



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

A collaboration between *Automotive News* and Deloitte

Automotive News

Celebrating the 100 leading women in the North American automotive industry

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. Manufacturing¹ 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.² 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.



Craig A. Giffi
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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
Years

15.2 Average tenure at
current company
Years

They hold a variety of senior positions

What's your current role?



83%
Percent who represent
C-level executives, vice
presidents, or directors

What do you do?



57%
Percent who work in marketing
and sales, operations, or
product development

Source: *Automotive News* | Deloitte 2015 Women in Automotive survey

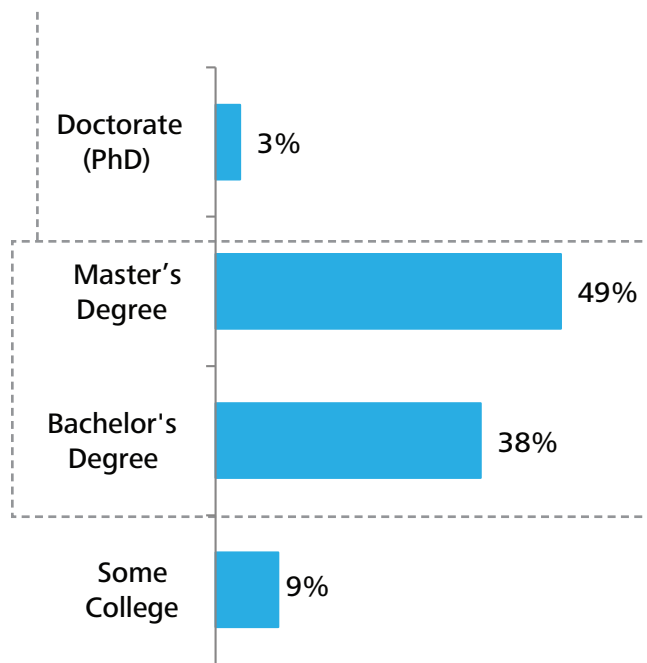
*Results represent 194 responses



They are well educated

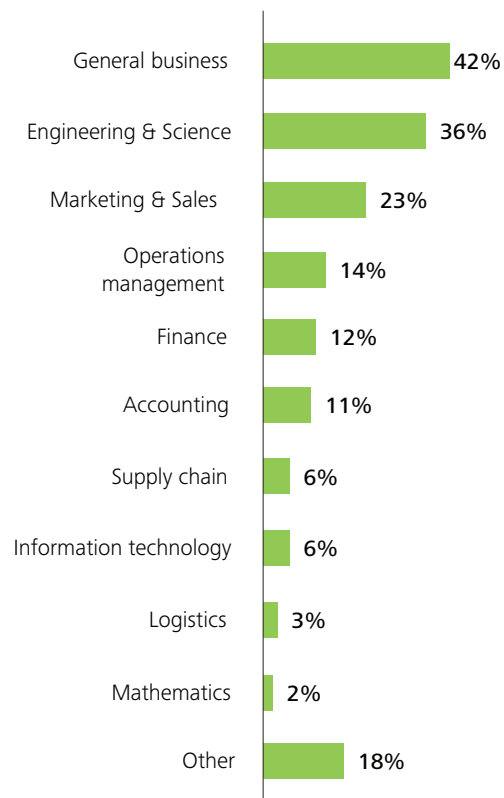
Which best describes your education?

87% *Percent who hold bachelor's or master's degrees*



*What did you study?**

Percentage of respondents



* 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

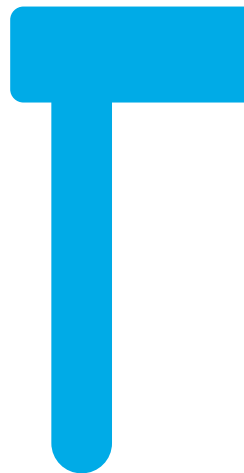
From addressing the talent shortage to improved financial performance, the business case for increasing the share of women in the automotive workforce is persuasive.

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.***³ 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,⁴ 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.⁵ Once in the workforce, they are advancing in their careers, holding more than half of all U.S. managerial and professional positions.⁶

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.⁷ 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.





