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Women at the Wheel
2020 Women in
Automotive Industry Study

November 2020



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Foreword

Automotive is a dynamic and exciting industry that has experienced wide disruption and rapid progression over the last decade. With this comes a variety of challenges, and I sincerely believe that a diverse workforce will be needed to meet them. However, that is a challenge in itself – automotive is behind other industries when it comes to gender diversity with only 20 per cent of the workforce and less than ten per cent of executives identifying as female.

This report explores the views of women and men working in the automotive industry, and probes why this diversity challenge remains. Based on insights from more than 100 people working in automotive across the UK, this study examines what more can be done to recruit, retain and advance women across the industry. My hope is that the industry, organisations and individuals use these insights to support their contribution towards creating and sustaining an inclusive, equitable and diverse environment across genders. As one of our participants said, “we must be ambitious” in our approach to tackling diversity and inclusion.

Deloitte continues to run a networking community that strives to inspire and support women in automotive. Women at the Wheel UK was founded in 2016, dedicated to changing the automotive industry’s diversity statistics.

We are a community dedicated to driving greater gender diversity and inclusion among the next generation of automotive industry leaders and wider workforce. We focus our efforts to **inspire** women to achieve their potential by building a diverse community of role models, **strengthen** their careers through coaching and learning opportunities, and **collaborate** across individuals and organisations to drive positive industry change.

COVID-19 has already proven to be a great equaliser with flexible working becoming the norm and caring responsibilities under the spotlight. Let us hope this continues beyond 2020 as we truly believe that change is possible.

For some, this study may prove difficult reading, but we believe it provides the impetus the industry needs. As such, we welcome your feedback and look forward to discussing how to improve things at every level of your business.

Sarah Noble
Director Deloitte MCS Limited
Founder Women at the Wheel UK

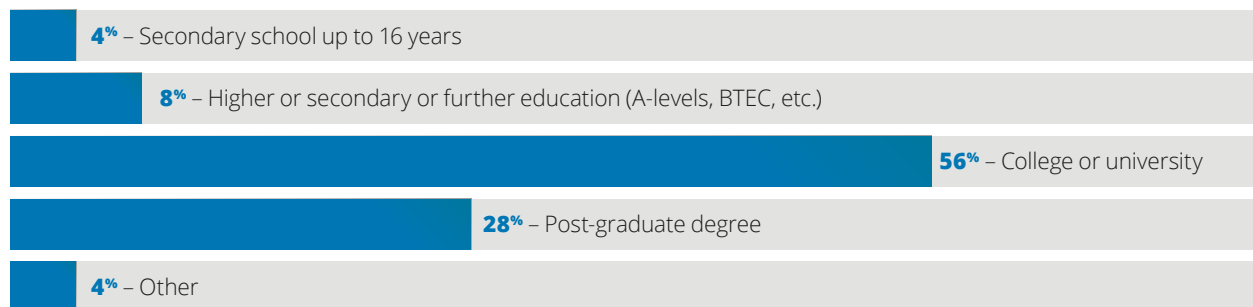
“
We must be ambitious in our approach to tackling diversity and inclusion.”



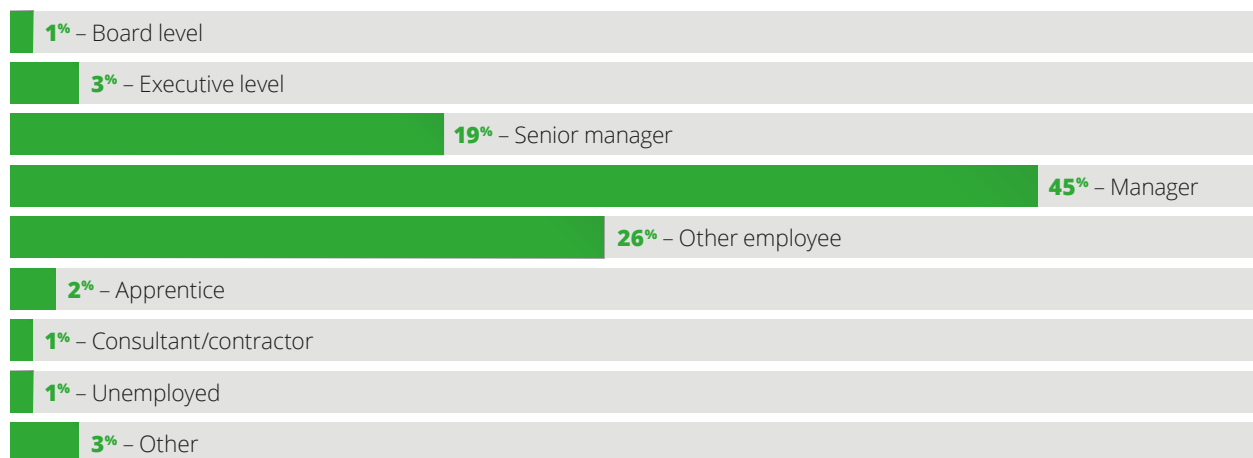
About the study

- ✔ The study was conducted between June and September 2020.
- ✔ More than 110 women completed an online survey, representing apprentices through to senior leaders, from original equipment manufacturers (OEMs), suppliers, dealers, finance companies and other organisations across the value chain in the UK.
- ✔ Interviews were conducted with women and men, representing engineering, marketing, talent, and other business areas.
- ✔ The purpose of the study was to generate a representative point of view on how individuals, organisations and the industry can drive greater gender diversity and inclusion through the retention and advancement of women working in the automotive industry.

