

Integrating Gender Diversity: Lessons from Shakti Foundation for Disadvantaged Women in Bangladesh

“Shakti,” the Bengali word for strength and power, perfectly describes the Shakti Foundation for Disadvantaged Women (Shakti). A microfinance institution located in Bangladesh, Shakti translates hope and opportunity into powerful new economic realities for women.

Women’s World Banking (WWB) is proud to award its 2012 Excellence in Leadership Award to Shakti.

WWB believes that high-caliber leadership and gender diversity are essential for microfinance institutions to succeed in implementing their missions. The Excellence in Leadership Award is administered by WWB’s Center for Microfinance Leadership, which strives to develop principled leaders and gender-diverse microfinance institutions. The award, presented in partnership with The MasterCard Foundation, is granted to a microfinance institution that demonstrates significant commitment to and achievements in promoting women’s leadership and gender diversity among its staff. Through the award, WWB hopes to inspire transformation in the microfinance industry by shifting the perception of gender diversity from an elective initiative to a fundamental requirement for sound and sustainable institutions.

About Shakti Foundation for Disadvantaged Women



Shakti was founded in 1992 with the vision of making Bangladeshi women living below the poverty line independent, socially active, and self-sufficient entrepreneurs. Today, the non-governmental organization provides microfinance and other services, including health assistance and small enterprise development, to 457,000 clients, 99 percent of whom are women living in the country’s largest urban slums. Shakti’s Executive Director and Founder Dr. Humaira Islam understands that her organization’s commitment to poverty alleviation and female empowerment does not rest solely with clients. For Shakti to realize its commitment to women’s empowerment, it must continue to invest in female staff and leaders within the organization.

WWB’s Excellence in Leadership Award

WWB’s Excellence in Leadership Award recognizes a microfinance institution within the WWB network that demonstrates:

- a commitment to gender diversity,
- principled leadership, and
- excellence in financial and social performance.

The Award celebrates and promotes the strong synergies among these three institutional priorities, which are core to the WWB network.

The Importance of Diversity

WWB began its work on gender diversity in 2008 in response to both the declining number of women at senior levels in the microfinance industry and in recognition of the strong business case for diversity. WWB designed the Organizational Gender Assessment (OGA) methodology to help microfinance institutions determine the necessary actions to improve and maintain workforce diversity in their institutions.



Shakti's Women in Development Initiative

Shakti developed its award-winning initiative to ensure that the organization's vision for women's empowerment translates into the way in which female staff are recruited, supported, and promoted. The initiative strives to increase the number of female staff at all levels by identifying practical issues they face and addressing them through policies and programs. The Women in Development department, which was formalized in 1999, oversees the initiative. The department monitors the implementation of Shakti's policies and programs related to female staff and reports on the initiative's progress through a monthly report and presentation to senior management. Shakti's leadership understands the need to invest in an intentional strategy to develop and retain women in the organization for several reasons:

- **Fulfillment of mission:** Shakti's primary goal is women's empowerment. One of its objectives is to "integrate women into the decision-making process of the organization." Shakti recognizes it must first have the structure and policies in place to retain and develop female staff. WWB has conducted research in Bangladesh to understand how religious and social constraints affect women's capacity to gain and retain employment in microfinance. Impediments range from women's limited access to public transportation due to risks of sexual harassment to constraints they may place on their own ambitions because of a lack of support for their career growth. Shakti's leadership understands the scope of these challenges and addresses them as part of its broader mission.
- **A gender balanced staff makes business sense:** In a highly conservative country such as Bangladesh, women and men commonly inhabit separate physical spaces. This division has implications for any microfinance institution that relies on a "high touch" approach to serving clients. Field staff often visit clients in their homes, their businesses, and their neighborhoods. Shakti's leadership team understands that it needs a large cadre of female field staff, who bear specific understanding of women's needs and comfort levels, to successfully recruit and retain female clients. Male field staff, who also serve female clients, receive special training in order to work with women comfortably.

