

# GENDER DIVERSITY AND LEADERSHIP IN FINANCIAL INCLUSION

**Panelists:** Adama Bah, Oikocredit; Isabel Baggio, CEO of Banco da Familia (online); Mwangi Githaiga, Managing Director KWFT (online); Nisha Singh, FinEquity's Gender Transformative Solutions Technical Lead (online) and Naome Otiti, University of Agder.

**Moderator:** Aude de Montesquiou, FinEquity Facilitator (CGAP) and Nisha Singh, FinEquity's Gender Transformative Solutions Technical Lead (online moderator).



## Gender diversity in leadership within Oikocredit portfolio

## Poll

- Do financial inclusion service providers (FSPs) that have more women in leadership serve predominantly female clients?
  - Yes/No
  
- Do financial inclusion service providers with more women in leadership provide a wider range of products and services to their clients?
  - Yes/No
  
- Are FSPs with more women in leadership more likely to pursue poverty reduction objectives?
  - Yes/No

## Background

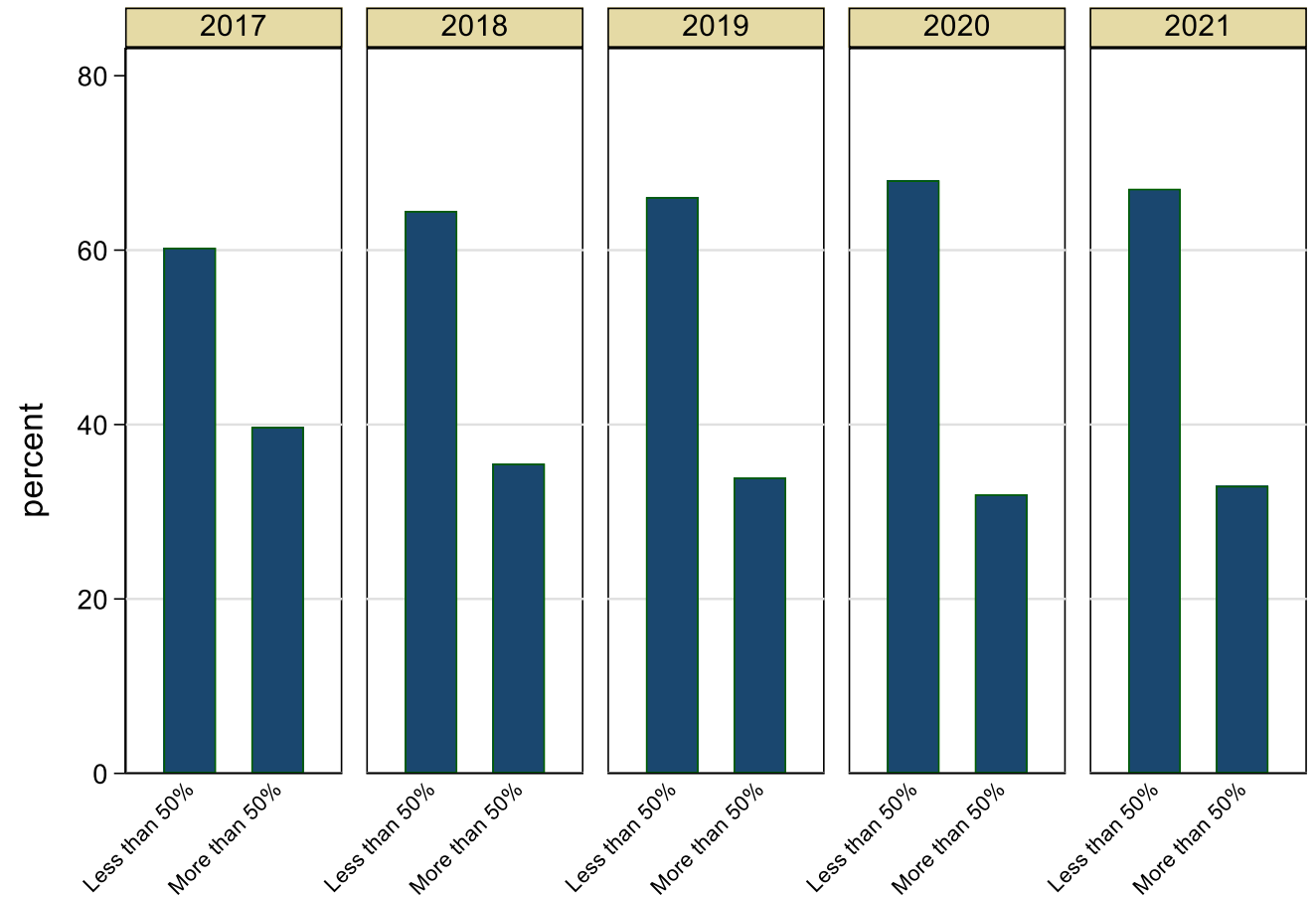
- Why is investing with a gender-lens important for Oikocredit:
  - Within organisations serving disproportionately women as clients, it is important to ensure are women also at the decision-making table
  - Social justice: women participation to economic activities is in itself desirable
    - Increased access to opportunities, from exclusion to inclusion
    - Increased access to resources => Empowerment, improved bargaining position
    - Improved quality of lives for families
    - Key step towards achieving gender equality

