



Making Diversity & Inclusion a Business Reality 2021

The role of D&I and the broader HR function has been critical in supporting businesses as they successfully navigate the challenges faced over the last year

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Welcome



Lynda Ennis
FOUNDER, ENNIS & CO.

Welcome to the third Making Diversity and Inclusion a Business Reality report from automotive and mobility executive search specialists, Ennis & Co, and digital marketplace, Auto Trader. In this edition, we'll be presenting the findings of our latest research into the health of diversity and inclusion (D&I) within the automotive industry, and some of the key insights from a range of experts and thought leaders which were shared during our recent digital seminar, hosted in May 2021.

Over the last 16 months the automotive industry, like all others, has faced a set of unprecedented challenges which has forced it to adapt to a rapidly changing landscape. From the beginning of the pandemic, throughout the various lockdowns, and to physical forecourts

reopening, the way consumers search for their next car, the way they buy them, and even the fundamental way in which they think of them, has evolved dramatically.

Therefore, in both our research and during the event itself, we wanted to understand what D&I looks like today; how have commitments and strategies evolved; has progress been accelerated or hindered; and has its role and perception within the industry changed? We also wanted to look at it on a granular level to identify where today's gaps are, as well as the initiatives that are proving the most effective.

Wherever your business is on its D&I journey, we hope the insights and the expertise over the following pages serve as a valid contribution to your strategy.



Rebecca Clark
GROUP SALES DIRECTOR, AUTO TRADER

It was a privilege to once again be a part of the event and to bring together some of the leading voices from across the industry. Whilst the two hour digital format was shorter than our usual half-day physical event, the webinar saw over 100 MDs, CEOs, HR Directors, and change leaders at every level from across the industry tune in and interact during the Q&A sessions. Not only does it underpin the importance of diversity and inclusion as a topic, but also our shared commitment to driving the D&I agenda forward collaboratively.

The role of D&I and the broader HR function has been critical in supporting businesses as they successfully navigate the challenges faced over the last year. And without wanting to spoil the findings of the research, I am pleased that the commitment to D&I remains strong despite the pressures of the pandemic. However, as we'll come to see, there is still a long way to go to make it a reality in UK automotive. As an industry, we need to galvanise the positive sentiment evident in this report, and push this towards commitment to action, rather than just words.

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Diversity and inclusion in 2021: A temperature check

According to our research, which surveyed over 40 organisations from across the automotive industry (representing retailers, manufacturers, suppliers and trade bodies) in April 2021, D&I within the automotive industry remains in solid health. D&I is not only high up the agenda in 2021, but its importance amongst businesses is accelerating. In fact, the number of organisations stating D&I as 'very important' to their organisation has increased consecutively each year since we first began tracking its perceived importance in 2018, increasing from 75% to 80% this year.

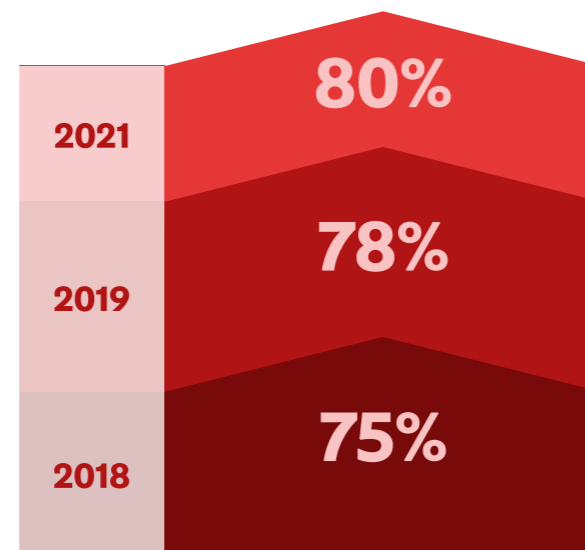
Whilst that's encouraging to see, as highlighted later in this report, there are clearly challenges that still exist for D&I in the automotive industry: a number of initiatives are either on hold due to the pandemic, or are non-existent in many organisations. What's more, some D&I strands remain underserved.