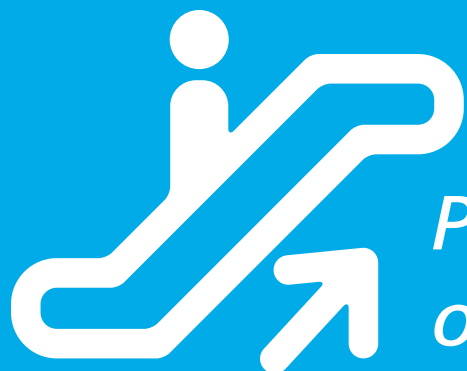
Diversity contributes to competitiveness and innovation

CEOs and manufacturing executives around the world *identify talent-driven innovation as the number one determinant of competitiveness*,⁸ and research shows leadership diversity can be a contributor to innovation.⁹ 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.¹⁰

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



*Plenty of
opportunity to grow*

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

26% *Very good or excellent*

Poor or very poor

25%

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

30% *Very good or excellent*

Poor or very poor

29%

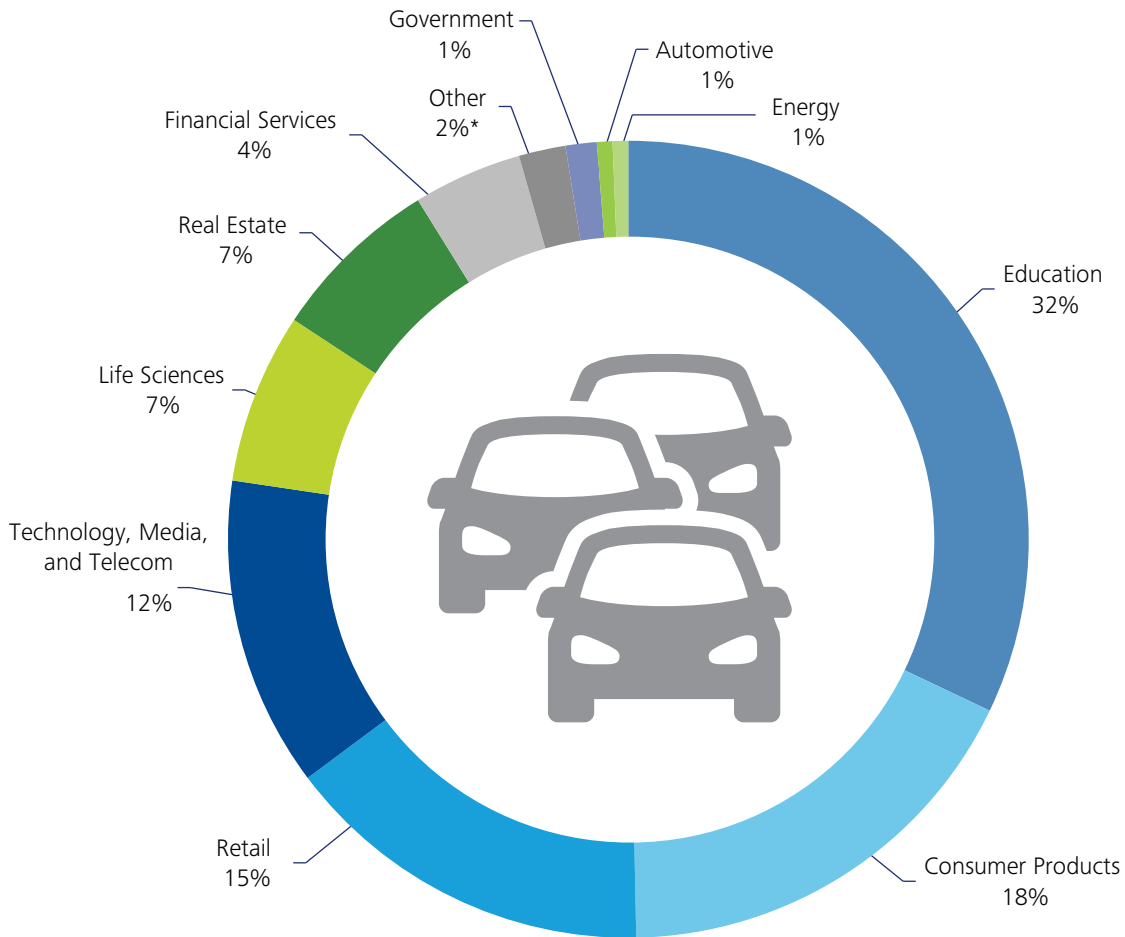
"The idea of working in the automotive industry suffers from a perception problem."

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*?



