



Making Diversity & Inclusion a Business Reality

 AutoTrader

ENNIS & CO

With research from  Qlearsite



01

Welcome



Lynda Ennis, Ennis & Co

Welcome to our second annual diversity and inclusion (D&I) report from executive search specialists Ennis & Co. and digital automotive marketplace Auto Trader. In this edition of Making Diversity and Inclusion a Business Reality we're focusing on fresh findings from research specialists Qlearsite, as well as the key insights distilled from our one-day collaborative seminar hosted in May 2019. The event saw close to 90 HR directors, chief executives, managing directors and change leaders from many of the major

automotive retail and manufacturing brands, service providers and trade bodies come together to share ideas and best practice.

Their personal experiences and learnings make for a fascinating read, and so in addition to providing an update on how far the industry has progressed in its D&I commitments, our objective for the following pages is to offer both inspiration and practical solutions for attracting and retaining a diverse workforce for all organisations, regardless of size and regardless of where they are in their journey.



Rebecca Clark, Auto Trader

Striving to make Auto Trader an inclusive employer where diverse people can enjoy fulfilling careers, while making a positive contribution to the communities in which we operate, is a strategic priority for our business. The opportunity to engage with and learn from so many passionate individuals was an invaluable experience to learn and refine our thinking.

Whether you were able to join us for the event or if this is your first introduction to Making Diversity and Inclusion a Business Reality, we hope you find the insights and expertise an equally valid contribution to your own D&I strategy.

The campaign to drive greater D&I in our industry is a collaborative one. If you'd like to contribute to the conversation, then please follow #diversityinauto on Twitter and LinkedIn.

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A business critical issue

The sheer number of senior professionals that took time out of their busy schedules to take part in our event highlights just how much of a priority diversity and inclusion (D&I) has become for the industry. For good reason too. As we'll explore in more detail, not only is the automotive sector facing unprecedented challenges, but it's also evolving at a dramatic rate. D&I isn't simply a 'nice-to-have'. Without a diverse, representative workforce with the skills, the talent and fresh thinking to help businesses adapt to future technologies and customers, they will be at a huge disadvantage in an already highly competitive marketplace.

Whilst it would be tempting to consider these brands as representative of the whole sector, there are many organisations yet to begin their D&I journey or even recognise the fundamental need for a diverse workforce. It's understandable, particularly during such a turbulent market where almost every day leadership teams face another challenge to their bottom lines; whether it's fuel type confusion, Brexit anxieties or new emission regulations,

it's easy to lose sight of the business-critical value of a D&I strategy, even for those brands already on their journey.

This was a point highlighted by Marshall Motor Group's Chief Executive Officer, Daksh Gupta. Speaking on a panel with senior executives from McLaren, Cox Automotive UK, Nissan, and Auto Trader, he commented: "Regardless of whether you're building cars or you're selling them, we're all busy spinning plates, so it's very easy to let your diversity commitments slip down the agenda. That's why it's so important to have a dedicated individual or team to not let that happen...diversity and inclusion really is that vital to our success."

There are many organisations yet to begin their D&I journey or even recognise the fundamental need for a diverse workforce

But what is D&I? It may seem like a moot point, but it's hard to determine the value of a diversity strategy or to champion its introduction without being clear on what it actually is. As a concept, diversity has been on the agenda in a variety of guises for decades, but it has not always been used in the most relevant context, or its meaning has simply been diluted.

First and foremost, D&I isn't a quota, and nor is it a tick boxing exercise; it's not simply about employing what might be deemed as an adequate number of women, minorities or disabled people in your workforce and moving on. Rather, it's much more profound – it's a company-wide shift in mindset that redefines the culture and approach to not only how you engage with your colleagues, but your customers too. A common definition states that diversity is about focusing on the positive difference it can bring to an organisation, and inclusion is around creating an environment where that

can foster and bring benefit to your business.

Mat Davies, the Addison Lee Group's HR Director, encapsulated the depth of D&I when he said that: "It's about providing an environment in which our colleagues can bring their true authentic selves to work and an environment where they feel supported to do brilliant work every day."

