



SPOTLIGHT:

FINDING FUTURE TALENT

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Getting the mix right

How motor retail can benefit from a more representative workforce



WHAT ARE THE BENEFITS OF D&I?

A GROWING BODY OF STUDY SAYS DIVERSITY AND INCLUSION POLICIES ARE JUST GOOD BUSINESS SENSE

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DIVERSITY FROM DAY ONE

WELL WORDED JOB ADS, UPGRADED FACILITIES AND INTERNAL NETWORKS ALL HELP BOOST MINORITY REPRESENTATION

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OVERCOMING THE BARRIERS

DEALERS ARE MAKING PROGRESS ON DIVERSITY AND INCLUSION, BUT A LOT REMAINS TO BE DONE

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Are there tangible benefits of a diverse workforce?

A growing body of study says diversity and inclusion policies are just good business sense

Every employer in the UK is legally prohibited from discriminating on the basis of age, race, gender, gender reassignment, disability, sexual orientation, religion or belief during recruitment, but that prohibition alone is often not enough to promote diversity and inclusion (D&I) in every workplace. *AM* has looked at some of the research into the effects of active D&I policies on a company's fortunes.

FINANCIAL BENEFITS

There has long been anecdotal evidence available of how a diverse workforce can improve innovation and financial performance and there is an increasing body of study that supports those conclusions.

Boston Consulting Group examined more than 1,700 companies in eight countries (Austria, Brazil, China, France, Germany, India, Switzerland, and the US) across a variety of industries and company sizes, looking at the diversity levels of their management teams. It then measured the percentage of those companies' total revenue that came from new products and services launched over the past three years. It found that having a more diverse team increased revenues by 19%

and earnings before interest and tax were nine percentage points higher than those companies with below-average diversity in their management teams. Businesses with employees from a good mix of ethnic backgrounds were 35% more likely to outperform their competitors.

McKinsey also found a statistically significant correlation between a more diverse leadership team and financial outperformance in its *Delivering Through Diversity* report. The study found that companies in the top quartile for gender diversity in their executive teams were 21% more likely to outperform their competitors on profitability. Moreover, firms in the top quartile for ethnic/cultural diversity in their executive teams were 33% more likely to have industry-leading profitability.

Julia Muir, the chief executive of Gaia Innovation and the founder of the UK Automotive 30% Club, a voluntary group of executives with the aim of filling at least 30% of key leadership positions in member organisations with women by 2030, said research by Sodexo had found a positive correlation between a strong gender balance and increased employee engagement. This had a knock-on effect on customer satisfaction and ultimately operating profits, she said.

"A more gender-balanced team leads to a

happier team," she said. "If you get more commitment from your staff that leads to more satisfied customers and, as a result, greater profits."

Muir added that a study by EY and the Peterson Institute for International Economics had also revealed that a company made up of at least 30% female leaders had six percent better profit margins than those that didn't and she also cited McKinsey's study showing that organisations in the top quartile for gender diversity were more likely to have financial ratings above the national average.

"All of this shows that gender-balanced teams perform better than those that are not," she said. "That is largely down to having an effective and open-minded leader who manages the team well, creating an environment where it will thrive and perform well, translating to financial success."

"Diversity is about more than just being a good moral thing to do. It also has strong benefits to both your company and the wider economy by getting more people into employment and balance out some of the key roles."

