



ATTRACTING AND RETAINING TALENT IN THE AUTOMOTIVE INDUSTRY

**THE ROLE OF THE EMPLOYER BRAND AND
EMPLOYEE EXPERIENCE IN THE BATTLE FOR TALENT**

INTRODUCTION

IN THE AUTOMOTIVE INDUSTRY, THERE IS A FIERCE BATTLE FOR TALENT

A significant number of current employees are nearing retirement, the industry overall has an image problem, the variety of skills needed is broader than ever and competition is fierce from tech companies that have an inherent 'cool' factor. On top of that, the new generation of employees has different expectations, motivations and requirements from their employers.

Given the potential long-term consequences to talent attraction and retention in the automotive industry, Weber Shandwick and KRC Research investigated the employee-employer relationship among auto engineers in the United States by leveraging its survey on employee engagement implemented globally in 2017. The research, *The Employer Brand Credibility Gap: Bridging the Divide*, is based on the online responses of 1,902 full-time employees across 19 markets worldwide.



**COMPETITIVE COMPENSATION
AND BENEFITS ARE EXPECTED.
A COMPANY'S REPUTATION IN
THE MARKETPLACE AND AN
EMPLOYEE EXPERIENCE THAT'S
AUTHENTIC AND GENUINE IS
WHAT WILL DRIVE RECRUITMENT
AND RETENTION**



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Within the scope of this global study, KRC surveyed 213 U.S. auto engineers, which formed the basis of this supplemental report, *Attracting and Retaining Talent in the Automotive Industry*.

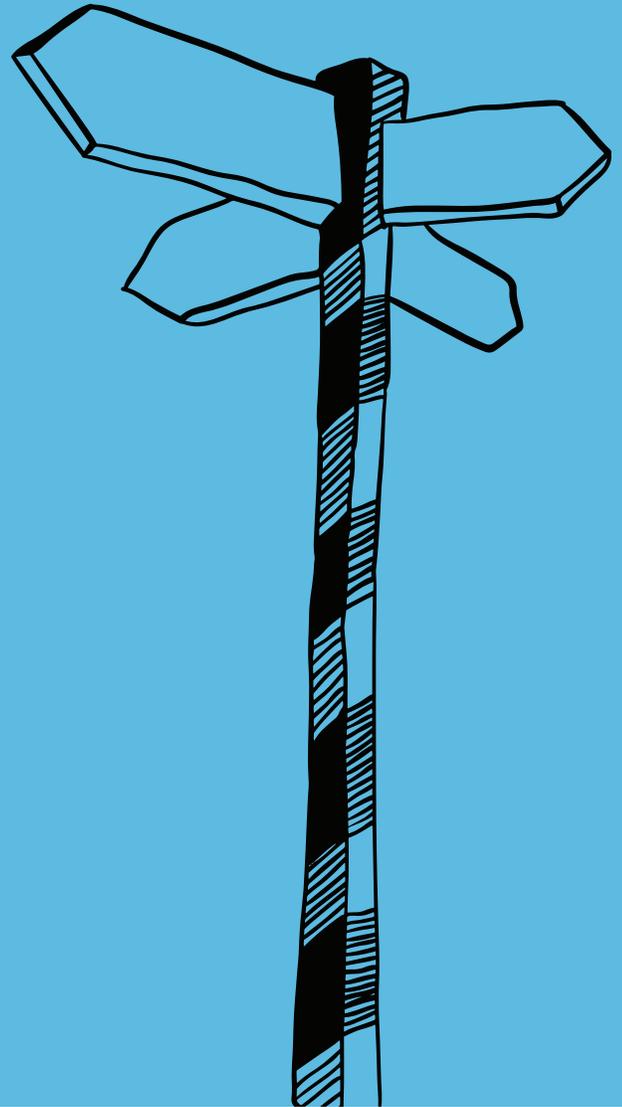
Our study explores the intersection between employer reputation and the employee experience. It challenges employers of automotive engineers to recognize that the tactics of the past need to be refreshed to reflect the experiences, expectations and values of an increasingly diverse employee base. It also confirms that employers that create best-in-class employer brands see numerous benefits including better recruitment, greater retention and increased productivity, which is necessary to win in the battle for talent. Finally, this study informs how to build and activate a successful employer brand.