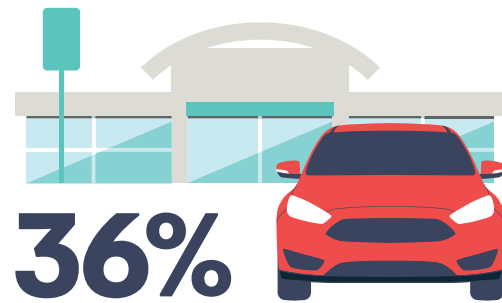
The idea of creating an environment where everyone feels welcome and differences, visible and non, are celebrated, is key to understanding the potential impact a D&I strategy can have on a business. Not everyone subscribes to the idea of a 'war for talent' but there remains little doubt that the need for more diverse skills is greater than ever.

Pressures and influences from government, from customers and from society at large means our industry will see more change in the next decade than we've seen in the last century – be under no illusions, we're



facing a revolution which will require an evolutionary leap in every aspect of automotive. Whether it's designing and constructing technologically advanced vehicles, servicing them, or selling them, the traditional pool will not suffice. For the sector, and for individual brands to survive in an increasingly sophisticated and competitive market, fresh ideas, new approaches, and new ways of working will be essential.

As Mandeep Dhatt, Executive Director of HR at McLaren Automotive framed it: "We're about delivering history, about legacy, so we want the right talent and the right mind set. In an industry where innovation is key, where creativity is vital, having a reflective workforce where visible and non-visible differences are celebrated means we enrich our pool of talent. Their different ideas, passions, and experiences all get channelled into our physical product that people can feel and even sense."

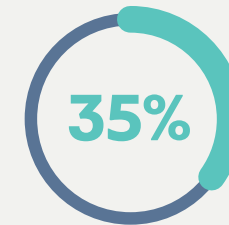


36% is the average staff turnover within the automotive industry; a challenging stat for a sector which offers a plethora of fantastic careers

The impact of a more diverse workforce is not limited to just the product you're selling. It has a profound effect on your customers too. Previously reported research from Auto Trader highlighted over



Women's experiences of car dealerships¹



of women who visited a dealership noticed there were very few, if any, female salespeople or staff



of car buyers found the experience an uncomfortable one as a result



of the women surveyed stated that greater diversity would create a better in-dealership experience for them

a third (35%) of women who visited a dealership noticed there were very few, if any, female salespeople or staff, with 13% finding the experience an uncomfortable one as a result. 40% of the women surveyed stated that greater diversity would create a better in-dealership experience for them.

Gill Crowther, General Manager, HR and Administrations, Mitsubishi Motors, agreed: "We're evolving very quickly, particularly with electrification, and our customers will need help managing that. I have no doubt they'll be more comfortable entering a dealership where the environment is right because there is diversity there, and they can deal with people who they feel comfortable with."

The industry currently has a turnover of around 36%, compared with a national average across all sectors of 15%²; a challenging stat for a sector

which offers a plethora of fantastic careers. Fundamental to this issue is that D&I hasn't only been climbing the agenda in boardrooms, but the candidates' too. This year's guests all agreed that over the last five years a working culture underpinned by a strong D&I commitment has become more and more important for not just prospective employees but also for current ones.

When it comes to their career, people have incredible choices they can make. The access to information about organisations and their options as to where they take their skills and experience are a daily activity. If you're not providing an environment that is properly diverse and properly inclusive, it should be no great surprise candidates and employees will take their talents and experiences elsewhere.

"In an industry where innovation is key, where creativity is vital, having a reflective workforce where visible and non-visible differences are celebrated means we enrich our pool of talent"

Mandeep Dhatt, Executive Director of HR, McLaren Automotive

1. Auto Trader research conducted by OnePoll in April 2018

2. Source: Monster Jobs <https://www.monster.co.uk/advertise-a-job/hr-resources/workforce-management-and-planning/staff-retention/what-is-the-ideal-employee-turnover-rate/>



03

Automotive D&I in practice

D&I remains high on the agenda

In 2018 we presented the findings from an in-depth study into the prevailing attitudes to D&I within the UK's automotive sector. It was an effective litmus test of the most pressing issues in the industry and gave food for thought on where to prioritise action.