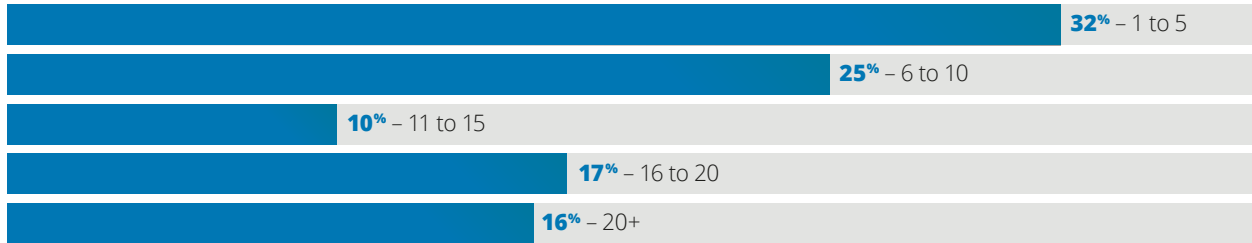
Education level



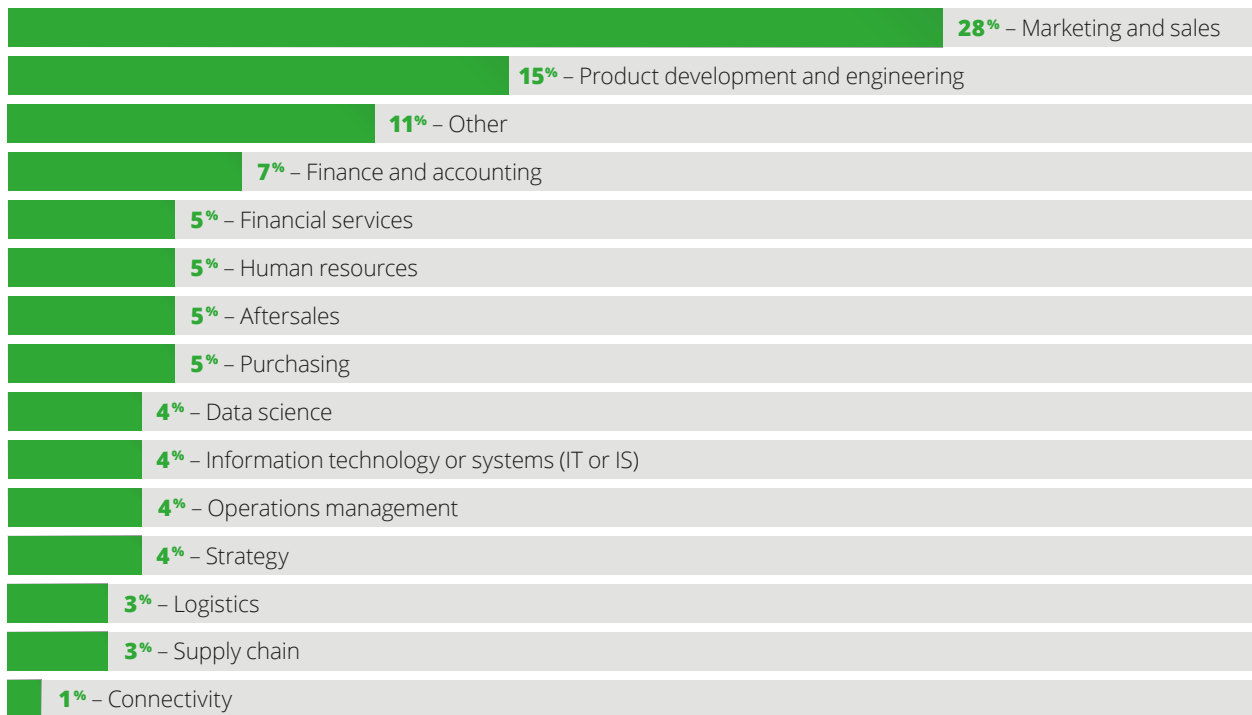
Seniority



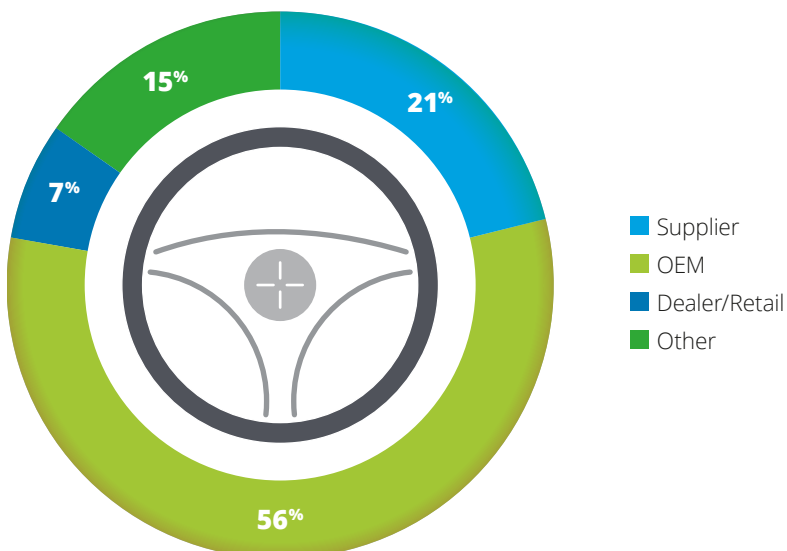
Years of experience in auto industry



Function



Part of value chain



Diversity in the automotive industry

“

Women push for women, but there needs to be senior male buy-in for success.”

The automotive industry is facing an increasingly challenging and complex operating environment. COVID-19, Brexit, protectionism and rising global trade disputes are increasing costs, cutting margins and driving down volumes. Meanwhile, against this difficult environment, connected, autonomous, shared and electric (CASE) trends as well as regulation forcing decarbonisation are disrupting existing business models and demanding immediate capital investment that may no longer be readily available.

