

Leadership Diversity and Innovation Capacity for Sustainability

Hilary K. Ego

Undergraduate

Bachelor of Arts, Environmental Studies

School of Environmental and Public Affairs

University of Nevada, Las Vegas

Class/Content Advisor:

Dr. Helen R. Neill

Associate Professor, School of Environmental and Public Affairs

[helen.neill@unlv.edu](mailto:helen.neill@unlv.edu)

There is a collective absence of leadership diversity on the board of directors for many publicly traded corporations around the world. Throughout history men have dominated the business sector and through experience and seniority, men typically oversee company leadership positions as well. Within the past few decades women have begun entering the business sector and have worked their way into leadership roles, but are still underrepresented. Women have been directly correlated to positive company behavior and performance and feel they bring about unique sensitivities along with general board-related competence and experience. Therefore, leadership diversity on a board of directors is an important element for businesses.

Recently, there has been an increase of sustainability initiatives on business agenda's around the world, and the board of directors strongly influences decisions regarding sustainability. The purpose of this study is to identify if the proportion of women on a board of directors influences the success of a company's sustainability outlook and performance. This was done by analyzing the relationship between leadership diversity on board of directors and a corporation's innovation capacity of the top 100 most sustainable corporations in the world in 2011. Data points were based off a list put together by The Corporate Knights, a magazine for clean capitalism, and each year they generate a list called, The Global 100: Most Sustainable Corporations in the World. The data was statistically analyzed using the Linear Regression Model, Pearson Correlation Coefficient, and a one-way ANOVA Procedure.

Utilizing this data set I predict that companies with greater leadership diversity on board of directors will have a higher innovation capacity. The results of this study show that there is a negative relationship between leadership diversity and innovation capacity, however it is an extremely weak relationship due other contributing factors and missing data points.