Results (from 2006-2011)

- **Outreach:** Shakti has more than doubled the number of female staff. As of August 2012, Shakti employed 881 women out of a total workforce of 2,855.
- **Financial Investment:** Forty-four women have been given financing and support to improve their work skills. One woman now heads the Research and Development department, and another heads the Health Department. Others lead additional department divisions.
- **Support:** Seven female staff have been given leave opportunities to pursue advanced degrees.



Lessons Learned

The goal of WWB's Excellence in Leadership Award is to showcase best practices in investing in gender diversity in microfinance to inspire greater investment in leadership development across the industry. Drawing from Shakti's experience and research with other microfinance institutions WWB has identified some key building blocks to creating and promoting diversity.

- **A needs-based approach:** An effective gender diversity strategy must be customized to meet the needs of staff at all levels (field, mid-level, and senior leadership).
- **Buy-in from the top:** To effectively build an organizational culture that values diversity, the senior leadership support for diversity must be visible and communicated often, accountable by the board for contributions toward building and sustaining an inclusive culture. The CEO and leadership team can shift mindsets and behaviors not only through dictating policy but also by acting as role models for their staff. The target for board diversity should approach at least 30 percent women.
- **An up-to-date and evolving policy:** Part of Shakti's success in retaining women as leaders is that it ensures that its policies apply to the situation at hand. Shakti thus revises its human resources policy in terms of gender every two years.
- **Making diversity part of the organizational DNA:** Shakti's human resources department has a mandate to ensure that female staff can compete with male staff at all points in their career paths within the organization. This explicit focus has enabled gender diversity to become integrated into everyday operating procedures. Up-to-date organizational materials (such as the revised human resources manual), support and guide policies, particularly those that relate to work-life integration (i.e. maternity leave) and operations.

From Initiative to Action

Shakti's Women in Development Initiative has succeeded in changing its organizational mindset by implementing a suite of policies.

Changing Mindsets: Shakti understands that building a supportive environment for women is not simply about having the right policies in place. Investment must be made in building awareness among all staff of the need for gender diversity and how to achieve it. The leadership also acknowledges that, as WWB identified in its research, "not all biases are external." In cultures where women lack access to many successful female leader role models, investment must be made to help women foster their own ambitions for advancement. To change the organizational mindset, Shakti conducts workshops, mentoring, counseling, and in-house trainings on healthy gender relations for all staff. Counseling also occurs on an as-needed basis for female staff if difficult situations arise with male coworkers; it is also provided to women to help develop strategies to resolve work-home conflicts and encourage a healthy family life. If necessary, Shakti also assists female staff with legal aid services.

Professional Development Strategies: Although government reforms and targeted investment in education have closed the gender gap in primary education rates in Bangladesh, women are less likely to have access to tertiary education and far less likely to have the time available to pursue professional development opportunities that occur outside of their daily work schedules. Shakti's professional development strategies support women's multiple responsibilities. The organization conducts internal skill-building opportunities and provides financial and leave opportunities for female staff to improve their work skills.

Retention Strategies: Shakti's leadership wishes not only to invest in women's recruitment but also to ensure that they are able to continue working during key lifecycle moments (such as marriage and childbirth) when they face the greatest pressures from family to resign their positions. Shakti considers family situations when assigning female staff posting locations. The organization also offers special policies for female staff, including flexible hours, full-salaried maternity leave, and breastfeeding allowance. "Women who need time to give special attention to their children are allowed to work part-time while retaining their basic salaries and seniority within the organization," explains Shakti Program Director Syeda Obaida Haque. "Their careers will not be affected." A part-time employee's workload is then distributed among appropriate branch or department staff. When women return to work, Shakti assists in helping them manage competing pressures.

Shakti also retains female employees by rewarding strong performers and ensuring that talented women have access to promotions. Many start their career as entry-level credit officers, but have ample opportunity to move up. As of August 2012, one woman who started as a credit officer is a senior director; two female staff are now assistant directors; and many female staff have risen to middle and senior management.