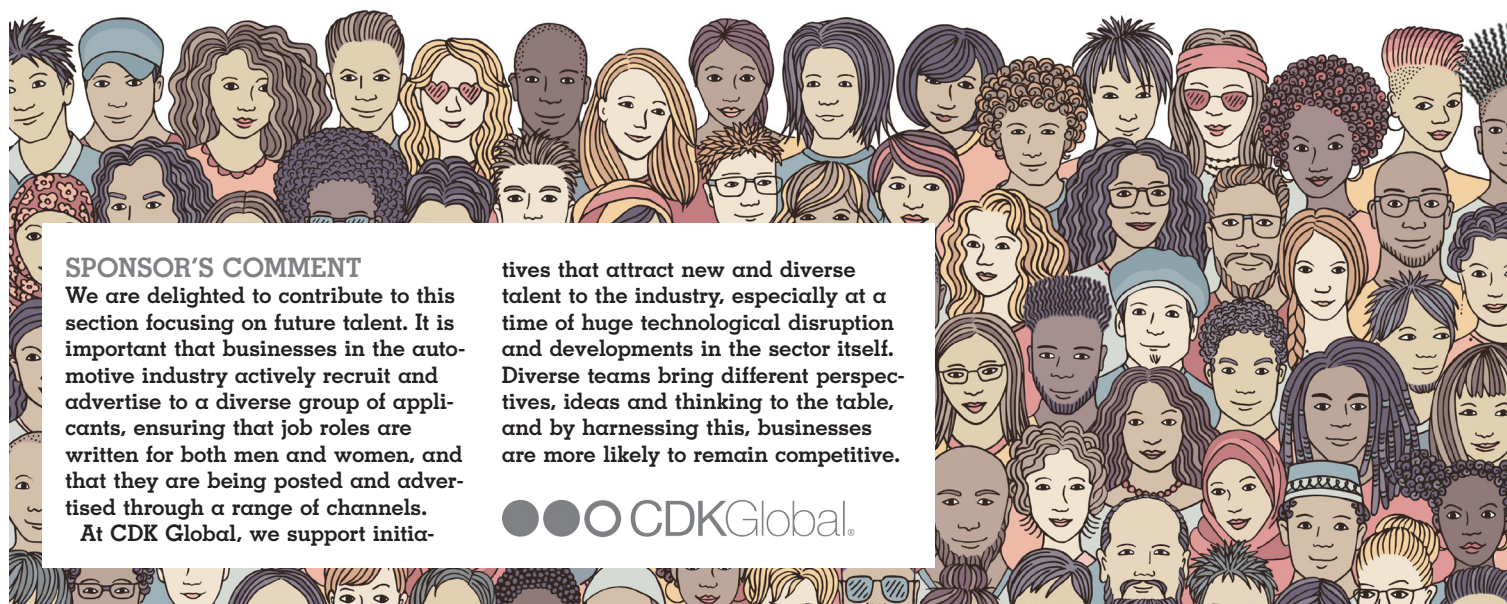
Steve Nash, the chief executive of the Institute of the Motor Industry (IMI), said the biggest advantage of a diverse workforce was customers feel more comfortable dealing with a company that reflects the make-up of society. That

SPONSOR'S COMMENT

We are delighted to contribute to this section focusing on future talent. It is important that businesses in the automotive industry actively recruit and advertise to a diverse group of applicants, ensuring that job roles are written for both men and women, and that they are being posted and advertised through a range of channels.

At CDK Global, we support initia-

tives that attract new and diverse talent to the industry, especially at a time of huge technological disruption and developments in the sector itself. Diverse teams bring different perspectives, ideas and thinking to the table, and by harnessing this, businesses are more likely to remain competitive.



FURTHER READING:

Boston Consulting Group – How Diverse Leadership Teams Boost Innovation

www.am-online.com/DiversityBCG

McKinsey – Delivering through diversity

www.am-online.com/DiversityMcKinsey

Peterson Institute for International Economics/EY

www.am-online.com/DiversityPIIE

WISE campaign – Why gender diversity makes business sense

www.am-online.com/DiversityWise

Harvard Business Review – When Gender Diversity Makes Firms More Productive

www.am-online.com/DiversityHBR

The UK Automotive 30% Club

www.automotive30club.co.uk

means more potential for sales, he added.

"If your business is only full of white males of a certain age, that's not going to resonate with every customer," he said.

"By having a more diverse workforce you are, in effect, taking away potential reasons why someone might not want to do business with you, and that can only be a positive."

Jim Saker, the director of Loughborough University's Centre for Automotive Management, said there was strong evidence that companies with a better gender mix at board level outperform less diverse rivals. However, he said that there was a lack of research into its effect at the lower levels.

"We should have diversity in the work place as the underlying base position," he said.

"That's easier said than done, however, because often a company's culture is determined by who's in charge, the role models and a host of other factors."

DIVERSITY AND INNOVATION

Technology giant Cisco attributes its ongoing technological innovation to its diverse leadership team, while diversifying client teams has helped management consultancy EY to

strengthen the quality of its client services and retain senior team members.

While that's not always reflected in the automotive sector, some companies, such as Jardine Motors Group, are leading the way in D&I.

