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Automotive News Europe
LEADING WOMEN



Women at the wheel

Recruitment, retention, and advancement of women
in the European automotive industry

A collaboration with *Automotive News Europe*

Celebrating the 25 leading women in the European automotive industry

Automotive News Group and Deloitte have been celebrating and honoring the leading women in the automotive industry for more than a decade. Through the Leading Women program in North America and now in Europe, we have been able to explore why women love working in the automotive industry and examine the challenges and opportunities they see in recruiting, retaining, and advancing women in automotive.

Deloitte is proud to serve as the presenting sponsor supporting this wonderful program and, with *Automotive News Group*, thank the hundreds of women who have taken their time to share their perspectives.

The following pages represent our latest research with *Automotive News Europe* and reflect the views about the recruitment, retention, and advancement of women working in the European automotive industry.

To learn more about the program and learn what women working in the North American industry feel about this important topic, visit www.deloitte.com/womeninauto.

Introduction

There is a talent crisis underway in the global automotive industry. Vehicle connectivity, self-driving cars, shifting consumer preferences, and increasing regulatory pressures are just a few of the megatrends that are creating a complex environment ripe with opportunities for innovation, transformation, and disruption. Taking a competitive advantage in this increasingly complex environment requires talented professionals with deep skills and experience. Women represent a critical, yet underrepresented, resource capable of helping automotive companies take that competitive advantage. But are we doing all we can to recruit, retain, and advance this remarkable group of automotive executives?

To explore this question, *Automotive News Group* and Deloitte have been working together for more than a decade to honor the most influential women in the automotive industry. Through the program, we have surveyed and interviewed hundreds of women to explore their views on the recruitment, retention, and advancement of women working in automotive, as well as understand where opportunities for improvement exist.

The findings of our 2015 study with *Automotive News* of women working in the North American industry were published in November in conjunction with the 100 Leading Women in the North American Automotive Industry Gala. In this follow-up study, developed in collaboration with *Automotive News Europe*, we reveal the findings of our survey of women working across the European industry. The insights represent the voices of some of the most influential women in the industry and serve to inform the dialogue on how, together, we can enhance women's representation across the leadership ranks of automotive companies – worldwide.



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About the European study

This European study was commissioned by *Automotive News Europe* and Deloitte to highlight the significant achievements women have made in the automotive industry, as well as determine how the industry can increase its ability to recruit, retain, and advance its fair share of women.

Approximately **200 women** participated in the study. Respondents represent OEMs, suppliers, dealers, and finance companies, providing a broad point of view on how companies can effectively recruit, retain, and advance talented women.

They are experienced

What's your current work experience?



16.6
Years
Average experience among respondents

10.2
Years
Average tenure at current company

They hold a variety of strategic positions

What's your current role?



37%
Represent C-level executives, vice presidents, directors, or managers

What do you do?



55%
Work in finance, marketing and sales, operations, or production

Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

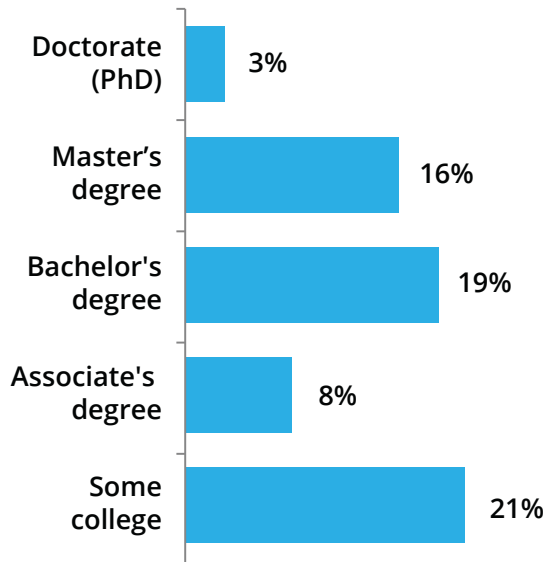


They are well educated

Which best describes your education?

