The SDG Accord

The University and College Sector's Collective Response to the Global Goals

Vaasan yliopisto
UNIVERSITY OF VAASA

Integration of SDGs in

☐ Institutional governance/strategic level
☒ SDGs in research
☐ SDGs in campus operations
☐ SDGs in curriculum development
☒ SDGs in student engagement activities
☒ SDGs into community activities
☐ SDGs at a whole-institution level

Focus on

☐ Goal 1 - No poverty
☐ Goal 2 - Zero hunger
☐ Goal 3 - Good health and wellbeing
☐ Goal 4 - Quality education
☒ Goal 5 - Gender equality
☐ Goal 6 - Clean water and sanitation
☐ Goal 7 - Affordable and clean energy
☒ Goal 8 - Decent work and economic growth
☒ Goal 9 - Industry, innovation and infrastructure
☐ Goal 10 - Reduced inequalities
☒ Goal 11 - Sustainable cities and communities
☐ Goal 12 - Responsible consumption and production
☐ Goal 13 - Climate action
☐ Goal 14 - Life below water
☐ Goal 15 - Life on land
☐ Goal 16 - Peace, justice and strong institutions
☐ Goal 17 - Partnerships for the goals

Summary:

Professor Sami Vähämaa runs the Finance and Financial Accounting Research Group (FRG) at the University of Vaasa. The FRG has recently researched female leadership in financial institutions. The research has a wide range of effects on society, especially in the financial industry. These effects are closely linked to SDG 5, which is about supporting gender diversity and equality. Given that financial institutions and the way they make decisions can have a big effect on the economy and the way society works as a whole, it is important to look at how female executives and directors might affect banks' business models and strategies, as well as the effects of these decisions on things like systemic risks, bank-level risks, and ethical behaviour and social responsibility. Politicians, central bankers, and bank officials have made it clear that banks and how they are run are important for sustainable development and moving forward with the Sustainable Development Goals (SDGs). Accordingly, the scientific research behind this impact case can be seen as having important policy implications for central banks, bank managers, regulators, depositors, investors, politicians, and other people with a stake in financial institutions. In the end, the research results can and have been used to help shape foreign and national public policy. By focusing on banks' leadership and governance mechanisms, the impact case also echoes the infrastructure, innovation, and sustainable community goals (SDGs 9 and 11). Furthermore, promoting economic progress is directly linked to the focal role of banks in influencing economic conditions and growth, and thereby, the impact case is also well-aligned with SDG 8.

Outline the 3 key benefits of integrating this theme:

1. Substantial policy implication for central banks, bank management, regulators, depositors, investors, politicians, and other financial stakeholders.

2. Research findings influence international and domestic guidelines.

3. The impact case incorporates infrastructure, innovation, and long-term community goals.

Outline the barriers or challenges encountered in integrating this theme and how you overcame these:

1. Gender concerns have traditionally received relatively little attention in finance and accounting studies.

2. This new area of study directly relates to SDG 5: it looks at how women lead in financial institutions. Thus, the SDGs have provided context for this research endeavour.

3. This research project has increased the international interest in gender issues in finance and accounting through the dissemination and popularisation of its findings.

Outline your conclusions and recommendations to others:

The new scientific knowledge generated by the research that underpins this impact case lends credence to the notion that female CEOs and directors may intrinsically encourage more conservative strategies and company models, ethical conduct, and less hazardous financial decisions. Thus, having female leadership in financial organisations may benefit both financial institutions and society as a whole. The key findings are as follows: (1) After adjusting for asset risk and other factors, banks with female Chief Executive Officers (CEOs) have more conservative levels of equity capital. (2) During the 2008–2009 global financial crisis, small banks with female CEOs and board chairmen were less likely to collapse. (3) Female-led banks had superior lending performance and make less hazardous lending selections. (4) Female-led banks are less likely to fail. (5) Board gender diversity is connected with financial organisations’ ethical repute.