Clare Martin, the group HR director at Jardine Motors Group, said one of the greatest benefits of workforce diversification was having people who think differently. That enables companies to have a broader perspective when it comes to change and innovation, she said.

"One of the benefits we see is around diversification of thought and contribution," she said.

"As a business, we are constantly innovating and looking at how we do things differently, which means we need people who think differently."

RECRUITMENT & RETENTION

Increased D&I can also bring benefits beyond the bottom line, such as recruitment and retention.

Martin added that a more diverse workforce was also more attractive to new recruits, with 67% of jobseekers citing it as an important factor when considering offers.

"Within our business, we see the performance

of more diverse teams delivering better results and we believe our 98% direct hire rate is a result of our strong employer brand which is partly driven by our approach to D&I," said Martin. "Therefore, when it comes to attracting the best talent and outperforming the market, the commercial case for diversification is compelling."

Reputationally, employers can also reap the benefits of diversity by being viewed positively by shareholders and customers alike. This is reflected in the fact that businesses are increasingly putting diversity and inclusion (D&I) at the top of their agenda.

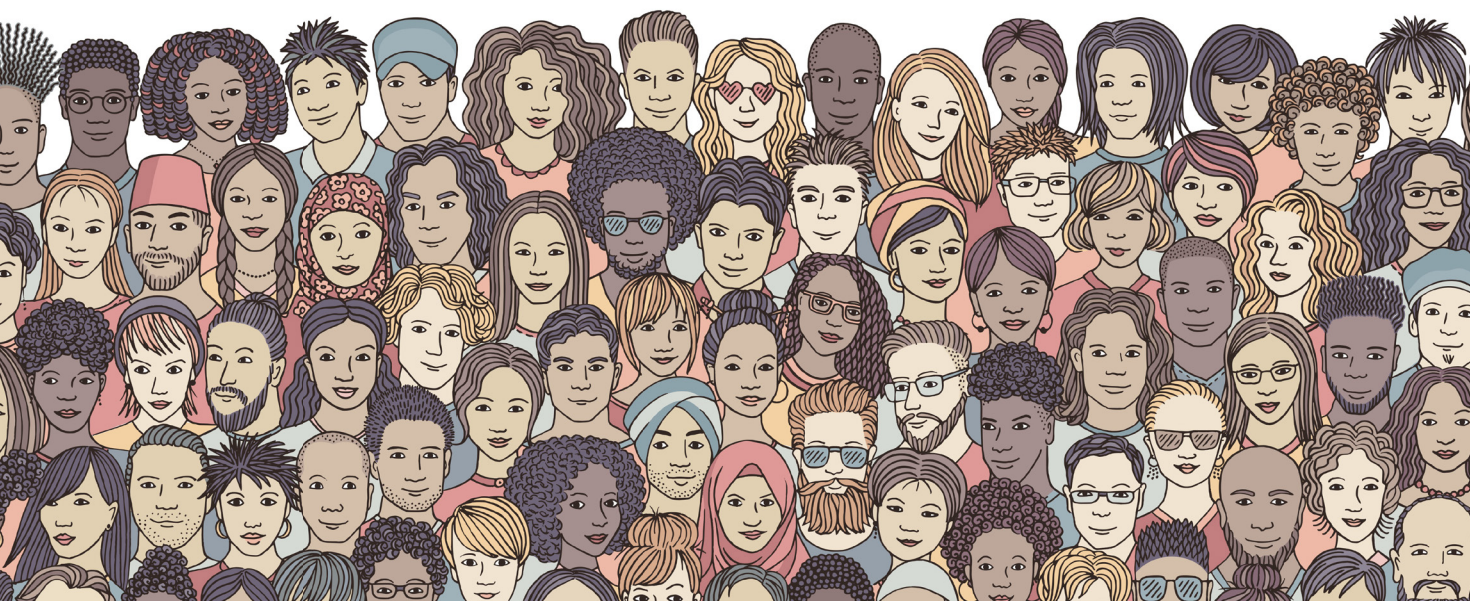
New research by Auto Trader, Ennis & Co and Qlearsite has found that 88% of automotive organisations surveyed have identified D&I as a key priority, while 53% believe the need to attract and retain a greater array of skills and experience was the primary motivation for driving a D&I agenda. **ALEX WRIGHT**



IF YOU GET MORE COMMITMENT FROM YOUR STAFF, THAT LEADS TO MORE SATISFIED CUSTOMERS AND, AS A RESULT, GREATER PROFITS



**JULIA MUIR,
GAIA INNOVATION**



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Today, the automotive industry needs **diversity of thought**.

