issue (that also is hitting most other skilled trades industries), the root causes quickly migrate to pay and benefits. However, if you look at the facts, pay and benefits are not the causes. The real cause is something you can readily address to protect your company's future.

The recent I-CAR Education Foundation Snapshot of the Industry Survey 2007 clearly indicates our industry technician rate of pay has increased over the last three years at a rate of 14.5 percent to an average of \$51,312. This makes it very competitive to other skilled trades and higher than most. The survey also notes the top 10 percent of technicians on average made \$88,460. Benefits have slightly decreased since the last survey in 2004 but not significantly.

The technician attrition rate in our industry has continued to increase for years. In 2004, 9 percent of the technicians left the industry. In the 2007 survey the rate increased to 11 percent, representing approximately 21,500 techs. Important here — those numbers outstrip the number of shop closings.

Looking at the number of post secondary collision programs being offered across the United States, it becomes obvious that enrollees believe there are great opportunities available to entry-level technicians. The number of enrollments in the top technical programs is almost overwhelming. While a number of these students may never qualify to actually enter into the industry, many more do.

To that factor, we need to add this one. Technical schools programs nationwide placed 10,300 of the more than 21,000 techs hired, meaning the majority of new hires came from outside this educational system. Technical schools, by themselves, cannot meet the needs of the industry.

Adding these factors together, the question becomes: How do we make new hires successful regardless of their backgrounds? The question is particularly pertinent since the 2007 I-CAR survey indicates that 56 percent of new hires leave the industry within their first year.

The bottom line is that shops need to take responsibility for these losses. For years, I've said that shops must design and implement their own training and mentorship programs rather than relying on others to do so. Specifically, I am referring to creating a system that encourages and promotes an environment of teamwork and mentorship. I've observed first hand successful systems that guarantee the performance of a team with a mentor and a group of apprentices far exceeds the typical "individual based" operation in areas such as production, efficiency and quality. How do you ensure your mentorship program and apprenticeships are successful?

Take full responsibility for both. Make sure your program includes the proper training and incentives to the prospective mentor(s) within your company. One of the main reasons these programs fail is that the mentor isn't trained or has little incentive. Also, make sure your program establishes clear expectations for your apprentices, whether they are entering from a technical school background or not.

Many industry members I've spoken with do not understand the distinction between apprenticeship, training, a team system and mentoring. Generally, the conventional skilled trade apprenticeship is administered by the industry or government and is designed to include structured classroom training along with on-the-job experiences. Success rates vary greatly based on the curriculum and administration.

Training typically is conducted in a classroom setting by an outside entity. I-CAR, AMI and equipment and materials providers all offer training programs that generally include a controlled environment and hands-on training.

A team workplace is not necessarily synonymous to mentoring. A mentoring program should involve the creation of a team environment, with team members of different skill levels all working together. A team environment by itself isn't a mentoring program. This is where many programs fail. There is no guarantee that team members will assist one another in improving their skills. Often, I have seen team members with the least training under-utilized to the point where they quit, which helps explain why so many entry level techs leave during their first year.

A true mentorship is employer-based and is designed around how the company does business. It must create teams with the necessary tools to be successful. By tools, I mean the skills team leaders must possess to properly teach and manage and remain accountable to the company. This takes a carefully defined structure that works into the company operation so that it helps increase productivity.

One effective program was developed by Jeffrey Koykar. It's called The Academy (see www.autobodyproductionservices.com). This program identifies and trains the mentor and sets the expectations of each apprentice. Used properly, it can quickly develop a productive team member, which is one of the most fundamental requirements in creating a successful program to manage your future. The technician shortage issue isn't going away, but it doesn't need to be an issue at your shop.

Please send your comments, questions and potential discussion topics you would like to see addressed in future columns to Tony.Passwater@aeii.net. For additional information you can also visit www.aeii.net.

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