

PURDUE

MANUFACTURING
EXTENSION PARTNERSHIP

SUSTAINABILITY & GENDER EQUALITY

Advanced Business Principles
Utilizing the Triple Bottom Line

Purdue Manufacturing Extension Partnership
(800) 877-5182
www.mep.purdue.edu



MANUFACTURING
EXTENSION PARTNERSHIP
National Network

About Purdue MEP

- **Who we are:** Purdue Manufacturing Extension Partnership (MEP)
 - Division of Purdue Technical Assistance Program.
 - Our staff consists of experts from a wide variety of business and manufacturing sectors.
- **What we do:**
 - We work exclusively with Indiana businesses, **primarily manufacturers**, to maximize performance through **streamlined processes, increased profitability, and increased competitiveness.**
 - We offer public workshops, on-site training, and consulting services.
 - Through these services Purdue MEP clients report **new sales, product and market growth, cost reductions, and job growth.**

Objectives

- At the end of this workshop, you should be able to:
 - Define Sustainability & Triple Bottom Line
 - Understand how gender traits differ, and gender diversity contributes to long-term success of companies
 - Identify key Sustainability metrics and steps to improve

Sustainability

"able to last or continue for a long time" – Merriam Webster



"Meeting the needs of the present without compromising the ability of future generations to meet their own needs." – UN General Assembly, Report of the World Commission on Environment and Development

"In every deliberation, we must consider the impact on the seventh generation." – The Constitution of the Iroquois Nations

Triple Bottom Line



Sustainability & Gender

When more women are in corporate decision-making positions, their companies benefit – *as do society and the environment.*

Origin of SDGs

- In 2015, world leaders gathered at the United Nations to agree to achieve 17 Global Goals for Sustainable Development by 2030 (Exhibit 1).
- These goals are known as the Sustainable development Goals, SDGs, or Global Goals
- They are designed to create a future where there is *no poverty, the planet is protected, and all people enjoy peace and prosperity.*

SDGs



Sustainability

- In 2017, **94% of Fortune 200** companies have sustainability goals
- Sustainability is becoming more critical for all companies to remain competitive

Most Sustainable Companies 2017

- **(Company Name | Country | Industry)**
- 1. Siemens AG | Germany | Industrials
- 2. Storebrand ASA | Norway | Financials
- 3. Cisco Systems Inc | United States | Information Technology
- 4. Danske Bank A/S | Denmark | Financials
- 5. Ing Group | Netherlands | Financials
- 6. Commonwealth Bank of Australia | Australia | Financials
- 7. Koninklijke Philips NV | Netherlands | Industrials
- 8. Johnson & Johnson | United States | Health Care
- 9. Koninklijke DSM NV | Netherlands | Materials
- 10. Enagas SA | Spain | Utilities

Sustainability = Profit

- You might think companies that invest heavily in sustainability might incur higher costs and become less profitable.
- Global 100's cumulative return is **24 percentage points higher** than the ACWI benchmark.

Sustainability = Profit

- The Business Commission provided evidence that sustainable business strategies could unlock more than **US\$12 trillion** per year and up to 380 million jobs by **2030**, demonstrating why the goals are truly the greatest economic opportunity of our lifetime.

Gender Equality = More Profit

- According to the McKinsey Global Institute, Women's Equality in the workplace could even significantly enhance the ultimate reward, adding as much as **US\$28 trillion** to global annual gross domestic product by **2025.**

(That's 2x the
benefit of SDGs,
and 5 years sooner)