Diverse teams bring different perspectives and ideas to the table, which is critical for driving innovation – a vital component of the modern automotive industry.

Cath Sibbald VP HR, CDK Global

To learn more about career opportunities at CDK Global visit:

cdkglobalcareers.com

Building diversity in from the ground floor

Carefully worded job ads, upgraded facilities and internal networks go a long way to boosting minority representation

It's a truism that words matter when recruitment campaigns are planned, but it is still remarkable to learn just how great their impact can be.

Toyota (GB) decided to analyse how it filled both internal and external vacancies, after noticing a wide variation in the number of applicants.

"For us, the whole conversation around diversity and inclusion is about great talent, making sure we attract and retain the right talent and then enable them to be their best while working for us," said Rachel Shepherd, general manager (HR).

"We looked at what we'd been saying about vacancies, and to be honest, some sounded quite dry. Now they're couched in more uplifting language, they provide just an overview of each role, and we also stress that we embrace flexible working practices."

Interview feedback showed that the commitment to flexible working immediately generated an increase in female applicants, as did including details of Toyota's development programmes and mentoring for women employees.

Changing how a particular job was described led to even more surprising results, said Shepherd.

"We had a customer care role in our dealership network. Originally, it was described as an 'advanced sales traineeship', but when we tested the response of school-leavers to those words, 100% of females were not interested in applying.

"However, when we changed the title to 'trainee customer consultant', and tweaked the job description slightly, 40% of applicants were female. When we used to advertise externally, we averaged three candidates for a vacancy. Now the average is 26."


Toyota is equally determined to shift its gender balance at a more senior level, via a pledge as part of its membership of The UK Automotive

30% Club, to ensure that 30% of its senior roles will be filled by women by 2030.

"Our industry has never had an equal mix of men and women, but we are fully committed to this strategy," said Shepherd.

"We run Women in Business networking sessions on an array of topics, showcase some of our senior women on LinkedIn to show what they are achieving, work very closely with the UK Automotive 30% Club and sponsor their e-zine, which profiles female role models."

The next step, said Shepherd, is to promote vacancies in different places, using new recruitment methodologies and agencies, to attract talent from different industries and also different types of candidates.

Toyota's strategy isn't facilities-led, although the head office does have quiet rooms which can be used for prayers, and the 

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OUR INDUSTRY HAS NEVER HAD AN EQUAL MIX OF MEN AND WOMEN, BUT WE ARE FULLY COMMITTED TO THIS [30% BY 2030] STRATEGY

RACHEL SHEPHERD, TOYOTA GB



building is accessible to all users. Naturally, there's no single solution to addressing the challenges of attracting talent from as broad a range of people as possible, and Auto Trader has taken a different approach at its offices in Manchester and London.

Bex Clark is Auto Trader's manufacturer and agency director, but has also been involved in delivering its diversity and inclusion (D&I) strategy.

"We began by adopting a simple definition, that diversity was about the mix of people in our organisation, and inclusion was about how well all those people worked together," she said.

"The introduction of D&I workshops was fundamental to the process, so all existing employees (800 at the time) could understand our approach, discuss it, and then collaborate with each other as the changes were introduced.

"Now every new recruit attends such a workshop. We're proud that it's become a core element of our culture, and particularly pleased that potential recruits regularly reference those sessions, and other elements of our strategy."

Auto Trader established four networks, covering female, LGBT, disabled and BAME employees, and Clark said they have now become a powerful internal force.

"We listen to employees who naturally lean to one of those groupings, and those who ally themselves with them, as to how everything is working and how things can get better.

"When we folded the magazine business and

AS OF AUGUST, 51% OF THE PEOPLE WHO ACCEPTED JOB OFFERS IN 2019 ARE FEMALE



**BEX CLARK,
AUTO TRADER**

became a tech company, the male-female ratio increased, but we have been working steadily to reduce it. Now, it's 61:39, but the female percentage has risen by one percentage point in each of the last three years. As of August, 51% of the people who accepted job offers in 2019 are female."