AUTO INDUSTRY AT A TALENT CROSSROADS

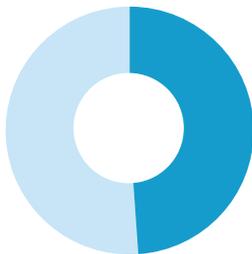
Automotive engineers have faced a rocky road since the global recession. They report several concerns about the industry including the transition to new ways of working (e.g. automation overtaking traditional jobs) (44 percent), the need to maintain work/life balance (38 percent) and competitive pressures from other companies (42 percent).

These factors underscore the need for automotive companies to develop an employer brand that addresses these concerns and demonstrate how their company is positioned to succeed against these threats.

“There is an arms race in the automotive industry as traditional automakers, services firms and technology companies compete, partner and develop strategies to address the future of mobility,” said Bullinger. “Engineers are faced with more employer options than ever before; therefore, it’s critical that OEMs focus on their employer brand to win the talent race too.”

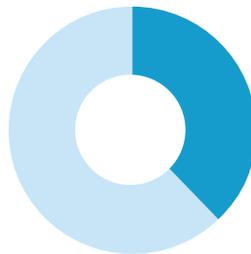


CONCERNS AMONG AUTOMOTIVE ENGINEERS



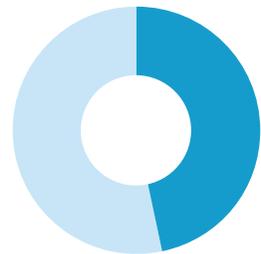
44%

are worried about the transition to new ways of working like automation



38%

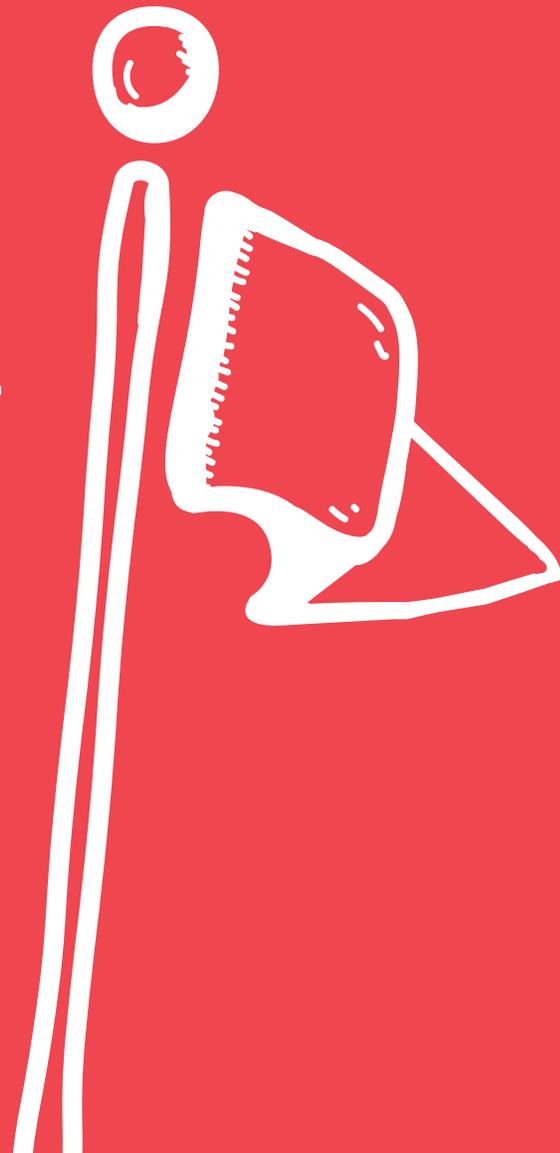
say they need to maintain a work/life balance



42%

cite competitive pressures from other companies as a threat

REPUTATIONAL RISKS IN AUTO INDUSTRY PARAMOUNT AMONG MILLENNIAL AND FEMALE ENGINEERS



ONLY
18%

OF FEMALE ENGINEERS SAY
THEY PLACE “A LOT” OF TRUST
IN THEIR ORGANIZATION’S
LEADERSHIP

Our survey reveals that only 33 percent of U.S. Millennial automotive engineers – those who range in age from 20 to 36 – perceive a strong match between how their employer portrays itself and what they experience as employees at their companies.

