



Women's World Banking

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*Women's Workforce Participation and  
Advancement in Southeast Asia*

*With support from the Australian Department of Foreign Affairs and Trade*



## *About Women's World Banking*

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Women World Banking is the global nonprofit devoted to giving low-income women access to financial tools and resources they need to achieve security and prosperity. For more than 35 years we have worked with financial institutions to show them the benefit of investing in women as clients, and as leaders. We equip these institutions to meet women's needs through authoritative market research, leadership training, sustainable financial products and consumer education. Headquartered in New York, Women's World Banking works with 38 institutions in 27 countries with a reach of 14 million women to create access to finance on a greater scale than ever before.

## Introduction

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Research is the foundation of Women's World Banking's work. Throughout our entire 35-year history, Women's World Banking has used market research to get a clear picture of the lives of low-income women, as expressed by women themselves. Through this research, we have gained rich insights into women's financial behaviors, the life experiences that shape those behaviors, and the financial products that meet their needs.

Additionally, Women's World Banking conducts global and regional studies that enable us to identify new markets, partners with whom to work, and best practices for financial institutions to help women better manage their financial lives. This research has made us a sought after resource for partners looking for ways to ensure more women have access to financial services. This research is critical if we are to expand financial inclusion to the 1 billion women who remain outside the formal financial system.

The Australian Government's Department of Foreign Affairs and Trade (DFAT) commissioned Women's World Banking to assess employment opportunities for women in five markets in Southeast Asia: Cambodia, Indonesia, Myanmar, the Philippines and Vietnam. As many countries in South-East Asia move to middle-income status, continued growth depends on harnessing all productive resources available. Countries will need to increase the size of their formal sector and bring more enterprises and employees into the formal workforce. The study looks specifically at opportunities for employment and advancement for women at select multinational and local banks. The

research will inform a new DFAT initiative to improve women's economic participation and influence the private and public sector to promote women's economic empowerment in the region. The full report and list of references and interviews conducted can be found in the extended version of this research report

The recommendations below are based on this research and informed by years of conducting gender assessments at our partner organizations globally. Women's World Banking began its work in gender diversity in 2008 both in response to a declining number of women at senior levels in the industry and in recognition of the strong business case for gender diversity. Borrowing a concept from corporate marketing strategy, the business case would hold that financial institutions targeting women customers will be more successful at understanding and responding to customers' needs if they mirror their market. This is not to say that men cannot or do not grasp the needs of a female client base, but rather that having women's voices at the tables where decisions are made about which products to offer and how, will lead to decisions that are more responsive to women clients. Differentiation in the market as a gender diverse organization attracts not only top female talent but can have corresponding benefits in attracting new women clients. For additional recommendations on how to increase diversity at financial institutions, see our publication, *What if it had been Lehman Brothers & Sisters? The importance of building gender diverse microfinance institutions.*

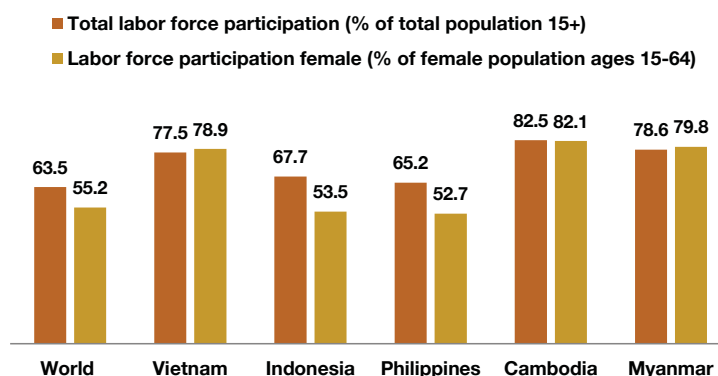
# Women's Workforce Participation and Advancement: the Global and Regional Perspective

According to the Human Capital Report<sup>1</sup>, 60 to 70 percent of women of working age participate in the global workforce across all geographies (developed and developing). Throughout the late 1990s and early 2000s, the process of liberalization and globalization has resulted in increased labor opportunities for women. For developing economies in Southeast Asia, increased openness to trade and foreign direct investment has been a key economic growth driver.