## Analysis based on Oikocredit's MFI portfolio

1. What is the current prevalence of gender diversity in leadership, and how has this changed over time?
2. What are the characteristics of organizations with more women in leadership?
3. Correlations between women in leadership and proxies of decision-making that works better for end-clients?

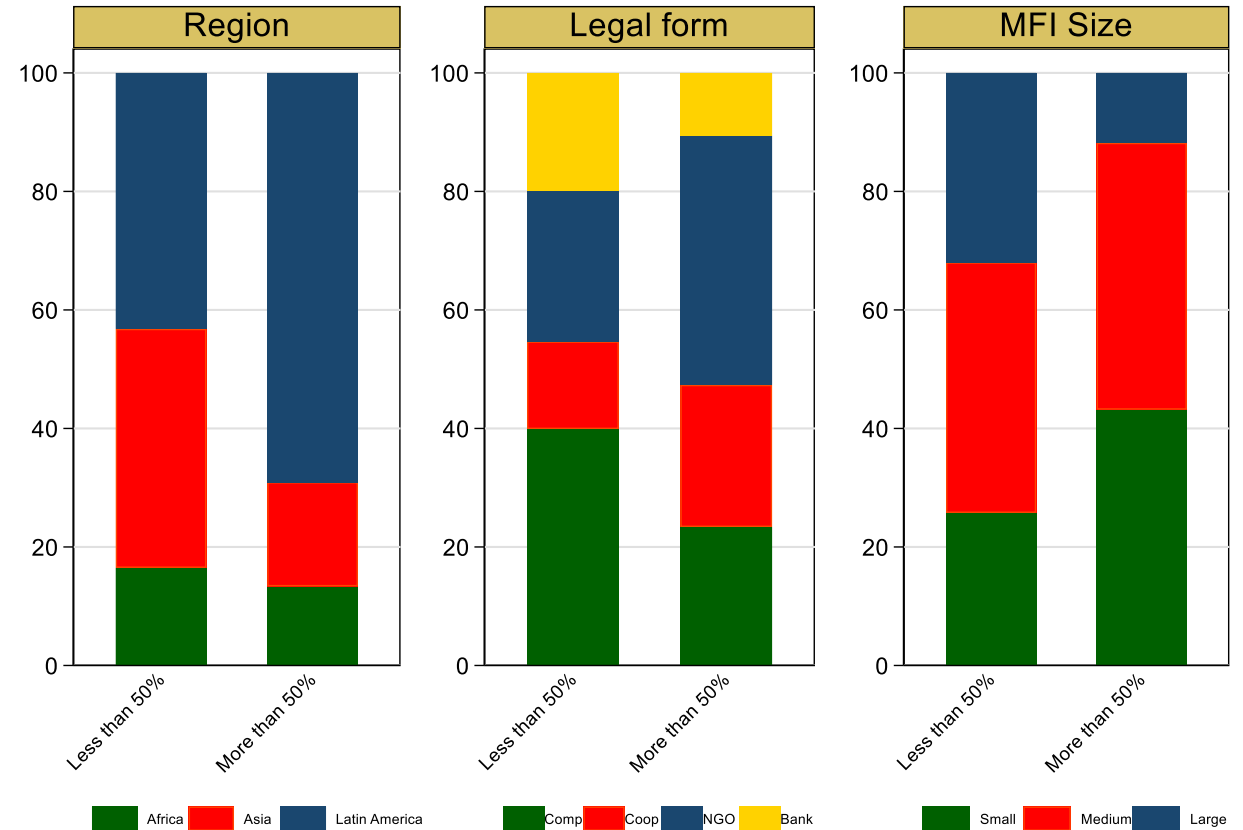
## Gender diversity in leadership over time

- On average, 30-40% of FSPs have at least 50% of women in their leadership, and this decreases slightly over time.
- Change over time for the same institution is also rather limited.