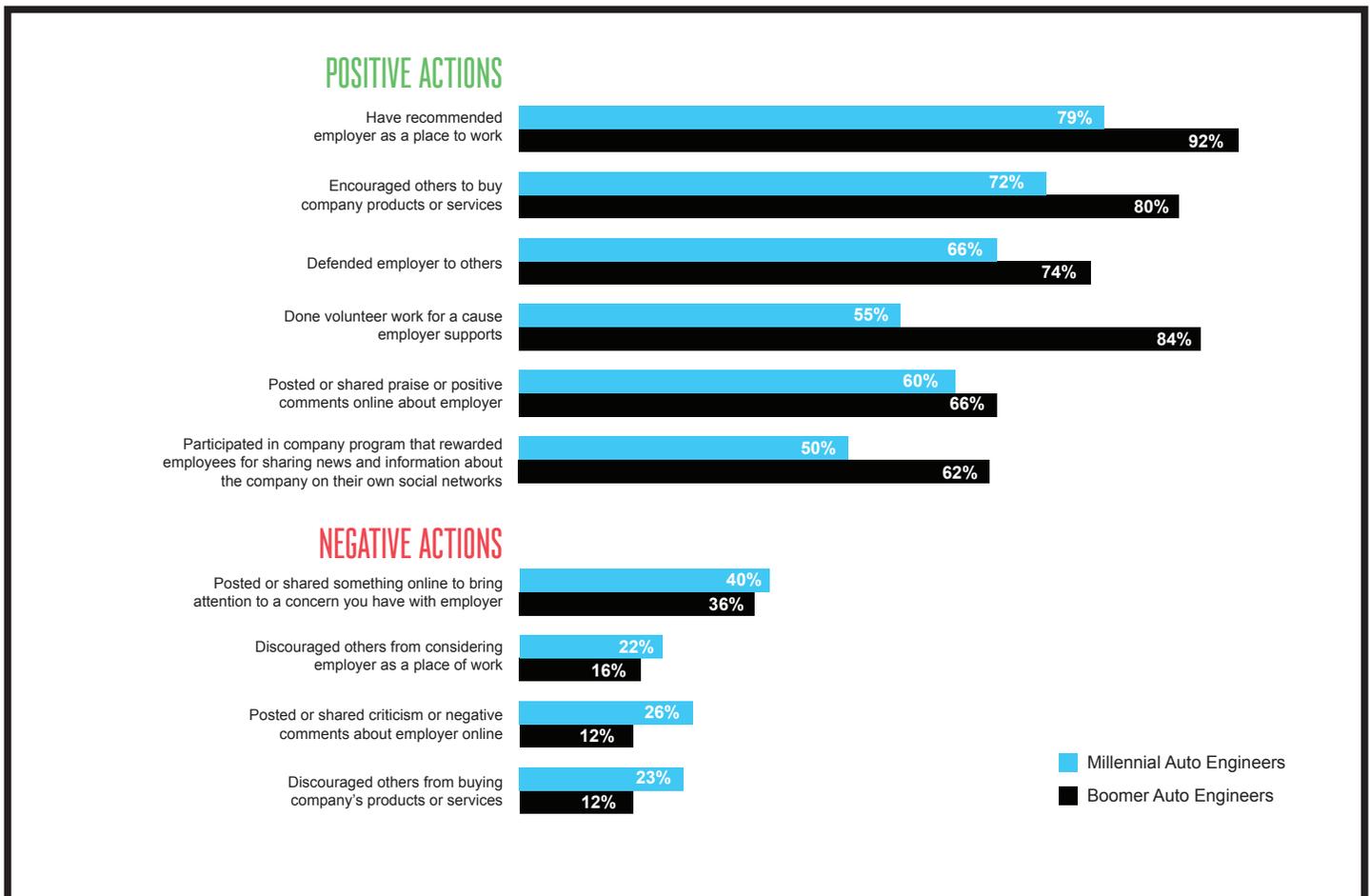
Only 18 percent of female engineers say they place “a lot” of trust in their organization’s leadership.