To 'contribute to achieving business results' was identified by the greatest number of businesses as the primary objective of D&I in 2021. This marks a slight shift from 2019 (the

publication of our previous report) and 2018, where 'attracting and retaining the best talent' was the primary function of D&I strategies.

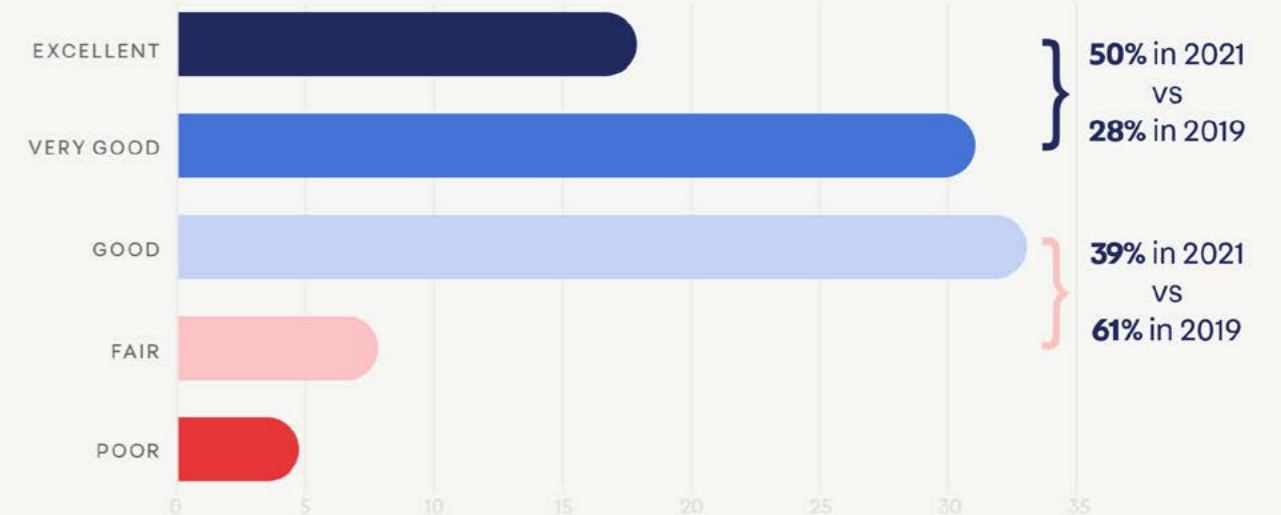
The perceived importance of D&I is accelerating

D&I is 'very important' to our business



Businesses are making progress in achieving their D&I objectives

Over the last 12 months, the progress my business has made around D&I has been...

