

Session #2

SUPPORTING MANAGERS IN THEIR HRD ROLE

LESSONS LEARNED FROM THE e-MFP HR AG'S SURVEY AND VOICES FROM THE FIELD

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BRIEF FOR E-MFP HR ACTION GROUP WEBINAR 2

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SPEAKERS

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SUMMARY

The webinar began with Patricia Richter summarizing findings of the e-MFP's HR Action Group's landscape study of HRD practices in microfinance institutions. The report ([HRD practices in the microfinance sector](#)), based on responses of almost 200 MFIs globally, found that managers across diverse functional areas in MFIs cover multiple HRD functions. However, most (66%) of these managers do not receive training to help them be effective in this aspect of their work. Patricia proposed that they benefit from 9 types of support to effectively perform their HR roles: 1) information, 2) skills, 3) values, 4) dialogue, 5) control, 6) tools, 7) rewards, 8) time, and 9) resources. During the subsequent interview, participants heard details from three field specialists on how exactly managers can be supported.

VOICES FROM THE FIELD

1) What human resources development functions do managers have across your organization?

- **Joy Santos (ASKI)**: ASKI has 830 employees within the ASKI Global Companies, the largest of which is the ASKI Microfinance company, which serves 137,000 clients. One of our managers' most important tasks is HR management. Recruiting, conducting performance evaluation, analyzing KPIs, calculating incentives, guiding the professional development of employees, acting as the link between

headquarters and the field, building the institutional culture in their teams, and training. Managers must also ensure compliance with the government's Department of Labor policies. **Branch Managers have three main objectives - Leading, Organizing, and Controlling their staff.** They need to create a culture of accountability, productivity and continuous evaluation to achieve these objectives.

- Alia Farhat (Al Majmoua): Al Majmoua has 33,000 clients, most of whom are women and located in rural areas. As Al Majmoua, we expect a lot of our managers – they are involved in identifying recruitment needs, recruiting staff, managing by objectives, helping structure incentives, identifying capacity gaps, and building leadership capacity in team members. The switch from administrative to strategic HR in Al Majmoua created more responsibilities for the managers outside of the HR Department. **The managers' 4 main objectives include: lead, motivate, evaluate, and inspire.** They need support to achieve these objectives and to build the institutional culture.
- Roberto Rios (FUBODE): FUBODE is part of the World Vision International network and has 53,000 clients. Our human talent is the most important feature of our business because we live in a very competitive market. We have a People and Culture Unit that is cross-cutting and helps support all the other departments through **the area managers. These are responsible for planning, management, recruitment and development of staff, and also for the health and safety of the employees.** All of this came out of our strategic planning process, which happens every three years. The senior managers visualize the future and then plan the resources we will need to implement that vision. Each area manager takes ownership of the growth that has been planned for their region; they recruit employees with the capabilities that will be necessary to implement the strategic plan.

2) How does your organization equip managers to effectively perform their human resource development functions?

- Roberto Rios (FUBODE): Each branch manager oversees about 10-15 people. Each branch manager receives training when they join our institution. A high performing team needs a leader that understands that their team members are human and have needs and fears and emotions. A high-performing team requires autonomy, efficiency, and productivity so the branch managers receive training on these topics. Discipline is also necessary; to promote discipline we make sure that all the staff know the policies so they can have self-discipline and follow the procedures. The team also needs to know the institution's way of doing things – how do I do things in the FUBODE way – they need to understand how the system works. The manager needs to ensure that the team is both fast and efficient but also that their work remains high quality. The branch manager reviews the staff's work as well as Internal Audit to ensure the staff's work remains high quality. They provide mentoring to the staff to help them. We also expect the managers to provide clarity to the staff on their goals and how their individual goals are linked to the organization's goals.
- Joy Santos (ASKI): ASKI has a Training Institute that offers capacity building for staff. Through this Training Institute we have been able to build a pipeline of high-quality candidates for the manager roles by offering leadership development training. We offer a course on Human Resources Management called a Comprehensive Management Training course for all the managerial candidates. They spend 1-2 weeks in the classroom and then one month in the field shadowing an established branch manager. Once in their branches, the managers ensure that the skills from training are continuously practiced. All branch personnel receive an occupational health and safety class as well.
- Alia Farhat (Al Majmoua): First and foremost, we want the right person in the right position. For those that seek a managerial position we do an assessment to evaluate their skills and capabilities, but also their values as a person. Next, they go through a probation phase that includes a course that teaches both hard and soft skills. Then, the candidate shadows an established branch manager for at least a month to learn from them how to do the job. Finally, we evaluate the candidate at all levels – the branch manager, the area manager, and the HR department all weigh in on whether this person is suitable for the position.

3) What results has your organization observed after pro-actively equipping managers with tools to support their human resources development function?

- Joy Santos (ASKI): Our human resources are important strategic partners to achieve our goals. Staff retention is a very important result – this helps improve efficiency and achieve productivity targets, which in turn leads to high self-esteem among staff. One result is a committed team – our employees believe in our values. Our Founder – Mr. Victoria – has always had a strong belief in training and investing in people. Even in the early years he invested in our employees, even when his peers told him that it was a waste of money. But now we are reaping the harvest of that investment – we have many homegrown leaders, and they have a strong culture of ASKI. Promoting from within has also helped ensure our succession plan.
- Roberto Rios (FUBODE): Managers are in charge of generating the appropriate working conditions, which, when in place, reduce staff turnover. Our staff retention numbers have been increasing over the last 5 years. Now our average staff person has been with us for 6 years, so you can see that staff is staying with the institution. Like Joy said, we have seen this help with succession in leadership roles because the leaders come up from the field staff. Leaders that have open dialogue with their staff talk but also listen and this leads to increased motivation and initiative among staff. This type of holistic leadership also allows our portfolio to grow. We have seen that this type of employee management has accompanied our portfolio growth and it has stabilized our growth, so we don't experience the peaks and valleys anymore – the growth is more consistent over time now.
- Alia Farhat (Al Majmoua): One of the results we have seen is that it is not just the HR Department that cares about the staff. The staff knows that their line managers also care about them, and they can go to that person with any difficulties. It reinforces the leadership of the branch managers because the managers understand in a holistic way how to leverage their human capital. This approach has helped us achieve our institutional objectives as well as allowing the individuals to achieve their objectives. As Roberto said, we also work in a very competitive environment, and our people are our most important resource. Our employees feel valued, which enhances their productivity and their commitment to the organization. We have seen increased staff retention and positive institutional culture as a result.

For the subsequent discussion on questions such as how to manage favoritism or how to deal with uncertainty caused by different events, including the Covid-19 pandemic and the war in Ukraine, you can replay the recording of the webinar here.

RESOURCES

1. Webpage for the e-MFP's HR Action Group with links to the materials from all the webinars in this series: [Human Resources Action Group | e-MFP](#)
2. Publication: [HRD practices in the microfinance sector](#)
3. Universal Standards for Social and Environmental Performance: <https://cerise-sptf.org/download-the-manual/> Dimension 5 describes the practices necessary for Responsible Human Resources Management