



**NEXT GENERATION
AUTOMOTIVE LEADERSHIP
TIME FOR A MODEL CHANGE**

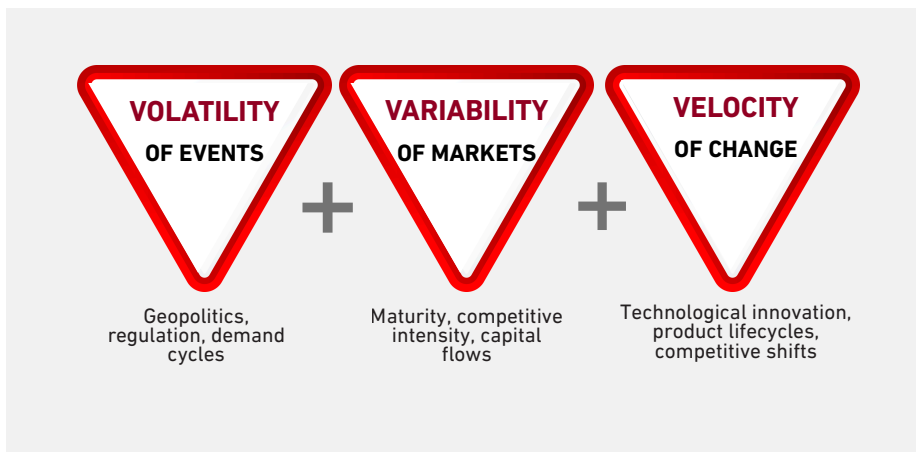
Introduction

After more than a century of largely evolutionary change, the automotive industry is now deep into a period of revolutionary disruption. A decade ago, industry leaders were already signalling that tighter regulation, shifting consumer expectations, new technologies, and unfamiliar competitors were beginning to redefine the sector's foundations. At that time, senior executives across the industry described volatility as "the new normal" and warned that leadership models built for stability would struggle in a world of accelerating complexity. One global industry CEO famously remarked that "the problem with our industry right now is that we have too many managers and not enough leaders."

More than a decade later, those early signals have intensified, the rate of change has

accelerated, but with relatively few exceptions, the attraction, development and retention of high-performance industry leaders has not kept pace. The headwinds confronting the industry — geopolitical instability, faltering electrification uptake, regulatory intervention, aggressive new market players, capital intensity, and accelerating technology change — are no longer discrete challenges to be managed sequentially.

They interact with one another, amplifying risk and compressing decision timeframes. Moreover, what was once perceived as episodic disruption has become the permanent operating environment, characterised by the Three Vs: Volatility of Events, Variability of Markets, and Velocity of Change.



Research & Methodology

We asked over 200 senior global executives from across the automotive value chain to evaluate the key challenges facing industry leaders in an increasingly disruptive future, and the consequences for organisational structure, leadership team composition, and succession planning.

Together, these perspectives reinforce a clear and concerning picture. While many organisations believe they have credible strategic intent, far fewer are confident in their leadership depth, succession readiness, or talent systems. As one senior executive observed, “we are much more confident about where the business is going than about whether we have the leaders to get us there.”

The survey evidence shows this gap repeating across strategy execution, talent systems, and executive committee composition — establishing leadership capability as a primary constraint on performance.

“Leadership teams in automotive have been very stable for a long time — arguably too stable, and too insular.”

“The companies that manage the right balance of flexibility and execution will be the ones that win.”

METHODOLOGY

218 senior global industry executives contributed to Savannah Group’s Next Generation Automotive Leadership Report, representing North American, European, and Asian OEMs, Tier 1 suppliers, dealer groups, financial services providers and industry service partners.

The majority completed a confidential online survey focused on significant current and future industry leadership challenges, whilst a representative cross-section of global Chairs, CEOs and CHROs were interviewed in depth for their qualitative perspectives.

The survey and interviews were conducted between March and May 2026.

