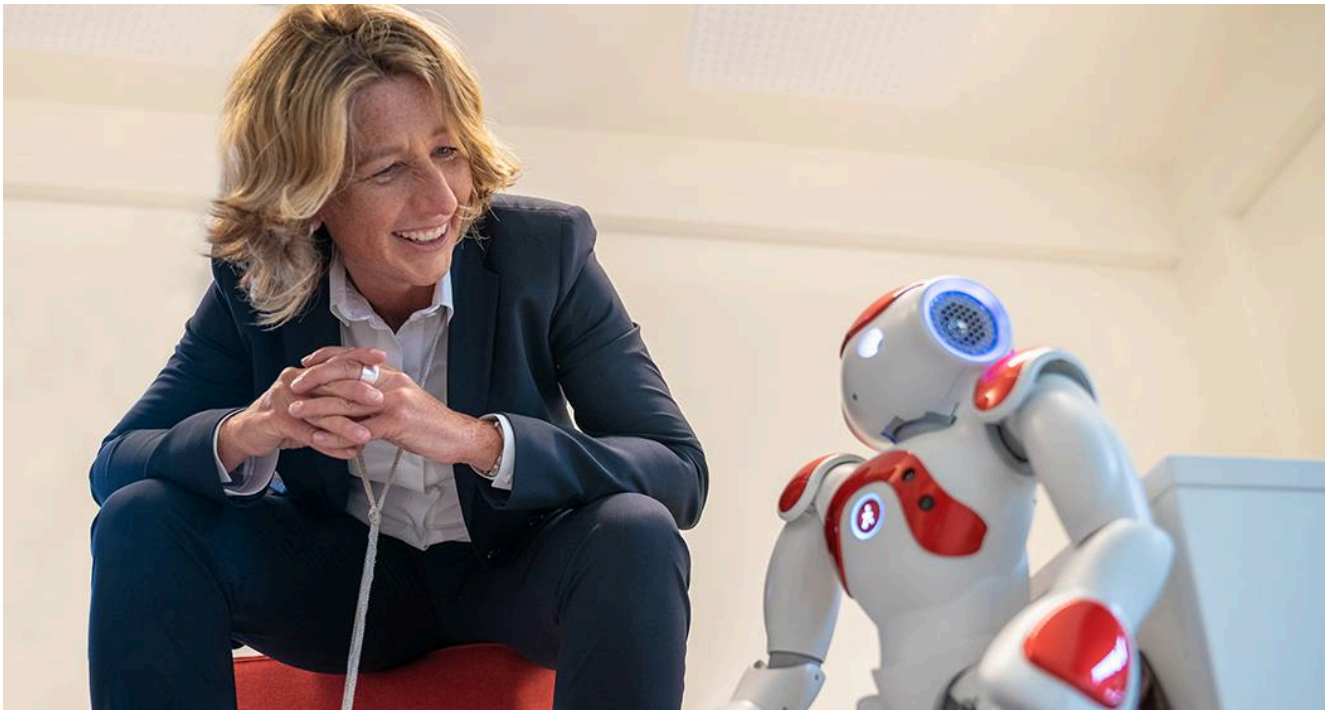
# Sabine Mueller: "Diversity and inclusion must be organizational cornerstones"

## The CEO of DHL Consulting discusses digital readiness, resilience and agility, and says establishing a truly diverse and inclusive workplace will require a complete overhaul of how we currently do things.



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The COVID-19 pandemic has served as a pivotal event, accelerating everyone's need for digital readiness, resilience and agility — and none more so than those in logistics. Sabine Mueller has worked in the sector for more than two decades, ever since joining Deutsche Post DHL as a business graduate. Deutsche Post DHL is much more than trucks and stacks of brown boxes; it is a highly complex global operation marked by constant innovation, which is

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being driven by digitalization, big data, artificial intelligence, robotics, IoT, drones, blockchain and the circular economy.

Now CEO of DHL Consulting, Mueller discusses these industry changes, as well as her other passion: the promotion of diversity and the advancement of women in the workplace, topics which she recently discussed as part of an executive panel on inclusion organized by IESE's Women in Business Club.

**What big trends should we be watching out for?**

To date, a significant part of logistics operations is still performed manually. But in the coming years, driven by increased volumes and labor shortages, we're going to see manual tasks increasingly automated. There are a number of low-investment, easy-to-implement automation applications, including wearable technology such as ring scanners and smart glasses. Future parcel centers will accommodate automated sorting using mobile robots, ultimately leading to a landscape where humans and robots will work together harmoniously.