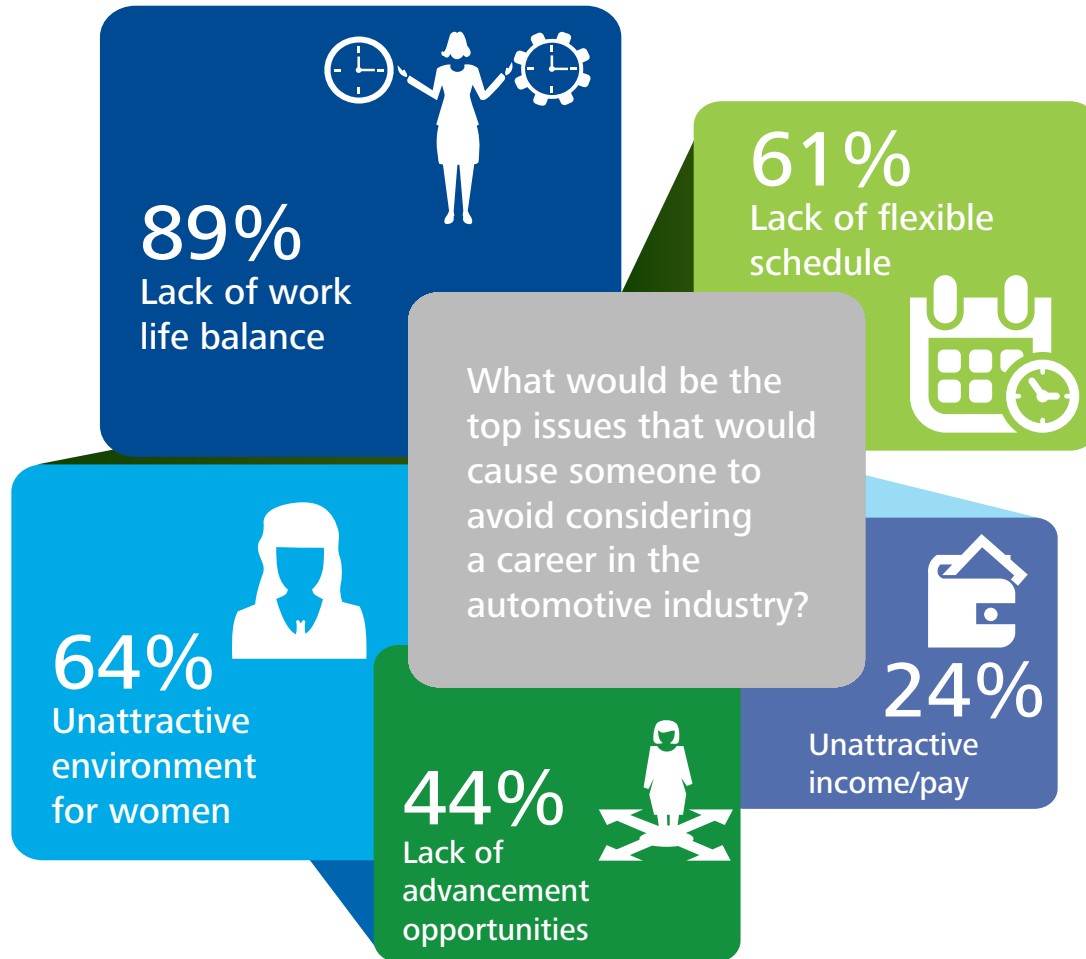
Source: *Automotive News* | Deloitte 2015 Women in Automotive survey

*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.

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.



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.

71%

I would remain in the automotive industry

29%

I would move to a different industry

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.