Study Findings

POWERFUL FORCES: THE INDUSTRY CONTEXT DRIVING LEADERSHIP CHANGE

Senior automotive leaders describe an industry that has moved decisively beyond cycles of disruption into a permanent state of instability and change. Electrification, regulation, geopolitics, protectionism, and accelerating technology change now collide in ways that compress decision horizons and amplify execution risk.

“Every year we say it’s getting harder. The challenges are different and there are no more cycles. This is a constant state now — you don’t get a period where things calm down again.”

This shift has fundamentally weakened many of the planning and leadership assumptions on which the industry has historically relied. Long-range strategies, once built on relatively stable regulatory frameworks, supply chains and demand forecasts, now struggle to survive sustained policy intervention.

One luxury brand Chief People Officer captured this reality: “We cannot rely anymore on the stability we have been used to — making a five-year plan and then just executing it. That world has gone.”

Another OEM Board member reinforced the same dynamic from a different angle, noting that “strategies used to be three or four years. Now they tend to be twelve to eighteen months. The world is changing exponentially.”

Regulation and geopolitics were repeatedly cited as dominant forces shaping outcomes. Executives described a growing inversion of the traditional market logic, with government policy increasingly driving investment decisions ahead of customer demand. The CEO of a major vehicle leasing company observed that “government policy is almost becoming geopolitical rather than demand-led,” fundamentally altering where capital is deployed and how risk is assessed. Others were equally explicit about the destabilising effect of regulatory volatility.

“The wildest regulators in the world are going back and forth to the point where major change can happen from one day to another — uncertainty is poison for the business.”

Trade fragmentation and protectionism further compound this uncertainty. Several leaders warned that tariffs and localisation requirements can abruptly invalidate long-held assumptions, undermining scale economics and platform strategies.



One OEM Board chair highlighted how these dynamics intersect with technology shifts, observing that “the push towards EVs opened the door for the Chinese manufacturers to take first-mover advantage,” while also noting that tariffs and trade policy can “blow planning assumptions apart overnight.”

“Leadership today is about judgment and sequencing decisions, not control.”

Taken together, these forces have reshaped not just industry economics but the very nature of leadership itself. In this environment, leaders consistently rejected the idea that success comes from superior prediction or detailed long-term planning. Instead, adaptability has become the primary source of advantage. As the same Board chair framed it, invoking Darwin, “it’s not about who’s strongest — it’s about who adapts more quickly.” The implication is clear: leadership effectiveness is no longer anchored in certainty, but in the capacity to steer organisations through sustained uncertainty without eroding trust, coherence, or performance.

TALENT STRATEGY: THE GAP BETWEEN STRATEGIC INTENT AND SUCCESSFUL EXECUTION

As the external environment becomes more challenging and uncertain, and the pace of disruptive change accelerates, every organisation requires a talent strategy that clearly articulates the skills and experience demanded of its future leaders, together with a roadmap for how it will develop or acquire that talent. Such a strategy must be anchored in the future context of the business, aligned with its strategic objectives, and consistent with its culture.

Against that backdrop, it is significant that one-third of global executives surveyed rated their own company’s long-term business strategy as below average or non-existent. More troubling still, 52% believe their company either has no coherent talent strategy, or one that does not support the strategic direction of the business. Only 27% believe their company has a clearly defined talent strategy aligned to business objectives.

Figure 1: In addressing fundamental industry challenges, how do you rate your own company’s long-term business strategy?

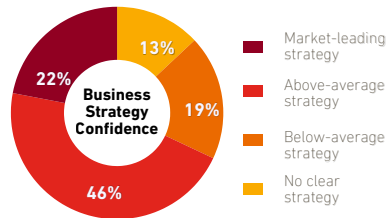
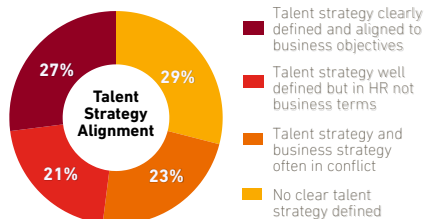


Figure 2: How well aligned is your company’s talent strategy to your business strategy?