**The COVID-19 pandemic disrupted global supply chains. Do you envisage more localization as a result?**

Supply chain design used to prioritize cost optimization over resilience, but balancing costs and resilience is the new maxim to enable greater responsiveness to disruption, demand changes and uncertainty. This requires moving away from a single sourcing strategy to diversification, and more distributed safety stocks. The boom in e-commerce and consumers' high expectations of speed and availability will force suppliers to move their goods closer to demand and redesign their logistics networks accordingly.

**Might a shift to nearshoring help address sustainability concerns, too?**

Air transport is a main contributor to CO2 emissions. For our industry, like many others, environmental, social and governance (ESG) considerations are a key priority. Nearshoring can help reduce our ecological footprint, as will investing in new technologies such as smart meters, intelligent charging and solar power systems, to name a few. Governing our social impact with the help of human rights policies, for example, will also gain importance.

**The pandemic has pushed us toward flexible work. Do you believe we'll be back in our offices as usual when this is over?**

No, I think we'll end up with a hybrid model, which combines both analog and virtual work

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modes. Again, new technologies will facilitate this, moving us from a video call to a 3D meeting with avatars. The flexibility we gain from this is critical to attract and retain the right talent in today's competitive marketplace.

**This brings us to the other topic close to your heart: driving diversity. How do you drive diversity and inclusion in your talent management strategy?**

Diversity and inclusion must be organizational cornerstones. However, establishing a truly diverse and inclusive organizational culture will require a complete overhaul of how we currently do things.

Let me give you an example that is common to many industries. From a policy perspective, things seem quite good: we have diversity representatives in each of our business units; we have a diversity council; we do mentoring, mandatory bias trainings and cultural trainings, which all employees have to go through. But then you look at the results over the past decade: we've gone from maybe 22% to 25% of the leadership positions being held by women. There are still organizations where the management team is fully male. I was in a meeting recently with 10 executive vice presidents and I was the only woman. In some ways, it seems not much has changed. There is still room for improvement.

**Do you think quotas are necessary to move the needle?**

I've changed my opinion on this. I used to be against quotas but now I think we do need them. At DHL we stated for the first time that, globally, we want 30% of our management positions to be female by 2025. I really believe we need to stop measuring our managers only on financial targets, like EBIT and cashflow, and start including other things like diversity and sustainability. As a public company, our shareholders are already putting pressure on us to make these issues a priority. Having the policies and activities is one thing, but more and more people are saying, "Now we need to see the results." That's why I think you need to set clear targets, otherwise you won't move a big company.

**What role does legislation play in this?**

It's a start — for example, requiring by law that a certain number of board seats be filled by women — but I think we need to go deeper or else it can become tokenistic. I think legislation helps in terms of bringing the issue out into the open and creating a national conversation, which then supports our internal efforts at the level of an organization.

**An argument against quotas is that it undermines meritocracy. What's your view?**

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I challenge that. I think the real issue is bias. I've worked in logistics for 20 years and hired a lot of people, and I realized I am biased toward male, because that's how I grew up. Male behaviors always seem to be the "right" ones you need in order to grow into the next role. When we began analyzing potential biases in our recruiting processes, that was a big eye opener for us. We saw that we had a recruiting process that favored "male behaviors" and if we didn't see those same behaviors in females, they didn't get through.

The other part of this is that you need to attract enough people. If I have 20% of females applying, I can't hire 50% females. So, you have to start at the beginning. If we want to have 30% females in executive positions, we have to hire 40% females so there is a bigger pool of female talent in the pipeline — chosen according to the same criteria, given the same training opportunities, and measured in the same way, free from bias.

**There's the saying, "You can't be what you can't see." Would seeing more women in leadership serve to overcome these ingrained biases and eventually eliminate the need for quotas?**

I still remember when I was first promoted to manager, I went through a management training that was essentially teaching me how to become "male" — how to take up space, how to speak with a firm voice. And then I would try out the techniques and realize that is not how I would naturally behave. That's the idea of leadership that we used to carry with us. This is why diverse role models are so important.

It starts in school, when girls are steered away from math studies, for example. We need to raise up more girls in STEM subjects. The more we digitalize, the more we will need those specific skills. In order for there to be more women in those fields, we need to start much earlier.

**How about professional networking: are there biases there, too?**

I know there is an argument that men have more networking opportunities than women do, because women have more family responsibilities, less free time, and not everyone wants to play golf. But that has not been my personal experience. Whenever I joined a networking activity, even a so-called "male" one, I just said I was coming and I was never rejected. You may have to leave your comfort zone to put yourself forward, but sometimes the only limitations are the ones we put on ourselves. Plus, with social media, the networking opportunities are made even easier. As women, we have to stop making excuses and just get out there and do it.

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*Read more on the future of supply chains and logistics on Sabine Mueller's blog.*

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