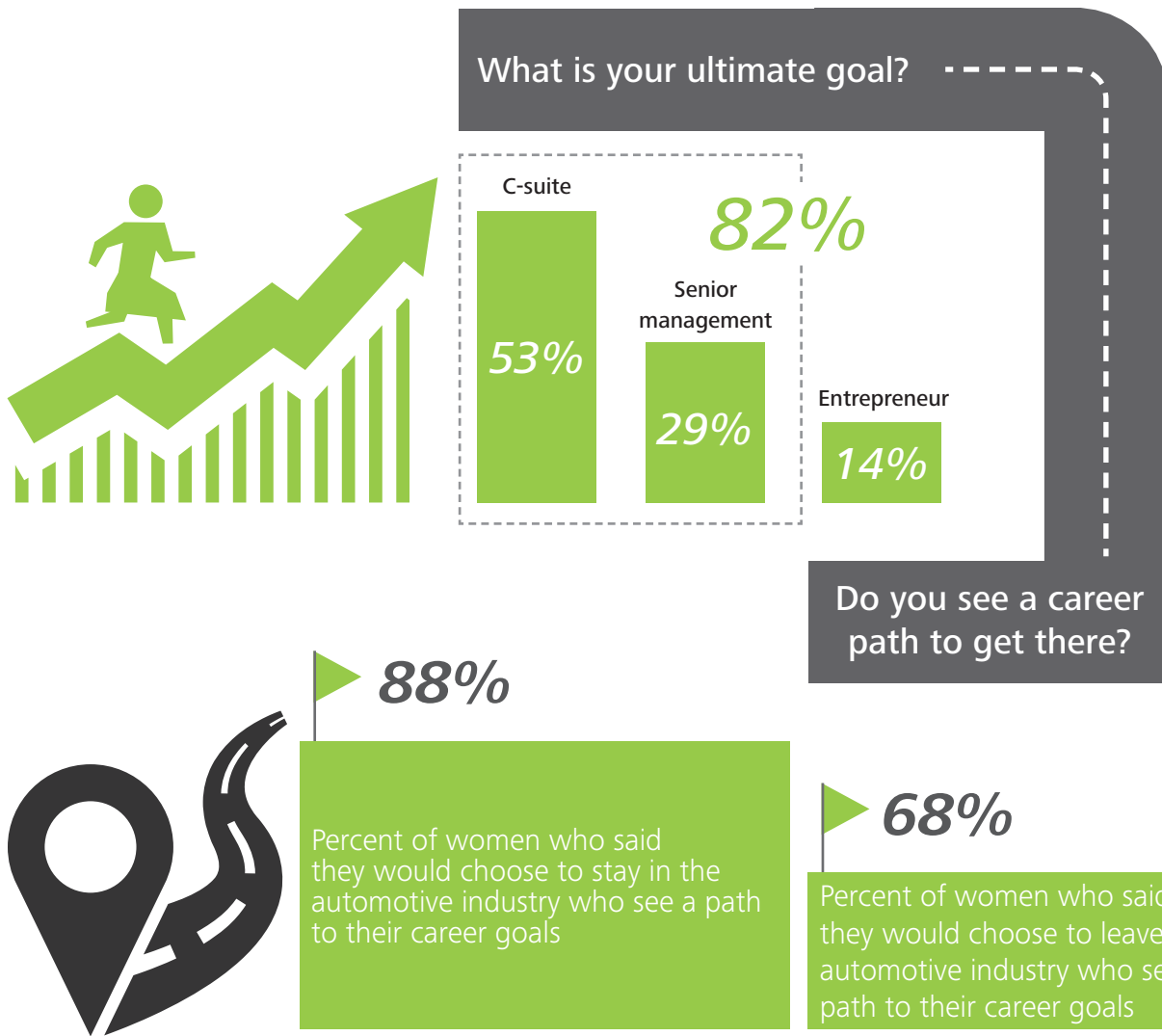
1[>] Formal and informal mentorship and sponsorship programs

2[>] Identifying and increasing the visibility of key leaders who serve as role models for employees

3[>] Flexible work practices



Pathways to prosperity



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

76%

Industry bias toward men for leadership positions

53%

Organizational cultural norms

46%

Lack of mentorship

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%

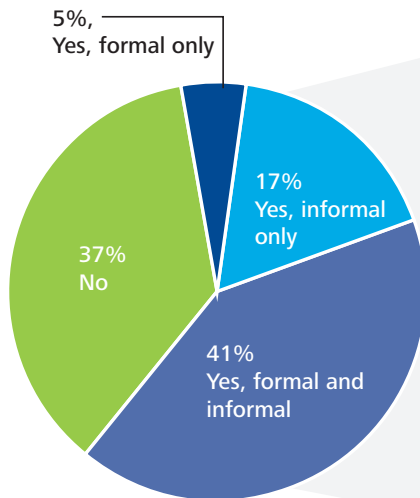
Who believe there is a pay gap between men and women in the automotive industry

99%

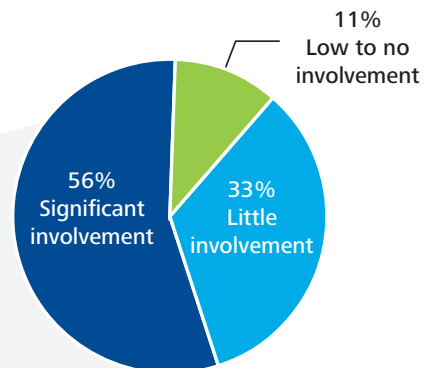
Who think men's pay is higher

Most* automotive companies have women's network groups, but are they effective?