## Women representation in leadership and Institutional characteristics

- 'Typical' characteristics of FSPs with **more** than 50% of women in leadership
  - Geographical location: Latin America
  - Legal form: NGOs
  - MFI size: smaller organisations (less than 10,000 borrowers)
  
- 'Typical' characteristics of FSPs with **less** than 50% of women in leadership
  - Legal form: Companies and Banks
  - MFI size: larger organisations (more than 100,000 borrowers)



## Women in leadership and desired social outcomes

	Less than 50% women	At least 50% women	
		Board or senior management	Board and senior management
Share of women clients (%)	65.5	61.9	74.8*
Number of financial products offered to clients	5.9	6.2	6.8*
Number of non-financial services offered to clients	3.0	2.9	3.9*
Organisation has poverty reduction as objective (%)	74.8	76.7	86.1*

\* indicates that the level (difference) is statistically significant

- FSPs classified in 3 groups based on diversity in leadership
  1. Less than 50% of women in board/senior management;
  2. At least 50% of women in board OR senior management;
  3. At least 50% of women in board AND senior management.
- Regression analysis to assess the statistical relationship between outcome indicators
  - Controlling for the influence of institutional characteristics correlated with gender diversity in leadership.
- Positive and significant correlation between desired outcomes, or proxies of FSPs' ability to serve their clients, and women representation at **both board and senior management**.
  - Back to poll results



## Concluding remarks

- Gender diversity is important for Oikocredit, yet there has not been much change (visible in the data) within its portfolio regarding women representation in leadership over the past few years.
- Women representation in leadership appears strongly correlated with fixed institutional characteristics, suggesting the need for deliberate, continuous and tailored interventions.
- Regression analysis provides evidence that women representation matters at all levels within organisations' leadership (board and senior management) and indicates that decisions are enhanced by the sharing of diverse perspectives.

# Gender and Staff turnover in Microfinance: The moderating role of firm international background

Naome Oti  
NLA University College  
University of Agder  
Kristiansand, Norway

## Employee Gender in Microfinance

- Female Loan officers present performance advantages:
  - Facilitate good repayment behaviour (Beck et al., 2013)
  - Less discrimination to fellow women clients (Belucci et al., 2001)
  - Gender affinity advantages → which increases access to finance for women

**Female employees remain underrepresented in microfinance** (Microfinance Insights, 2008).

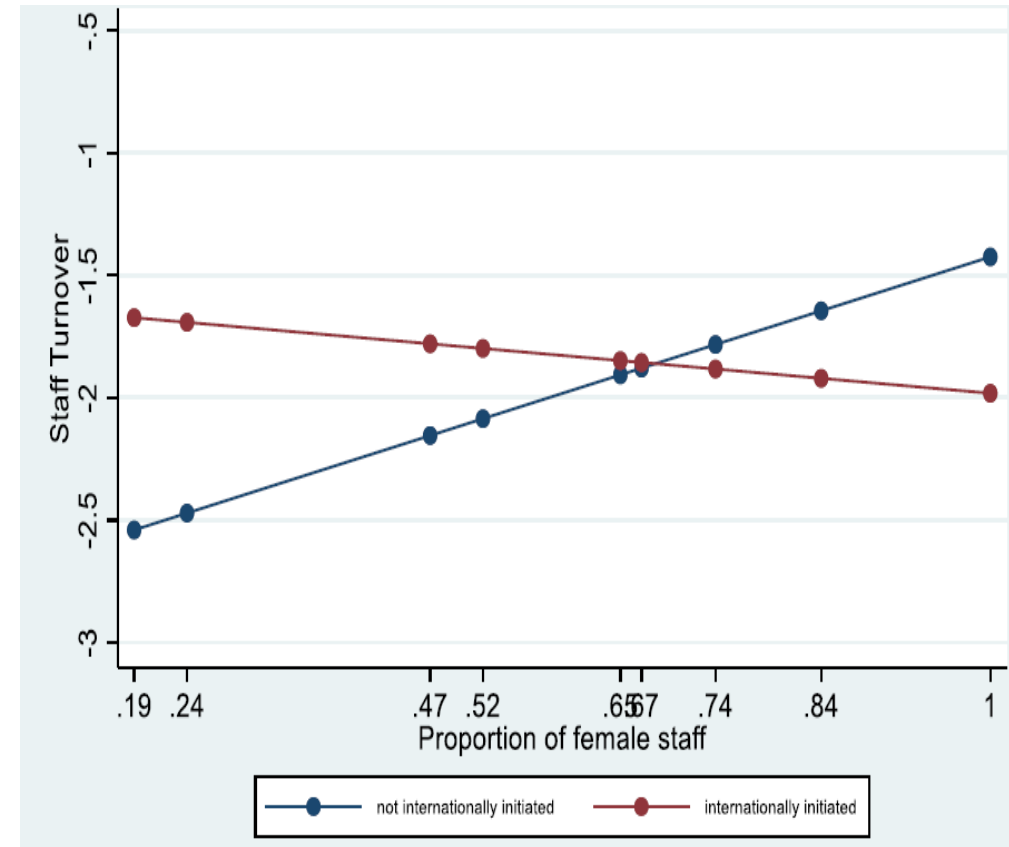
- Female employees in microfinance institutions (MFIs) are prone to influence by social norms and practices both in society and workplace (Siwale, 2016)
  - \*Female employees more likely to leave MFI than men
- Firm background also likely to influence employee behaviour → Microfinance?