A widening structural gap has emerged between strategic intent and leadership readiness — one that often remains hidden until organisations are under pressure. A consistent theme amongst those interviewed was that in many cases talent strategy remains anchored in legacy assumptions about leadership. A Board member with significant prior industry executive experience argued that “skills that were required in the past are no longer necessary. And where new skill sets are needed, sometimes it’s not about developing people — it’s about changing the team.” This reflects a broader recognition that incremental development approaches are increasingly ineffective when the operating context has fundamentally changed and that whilst succession pipelines look stable on paper, they have often not been configured or tested for sustained disruption.

“You can’t possibly be an expert in every discipline. What matters is being inquisitive, learning fast, and knowing when to listen to others.”

Where organisations appear better positioned, talent strategy is treated as a core executional discipline rather than just an HR process. Performance objectives are clearly aligned to strategy, leadership depth is viewed as a form of risk mitigation, and reliance on individual heroics is deliberately reduced. As one former CEO put it, “these days you are better off with an average strategy and great execution than a great strategy and mediocre execution.”

A high-performance brand CEO reinforced this point, noting that while the automotive sector has historically been good at growing functional leaders, it now needs “to integrate future leadership talent with different skills & experience if it wants a step-change in capability rather than incremental improvement.”

Other CEOs emphasised that addressing this gap requires disciplined, sometimes uncomfortable decisions, with one stressing the need to “constantly change and adapt your team in a wholly rational and dispassionate way,” whilst another observed that leadership capability must evolve as strategy evolves, so that “you have to build a team whilst recognising that the attributes required of that team will change over time.”

FUTURE LEADERSHIP REQUIREMENTS: DIVERSITY, AGILITY, INNOVATION AND RESILIENCE

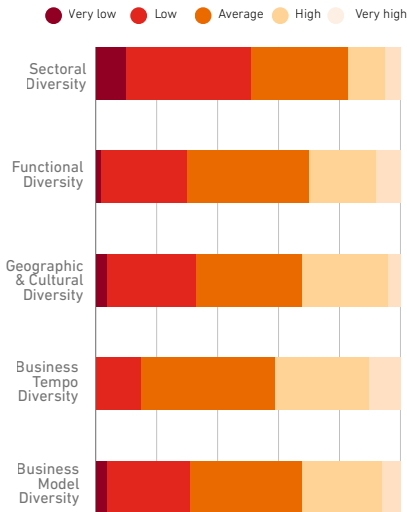
An inevitable consequence of industry volatility and accelerating rates of change is that leaders, both individually and collectively, are having to deal with new and unprecedented challenges for which there is no playbook. In those circumstances, the best-equipped leaders are those with a diverse set of skills and a breadth of knowledge gained through wide and varied experience.

“The best leaders have had multiple experiences, including multiple failures...and learned from them all.”

Different companies, sectors, functions and geographies all add to the mix, enhancing a CEO's ability 'to know what to do when you don't know what to do'. Through an ability to draw on multiple reference points and combine them into a strong solution to a novel business challenge, leaders can develop a more effective strategy and execute with greater confidence. The same applies to their leadership teams. The greater diversity of knowledge and experience surrounding CEOs, the richer the insight they can draw on to deal with unprecedented challenges.

However, our survey highlighted relatively low levels of career diversity in many executive leadership teams. In only 7% of cases have all members worked in at least one industry other than automotive. Just 9% of C-suites contain leaders who all have experience of more than one function, and when it comes to a career background that includes working in at least two geographical regions, only 6% reach that threshold.

Figure 3: How would you assess the diversity of your executive leadership team?



The CEO of a relatively new global market player was direct: "fresh thinking is required — the industry has prized deep sector knowledge for too long."