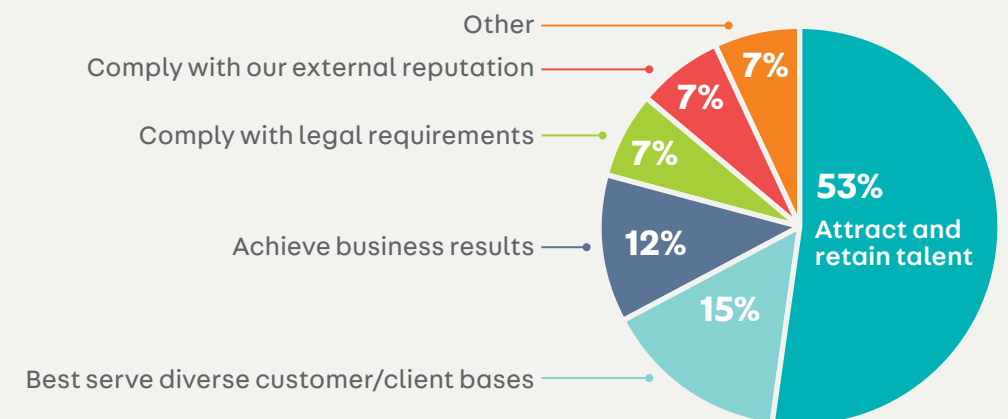
This year we commissioned insight specialists Qlearsite to not only continue measuring the most pressing lines of enquiry to establish progress, but to also use artificial intelligence technology to dig deeper into the data. The results offer a fascinating

look at how organisations, large and small, view this complex issue and are translating it into actionable policies.

Reassuringly, the findings reveal D&I remains high up the agenda for the vast majority of businesses, and is in fact growing in importance, with the number of respondents identifying it as a key priority increasing from 85% in 2018, to 88% this year.

Underpinning the 'war for talent' comments shared during our seminar, the need to attract and retain a greater array of skills and experiences is

The primary objective of D&I in my organisation is to:



the key motivation for driving a D&I agenda. Whilst it topped the list in both the 2018 and 2019 surveys, accounting for over half of all responses, it grew 4% in 2019, reflecting the increasing need to adapt to the rapid changes in the market. Revealingly, enhancing external reputation also saw a significant increase, up 6%.

It was equally reassuring to see that the general perception within the industry is that progress has been made over the last 12 months. However, there is clearly room for improvement; 61% of respondents said their progress had been 'fair' or 'good', whilst just over a quarter (28%) felt it had been 'very good' or 'excellent'.

Thanks to Qlearsite's depth of analysis, we can explore this progress in more granular detail, framed against a reminder of 2018's key themes:

Ways of working:

Organisations have largely shown a positive commitment to modernising ways of working, with 56% claiming to offer flexibility in working arrangements, 36% redefining how teams work and 29% have begun developing a business case for better work life balance. Clearly, significant progress is being made towards enabling employees to tailor their work lives around the priorities in their personal lives, but worryingly, one in five (22%)

organisations believe they haven't made any progress in these areas.

Selective focus:

Around 41% of respondents report progress in becoming more focused on the positive results of delivering change, compared to the longer-term strategic options of creating a diverse culture across all areas (36%) and active focus on policies beyond gender and ethnicity (29%).

Brand engagement:

The most progress has been made with internal communications, as reported by nearly two thirds (63%) of organisations. There appears to be less focus on strategic or longer-term initiatives, like a long-term commitment with schools (42%), retaining restless talent (39%) and incentivising restless talent (32%).

Most popular D&I initiatives

Looking at which D&I categories businesses have implemented, most have prioritised initiatives which aim to influence the representation and behaviour of the whole workforce i.e. the majority. Of lesser popularity are those initiatives which target representation of minorities in the workforce. The least implemented are those which target how business' operate, through means like strategies, processes and governance.

Which D&I initiatives do you have in place?