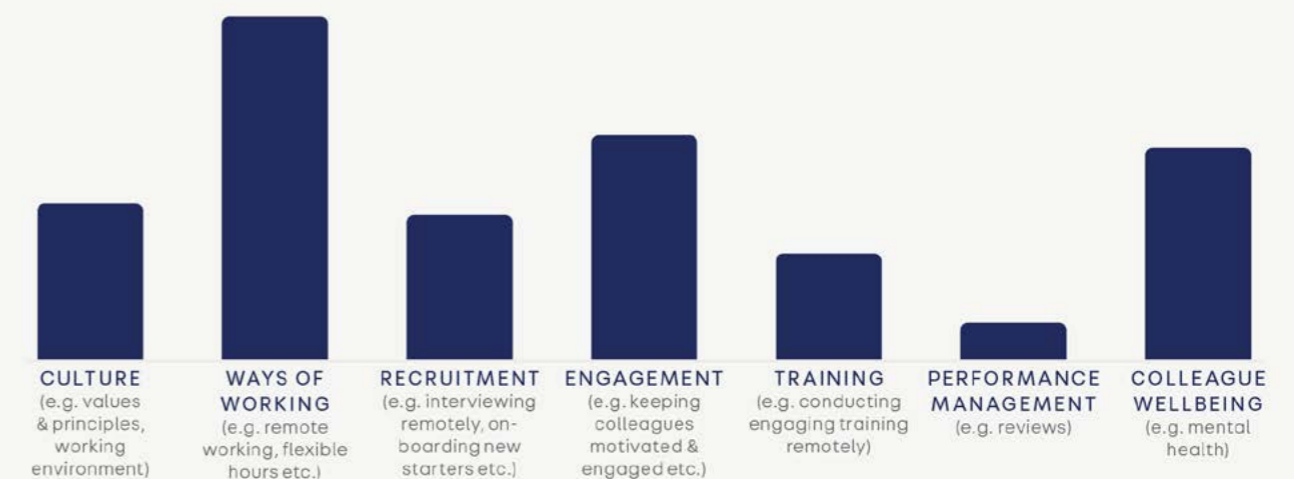


The COVID-19 effect

Reassuringly, despite the challenges of the last year, the perception amongst the industry is that progress has been made over the last 12 months. 50% thought their businesses had made either very good or excellent progress, which is up considerably on the 28% recorded in 2019. Conversely, the number of those believing their progress to be just good or fair, fell from 61% to 39%.

The pandemic resulted in benefits to the D&I and HR function

What, if any areas of the D&I or the broader HR function, have been affected positively?



In fact, for most organisations the coronavirus has strengthened their commitment to D&I, with 85% of those businesses we researched stating that it had pushed it further up the agenda at a senior level. And whilst the challenges have been significant, some positive influences could be found, with many forced to change or reassess outdated policies, not least in the ways of working. Arguably the most valuable benefit has been around the shift in focus to colleagues' wellbeing, particularly in terms of their mental health.



For most organisations the coronavirus has strengthened their commitment to D&I

This was a view shared by the HR Directors and people leaders who joined our panels during May's event: Alison Fisher (Chief People Officer, Cox Automotive International); Jo Moxon (HR Director, Marshall Motor Holdings); Mandeep Dhatt (Executive Director of HR, McLaren Automotive); Penny Weatherup (HR Director, Volkswagen Group UK); Laura Haskins (HR and Academy Director, CitNOW); Dr Astrid Fontaine (Member of the Board of People, Digitisation and IT, at Bentley Motors); Geraldine Ingham (Global Category Director, Automotive, Facebook); and Andrew Humberstone (Vice President and Managing Director, Nissan GB).

Commenting on the early days of the pandemic, Alison Fisher highlighted just how important and beneficial it was to concentrate on the wellbeing of colleagues:

"We have a guiding principle that says, 'do the right thing, always' and that has led us over the last 12 months. It's about prioritising the health, the well-being, and the safety of our team members and that continues to be our number one priority. As a result, we're stronger as a business and as an HR team. I truly believe those organisations that have stuck true to their values, and prioritises their people, will emerge from this pandemic far stronger."

For Mandeep Dhatt, the pandemic advanced the business' thinking around its culture and ultimately its approach to recruitment. Mandeep highlighted that one of the positive outcomes has been the acceleration of 'hybrid working' and the resulting impact on recruitment:

"Last year we saw more women enter our workforce than in previous years, which in part, has been down to a change in mindset about where you need to do your work. Last year taught us, that for some of what we need to do as an organisation, can be done from home. The result has been a positive impact on our diversity."

"I truly believe those organisations that have stuck true to their values, and prioritises their people, will emerge from this pandemic far stronger"

Alison Fisher, Cox Automotive International

Feedback: The positive impact of COVID-19

In our research we asked what positives could be found from the pandemic on D&I and the broader HR objectives. We received some enlightening responses:

" There has been a heightened sense of **trust and productivity**, even whilst working remotely. "

" **Mental health has been a much louder conversation** since COVID with more senior people becoming involved. "

" Had to document ways of working/**tighten our articulation of values and behaviours** that matter to us and be mindful of improving our internal communications. "

" We recognise that **the old norm may not have been the best way** to operate. "