In addition to diversity of knowledge and experience, a key set of professional attributes and personal leadership qualities emerged from the research to define the future leadership skillset required to deal effectively with the challenges the industry increasingly faces.

Figure 4: Most important professional attributes of future industry leaders - relative ranking



Strategic agility stands out decisively as the most critical professional capability, signalling that leadership today is defined less by mastery of known playbooks and more by the ability to set direction in unfamiliar terrain. Commercial judgement follows closely behind, reinforcing the view that making sound trade-offs in situations of uncertainty now outweighs operational optimisation or technical depth.

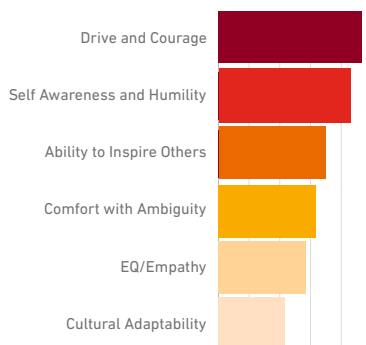
“Speed of decision making has become a leadership differentiator in its own right.”

Decision-making with incomplete information surfaced repeatedly as a defining requirement. One CEO described this change succinctly: “The biggest shift is the ability to decide with incomplete information — to operate under ambiguity but not be paralysed by it.” Another reinforced the same point from an execution perspective, warning that “you have to make decisions today, not wait for clarity in three months. Waiting is often the biggest risk.” The prominence of strategic agility and commercial acumen in the list of important leadership attributes underscores this sentiment: leaders are being valued first and foremost for judgement and decisiveness, not for certainty.

“Waiting for certainty is often more dangerous than acting with imperfect information.”

When it comes to personal qualities, the ability to lead through empathy and inspiration is far more effective than the traditional command and control style, which is increasingly ineffective in a complex industry of group structures, joint ventures and partnerships. An established OEM Chief People Officer emphasised that future leaders must increasingly act as “connectors — between technology, people, and strategy,” with global exposure now a “hygiene factor rather than a differentiator.” Whilst clearly important, international experience alone is not enough. It must be matched with a high degree of cultural adaptability and the dexterity to work effectively across diverse international teams.

Most important personal qualities of future industry leaders - relative ranking



A luxury brand CEO observed that curiosity and humility can unlock potential, characterising the best leaders as “sponges with growth mindsets,” in contrast to those who believe they already know the answers, adding that “vulnerability matters — if you don’t know, say you don’t know.” This perspective is echoed in the importance placed on attributes such as self-awareness and humility, which rank nearly as highly as drive and courage. Together, these capabilities reflect leaders who combine conviction with reflection — confident enough to act, yet open enough to learn.

Furthermore, in an environment of systemic complexity, leadership effectiveness is increasingly collective. Another echoed this sentiment, noting that “my job is not to solve every problem myself — it’s to build the right team around me.” In a rapidly changing industry environment, no CEO can have all the answers. The imperative is to assemble the right mix of skills and experience, and to be disciplined enough to ask the right questions of the people who hold them.

Together, these perspectives reinforce a central conclusion: in an industry with no stable end-state and accelerating disruption, sustainable advantage will belong to those organisations with the most experientially diverse, agile and resilient leadership teams that work collectively, and to those that continue to develop and evolve leadership capability to deal effectively with a rapidly changing future.

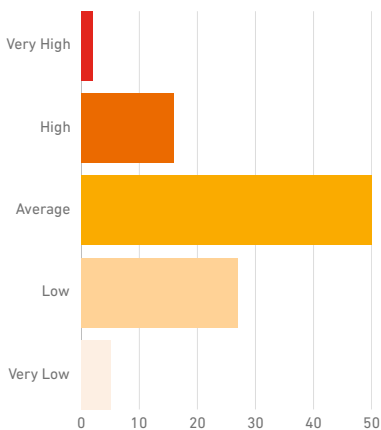
“Leadership is a team sport these days. Getting the most out of your team matters far more than being the most visionary individual yourself.”

