



**Respond to industry
volatility without
gender diversity?
Think again.**

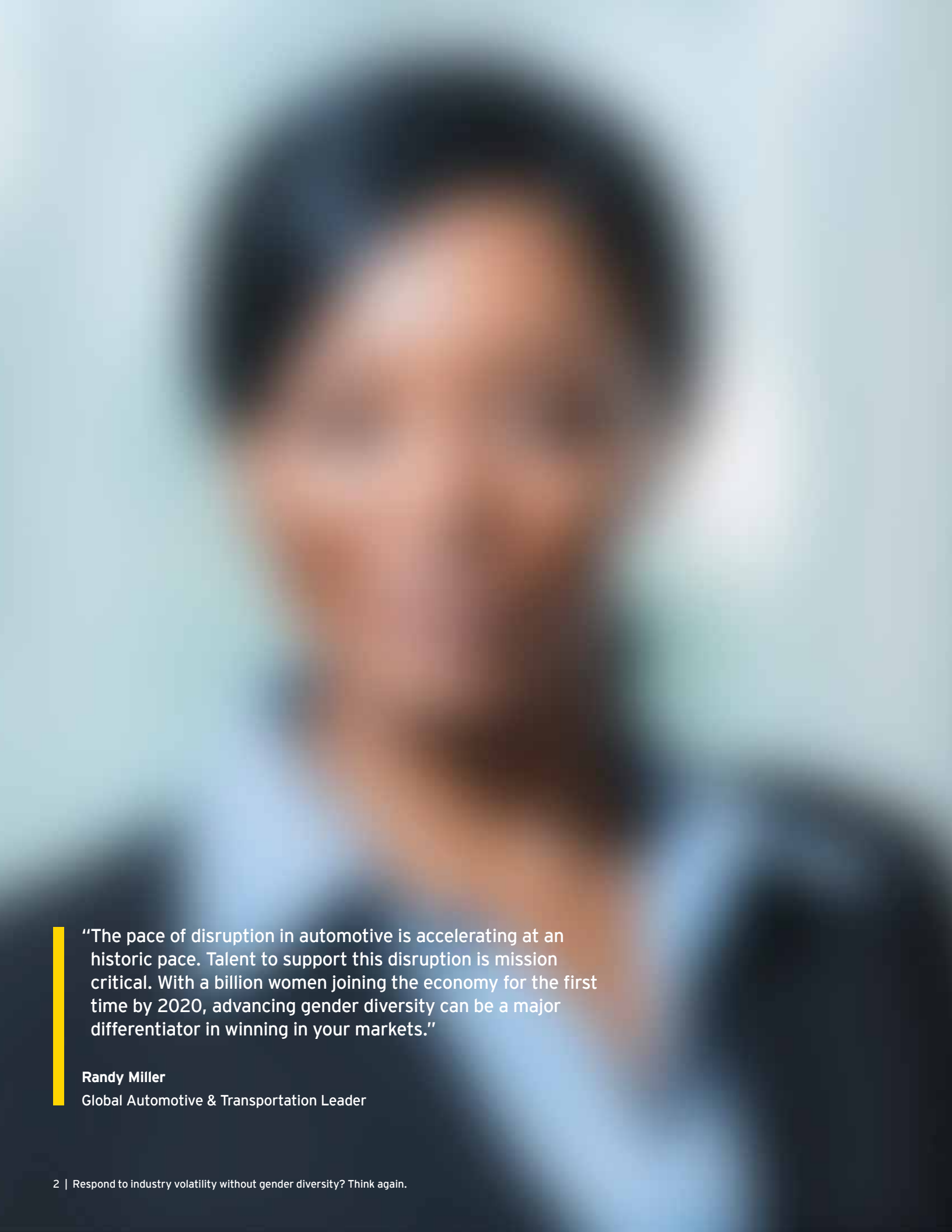
How five disconnects are stifling innovation
and competitive advantage in automotive



The better the question.
The better the answer.
The better the world works.



Building a better
working world



"The pace of disruption in automotive is accelerating at an historic pace. Talent to support this disruption is mission critical. With a billion women joining the economy for the first time by 2020, advancing gender diversity can be a major differentiator in winning in your markets."

