



INSIGHT REPORT

SKODA

AUTOMOTIVE SECTOR

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What is the biggest challenge the automotive sector is facing in the V4 at the moment?

Political trends and the system of support for alternative-fuel vehicles are changing very rapidly. Moreover, it is increasingly difficult to predict future customer behavior. In the past, we were able to plan ten years ahead with a high degree of accuracy, but that is no longer possible today.

Currently, the transition to electromobility is associated with major costs, as we must develop and market new electric models while continuing to manage combustion-engine technology. This means developing two types of drivetrains simultaneously, even as production plants are already being converted to electric vehicles. At the same time, the growth trajectory of the electric-car market is still not fully stable or predictable.

There is a strong push for greater efficiency, yet cost pressures remain high. Vehicles are becoming more expensive due to rising input, material, and energy costs, as well as stricter emission standards and safety requirements. Customers are often unwilling to absorb these price increases. At the European level, uncertainty persists regarding CO₂ legislation, Euro 7, and several other regulatory frameworks. It is becoming increasingly clear that the transition to electric mobility will not be as smooth or straightforward as originally expected. [2]

What helps the V4 region remain attractive for FDI in the sector? How do you see the landscape changing? What's the one thing that needs to be fixed to stay in the race?

Trends in the automotive industry closely mirror global economic developments. We expect competition in international automotive markets to intensify further. Crisis-related disruptions to global supply chains—and their impact on vehicle availability—may continue to limit the number of new registrations. In addition, sudden or escalating geopolitical tensions and conflicts could drive up material prices and reduce energy availability. In this context, within the Czech Republic, the biggest and most persistent challenge remains high energy prices. Meanwhile, red tape and excessive regulation are among the most significant factors causing disruptions at the European level. [1,2]

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Škoda has been experiencing an increase in production and a scale-up in international cooperation. However, due to cost pressures in energy, materials, and labour, there has been a reduction in the labour force in the Czech Republic. How do you balance efficiency with ongoing shortages of qualified labour in the region? Retaining talent in a tight labour market is extremely challenging. What tools is Škoda using to achieve this? Apprentices constitute 2% of your workforce. How critical are such programs for a company like yours?

The availability of skilled labour has long been a challenge in Czechia. Škoda Auto is actively addressing this issue internally. We operate our own apprenticeship programme, secondary school, and university. We invest heavily in education and retraining, and we also have a longstanding tradition of cooperation with universities.

Apprentices, high-school students, and university students all have the opportunity to work at the company and complete internships. Our schools are closely connected with Škoda Auto's management, which ensures that the curriculum aligns with the skills and knowledge we need. This is a major issue elsewhere in the education system, where programmes often focus on subjects that are not required in practice—or teach what was needed yesterday instead of what will be needed tomorrow.

From the perspective of the broader economy, it is also essential to support the import of skilled labour and simplify the entire process. We are additionally advocating for stronger support for applied research and development. [2]

In a fast-moving environment—especially with EVs and automation—how are companies addressing the skills gap within their operations and among supply-chain partners? Is re-skilling happening fast enough to keep up with industry transformation? And strategically, with the transition to electric vehicles, is it changing the types of people you hire?

Škoda Auto is undergoing a gradual transformation toward e-mobility and digitisation. To manage this transition successfully, we are creating conditions that help employees upskill and prepare for the future requirements of the automotive industry. Škoda Auto has long been a strong advocate of vocational training. Our own vocational school dates back to 1927, and almost 800 young people are currently training across 15 specialisations, including more than 120 girls. The Škoda Academy further supports professional development and qualification upgrades, particularly in connection with electromobility. More than 28,000 people have been trained in this area to date.

The company also established the first private university in the Czech Republic to receive institutional accreditation, back in 2004. Škoda Auto University offers unique bachelor's and master's programmes, as well as an online MBA in English tailored to the needs and long-term prospects of early-career talent.

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By linking secondary education with the professional development of its employees, the Škoda Academy supports the Czech Republic's national lifelong-learning strategy, developed in cooperation with the National Institute of Vocational Education and approved by the Government of the Czech Republic in 2007.

For the past 11 years, the Škoda Academy has been actively engaged in transformation-related topics and training, carrying out conceptual and methodological activities and offering comprehensive education to all employees and students of the Škoda Auto vocational school in Mladá Boleslav. In March 2024, the company ceremonially opened a renovated space in its education centre dedicated to teaching electromobility and digitisation skills. The modernised premises strengthen practical capabilities, including working with technologies for fully electric and hybrid vehicles from the Škoda portfolio. For safety reasons, there are also separate rooms for teaching and traction-battery diagnostics. Additional space has been allocated for displaying components used in electric vehicles, supporting visual instruction. The Škoda Academy also continues to expand its use of the Degreed education platform, which provides tools and content for retraining, deepening expertise, and personal development.

Support for education at Škoda Auto goes far beyond training its own employees. The company is committed to strengthening the wider education system. To this end, it works intensively with the Škoda Auto Endowment Fund and supports schools at all levels, public-benefit organisations, providers of non-formal education, and other partners. Through these efforts and new partnerships, Škoda Auto aims to improve the quality of education in the regions where it operates, encourage innovation, and promote technical and IT specialisations. The number of schools with which the company collaborates increased significantly in 2024. In addition to supporting 52 primary schools, Škoda Auto worked with 10 kindergartens, 44 secondary schools, and 20 universities. It offers institutions a range of unique projects that develop professional, social, and pedagogical leadership skills among teachers, pupils, and students.

The non-profit educational institute 42 Prague—focused on lifelong IT learning and soft-skills development—is among the key educational initiatives the company supports. This unique programme not only enhances digital literacy but also helps future IT professionals build essential soft skills. For more information, see IT and Digitisation. [1]

Talent poaching across Europe and the V4 is becoming a growing challenge. What keeps you competitive?

In 2024, the company updated its People and Culture Programme to reduce complexity and maintain agility through the annual Top 10 Programme. This approach allows Škoda Auto to uphold its long-term strategic vision while also prioritising current needs and ensuring alignment with group-wide activities.

Employees remain one of the company's highest priorities. Škoda Auto values their work and strives to create the best possible conditions for them—both professionally and personally—through a comprehensive package of benefits. These include the Škoda Benefits Cafeteria, the MultiSport card, contributions to supplementary pension schemes, meal allowances in company catering facilities, long-service awards, contributions for recreational or rehabilitation holidays, interest-free loans for housing or the purchase of a Škoda vehicle, and preventive health programmes. The company also offers agency workers a range of attractive benefits, such as special prices on cars and accessories or access to selected training courses.

Corporate culture is a key driver of competitiveness at Škoda Auto. It influences individual and team performance as well as overall business results. Strengthening this culture helps the company foster an environment in which people enjoy working, feel motivated, and take pride in their roles.

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The company implements targeted, skill-based recruitment strategies to attract digital talent with relevant automotive expertise, while simultaneously enhancing the employee experience for technical specialists and digital professionals at Škoda. The ExploreEDU initiative aims to reverse the declining interest in technical fields, attract skilled talent, and engage them in the company's activities.

Škoda Auto also offers a high degree of flexibility. Teleworking—also known as mobile work—is now an established and widely used form of employment within the company. Nearly ten thousand employees made use of this option in 2024.

As a result, according to a survey conducted by the HR consultancy Randstad, Škoda Auto was once again recognized in 2024 as the most attractive employer in the Czech automotive industry. In addition, the company ranked second in the Pluxee Employer of the Year 2024 poll and received the Best Employer in the Central Bohemia Region award. [1]

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