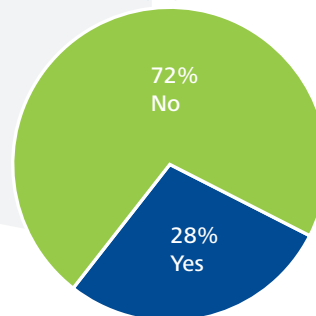
Are there women's network groups within your company?



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



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

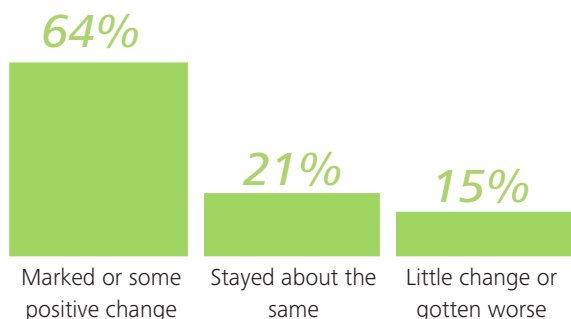


Nearly **3/4ths** of respondents say **women's networking groups have not been effective** in advancing their careers.

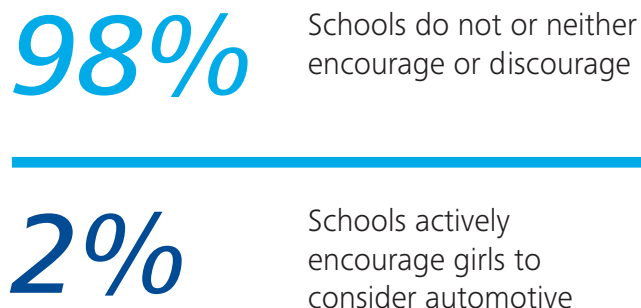
* Based on survey responses.

It's getting better, but more work is needed

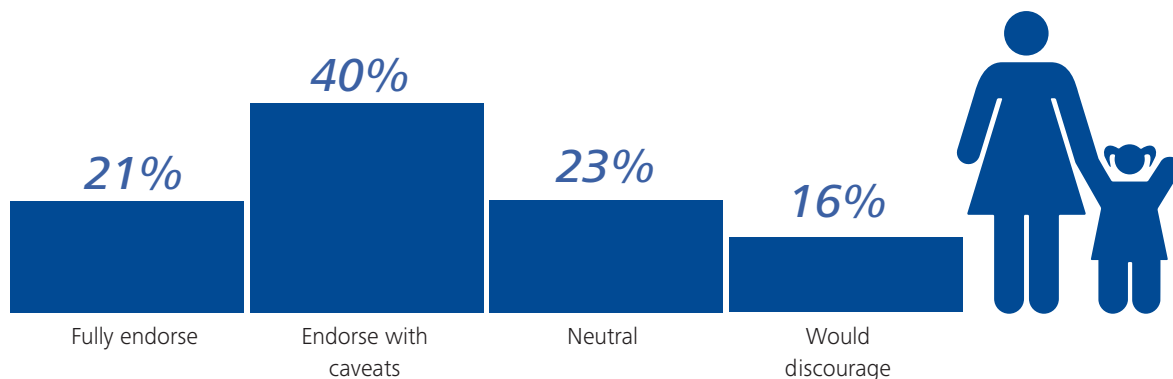
Have you seen positive changes in the automotive industry's attitude toward women over the last five years?



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



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



Source: *Automotive News* | Deloitte 2015 Women in Automotive survey

The path forward

Based on *Deloitte's ongoing research¹¹ 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.
- ² U.S. Bureau of Labor Statistics, Women in the Labor Force, http://www.bls.gov/opub/reports/cps/womenlaborforce_2013.pdf
- ³ Ibid.
- ⁴ Catalyst. Pyramid: Women in S&P 500 Companies. New York: Catalyst, January 13, 2015; Catalyst. Pyramid: Women in S&P 500. Manufacturing – Durable Goods. New York: Catalyst, January 13, 2015.
- ⁵ National Center for Education Statistics. http://nces.ed.gov/programs/projections/projections2014/TableDisplay.asp?id=tab_10.asp.
- ⁶ U.S. Bureau of Labor Statistics, 2014.
- ⁷ Deloitte Development LLP and The Manufacturing Institute. The skills gap in U.S. manufacturing: 2015 and beyond.
- ⁸ Deloitte LLP and U.S. Council on Competitiveness, 2013 Global Manufacturing Competitiveness Index.
- ⁹ 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.
- ¹⁰ Catalyst. The Bottom Line: Connecting Corporate Performance and Gender Diversity, 2004.
- 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.

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