## How does the firm's background influence female employee turnover behavior?

- MFIs with an **international background** more have lower female staff turnover compared to locally initiated ones.

*What does this mean for Financial Service Providers?*

- Gender based approach to Human Resource Management?
  - Adopt HR policies & practices in firms with an international background
- Extension of microfinance woman focus to employees.
- Woman friendly working environment
- Put women at the front and center of financial inclusion





**Panel discussion**

# **KWFT: DRIVING GENDER DIVERSITY AT THE WORKPLACE**



**MWANGI GITHAIGA**  
**MANAGING DIRECTOR**

# ABOUT KWFT



## VISION

To be the women financial solutions provider with a difference.

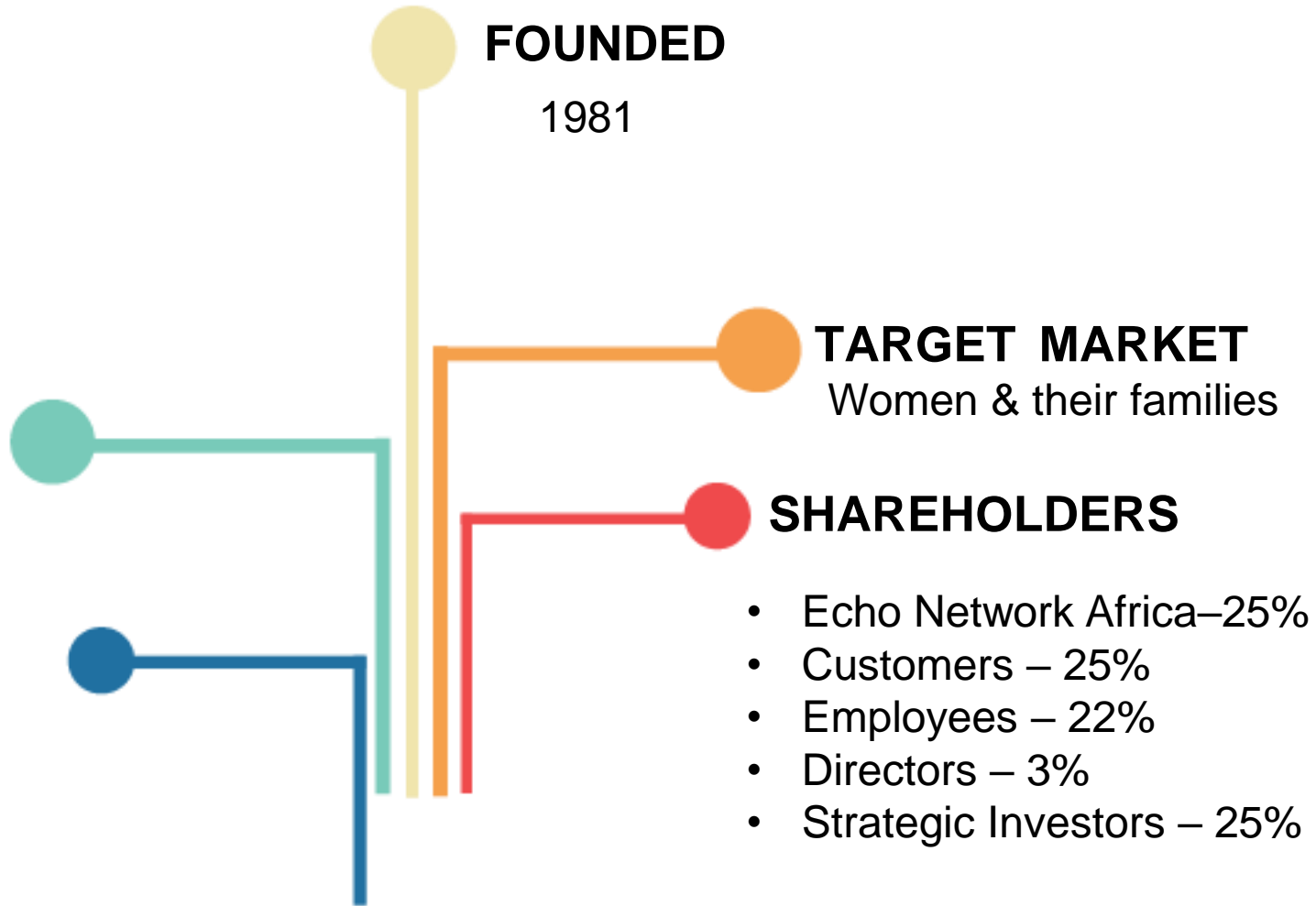


## MISSION

To partner with women in their creation of wealth.