Answer	Headcount, % of total	Clusters
Flexible working policies and practices	76%	
Monitoring and reporting on the diversity make-up of employees	64%	Targeting majority attitudes
Leadership training on managing diverse populations	48%	
Employee D&I training and education programmes (e.g. awareness-building, overcoming unconscious bias)	48%	
Active recruitment of diverse employees (e.g. outreach programmes, such as internships, scholarships, targeting recruitment)	42%	Targeting minority representation
Inclusion networks/Employee Resources Groups with mentoring programmes for minority or under-represented employees (i.e. groups formed around a shared interest, experience or demographic)	42%	
A D&I leader or sponsor at the C-Suite level	42%	
An articulated D&I commitment or plan (e.g. D&I strategy) with specific D&I objectives and measurable progress	39%	
An established D&I governance structure	25%	Targeting business operation
Progress towards meeting D&I goals influences performance evaluation and compensation outcomes for leaders	20%	
None of the above	7%	
Other	5%	

What's working?

The aim of D&I initiatives is to create a more diverse and inclusive workforce and environment, and according to this year's study, the industry is progressing towards achieving this aim, frequently attributing the progress to improvements in training and development of existing talent and recruitment of new talent. Anecdotal evidence suggests that a result of these initiatives has been an increase in women representation in senior positions leading to a wider range of perspectives when making critical business decisions.

41%

of respondents report progress in becoming more focused in the positive results of delivering change



What's delivering tangible business benefits?

Answer	% of total	2019 rank	2018 rank	change
Training & development	36%	1	2	1 ▲
Diverse & inclusive workforce	33%	2	1	-1 ▼
Recruitment	19%	3	6	3 ▲
Leadership & management	17%	4	3	-1 ▼
Strategy & targets	10%	5	7	2 ▲
Flexible working	9%	6	5	-1 ▼
Pay gap	9%	7	11	4 ▲
Engagement	7%	8	10	2 ▲
Investment	7%	9	12	3 ▲
Awareness	5%	10	4	-6 ▼
Early careers	5%	11	9	-2 ▼
Clear communication	2%	12	8	-4 ▼

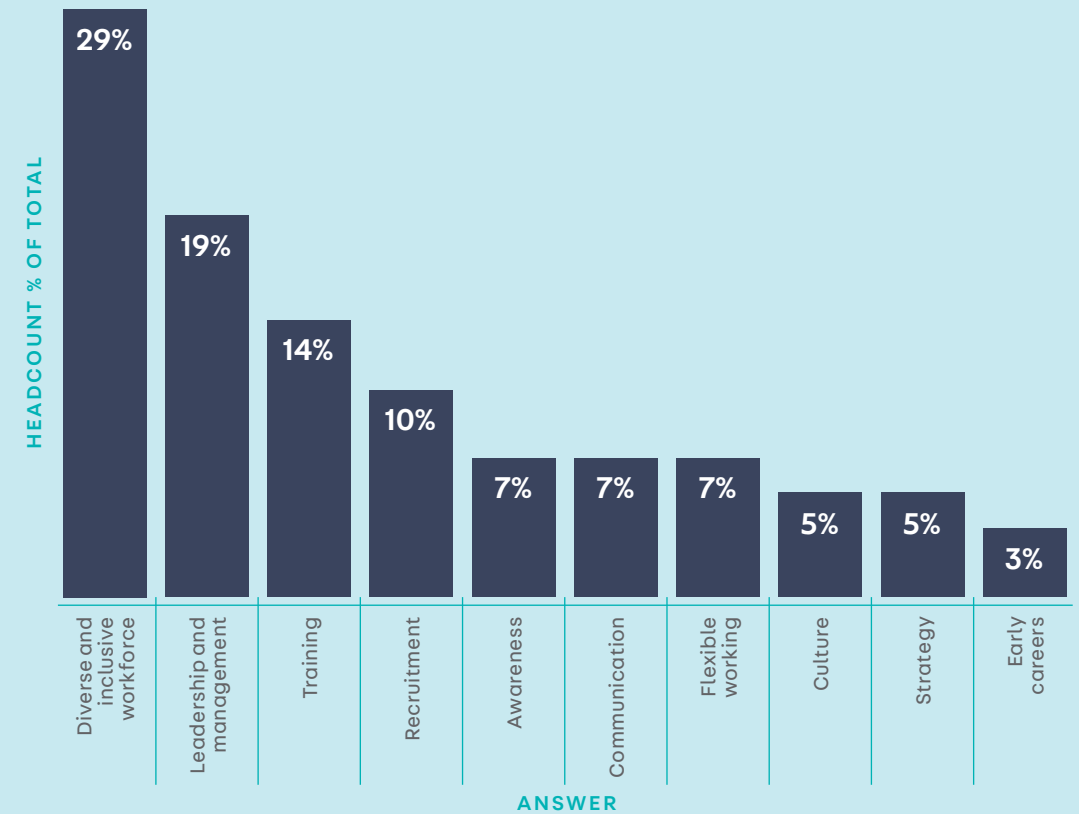
The top two most pressing issues around D&I are both centered around leadership. The lack of people from under-represented groups reaching senior and C-suite roles within the automotive industry is considered the most pressing (33% agree), closely followed by the automotive sector failing to see diversity as a business-critical leadership issue and therefore not demonstrating commitment from its senior leadership (29% agree).