In attempting to meet these challenges, there will likely be an increased focus on driving efficiencies, cost-base restructuring and the disposal of non-core assets. However, the long-term success of a company also requires a stronger focus on people, and it is clear that gender diversity can help automotive companies gain a competitive advantage:

- diversity of thinking in leadership enhances innovation by 20 per cent¹
- diverse groups are more adept at spotting risks, reducing their occurrence by 30 per cent²
- at the board level, having three female board members creates a tipping point, resulting in positive median gains in both return on equity and earnings per share³
- a single incidence of “micro-exclusion” can lead to an immediate 25 per cent decline in an individual’s performance on a team project.⁴

Despite the advantages that diversity in the workforce and leadership offer, there is still a gender divide in the automotive industry. Improving the representation of women across the ranks of automotive companies is therefore a key consideration for organisations to survive, and ultimately thrive, in a highly uncertain operating environment.

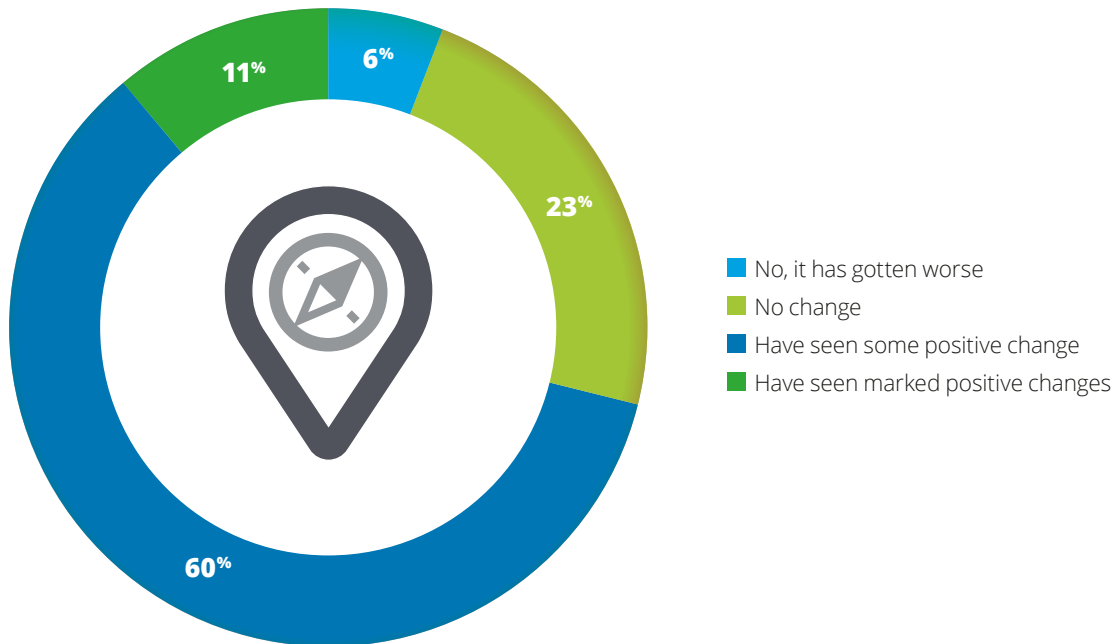
Our research shows that the number of women seeking senior level positions in automotive companies is on the rise. According to the majority of women (71 per cent), there has already been some positive change over the last five years (see Figure 1). We believe that automotive businesses should capitalise on this success and take meaningful action now around gender diversity and inclusion (D&I). Maintaining this momentum has never been more important.

For gender diversity to succeed in any workforce, companies need to focus on three areas: recruitment, retention and opportunity. The automotive industry has made considerable strides in improving recruitment over the last few years, while recognising that more can be done. In contrast, there has been less emphasis on advancing women once they have been recruited.

This report focusses on the importance of retention and opportunity in the automotive industry. It explores the views of women in the industry regarding the resilience and preparedness of the workforce, representation of women at senior levels, and the skills and support needed to advance their career.

“Maintaining this momentum has never been more important.”

Figure 1. During the last five years, have you seen positive changes in the automotive industry’s attitude towards women employees?



Source: Deloitte 2020 Women in automotive survey

Section one:

Employee resilience



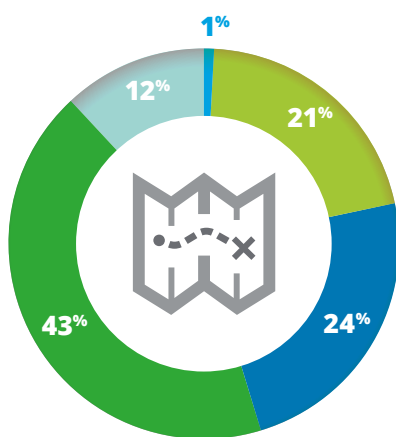
40 per cent of women working in automotive would choose a different industry if they were starting their career again.

According to our research, only half of women feel prepared to adapt to the changes occurring in the automotive industry (see Figure 2). This is particularly concerning given that within the industry, technology is advancing, consumer behaviour is changing, and COVID-19 and Brexit uncertainty are disrupting any semblance of business as usual. Those women who feel more prepared are likely to work in functions such as data science, connectivity, operations and strategy – areas likely playing a key role in shaping the strategic direction of their organisations. Women working in these areas are also acutely aware of the scope and scale of change that the industry is facing. In contrast, women in traditional back-office functions, such as purchasing, information services, finance and financial services, where there is typically a higher percentage of women, feel least prepared for the changes to come.

Among other factors, uncertainty around the future direction of the automotive industry has created a major challenge to employee retention. According to our research, 40 per cent of women working in automotive would choose a different industry if they were starting their career again.

