

INVESTOR IN PEOPLE CASE STUDY:

MURRAY VOLKSWAGON

INVESTING IN PEOPLE TO DELIVER QUALITY RECRUITMENT

Size: 120 people
Sector: Automotive
Locations: Plymouth and Newton Abbot
Status: Working with Investors in People Standard since September 2005; implementing Skills for Life assessment and training



INVESTOR IN PEOPLE

Overall impact

"Our success is down to the people working here. We believe Investors in People can help us deliver even better results by becoming a better, more attentive employer."

Craig Glanville, Finance Director

The organisation

Murray Volkswagen became a stand-alone business in May 2001 when first-time entrepreneur Kevin Murray bought it with £1.5 million borrowed from Volkswagen. At the time the Volkswagen businesses were making annual losses in six figures, but this has since been reversed, and the business makes a profit of similar order on a turnover of over £25 million a year, despite difficult times in the car industry as a whole.

Overall staff numbers have changed little whilst the combination of roles has evolved considerably, with two-thirds of the company's 120 staff based in Plymouth and the rest in Newton Abbot. Their activities are wide ranging: selling over 2,000 new and used cars and vans a year, carrying out repairs, valeting and selling specialist parts to local independent workshops and DIY mechanics.

The challenge

"Staff turnover here was over the 50 per cent average for the motor trade, an industry which is a particularly bad in this regard. Fundamentally, it is a very, very competitive business - very marginal. In recent years a dealership does well to retain 1 per cent of its revenue in profit," says Finance Director Craig Glanville, one of just 12 people who have stayed on since the business was bought from the previous owner.

The size and diversity of the business means changes in staff can cause headaches. "In a big supermarket business, for example, there will be a greater commonality of skills among staff. So if one person went, they could find cover. Here though, we have one trade parts

representative for example. While there are other staff with the right parts knowledge, they wouldn't have the sales skills. Similarly if we lose one of the members of staff with an MOT-testing certificate, we would have a problem."

"Investors in People has shown us the importance of training and developing our people so they are cross-skilled or multi-skilled." On top of the difficulties inherent in its sector, the company needed to get across to staff that they were expected to perform at a higher level. "Before the acquisition, if someone wasn't performing, they were spoken about rather than spoken to. The sea change is very big."

Among Craig's concerns was a need to improve essential skills, such as literacy and numeracy, that can have a big impact on customer care. One example was the ability to accurately relay telephone messages. The directors are, of course, very concerned to ensure that such a delicate issue is handled with care, so as not to create a stigma among staff.

The strategy

The company has decided to start at the top. "If you set up best practices for managing employees, it is up to managers to deliver it. We all need to be singing from the same hymn sheet," says Craig.

Harmonisation began with a '360-degree feedback' survey on each of the two directors – Kevin Murray and Craig Glanville – and the eight department managers by an independent consultant. The feedback was collated from anonymous questionnaires, with five people being chosen for each subject. The questionnaires asked them to identify areas they might improve on and specific actions they should take.

"Managers were sceptical at first, but came round to all being very pleased that money and effort were being invested in their development," says Craig. "Each bit of feedback was different, the common theme for improvement was communication, largely by improving its regularity. A number of them were told they gave strong leadership, but were also asked to give a bit more positive feedback."

The staff too are now set to get more feedback on their work, with each getting a formal review at least twice a year. "What we really wanted was a way to facilitate conversation and demonstrate that things had changed since we started Investors in People. Meanwhile pay and performance have been more closely linked, with the abolition of any 'guaranteed bonuses' paid regardless of productivity.

But it's not all formal reflection. "We want to be creative. For instance addressing organisational skills like, 'how do we answer phones?'" It also comes down to how managers discuss the needs of employees. If a manager sees a lot of paper on your desk, a manager might ask, 'how are you getting on?'"

This approach was also designed to identify training needs, such as numeracy and literacy, in a way that focussed on the issue of improving customer service rather than on the skills themselves. In doing so Craig hopes to relate the needs to the job and avoid any potential resistance among staff.

Managers are not the only ones being offered a creative outlet. Suggestion boxes have been introduced with £25 or £100 vouchers being given away to the best suggestion. Among the winners so far has been the idea of replacing the hand towels in the technicians' wash room with hand dryers, saving £300 a year – a small example, but one that demonstrates a pleasing engagement by staff within the business.

This is part of the company's eagerness for staff to understand the part they play in delivering the company's business strategy. "We held a briefing session in February covering what happened last year and what will happen next year," says Craig. The company is also providing quarterly presentations to explain the business progress and strategy. "The only things we believe need to be kept secret are people's pay and disciplinary records. I think people find it different and refreshing," he says.

The company is also hoping to improve staff loyalty by looking outside the automotive industry. "We try and grow our own staff. Most of sales team have not come from a car sales background. They have come from backgrounds in estate agency, banking and finance." And it has also taken on three apprentice technicians in each of its workshops, "Technicians are very hard to come by," says Craig.

The results

"The retention rate is improving, but I am still not happy with it," says Craig. And staff are taking up the development opportunities on offer, with some doing a Volkswagen accredited qualification in parts and some technicians taking NVQs. "Of course we have apprentices who don't make the course, but at the same time some of the good technicians we have were apprentices here."

Meanwhile a customer debriefing, another product of the suggestion box, has helped improve customer satisfaction, as measured by a routine Volkswagen survey, by 5 per cent.

Financially prospects are bright. The management team have managed to increase revenue by 20 per cent since the company went its own way, without having to employ any more staff. And the profitability which this performance improvement has translated into has enabled the company to make the first two repayments of the five instalment loan from Volkswagen. "We are actually in a position to pay the rest of it back right now," says Craig.