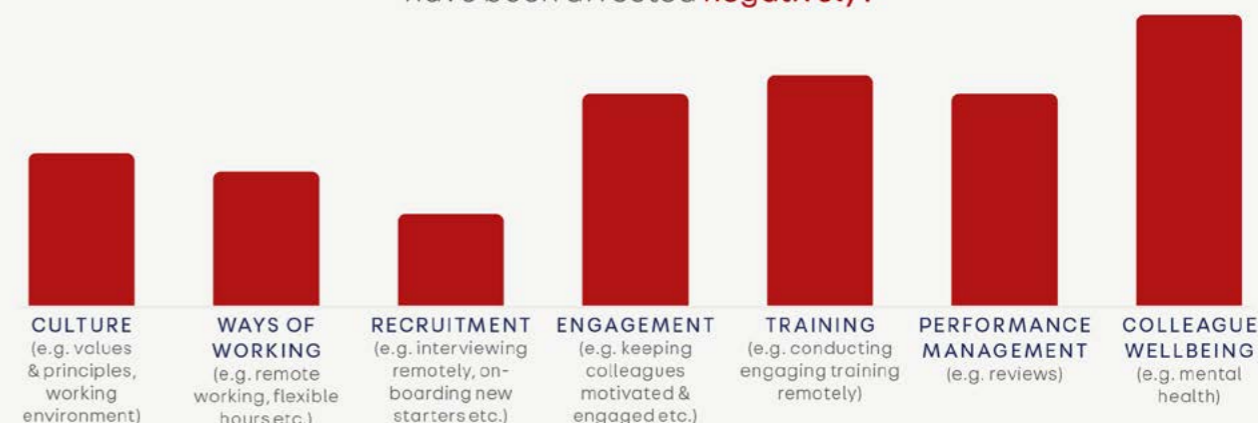
" People have worked out that they can **work more independently** than they realised and it has accelerated enormously the **focus on employee support**. "

" Leadership accessibility is greater than ever with **clear leadership from the top** to ensure health and wellbeing of all. "

" Helped **work life balance**. "

The greatest negative influence was on the potential wellbeing of colleagues

What, if any areas of the D&I or the broader HR function, have been affected **negatively**?



The negative impact of COVID on D&I commitments

Whilst positives could be found, they were far outnumbered by the negative effects the pandemic had on D&I and the broader HR function. According to the research, this was especially true around ways of engaging with colleagues and keeping them motivated remotely. Although a positive result of the pandemic was a renewed focus on the wellbeing of colleagues, the detrimental impact on mental health was a huge concern.

Feedback: The negative impact of COVID-19

The direct feedback from those businesses that took part in the research revealed some very clear themes around the negative effect on colleagues and culture:

" Some colleagues have been unwilling to share what issues/ challenges they face with ways of working due to **family scenarios**. "

" We haven't been able to do **outreach to schools**, attend recruitment fairs or work on D&I more broadly, as our focus has been taken up with health and safety, furlough etc. "

" One size doesn't fit all. What is good for some is less so for others. A recruitment freeze, **excessive workloads** and mental health challenges have all added to the pressures. "

" It's been **hard to engage** with colleagues properly and keep them motivated. "

" Reduced capacity to carry out onsite reviews and training has impacted positive interactions. Our reduced workforce has meant **higher pressure** on individuals. "

" Unfair advantage to those outgoing personality types for **performance reviews**. "

" It's been a very challenging year for mental wellbeing - **burnout** in employees is a serious factor we've worked hard to avoid. "

" We haven't been focussed on **training** as we have prioritised other areas. "

" Some **difficult conversations** are more challenging remotely. "

Many key initiatives have been put on hold due to the pandemic

Which, if any, D&I initiatives have you put on hold due to COVID-19? (select all that apply)



Whilst the welfare of all colleagues was important, the pressure that COVID placed on families was a particular concern for Laura Haskins, CitNow's HR and Academy Director: "During the pandemic, we did pay particular attention to our working parent group, which makes up over half of our workforce. The concept of work life balance is not a new one, but with additional factors such as self-isolation and bubbles, it can feel overwhelming for them."

As a result, the business gave working parents additional paid time off to support tough home-schooling times, as well as introducing flexi-time programmes. It also set up forums for colleagues to discuss and support each other during difficult times.