When asked what leadership should do, **leadership and gender** are the top two actions prioritised across the 2018 and 2019 surveys. Clearly, the industry wants more women in senior roles, which is not surprising as there is a strong belief that the significant gender imbalance is impacting structural processes, like promotion and pay, and cultural traits, such as attitudes and behaviours.



Leadership and gender are the top two actions prioritised across the 2018 and 2019 surveys

What one thing can the leadership of the automotive industry do to make a tangible improvement to D&I?



Create diverse leadership through recruitment and training

2019's study revealed a clear view that making progress in diversity and inclusion starts with leaders themselves, something which was echoed during our event. Three of every five (60%) comments received discussed improving the diversity at senior and leadership level, focusing on training existing talent (14% of comments) and recruiting external talent (10% of comments).

Overall, the study paints a positive picture: 82% of respondents either agree or strongly agree that leadership is committed to D&I, and 72% agreed or strongly agreed that employees are equally committed. Over half (52%) reported that their organisation has a strong focus on creating an inclusive environment.

52%

reported that their organisation has a strong focus on creating an inclusive environment

04

Embedding D&I: the dos and don'ts

The automotive industry should celebrate its success so far, but the findings indicate an intention-action gap. Organisations know there is still a lot to do, they have plans for how to address it, but progress is lacking.

Qlearsite's findings identified three key themes this year: **brand engagement, commercial benefit, and selective focus**. These framed our event, along with a spirit of collaboration, highlighted by Auto Trader's head of people and culture, Christos Tsaprounis. He said "This issue is a nut far too big for just one organisation to

crack; we need to work together as an industry to move forward".

During the one day seminar, senior executives from brands such as: TrustFord, Marshall Motor Group, McLaren Automotive, Addison Lee Group, Pendragon, Mitsubishi, Ford Motor Company, Inchcape UK, Toyota, Volvo, Volkswagen, Renault UK, Aston Martin, Cambria Automobiles, and the Retail Motor Industry Federation (RMI) split between two groups for each theme, identifying a range of practical dos and don'ts for embedding a successful D&I strategy.

'This issue is a nut far too big for just one organisation to crack; we need to work together as an industry to move forward'

Christos Tsaprounis,
Head of people and culture, Auto Trader



Theme one: selective focus

Between the two groups, the guests focused on approaching D&I more broadly than improving just female diversity. They looked at how to move the dial on other demographics that experience marginalisation at work.

