



INSIGHTS BY
INSTITUTE OF THE
MOTOR INDUSTRY

DRIVING AUTO FORWARDS

Top ten drivers for skills change in UK Automotive in the next two years



Introduction



The UK automotive sector is a vital component of its economy, contributing significantly to employment and economic growth. As the industry evolves, identifying and addressing the key drivers shaping the future skills landscape is crucial. This report outlines the top ten key drivers for skills in the UK automotive sector and their implications for the workforce over the next two years.

Our findings reflect the industry's dynamic nature, ranging from challenges in filling essential roles (Driver 1) to the need for a technically-skilled workforce, capable of meeting the future demands of the automotive industry (Driver 2).

The report acknowledges the decade of growth in manufacturing (Driver 3), recognising the increased need for skilled workers to support this expansion. We also identify the critical need for diversity in the sector to foster inclusivity and harness a broader talent pool (Driver 4).

We draw attention to the significance of customer service and soft skills (Driver 5), acknowledging the role they play in creating a positive customer experience. Additionally, the shift towards green initiatives and sustainability (Driver 6) suggests a need for skills aligned with environmentally-conscious practices.

The rising importance of data analytics and telematics (Driver 7) recognises the industry trend towards data-driven decision-making. Meanwhile, the adoption of the agency model (Driver 8) introduces new challenges and opportunities for workforce management and skill requirements.

The report acknowledges the growing prominence of online sales and digital marketing (Driver 9) in the automotive sector, which demands a skillset focused on engaging customers effectively in the digital space. The final chapter (Driver 10) examines the lasting impacts of the COVID-19 pandemic on the sector.

This report explores the implications of these ten key drivers and offers strategic recommendations and actions for the UK automotive sector to navigate effectively; ensuring a fully-skilled workforce in the next two years. By proactively engaging with these key drivers, the sector can position itself for sustained growth and success in the fast-evolving automotive sector.



As the industry evolves, identifying and addressing the key drivers shaping the future skills landscape is crucial.



DRIVER 01:

Vacancy Issue

Challenge

- Motor trade has the highest vacancy rate in 21 years, currently at 5.1 with vacancies increasing even as other industries' rates decline.
- Record-high job postings in the automotive industry, particularly for vehicle and parts salespersons, tyre, exhaust, and windscreen fitters.
- Decrease in job postings for vehicle technicians but still 45% higher than in March 2021.
- Aging workforce and retirements exacerbate the talent gap.
- Technicians' dissatisfaction with low wages and undervalued skills leads to attrition.
- Post-COVID job-hopping trend intensifies competition for transferable skills.

Impact

- Short-term mindset hinders proactive planning for technological advancements and industry changes.
- Demand for individuals with core skills may neglect long-term skill development needs.
- Rising salaries attract individuals and change perceptions but may limit investment in training programmes.

Action

- Launch perception campaign to challenge misconceptions and attract individuals to the sector, especially mid-career changers.
- Widening the recruitment pool by considering individuals from other sectors with similar core skills.
- Trainers and educational institutions to provide retraining programme and support for career transitions.

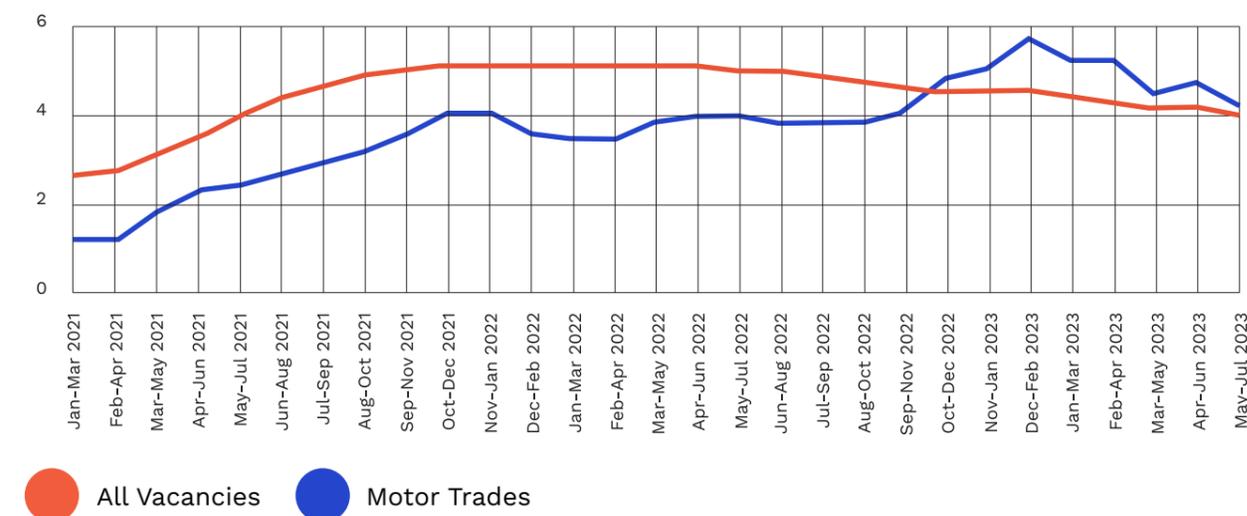
Issue/challenge/change

In this chapter, we refer to 'motor trades' as the Office for National Statistics (ONS) defines it to report vacancy rates. This term mainly applies to the retail sector in the automotive industry.

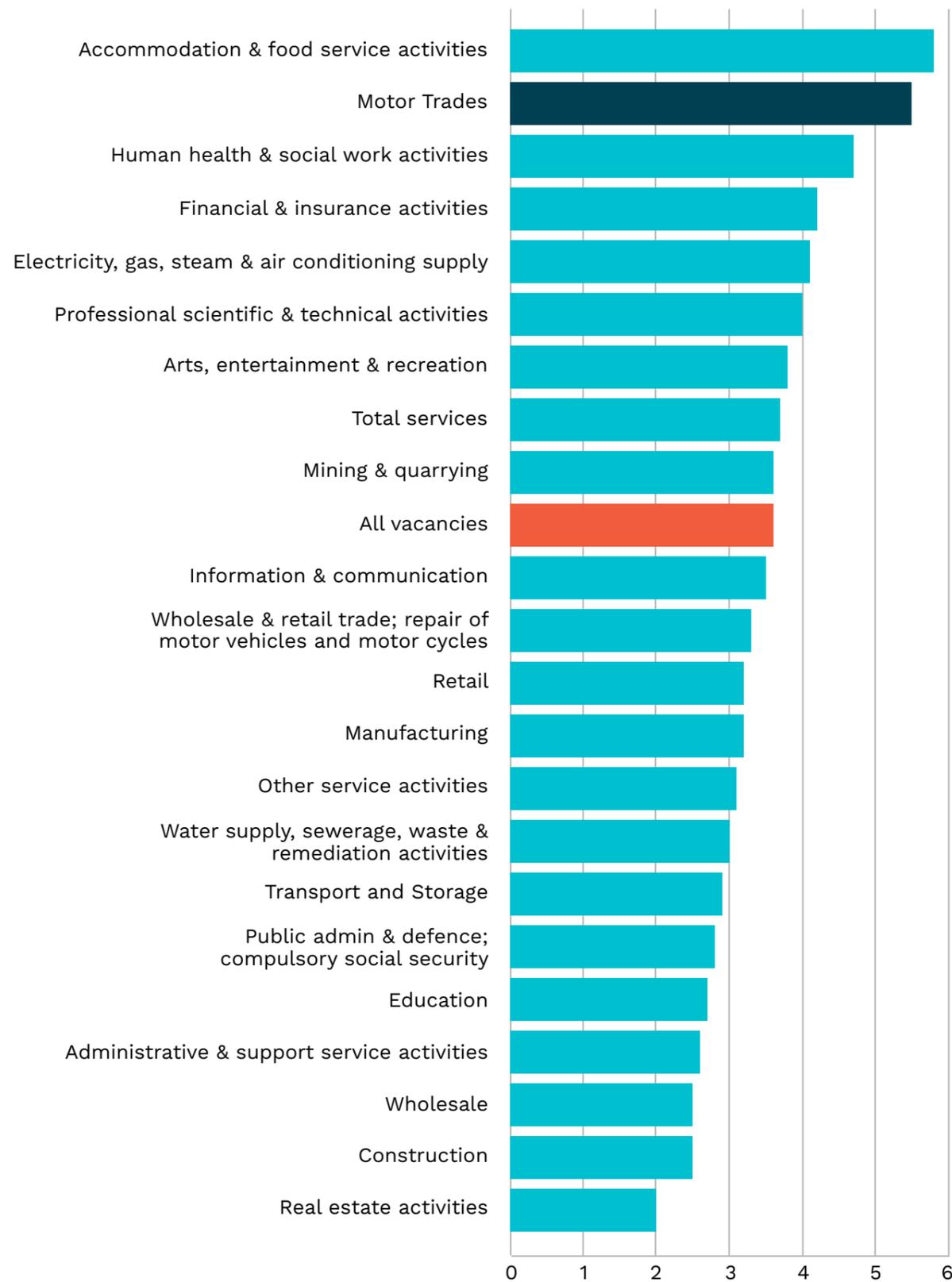
In January 2023, the motor trade experienced its highest vacancy rate in 21 years, at 5.1. A 5.1 vacancy rate indicates that out of every 100 jobs, 5.1 were unfilled.

Despite the overall decline in vacancy rates across industries since summer 2022, the motor trades sector has the second-highest rate, exceeded only by the accommodation and food services sector.

