



THE STATE OF THE

AUTOMOTIVE WORKFORCE

2026 Industry Report

All-in-one HR Platform Built for Dealers

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WHY THIS REPORT MATTERS

The insights in this report are only possible through HR4's comprehensive workforce tracking platform. Dealers without this visibility are making decisions in the dark—unable to benchmark against peers, track onboarding completion, or identify turnover patterns before it's too late.

Executive Summary

The automotive retail workforce is at a critical inflection point. HR4's analysis reveals patterns that most dealers can't see, because they lack the data infrastructure to track them. This report shares insights that are transforming how top-performing dealerships approach hiring, onboarding, and retention.

What HR4 data reveals about automotive retail



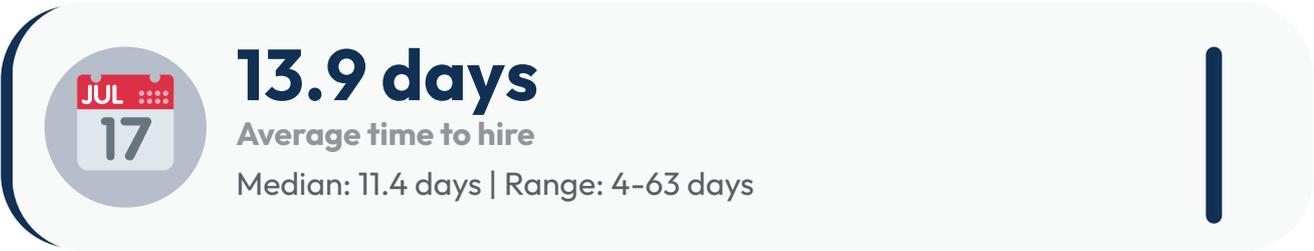
KEY INSIGHT

The data shows that turnover is heavily front-loaded. Dealers who focus retention efforts on the first 90 days will see the greatest impact.

The State of Hiring

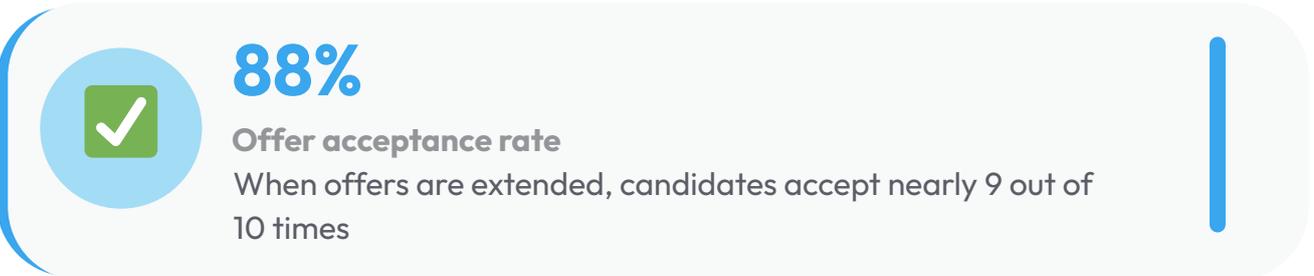
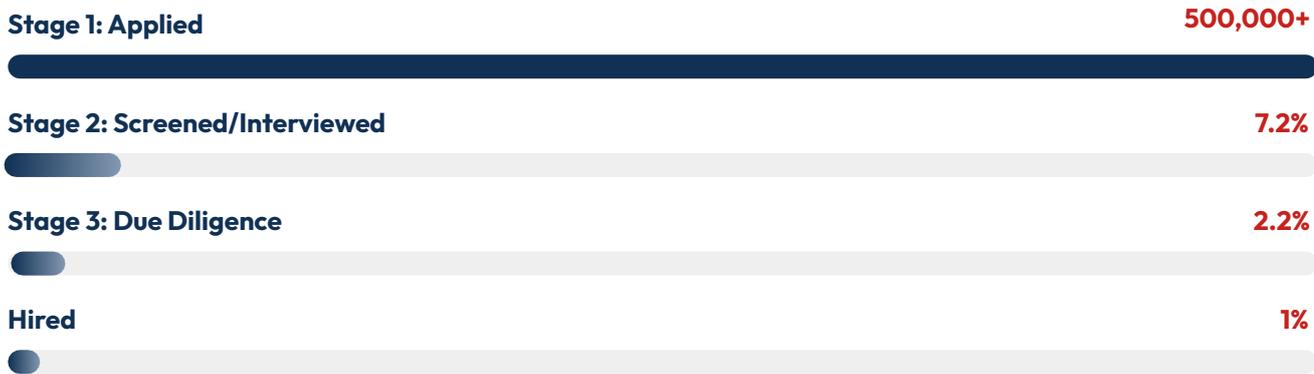
Hiring in automotive retail is competitive, fast-paced, and often chaotic. HR4's data reveals what separates dealerships that consistently land great hires from those stuck in a cycle of turnover.

