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Technica International: SDG#5 gender equality and women's empowerment.

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Chapter 7

Lebanon: Technica International – SDG#5 Gender Equality and Women’s Empowerment

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Technica International (TI) is a growing Lebanese family business founded by Mr Tony Haddad when he dreamt to ‘manufacture automation equipment and reach customers in the four corners of the world’. As an engineering and automation solution company, TI employs engineers and technicians who are mostly male. This is because females were particularly under-represented in science, technology, engineering and mathematics (STEM) education and consequently in STEM careers (Hencke et al., 2022). However, this did not hinder the company’s motivation for and engagement in gender equality and women’s empowerment.

Introduction

Gender equality and women’s empowerment are key priorities to achieve sustainability in the world, particularly in the Middle East and North Africa (MENA) region where women are often an under-represented group across politics, economic and social spheres (Abdelwahed et al., 2022). According to a recent publication by the World Economic Forum, it would take 115 years for the region to reach gender parity. The region has one of the lowest participation rates for women in the workforce, and the number has been in decline since 2020. The family business is the most common form of enterprise in this region, and research perceives that female family members are more likely to participate, either directly

Attaining the 2030 Sustainable Development Goal of Gender Equality, 95–104



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or indirectly, in the running of these companies (Kim & Kim, 2018), though they are less likely to become the heir. Family businesses play an important role in promoting gender equality and women's advancement in their organisations, and they can serve as valuable examples for other companies and institutions to emulate. The present case is set in Lebanon and illustrates how a long-standing multinational Lebanese family business, TI, seeks to improve gender equality and women's empowerment within its business. The case first highlights the active involvement of the daughter of the founder, Cynthia Abou Khater, who joined the business in 2007 and who is currently Vice President overseeing Strategy, Information Technology and Human Resource departments. Cynthia was actively instrumental in attracting more female talent to the company and in developing an organisational environment that is conducive for women. The present case focuses on the efforts of TI to promote gender equality in the organisation, and it examines the initiatives and practices adopted by the company to achieve this goal.

TI's Vision and Mission

Vision: By 2025, Technica will be a global player in the automation industry, specifically in providing digital solutions for the smart factories of the future.

Mission: Technica delivers innovative, customised and high-quality solutions and turnkey lines, designed to satisfy the automation needs and the product handling of their customers, in order to improve their operational efficiency and to increase their production capacity.

Values:

Customer centricity: Adding value to their customers is the focal point of Technica's decisions related to their products, services and experiences with the company.

Innovation: Technica encourages to think outside of the box and find creative ways to optimise customer's supply chains, work processes and any challenge the company may face.

Accountability: Technica employees are accountable for their results, deadlines and quality of work towards each other and with regard to their customers.

Servant leaders: Technica values being servants first and leaders second. Company leaders create an environment for their team to be engaged and productive.

Touching lives: Technica's decisions and actions are geared towards leaving the company's environment and community a better place for the next generations.

Products and/or Services Offered by TI

TI provides manufacturing automation equipment and robotic solutions at three locations: Lebanon, Poland and Canada. [Table 1](#) lists some of its solutions.

Table 1. Solutions Provided by Technica International.

• Production packers	• Manipulation systems
• Palletisers	• Inspection systems
• Depalletisers	• Accumulation systems
• Handling systems	• Conveying systems

Background

TI SAL is a Lebanese family-owned company with around 200 employees that has specialised in providing automation and robotics solutions. The business caters to several different industries such as water, dairy, food, beverage, edible oil, lube oil, home and fabric care, personal care, and cold end for glass and paint. The company provides complete lines and customised solutions to improve operational efficiency and increase production capacity. As a home-grown Lebanese family business, TI has successfully delivered its solutions to many multinational corporations such as Nestle, Procter & Gamble and Coca-Cola. To further support its clients in the region, TI has sales and after-sales support branches in Egypt, Saudi Arabia and the United Arab Emirates as well as production facilities and sales and after-sales support in Lebanon and Poland.

