Women at the wheel
Recruitment, retention, and advancement of women in the automotive industry

A collaboration between Automotive News and Deloitte
Every five years, *Automotive News* honors the 100 leading women in the North American automotive industry as selected by a panel of automotive industry leaders. The selection criteria for candidates are as follows:

- Be a leader in her field
- Have a senior position of substantial responsibility
- Have a major positive effect on her company’s operations
- Be based in North America
- Work for an automaker, supplier, dealership and/or an allied business

Deloitte is the presenting sponsor supporting this wonderful program and, in collaboration with *Automotive News*, has spent most of 2015 interviewing and surveying hundreds of the more than 300 women originally nominated for the 2015 awards. The following pages represent their views about the recruitment, retention, and advancement of women in the North American automotive industry.
Introduction

There is a talent crisis underway in the global automotive industry, and it’s happening at a time when megatrends like vehicle connectivity, self-driving cars, and shifting consumer preferences are creating a complex environment ripe with opportunities for innovation, transformation, and disruption. Developing a competitive advantage in this increasingly complex environment requires talented professionals with deep skills and experience. Yet, Deloitte’s 2015 Skills Gap in U.S. Manufacturing study reveals that 84 percent of manufacturing executives in the United States face a significant talent shortage in America. That same study also reveals that approximately 2 million manufacturing jobs in the United States may go unfilled over the next decade because manufacturers cannot find employees with the skills they need.

Women make up about 47 percent of the labor force, but only 24 percent of the automotive workforce. They represent an untapped and underutilized resource capable of helping automotive companies take a competitive advantage, and it is concerning that we are not doing all we can to recruit, retain, and advance this remarkable group of professionals.

To explore this issue, Automotive News and Deloitte have been working together since 2010 to honor the 100 most influential women in the North American automotive industry. Through the program, we have interviewed and surveyed 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.

In the following pages, we reveal the findings of our 2015 survey and discussions with some of this year’s honorees. The insights represent the voices of the most influential women in the automotive industry and serve to inform the dialogue on how, together, we can enhance women’s representation across the leadership ranks of automotive companies.
About the women in automotive study

The study was commissioned by Automotive News 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 330 women nominees participated in the study. Respondents include 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?

| 26.5 | Average years experience among respondents |
| 15.2 | Average tenure at current company |

They hold a variety of senior positions

What’s your current role?

What do you do?

| 83% | Percent who represent C-level executives, vice presidents, or directors |
| 57% | Percent who work in marketing and sales, operations, or product development |

Source: Automotive News | Deloitte 2015 Women in Automotive survey

*Results represent 194 responses
They are well educated

Which best describes your education?

87% Percent who hold bachelor’s or master’s degrees

- Bachelor’s Degree: 38%
- Master’s Degree: 49%
- Doctorate (PhD): 3%
- Some College: 9%

What did you study?*

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>General business</td>
<td>42%</td>
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<tr>
<td>Engineering &amp; Science</td>
<td>36%</td>
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<tr>
<td>Marketing &amp; Sales</td>
<td>23%</td>
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<td>Finance</td>
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<tr>
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<tr>
<td>Supply chain</td>
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<tr>
<td>Information technology</td>
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<tr>
<td>Logistics</td>
<td>3%</td>
</tr>
<tr>
<td>Mathematics</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>18%</td>
</tr>
</tbody>
</table>

* Sum exceeds 100 percent as respondents can select more than one discipline

Note: Other education disciplines include Law, HR, Political Science, Sociology, Psychology, History, Fashion, Journalism, Languages, Arts, etc.

Source: Automotive News | Deloitte 2015 Women in Automotive survey
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 47 percent of the total U.S. labor force, they comprise less than a third (24 percent) of the automotive workforce. Across nearly every manufacturing sector in the U.S., women are underrepresented. The proportion of women in leadership roles in manufacturing companies also lags behind other U.S. industries, yet the pool of experienced professionals is significant. Across the total U.S. labor force, women earn more than half of the associate’s, bachelor’s, and master’s degrees in the U.S. Once in the workforce, they are advancing in their careers, holding more than half of all U.S. managerial and professional positions.

Closing the skills gap includes closing the gender gap

Manufacturing faces an estimated 2 million worker shortfall over the next decade, and manufacturing executives responding to a recent skills gap study report six out of 10 positions are currently unfilled due to the skills gap. With women representing less than a third of the manufacturing workforce, it’s clear manufacturers are missing out on a critical talent pool, which could aid remarkably in closing the skills gap.
Diversity contributes to competitiveness and innovation

CEOs and manufacturing executives around the world identify talent-driven innovation as the number one determinant of competitiveness, and research shows leadership diversity can be a contributor to innovation. 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.
Recruitment, retention, and advancement of women in the automotive industry

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

- Very good or excellent: 26%
- Poor or very poor: 25%

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

- Very good or excellent: 30%
- Poor or very poor: 29%

Source: Automotive News | Deloitte 2015 Women in Automotive survey
Percentages represent percent of respondents
"The idea of working in the automotive industry suffers from a perception problem."

Senior executive participant in the *Automotive News* 100 Leading Women in the North American Automotive Industry Executive Roundtable

July 23, 2015
Other industries are better at recruiting women

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

![Diagram showing the percentage of responses for different industries.]

