

# UNITED TECHNOLOGIES CORPORATION

Where sense of purpose meets profitability

## TYPE OF MIMICRY

Systems Level (Decentralized Networks, Regenerative Cultural DNA and Sense of purpose)

*Hand in hand with its employees, UTC develops innovative ways to follow its values of environmental advocacy and employee development.*

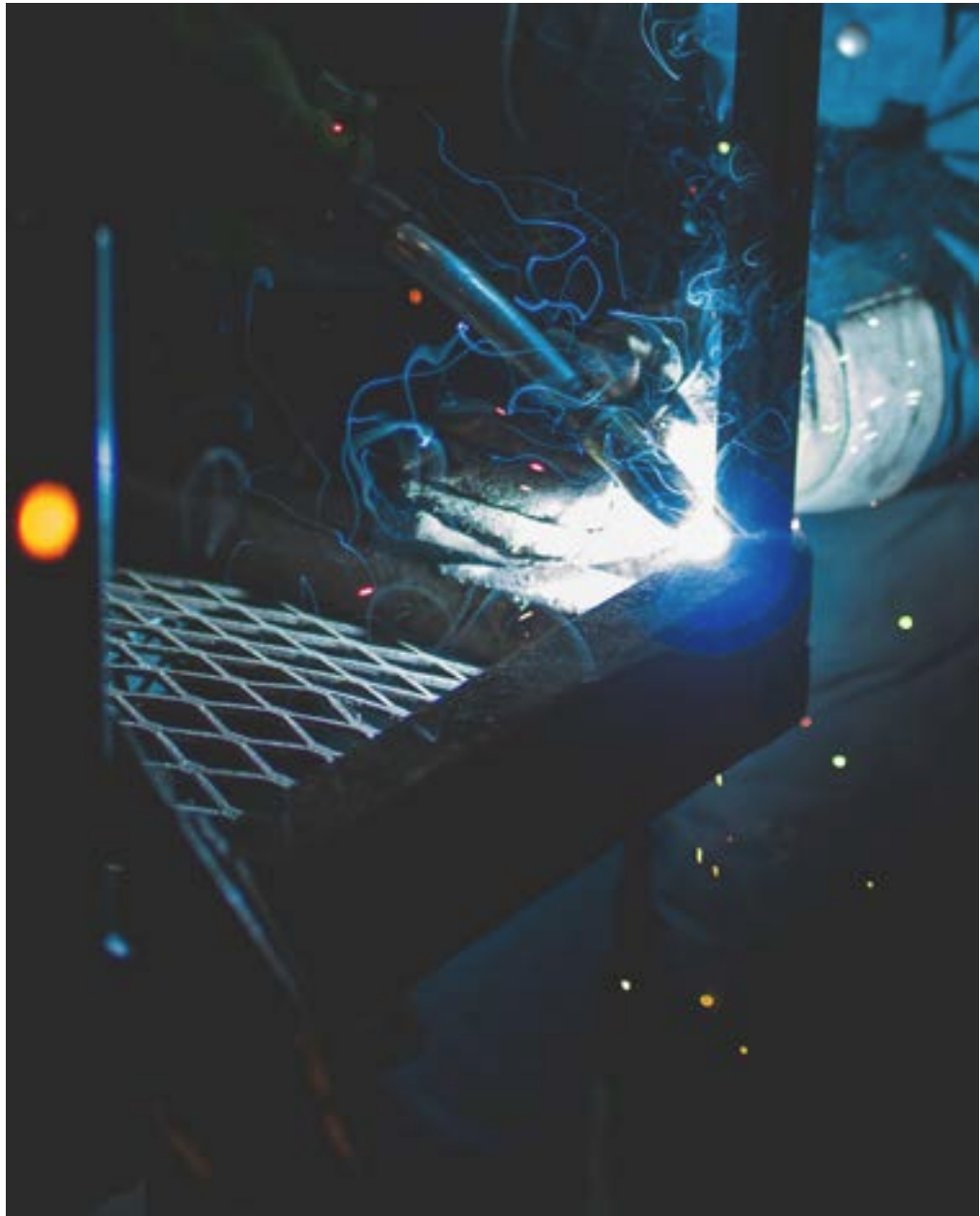
United Technologies Corporation (UTC) is an American multinational based in Farmington, Connecticut. With 200,000 employees, the company researches, develops, and manufactures products in several domains, including commercial aerospace, defense and building industries. In 2016, UTC was ranked 8th of 2016's companies to "Change the World" by Fortune.

Operating an engineering company comes with considerable challenges in a world of depleting resources and climate change. UTC has a massive consumption of resources and energy through its manufacturing, and through the use of its final products.

CEO George David made a strategic move and turned to Systems Thinking to find solutions. With him, UTC joined the Society for Organizational Learning (Sol), a non-profit organization devoted to Systems Thinking. Implicit in this new strategy was an understanding that *Nature* and *People* are the primary sources of UTC's value creation.

One way UTC implemented such thinking was by

creating a culture based on respect and caring for employees, as well as for the larger living systems in which UTC operates: the society and the biosphere. Another way, UTC



practiced its life-affirming goals was through the unification of UTC's diverse divisions in a more life-like coherent whole where a transcendent and cohesive sense of purpose was infused throughout the company. Resulting in a company-wide flexible cell structure that constantly supplements UTC with new knowledge and information.

This holistic management approach has been successful, and it can be seen in UTC's reduced ecological footprint and care for its employees. These two components have been the reason behind the development of a reinforcing loop of cost effectiveness and employee engagement. Operating margins have been more than doubling since the mid-1990s, coming from 6% to 15% in 2015. Furthermore, reductions of their environmental impacts have been drastic, greenhouse gas emissions (32%), industrial process waste (43%), water use (37%) and other emissions (65%). These reductions resulted in cost savings of more than \$100 million. Additionally, UTC also faced 63% fewer lost workdays, reducing its healthcare costs and employee absenteeism.

Besides cost savings, UTC's main takeaway from undertaking this new path was the enthusiasm its employees felt about their work. UTC understood its employees' desire to work for a higher purpose than money alone, and the company's aspiration to be a leader in reversing climate change gave a clear context of work that had meaning to them.

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A key part of UTC's wise approach towards its employees was to acknowledge that any technology breakthrough that would help the company move forward had to come from a collaborative effort of all the intellectual resources of every employee, and not just the ones from the top management.

Employee engagement and the surge in relational equity quickly fed into shareholder equity.

A clear example of the high level of engagement and sense of purpose that exists at UTC is the story

of a plant that had been scheduled for closure, but instead thanks to its employees, gained a new lease of life, and has turned into a world-renowned centre of productivity. The employees self-organized to find solutions, resulting in the rearrangement of a major section of the plant from a production line to a "flexible cell" structure. This design was so successful that not only the plant did not close, but the new model was put in place in the entire division.

## SOURCES

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ARE YOU DOING ENOUGH TO SHOW YOUR EMPLOYEES THE POSITIVE IMPACT YOUR COMPANY IS MAKING AND TO PROMOTE THE DEVELOPMENT OF A HIGHER SENSE OF PURPOSE AND WILL TO MAKE A DIFFERENCE?