Vacancy Rates since January 2021



Comparison of vacancy rates by sector



In response, job postings have surged, with all automotive occupations recording record highs in January 2023. Although job postings have slowed in the summer of 2023, there are still significantly more than in previous years.

While job postings for vehicle technicians dipped, they are still 45% higher than in March 2021. Conversely, demand for vehicle and parts salespersons has grown by 25%. Additionally, there have been notable rises in postings for tyre, exhaust, and windscreen fitters over the past year. Postings for body repairers and builders have held steady, and paint technicians reached an all-time high in January 2023. There has also been a marked increase in postings for managerial positions.

Wages across all roles have trended upward over the past three years, with vehicle paint technicians witnessing the steepest rise in advertised salaries—an increase of 9.6% in the past six months, amounting to a 19% boost over three years. Vehicle technicians advertised salaries have climbed by 3% in the same period, averaging £35,000, which is £7,100 above the government median.

Efforts to promote apprenticeships have intensified since 2020 as businesses strive to address skill shortages. Job postings that specify EV skills have seen a rise in the past six months, signalling a burgeoning demand for such expertise, though numbers are still small.

Why:

Firstly, we are facing a dwindling influx of fresh talent into the automotive field, especially among the younger generation, leading to a significant workforce gap and contributing to the high number of vacancies.

Additionally, Brexit and subsequent restrictions on European labour have intensified the challenge, with a reduced pool of skilled workers available to fill roles.

Moreover, the automotive aging demographic, compounded by the mass exodus of workers following the pandemic—often referred to as the “big resignation”—has further exacerbated the talent deficit.

Furthermore, engagement with industry professionals has uncovered a worrying trend among technicians, who cite frustration with low wages and a general undervaluation of their profession as being low-skilled. This discontent prompted technicians to seek perceived better opportunities outside of automotive, where they believe they can find better remuneration and job satisfaction.

Additionally, the widespread phenomenon of job-hopping in the post-COVID era has seen workers with transferable skills, such as sales, customer

service, and business support positions, being attracted to other sectors—enticed by better pay and benefits—making it even more challenging to keep talent within automotive.

Impact and implications for skills

The impact of the vacancy crisis on the skills landscape has led to two significant implications.

First, the struggle to fill vacancies has prompted employers to adopt a short-term mindset, prioritising immediate hiring needs over long-term strategic planning for forthcoming technological advancements and industry changes. This reactive approach could potentially hinder the sector’s ability to adapt and stay ahead in an ever-evolving landscape.

Moreover, the urgency to ‘just get someone in the post’ is driving demand for transferable skills. This is especially evident in technician roles, where employers primarily seek candidates with essential service and maintenance skills. Such a hiring strategy, while effective for meeting immediate needs, highlights the importance of foundational expertise in these roles.

Prioritising
immediate hiring
needs over long-term
strategic planning
for forthcoming
technological
advancements and
industry changes.



Interestingly, evidence indicates that the increase in demand for skilled roles is prompting salary increases across the automotive industry. This can have positive implications, helping to alter its reputation as being low-paid. The increased remuneration and mindset shift could make automotive careers more appealing to new talent.

Yet, there is a caveat. It's essential to consider the potential negative impact of rising salaries on the employers' budget, making it tougher to finance the critical initiatives of training and development. As costs increase, allocating resources for comprehensive training initiatives may become more challenging. Companies now face the significant dilemma of attracting skilled professionals with competitive pay, and the financial constraints of investing in training programmes. This, coupled with increasing inflationary pressures businesses are facing, may further impact investment.



SECTOR ACTION

The sector can take positive action to address these challenges and lessen their impact. A key strategy is to attract individuals to the sector and shift negative perceptions. The Institute of the Motor Industry (IMI) proactively launched a campaign to challenge common misconceptions about the automotive industry and its career opportunities. Aimed at targeting key occupations and geographical areas, we dispel preconceived stereotypes, such as the industry being outdated, male-only and having dirty working environments. Importantly, the first stage of the campaign aims to attract professionals at mid-career stages, recognising the value of diverse experience.

Widening the recruitment pool to include candidates from other sectors with transferable skills is another critical approach. This allows employers to consider candidates for retraining or bridging training and qualifications. Trainers and educational institutions are instrumental in offering the programmes needed and support for such transitions. By embracing individuals from diverse backgrounds and industries, the automotive sector can access a broader talent pool, infusing fresh perspectives and expertise.

DRIVER 02:

Technically skilled workforce for the future

Challenge

- Increasing demand for electric vehicles (EVs) with BEVs expected to surpass a million cars in the UK by 2024.
- Adoption of Advanced Driver Assistance Systems (ADAS) technologies and autonomous vehicles on the rise.
- Potential growth of hydrogen-powered vehicles, particularly in heavy goods vehicle (HGV) sector.

Impact

- Need to cultivate a technically skilled workforce to embrace EVs, ADAS, and hydrogen vehicles.
- 10% decline in qualification uptake for EV technicians due to economic pressures and job vacancies.
- Significant skills gap in ADAS qualifications, with a shortage of 3,000 to 9,000 technicians to meet the demand.
- Future demand for approximately 26,000 ADAS-trained technicians by 2023 and 39,000 by 2024.
- Increasing need for technicians trained in hydrogen vehicle technology, particularly for HGVs.

Action

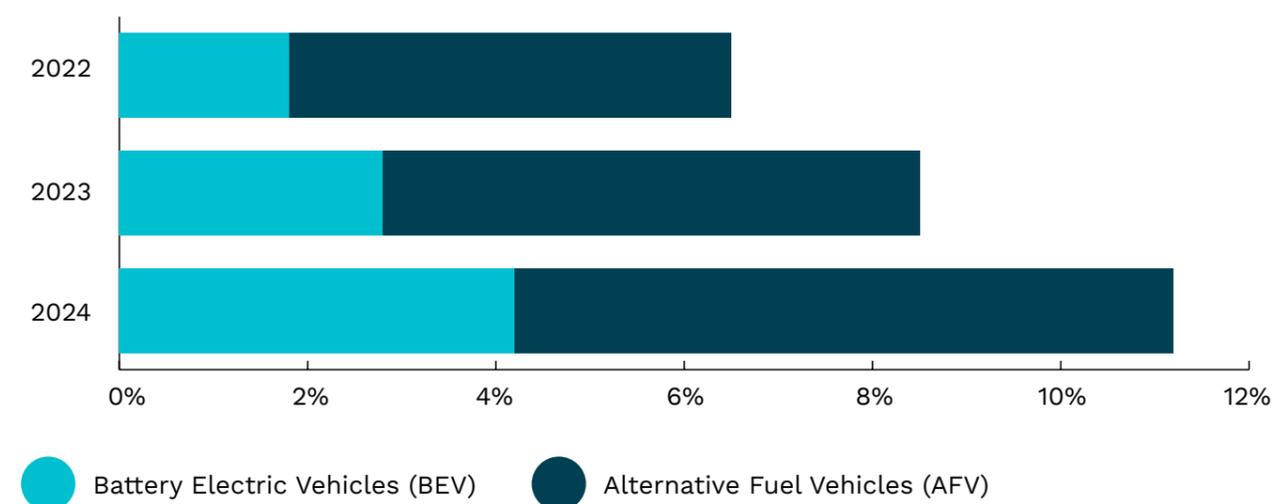
- Focus on training and education initiatives to equip technicians with skills for EVs, ADAS, and hydrogen vehicles.
- Address challenges of qualification uptake and decline and job vacancies to ensure a steady supply of qualified EV technicians.
- Close the skills gap in ADAS qualifications by increasing training programmes and certification opportunities.
- Prepare the workforce for the emergence of hydrogen-powered vehicles through specialised training programmes.
- Invest in a future-orientated workforce that combines technical expertise with adaptability and innovation.

Issue/challenge/change

The electric vehicle (EV) market's swift progression demands a highly-skilled workforce with specialised skills capable of safely working on these innovative vehicles.

The UK's increasing demand for EVs is clear, with battery electric vehicles (BEVs) accounting for 16.6% of all new registrations in 2022. Approximately 2.5% of the UK car parc are electric, a figure anticipated to reach 3% in 2023 and 4% by 2024, surpassing one million cars. Including all alternative fuel vehicles, EVs will form 9% of the car parc by 2023 and expand to 11% by 2024, exceeding over three million vehicles.

Proportion of UK car parc



Simultaneously, the adoption of Advanced Driver Assistance Systems (ADAS) technologies is increasing in new vehicles, a transition marking a step toward fully autonomous vehicles. ADAS technologies, which enhance road safety and reduce accidents, are considered vital components for the future of mobility.

The IMI has identified that as of late 2022, about 5% of the UK car parc have some level 2 autonomy. This is expected to rise swiftly over the next decade, driven by EU regulations requiring all new vehicles since July 2022 to include several safety components, including level 2 autonomous capabilities. The IMI predicts that by the end of 2023, 11% of the car parc will have level 2 autonomy, and this is set to rise to 17% by the end of 2024.

Additionally, hydrogen is emerging as an alternative to traditional petrol and diesel vehicles, offering another avenue for sustainable transportation. Though hydrogen vehicle technologies for light vehicles lags behind that of EVs, manufacturers have invested significantly in the development of hydrogen models for heavy vehicles, such as buses, coaches, and land-based vehicles. Although the light vehicle market is slower to adopt hydrogen, the advancements in other vehicle types suggest changes could happen within the next two years.