67%

Percent who hold degrees or have some college education



*What did you study?**

Percentage of respondents



* Other education disciplines include health services, human biology, etc.

Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

The business case for women in automotive

From addressing the talent shortage to improved financial performance, the business case for increasing the share of women in the automotive workforce is persuasive.

Women represent a vast talent pool

Women are manufacturing's largest pool of untapped talent. While women represent nearly half (46 percent) of the total European Union (EU)'s labor force in 2015, they comprise less than a third (29 percent) of the manufacturing workforce.¹

Closing the skills gap includes closing the gender gap

Across the EU, there are approximately 325,000 job vacancies in manufacturing, with the highest number (107,942) of vacancies in Germany, followed by the UK (47,000 vacancies). With women representing less than a third of Europe's manufacturing workforce, it's clear manufacturers are missing out on a critical talent pool, which could aid remarkably in closing the skills gap.²



Diversity contributes to competitiveness and innovation

CEOs and manufacturing executives around the world **identify talent-driven innovation as the number one determinant of competitiveness**,³ and research shows leadership diversity can be a contributor to innovation.⁴ With that in mind, recruiting and retaining women in manufacturing is just smart business and can contribute significantly to a company's competitiveness.

Diversity contributes to profitability

Research indicates organizations with diverse leadership are more profitable. A study by Catalyst, a leading nonprofit organization dedicated to expanding opportunities for women in business, found that ***Fortune 500 companies with high percentages of women officers had a 35 percent higher return on equity and a 34 percent higher total return*** than companies with fewer women executives.⁵

Recruitment, retention, and advancement of women in the European automotive industry



*Plenty of
opportunity to grow*

How would you rate your company's efforts to **recruit** women?

33% *Very good or excellent*

Poor or very poor

17%

How would you rate your company's efforts to **develop** women?