Randy Miller

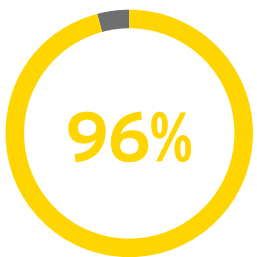
Global Automotive & Transportation Leader

Digitization, regulations, evolving customer needs and new competitors are only a few of the disruptive trends changing the business landscape in the automotive industry. As companies seek to prepare for ongoing volatility, they face challenges in executing operational and technology initiatives, and securing the skills, knowledge and mind sets they'll need to position themselves for the future.

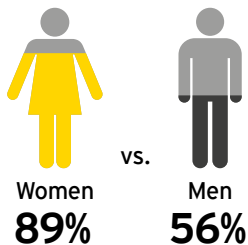


98%
of respondents agree that new technologies, new market entrants and globalization are bringing significant challenges and opportunities

To navigate this current era of disruption successfully, automotive organizations will need to draw from a diverse pool of talent that brings a wide range of opinions, ideas and experiences.

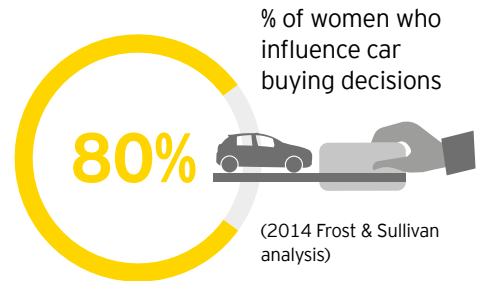


96%
of leaders agree that diversity of thought and experience will be the key to navigate sector transformation; however, women agree more strongly



Women influence 80% of car buying decisions. Yet in the US, women in the automotive industry comprise only slightly more than a quarter of the total workforce. Compared to the national average of almost half. In senior and managerial positions in the auto industry, the share of women in the US has actually fallen from 17% in 2009 to 16% in 2013.

Women in auto

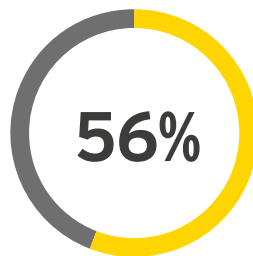


So, what can automotive companies do to accelerate gender parity within their industry, particularly at the leadership level?

In late 2015, EY interviewed 350 C-Suite leaders from 51 countries and across six industries, including 50 leaders from the automotive sector (32 men, 18 women), about how businesses are addressing gender diversity and disruption.