TI was founded by Tony Haddad in 1982. He started the company with four employees in a 76 m² workshop with a vision to manufacture automation equipment for customers all over the world. By 1984, the company's sales turnover had increased dramatically relying on the local market, and in 1987, TI started exporting to the Kingdom of Saudi Arabia, which marked a new era for the business. They opened their first office abroad in Saudi Arabia in 1990, and with it, the export market was launched. In the early 1990s, the company briefly relocated its headquarters from Beirut to Cyprus because of the intensity of the Lebanese civil war. In 1994, the company moved back to Lebanon, and the owner built a 600 m² factory near his hometown in Bikfaya. In 1996, the plant in Bikfaya was expanded to double its size due to an increase in customer demand. In 2000, the company reached approved vendor status with Procter and Gamble, in 2019 with Henkel and in 2020 with Arla. These events contributed greatly to the company's growth and worldwide expansion. TI was one of the first Middle Eastern companies to introduce robotics solutions to the Gulf Corporation Council market in 2014. In 2019, the company expanded its operation to Europe and founded the sister company Technica Europe S.A. in Poland offering sales, manufacturing, testing and local support to European customers. TI has focused on manufacturing conveyors and automation equipment for customers in 37 countries and developed approved vendor status with several multinational companies.

TI's founder, Tony Haddad, realised early that a sustainable business cannot be reduced to its profit-making capacities but has to care about the well-being of the company, its employees as well as the community it serves. This has been

reflected in the company culture since TI's inception. When his daughter, Cynthia, joined TI in 2007, she applied a systematic approach to corporate culture. On her initiative, the company would survey all employees about their understanding of TI's core values and which would characterise TI best. The result was 'RISER'. The acronym stands for a set of fundamental convictions the company adheres to, notably 'recognition of achievement', 'integrity', 'servant leadership', 'excellence' and 'responsible actions' (with regards to the organisation, society, and environment). These values are reflected in an organisational culture that bases accountability, respect, innovativeness, cost consciousness, customer orientation, quality drive and concern for the environment. It took more than 5 years for TI to have these values fully embedded into the company policies and procedures and to impregnate all areas of the organisation. In 2022, TI undertook the same exercise and reviewed its values. Aligned with the previous values, the company identified 'customer centricity', 'innovation', 'accountability', 'servant leadership' and 'touching lives' underlying all their actions. The new acronym is I-TASC, which sounds like 'I task' and means 'I work and I am into action'.

The efforts to create and work according to strong corporate values are also reflected in the self-understanding of the top management team (including Cynthia's) as servant leaders, who put the needs of their employees first and help them to develop to the best of their potential as well as to support them to serve their customers. Fig. 1 shows the community of Technica that leaders serve. The company has even adopted a slogan for their preferred leadership style:



Fig. 1. Technica Employees at Their Usual Gathering Place.

A servant heart: we have a genuine love for others; a servant head: we set a clear vision; a servant hand: our behaviour is a role model.
(Cynthia Abou Khater, Personal communication, 23 March 2023)

SDG#5 Gender Equality and Women's Empowerment at TI

Cynthia Abou Khater was one of the four children of Tony Haddad. She has a BA in advertising and marketing from Notre Dame University in Lebanon. Initially, she did not consider joining the family business and instead wanted to pursue a career in advertising. Yet, after she had her first child, she could not find any employment in Lebanon. Her mother, therefore, advised her to work with her father in the family business until she could find another job. She joined TI in 2007. When Cynthia entered the company, TI experienced a difficult time as it went through two consecutive years of losses in 2008 and 2009. The company managed to successfully apply a turnaround strategy and was able to go from an earnings before interest and taxes (EBIT) -5% to an EBIT of $+15\%$ (earnings before interest and taxes) within 2 years. Cynthia attributed much of this success to a strong company culture and good governance which encouraged employee commitment and engagement at all levels and that recognised teamwork. Some tough and transformational decisions were taken during the turnaround phase which would influence the company substantially, such as freezing salaries and bonuses for 18 months, cutting layers of supervision, empowering the frontline employees and agreeing on no layoffs except in the case of mediocrity. Since 2010, TI has been able to sustain a yearly average growth of 15% in sales and profits. Cynthia, who became the company's chief strategy officer in 2013 had been very instrumental in organisational initiatives related to corporate culture, governance and gender equality that laid the groundwork for the renewed company success.