Both results highlight significant issues amid the rise of a changing pool of automotive talent. As these audiences increasingly represent the workforce, there is opportunity for companies and their leadership to create an authentic, trusted employer brand that will help drive recruitment, employee engagement and retention.

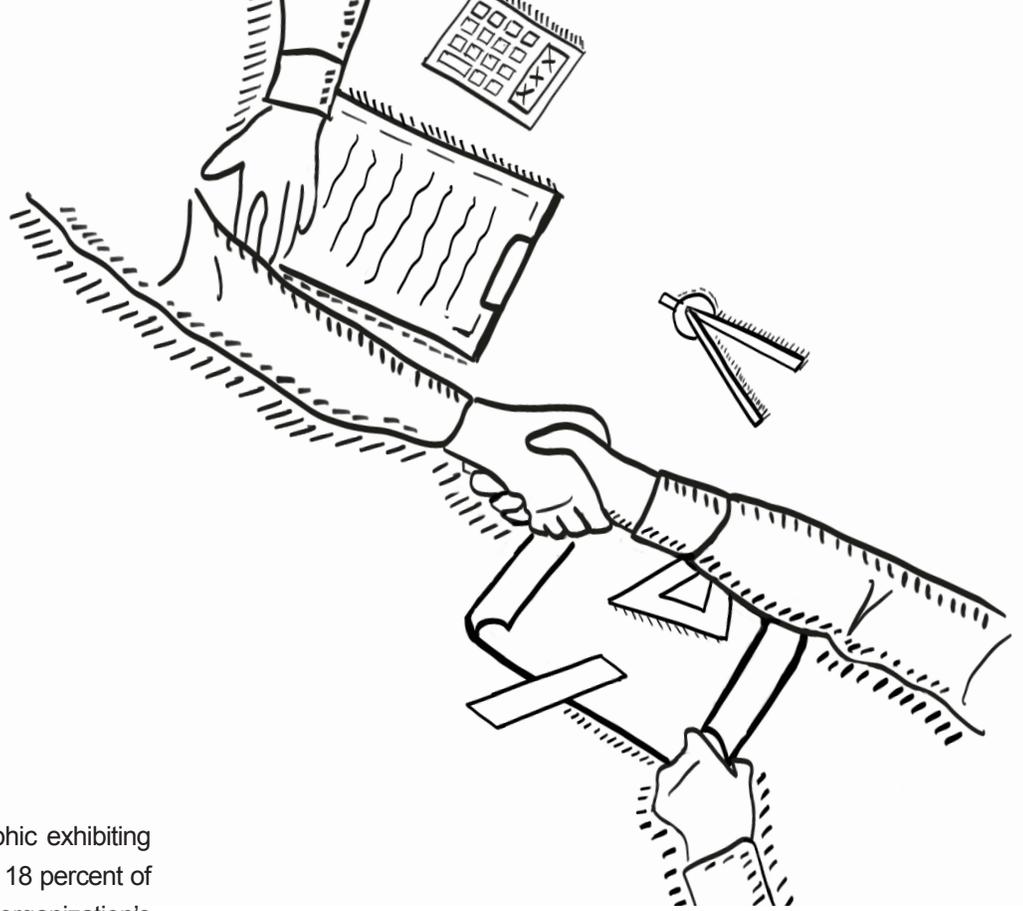
MILLENNIAL AUTO ENGINEERS AREN'T EMPLOYER ADVOCATES LIKE THEIR PREDECESSORS

Millennial automotive engineers are less likely than Baby Boomers (ages 53-65) to be advocates for their companies. Only 79 percent of Millennials have recommended their employer as a place to work, compared to 92 percent of Boomers, a significant difference. In fact, the only actions that Millennials are more likely than Boomers to take are negative ones: posting or sharing criticism about their employer online (26 vs. 12 percent, respectively), discouraging potential customers (23 vs. 12 percent), and discouraging potential job candidates from considering their employer (22 vs. 16 percent).