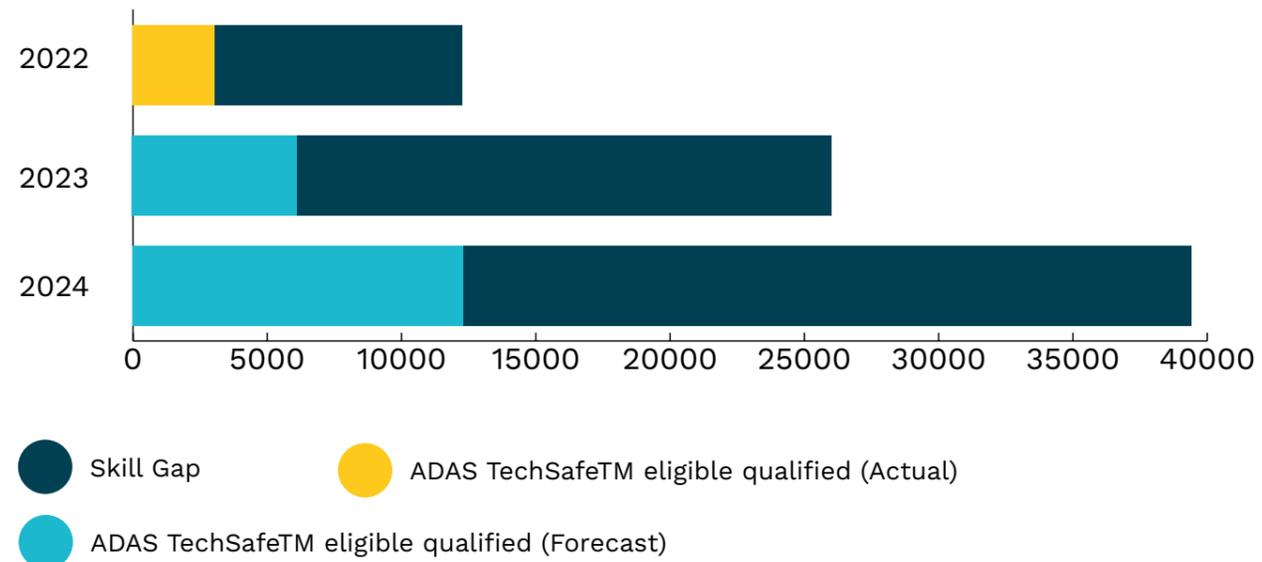
Impact and implications for skills

Today, the UK boasts 42,400 qualified technicians trained to work on electric vehicles, which represents 18% the total technician workforce. Although this number satisfies and even surpasses current demand there's been a concerning 10% decrease in new qualifications over the summer of 2023 compared to the previous year—a trend attributed to economic pressures and job vacancy challenges. This requires a strong focus on training and education so technicians have the skills needed for the upcoming challenges and opportunities.

When it comes to ADAS qualifications, we are still in the initial stages. By the end of 2022, there were just 3,000 ADAS-qualified technicians in the UK, which points to a huge skills gap. With the increasing number of vehicles equipped with level 2 autonomy, this shortage is becoming more evident. Right now, we are short of about 9,000 technicians needed to meet the demand. By 2023, we expect we will need around 26,000 ADAS-trained technicians, and this will likely increase to 39,000 by 2024. It's critical to close this gap to make sure ADAS technologies are integrated safely and effectively into our roadways.

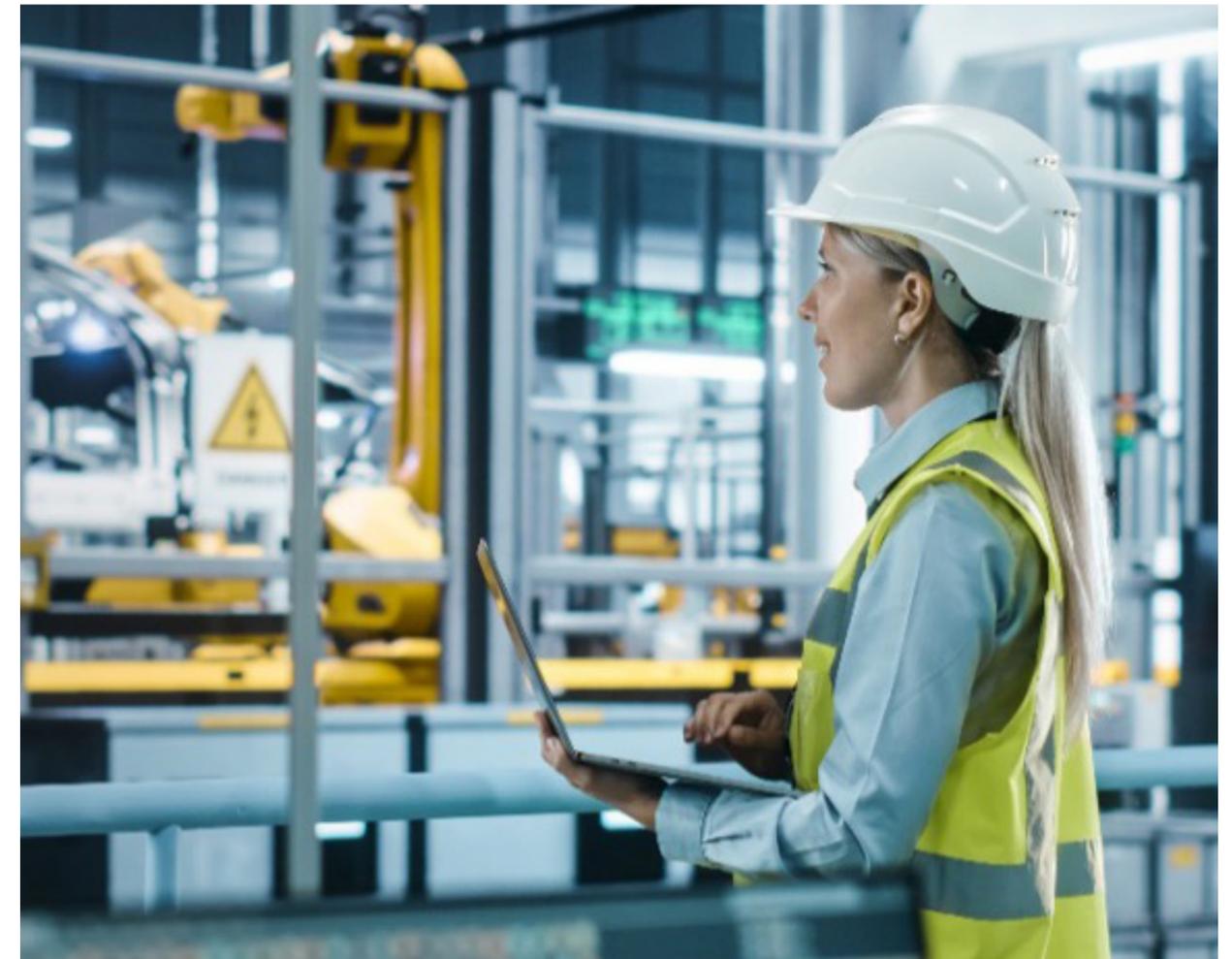
While it is hard to predict how many technicians we will need for hydrogen-powered vehicles in the next two years, demand is likely to surge. More hydrogen vehicles, especially in the heavy goods vehicle (HGV) arena, will mean we need more trained technicians for service and maintenance tasks. As hydrogen technology advances, we must be prepared to equip our workforce with the necessary skills to keep up.

Forecast gap between predicted cars with level 2 autonomy on UK roads and the number of ADAS qualified technicians



SECTOR ACTION

To make the most of its potential, it is crucial to have a workforce that is technically skilled, adaptable, and forward-thinking. Investing in training and education is key to preparing our technicians to tackle the challenges and opportunities that lie ahead with electric vehicles, ADAS technologies, and hydrogen-powered vehicles. By working together, we can push the industry forward into a future where innovation and expertise go hand-in-hand.



DRIVER 03:

Decade of growth in manufacturing

Challenge

- Significant surge in UK car production, driven by exports to Europe and increasing production of electric vehicles.
- Growing emphasis on sustainable mobility solutions and environmentally friendly vehicle models.

Impact

- 24% increase in job opportunities within the automotive sector over the past decade.
- 38% growth in employment in the Manufacture of Electrical and Electronic Equipment for Motor Vehicles.
- Increasing demand for skilled workers in electrical and electronic components due to the rise of electric and hybrid vehicles.
- Expansion of occupations such as Elementary Process Plant Occupations, Welding Trades, and Automotive Assemblers.
- Growing demand for roles like Programmers, Software Developers, IT Business Analysts, and Architects.
- Desired skills among job seekers include Project Management, Agile methodology, and Data Analysis.

Action

- Invest in training and education programmes to develop skills in electrical and electronic components.
- Address emerging job vacancies by promoting the industry, offering competitive compensation packages, and highlighting career growth opportunities.
- Embrace digital transformation by adopting advanced manufacturing processes, automation, data analytics, and IoT solutions.
- Promote career advancement and upskilling through continuous learning, training programmes, and support for acquiring new skills and certifications.

Issue/challenge/change

In the UK, car manufacturing saw a significant boost in April 2023, with a 9.9% increase in production compared to the previous year, hitting 66,527 units. This boost was fuelled by the strengthening exports to Europe, marking a positive trend for the industry.

Export figures grew by 14.7% to reach 54,820 units, with 82.4% of production being exported. The European Union was the largest global destination, accounting for 58.4% of all exports, closely followed by the United States, China, and Australia, indicating the global appeal of UK manufactured cars across diverse regions.