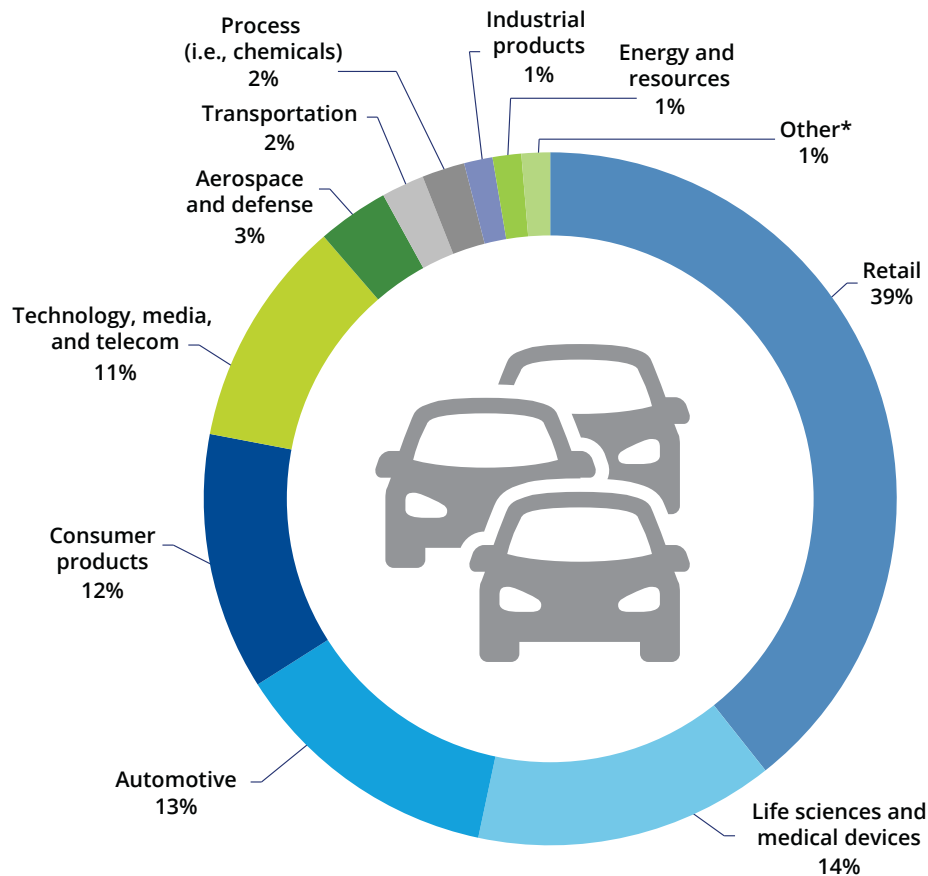
33% *Very good or excellent*

Poor or very poor

29%

Other industries are better at recruiting women

Which industry does the *best at attracting and retaining women?*

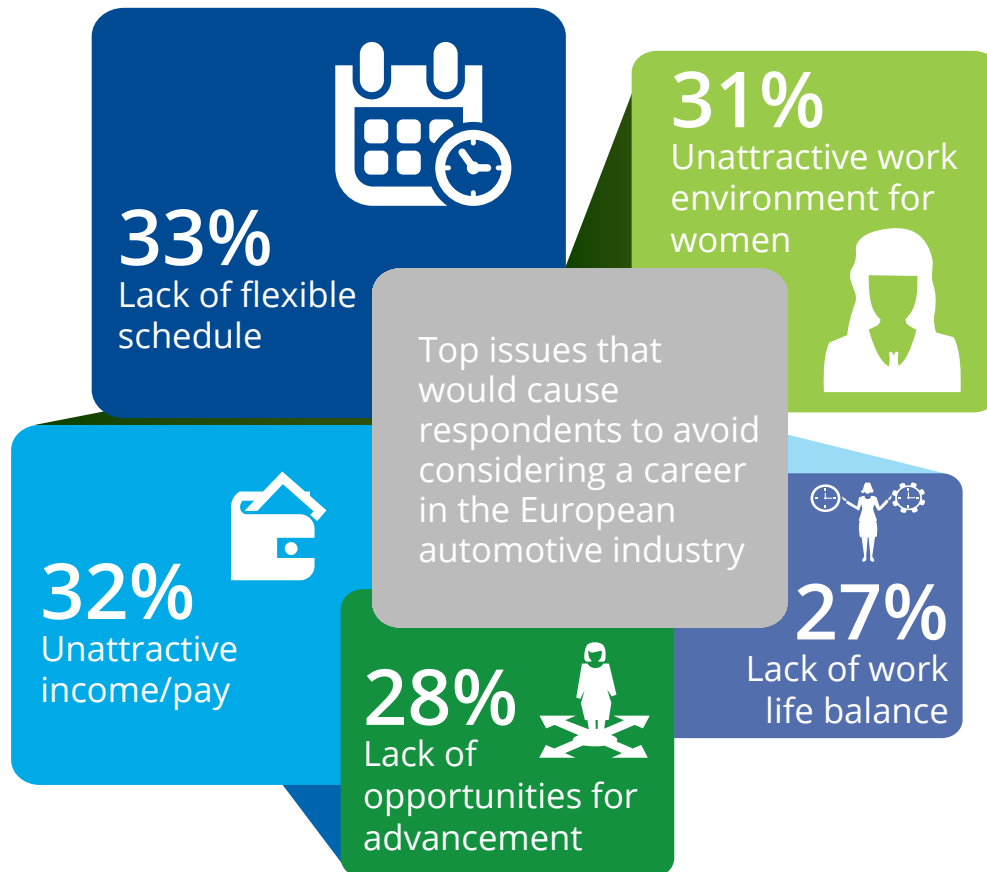


*Other include education, teaching etc.

Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

Top reasons European survey respondents avoid careers in automotive

Issues related to **work environment and work life balance** rank among the top reasons that would cause women to avoid careers in the European automotive industry.



Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

What motivates women to stay or go?

Most women (62 percent) responding to the European survey indicated *they would remain in the automotive industry* if they were to start their career today.

62% I would remain in the automotive industry

38% I would move to a different industry

Top reasons they stay



Attractive income/pay



Opportunities for challenging and interesting assignments



Work life balance

Top reasons they would consider leaving



Low income/
pay



Work life
balance



Poor working
relationships



Lack of promotion
opportunities

Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

Where would they rather go?

If you would move to a different industry, where would you go?

Respondents were asked to pick their top three preferred industries.

Most preferred



64%
Consumer products



62%
Energy and resources



59%
Technology,
media, and
telecommunication

Least preferred



43%
Industrial products



29%
Process
(i.e., chemicals)



20%
Professional services*

* Professional services include consulting, legal, hospitality, not for profit, social, investment, and insurance, among others services.

Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

What makes an impact?

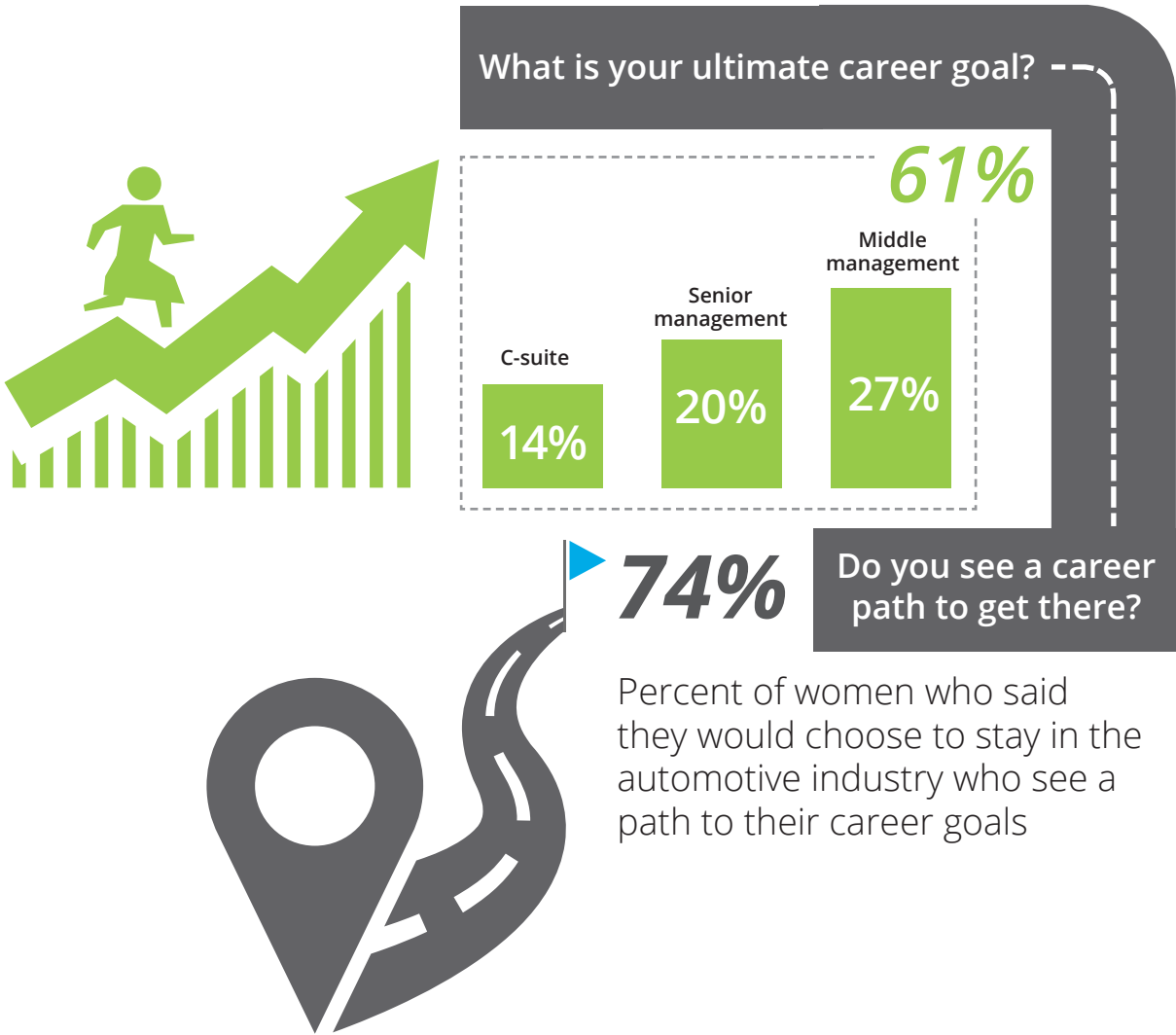
Top three most impactful programs respondents' organizations offer that help in recruiting and retaining women