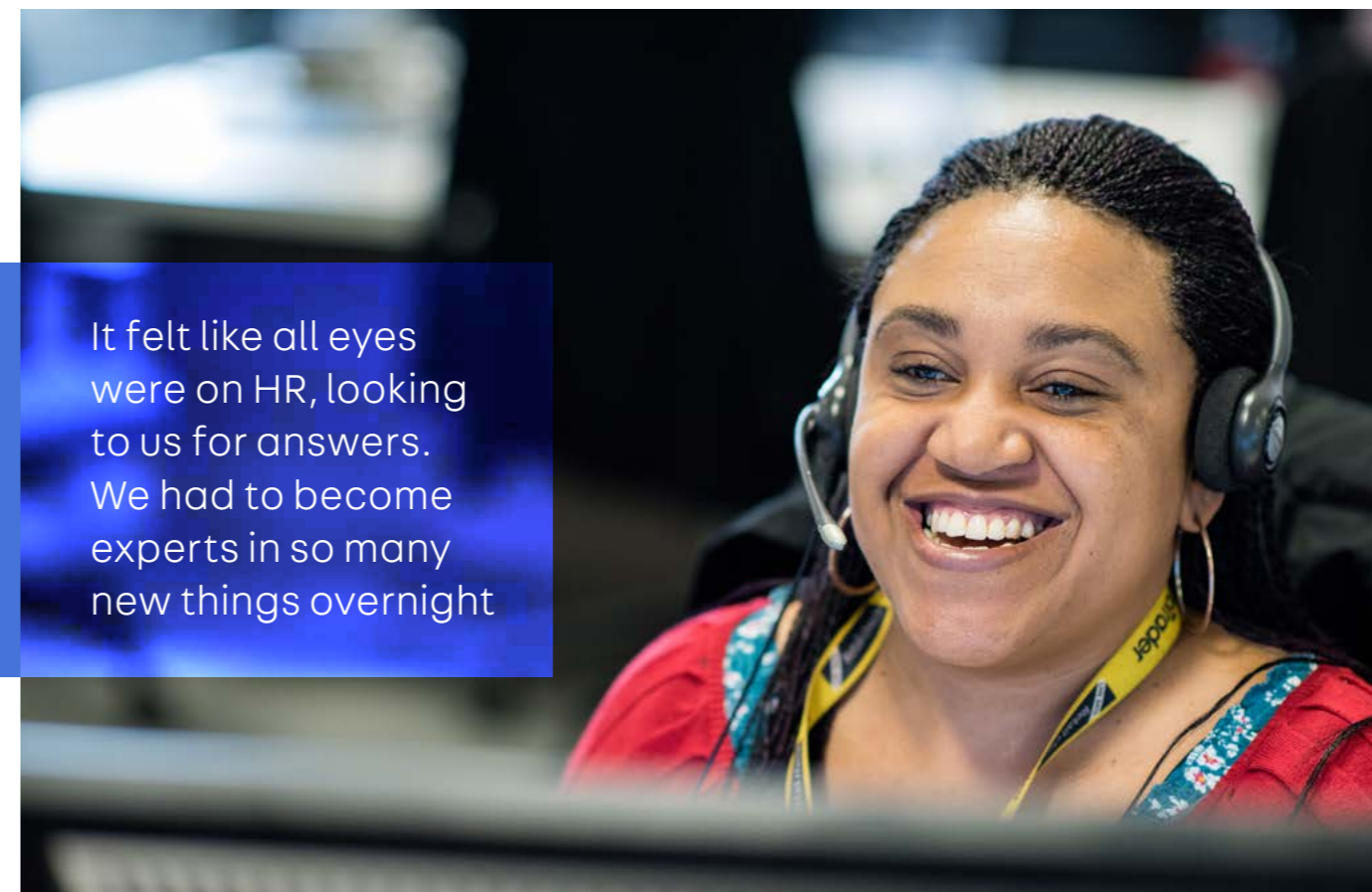
This need for communication, whether at a company level from a leadership perspective, or creating platforms for individuals to connect, was identified as a priority for all of those on the panel. According to Mandeep, the role of networks has been key to shaping the business' culture:

"Ensuring our culture continues to be inclusive is incredibly important to us. One very effective avenue to driving this has been through our communities and networks."

We have relied heavily on internal communities to bring to life the elements of an inclusive culture we all strive towards. Over the past couple of months, we have introduced more culture champions throughout the organisation who have helped us alongside other communities, such as mental health first aiders and wellbeing ambassadors, to continue focussing on having an inclusive culture ingrained within the business."