Selective focus (dos):

- 1. Involve the whole organisation:** Involving the whole company (especially at the top) will make implementing a D&I initiative much easier to initiate and feel more authentic. Identify the personal passions and set up focus groups involving all levels of the business and empower them to create and drive ideas.
- 2. Look to the future:** D&I isn't static, but like the industry itself, is constantly evolving. Don't dwell on today's customer or today's colleagues, but rather think of tomorrow's. The need for technology and digital skills within automotive is only set to accelerate.
- 3. Collaborate with your peers:** Creating a more diverse industry will have a positive impact on every business within it. Working collaboratively and sharing ideas with others is vital.
- 4. Create a safe environment:** Offering developmental mentorship at all levels, as well as the opportunity for colleagues to sit with senior leaders in a frank one-to-one session to discuss any issue, helps create an environment in which people feel respected, safe and valued.

Selective focus (don'ts):

- 1. Don't over complicate:** Avoid trying to do too many things at once. Don't do too few things either but you must make sure what you're doing is clear so colleagues and candidates can understand what's going on and feel a part of it.
- 2. Don't be a phony:** Avoid D&I buzz words or introducing initiatives simply because other businesses are doing them. It's essential that any activity is authentic to your organisation otherwise colleagues and candidates will see through it.
- 3. Don't view success as a KPI:** KPIs aren't enough when it comes to recruitment or retention. Focus on the culture you're fostering within your organisation – focus on the environment and the talent will come and stay organically.

It's essential that
any activity is
authentic for your
organisation

Theme two: brand engagement

For this theme, our groups looked at how the automotive industry needs to shake up its image and how they can go about achieving it. They agreed that brands that prioritise heritage and tradition over adaptability and change risked isolating diverse talent and booming minority customer markets.

Brand engagement (dos):

- 1. Have a business and education strategy:**
Shape the perception of the automotive industry from an early age to move away from outdated industry stereotypes. Engaging with schools and parents can be hugely impactful but needs to showcase the diverse colleagues and talents in your business to truly inspire.
- 2. Utilise role models:**
Role models that are visible across every professional touchpoint are fundamental to a successful D&I strategy – not just from an external perspective, but internal too. Promoting a diverse culture becomes more authentic and transparent when brands can champion real people with real jobs in their organisation.
- 3. Look outside your own industry:**
Sourcing talent from outside of your own industry is not only a great way of bringing new skills and ways of thinking into your business, but also creating strong ambassadors for your organisation. Utilising them in your recruitment is an effective way to showcase a career in not only your business but the industry too.

Brand engagement (don'ts):

- 1. Don't be afraid to be aspirational:**
Every brand has to start somewhere and being honest and open with your current and potential employees as to where you are will resonate far more powerfully than false promises.
- 2. Don't be inconsistent:**
Make sure that all your D&I messaging are aligned both internally and externally. Inconsistency is the quickest way to cast doubt and uncertainty on your authenticity.
- 3. Don't wait to engage staff:**
New recruits are a pool of fresh ideas and thinking, so don't wait for them to be embedded into your existing culture or practices. Let them shape your new culture and create powerful internal ambassadors.
- 4. Don't be tokenistic:**
D&I is not about quotas so tokenism should never be an option. Diversity should be for the right reasons, so always recruit the right person for the job.
- 5. Don't avoid managing unconscious bias:**
It's an uncomfortable fact to accept, but unconscious bias still exists. It needs to be managed accordingly.

D&I is not about quotas so tokenism should never be an option

Theme three: commercial benefit

For this theme our groups discussed how the benefits of diversity exceed creativity, innovation and reputation, whilst boosting the bottom line. Here are their top tips for making sure internal and external stakeholders are managed in the right way, as well as coaching and teaching the correlation between D&I engagement and the bottom line.

Commercial benefit (dos):

- 1. Culture and leadership:**
D&I will only become a reality and people will only bring their true selves to work (and unleash their full potential) if it's embedded in the culture and part of the DNA of the business at every level. Ultimately culture and leadership are intertwined – it has to come with the endorsement of the senior leadership of the business.
- 2. Look at it through the shareholders' lens:**
If you want senior buy-in, consider their priorities – try and frame D&I successes, however large or small, within a commercial benefit e.g. happier colleagues = happier customers = better profits.
- 3. Utilise commercial champions of D&I:**
Identify individuals within the business that represent the benefit of greater D&I and then play it up to the senior leadership team. That way they have tangible evidence of what impact it's already having on their business or could have in the future e.g. highlight the benefits of a more diverse skill set and expertise.
- 4. Look at what you do, not what you say:**
Be bold and have a go – a business or individual might get it wrong but getting the endorsement from senior leadership and committing to trying could make all the difference to your culture. If it doesn't work, don't dwell on it but learn from it and try something else.
- 5. Make it personal:**
Diversity touches us all, so if necessary, identify what matters to the senior leadership team and make it personal.