ASSESSING AND DEVELOPING FUTURE LEADERSHIP CAPABILITY

As disruption accelerates and leadership demands intensify, the automotive industry appears poorly prepared to develop its next generation of leaders. Only 18% of survey respondents rated their own company’s leadership talent pipeline as ‘above average’ in terms of succession readiness.

As one CEO noted, “you don’t discover whether your leadership bench is deep enough until the pressure is really on — and by then the decisions are concentrated at the top.” In practice, this means leadership risk accumulates quietly beneath the surface, only becoming visible when decision-making must accelerate and be distributed.

Figure 6: How strong is your current leadership talent pipeline in terms of succession readiness?

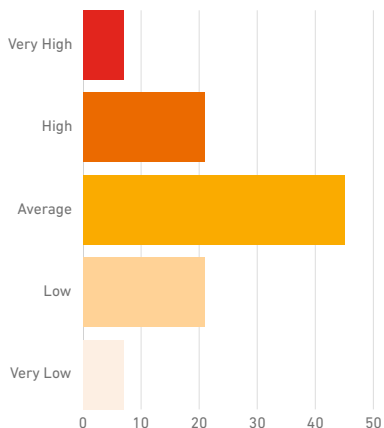


Several interviewees emphasised that this gap is often underestimated until volatility exposes it.

Critically, the challenge is not simply one of talent availability, but of capability fit. Several interviewees noted that the industry continues to develop highly capable functional leaders, yet struggles to produce executives with the breadth, judgement, and learning agility required to operate across complex, interconnected systems. As one Board chair put it, “gone are the days when experience alone gave you the answer — curiosity and the ability to look outside matter far more now.”

“Comfort with ambiguity drives everything now. Without it, you simply can’t lead in this environment.”

Figure 7: What is your confidence level that your company can accurately identify and develop internal, high-potential, next generation leadership talent?



When it comes to the identification and development of high potential future leadership talent, the picture is similarly challenging, with over 70% of survey respondents rating their company as ‘average or below.’

This mirrors interview feedback closely. Several Chief People Officers emphasised that leadership potential continues to be inferred to be heavily from past performance, tenure, or linear progression rather than evaluated in terms of potential and in the context of future business needs.

Taken together, these findings point to a systemic challenge. Whilst succession processes exist, many were designed for times when the rate of business change was more predictable and linear. Interviewees repeatedly

highlighted breadth of experience as critical to closing this gap. Exposure to cross-functional roles, unfamiliar business models, and situations involving real consequence was consistently cited as essential to developing leadership judgement.

“My role was never really to make cars — it was to make people. That’s even more true now.”

The implication is clear. Improving succession readiness will require more than incremental refinement of existing development programmes. It demands more rigorous assessment of potential, deliberate exposure to complexity, and a shift from evaluating past performance to assessing future potential, with an emphasis on how executives learn and adapt.

“What worked in the past is often of diminishing value in the future — every day is a reinvention.”

Conclusion

The evidence assembled in this report points to a conclusion that is both familiar and newly urgent. Long before the current phase of disruption reached its present intensity, senior leaders across the automotive industry were already warning that volatility, complexity, and accelerating change would redefine what effective leadership looked like. At that time, the challenge was framed as one of adaptation within an industry that still retained a degree of structural coherence. What distinguishes the current moment is that adaptation itself has become continuous. The forces reshaping the industry — geopolitics, regulation, technology, capital intensity, and shifting consumer behaviour — now evolve faster than traditional planning and development cycles can absorb.