However, in the research, for more than one in five (21%) businesses, employee networks / Employee Resource Groups were put on hold as a result of the pandemic as were other vital initiatives.

21% of businesses placed employee networks / Employee Resource Groups on hold as a result of the pandemic



It felt like all eyes were on HR, looking to us for answers. We had to become experts in so many new things overnight

The vital role of the HR team during the pandemic

One of the big themes that came through during this year's event was the huge pressure COVID-19 placed on HR departments, and the challenges they faced in adapting businesses to a completely unprecedented situation. As Cox Automotive's Alison Fisher said: "There was no rule book. And certainly, it felt like all eyes were on HR, looking to us for answers. We had to become experts in so many new things overnight."

Indeed, the integral role the HR function played in supporting businesses to not only navigate the early days of the pandemic, but ultimately provide the foundations required to adapt and to successfully operate, was highlighted by some of the industry's leading chief executives.

A view from the top



Daksh Gupta
CEO
MARSHALL
MOTOR GROUP

[Click to view video](#)



Martin Forbes
PRESIDENT
COX AUTOMOTIVE
INTERNATIONAL

[Click to view video](#)



Alistair Horsburgh
CHIEF EXECUTIVE
CITNOW

[Click to view video](#)



Alex Smith
MANAGING DIRECTOR
VOLKSWAGEN
GROUP UK

[Click to view video](#)

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What does D&I look like today?

Promisingly, our research showed that most organisations have a strong focus on creating an inclusive environment for all employees. However, women/gender is by far the most prevalent diversity strand in the automotive industry and many groups remain very underserved.

Whilst it is important to drive more women into automotive, the panel of HR leaders agreed that the objective of attracting a more diverse workforce and creating a more inclusive culture, shouldn't be limited to just gender or indeed any single diversity strand within its own silo. True inclusivity needs to be intersectional; employees aren't one-dimensional, so an effective D&I strategy shouldn't be either.

Laura Haskins, said: "Gender is an important topic, but our approach is not about any particular group; the heart of our approach is about creating an inclusive culture where everyone belongs and feels part of CitNOW

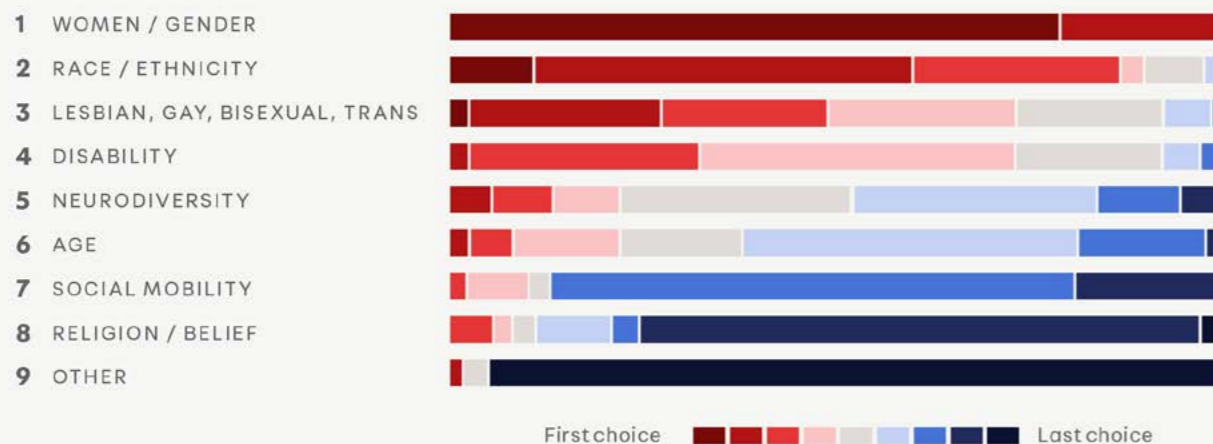
and part of our journey and valuing our people as individuals."