Commercial benefit (don'ts):

- 1. Don't bury your head:**
Avoid putting your head in the sand and not having the discussion. If you want to make a change you need to take action. Challenge the status quo, have a plan and see it through.
- 2. Don't use today's employment template:**
You can't afford to use today's employment templates for planning the future. That means hours of work, place of work, systems and process all have to change and be adapted.
- 3. Don't think of D&I as a 'bolt-on':**
Don't treat D&I as a 'bolt-on'. It needs to be in the DNA of your culture, of the actions that you take and the plans that you make. Only then will people believe it and only then will brilliant things happen.

Don't treat D&I as a bolt-on. It needs to be in the DNA of your culture

04

Conclusions



Rebecca Clark, Auto Trader

It's heartening to see so much evidence of an industry in positive transition, moving away from the closed outdated stereotypes, practices and environments that have held us back, towards a more diverse and inclusive culture that actively invites new skills, talents and ideas. However, it's important not to get ahead of ourselves. Whilst there are clearly those automotive businesses and brands that are proudly pursuing

a D&I agenda, there are all too many that aren't, due largely to a lack of awareness of the business-critical need. As was highlighted in both our research and our recent event, D&I isn't to the benefit of an individual business but rather the whole industry. Conversely, a weak link in the chain is to everyone's detriment. Unfortunately, there are still lots of weak links. The solution is clear: we must become D&I evangelists.

"Whilst there are clearly those automotive businesses and brands that are proudly pursuing a D&I agenda, there are all too many that aren't"



Lynda Ennis, Ennis & Co

Bringing together like-minded people is a fantastic way to share ideas and best practices, but for it to truly resonate across the industry, we need to resist the temptation to only speak to those businesses that share our ideals. In our wide networking circles, we need to discuss it, we need to call out outdated processes, we need to challenge

speaker panels that reinforce stereotypes, and above all we need to push our role models to inspire. The automotive sector is undergoing huge challenges and exciting changes. Such is the value of D&I, working collaboratively to drive it across the industry will help us to do more than simply just survive, but to grow and thrive too.

About Auto Trader

Auto Trader Group plc is the UK and Ireland's largest digital automotive marketplace. Auto Trader sits at the heart of the UK's vehicle buying process and its primary activity is to help vehicle retailers and brands compete effectively on the marketplace in order to sell more vehicles, faster. Auto Trader listed on the London Stock Exchange in March 2015 and is now a member of the FTSE 100 Index.

The marketplace brings together the largest and most engaged consumer audience. Auto Trader has over 88% prompted brand awareness and attracts an average of 49 million cross platform visits a month, with circa 70% of visits coming through mobile devices.

The marketplace also has the largest pool of vehicle sellers (listing more than 450,000 cars each day). Over 80% of UK automotive retailers advertise on autotrader.co.uk

For more information, please visit:
<https://plc.autotrader.co.uk/press-centre>

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For the latest news, views and insight for the automotive retail community, follow @ATInsight on Twitter and LinkedIn.

About Ennis & Co

Ennis & Co is an executive search organisation that specialises in the automotive sector. Clients choose to engage with us because we secure the best available talent and candidates appreciate our supportive approach. Above all, we are a trusted partner. We have a nuanced understanding of the automotive market including prestige and luxury brands, and fulfil assignments at senior management levels including Board and C-grade. We place candidates in the UK and internationally in functions from Executive to HR, Finance, Technology and Sales & Marketing.

For more information, please visit:
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About Qlearsite

Qlearsite is a workforce analytics platform that helps businesses become more successful by making smart, informed decisions about their people.

For further information please visit:
www.qlearsite.com/diversity-and-inclusion

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