While increasing effort goes into recruiting women, especially those with a background in STEM (science, technology, engineering and maths), our research suggests that organisations need to increase their focus on retention.

Figure 2. To what extent do you feel prepared to adapt to changes in the industry over the next two to three years?



- Not Prepared
- Less Prepared
- Neutral
- More Prepared
- Very Prepared

Three ways to build resilience and improve retention

- 1 Engage in dialogue
- 2 Improve access to mentor and sponsorship relationships
- 3 Rethink learning and development

1. Engage in dialogue

The sense of a shared experience is key to improving resilience, and therefore retention, within the workforce. According to our research, 55 per cent of women are seeking greater engagement with others in the industry who are going through similar changes.

Organisations and the wider industry need to create, encourage and advertise communities that enable women – and men – to connect, share and collaborate across the industry and beyond. However, women's networks need to be about more than a public relations exercise. They need to focus on providing women in automotive with the skills and network they need to succeed in the industry.

Source: Deloitte 2020 Women in automotive survey

The ability of initiatives to attract, retain and advance women should not be perceived to come 'at the cost' of men. The role of men as allies is important in an industry that is predominantly male and predominantly male-led.⁵ Indeed, active involvement of men in gender diversity initiatives is critical to their success, and D&I initiatives should create a shared purpose and give everyone a voice.

It is not just expanding gender diversity groups to men that should be considered. By collaborating with outside organisations, such as NGOs (non-governmental organisations), community groups, and industry and professional associations, an automotive organisation can engage a wider audience, encourage greater participation across its workforce, and drive greater gender diversity in the industry as a whole.

2. Improve access to mentor and sponsorship relationships

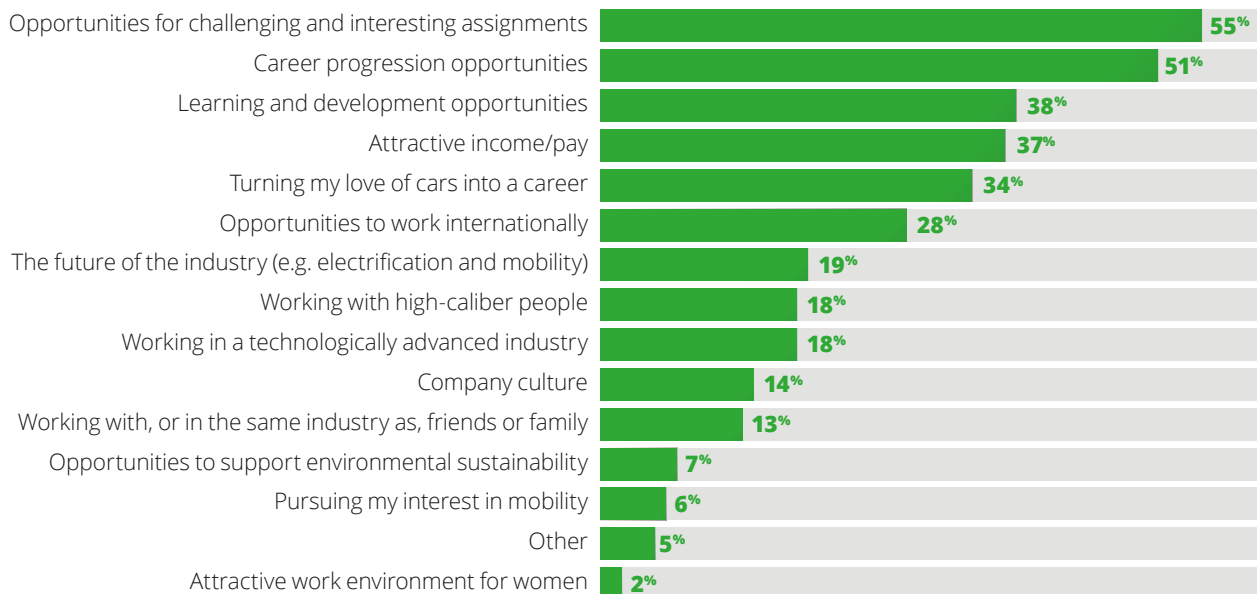
Retention rates improve when the right support networks are in place. We believe that women in automotive are missing critical support by not having the same access to mentor and sponsor relationships.

A sponsor actively seeks recognition for the skills, contribution and potential of the people they sponsor, while mentors support and encourage people to grow, seek opportunities and achieve their potential. Based on our series of interviews, women with mentors and sponsors feel more prepared for and excited about the future of the automotive industry.

The two biggest reasons that women joined the auto industry were career progression opportunities and opportunities for challenging and interesting assignments (see Figure 3). However, a lack of opportunity is one of the top reasons that women would leave the industry (see Figure 4).