When asked to rank the most impactful programs their organization offers that help in recruiting and retaining women, flexible work practices, improving the visibility of key leaders who serve as role models, and customized learning and development programs topped the list.

- 1 Flexible work practices
- 2 Identifying and increasing the visibility of key leaders who serve as role models for employees
- 3 Customized learning and development programs



Pathways to prosperity



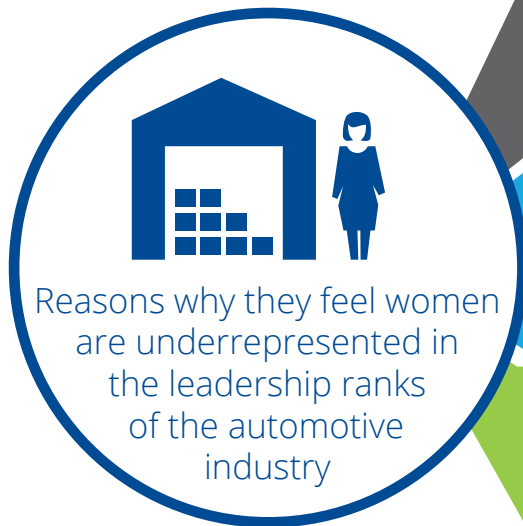
Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

What do European survey respondents say about organizational diversity?



64%

Feel women are underrepresented in their organization's leadership teams



57%

Industry bias toward men for leadership positions

36%

Lack of flexible work environment

30%

Perception of automotive/manufacturing overall

Standards and pay are not equal

Standards of performance



65%

Who believe standards differ for men and women in the automotive industry

55%

Who think the standards are higher for women

Level of pay



68%

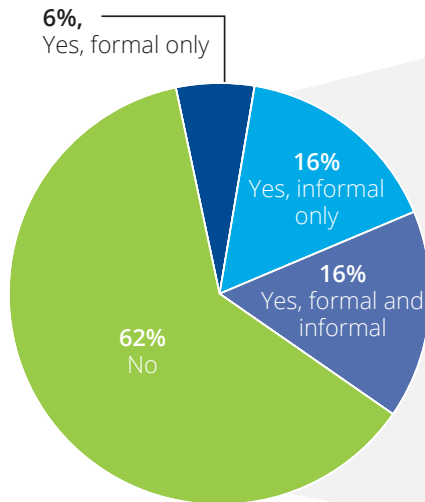
Who believe there is a pay gap between men and women in the automotive industry