In many ways Southeast Asian countries are outperforming much of the world with regards to women's participation in the formal labor force. However, this varies greatly by sub-region, making regional generalizations difficult and indicating a need for country-specific interventions.

For example, women's participation in the labor force is nearing equality with that of men in lower-income economies (like Myanmar), but has remained low in middle-income countries (like Indonesia)<sup>2</sup>. In these markets, women's increasing rate of participation is driven in part by economic necessity. Women are more likely to engage in informal, low-wage jobs or work as unpaid helpers in family businesses. Across these countries, women outnumber men in product-line manufacturing. In Cambodia, more than 90 percent of workers in the textile and garment industry are women. In the region, women's labor force participation is highest in East Asia, especially Cambodia (79 percent) and Laos (77 percent). However, occupational segregation and gender wage gaps remain.

## Women's Workforce Participation



Source: World Bank

## Women's Representation at the Top in Southeast Asia

Globally, male and female new university graduates are being recruited in roughly equal numbers, but women are underrepresented in senior management and in board participation. For instance, women comprise fewer than 5 percent of Fortune 500 CEOs and hold fewer than a quarter of senior management roles and just 19 percent of board seats globally. Moreover, the proportion of senior roles held by women has not changed significantly over the last decade<sup>3</sup>.

<sup>1</sup> World Economic Forum. 2013. Human Capital Report

<sup>2</sup> ILO 2011. Key Indicators of Labor Market. Geneva. ADB

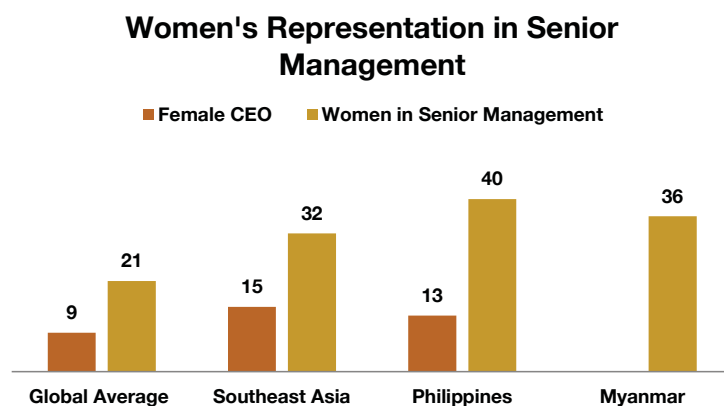
A 2012 International Business Report notes that the Southeast Asian region performs better than the global average in both number of women in senior management positions and the number of women chief executives<sup>4</sup>. While there is no indisputable explanation for the high representation of women in senior roles, some hypotheses include extended family support for childcare, help with domestic chores, and flexible working conditions due to the large number of family-owned and run businesses. Findings from the field research support the hypothesis that family support provides women the flexibility to take advantage of opportunities that further their career and contributes to the number of women in the labor market.

Despite the relatively high percentage of women in senior management in Southeast Asia, the banks we studied do have a gradual tapering of women in senior positions, with the exception of Indonesia. Most multinational and local banks attributed this to women leaving the organization to take up child rearing and other family responsibilities. In the Philippines specifically, women cited travel constraints as another reason they might decline a promotion in position.

The 10 banks interviewed for this study have an average of 58 percent women employees (organization-wide) who tend

to be clustered in human resources, finance, operations and customer relationship functions. Men appear to cluster in the more traditionally “male-oriented” jobs in technology, corporate and institutional sales. While there are clear stereotypes, exceptions were observed in a few cases. The banks indicated that functions were generally perceived as a matter of choice by the employees (both men and women), supported by merit or performance. Within the participating banks (both multinational and local), there is a perception that women and men prefer certain kinds of jobs.