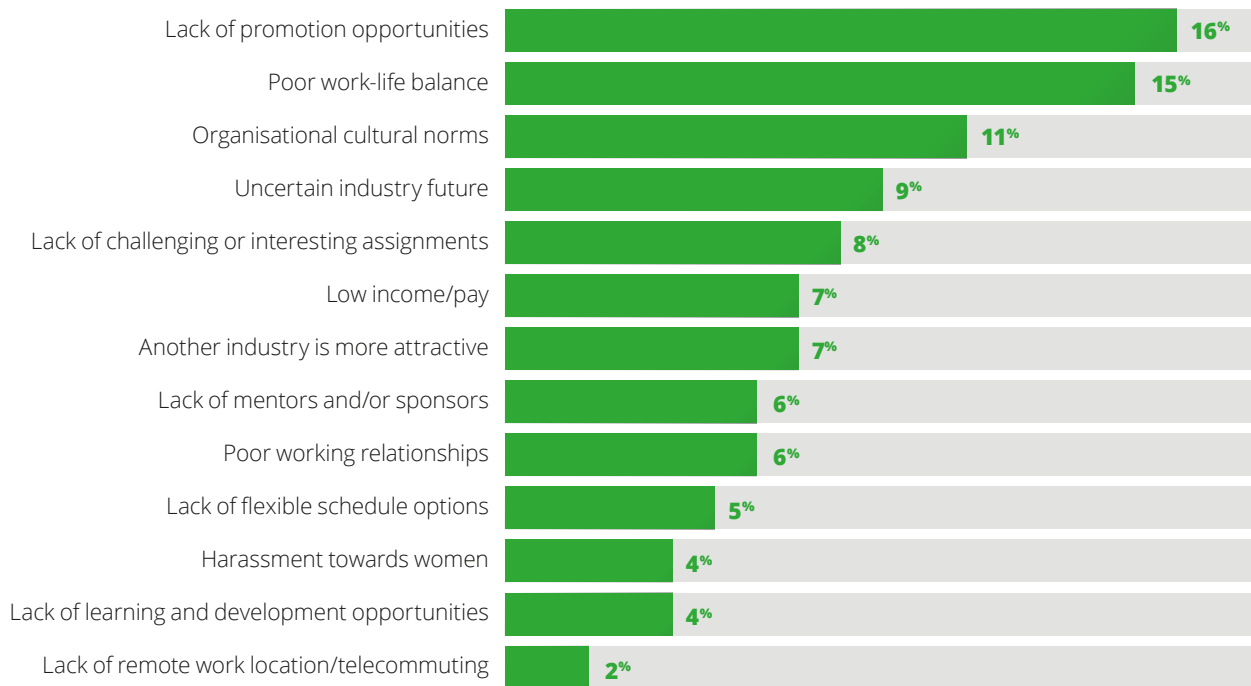
“It’s a fight to get heard, and there is a lot of posturing and name dropping.”

Figure 3. What were you most excited about when you first started working in the automotive industry?



Source: Deloitte 2020 Women in automotive survey

Figure 4. What are the top issues that would cause you to consider leaving the automotive industry?



Source: Deloitte 2020 Women in automotive survey

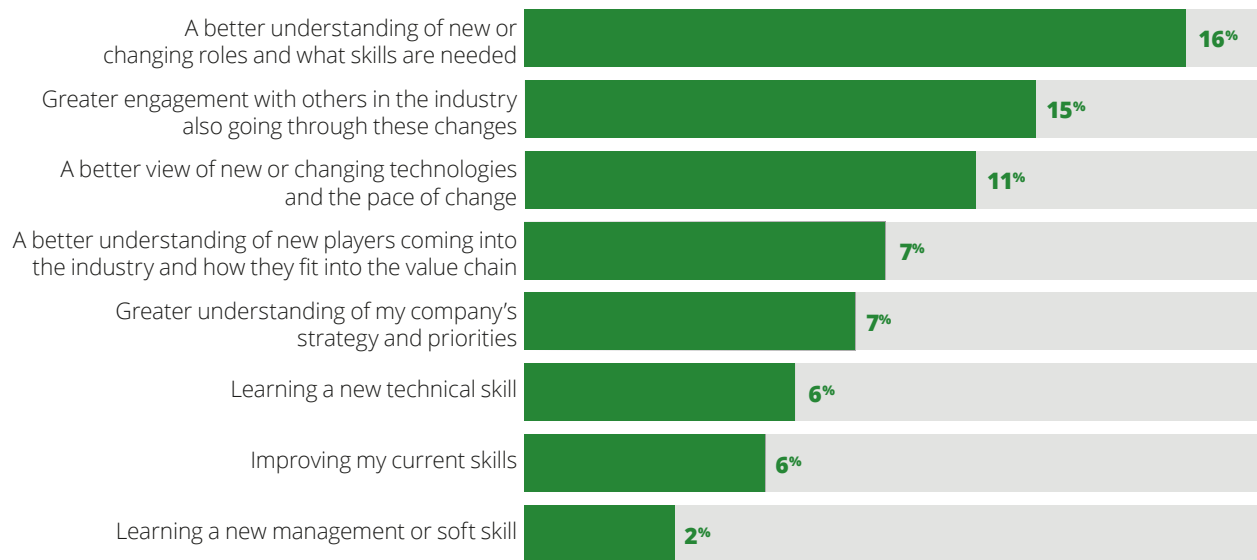
“
We talk about
sponsorship, but
I’m not seeing
programmes
being put
into place.”

For many women it takes a senior leader noticing their potential to help them to recognise it in themselves and to start actively using sponsor and mentor relationships. There is a need to create and formalise mentorship and sponsorship programmes at all career levels including the use of reverse-mentoring programmes. However, even with formal programmes in place, both relationships need to be owned by the individual. This is particularly important as remote working becomes the new norm and organisational structures that might support these relationships become less accessible.

3. Rethink learning and development

Learning and development (L&D) is a key tool in any retention strategy. It is also something that women across the industry are requesting (see Figure 5).

Figure 5. What would help you to feel more prepared to cope with the challenges the industry faces?



Source: Deloitte 2020 Women in automotive survey

Perhaps more than in other sectors, L&D is a top priority in the automotive industry as the skills required to be successful are changing rapidly. To adapt to the fast-changing skills landscape, businesses need an L&D approach that focuses on building workforce resilience for both the short and the long term.

This approach allows organisations to increase their own resilience in the face of constant change.⁶ The application of this approach can change depending upon the tenure, background, skills and seniority of the employee.

Businesses need to think about what their employees should be learning, how they should be learning, and where they should be looking to apply what they learn.