97%

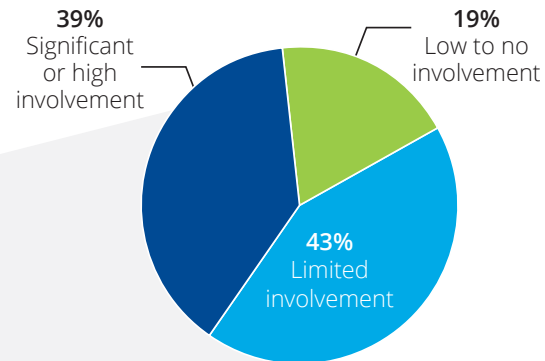
Who think men's pay is higher

Few respondents feel their organizations have effective women's network groups

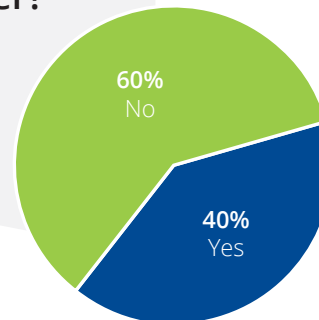
Are there women's network groups within your company?



To what extent do you engage in women's network groups?



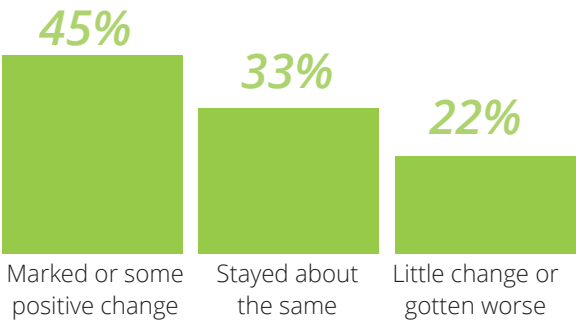
Have women's network groups been effective in advancing your career?



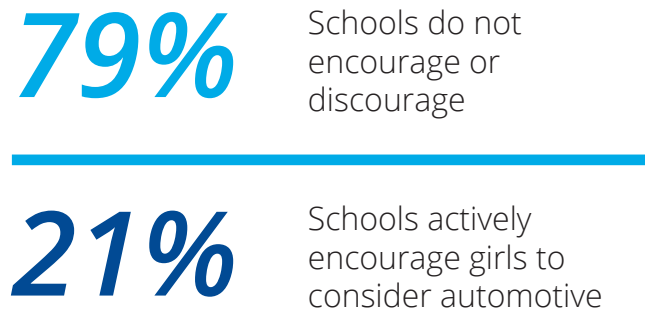
Nearly **2/3rds** of respondents say **women's networking groups have not been effective** in advancing their careers.

It's getting better, but more work is needed

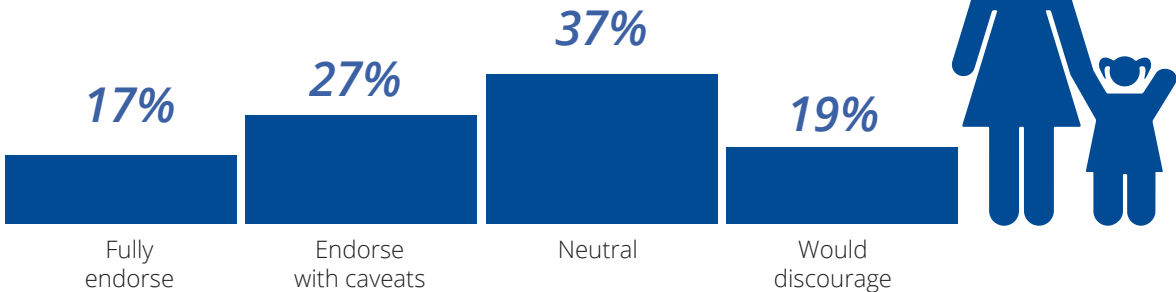
Have you seen positive changes in the automotive industry's attitude toward women over the last five years?



Do you believe European schools encourage girls to pursue automotive careers?



Would you encourage your daughter or female family member to pursue a career in automotive?