The group shares Toyota's commitment to flexible working, has a prayer room at its Manchester office, and quiet rooms and disabled access at both sites, but its D&I strategy has gone beyond the basics.

"We try to consider all design elements, so each floor is described in letters as well as numbers, and we use the right shades of paint for colour-blind people," said Clark.

"This year we became the first company to receive an award from the National Autism Society, for being an 'autism-friendly' employer, we monitor all employees' physical and mental wellbeing, and carry out regular tests to identify potential loss of hearing."

Auto Trader has been shortlisted for the European Diversity Awards 2019, became the only company to be awarded 'Best Corporate Entry' at Manchester Pride for three successive years, and has been noted for its efforts on behalf of its BAME employees.

Cox Automotive employs 2,200 people in the UK across 16 sites, and its D&I strategy focuses on the corporate culture and workplace environment, according to Alison Fisher, its chief people officer.

"We're not putting lots of investment into facilities at the moment. We believe the first challenge is to get the right behaviours, and then the culture will follow. Otherwise, there's a danger that it's simply window-dressing.

"The one target we did give ourselves, after I joined Cox Auto four years ago, was around gender diversity. Now around 30% of employees are female, from just 20% three years ago.

"In general terms, our key focus is to make this a great place to work, and diversity and inclusion is just one element of our talent and recruitment strategy," she said.

However, line managers have been given detailed toolkits, looking at specific issues such as unconscious bias, and highlighting the general characteristics Cox would like to see in new recruits.

"I'm not a big fan of formal policies. It's more about having the right principles and trying to steer our managers in the right direction," said Fisher.

"I must admit though, that when I joined I felt as if I was going back in time, so I started hiring people with different ways of thinking."

She said she wants to identify people with passion, enthusiasm, desire and attitude, rather than looking at someone because they've spent 20 years in the automotive industry.

"We needed to tap into a very different pool of talent to freshen up our organisation, deal with the challenges facing our industry, and grow the business more successfully."

On her annual visits to the group's locations, Fisher admitted she has been most impressed by Cox's Shepshed site, a centre of excellence for LED technology.

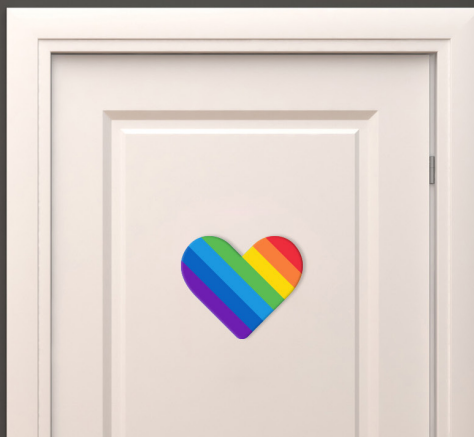
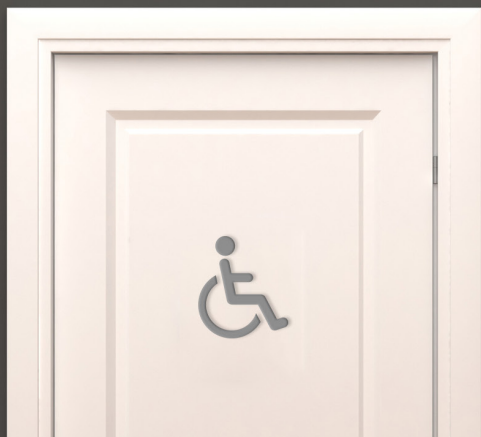
"They built a really formidable team by bringing together people who really were different. Young and old. The hours they worked. The way they looked and spoke. It was total diversity.

"We need more of that approach, because we want to enable everyone who comes to work to feel they can be themselves, and also be the best they can be. What we don't want is clones." **IAN HALSTEAD**

AROUND 30% OF EMPLOYEES ARE FEMALE, FROM JUST 20% THREE YEARS AGO



**ALISON FISHER,
COX AUTOMOTIVE**



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How to attract new and diverse talent

Cath Sibbald, VP of HR, highlights CDK's views on recruitment and how it builds a varied workforce

Do people outside our industry perceive the automotive sector to have quite a 'blokey' image? Why is that?

There can be a tendency to perceive the automotive industry as 'blokey', as it has been traditionally male-dominated in the past. The good news is that this is certainly changing, but I can understand how people outside of the industry may not be able to see the change as clearly as those within.