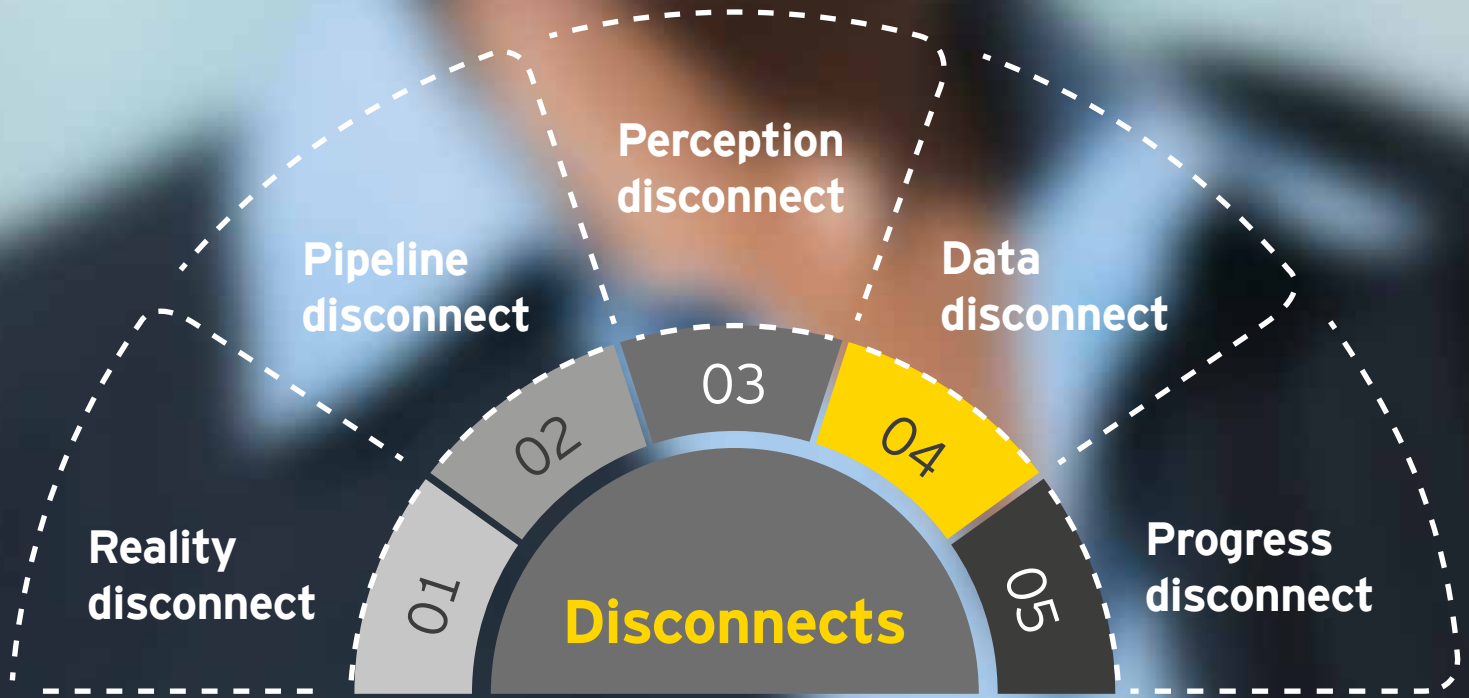
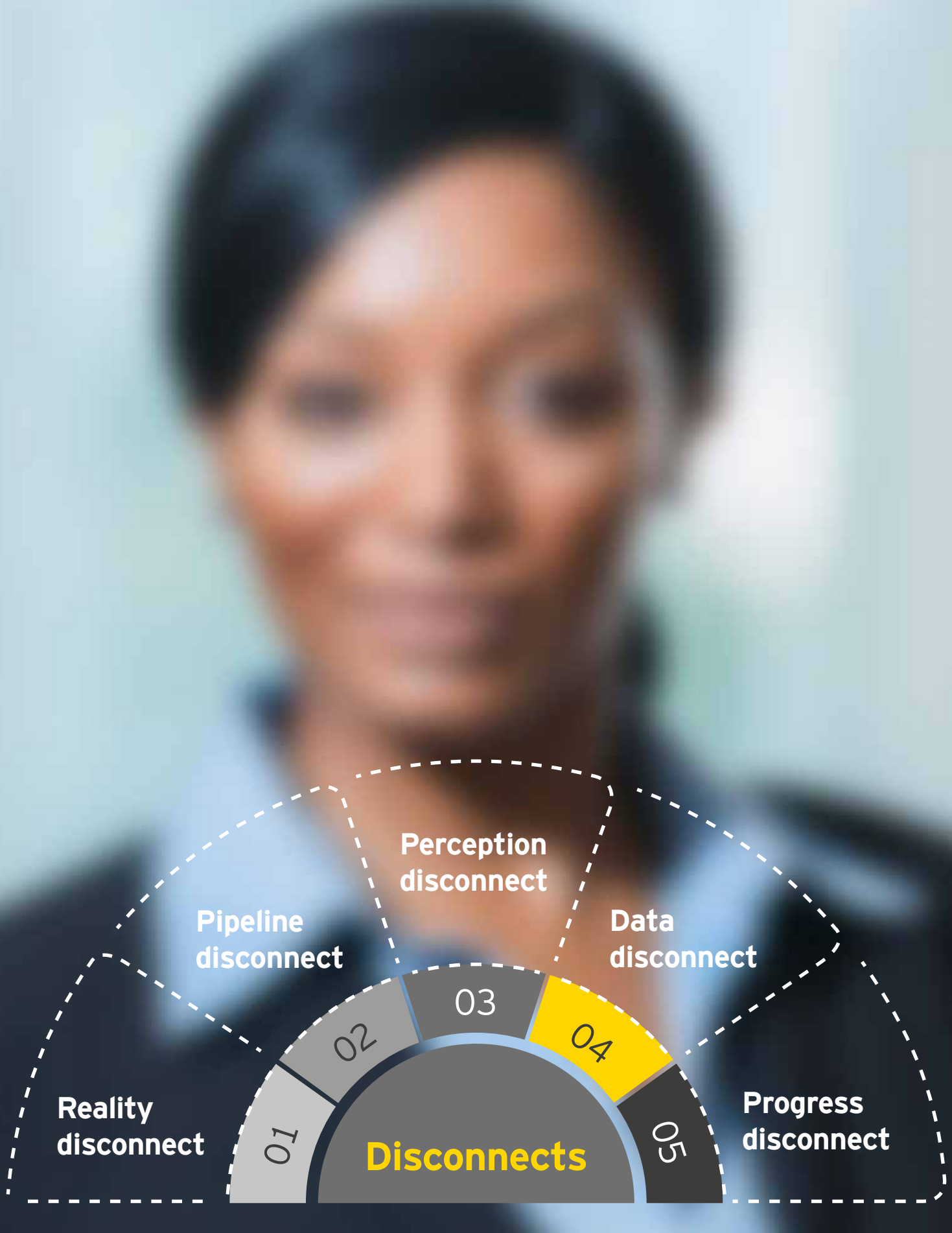
Automotive leaders overwhelmingly recognize that diversity of thought and experience are crucial for success. They also recognize that diversity improves performance – both financial and non-financial.