“ THE ONLY ACTIONS THAT MILLENNIALS ARE MORE LIKELY THAN BOOMERS TO TAKE ARE NEGATIVE ONES ”



TRUST SEVERELY LACKING AMONG FEMALE ENGINEERS



Millennials are not the only demographic exhibiting concerns about their companies. Only 18 percent of women surveyed say they trust their organization's leadership, which is in stark contrast to 37 percent of men. This alarming trust deficit signals a serious issue for an industry facing an intensifying war for talent, particularly in an era where diversity and inclusion are top-of-mind for leaders and their boards.

The leadership trust deficit experienced by female auto engineers may be attributed to some extent to communications from the top that do not effectively resonate for them. Women rate leadership communications less highly than men in a number of ways, with a significant difference on perceptions of transparency.

ATTITUDE TOWARDS LEADERSHIP COMMUNICATIONS

■ Male Engineers ■ Female Engineers



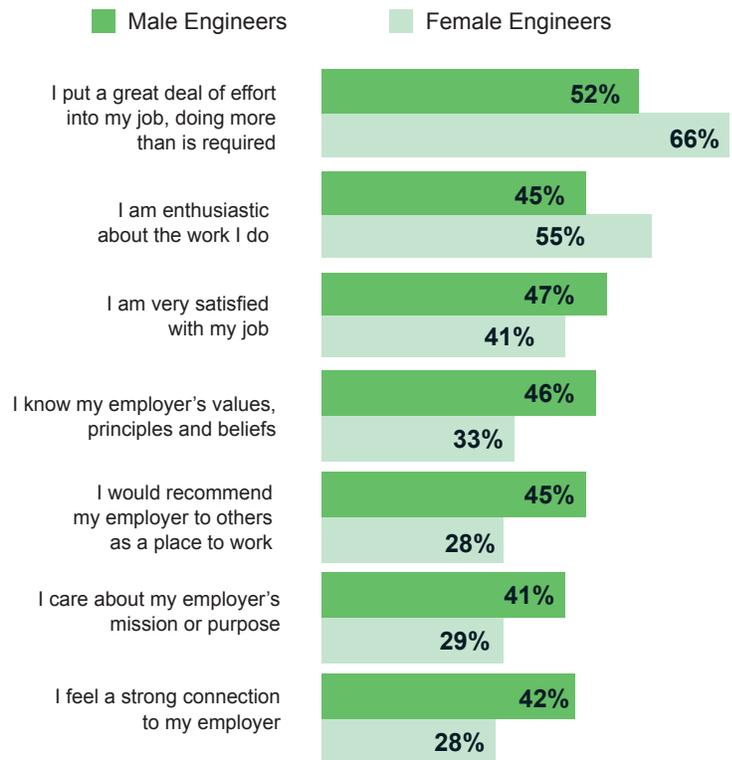
EMPLOYEE ENGAGEMENT MEANS SOMETHING DIFFERENT TO WOMEN



Female and male auto engineers have similar levels of employee engagement (46 percent vs. 43 percent, respectively), but they differ significantly on experiences that influence their overall engagement.