British car manufacturers are also increasing their commitment to sustainability, with a significant production increase of hybrid, plug-in hybrid, and battery EVs. In April, the combined volumes of these environmentally-friendly models increased by 56.2%, making up a huge 37.7% of total car production.

The recent boost in car production and exports, coupled with an increasing focus on electric and hybrid vehicles, indicates a bright future for the UK automotive industry. With supply chain challenges starting to ease, the industry is well-placed to continue its growth, serving both the UK and global demand, while embracing sustainable mobility solutions.

Impact and implications for skills

The strong momentum in the UK's automotive production has not only surged automotive manufacturing but has also sparked a significant 24% rise in job opportunities in the sector over the past ten years. In particular, the Manufacture of Electrical and Electronic Equipment for Motor Vehicles saw an impressive 38% growth in employment during this period. This increase is largely due to the rising demand for electric and hybrid vehicles, which need a greater amount of electrical and electronic components compared than their internal combustion counterparts. As a result, the demand for skilled workers in these fields has risen substantially.

Increasing focus on electric and hybrid vehicles, indicates a bright future for the UK automotive industry.



The rise in jobs within the UK has mirrored the growth of specific occupations within the automotive industry, notably:

Elementary Process Plant Occupations:

Workers in these roles are responsible for executing fundamental production processes involved in manufacturing automotive components and parts.

Welding Trades:

Welders are crucial in the production of automotive components and parts, joining metal pieces using a range of welding techniques like gas metal arc welding, gas tungsten arc welding, and resistance welding.

Automotive Assemblers:

These workers assemble diverse components and parts to construct finished vehicles or sub-assemblies, used in the manufacturing process.

While automotive manufacturing may not experience the same vacancy rates as automotive retail, job postings analytics have revealed interesting trends. There is a significant uptick in postings for occupations like programmers and software developers, IT business analysts and architects. Additionally, the skill sets sought among job seekers has also witnessed interesting trends, with an increased number of postings for project management, agile methodology, and data analysis.

Projections indicate a 1% growth in automotive in 2023 and a further 2% by 2024, reflecting the ongoing growth and potential for employment as it continues to evolve and embrace technological advancements.



SECTOR ACTION

- 1.** Invest in Training and Education: Given the growing demand for electric and hybrid vehicles, it is crucial for the sector to invest in training and education programmes focusing on electrical and electronic systems. Ensuring an adequate supply of qualified technicians and professionals can meet the industry's evolving needs.
- 2.** Address Job Vacancies: While not as acute as automotive retail, manufacturing job vacancies need attention. Strategies may include promoting the industry as an attractive career choice, offering competitive compensation packages, and highlighting opportunities for career growth and development.
- 3.** Embrace Digital Transformation: The sector should fully adopt digitalisation with the increased demand for programmers, software developers, and IT professionals, investing in technologies that enhance productivity, efficiency, and innovation. Including adopting advanced manufacturing processes, automation, data analytics, and internet of things (IoT) solutions to optimise operations and remain competitive.
- 4.** Promote Career Advancement and Upskilling: To retain and attract talent, the sector should create a culture of continuous learning and professional development; providing career advancement opportunities, training programmes, and support for employees to gain new skills and certifications in emerging technologies.

DRIVER 04:

Lack of Diversity

Challenge

- Low representation of females in automotive retail, especially in senior roles.
- Limited representation of non-white British individuals in automotive retail compared to the broader population.
- Persistent negative perceptions of the industry, including a perception of being male-dominated and unappealing.

Impact

- Diversifying the sector expands the talent pool, attracting candidates with unique skills and perspectives.
- Diverse companies often have better financial performance and can better understand and serve a diverse customer base.
- A diverse workforce fosters innovation, creativity, problem-solving, and effective decision-making.
- Embracing diversity helps organisations connect with diverse customer bases and unlock new market opportunities.
- Inclusive environments improve employee engagement, job satisfaction, and retention.

Action

- Challenge prevalent misconceptions through perception campaigns that promote the automotive industry as a viable career option for all, targeting key occupations and geographic regions.
- Attract individuals considering a mid-career change and recognise the value of diverse talent from various professional backgrounds.
- Encourage individuals and organisations to sign a pledge for making a positive change, improving inclusion and diversity in the automotive sector.

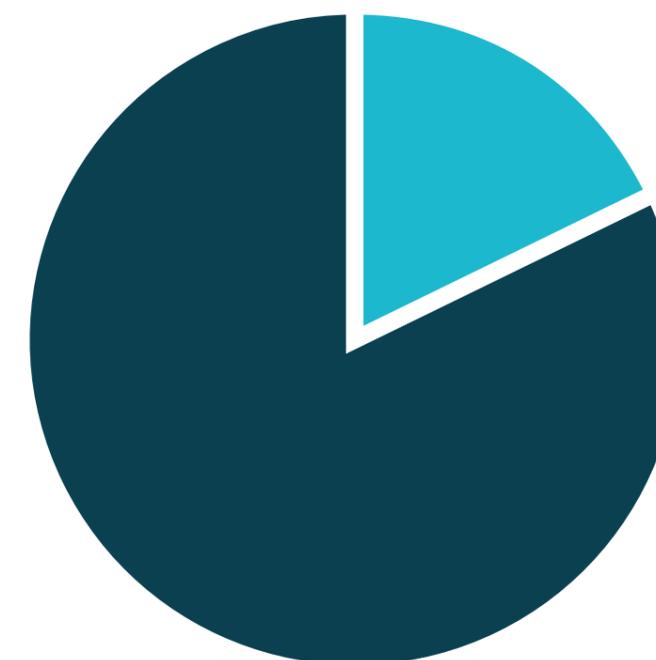
Issue/challenge/change

The IMI's Driving Towards Inclusion¹ report from the Diversity Task Force cast a spotlight on diversity in the UK automotive sector and paints a picture that shows there is much room for improvement. This chapter primarily concentrates on the automotive retail sector. Please consult the full report for information on automotive manufacturing.

Female representation in automotive retail is at 18%, a stark contrast to the 47.3% in the overall working-age population. In senior positions, this figure dips to 13%, clearly showing the pressing need for more gender diversity within higher levels of leadership in the sector.

Automotive retail (2021/22)

- **Female = 18%**
- **Male = 82%**



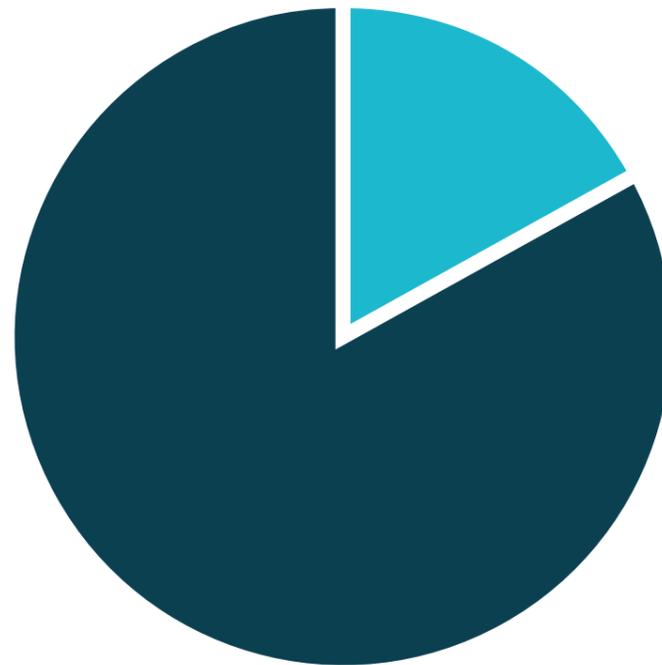
1. Driving Towards Inclusion: An Analysis of Diversity Metrics in the UK Automotive Sector <https://tide.theimi.org.uk/industry-latest/research/driving-towards-inclusion-analysis-diversity-metrics-uk-automotive-sector>

As for individuals with disabilities, the report reveals that 16.7% of individuals in automotive retail identify as such, which, although lower than the overall working age population, suggests some progress.

Interestingly, within the senior working age population, 11.6% have disabilities in such positions.

Automotive retail (2021/22)

- **Equality act disabled = 17%**
- **Not equality act disabled = 83%**



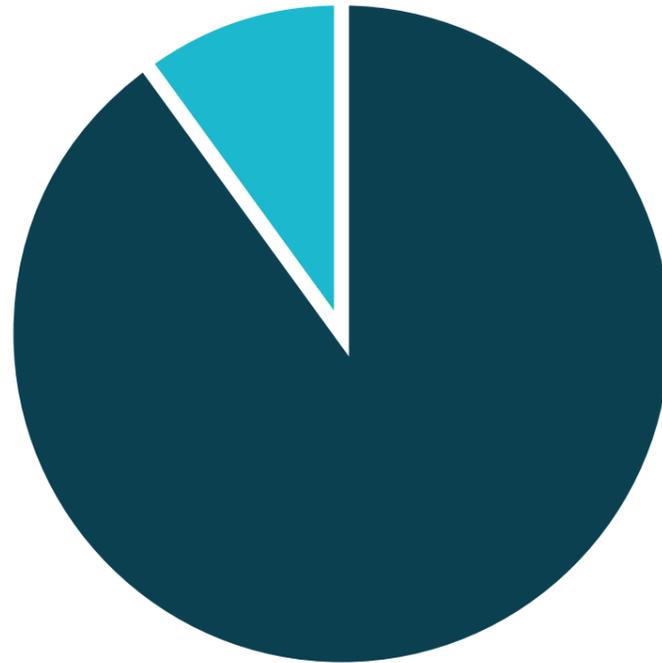
The presence of non-white British individuals in automotive retail is 9.5%, which is low compared to 19% of the working age population. This underrepresentation extends to senior roles, where only 10% are non-white British, highlighting a considerable diversity gap.