Time-to-Hire



KEY INSIGHT
Interestingly, dealerships that hire faster don't always retain better. Those taking 14-18 days often show lower turnover than those rushing to fill in under 10 days—suggesting that fit matters more than speed.

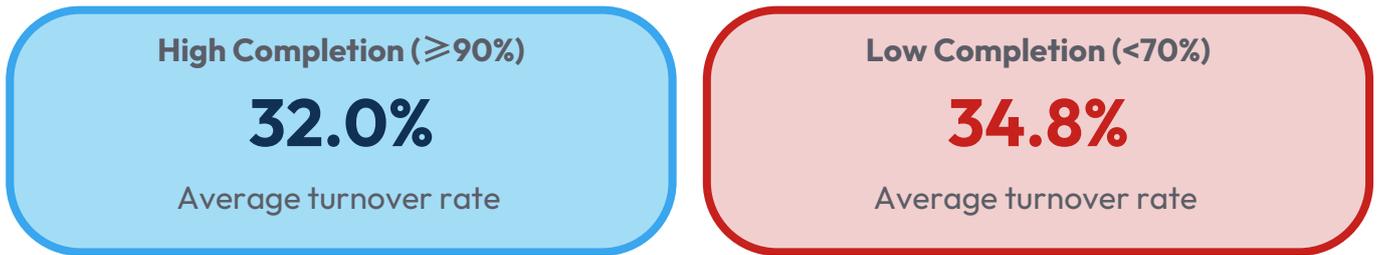
The Hiring Funnel



The State of Onboarding

Onboarding completion is one of the strongest early predictors of retention. Our data shows a clear pattern: **dealerships that complete onboarding faster and more thoroughly keep employees longer.**

The Onboarding-Retention Connection



Companies with low onboarding completion see **2.8 percentage points higher turnover**. At scale, this represents dozens of additional exits—and hundreds of thousands in replacement costs.

What Top Performers Do Differently

- ✓ Pre-Day 1 Paperwork**
tax forms, and direct deposit completed before arrival
- ✓ Week 1 task completion**
Critical items finished in the first 7 days, not 30
- ✓ Manager involvement**
Structured check-ins at Day 7, 30, 60, and 90
- ✓ Completion under 14 days**
Top quartile finishes onboarding in half the time

The State of Onboarding

Warning Signs to Watch

! Tasks incomplete after Week 1

Signals process breakdown or employee disengagement

! No manager check-in by Day 30

Early disengagement often goes unnoticed

! Training modules not started

May indicate unclear expectations or scheduling issues

! Onboarding dragging past 30 days

Longer timelines correlate with higher early turnover

THE BOTTOM LINE

Onboarding completion isn't just about checking boxes — it's an early signal of employee engagement and manager attention. When onboarding stalls, it often means the new hire isn't being set up for success. The dealerships with the best retention treat onboarding as a leading indicator, not an administrative task.

Early Turnover & Retention

The Cumulative column shows what percentage of all turnover has occurred by each tenure milestone.

The 90-Day Danger Zone

Tenure	% of Total	Cumulative
0-30 days	11.4%	11.4%
31-60 days	8.5%	19.9%
61-90 days	7.6%	27.6%
91-180 days	13.9%	41.5%
181-365 days	16.4%	57.9%
1+ years	42.1%	100%

⚠ CRITICAL FINDING

By the 90-day mark, 27.6% of all eventual turnover has already happened. By the 1-year mark, it's 58%. This is why early intervention matters so much.



126%

Sales — Annualized Turnover

Complete team replacement approximately every 9.5 months



88%

Parts/Service — Annualized Turnover

High turnover in technical roles

The Cost of Turnover

Industry research estimates turnover costs at 50-200% of annual salary, depending on role complexity.

Role	Avg Salary	Est. Turnover Cost
Sales Consultant	11.4%	\$22,500-\$45,000
Service Advisor	8.5%	\$25,000-\$50,000
Technician	7.6%	\$27,500-\$55,000
All Roles	13.9%	\$21,000-\$42,000

Potential Savings from Reduced Turnover

For a 200-person dealership with 40% turnover (80 exits/year at ~\$21,000 per exit):

Turnover Rate	Annual Exits	Est. Costs	Savings vs. 40%
40% (current)	80	\$1.68M	-
30%	60	\$1.26M	\$420,000
25%	50	\$1.05M	\$630,000

KEY INSIGHT

A 10-15 percentage point reduction in turnover can save a single dealership \$400,000-\$600,000 annually.