However, although companies admit that they need greater diversity, and that they face challenges in attracting women to the industry, they lack any appetite to change it.



56%
of leaders acknowledge women as a critical source of underutilized talent; among the 50 largest publicly held suppliers operating in North America, less than 10% are women





How five disconnects are stifling innovation and competitive advantage in automotive

Based on the results of our research, we have identified five disconnects that are holding businesses back from achieving gender diversity in leadership positions and on their boards.

1. The reality disconnect

Automotive companies are close to reaching gender parity at a senior leadership level.

Think again.

Automotive business leaders believe that the gender diversity problem is nearly solved, despite little progress within their own companies.



“I think in the past, men did a lot of networking during work as well as outside of the job. That may still be the culture, but it is not as dominant as it once was.”

Anke Kleinschmit

Vice President Group Research & Sustainability,
Chief Environmental Officer, Daimler AG

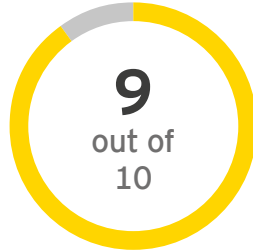


2. The pipeline disconnect

Automotive companies have structured formal programs to identify and develop women's careers in leadership.

Think again.

A majority of automotive companies believe the sector is facing a looming talent crisis. Yet, few are taking the action required around gender diversity to address it.



auto companies believe they need to dramatically change their approach to attracting, retaining and promoting talent; 1 in 10 say their organization is very effective at attracting women

Retaining



20%

Leaders



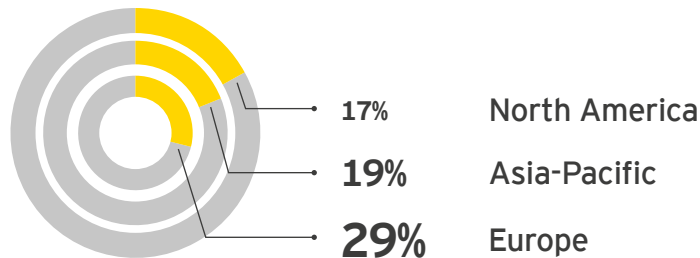
18%

Promoting



12%

20% are very effective at retaining women; 18% are very effective at identifying women leaders; 12% say they are very effective at promoting women



Companies with formal structured programs to develop female leaders

“There are tremendous opportunities for talented women in the automotive industry today. The time is right for women to lean in, step up and compete for any role for which they are qualified and aspire to.”

Janet Barnard

President, Manheim North America

3. The perception disconnect

Women think a conflict with raising a family creates a barrier to reaching senior leadership.

Think again.

Men and women don't see the need for gender diversity the same way. In fact, there is a significant gap between what women find valuable in helping them attain leadership positions and what men think women would find most valuable. Similarly, there is a significant gap between what women see as barriers to reaching the top and what men perceive as barriers.