**CUSTOMERS**  
Over 800,000

**EMPLOYEES**  
Total - 2009  
Women -1099  
Men- 910



# KWFT - STRATEGIC FOCUS



Sustainability

Social Impact

Environmental conservation





# GENDER DIVERSITY AT THE WORKPLACE

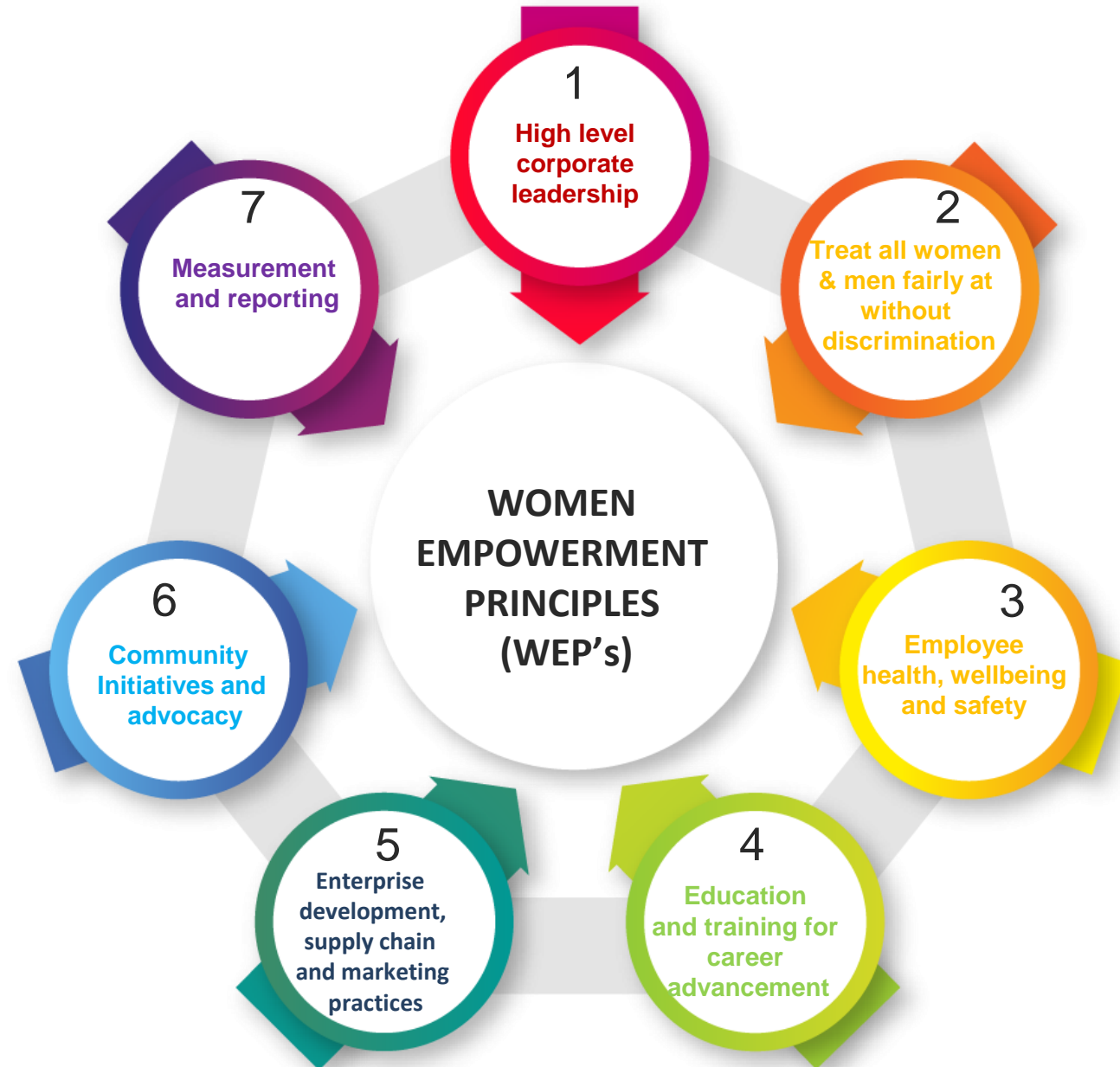


- KWFT is 1st Microfinance Institution in Kenya & Africa to sign the Women's Empowerment Principles (WEP's) Initiative.
- WEP's offers guidance to businesses on how to promote gender equality and women's empowerment in the: -

❖ Workplace

❖ Marketplace

❖ Community



# REASONS FOR ADOPTION OF GENDER DIVERSITY

- ✓ As an industry best practice
- ✓ To close the gender inequality gap.
- ✓ Promote a positive working environment
- ✓ Drive effective solutions that promote the dignity of women
- ✓ Succession – Women can also make good leaders.
- ✓ Enhance teamwork performance and creativity
- ✓ Enhance staff retention



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## DIVERSITY STRATEGIES ADOPTED AT KWFT

### **Governance:**

- ✓ Board – 67% are women
- ✓ Staff – 56% are women
- ✓ Management – 48% are women

### **HR Policies**

- ✓ That enhance safety, security, protection at the workplace.
- ✓ Recruitment, Promotions and reward guidance.
- ✓ Equal pay for equal value of work.

### **Training programs**

- ✓ Mentorship and training for skills and knowledge.

### **Member of Initiatives that support women empowerment**

- ✓ UNGC
- ✓ Women Empowerment Principles (WEP's)

# SUPPORTING CARE-GIVING ROLES

## KWFT key wins:

- ✓ 3 months maternity leave.
- ✓ 14 days paternity leave.
- ✓ Medical cover for maternity
- ✓ Neonatal cover for newborns
- ✓ Flex time



KWFT has provided a unique mothers room

## CHALLENGES: PROMOTING GENDER DIVERSITY

- ✓ Africa/ Kenya- Patriarchal society.
  - Biases and stereotyping of women.
- ✓ Conflicts from cultural barriers that affect productivity.
- ✓ Barriers to promotion.
  - Women not managing work - life balance