Removing biases and barriers, companies can attract a more diverse range of candidates who bring unique skills and perspectives.



Automotive retail (2021/22)

● **Non-white British = 10%**
● **White British = 90%**



The Diversity Task Force's research into the perceptions of automotive careers among young people and their influencers reveals a persistent stereotype of the industry as dull, dirty, and male-oriented. These outdated views pose a barrier to attracting a diverse workforce.

Impact and implications for skills

Diversity is not just a social or ethical imperative but also a strategic advantage for the automotive sector:

Access to a Larger Talent Pool:

Prioritising diversity can widen the talent pool, drawing from a richer mix of candidates with varied skills and viewpoints. By removing biases and barriers, companies can attract a more diverse range of candidates who bring unique skills and perspectives. This expands the talent pipeline and increases the likelihood of hiring top performers who can drive organisational success. This is critical as the sector faces high vacancy rates, and a failure to embrace diversity could exacerbate this issue.

Improved financial performance:

Studies² have shown that diverse companies often have better financial performance, as they are equipped to understand and serve a diverse customer base.

Enhanced Innovation and Creativity:

A workforce with diverse backgrounds and experiences can bring forth a greater array of innovative ideas and creative solutions, offering a competitive edge.

1. Diversity Matters: <https://www.mckinsey.com/~media/mckinsey/business%20functions/people%20and%20organizational%20performance/our%20insights/why%20diversity%20matters/diversity%20matters.pdf>

Improved Problem-Solving and Decision-Making:

Teams with diverse perspectives are more adept at problem-solving and decision-making. When individuals with diverse backgrounds collaborate, they bring unique insights and approaches to the table, leading to more effective problem-solving and decision-making.

Expanded Market Reach:

A diverse workforce can better connect with different customer bases. A workforce that reflects the demographics and cultural nuances of their target market can build stronger relationships with customers, tailor their products or services to specific needs, and unlock new business opportunities.

Enhanced Employee Engagement and Retention:

Inclusive workplaces, where diversity is valued, lead to higher job satisfaction and engagement. When an organisation promotes diversity and offers equal opportunities, employees are likely to be committed and loyal. In turn, this reduces turnover and the associated costs of recruitment and training.

SECTOR ACTION

To address these challenges, the automotive sector can take positive action. The IMI's There's More to Motor campaign aims to challenge the common misconceptions about the automotive industry

and shine a light on it as a viable career option. Targeting key occupations and geographic regions, we're debunking stereotypes and attracting mid-career changers, recognising the value of diverse professional backgrounds.

Support the IMI in creating a better automotive sector by signing our pledge. Commit to making a positive change today and join the many others who are dedicated to improving inclusion and diversity for all. [Sign the pledge now](#) to be part of our collective journey towards a better, more diverse automotive industry.



DRIVER 05:

Customer Service and Soft Skills

Challenge

- Increasing emphasis on customer service and soft skills in retail automotive.
- Evolving customer expectations for personalised, seamless interactions and excellent service.
- Shifting industry dynamics, including online sales and increased competition, require exceptional customer service to differentiate businesses.
- Building lasting relationships, enhancing brand reputation, and competing on service excellence.

Impact

- Focus on customer service and soft skills leads to increased customer loyalty and repeat business.
- Excellent communication, problem-solving, and interpersonal skills contribute to positive customer experiences and differentiation from competitors.

Action

- Provide training and development opportunities to enhance customer service and soft skills.
- Actively recruit individuals with strong customer service and soft skills during the hiring process.
- Foster a customer-centric culture throughout the organisation, valuing and promoting these skills.
- Provide ongoing support and recognition for employees who excel in customer service.
- Continuously seek ways to elevate the customer experience in all aspects of the business.

Issue/challenge/change

This chapter concentrates on the automotive retail sector.

Retail automotive employers are increasingly focusing on customer satisfaction and the cultivation of lasting relationships. To this end, they are emphasising the importance of customer service and soft skills. Excellent communication, adept problem-solving, and strong people skills are now critical for roles such as automotive salespeople, service advisors, and other customer-facing positions.

Across the board, whether in sales or service, the top skills demanded in job postings include customer service, communication, and problem-solving. In the last year, a notable 44% of job postings in the sector specifically called for customer service skills—a trend that is gaining momentum from 39% the previous year.

This shift is likely influenced by:

Evolving Customer Expectations:

Modern customers expect more personalised, transparent, and seamless experiences from automotive companies.

Shifting Industry Dynamics:

The rise of online car sales, heightened competition, and changing consumer preferences are reshaping the industry, needing businesses to hyperfocus on customer service to stand out and stay competitive.

Relationship Building and Customer Loyalty:

For automotive businesses, forging enduring connections with customers is essential. Loyal, returning customers and their referrals can significantly bolster a company's success.

Enhancing Brand Reputation:

Customer interactions and service quality have a profound effect on an automotive company's reputation. Consistently positive experiences and exceptional customer service enhance brand image and reputation.

Competing on Service Excellence:

In an industry where products and prices are often comparable, exceptional customer service stands out as a primary competitive advantage.

Impact and implications for skills

The heightened focus on customer service and soft skills reflects a strategic pivot towards customer satisfaction and relationship management, which can lead to increased customer loyalty and repeat business. Recognising that effective communication, problem-solving, and people skills are pivotal, the automotive sector is adapting. These skills are not just beneficial—they are essential for creating memorable customer experiences and securing a competitive edge.



SECTOR ACTION

However, the sector must be aware of the challenges and gaps in these areas. It is vital that employees get adequate training and development to hone their customer service and soft skills. Initiatives could include comprehensive training programmes, workshops, or mentorship initiatives focusing on:

Communication:

Enhancing clarity, empathy, and effective listening.

Problem-solving:

Developing critical thinking and creative solutions.

People skills:

Encouraging teamwork and customer empathy.

The sector should actively seek and recruit individuals with a strong aptitude for customer service and soft skills. Evaluating these competencies and prioritising them during the hiring process can contribute to creating a workforce that is naturally customer-oriented.

Establishing a customer-focused culture is essential, where the business recognises the value of service and soft skills in the company ethos. This includes offering ongoing support and acknowledging employees who demonstrate outstanding service skills, and always seeking new ways to enrich the customer experience and set higher standards.

DRIVER 06: Green Initiatives & Sustainability

Challenge

- Increased emphasis on sustainability in the automotive industry.
- Adoption of eco-friendly practices and promotion of electric vehicles.
- Government incentives for EV adoption, expansion of charging infrastructure, low-emission zones, and stricter vehicle emissions standards.
- Focus on lightweight materials, sustainable manufacturing, remanufacturing, recycling, research and development, sustainable supply chain management, and public awareness and education.

Impact

- Demand for professionals with expertise in sustainable automotive practices.
- Skills related to electric and hybrid vehicle maintenance, eco-friendly product sales, emission standards, fuel efficiency, sustainable manufacturing, remanufacturing, recycling, and sustainable supply chain management.

Action

- Prepare for rapid growth in green occupations and specialised roles.
- Proactively develop skills in renewable energy integration, charging infrastructure, sustainable materials engineering, and green logistics.
- Address the competition for green skills from other sectors prioritising sustainability.
- Attract young talent by aligning with Gen Z's preference for environmental sustainability.
- Embrace green initiatives as an opportunity to drive engagement and contribute to a greener future.

Issue/challenge/change

In this chapter, when we mention the ‘automotive industry,’ we specifically include both the automotive retail and automotive manufacturing sectors for clear understanding.

Amid rising environmental concerns, there is an increased emphasis on sustainability in the automotive industry. Retail automotive businesses are not only adopting greener practices but are also increasingly marketing eco-friendly vehicles. This shift created opportunities for professionals well-versed in sustainable automotive practices, including hybrid vehicle maintenance and eco-friendly product sales. Notable developments include:

EV Adoption:

The UK’s increasing demand for EVs is clear, with battery electric vehicles (BEVs) accounting for 16.6% of all new registrations in 2022.

Charging Infrastructure Expansion:

The growth of EVs is supported by substantial investments in expanding the national charging infrastructure.

Low-Emission Zones:

Major UK cities, such as London, Birmingham, and Manchester, have established low and ultra low-emission zones, aiming to curb air pollution.

Retail automotive businesses are not only adopting greener practices but are also increasingly marketing eco-friendly vehicles.



Lightweight Materials:

The use of lightweight materials like aluminium and carbon fibre composites is on the rise, reducing vehicle weight and enhancing fuel efficiency.

Sustainable Manufacturing Practices:

Automotive manufacturers are adopting sustainable production practices, focusing on reducing energy use, waste, and incorporating renewable energy in their operations.

Remanufacturing and Recycling:

Efforts are being made to promote the remanufacturing and recycling of automotive parts, aiming to reduce waste and make better use of resources. Remanufacturing involves refurbishing used components to extend their lifespan, while recycling means proper disposal and reuse of end-of-life vehicles and their components.

Research and Development:

Investment in research and development by the UK automotive industry is driving the advancement of sustainable technologies, including electric and hydrogen fuel cell vehicles. This includes partnerships between automakers, universities, and research institutions to develop innovative and environmentally-friendly transportation solutions.

