

The power of diverse leadership: transforming the automotive industry



Author: Ana Ber
P&P InterSearch

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THE CASE FOR DIVERSITY IN LEADERSHIP

When discussing the automotive industry, as in many other industries, diversity in top-level leadership is proving to be a transformative force. Embracing a range of perspectives and backgrounds not only fosters innovation but also enhances company performance and adaptability.

As executive search consultants, we identified the major impact of diverse leadership and the critical role it plays in driving the industry forward.

In this article we'd like to showcase how diversity recruitment at the leadership level is reshaping the automotive sector and why out-of-the-box thinking in leader selection is essential for future success.

The Facts

- Studies have consistently shown that diverse teams are more innovative and better at problem-solving.
- In the automotive industry, which is undergoing significant disruption from technological advancements and shifting consumer preferences, diverse leadership can provide the agility and creativity needed to stay ahead.

51% of STEM degrees are held by ethnically diverse individuals in 2021 but only **19-30%** of employees are ethnically diverse

29,3% of automotive manufacturing jobs are held by women

12% of the automotive industry's employees identify as LGBTQ+

7% of executive roles in the automotive industry were held by women in 2020

3% of management positions in the automotive industry are held by Black employees

GENDER DIVERSITY: PROGRESS AND CHALLENGES

Women remain underrepresented in the automotive industry, particularly at the executive level. Barriers such as perceived lack of work/life balance, unappealing workplace environments, and limited advancement opportunities continue to hinder women's progress in the sector.

Despite these challenges, there are encouraging signs of progress. Initiatives like the Center for Automotive Diversity, Inclusion & Advancement (CADIA) aim to double the number of diverse leaders in the automotive industry by 2030. CADIA provides resources and training to help companies create more inclusive cultures and develop diverse talent pipelines.

As an executive search consultant, [Ana Ber](#), **Romania InterSearch Partner**, believes that increasing gender diversity is crucial, but it is not enough. To truly transform the industry, we need to look beyond traditional candidates and consider leaders from varied backgrounds, including those from technology, sustainability, and other non-automotive sectors. This broader perspective can drive innovation and bring fresh ideas to longstanding challenges.

You know, the famous Einstein quote “The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.” applies also to the automotive industry. So, in order to thrive we all need to change our thinking.

PERSONAL EXPERIENCE: EXEMPLIFYING EFFECTIVE LEADERSHIP TRAITS

“In my executive search practice, I recently placed two exceptional female Plant Managers in two automotive companies, marking a historic first for both organizations” states [Ana Ber](#).

“ It was a bold move on my part, but the female candidates were the best fit for the roles and the context of the factories.

These candidates were chosen for their outstanding fit and alignment with key leadership traits essential for success in those specific set-ups.

Both leaders demonstrated a strong results orientation, consistently exceeding performance targets and driving operational improvements. They fostered a supportive and collaborative work environment, boosting team morale and engagement. Their ability to seek different perspectives enabled them to innovate and effectively navigate industry challenges. Additionally, their exceptional problem-solving skills allowed them to implement sustainable solutions with lasting positive impacts.

These appointments highlight the transformative power of diverse leadership in the automotive sector. By focusing on essential leadership traits, companies can achieve significant advancements and foster innovation, setting new standards for industry success. These stories showcase the benefits of embracing diversity at the highest levels of leadership.”

BEYOND GENDER: EMBRACING SKILLS, AGE, AND INDUSTRY PIVOTING DIVERSITY

Skills Diversity

Referring to changing the way of our thinking, we need to rethink the skills sets required to support the change.

The integration of advanced technologies such as **AI and IoT** in the automotive industry requires leaders with expertise in these areas.

Skills from industries like hospitality with strong **customer experience management** and consumer goods with experience in **supply chain optimization** are increasingly valuable.

Age Diversity

Including leaders from different age groups can bring a mix of fresh perspectives and seasoned experience. Younger leaders may introduce innovative approaches and are often more adept at leveraging new technologies. Conversely, experienced leaders can provide valuable insights and stability. This blend of youthful innovation and seasoned wisdom can be a powerful driver of progress.

Industry Pivoting Diversity

Leaders from non-automotive sectors such as technology, finance, or consumer goods can bring unique insights and strategies. These leaders can introduce best practices from their industries, fostering innovation and improving efficiency.

For example, a **Tech industry leader** might bring agile development methodologies to automotive manufacturing, accelerating product development cycles and improving quality.

Financial services leaders can provide insights into cost management, investment strategies, and financial planning.

Executives **from Retail & Consumer Goods** sector understand consumer behavior deeply and can apply customer-centric strategies to the automotive sector.

Known for stringent regulatory compliance and high stakes, leaders from **Healthcare industry** can bring a disciplined approach to quality and safety in automotive manufacturing.

BENEFITS OF DIVERSE LEADERSHIP

Enhanced Innovation and Problem-Solving

Diverse leadership teams bring a wide range of perspectives, which can lead to more creative solutions and innovative approaches. In an industry facing rapid technological changes, this diversity is invaluable. Leaders who can think outside the box and integrate insights from different fields are better equipped to navigate

Better Financial Performance

Companies with diverse leadership often outperform their less diverse counterparts financially. This is because diverse teams are more likely to understand and meet the needs of a diverse customer base, leading to higher customer satisfaction and loyalty. In the automotive industry, where consumer preferences are rapidly evolving, this capability is particularly important.

Improved Corporate Governance and Ethics

Diverse boards and leadership teams tend to have better corporate governance and higher ethical standards. This can help prevent scandals and build stronger, more resilient organizations. For example, promoting gender diversity has been linked to a reduction in unethical behavior and improved decision-making processes.

STRATEGIES FOR EFFECTIVE DIVERSITY RECRUITMENT in AUTOMOTIVE

To achieve greater diversity, companies must expand their search beyond traditional automotive candidates. This includes looking at leaders from tech companies, sustainability experts, and other industries that are at the forefront of innovation or provide skills useful to automotive industry as mentioned in the chapter above. By doing so, automotive companies can bring in fresh perspectives and new approaches to problem-solving.

Broaden the Candidate Pool

Creating a truly inclusive culture is essential for retaining diverse talent. This means implementing policies that promote work/life balance, offering flexible work arrangements, and ensuring that all employees have equal opportunities for advancement. Companies should also invest in mentorship and sponsorship programs to support the career development of underrepresented groups.

Foster an Inclusive Culture

Effective diversity recruitment requires ongoing measurement and accountability. Companies should set clear diversity goals and track their progress over time. This can include regular diversity audits, employee surveys, and transparent reporting on diversity metrics. By holding themselves accountable, companies can ensure that their diversity initiatives lead to meaningful change.

Measure and Track Progress

CONCLUSION

As the Automotive industry continues to transform, embracing diversity at the top levels will be crucial for staying competitive and meeting the demands of a changing market.

By sourcing leaders with diverse skills from these industries, the automotive sector can embrace innovation, sustainability, and enhanced customer experiences. This cross-industry approach will help automotive companies stay competitive and responsive to the rapidly evolving market landscape.

Broadening the candidate pool, fostering an inclusive culture, and measuring progress, companies can unlock the full potential of diverse leadership.

As executive search consultants, we are committed to helping automotive companies identify and cultivate the leaders who will drive the industry forward.



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