Meanwhile, for employees with specific expertise and specialisms who have joined from other industries, a business must think about what skills that employee is contributing and where those skills should be applied.

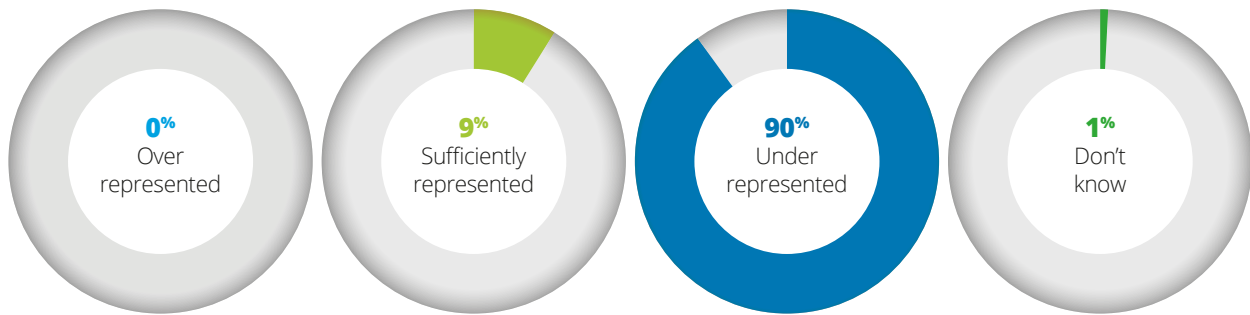
Putting in a robust L&D plan for external hires should be a priority for businesses across the automotive industry. While many businesses are increasingly hiring externally to fill skills gaps, our research indicates that women who come from other industries feel less prepared for changes in the industry.

“Development conversations need to start earlier and happen more frequently.”

Section two:

Advancing women in the workplace

Figure 6. I believe that women are _____ within my organisation's leadership team



Source: Deloitte 2020 Women in automotive survey

“90 per cent of participants feel that women are under-represented in leadership positions.”

In addition to the challenges surrounding resilience, preparedness and retention, the automotive industry continues to have a problem with representation and the advancement of women. According to our research, 90 per cent of participants feel that women are under-represented in leadership positions (see Figure 6). This is a damning indictment of the current state of the industry. The under-representation of women in automotive needs addressing in order for businesses to realise the benefits that diversity in senior leadership brings.

According to our research, two key factors are most commonly associated with under-representation:

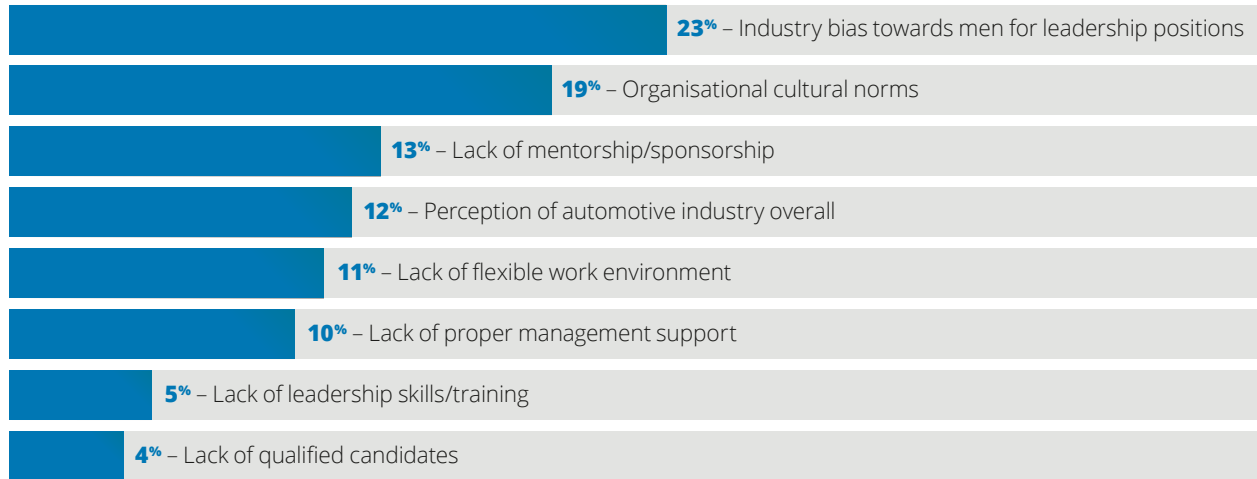
01. Industry bias towards men for leadership positions

“To get ahead, women need an extra something.”

02. Organisations' cultural norms

“There's a social scene that women aren't a part of.”

Figure 7. What factors contribute towards under-representation in leadership?



Source: Women at the Wheel 2020 industry survey

This suggests a systemic issue based on cultural legacies in the industry that are difficult to change. One way to address systemic cultural issues is to promote from within, which will achieve greater representation of women at a senior level. However, achieving this can be challenging, as there is not always a clear career path for women in automotive.

This problem is exacerbated by the (in)visibility of existing female role models. When there are not sufficient role models, women do not feel that the industry provides a long-term career option for them. It also overwhelmingly leads to a sense that women “need to change” to succeed and be viewed as leaders, and reinforces the sense that it is women who need to bear responsibility rather than challenging the system itself.

“Being viewed as too aggressive is a bad thing, but trying to be ‘more masculine’ in my approach helps.”

“I’ve definitely seen more women aspiring to senior leadership, especially since we have a new female senior leader.”

A theme that emerged throughout our interviews was that both employees and leaders feel that diversity is integral to business success. An inclusive organisation utilises diverse backgrounds, capabilities, and viewpoints to drive business results and value. Creating an inclusive organisation requires a change in culture and can be difficult to manage. Below we examine two of the key actions a business can take to help foster D&I.