HR4 Network Benchmarks

Use these benchmarks to compare your dealership's performance against the HR4 Network Average .

Hiring Benchmarks

Metric	HR4 Network Average	Top Quartile
Time to Hire	13.9 days	10-12 days
Offer Acceptance Rate	88%	92%+
Applicant-to-Hire Ratio	105:1	50:1

Turnover Benchmarks

Metric	HR4 Network Average	Top Quartile
30-Day Turnover	11.4%	<5%
90-Day Turnover	27.6%	<15%
First-Year Turnover	58%	<35%
Overall YTD Turnover	34.8%	<20%

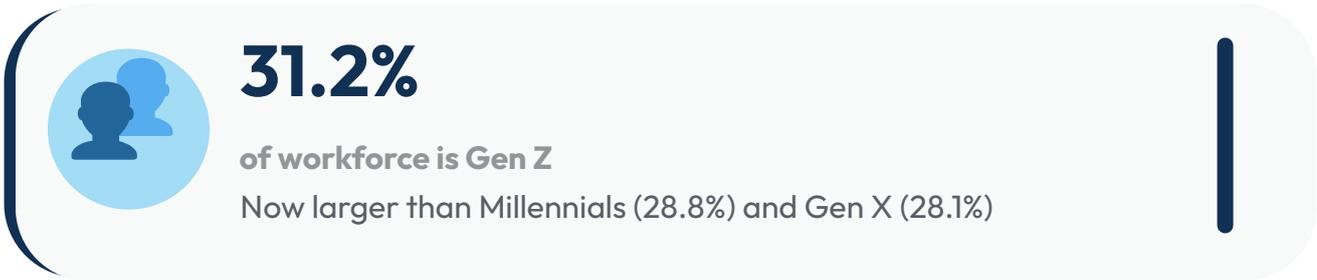
Turnover by Department

Metric	HR4 Network Average	Top Quartile
Sales	126%	<60%
Parts/Service	88%	<45%
Admin	31%	<20%
Executive	17%	<10%

2026 Outlook

Based on the data and broader industry trends, here are key factors that will shape workforce management in the coming year.

Gen Z Is Now the Largest Workforce Segment



Implications:

- Mobile-first experiences are expected, not optional
- Frequent feedback preferred over annual reviews
- Clear career progression paths are important for retention

Retention Over Recruiting

With 66% of turnover being voluntary, the greatest opportunity lies in retaining existing employees rather than constantly recruiting replacements.

Quality Over Speed

Top-performing dealerships in this dataset hire 4 days slower on average (16.7 vs 12.7 days) but achieve dramatically better retention (19.8% vs 52.7% turnover). Taking time to find the right fit pays dividends.

Practical Takeaways

Based on this analysis, here are the highest-impact actions for improving workforce outcomes.

Hiring

1. **Contact applicants within 24 hours** — delays cost candidates
2. **Track your funnel** — identify where candidates drop off
3. **Prioritize fit over speed** — rushing leads to higher turnover

Onboarding

1. **Complete paperwork before Day 1** — get administrative tasks out of the way
2. **Track completion rates** — incomplete onboarding correlates with higher turnover
3. **Finish critical tasks in Week 1** — don't let onboarding drag on

Retention

1. **Focus on the first 90 days** — this is when 27.6% of turnover happens
2. **Structured 30-60-90 day check-ins** — catch disengagement early
3. **Address Sales turnover specifically** — 126% annual turnover is not sustainable
4. **Track exit reasons** — understand why people leave to prevent future exits

About the Data & Methodology



Data Source

This report draws from comprehensive workforce data collected through the HR4 platform across 800+ North American automotive dealerships that have utilized HR4 for one or more years.

The analysis represents actual hiring, onboarding, and retention patterns tracked in 2025, covering more than 500,000 hiring records and thousands of employee lifecycle events.

What Makes This Data Unique?

Unlike industry surveys that rely on self-reported estimates, this report is built from actual system-tracked data. Every application, every onboarding task, every separation is recorded in real-time by HR practitioners managing day-to-day operations.

✓ Accuracy

Real data, not estimates or recall-based surveys

✓ Granularity

Detailed patterns by tenure, department, and role

✓ Timeliness

Current data reflecting 2025 workforce trends

✓ Benchmarking

Meaningful comparisons across similar dealerships

Confidentiality

All data has been aggregated and anonymized. No individual dealership information is identifiable in this report. Dealerships participating in HR4's platform maintain full control of their individual data