  - Women internal lack of confidence
- ✓ Discrimination based on gender, tribe and age
- ✓ Lack of support for mothers
- ✓ Lack of sufficient mentors

## BENEFITS OF PROMOTING GENDER DIVERSITY

- ✓ Promotes a positive environment at the workplace.
- ✓ Helps companies attract and retain talented women.
- ✓ Helps increase productivity.
- ✓ Promotes new ideas, innovation and people learn from each other.
- ✓ Working in diverse teams enhances teamwork.
- ✓ Ensures career growth especially for women
- ✓ Increases staff morale



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**Thank You!**

Tel: +254703 067 700 Email: [info@kwftbank.com](mailto:info@kwftbank.com), Web: [www.kwftbank.com](http://www.kwftbank.com)





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# Group exercise



## Group exercise

1. What are biggest challenges in terms of staff retention or turnover in FSPs and how do they affect women? Please provide examples for your context.
  - E.g. staff work hours and scheduling
2. What, if any innovative solutions for the recruitment of women in FSPs? Please provide examples for your context.
  - E.g. respectful workplace policies
3. What are challenges and possible solutions for the promotion and advancement of women within FSPs? Please provide examples for your context.
  - E.g. incentives and mentorship
4. How can you set business and performance targets that promote diversity at FSP? Please provide examples for your context.
  - E.g. addressing unconscious bias and monitoring

# Why gender diversity and women's leadership matters in financial inclusion

## FinEquity Knowledge Guide: Gender Diversity and Leadership Development in Financial Services



- **Why:** Gender diverse leadership as a catalyst for change and transformation
- **How :**
  - Institutional Gender Gap Assessment tools
  - Workforce Development tools
- **Tools and training:** Capacity building programs