Source: Automotive News Europe-Deloitte Women in the European Automotive Industry Survey, September 2016

The path forward

Based on *Deloitte's ongoing research⁶ into the recruitment, retention, and advancement of women in manufacturing* industries, we recommend the following to pave a path forward:

1

Start at the top

A cultural change begins in the C-suite. For diversity and inclusion (D&I) initiatives and programs to gain traction throughout an organization, senior leaders must be aligned on D&I as a business priority and must visibly lead by example. What's more is that these types of initiatives and vision can be driven by women or men. Starting at the top really means creating a joint vision shared across the executive team demonstrating a shared vision to the larger enterprise.

2

Address gender bias head-on

There are positive benefits of gender diverse leadership teams and organizations. European women in the study cite balanced organizational management (60 percent), diverse perspectives in decision making (45 percent), and improved financial performance (28 percent) as the top positive benefits.

3

Foster growth programs and sponsorships

Women indicated "identifying and increasing the visibility of key leaders who serve as role models for employees" as the most impactful program a company can have to pave the way for attracting and retaining women. In fact, sponsorship can be an important factor in creating a culture that promotes a pay-it-forward mindset, which is instrumental to identifying and developing current and future leaders. A sponsor advocates for an individual and undertakes responsibility for that person's development and professional progression. In addition, a sponsor's role should extend beyond mentoring and coaching to being a vocal advocate, thereby enhancing their sponsoree's presence in the organization.

4

Create a more flexible work environment

Flexible work practice is one of the top-ranked impactful program by women in the study. Work-life balance, or the perceived lack thereof in automotive, may be another factor deterring women from the industry. It is essential for automotive companies to focus on longer-term issues of workforce capability, as well as the shorter-term imperatives of staying in business.

5

Develop Europe's automotive workforce early

Recruitment into the automotive industry should begin early, which is underscored by only 21 percent of respondents believing the school system actively encourages female students to pursue careers in the European automotive industry and 36 percent believing they do not at all encourage females to pursue careers in automotive.

6

Promote personal development

With women ranking opportunities for challenging and interesting assignments as a top motivator for staying in the automotive industry – along with identifying and increasing the visibility of key leaders who serve as role models for employees as one of the most impactful retention strategies – it stands to reason investment in personal development can continue to build retention and advancement of women.

7

Create a legacy

Women are having such an important mark on the automotive industry today that there is now an opportunity to shape a legacy that can long impact the industry and create a strong foundation for tomorrow's leaders. Progress often requires improvements across all of the recommendations listed above, as well as the creation of programs, such as the Automotive News Leading Women Network, which can help ensure mentoring and encouragement of young women, as well as ensure the stories of success and contribution women make to the global automotive industry continue to be told.

End Notes

- ¹ Eurostat, European Commission, Employment by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_egan2], <http://ec.europa.eu/eurostat/data/database>, accessed on August 31, 2016; population in the age group of 20-64 years is considered
- ² Job vacancy statistics - quarterly data (from 2001 onwards), NACE Rev. 2 [jvs_q_nace2], <http://ec.europa.eu/eurostat/data/database>; accessed on August 31, 2016
- ³ Deloitte LLP and U.S. Council on Competitiveness, 2013 Global Manufacturing Competitiveness Index.
- ⁴ Toyah Miller and María del Carmen Triana, "Demographic Diversity in the Boardroom: Mediators of the Board Diversity–Firm Performance Relationship," *Journal of Management Studies*, vol. 46, no. 5 (July 2009): p. 755-786.
- ⁵ Catalyst. The Bottom Line: Connecting Corporate Performance and Gender Diversity, 2004.
- ⁶ Working with a number of organizations, including the Automotive News Group, the National Association of Manufacturers, the Manufacturing Institute, and the U.S. Council on Competitiveness, as well as through Deloitte's diversity, inclusion, and talent initiatives, we have developed recommendations that help inform the dialogue and can help pave a path forward on this critically important topic.

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