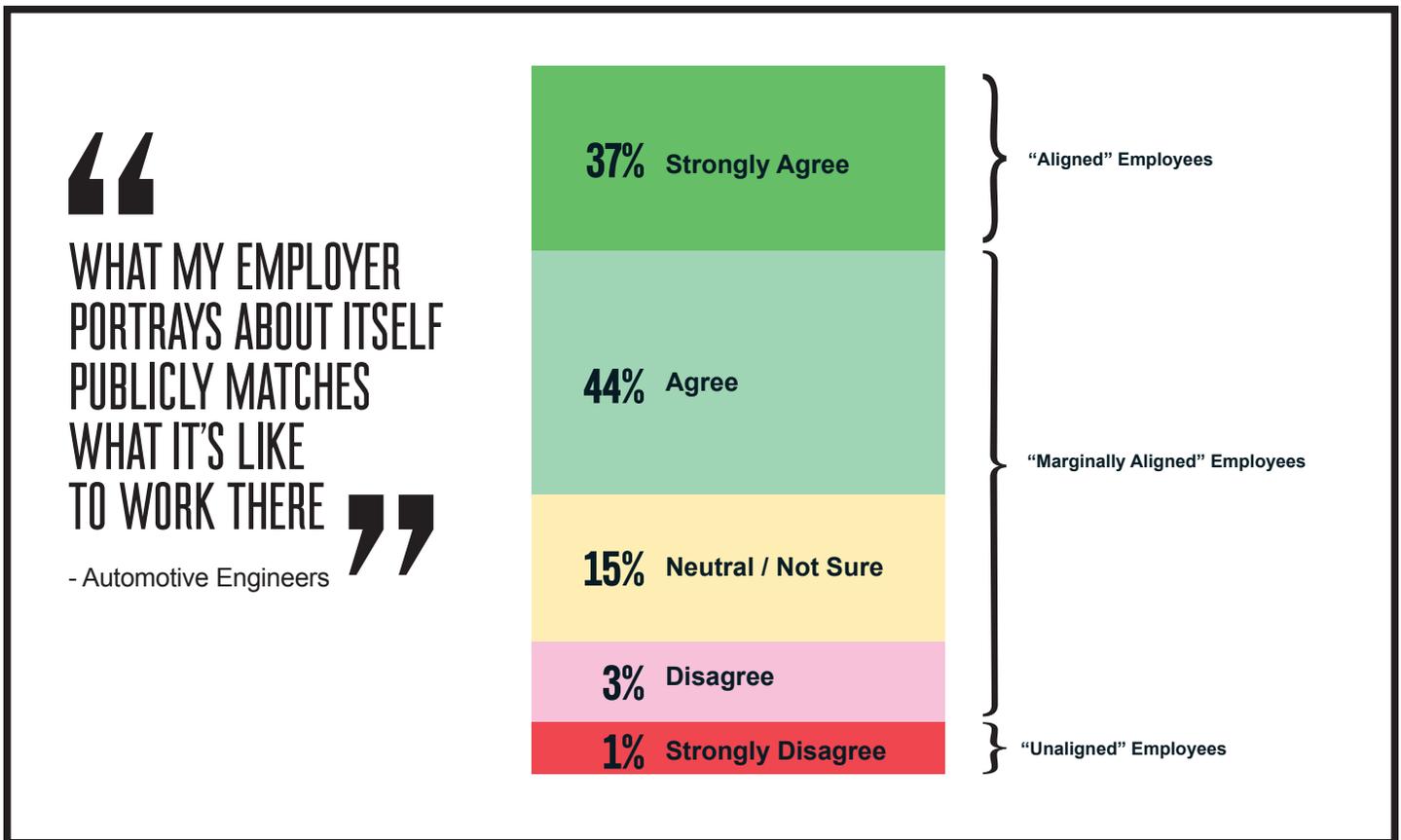
Perhaps most notably, two-thirds of women (66 percent) report they are putting in more effort than what is required to do their jobs, versus 52 percent of men. At the same time, women are less likely than their male colleagues to agree that they know their employer's values, principles and beliefs (33 percent vs. 46 percent, respectively), that they would recommend their employer as a place to work (28 percent vs. 45 percent) and that they feel a strong connection to their employer (28 percent vs. 42 percent).

EMPLOYEE ENGAGEMENT



SEIZING AN OPPORTUNITY IN THE AUTOMOTIVE INDUSTRY

Our study reveals negative perceptions among Millennial and female automotive engineers specifically, which could threaten the future pipeline of talent. Less than four in ten U.S. auto engineers overall (37 percent) report that what their employer portrays about itself publicly represents what it is really like to work there. We call this group “aligned employees” because their experience matches their employer’s brand. On a positive note, only one percent of all engineers surveyed strongly disagree that what their employer says about itself matches what it is like to work there. The largest segment falls in between. These are “marginally aligned” employees, and their employers and its leadership have the opportunity to change perceptions by better defining and living an employer brand that employees trust, ascribe to and promote.