Sustainable Supply Chain Management:

The industry is focusing on sustainable supply chain practices, including reducing carbon emissions, optimising resource use, and ethical sourcing, by working closely with suppliers to lessen the environmental impact across the supply chain.

Public Awareness and Education:

To encourage a shift towards sustainable transportation, numerous initiatives aim to inform the public about its benefits and the choices available. This includes government campaigns, public events, and educational programmes aimed at encouraging greener choices in the automotive sector.

Green initiatives are particularly important to Gen Z. Findings from EDI Task Force perception research underscore this significance.

Impact and implications for skills

The UK automotive industry's increasing focus on green initiatives and sustainability is a shift towards environmentally conscious practices and technologies. There are several implications for key skills needed in the industry:

- 1.** Demand for Green Expertise: As the market leans towards eco-friendly vehicles, there's a growing need for professionals versed in electric and hybrid technology, green product sales, and eco-conscious operational practices.
- 2.** Skills in EVs: Proficiency in maintaining, servicing, and repairing electric vehicles is becoming crucial.
- 3.** Emissions Knowledge: An understanding of emissions regulations and strategies for improving vehicle fuel efficiency is paramount.

4. Sustainable Manufacturing Acumen: Skills in implementing energy-efficient production processes, waste minimisation, and the integration of renewable energy sources are increasingly sought.

5. Recycling and Remanufacturing Expertise: Expertise in the refurbishment of vehicle components and the recycling of end-of-life vehicles is invaluable.

6. Green Supply Chain Management: Competencies in optimising supply chains for sustainability, including carbon footprint reduction and ethical sourcing, are critical.

Currently, emphasis has been on training technicians for safe work with EVs, but we anticipate emerging job roles in this expanding sector. Competition for green skills is expected to intensify across various industries aiming for carbon neutrality.

SECTOR ACTION

The UK automotive industry is gearing up for a significant shift, with green skills and new environmental roles gradually gaining prominence. Currently, only roles like EV technicians and sustainable manufacturing professionals are paving the way, but it is expected to experience rapid growth in the near future. As the industry continues to prioritise green initiatives and sustainability, the industry is poised to see a demand for skills in renewable energy, charging solutions, sustainable materials, and green logistics.

It is crucial for the sector to prepare for this shift, considering the battle for green talent is set to intensify as sectors across the economy refocus on sustainable practices.

Moreover, the importance of green occupations aligns perfectly with the values and preferences of Gen Z, known for their commitment to environmental sustainability. By matching the industry's direction with the concerns of this upcoming workforce, the automotive sector has the chance to attract young, eco-conscious talent eager to make a difference. This match between the industry's future needs and the priorities of a new generation is key to propelling the automotive sector into a sustainable and dynamic future.

DRIVER 07:

Data Analytics & Telematics

Challenge

- Integration of data analytics and telematics systems in vehicles.
- Demand for professionals skilled in interpreting and analysing vehicle performance data.
- Increasing importance of optimising vehicle maintenance, improving customer experiences, and developing targeted marketing strategies through data utilisation.

Impact

- Significant rise in demand for data-related skills in the UK automotive sector.
- Need for technicians with data-related skills projected to reach approximately 5,400 by 2024.
- Demand for professionals with data skills in sales and marketing roles estimated to reach around 8,200.
- Expected need for approximately 6,120 IT professionals within the sector.

Action

- Invest in training and development programmes to upskill existing employees in data analysis and IT competencies.
- Establish partnerships with technology providers specialising in data analytics and telematics systems.
- Actively recruit data and IT specialists to meet the growing demand for these skills.
- Foster a data-driven culture by promoting the use of data analytics across all levels of the organisation.
- Stay updated with technological advancements in data analytics and telematics systems.

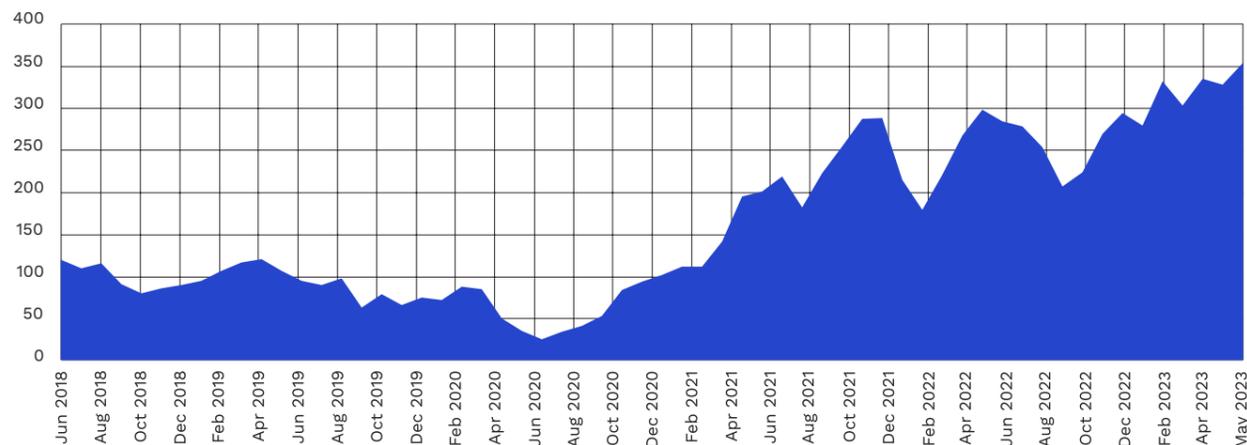
Issue/challenge/change

This chapter concentrates on the retail sector of the automotive industry.

The sector is witnessing a transformative phase with the advent of data analytics and telematics in vehicles. Creating a demand for professionals who can interpret and harness vehicle data to optimise vehicle maintenance, improve customer experiences, and develop targeted marketing strategies.

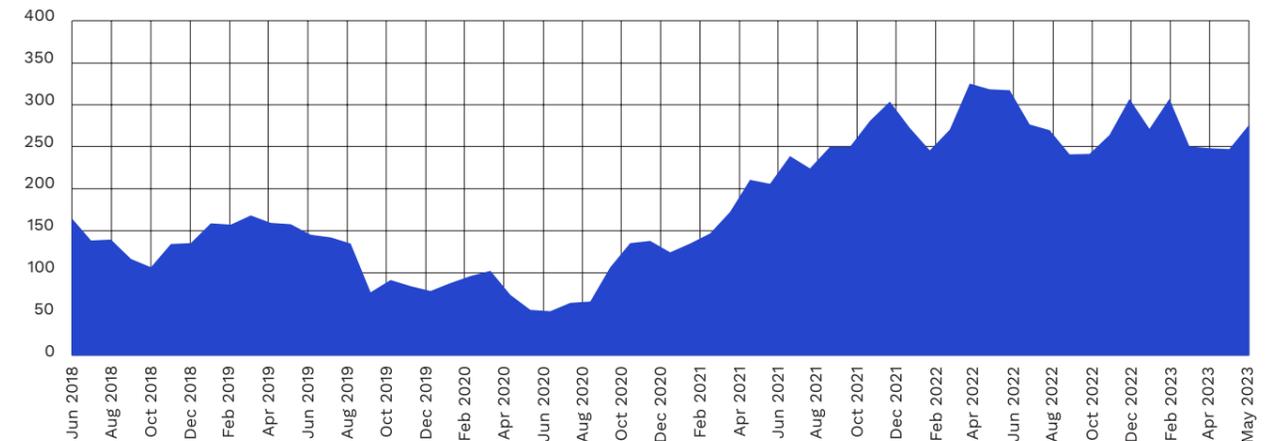
This shift towards a data-driven approach is evident in the increasing number of IT specialist roles and the 179% surge in job postings seeking data skills over the past five years.

Job Postings in sector looking for data related skills



Job postings for IT-related occupations in the sector has increased by 83% in the past five years.

Job Postings in the sector for IT occupations



While current data is limited, the trajectory is clear, with IT-related occupations in the sector rising by 83% at the same time.

This integration of IT within automotive operations and data in vehicles, introduces potential vulnerabilities, highlighting the need for robust cybersecurity measures.

Impact and implications for skills

The demand for data-related skills across the sector is set to climb sharply, though current numbers are low. By examining job postings, around 1.5% explicitly request data-related skills. If we project this trend for 2024 and assume a conservative increase to 3%, the sector will need around 5,400 technicians equipped with data-related skills.

Sales and marketing positions reflect a similar trend, with 5% of postings now seeking data skills. An expected increase to 7.5% in the near future suggests a need for approximately 8,200 data-savvy professionals.

IT roles also exhibit growth, with around 6,000 individuals presently employed in related positions. A 2% rise in demand would need a workforce of 6,120 IT professionals.

This analysis shows that even modest increases in the demand for data and IT roles within the sector lead to significant sector-wide changes within two years.

The impact of cyber abuse can be significant and wide-ranging. The convergence of IT in automotive systems creates new potential for threats, such as data breaches and system hijacks posing serious risks, including safety concerns, privacy violations, and reputational damage. These threats can lead to safety risks, compromised user privacy, financial losses, and damage to a company's reputation.

As the automotive retail sector becomes increasingly technology-driven, there is a growing need for skilled professionals. Addressing the evolving challenges related to cybersecurity and data protection needs professionals skilled in cybersecurity, secure coding, threat intelligence, and risk management.