TI offered work opportunities for disabled people and had three technicians with hearing disabilities. TI undertook substantial efforts to become a gender-equal organisation. Cynthia was influenced by her own experiences as a highly qualified woman and mother who was discriminated against in the labour market, and she wanted to do things differently at TI. When she started working at TI, there were no special policies in place for women. Cynthia understood that greater gender equality can create a positive effect on the company, leading to fresh perspectives, new ideas and a pleasant environment for both women and men working at the company. She recognised the need to provide support, especially for young women who just started a family to balance work and life. At her initiative, a breastfeeding room for young mothers was created, and TI accommodates their needs by offering more flexible working hours. Women employees also benefitted from reserved parking spaces right outside the factory, aligning with Sustainable Development Goal 5 (SDG#5) Target 5.4. Because of her role as a family member in the top management team, she was in a strong position to push these suggestions forward so that they eventually became company policies. She also called out gender discrimination whenever it occurred: For

example, when a recruitment ad for electrical engineers indicated that male candidates would be preferred, she confronted the responsible managers (supporting SDG#5 Target 5.1) who had simply assumed that work conditions would be too harsh for women. At her initiative, TI has brought awareness to the issue of sexual harassment in the workplace. Even though no cases had been heard of at TI, organisational processes in the form of communication channels to report harassment events were created as part of corporate ethics and governance.

In 2014, TI received international recognition for its governance and cultural approach when the company became first runner-up in the Global Healthy Workplace Award (GHWP), which recognised companies for their high workplace standards. This award became a motivator for TI to further improve and extend its activities to engage socially responsibly with local communities. Among others, projects included road repair works in the neighbouring village, environmental conservation and protection projects, which also included the technical support for the construction of a local recycling plant, as well as annual contributions to a Lebanese university, sponsoring final year projects for students and a training hub for graduating students. At the 2012 Global Entrepreneurship Summit, TI was selected as one of the fastest-growing companies in the Middle East, and at the 2017 summit, TI was recognised for its successful climate protection actions. In addition to this, in 2019, TI received the innovation award from the Association of Lebanese Industrialists. Fig. 2 shows a female engineer in action.



Fig. 2. A Female Engineer in Action.

Family Business Governance and Women's Empowerment

Cynthia and her three siblings each owned 24% of the company, and their father 4% of the shares. Of the family, only Cynthia and one of her brothers, Cyril, held positions in the top management team. Decisions at TI were usually taken with consensus from most TI top management leaders (family members and non-family members). However, in exceptional cases, for example, due to lack of time, a final decision may be taken by Tony Haddad as General Manager of the company. For Cynthia, this never represented an infringement on her authority as Strategy Manager in the company. On the contrary, she grew up and lived in a close-knit family, where they were always very close and supportive of each other. She also remembered conflict between different members, but generally, they managed to separate business from personal issues. There could be heated arguments about business issues sometimes, but after the meetings, they would continue to chat about their family and their communal plans for the weekend. There was also a strong consensus among family members regarding good governance as a critical element of success factor for the business.

In 2016, Cynthia hired a family business consultant to assist TI in formalising procedures and structures and to help them draft a family governance policy. Cynthia knew that the process would provoke resistance from some family members regarding the procedures and opening potentially taboo subjects. In that context, the business consultant's service was also very helpful because as an external professional, with a neutral position, she could mediate the process, which allowed the family to discuss more openly sensitive and difficult subjects, such as whether to include in-laws in the business or not. The process enabled family members to establish candid communication regarding critical business topics related to income distribution, repartition and effective operations of the business.

Succession planning was a major challenge, and TI had to invest in leadership development to prevent any leadership vacuum when Tony eventually stepped down. Cynthia was convinced that for this, the top managers and family members in managerial positions at TI had to further develop their leadership skills to ensure an organised handover from the first to the second generation. In 2013, Cynthia participated in an INSEAD executive MBA programme. She found the learnings very beneficial and launched the idea to develop a similar programme at TI that was customised to the specific needs of the company. In collaboration with the Head of human resources, the learning and development officer and an executive coach, she designed and developed TI's leadership development programme (LDP). Twenty eight employees in leadership positions participated in it and learnt about subjects related to three main areas, notably knowledge, self-awareness and networking. Consistent with SDG#5 Target 5.5, the opportunity was open to all members of TI and thus ensured gender equality. Post-evaluation results showed that participants mostly benefitted because the programme helped increase their leadership self-awareness and improve their emotional intelligence. As Strategy Manager, Cynthia was also part of TI's executive committee consisting of six top managers. The committee oversaw

strategic development, investment decisions, as well as business development and expansion. Whenever necessary, the committee asked for advice from external experts, who were then invited to committee meetings. An important initiative the committee envisaged was to develop a formal board of directors. However, this process was slowed down due to the pandemic, but during the governance transition period, an advisory board was established at Cynthia's initiative.