ATTRACTING & RETAINING THE NEXT GENERATION OF AUTOMOTIVE TALENT

Our study indicates a talent shortage among automotive engineers, especially when looking at the Millennial demographic. We found that:

28% OF AUTO ENGINEERS HAVE BEEN IN THEIR CURRENT POSITIONS FOR LESS THAN FIVE YEARS (vs. 40% of total US employees)

34% OF AUTO ENGINEERS ARE MILLENNIALS (vs. 40% of total US employees, indicating that there is a Millennial auto engineer shortage)

Similarly, it is well known that females are underrepresented in the automotive industry. These facts underscore a need to diversify the talent pool and add new voices to drive opportunities for growth. This begins with building a credible and authentic employer brand—and then ensuring corporate leadership is prepared to execute on that promise. It also means the way in which auto industry leaders communicate to engineers should be tailored to different subsets of employees.



BEST PRACTICES

Best practices for development of a credible employer brand are gleaned from Weber Shandwick's comprehensive study of more than 1,902 employed adults. This research compares employees at organizations with well-aligned employer brands to the average global organization and finds that those with aligned employees:

- 1** LEAD WITH PURPOSE AND VALUES, BOTH INTERNALLY AND EXTERNALLY
- 2** ESTABLISH STRONG LEADERSHIP BASED ON CREDIBILITY AND TRUST
- 3** ENSURE EMPLOYEES KNOW THE ORGANIZATION'S VALUES AND GOALS THROUGH EFFECTIVE INTERNAL COMMUNICATIONS



THE VALUE OF A STRONG EMPLOYER BRAND

As outside pressures threaten long established organizations such as those in the automotive industry, it is imperative for today's companies to develop a credible employer brand built on an authentic narrative embodying the actual experience of its employees. This manifests in myriad ways, from how leadership represents the organization to career pathing, training opportunities and offering the ability to grow both professionally and personally.

Organizations reap the following when there is alignment between employer brand and employee experience:

BETTER RECRUITMENT

Auto engineers in aligned organizations are more likely than auto engineers overall to recommend their employer as a place to work (59 percent vs. 43 percent, respectively).

GREATER RETENTION

Auto engineers in aligned organizations are more likely than auto engineers overall to be very likely to continue to work for their employer over the next year (93 percent vs. 78 percent).

INCREASED PRODUCTIVITY

Auto engineers in aligned organizations are more likely than auto engineers overall to put more effort into their job than is required (65 percent vs. 54 percent).



CREATING A TRUSTED EMPLOYER BRAND

The employer brand is a company's identity in the talent marketplace. It is made up of what it says about itself and what others say about it. To be effective, it is grounded in the actual employee experience the company delivers, including quality of life, work experience, company practices, compensation, professional development and recognition opportunities.

When working with clients, Weber Shandwick recommends first discovering how an employer is viewed within the marketplace and then defining what it wants to be known for and how it will be differentiated from competitors.

Next, organizations should draft their employer brand narrative and test for resonance to identify misalignment.

From there, a company can incorporate all feedback and finalize its employer brand before deployment.

"Our study reveals there is a significant gap in the expectations of automotive engineers and the reality of their everyday working life. These disconnects are underscored when considering Millennial and female engineers, who will be crucial to the future success of the industry," said Janet Tabor, Executive Vice President, Weber Shandwick. "It is important that automotive employers not only consider their communications to external and internal audiences, but exude that culture through sustained, deliberate actions that employees experience at every point in their career journey."



IT IS IMPORTANT THAT AUTOMOTIVE EMPLOYERS NOT ONLY CONSIDER THEIR COMMUNICATIONS TO EXTERNAL AND INTERNAL AUDIENCES, BUT EXUDE THAT CULTURE THROUGH SUSTAINED, DELIBERATE ACTIONS THAT EMPLOYEES EXPERIENCE AT EVERY POINT IN THEIR CAREER JOURNEY

- JANET TABOR
Executive Vice President



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