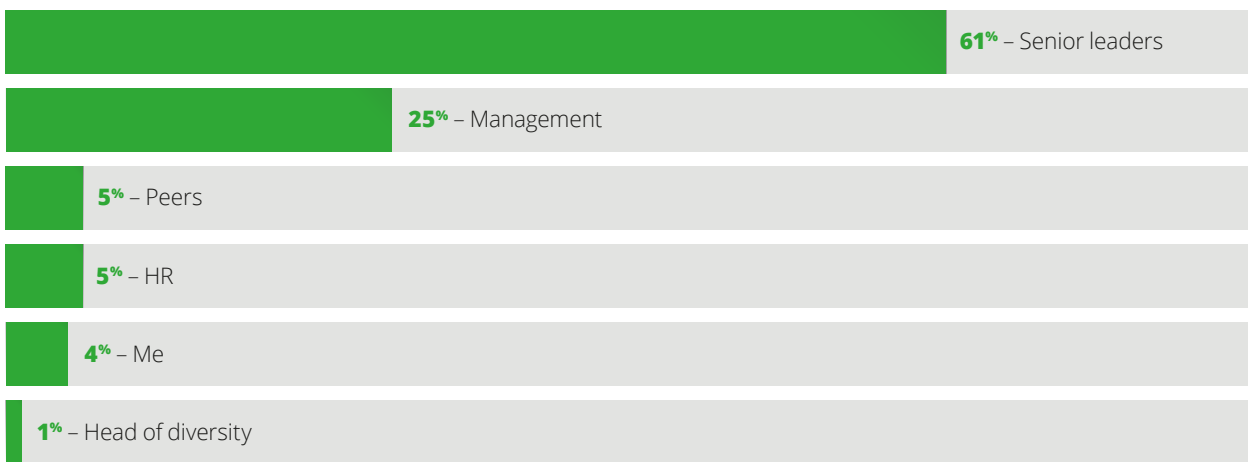
“57 per cent of women do not see a career path to get to the level they want in the automotive industry.”

Two ways to drive representation

1. Flatten the hierarchy

More than 60 per cent of women believe that senior leaders are most accountable for the success of talent initiatives that seek to improve the retention and advancement of women (see Figure 8).

Figure 8. Who is most accountable for the success of talent initiatives that seek to improve the retention and advancement of women?



Source: Deloitte 2020 Women in automotive survey

This perception is unhelpful. While successful initiatives are commonly driven from the top down, it is everyone’s responsibility to participate in, engage with, and promote diversity and inclusion. A ‘flatter’ organisational structure elevates everyone’s responsibility. Unfortunately, the traditional hierarchy does not typically support inclusion in the workplace.

“Many automotive organisations have already established gender diversity groups.”

Many automotive organisations have already established gender diversity groups. A large proportion of such groups are employee-led and have been shown to have a positive impact, providing support networks for employees to make connections, build confidence and share learning. The success of a gender diversity group can be increased by facilitating a systematic and direct feedback channel to executive and senior leadership and input into the D&I agenda and KPIs (key performance indicators).

“I see board members being interested and genuinely recognise that it could make a difference to our business.”

However, the ‘diversity conversation’ or actions around diversity should not be seen as something that is solely the domain, or responsibility, of women. Our interviews found that many women feel responsible for driving the agenda but not empowered to change it, relying on leaders who, while sympathetic, are not particularly engaged.

“Moving the dial on development is still seen as something women have to do for themselves.”

2. Create clear policies that engage all levels of the organisation

Creating an environment where D&I can develop also requires clear policies on workplace equality, a culture that does not tolerate discrimination and greater learning and development. To promote inclusion at a senior level, policies could extend to having D&I requirements for succession planning.

"In my boss's farewell speech, he mentioned many occasions where he'd been in social situations with the men I work with (who have all been promoted). Most of these I wasn't even aware of, never mind invited to."

In supporting the development of an inclusive organisation, it is important to consider how situations can differ outside of the work environment. Businesses need to be bold with policies that create and support a more flexible work environment for all employees. This is particularly true post-COVID as women have suffered disproportionately in the workplace as a result of the pandemic.⁷

"Organisations need more family-friendly policies; the public sector doesn't have the same stigma."

The most important thing is that all employees need to know that these policies are a priority. They also need to know how to discuss D&I issues and policies at all levels of the organisation: with their teams, managers, senior leaders and board members.

The policies around D&I should not just be focused on removing discrimination, they should be a positive force for advancing women's careers. Businesses should include D&I in talent discussions, utilising metrics that measure the current state versus target state and year-on-year progress. Hiring and job transfer practices should also be adapted to encourage a wider applicant pool.

"Having targets and a transparent recruitment process drives a strategy to get women in the interview pool. Mechanisms like anonymous CVs are enablers to a more diverse pool – but it's still not commonplace."

Realising the business benefits of a diverse workforce and an inclusive organisation

This report has highlighted the ongoing diversity challenge across the automotive industry. Our aim is to help businesses create an inclusive, equitable and diverse environment for all genders.