Reporting and Measurement

Driven by Cynthia's engagement for women's causes and female leadership, TI has also engaged with the Lebanese League for Women in Business (LLWB), and it has committed to a 30% female representation on the future board of directors, aligning with SDG#5 Target 5.5. The company was actively looking to recruit female engineers and thus increase the percentage of women in the company. Compared with the industry in general, women's participation at TI was 25% higher than the industry norm. As a company with a predominantly male workforce, TI also pledged its commitment to the sexual harassment law to create a safe work environment for all in support of SDG#5 Target 5.c. In addition, TI was audited by the International Labour Organisation (ILO) to ensure women are given equal opportunities on all fronts. TI is also a member of the UN Global Compact, an agreement between the United Nations and businesses to get firms to adopt sustainable and socially responsible policies. As part of the UN Global Compact reporting and aligned with different environmental, social and corporate governance (ESG) platforms the company subscribed to, TI had to regularly report the percentage of women in decision-making positions, as well as the percentage of women in the company overall, and the registered cases of sexual harassment. The company also shared their report with relevant bodies of the United Nations in Lebanon. It was difficult to measure the impact on firm performance regarding activities and initiatives regarding sustainability goals, especially SDG#5. Nevertheless, TI was able to report its achievements via multiple channels such as newsletters and business reports to external stakeholders. Internally, the company's initiatives in delivering the SDGs were shared with staff during diverse events and occasions, and middle managers especially, including female leaders were asked to talk about the positive effects individually and organisationally regarding the gender equality initiatives.

Challenges of Working With SDG#5

Lebanon had active feminist movements, yet very little had been substantially changed concerning women's rights by legislators (Moughalian & Ammar, 2019; Stephan, 2014). Women remained second-class citizens with limited rights (Metcalfe et al., 2021), and Lebanon had one of the lowest female labour market participations worldwide (WEF, 2022). According to the World Economic Forum Gender Gap report (2022), Lebanon ranked 119 out of 146 countries. As such, when implementing initiatives related to gender equality and women's

empowerment, TI faced some challenges. The most prominent issues were unconscious biases that are deeply engrained in Lebanese society and people's mindsets. In the male-dominated industry in which TI operates, female engineers and technicians regularly put in extra effort to prove their abilities. When trying to ensure there are equal opportunities to develop the talent of women professionals in the company, some male employees expressed doubts and challenged such initiatives. Cynthia who was the only female in the top management team worked tirelessly to convince other members of the team of the importance of putting more policies in place to support women's participation in the decision-making positions, by linking the subject to the company's value, and by creating a mutual respect for all. With the commitment of the top management team, TI developed a strong family business culture that allowed for the inclusion of women empowerment in staff development policies and put enough power behind the pursuit of the gender equality agenda. It was a 'walk the talk' culture, which enabled TI to transform cultural biases against women within people's mindsets. As shared by Cynthia on challenges faced to support SDG#5:

I was raised in a family where there was no distinction between men and women but still even with that there was a huge unconscious bias coming from everyone. But I think now it is on the right track. It's very slow-moving, but it's on the right track. I am glad to see the cohesiveness and respect in the way the male counterparts are communicating and collaborating with their female colleagues after years of initiatives to promote gender equality. (Cynthia Abou Khater, Personal communication, 23 March 2023)

What Next for TI and SDG#5?

Since TI had pledged to achieve a 30% female representation on the future board of directors, the company achieved this goal in 2022 and has planned to increase it further until 2024. TI began its journey by identifying and developing suitable female leaders in mid- and senior managerial positions. Though Cynthia, as the daughter of the founder, had been using her position to spearhead many initiatives to deliver SDG#5, she needed more support from her peers to ensure the business would not lose its focus as it expanded internationally. The year 2020 had been challenging for TI with both the national economic crisis and the worldwide pandemic affecting their business operations. She counted herself lucky to be part of the Technica family because together they had managed to build a strong corporate culture, and having invested in good governance helped them to become competitive and more resilient. She knew that in the post-pandemic era, TI would need to craft a strategy that would help them to lead more than one company in the world and deliver solid financial results after recent crises. By putting gender equality and women's empowerment at the forefront of a business

that operates in a male-dominated industry, TI believes that it can deliver more comprehensive and innovative business solutions to its customers.

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