SECTOR ACTION

To meet the increasing demand for data analytics and IT skills, the sector should:

- 1.** Invest in Training and Development: Prioritise training programmes and professional development initiatives to upskill and reskill existing employees in data analysis and IT competencies. This could include workshops, certifications, and partnerships with educational institutions for a continuous pipeline of skilled professionals.
- 2.** Partner with Tech Providers: Collaborate with experts in data analytics and telematics to access state-of-the-art tools and expertise, crucial for leveraging data for vehicle maintenance, customer experience enhancements, and targeted marketing strategies.
- 3.** Recruit Data and IT Specialists: Proactively seek and retain individuals with strong backgrounds in data analytics, data science, and information technology. By attracting and retaining talent with relevant skills, automotive businesses can build strong data analytics teams capable of driving innovation and performance improvements.
- 4.** Foster a Data-Driven Culture Promote a culture that prioritises informed decision-making based on data insights, supported by access to analytics tools and training in data literacy. This involves promoting the use of data analytics across all levels of the organisation and encouraging employees to leverage data in their day-to-day operations to identify opportunities for optimisation and improvement.
- 5.** Keep Pace with Tech Advances: The sector stays attuned to the latest developments in data analytics and telematics through industry research, conferences, and continued learning. It also needs to include monitoring industry trends and actively participating in research and development activities. By staying updated, the sector can anticipate future skill requirements and proactively adapt to changing technological landscapes.
- 6.** Cybersecurity: The sector needs to invest in education and training programmes to develop a skilled workforce, capable of addressing the complex cybersecurity needs of modern vehicles. This can include offering specialised training for automotive engineers, IT professionals, and technicians to understand the security implications of connected systems and effectively mitigate risks.

DRIVER 08:

Adoption of the Agency Model

Challenge

- Automotive manufacturers adopting the agency model to sell vehicles directly to customers, bypassing traditional dealerships.
- Potential impact on job roles and skills in the sector, including the outsourcing of certain functions to external agencies.
- Shift in customer preferences towards the agency model, with a significant percentage of British drivers preferring showroom purchases through this model.

Impact

- Shift in job roles as certain functions may be outsourced to external agencies.
- Increased demand for specialised skills in managing and coordinating agency relationships.
- Need for flexibility and adaptability to work collaboratively with external agencies.
- Emphasis on relationship management and vendor management skills.
- Evolution of skill sets to align with project management data analysis, and strategic decision-making.

Action

- Anticipate and plan for changes, identifying potential skill gaps and job role changes.
- Invest in skill development programmes to upskill existing employees.
- Foster collaboration and integration with external agencies.
- Revise talent acquisition strategies to align with new skill requirements.
- Continuously monitor and evaluate the impact of the agency model.
- Collaborate with the industry and benchmark against successful implementations.

Issue/challenge/change

The automotive agency model is an alternative sales approach in which automakers sell vehicles directly to customers through their own retail outlets, bypassing the traditional dealership network. This model allows manufacturers to have more control over the sales process and customer experience.

The agency model—dubbed the future of automotive retail—is something major car producers (including BMW, Ford, Volkswagen Group, Volvo and Stellantis), aim to roll out across European markets. While this business model has a direct impact on new car sales, it will also leave its mark on the used car market.

Current adopters include:

- Genesis
- Mercedes-Benz
- Polestar
- Tesla
- Volvo

Around half of British drivers would prefer to buy from a showroom using the agency model, according to new research by What Car?.

Impact and implications for skills

The adoption of the agency model in the UK automotive sector is likely to start to impact on skills and job roles in the next two years.

Although still in its infancy and uncertainty as to how 'deep' the agency model will be introduced, there are several areas for consideration in terms of the impact on skills and job roles in the sector:

Shift in Job Roles:

Traditional in-house roles may shift to external agencies, altering the landscape of employment within the sector. This change could see internal marketing, sales support, and data analytics move to specialised agencies, potentially reducing the need for these roles in-house.

Increased Demand for Specialised Skills:

With increased reliance on external agencies, there's a growing need for roles focused on managing these partnerships, like agency managers or coordinators, who need strong communication and project management skills.

Flexibility and Adaptability:

The agency model allows for greater flexibility in scaling up or down certain functions based on demand. This may need existing employees to be adaptable and be willing to work collaboratively with external agencies to coordinate and integrate agency efforts into their overall operations.

Emphasis on Relationship Management:

With the agency model, building and managing relationships with external agencies becomes crucial. Job roles that involve vendor management, contract negotiation, and performance evaluation, may become more prominent. Strong relationship management skills will be valuable in ensuring effective collaboration and achieving desired outcomes.

Evolving Skill Sets:

The adoption of the agency model may necessitate a shift in skill sets for existing employees. They may need to develop competencies in areas such as, project management, vendor management, data analysis, and strategic decision-making to effectively work with external agencies and maximise the benefits of the model.

Job roles that involve vendor management, contract negotiation, and performance evaluation, may become more prominent.



SECTOR ACTION

To effectively address the impact of the agency model adoption the sector should:

Anticipate and Plan for Changes Businesses must foresee and prepare for potential changes, assessing which roles are likely to evolve and planning for the transition proactively. This involves conducting thorough assessments of the functions and roles that may be affected and developing a comprehensive plan to manage the transition.

Invest in Skill Development:

Invest in training programmes to cultivate required new skills, ensuring employees can transition smoothly and continue to provide value in areas such as: project management, vendor management, data analysis, and strategic decision-making. By upskilling existing employees, businesses can also keep valuable talent.

Foster Collaboration and Integration:

As the agency model relies on collaboration with external agencies, it is important for businesses to foster a culture of collaboration and integration. Encouraging strong communication channels, promoting cross-functional teamwork, and establishing effective processes for working with external agencies can enhance the overall effectiveness of the model. This includes developing

relationship management skills and establishing clear expectations and performance metrics for agency partners.

Talent Acquisition Strategies:

With the changing job roles and skill requirements, businesses may need to revise their talent acquisition strategies. This may involve identifying the specific skills and competencies required for new roles that emerge from the agency model adoption and actively seeking candidates with relevant experience or potential to learn those skills. Collaborating with recruitment agencies or leveraging professional networks, can help identify and attract individuals with the desired skill sets.

Continuous Monitoring and Evaluation:

The sector should keep a close eye on the agency model's effects on the workforce, regularly evaluating its effectiveness and identifying further training or recruitment needs. This involves assessing the performance of external agencies and identifying any additional skill gaps or training. By actively monitoring the situation, businesses can make timely adjustments and improvements to make the agency model implementation a success.

Industry Collaboration and Benchmarking:

It can be beneficial for businesses and the sector to collaborate and share best practices regarding the agency model adoption. This can include

participating in industry forums, conferences, or associations where experiences and insights can be exchanged. Benchmarking against other sectors or organisations that have successfully implemented the agency model can offer valuable lessons and guidance.

By taking these actions, businesses and the sector can navigate the challenges posed by the agency model adoption, align their workforce with the changing needs, and maximise the benefits of this operational model.



DRIVER 09:

Online Sales & Digital Marketing

Issue/challenge/change

In this chapter, we mainly focus on the automotive retail sector. However, as in the previous chapter, the rise of the agency model is reshaping factory operations' scope. Therefore, while the data given mostly relates to automotive retail, the conclusions are also relevant to the automotive manufacturing sector.

The rise of e-commerce and online car buying platforms has significantly affected the retail automotive labour market in the UK. As a result, the skills needed for automotive sales professionals must adapt, gaining proficiency in digital sales processes, online marketing, social media and Customer Relationship Management (CRM) tools to stay competitive. This becomes crucial, especially considering the uncertainty surrounding the extent and depth of the agency model adoption.

The sector has demanded online sales and digital marketing for some time. However, the COVID-19 pandemic accelerated the need for these skills. Over the past three years, there has been a notable increase in demand for digital marketing managers, executives, and specialists. Specifically, there has been significant growth in the need for skills related to digital marketing, social media management, and search engine optimisation (SEO).

Challenge

- The rise of e-commerce and online car buying platforms has significantly impacted the retail automotive labor market in the UK.
- Sales professionals in the automotive sector need to adapt to digital sales processes and possess skills in online marketing, social media management, and customer relationship management (CRM) tools.
- The COVID-19 pandemic has accelerated the need for digital marketing skills, leading to increased demand for digital marketing managers, executives, and specialists.

Impact

- Upskilling and reskilling the workforce to meet the demand for digital skills is essential.
- Demand for specialised digital marketing professionals with expertise in SEO, content marketing, social media advertising, and data analytics is growing.
- The emergence of new job roles such as digital sales managers, e-commerce specialists, social media coordinators, and CRM analysts.
- Cross-functional collaboration between sales teams, marketing departments, and IT professionals becomes crucial.
- Analytical and data-driven skills are highly valuable for making data-informed decisions and optimising marketing campaigns.
- Technological fluency, including proficiency in CRM systems, social media platforms, content management systems, and marketing automation tools, is necessary.

Action

- Invest in comprehensive training programmes to upskill and reskill the workforce in digital marketing strategies, social media management, SEO, CRM tools, and data analysis.
- Foster a learning culture that encourages continuous skill development through self-paced learning, industry participation, and knowledge sharing.
- Actively recruit digital marketing specialists through collaborations with recruitment agencies, leveraging professional networks, and establishing partnerships with educational institutions.
- Promote cross-functional collaboration between sales, marketing, and IT departments to ensure a cohesive approach to digital marketing initiatives.
- Provide employees with access to necessary technologies, tools, and platforms for online sales and digital marketing, along with adequate training and support.