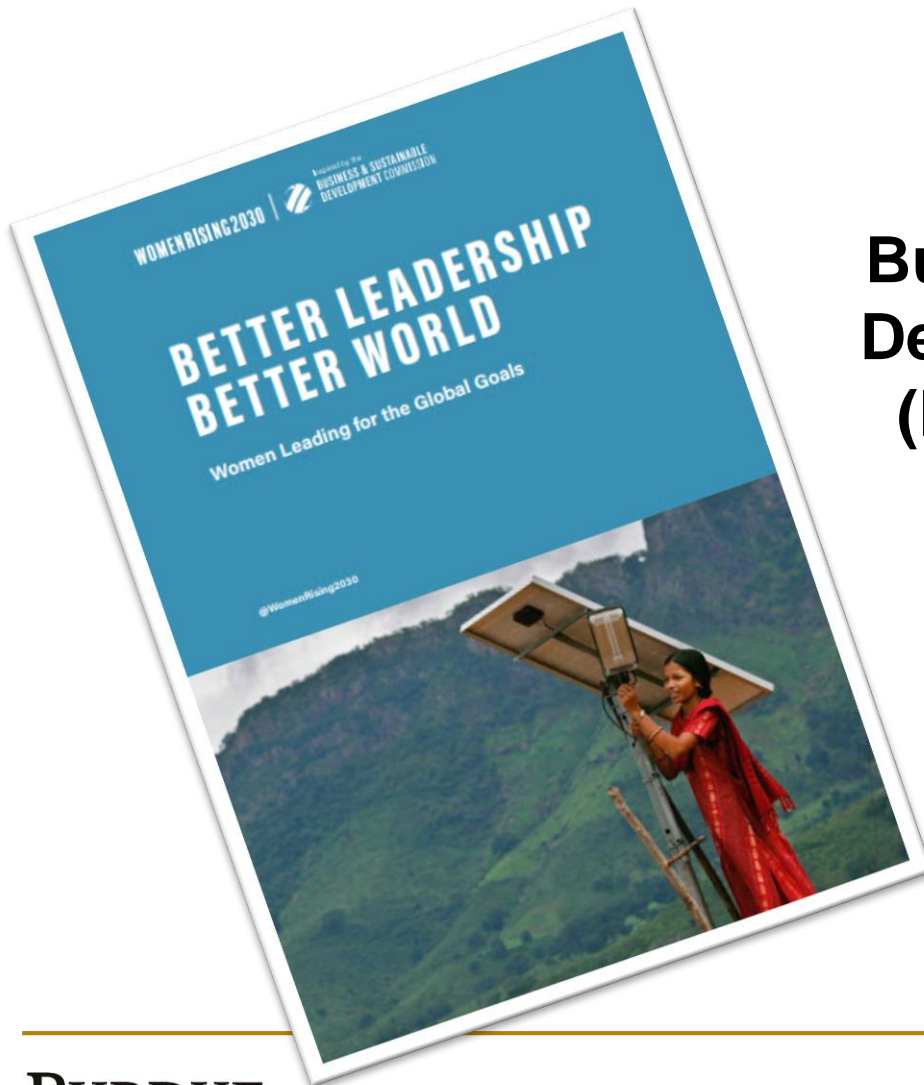
Value Added

**Women's leadership is a
*"secret sauce that could propel
today's business into a new
era."*** - Gail Klintworth, Business Commission Director

Key Leadership Qualities

- The requirements for leadership are changing
- More diverse leadership includes those with a higher Emotional Intelligence Quotient (E.Q.)
- In 11 of 12 "emotional intelligence competencies" women outperformed men.
 - Korn Ferry Hay Group, used data from 55,000 professionals in 90 countries

2018 Report



**Created by the
Business and Sustainable
Development Commission
(Business Commission)**

**[https://s3.amazonaws.com/aws-
bsdc/WomenRising2030-Better-
Leadership-Better-
World.pdf#asset:639](https://s3.amazonaws.com/aws-bsdc/WomenRising2030-Better-Leadership-Better-World.pdf#asset:639)**

Key Leadership Qualities

- **Women have six leadership qualities needed to advance Sustainability progress.**
 1. Long-term thinking
 2. Innovation
 3. Collaboration
 4. Transparency
 5. Environmental management
 6. Social inclusiveness

Key Leadership Qualities

1. Long-term thinking



Long-term thinking

Companies with a long-term environmental, social, and governance approach – *an overall strategic focus on sustainability* – tend to perform better financially than those that don't.

Long-term thinking

- Women leaders tend to have a greater sense of accurate **self-awareness** and humility.
- Women tend to ask more questions and come more prepared to make an informed decision, which also tends to increase male preparedness.
- Diverse board rooms benefit from overall better researched decisions.

Key Leadership Qualities

2. Innovation



Innovation

“Business as usual” is no longer good enough.

44% of business leaders developing urgent solutions cited **growth and new business opportunities** as reasons for tackling sustainability challenges

Innovation

- Women leaders are more likely to **create an atmosphere** that encourages outside-the-box thinking
- Team members are more likely to be willing **to speak up** in meetings, contributing new, creative solutions that may otherwise be unspoken.

Key Leadership Qualities

3. Collaboration

Women have more empathy and concern for the well being of others.



Collaboration

- Forward-looking business leaders recognize the need to collaborate with their peers in the sector and external stakeholders.
- The **ability to collaborate** is a standout skill among the business leaders shaping tomorrow's world today.

Collaboration

*“(Women) think about themselves usually in relation to others. Whereas men – either born or developed – see themselves more independently, as standing apart from others. For individuals who see themselves as more **connected to others**, it becomes natural to think about the implications for others.”*

- Professor Corinne Post, Lehigh University

Collaboration

- In many cultures, women are socialized to be more empathetic, and more collaborative.
- Women are often better at bringing a team together for a shared purpose, inspiring them to collaborate, instead of focusing on individual goals.

Key Leadership Qualities

4. Transparency



Transparency

- All companies are experiencing increasing call for transparency.
- In the age of Google, consumers are more educated, and more demanding.
- There is more competition than ever, and it's easy to choose another company that is open about their sustainability efforts.

Transparency

- Company transparency is crucial to win over Millennials and GenZers. In order to compete for these key markets, companies need leadership that is **open and transparent**.
- They are very skeptical consumers, and transparency is **key to building these valuable relationships**.

Transparency

- Transparency is key to sustainability efforts.
- Women leaders are inherently more likely to be **open and honest**, as part of relationship building.
- This transparency builds trust and loyalty.