This is similar to a finding from a 2014 Oliver Wyman report assessing 150 major financial institutions globally. Women have been successful in reaching Executive Committee positions in support and compliance functions (audit, legal, compliance or marketing) but not in profit-generating lines of the business (CEO or head of a business unit, division or region).



Source: Grant Thornton International Business Report, survey of mid-size companies

<sup>3</sup> World Bank. (<http://data.worldbank.org/indicator/SL.TLF.ACTI.FE.ZS/countries/1W-VN-ID-KH-MM-PH?display=graph>)

<sup>4</sup> Grant Thornton International, 2012.

## Recommendations

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We know from our work that gender equality and diversity is best supported within an ecosystem of both internal support, such as leadership commitment and a culture of equality, and external factors including government policies and social norms. Below are some examples of ways to promote good practices in gender diversity in the workplace.

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### IMPLEMENT FLEXIBLE WORKING CONDITIONS

When asked about institutional policies or practices, staff said flexible work schedules (shortened work days, flexibility to come in late and/or leave early etc.), flexible working options (part time working, work from home etc.) and support for young mothers and their children would be the most supportive in terms of promoting women's employment. These are seen as critical by both men and women. In terms of uptake for these benefits more women than men seem to prefer to use these services. Women employees confirm that one of the toughest challenges they experience is to manage their work-life balance making flexible work options and support facilities for mothers particularly attractive to them. Flexible-working options are seen as the single biggest enabler for women to balance their dual role at home and in the workplace. Policies that support the transition of women as they return from maternity leave or from extended leave are viewed as an opportunity for women to continue to focus on their career development goals.

Flexible working options are being implemented across most institutions consulted in the study. In some cases, they are structured and formalized, with banks providing infrastructure support (internet, telephone line etc.) to work remotely. In other cases, the practices revolve around flexible work hours which are practiced by individuals on a case-by-case basis. One of the local banks has a fully equipped state of the art nursing room and child-care center, while others have clinics and designated lactation rooms. Furthermore, all institutions are adhering to laws governing maternity and non-discrimination against pregnant women wherever applicable.

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### DEVELOP OBJECTIVES FOR GENDER EQUALITY AND DIVERSITY

Senior business and HR leaders were asked to elaborate their position on gender equality and diversity within their operations, its place in the organization's strategy, institutional targets for equality and diversity and, in the case of the multinationals, if the policy varied from their global headquarters. All multinational banks in the study have a global policy established by their respective headquarters. In most cases, diversity and inclusion is part of a broad-based global policy. Country offices have the flexibility to adapt/modify the global policy based on the context and its relevance to the country, as long as they align with the overall policy. Thus, within a single multinational institution, different practices and programs exist across countries.

The local banks interviewed do not have a gender policy nor targets. The local banks also do not seem to have a structured method to involve and engage leaders in the gender equality agenda. Possible factors are the absence of a policy and secondly, the level of awareness amongst the leaders. Conservative attitudes about gender in society may impact the way that some local banks approach the gender equity agenda.

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In participating multinational banks, targets are set at the global level to increase women's representation in senior management. However, these targets are set specific to the context in the head quarter country, given low representation there. In one of the MNCs, there are targets for women's representation in the pool for hiring and promotion. As per the policy, women should be shortlisted along with men for all opportunities and open positions, particularly senior management positions. However, the outcome of placing a woman in the position depends on her capability and not her gender. Most banks confirmed that while they track the number of men and women in each function and level, the data is not used for regular decision-making. When extreme skews are discovered, action is taken by HR. In the case of the three countries of primary study (Vietnam, Cambodia and the Philippines), none of the multinational banks initiated action due to existing favorable gender ratios.

Neither the multinational banks nor the local banks perceive gender equality to be an issue within their institutions. However, the reasons for this position vary. Multinationals seem to understand the need for equality, which is also actively communicated through their global headquarters. In most of the multinational banks, equality forms a core aspect of their values and therefore is seen to translate into concrete action within the institutions. A feeling and experience of equality has also been substantiated by both men and women employees who believe they have been given equal opportunity and access at the workplace. Local banks participating in the research stated that they do not see the need to focus on gender because the number of women represented in their banks seems to indicate strong diversity and overall equity at the institutional level.