Put simply, I think a lot of people have traditionally thought of cars and driving as a male interest, even though that's really not the case. The automotive industry is about much more than just 'liking cars', and the variety of roles within it range from engineering and software development to customer experience and project management (and much more besides). It is perhaps more obvious to those of us within the industry, but a shift in the culture of the automotive industry is already under way.

There is still a way to go, but the number of women entering the industry is slowly increasing, and as the industry has had to

rapidly innovate and transform, so has its traditional image. In a 2016 European study, Deloitte reported that 62% of women in the automotive industry would remain in the industry if they started their career today.

What barriers need to be taken down to entice a broader spread of candidates to apply for roles in automotive retail?

One of the main barriers in recruiting a diverse workforce is a lack of visible representation. If applicants perceive there to be a certain culture within the industry that they may not fit into, they are unlikely to see it as somewhere they can be successful.

It is important that businesses in the automotive industry actively recruit and advertise to a more diverse group of applicants, ensuring that job roles are written for both men and women, and that they are being posted and advertised through a range of channels. Blind applications are a valuable tool in combatting unconscious bias, as well as ensuring the hiring board itself is diverse, including interview formats being focused on problem-solving and skills rather than industry knowledge.

In addition, businesses need to make sure their external facing appearance is in line with their internal values. If diversity is something the business values, then this needs to be clear to potential candidates. Whether it is featuring team members on the website or actively engaging on social media channels, businesses need to be seen to be supporting the values they uphold in order to attract a wider range of candidates.

CDK Global is taking a broader view to promoting recruitment opportunities by ensuring that language is gender-neutral in job specifications and interviews are based on skills rather than automotive experience. As a result, a more balanced and diverse workforce is being shaped.

What tangible benefits could businesses gain from taking action to increase workplace diversity?

Diversity is more than just a buzzword or a metric to strive for – it has a direct effect on the bottom line. Organisations with more diverse management teams see up to a 20% increase in revenue over those without. Diverse teams offer different perspectives and ideas, which is critical for driving innovation – a vital component of the modern automotive industry. In fact, a 2018 Deloitte study, in partnership with Automotive News, found that diversity of thinking in leadership enhances innovation by 20%, and diverse groups are more adept at spotting risks, reducing their occurrence by 30%.

We are in a time of increased technological disruption and rapid digitalisation, and with the automotive industry going through a period of transformative change, innovation is essential for its survival. New car

COMPANY PROFILE

Key products: Providing automotive solutions to dealers in more than 100 countries.

Key staff: Cath Sibbald, vice-president human resources, CDK Global
Founded: 1972

Based: Hungerford, Berkshire, UK

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CDK uses gender-neutral language and ensures interviews are based on skills rather than automotive experience as a way of shaping a more diverse workforce, says Cath Sibbald, CDK's vice-president of human resources

purchasing models and subscription services, electric and automated vehicles, plus an increased focus on public and shared transport, have all put pressure on retailers to stay one step ahead of automotive trends.

With a diverse workforce, businesses are more likely to remain competitive and capitalise on opportunities for growth. Not only that, a diversified workforce attracts a wider audience. This is up to 70% more likely, according to a 2013 study by the Center for Talent Innovation (CTI).

What can businesses do internally to foster diversity and empower the talent they may already have?

Recruiting for a more diverse workforce is only one half of the equation, it is crucial we also support talent within our organisations. Diversity must be fully implemented and integral to an organisation's business model, not just an addition to meet targets.

One of the best steps businesses can take to foster a more diverse working culture is developing an inclusion council to keep diversity at the top of leadership agendas, as well as a detailed communications plan, showing how diversity is being promoted throughout the business. To nurture existing talent, it's important that clear and personalised development paths are set out, so that individuals, in particular future female leaders, can see how their career can progress without having to look elsewhere for opportunities.

What other markets or industries could the automotive sector take lessons from relating to developing and maintaining a more diverse workforce?

There is already a great deal of overlap between the STEM industries and the automotive industry, but we can still take inspiration from the broader STEM landscape, including how they have joined

forces and looked at promoting diversity from a school age.

STEM industries have embraced collaboration in order to attract a diverse workforce by actively encouraging more women to take up maths and science in school and university. The impact is measurable too, as 2019 marks the first year where more women took A-Level science exams than men.