Key Leadership Qualities

5. Environmental management



Environmental Management

- Women in the United States House of Representatives consistently outvoted their male colleagues on **environmental protection** every year from 2006 until 2015.



Environmental Management

Women want to address social and environmental challenges.

- Women show a proclivity to act on these issues.
- Female CEOs are motivated by purpose and want to have a **positive impact** on their employees, community and the world.

Environmental Management

- Women are also more likely to be concerned about **global issues** ranging from pollution to inequality.
- *“Companies looking to advance their sustainable growth strategy should just “put more women in the management community — period.”- Alice Steenland, AXA CSO*

Environmental Management

- Due to cultural norms and socialization, women are more likely to be in tune with their bodies and minds, and see the value of **nature in stress-reduction**.
- Leaders who understand the inherent value of nature, are far more invested in protecting and restoring our natural environment.

Key Leadership Qualities

6. Social Inclusiveness



Social Inclusiveness

- Women are far more likely to **spread their profits** among their employees, which can improve the overall stability of employment in that area.
- Every family connected to a woman-owned business tends to see an improvement in **quality of life and financial stability** over time.

Social Inclusiveness

- Under women leaders, workers are more likely to receive **decent work** and **fair wages**.
- Consider the welfare of their employees when difficult business conditions arise.

Social Inclusiveness

- Developing services and other innovations that **improve the lives** of all.
- **Model** gender equality internally and through their products and services.



Social Inclusiveness

- When employees feel appreciated and empowered, companies benefit with:
 - ❑ Increased staff retention
 - ❑ Lower sick time
 - ❑ Greater productivity
 - ❑ Higher loyalty

Key Leadership Qualities

- **Women have six leadership qualities needed to advance Sustainability progress.**
 1. Long-term thinking
 2. Innovation
 3. Collaboration
 4. Transparency
 5. Environmental management
 6. Social inclusiveness

Where Are We Going?

- To reap the environmental benefits of diverse leadership, there is work to be done.



Top Leadership Roles

- Women make up just **4.8% of CEOs** in Fortune 500 in 2018.

Top Leadership Roles

- Companies with a woman as CEO experienced **19% higher profitability**



CHIEF EXECUTIVE OFFICER



Top Leadership Roles

- A 2016 Credit Suisse analysis found that companies where women made up *at least 15%* of senior managers had **18% higher profitability** than those where female representation was less than 10%

Top Leadership Roles

- **Companies make more money.**
- By having at least 30% of leadership positions held by women, or the “C-suite,” companies add an average of **6% to net profit margin**. Getting more women on boards also means that you end up with more women in leadership, known as the “pipeline effect.”

Top Leadership Roles

- **So where does that magical 6% profit boost come from?**
- Whereas men may take bigger risks and fail faster, women are more thoughtful and strategic about risks, for better long term results.
- Gender balanced leadership yields better **short *and* long term results**

Board Membership

- **31%** of new board directors at 3,000 of the largest publicly traded U.S. companies, are women.
- That's the highest percentage of female board seats in at least a decade.

Board Membership

- Studies found that companies with **at least one woman** on the board had generated a **compound excess return of 3.5%** per year for investors since 2005, compared to companies where the boardroom was entirely male.

Board Membership

- Companies are also feeling pressure to diversify their boards from large investment firms, who see a positive correlation between diverse board selection and greater financial returns.

Changing Winds

"We would normally expect to see at least two women directors on every board" - BlackRock financial investment firm

Changing Winds

- In 2018, the world's biggest asset manager, BlackRock, sent a letter to Russell 1000 companies with *fewer than two women directors* – 367 companies.
- The letter asked these companies to justify how the lack of gender diversity on their boards aligned with their long-term strategies and to report on their efforts to address this gender imbalance.

Changing Winds

**As we see an increase in women
in leadership, sustainability
gains will follow.**

The Stages of Sustainability

Stage	Description	Key Attitudes
Stage 1	Green not part of the organization mission	View Environmental Initiatives as Costs
Stage 2	Green enters into the organization mission as it is legally required	
Stage 3	The organization considers the proactive application of Green to be consistent with the profit mission	Sustainability can save money
Stage 4	The organization transforms into a Green organization. Green is viewed more as an opportunity than a cost	Sustainability part of corporate strategy
Stage 5	The organization approaches business as a holistic, restorative company	

**McGraw Hill
CONSTRUCTION**

Changing Winds

- If you're a decision-maker at your company, it's time to ask yourself:
 - Does your business value the leadership competencies that can help people advance sustainability?
 - Is there a woman with these traits waiting in the wings with the desire to lead?

Conclusion

**Women leaders are
key to the next jump in
our Triple Bottom Line.**



Thank You

- Feel free to contact Purdue MEP:
 - Kelly Weger
 - weger@purdue.edu

Purdue MEP offers many more workshops.
Please visit our website at <http://mep.purdue.edu/> and go to
the **Workshops & Events/Upcoming Workshops** area.