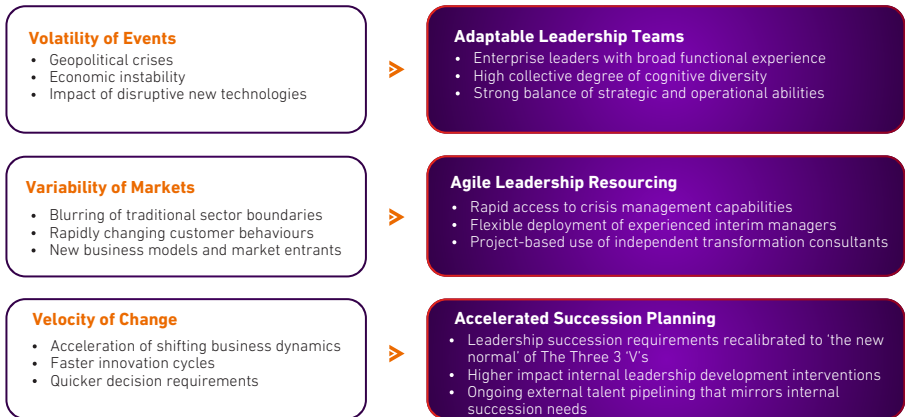
The central leadership question has consequently shifted. For boards, executive teams, and senior leaders more broadly, the issue is no longer simply what strategy to pursue, but whether organisations have the leadership capability required to execute strategy under sustained uncertainty. Belief in strategic intent remains relatively high for many across the industry, yet confidence in leadership capability, succession readiness, and depth of experience lags materially behind.

This is not an episodic shortfall caused by a single transition, but a structural gap. Organisations are increasingly being asked to deliver transformational outcomes with leadership models designed for a slower, more predictable era.

Leadership risk has become systemic. It is no longer confined to the top of the organisation, nor can it be mitigated through individual appointments or incremental development alone. Thin leadership benches, limited diversity of experience, and low confidence in identifying future-ready leaders collectively constrain organisational resilience at precisely the point when resilience matters most.

This has important implications for how leadership is understood and governed. Traditional approaches that emphasise tenure, continuity, and linear progression provided stability in the past, but now risk reinforcing fragility. In contrast, organisations that are better positioned for the environment ahead are those that treat leadership capability as a dynamic ecosystem of adaptable leadership teams, combined with an agile approach to leadership resourcing and an accelerated approach to succession planning.

The Leadership Resilience Framework



Moving from traditional leadership structures to a flexible leadership framework entails a substantive shift. It requires organisations to look beyond programmes and high-potential pools, and instead address how leaders are identified, assessed, deployed, and rotated across the enterprise. It also demands greater openness to external experience, non-traditional career paths, and exposure to different business models, technologies, and operating contexts.

For boards, executive teams, and senior leaders, the question is no longer whether disruption will continue, but whether their organisations have the leadership resilience and agility to deal with it effectively. In the future, business advantage will belong to those organisations that can adapt their leadership capability faster than disruption erodes it — not as a single restructuring exercise, but continuously over time.

FIVE KEY QUESTIONS FOR EVERY ORGANISATION TO CONSIDER

- * Is our talent and succession strategy clearly aligned to our business strategy, and do we fully understand how leadership capability drives commercial success - now and in the future?
- * How agile and future-ready are our current leadership team and succession pipeline in the context of increasing complexity, rapid industry change, and evolving strategic priorities?
- * Do we have a robust, data-driven approach to identifying future leadership potential, with experience profiles and capability requirements that reflect our long-term needs?
- * How effectively do we identify, develop, and differentiate high-potential and next generation leaders - building agility, innovation, smart risk-taking, and cross-functional capability at scale?
- * How 'future-proof' is our ability to attract, integrate, and deploy talent - both internal and external - through a single, flexible succession and development ecosystem that delivers growth, even in static markets?

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About Savannah Group

Savannah Group is a global executive search and leadership advisory firm. We help organisations diagnose leadership needs, design tailored talent strategies, and deliver high-impact results through executive search, interim management, and talent intelligence. Our next generation approach combines deep expertise with data, insight, and pace, powered by MapX, our proprietary AI-enabled leadership analytics platform.

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