Celebrating the achievements of those within the industry is also essential in providing role models for the incoming workforce, as the international success of Ada Lovelace Day (held on October 8 in 2019), now supported by globally significant business and academic institutions, proves.

Actively making the automotive industry relevant, exciting, and modern to a wider pool of potential candidates is vital in order to increase interest in entering the automotive industry, and subsequently, to attract the brightest young talent.

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What are the barriers to more diversity in motor retail?

Dealers are increasingly making the business case for more diversity and inclusion, but a lot remains to be done

The automotive retail sector is making progress on tackling the barriers to boost diversity and inclusion (D&I), but more needs to be done to highlight the good being done by those in the industry moving in the right direction.

According to Lynda Ennis, the founder of executive search specialists Ennis & Co, leading industry retailers have stepped up to tackle issues around pay structures and job flexibility.

Ennis & Co was a joint stakeholder with Auto Trader for the 'Making Diversity and Inclusion a Business Reality' report. The report, in its second year in 2019, interviewed about 100 HR directors, chief executives and managing directors to track progress on D&I.

Ennis said: "There are a number of retail groups, like TrustFord, Sytner Group, Marshall Motor Holdings and Jardine Motors Group, that have already looked at pay levels and working flexibility with job sharing and done something about it.

"We know the automotive retail business is very demanding and is moving 365 days of the year with a lot of pressure on delivering volume. But in the last two years since we've been looking at this topic, there has definitely been progress."

Respondents to the survey showed that training and development (36%) and having a strategy that focuses on having a diverse and inclusive workforce (33%) were generating the biggest benefit for businesses, while flexible working and the pay gap were each cited by 9% of respondents.

Overall, organisations that were surveyed largely showed 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.

While progress is being made, one in five (22%) organisations said they believed they have not made any progress in these areas.

Kira Trehan, Birmingham Business School professor of leadership and enterprise development, said that while areas such as pay and flexibility are important, she believes looking at the development opportunities and recruitment practices in the first place is where the industry really needs to start.

"This isn't just limited to the automotive industry, but there is a tendency to recruit 'like me' and not to expand beyond the norm," she said.

"One of the biggest barriers is walking into a business and not seeing people like yourself already represented."

Trehan said businesses will often defend their position by saying that not enough women, ethnic minorities or disabled candidates come forward or get through the recruitment pipeline. However, she said this should be taken as feedback that a company's recruitment strategy needs to change.

She said: "You need to become more visible. Whether that's engaging with schools, local networks or local business communities.

"There may already be people in your organisation that you should be making much more visible."

Ennis said companies such as Cox Automotive and Addison Lee have been encouraging things such as employees being able to attend children's sports days, accommodating time off to care for sick loved ones, or changing work schedules to accommodate the school run.

Some companies have added conference call capabilities to every meeting, so there isn't pressure to attend physically as long as it's possible to dial in with voice or video.

Ennis said: "You have to be as accommodating as possible while still being able to deliver what you need commercially.

"This includes increasing basic pay levels and being much more open-minded around areas like job sharing and recruiting based on skill, rather than job role."

Trehan said some businesses are being quite strict with targets to make sure there is progress

on D&I. Some of these companies are even linking these "leadership targets" to their bonus.

Trehan said: "If they're not linked to targets then they become 'nice to haves', rather than things that actually happen."

Trehan said making a business more inclusive doesn't mean "flipping everything upside down", but there may be some structural peculiarities that need to work to make things more accessible to a wider group of people.

She said: "How are the working hours put together and how embedded are you in a particular approach?"

Ennis said whatever retailers do, it cannot be a tick-box exercise and D&I cannot be solved in one jump.

She said dealer groups should look to access the biggest problem areas in a controlled and gradual way.

"I would say progress on D&I is more of a marathon than a sprint, yet it is much more intricate than this. I'd liken it to more of a triathlon; where there are multiple areas that all need to be worked on separately to align. It's more about the journey, the pace and the finish than simply bolting over the hurdles." **TOM SEYMOUR**

“YOU HAVE TO BE AS ACCOMMODATING AS POSSIBLE WHILE STILL BEING ABLE TO DELIVER WHAT YOU NEED COMMERCIALY

LYNDA ENNIS, ENNIS & CO