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#### EXTERNAL FACTORS IMPACTING GENDER EQUALITY AND DIVERSITY: SOCIOCULTURAL NORMS

*Across the five countries, overall economic growth, particularly in urban areas, is creating more job opportunities for women. Given the high cost of living in most urban centers, the need for a dual income is also seen as a necessity. Across the countries, we find societal expectations of women as primary homemakers and caregivers puts a burden on women to balance work and family priorities. Despite the relatively good diversity statistics within participating banks, there is recognition that women's primary caregiver role can impact their career progression and success. Some banks see women's dual burden as a genuine institutional challenge especially in resourcing their teams, resulting in unconscious bias against women during recruitment. This, could be a driver in the slight decline in the representation of women in more senior roles. One of the multinational banks has a program to address this unconscious bias in the hiring and promotion of women.*

*The older generation, especially both senior men and women leaders seem to accept this dual role as natural and do not see the two roles (managing careers and family) as conflicting. Senior women leaders in particular have evolved their own ways to deal with the challenges the dual role poses. They have been successful in overcoming their challenges primarily because of supportive work and home environments. The younger generation, however, seems to make a conscious choice to change the situation, expressing that responsibility within the household should be shared between working men and women. They see women as critical contributors to the economy and accept women's aspirations to pursue careers.*

## Recommendations

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### STRENGTHEN LEADERSHIP COMMITMENT TO GENDER DIVERSITY

Another important enabler to help women grow their careers is leadership development. It is worth noting that women-specific leadership programs are not deliberate in most banks. However, one of the multinational banks that has programs exclusively for women claimed about 70 percent of women (globally) had experienced career mobility on account of their participation. For the banks under study, recruitment, performance management, promotion and professional development were largely gender equal. A few notable exceptions include a specific policy to ensure that women are represented on interview panels and training on how to conduct bias-free interviews; and one multinational bank with leadership programs specifically for women.

Leaders play an important role in creating a culture that eliminates biases, generates awareness and ensures fair practices in hiring and promotion. The research confirmed the hypothesis that when multinational institutions have a culture that supports leadership development, gender diversity and equality it trickles down to the regional level without the use of targets or mandates. In contrast, diversity efforts in the local banks appear to arise more through an ad-hoc, bottom-up approach. As seen in one of the local banks, policies are created to meet the needs of employees (flexible working hours, child care facilities, and maternity leave more generous than regulated) and are not part of an institutional agenda. This is likely due, in part, to the fact that these institutions do not see the need for gender diversity and equality given the high representation of women. Additionally, the local banks do not seem to have a method to involve and engage leaders on gender diversity and equality issues and there is little awareness of the issue among leaders, especially in the traditional banks.

### DIVERSE INSTITUTIONS DRIVE INNOVATION

*More than one billion women globally do not have access to financial services. If financial institutions are to reach these potential clients they need to design innovative financial products, such as savings and insurance that meet the needs of women. As financial services become more widespread and markets become more competitive, even well-established financial institutions need to ensure they are prepared to meet the needs of low-income clients. Women's World Banking also knows from research that gender diversity within institutions allows them to better serve women. Women's World Banking's suite of leadership and diversity programs supports institutions as they develop new approaches to support financial inclusion through innovative financial products and services. The Leadership and Diversity for Innovation program is our flagship leadership offering. Through this one-year program a senior executive and a woman leader or high-potential female employee from 20 high-performing financial institutions across the globe will participate in parallel leadership programs to develop skills to successfully serve low-income women.*