Furthermore, proficiency in CRM tools allows for efficient management of customer relationships and personalised experiences, enhancing customer satisfaction and loyalty.

Impact and implications for skills

Skill Upgradation:

The sector must prioritise upskilling and reskilling its workforce to meet the demand for digital skills. Sales professionals need to develop proficiency in online sales techniques, digital marketing strategies, social media management, and CRM tools. Businesses must offer training programmes and resources so employees can learn these essential skills.

Demand for Digital Marketing Specialists:

The sector's growing reliance on digital marketing demands professionals with specialised expertise. There's a growing need for digital marketing experts, including managers, executives, and specialists. Their knowledge in SEO, content marketing, social media advertising, and data analytics is vital. Recruitment efforts should focus on attracting individuals with these skills to meet industry needs.

Evolving Job Roles:

The digital shift leads to new job roles like digital sales managers, e-commerce specialists, and CRM analysts. Companies should revise their structures and job descriptions to accommodate these evolving roles.

Cross-Functional Collaboration:

Effective digital marketing strategies require collaboration between sales, marketing, and IT teams to integrate digital tactics seamlessly.

Analytical and Data-Driven Skills:

Professionals should be equipped with analytical skills to interpret data and customer behaviour, enabling data-driven marketing decisions. The ability to make actionable insights and optimise marketing campaigns based on analytical findings is essential for success.

Technological Fluency:

With the adoption of digital tools and platforms, employees must become technologically fluent. Technological competence, especially in CRM systems, social media, and marketing automation tools, is essential. Employers should offer training and resources to enhance technological skills among their workforces.

SECTOR ACTION

- 1.** Invest in Training and Development: Invest in programmes to upskill the workforce in digital marketing, SEO, CRM, and data analysis. This may include internal training initiatives, external workshops, online courses, or partnering with educational institutions or training providers. These programmes should focus on developing skills in digital marketing strategies, social media management, SEO, CRM tools, and data analysis.
- 2.** Foster a Learning Culture: Encourage continuous learning by supporting industry engagement and internal knowledge sharing. Businesses can achieve this by offering employees opportunities for self-paced learning, supporting their participation in industry conferences or webinars, and promoting knowledge-sharing and collaboration among team members.
- 3.** Recruit Digital Marketing Specialists: Employers should attract digital marketing talent through focused recruitment drives and competitive offerings. This may involve collaborating with networks, or establishing partnerships with educational institutions that offer relevant recruitment agencies, leveraging professional networks, or establishing partnerships with educational institutions that offer relevant programmes. Businesses should offer clear job descriptions and competitive compensation packages to attract top talent.
- 4.** Establish Cross-Functional Collaboration: Employers should promote cross-functional collaboration between sales, marketing, and IT departments. This can be facilitated through regular meetings, joint projects, or the creation of multidisciplinary teams. Encouraging knowledge exchange and shared learning will foster a cohesive approach to digital marketing initiatives and effective implementation.
- 5.** Offer Access to Technology and Tools: Employers should give employees access to the necessary technologies, tools, and platforms for online sales and digital marketing. This includes CRM systems, social media management platforms, analytics tools, and content management systems. Businesses should offer adequate training and support so employees can effectively use these tools.



DRIVER 10:

Recovery from COVID will be long-lasting

Challenge

- The COVID-19 pandemic has had a lasting impact on the UK automotive sector, leading to a decrease in new car sales and an increase in the average age of vehicles.
- The Renting and Leasing of Cars and Light Motor Vehicles subsector has experienced a decline in jobs due to reduced travel demand and the popularity of ride-sharing services.

Impact

- The aging car parc creates a demand for skilled technicians and mechanics specialising in maintaining and repairing older vehicles.
- There is a need for professionals skilled in vehicle refurbishment, restoration, and customisation to meet the demands of consumers seeking to enhance their aging vehicles.
- Skills in parts and component manufacturing for aftermarket services will be essential to cater to the specialised needs of older vehicles.
- The rising sales of newer, technologically advanced vehicles and the demand for electric vehicle require the workforce to adapt and upskill to handle diverse vehicle types.
- The renting and leasing subsector needs to upskill employees in digital technologies to adapt to changing customer behaviours and the rise of ride-sharing services.

Action

- Invest in skills development and training programmes that address the specific needs of older vehicle maintenance, repair, and refurbishment.
- Encourage collaboration and knowledge sharing among industry professionals to disseminate expertise in handling older vehicles.
- Invest in research and development efforts to create innovative aftermarket solutions for older vehicles.
- Invest in employee training and reskilling programmes to ensure the workforce has the necessary skills to adapt to evolving customer demands.

Issue/challenge/change

This chapter explores the retail sector within the automotive industry

The COVID-19 pandemic has had a lasting impact on the sector, particularly in terms of the skills needed in the short term. One of the most notable effects is the impact on the UK car parc, which refers to the total number of vehicles on the road. New car sales have struggled to recover since the pandemic began, with sales in 2022 reaching only 1.6 million compared to 2.3 million in 2019. As a result, the car parc will never fully recoup the lost number of vehicles that would have entered the market during this period. This, in turn, will have implications for the aftermarket segment over the next 16 years.

The prolonged period of lower new car sales has led to many consumers holding onto their vehicles for longer. Consequently, forecasts indicate that the average age of a car in the UK will increase from 7.9 years in 2019 to 9.7 years in 2026.

The COVID-19 pandemic has had a notable impact on the Renting and Leasing of Cars and Light Motor Vehicles subsector within the UK automotive industry. Over the past two years, this subsector experienced the largest percentage decline in jobs among automotive retail subsectors. Several factors may contribute to this decline.

One possible reason is the direct impact of the pandemic on the travel industry. Travel restrictions and lockdown measures significantly reduced the number of people travelling for business or leisure purposes. Consequently, a substantial decrease in the demand for rental and leasing cars followed. With fewer customers needing these services, the sector has seen a decrease in employment opportunities.

Another contributing factor could be the shifting consumer behaviour towards ride-sharing services such as Uber and Bolt. These services have gained popularity in recent years and offer an alternative transportation option for individuals.

The convenience and affordability of ridesharing may have reduced the demand for rental and leasing cars, leading to a decrease in job opportunities within the subsector.

Impact and implications for skills

The shift in vehicle ownership patterns in the UK has significant implications for the skills needed in the workforce. With the increased average age of vehicles, the sector will have a growing demand for maintenance, repairs, and aftermarket services. This creates a need for skilled technicians and

mechanics who specialise in diagnosing and fixing older vehicles.

These professionals must have expertise in outdated vehicle models, traditional mechanical systems, and legacy technologies.

Furthermore, the rise in the prevalence of older vehicles may also drive the need for professionals skilled in vehicle refurbishment, restoration, and customisation. As consumers seek to enhance the appearance and performance of their aging vehicles, demand for specialists in bodywork, paint, upholstery, and performance modifications will rise.

Additionally, the aging car parc will impact the skills needed in parts and component manufacturing. Older vehicles often need specialised components that may no longer be readily available in the market. This presents an opportunity for skilled professionals who can develop and produce aftermarket parts to meet the growing demand.

Moreover, the increasing sales of newer, more technologically advanced vehicles and the rising demand for EVs, add another layer of complexity. This trend will lead to a more diverse sector, needing the skills to manage both new and old technologies. The workforce must adapt and upskill to effectively handle the maintenance, repair, and servicing of these diverse vehicle types.

In the context of the renting and leasing sector, as consumer behaviours shift towards digital solutions and ride-sharing options, workers in the renting and leasing subsector must adept at implementing and managing digital systems and applications. This includes facilitating the implementation of user-friendly mobile applications, online booking systems, and digital payment platforms. Training in customer service, technology integration, sales and marketing, and understanding new mobility trends, will allow the workforce to navigate the changing dynamics of the rental and leasing subsector.

SECTOR ACTION

To address these skills needs for an aging car parc and with diverse aspects, employers and the sector should consider the following actions:

Skills Development and Training:

Businesses should invest in upskilling their existing workforce and offering training programmes that address the specific needs arising from older vehicle maintenance and repair. This may include offering courses on classic car restoration, legacy technology diagnostics, and refurbishment techniques.

Collaboration and Knowledge Sharing:

Encouraging collaboration and knowledge sharing among industry professionals can help spread

The increasing sales of newer, more technologically advanced vehicles and the rising demand for electric vehicles, add another layer of complexity.



knowledge in handling older vehicles. Businesses can facilitate this through industry forums, apprenticeship programmes, or mentorship initiatives.

Research and Development:

The sector should invest in research and development efforts to create innovative solutions for the aftermarket segment focused on older vehicles. This may involve developing retrofit kits, manufacturing legacy components, and sustainable maintenance solutions for older cars.

To address the skills needs for renting and leasing subsector and reduce the impact of these factors, employers and the sector should consider the following:

Diversification of Services:

Rental and leasing companies should consider broadening their service offerings to meet changing consumer needs.

Focus on Specialised Services:

By concentrating on specialised services like luxury rentals or commercial leasing, companies can carve out new job opportunities. In particular, those businesses developing expertise in niche areas like luxury vehicle rentals or specialised commercial leasing.

Collaboration with Ride-Sharing Services:

Rental and leasing companies can consider partnerships or collaborations with ride-sharing services to leverage their existing customer base and complement their offerings. Exploring opportunities for joint ventures or shared services can help adapt to the changing landscape and increase market reach.

Employee Training and Reskilling:

Employers should invest in training and reskilling programmes for their workforce, so they have the necessary skills to adapt to evolving customer demands.

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