	Male	Female
Valuable initiatives to help women reach senior leadership		
Corporate culture that supports and promotes gender diversity and inclusiveness	56%	50%
Strong female role models in the organization	59%	39%
Flexible work arrangements	59%	17%
Barriers preventing women from reaching senior leadership		
Corporate culture that doesn't support gender diversity and inclusiveness	16%	39%
Shortage of female candidates	47%	6%
Conflict with raising a family	47%	6%

4. The data disconnect

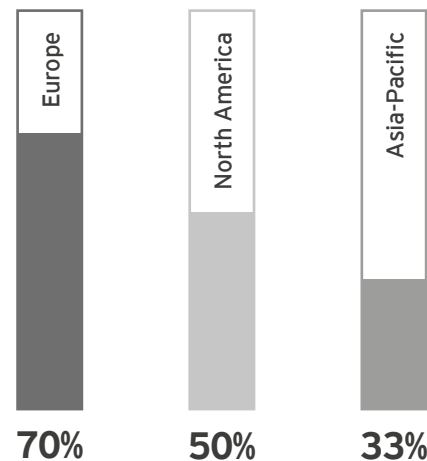
Automotive companies are effectively measuring their progress on gender diversity.

Think again.

More automotive companies need to effectively measure progress on gender diversity. After all, what gets measured, gets managed.



Companies with formal measurement mechanisms



"I look forward to the day when we no longer have to say, 'She's the first'. That's when society – and people – will have moved on."

Birgit Behrendt

Vice President, Global Programs & Purchasing Operations, Ford Motor Company

What do companies measure?

Proportion of women in leadership



Female applications to management positions



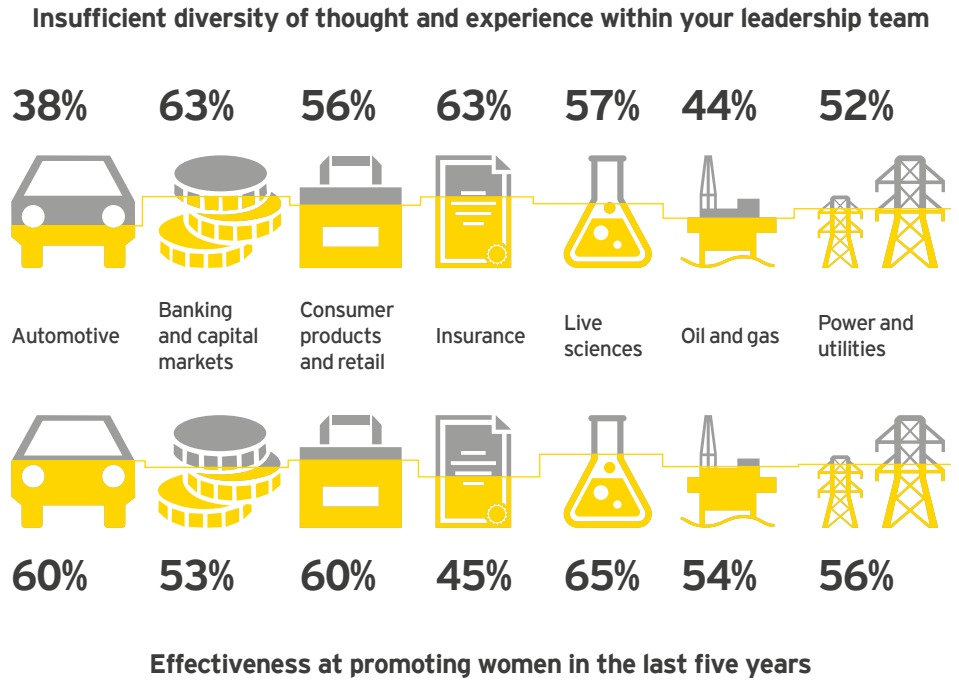
Gender pay disparities, retention by gender, employee engagement by gender



5. The progress disconnect

A majority of automotive companies offer leadership programs exclusively for women. Think again.

Business leaders overwhelmingly believe that diversity of thought and experience will be key to navigating the challenges of disruption. However, sectors are making uneven progress toward gender parity. Here's how automotive compares to other industries.



“There’s a lot of talk about inclusive cultures. What it really comes down to is this: do you feel authorized to speak as freely as anyone else? Do you think your opinion is valued as much as anybody else’s? When all employees answer yes, that’s an inclusive culture. Companies or even staffs without inclusive cultures lose talented women in the middle of their careers, because they feel like they don’t belong.”