Define and measure success

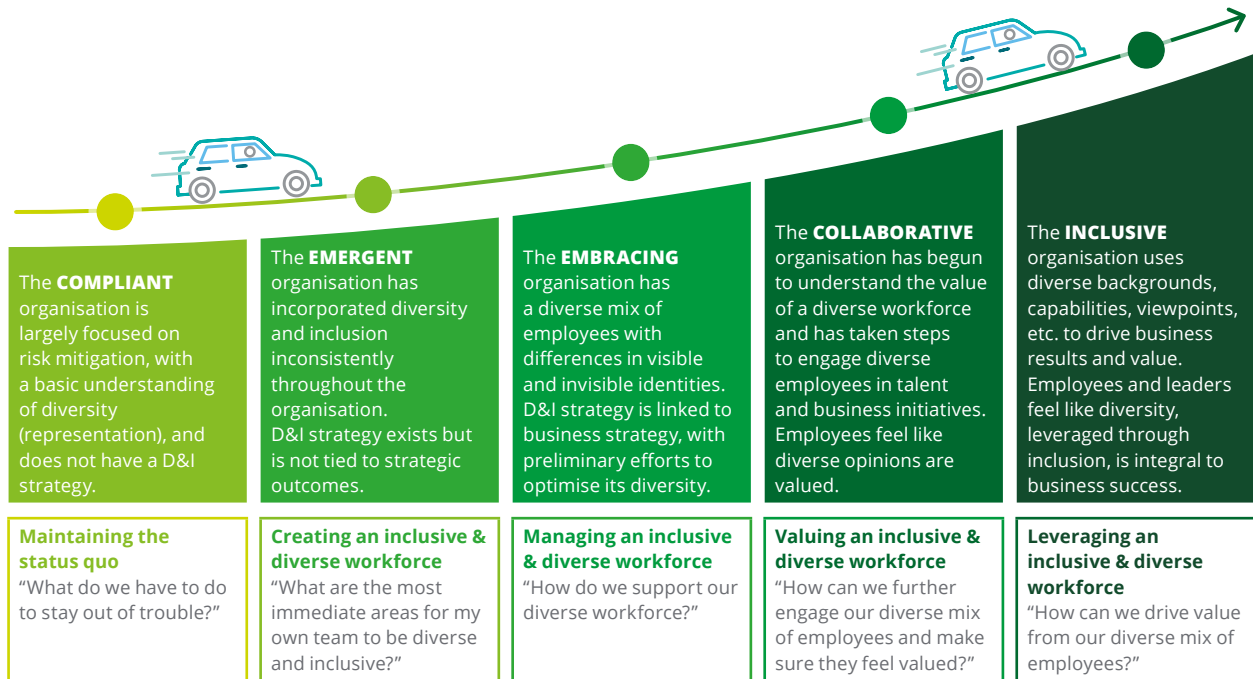
An important first step in developing an inclusive organisation is to understand employee sentiment on the level of gender diversity and inclusion in your organisation. This can be achieved in a number of ways, but are most commonly pursued through employee surveys and/or ethnographic research.

Applying the findings to a framework such as Deloitte's D&I maturity spectrum (see Figure 9) helps organisations chart where they are today and how they can develop.



The most important thing is that all employees need to know that these policies are a priority.”

Figure 9. Deloitte D&I maturity spectrum



Source: Deloitte analysis

“Empowering the individual is a huge step in the right direction.”

A framework such as the D&I maturity spectrum allows leaders to envision the steps necessary to become an inclusive organisation. The spectrum highlights that true inclusion is a process that will not happen overnight. It is a multi-year effort that requires organisational focus.

Across the automotive industry, our research indicates that the majority of businesses are ‘emergent’: they have created a gender D&I strategy, but it is inconsistent across the organisation and is not tied to strategic outcomes.

To progress along the spectrum, developing a more inclusive business along the way, organisations need to create realistic goals and hold leaders accountable for them. Leader performance must be evaluated with D&I metrics that have equal weighting with other business metrics. To do this successfully, an organisation must ensure that it has the necessary capabilities and processes in place to collect, track, analyse and share diversity and inclusion related data and insights.

An appropriate first step would be to create an enterprise D&I ‘scorecard’ that highlights appropriate KPIs. These may include, but are not limited to, the number of promotions, the average length of time to promotion, retention rates, promotions and voluntary turnover of women returning from maternity leave as well as the wider workforce. This scorecard should be a long-term endeavour, using qualitative and quantitative data allowing for year-on-year tracking and progress reports.

This data and insight should be shared widely and regularly, from being a part of the Board agenda down through all leadership levels, to enable leaders to understand what impact their D&I decisions and actions have on their team's performance, and to identify where corrective initiatives are needed. This data should also feed directly into an organisational D&I best practice framework. For multinational companies, this framework should be shared globally and acted upon locally. This allows organisations to take advantage of initiatives and lessons learned in other regions while ensuring the D&I agenda is recognised consistently across the world. The framework should also consider best practice behaviours from other industries. Benchmarking against global leaders outside of the automotive industry can only improve standards in the automotive industry.

Be purposeful

Businesses need to be bold and, above all else, purposeful in their actions. D&I needs to be part of an organisation's culture and central to employee engagement.

Some bold and purposeful actions that can be taken now include:

- ✔ create cross-functional experiences to prepare women for leadership roles. As an added benefit, sharing insights and experiences is key to fostering innovation
- ✔ set up a 'shadow board' that prepares mid – to senior-level managers for the understanding, insight and skill set required for executive level positions
- ✔ incorporate D&I requirements and reporting into the supply chain to expand, share and drive D&I throughout industry
- ✔ create relationships, partnerships and alliances with female-owned and female-centric businesses and community initiatives.

In summary, the automotive industry is in a period of rapid change, with many businesses under pressure from new technology, and macroeconomic conditions beyond their control. Surviving and, ultimately, thriving in this environment will require a dynamic, diverse workforce. This means that bold, purposeful D&I actions should be high on an organisation's agenda.

COVID-19 has demonstrated the industry's ability adapt and make changes quickly. The need for meaningful, lasting change around gender diversity in the workforce has never been greater, so it is important that organisations demonstrate the same urgency and commitment to change as they have done in other areas of their business.

“Organisations can't change overnight, but you need to be ambitious.”

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Endnotes

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