Targeting Segments: Shakti places significant investment in building diversity in the most challenging and largest segment (70%) of its workforce: the field staff. Female field staff in Bangladesh confront daily challenges to their mobility, security, and integrity. Shakti emphasizes branch supervisors' responsibilities toward ensuring comfortable, safe work environments for women and mitigating conflicts with male coworkers. The organization also provides extra security, as well as a sexual harassment hotline, for all staff in rural areas, especially women who work alone with male coworkers or commute to different villages for official purposes. If women work late, supervisors must ensure their safe return home. Additionally, women may be less likely in certain regions—particularly rural areas—to meet the job requirements for application. To target underrepresented populations, Shakti relaxes the educational requirements for its recruitment of these women and then provides training for those who enter with less formal skills.



"The organization really works for the empowerment of women, both the staff and the members."

2012 Excellence in Leadership Award Finalists

WWB is pleased to announce the other two finalists for the 2012 Excellence in Leadership Award. These organizations, like Shakti, also spearhead initiatives that demonstrate an understanding of the importance of gender diversity and dedication to promoting it in innovative ways among their staff.



Banco ADOPEM (Dominican Republic): Banco ADOPEM's mission is to empower women by providing financial services and financial education. It leads by example: 46 percent of the bank's employees are women; 75 percent of its vice presidents are women; women represent 53 percent of the senior management and 100 percent of tellers and customer service providers in the branch offices; and 73 percent of the bank's clients are women.

Banco ADOPEM's initiative, the Committee for Gender Equality, is led by a female executive vice president with the full support of the president and board. The Committee promotes gender equality both within and outside of the organization by leading a nationwide initiative in partnership with Dominican and Central American/Caribbean microfinance networks. Established eight years ago, the Committee's agenda is twofold: to advocate social equality in the national workplace (particularly in the banking and microfinance sectors), and to educate and create capacity building opportunities for Banco ADOPEM staff with its "Institutional Career Program." This program cultivates female professional development and leadership within the bank by offering clear career path guidelines, broad-based training and mentoring programs, and incentives that not only empower and benefit women but also ensure their families a brighter future. The career program engages female staff at all organizational levels, from tellers to loan officers, while attracting new female talent.

Banco ADOPEM represents a success story in a country where women represent only 38 percent of the workforce. As of 2011, 100 percent of staff received basic training in customer service methodology and best practices; 49 percent of female staff members received or participated in a workshop or career development training; and three women were promoted to branch manager, a position more frequently held by men. The promotions were directly correlated to their participation in the Institutional Career Program. It's not surprising that the bank's dedication to gender equality has earned it the popular moniker, "el Banco de la Mujer," or "The Women's Bank."



Enda inter-arabe (Tunisia): Launched in 1990 as a development non-governmental organization, enda inter-arabe focuses on microentrepreneurs and microcredit. Its mission is to contribute to improving the quality, incomes, and dignity of low-income Tunisians (particularly women), clients and staff alike.

Led by a strong executive director, enda focuses on hiring and promoting women. It achieves gender parity among its personnel through a broad-based initiative that includes a gender diversity strategy and gender-based training plan. As a result, women represent 50 percent of enda's 740 person staff; 31 percent of senior positions are held by women; and the board of directors boasts 33 percent women. Enda's initiative includes special programs for women (including financial incentives, maternity leave, and psychological support and counseling) and a focus on internal female talent development and recruitment. Every senior manager is responsible for achieving the diversity program's objectives, while metrics and a gender audit assess the progress and success of the initiative. For clients, enda's rural finance program recognizes that women's economic contributions are not always acknowledged, and it promotes gender training and education for them. Enda has succeeded despite Tunisia's uncertain political environment. It has achieved client diversity, staff diversity, diversity of services, and strong financials, proving that recruiting and serving women can benefit society.