Victoria McInnis
Vice President, Tax and Audit, GM

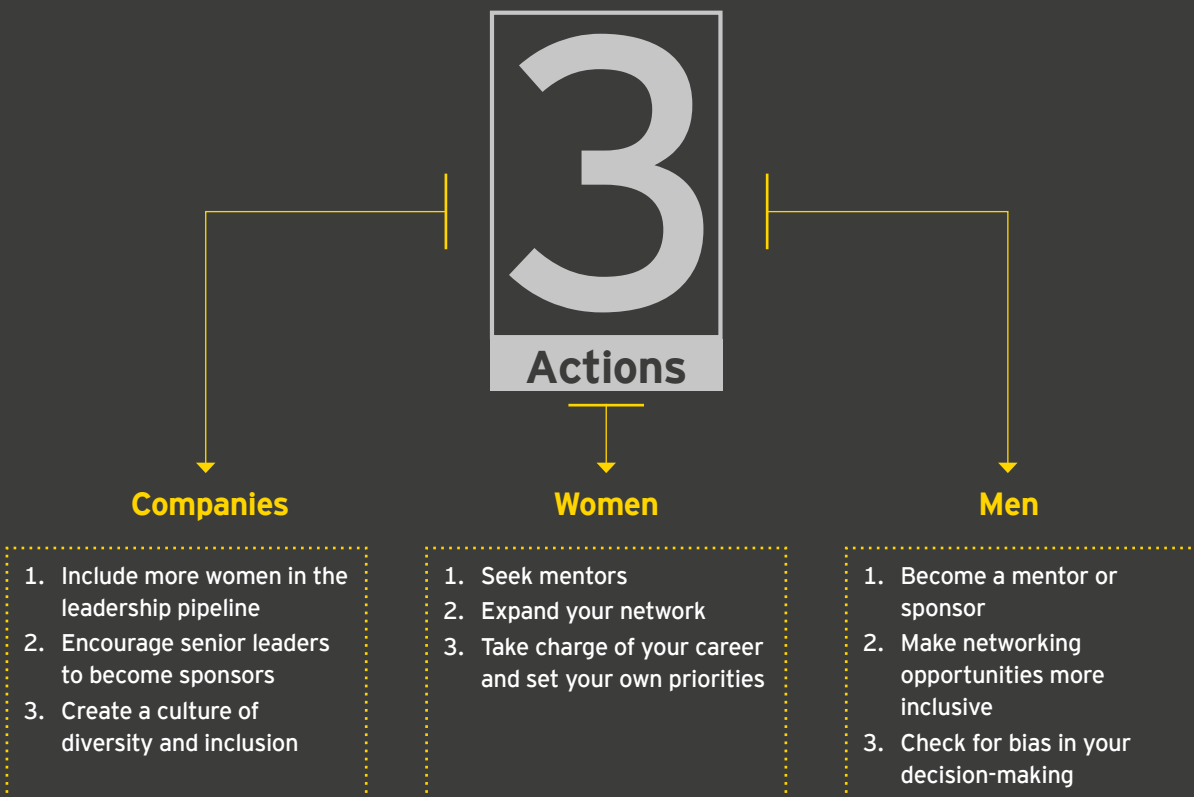
“My advice to younger women? Even if you are the only woman in the room, which sadly many times we still are, you don’t have to do it alone. There are a lot of people around you that want to help. You just have to go ask.”

Janet Barnard

President, Manheim North America

Act now to close the gender gap

Automotive companies need to take decisive action if they want to thrive amid a future of volatility and disruption. Every business leader is in a position to act now to make gender parity a reality – faster.



A recent World Economic Forum report suggests that it will take 117 years to reach gender parity on boards. We would never wait this long to adopt any other business opportunity with so much potential. Why wait on this one?

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The global recession reset the automotive sector landscape. As the sector recovers, automotive companies across the value chain must focus on profitable and sustainable growth, financial and operational stability, investments in new technologies and seizing opportunities in high-growth markets. If you lead an automotive business, you need to anticipate trends, identify their implications and make informed decisions that support your business goals. Our Global Automotive & Transportation Sector enables our worldwide network of more than 13,000 sector-focused assurance, tax, transaction and advisory professionals to share powerful insights and deep sector knowledge with businesses like yours. These insights, combined with our technical experience in every major global automotive market, can help you accelerate strategies and improve performance. Whichever segment of the automotive sector you are in – from component suppliers to commercial or light vehicle manufacturers or retailers – we can provide the insights you need to succeed.

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