- **Consumer Products**: 18%
- **Retail**: 15%
- **Technology, Media, and Telecom**: 12%
- **Life Sciences**: 7%
- **Real Estate**: 7%
- **Financial Services**: 4%
- **Education**: 32%
- **Other**: 2%*
- **Government**: 1%
- **Automotive**: 1%
- **Energy**: 1%

*Others include communications/marketing firms, engineering, etc.*

Note: Aerospace & Defense, Industrial products, Process, and Transportation industries are not shown as respondents do not think those industries are best in attracting and retaining women.

Source: *Automotive News* | Deloitte 2015 Women in Automotive survey
Top reasons women 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 automotive industry.

- **89%** Lack of work life balance
- **64%** Unattractive environment for women
- **44%** Lack of advancement opportunities
- **61%** Lack of flexible schedule
- **24%** Unattractive income/pay

What would be the top issues that would cause someone to avoid considering a career in the automotive industry?

Source: Automotive News | Deloitte 2015 Women in Automotive survey
What motivates women to stay or go?

They are loyal

Most women (71 percent) responding to the survey indicated they would remain in the automotive industry if they were to start their career today.

Top reasons they stay

- Opportunities for challenging and interesting assignments
- Attractive income/pay
- Working with high caliber people/my colleagues

Top reasons they consider leaving

- Work life balance
- Lack of challenging or interesting assignments
- Lack of promotion opportunity
- Poor working relationships

Source: Automotive News | Deloitte 2015 Women in Automotive survey
“Work life balance is not just a women’s issue, it is a parental issue.”

Senior executive participant in the Automotive News 100 Leading Women in the North American Automotive Industry Executive Roundtable

July 23, 2015
Where would they rather go?

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

**Highest choices**

- **77%** Technology, media, and telecom
- **59%** Education
- **57%** Consumer products

**Lowest choices**

- **16%** Process manufacturing
- **13%** Retail
- **13%** Industrial products

Source: Automotive News | Deloitte 2015 Women in Automotive survey

* Percentages indicate industries that ranked among respondents’ top five choices.
What makes an impact?

Top three most impactful programs respondents’ organizations offer that help in attracting and retaining women

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

1. Formal and informal mentorship and sponsorship programs
2. Identifying and increasing the visibility of key leaders who serve as role models for employees
3. Flexible work practices
Pathways to prosperity

What is your ultimate goal?

- C-suite: 82%
- Senior management: 53%
- Entrepreneur: 29%

Do you see a career path to get there?

- Percent of women who said they would choose to stay in the automotive industry who see a path to their career goals: 88%
- Percent of women who said they would choose to leave the automotive industry who see a path to their career goals: 68%

Source: Automotive News | Deloitte 2015 Women in Automotive survey
What do women in automotive say about organizational diversity?

75%
Who feel women are underrepresented in the automotive industry

Factors cited as contributors to underrepresentation of women in the automotive industry:

- Industry bias toward men for leadership positions: 76%
- Organizational cultural norms: 53%
- Lack of mentorship: 46%

Source: Automotive News | Deloitte 2015 Women in Automotive survey
Standards and pay are not equal

Standards of performance

67% Who believe standards differ for men and women in the automotive industry

92% Who think the standards are higher for women

Level of pay

71% Who believe there is a pay gap between men and women in the automotive industry

99% Who think men’s pay is higher

Source: Automotive News | Deloitte 2015 Women in Automotive survey
Most* automotive companies have women's network groups, but are they effective?

**Are there women’s network groups within your company?**
- 5% Yes, formal only
- 37% No
- 41% Yes, formal and informal

**To what extent do you engage in women’s network groups?**
- 56% Significant involvement
- 33% Little involvement
- 11% Low to no involvement

**Have women’s network groups been effective in advancing your career?**
- 72% No
- 28% Yes

Nearly **3/4ths** of respondents say **women's networking groups have not been effective** in advancing their careers.

* Based on survey responses.
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?

- 64% Marked or some positive change
- 21% Stayed about the same
- 15% Little change or gotten worse

Do you believe K-12 encourages girls to pursue automotive careers?

- 98% Schools do not or neither encourage or discourage
- 2% Schools actively encourage girls to consider automotive

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

- 21% Fully endorse
- 40% Endorse with caveats
- 23% Neutral
- 16% Would discourage

Source: Automotive News | Deloitte 2015 Women in Automotive survey
The path forward

Based on Deloitte’s ongoing research into the attraction, 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.

2. **Address gender bias head-on**
   There are positive benefits of gender diverse leadership teams and organizations. Women cite diverse perspectives in decision making (93 percent), balanced organizational management (87 percent) and, improved financial performance (61 percent) as the top positive benefits.

3. **Foster sponsorship**
   Women indicated “formal and informal mentorship and sponsorship” as the most impactful programs a company can have to pave the way for attracting and retaining women. A sponsor advocates for an individual and undertakes responsibility for that person’s advancement and professional progression. In addition, a sponsor extends 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 programs 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 America’s manufacturing workforce early**
   Recruitment into the automotive industry should begin early, which is underscored by only 2 percent of respondents believing the school system actively encourages female students to pursue careers in the automotive industry and 71 percent believing they do not at all encourage females to pursue careers in automotive.

6. **Promote personal advancement**
   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 a top three impactful retention strategy—it stands to reason investment in personal advancement can continue to build retention and advancement of women.
End Notes

1 Deloitte and The Manufacturing Institute have explored the growing manufacturing skills gap in the United States for several years. “The skills gap in U.S. manufacturing: 2015 and beyond” is based on a survey of and interviews with senior manufacturing executives across the United States. For more information, visit www.deloitte.com/us/skillsgap.


3 Ibid.


11 Working with a number of organizations, including Automotive News, 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 the critically important topic of talent in America.
Acknowledgements

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