The research also looked at what D&I initiatives and practices businesses had in place. Interestingly, 34 out of the 40 organisations surveyed reported they had flexible working policies. Whilst it's possible that 85% do indeed offer it, potentially some people / businesses have confused colleagues working from home with flexible working and as a result assume all colleagues are experiencing the associated benefits. However, separate research from McKinsey¹ has shown that despite efforts from employers, employees – especially diverse employees and working parents - are still struggling with the multitude of challenges posed by the pandemic. Ultimately, it's not flexible working if colleagues are expected to spend from 8:00am – 6:00pm on Zoom calls.

The research also highlighted a notably low adoption of some key D&I initiatives.

Women/gender is the biggest focus for businesses in 2021

To which strands of diversity does your business have the strongest focus?



Although D&I progress is being made, there is a notably low adoption of some key initiatives

Which D&I initiatives do you have in place? (select all that apply)



The automotive industry still has some way to go in reaching its D&I commitments



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Forward focus – actionable insights to drive your D&I agenda

Looking ahead, our panellists shared details around their respective D&I strategies, and the areas of focus and the initiatives they think will be key to driving their objectives over the coming months:

1. Broaden your talent pool

PENNY WEATHERUP, VOLKSWAGEN GROUP UK:

“The automotive industry, as with many industries, tends to be very insular. When it comes to recruiting the best talent, I think we need to reach out as far beyond our industry as possible. We have to promote our inclusive culture to attract diverse talent in order to create different ways of thinking and doing. If we don’t do that, we’re not doing the best for our business, our people and most importantly for our customers.”

2. Keep communicating

ALISON FISHER, COX AUTOMOTIVE INTERNATIONAL:

“The most important focus during those early stages was communication; weekly check-ins with team members and getting messages out there. Employees were looking for reassurance from leaders, which was lacking in the media.

“Communication has been paramount in giving people reassurance and certainty. Our job was and will continue to be for the coming months, to keep everybody calm, engaged and confident in the leadership team. Communication is absolutely vital.”

When it comes to recruiting the best talent, I think we need to reach out as far beyond our industry as possible

Penny Weatherup, Volkswagen Group UK

3. Develop and nurture skills early

MANDEEP DHATT, McLAREN AUTOMOTIVE:

“The 16-24 age category is something the government is focusing on, and for us, apprenticeships and early career strategy is very important. This year we are very much looking forward to building that community for the long-term, which is central to our conversation around diversity and inclusion.

“This is about looking beyond the traditional borders and going out of our way to attract young talent into the industry. Reconnecting with schools, education, and boards we are actively part of is how we aim to recombine the acceleration of talent into the industry from a STEM perspective.”

4. Put networks at the heart of your D&I

DR ASTRID FONTAINE, BENTLEY MOTORS:

“Our networks, which were self-grown and operate organically, provide us with so much invaluable insight into how people from diverse backgrounds feel when they come to work for us. Each network, which represent the LGBT+ and BAME communities, plus a group focusing on increasing the representation of women in automotive has a Board sponsor, and we learn so much in terms of how we can serve them better: what are the things holding us back; where do we need to inform people more; and where can we improve more? It ensures we’re creating a culture in which our colleagues can bring their true selves to work.”

5. Focus on mental health

MANDEEP DHATT, McLAREN AUTOMOTIVE:

“Mental health and wellbeing is something we’ve always talked about, but our focus on it is more important than ever before. We have more wellbeing ambassadors and mental health first aiders in place, and we also have representation in our senior leadership team. We’re looking forward to continuing the conversation with our employees around authenticity and how we can create an environment in which everyone can bring their whole self to work.”

6. Lead by empathy

GERALDINE INGHAM, FACEBOOK

“I hope it would go without saying, but don’t ever lead by fear. In my 25 years’ experience, leading by empathy, making people feel included, and valued really does work. Put people first by making small gestures, like giving an extra day’s holiday to say thank you. I know productivity is key, but you’ll get far more out of your people by showing recognition and trust.”

7. Seek active senior support

JO MOXON, MARSHALL MOTOR HOLDINGS:

“For me, the incredible support we’ve received from our leadership team has been invaluable in our objective of creating an inclusive business, particularly in their efforts to be so vocal and visible in their commitment. This year’s research highlighted that “actions speak louder than words” and I couldn’t agree more. The most effective senior support is not about words, it’s about action and leading by example.”

8. Encourage diversity and inclusion through leadership

ANDREW HUMBERSTONE, NISSAN GB:

“Organisations need to update their management style to understand the emotional economics of the business. The days of having a controlling Machiavellian leader are obsolete; you need to engage with every employee and member of the management team in your business, and work with them to understand what motivates each specific individual. This method is much more challenging but also much more interesting.”

What one thing can business leaders do to progress the D&I agenda in the automotive industry?

In the research, receiving senior support was identified as one of the biggest factors in driving D&I in not only individual businesses, but also across the industry. The direct comments from those taking part in the research highlighted some key themes:

“ **Think bigger** ...a lot has been done but there is a significant need to accelerate the agenda to ensure we have equality at all levels. Equality, diversity and inclusivity needs to be central to the work we do and become our industry DNA. ”

“ Less head nodding and talk and **more action**. Have policies in place that make a difference, and proactively reach out beyond the industry otherwise we’re just talking to the same people. ”

“ It has to be a **commitment from the top** of businesses, with clear aims and goals which are measured and visible within the business, as well as forming part of a clear external commitment. ”

“ **Recognise the business benefit** and then prioritise accordingly. This is not a humanitarian subject. ”

“ Create and publish D&I strategy with measurable progress and **share best practice**. ”

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In conclusion

As we've seen, whilst there has been some good progress made over the last 12 months and under some extremely challenging circumstances, we still have a long way to go as an industry to truly make D&I a business reality. Representation remains limited, with minority groups potentially underserved, whilst many core D&I initiatives are either on hold or are non-existent. And whilst there are many automotive businesses that are committed to creating a more diverse and inclusive culture, there are more that aren't. And whilst it's clear from the research that businesses are generally bought into the value and opportunity of D&I, many don't know how to translate this into action or to invest the time to take tangible steps to change.

As highlighted by our panellists, we all have a responsibility to drive the D&I agenda beyond our own businesses and to guide this positive sentiment towards action. We need to be D&I evangelists to not only ensure it is an industry wide priority, but to also encourage, motivate and inspire change.

The automotive industry may not be at the forefront of change, but it's clear there are some important steps being made by some exceptional HR and business leaders. The opportunity to discuss ideas and share experiences with them is always invaluable in driving our industry forward, and we thank everyone for their participation.

We all have a responsibility to drive the D&I agenda, particularly senior leadership

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Contact

About Auto Trader

Auto Trader Group plc is the UK and Ireland's largest automotive marketplace. Our marketplace sits at the heart of the car buying process, with the largest number of buyers and the biggest choice of trusted stock.

Auto Trader exists to change how the UK shops for cars by providing the best online car buying experience and enabling all retailers to sell online. We are building stronger partnerships with our customers, using our voice and influence to drive more environmentally friendly vehicle choices and creating an inclusive and diverse culture for all of our people. Auto Trader listed on the London Stock Exchange in March 2015 and is a member of the FTSE 100 Index.

For more information

Please visit: <https://plc.autotrader.co.uk/who-we-are/about-us/>

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About Ennis & Co

In a rapidly changing industry, Ennis & Co are trusted by many of the world's leading automotive and mobility solutions brands to appoint their senior leaders. We carry out executive search assignments across the globe that are helping to shape the future of the sector by delivering the key decision-makers and innovators of tomorrow. Our adaptability and agility enable us to tackle difficult assignment challenges such as complex briefs, skill shortages, problematic geography, or tight turnaround times. We are frequently praised for our calmness under pressure, our speed of delivery and our ability to respond to the unexpected.

Since our foundation in 2010, we have retained our focus as automotive specialists but have evolved with the industry to embrace the technological advances that are transforming the sector at such incredible speed – not just inside vehicles but in changing consumer behaviour and attitudes towards mobility.

We have experience working on huge variety of senior leadership roles in areas such as mobility, motorsport, engineering, aftersales, finance, branding, environmental management, change management, solution management, strategy, operations, digital, technology, environment, IT, marketing, dealer development, sales, and HR. Over the past two years, 78% of our assignments have been for roles outside the UK. Our clients are our biggest advocates. More than 85% of them are repeat customers, while most of our new clients come to us on personal recommendation.

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