*Each team identifies and solves a real-time challenge facing their institution, such as better serving existing clients, reaching new market segments or creating inclusive workplaces to attract and retain diverse talent. Women leaders focus on individual development to best contribute to the organization by honing and using their personal leadership style and skills including visioning, negotiation, managing difficult conversations and strategic relationship-building to achieve impact. In addition, each senior executive plays an important role as a sponsor, supporting the woman leader to develop her own leadership vision and bring her voice to the decision-making table.*



## *Spotlight on a Multinational Bank*

As part of this research we interviewed 10 banks, both local and multinational. Below is a snapshot of one best-practice institution's policies and practices that support the advancement of women employees. All multinational banks in the study have a global policy however, country offices have the flexibility to adapt/modify the global policy based on the context and its relevance to the country, as long as they align with the overall policy.

<b>Enabling Practices</b>	<b>Details of the Practices / Policies</b>
Recruitment Practices	Inclusive hiring policy applicable to all diversities but with performance being the first determinant  Hiring managers trained to eliminate bias during the selection process (not restricted to gender)
Performance management practices	Multiple feedback mechanisms such as 360 appraisals and performance reviews that help capture feedback for employees on their inclusiveness culture
Promotion and career enhancement	Process to ensure women are represented in the shortlisted pool of candidates for all positions, especially at senior levels
Leadership development, training programs etc.	Women Leadership Development Programs: Program 1 – 1 week program for high potentials in senior roles Program 2 – long duration program for senior VPs and directors  In the Philippines: Leadership training for both men and women on ethics and respect at the workplace which includes a focus on diversity and inclusion and addressing biases
Flexibility (leave, flexi-time, part-time work etc.); Working mother support (Maternity benefits, facilities for nursing and child care)	Structured program for flexible working conditions including IT support  In Vietnam: One month's additional maternity leave with pay for women, over and above maternity compensation required by law
Other practices that support women	In the Philippines: Women's networks centered around 4 pillars of family, wellness, personal and professional development and social responsibility; include - Panel discussion by senior leaders - Wellness and fitness chats - Breakfast with the CEO - Guest speaker sessions on breast-feeding, parenting etc.  In Vietnam: Informal group of senior women who meet to discuss issues about work-life balance, family issues, coping with work post maternity break etc.

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STRENGTHEN  
THE ENABLING  
ENVIRONMENT  
THAT PROMOTES  
WOMEN'S  
EMPLOYMENT

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The five countries have incorporated women's workforce participation in their national agenda to varying degrees. For example, given its relatively advanced position both economically and with relation to women's issues, the Philippines is by far the most gender equal, with progressive policies and gender incorporated in the national budget and economic indicators. In Myanmar, the government is more focused on anti-trafficking and violence against women.

No country has made a legal provision to allow for flexible or part-time schedule work timings, one of the key factors that allow women and men to maintain a work-home balance.

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COLLECT AND  
SHARE DATA  
TO DRIVE  
AWARENESS OF  
GENDER DIVERSITY  
AND EQUALITY

In Myanmar and Cambodia, the financial sector is still in a nascent stage of development with very limited presence of multinational banks. Data on local banks is limited, even more so on bank policies and practices related to gender diversity and equality.

The Philippines, Indonesia and Vietnam have a clear awareness of diversity and inclusion practices at the national and regulatory level, with varying degrees of implementation. While gender diversity and equality within the workplace is not perceived to be an issue by any of the participating banks, the data indicates that there is an opportunity to improve the situation for women employees, particularly in Indonesia.

## *Looking Forward*

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Women's World Banking continues to work with its network and partners to better understand the challenges and barriers that keep women from reaching parity in the workforce. Through our organizational gender diversity assessments we work with institutional leaders to evaluate how their organization is attracting, retaining and developing diverse talent. Women's World Banking supports organizations to develop a gender diversity scorecard and to implement the strategies necessary to become an employer of choice for women. These assessments and our research projects will continue to build the case for the importance of diverse institutions in closing the gender gap in access to financial services.

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## CHARACTERISTICS OF FINANCIAL INSTITUTIONS THAT SUPPORT WOMEN LEADERS

1. Vision and strategic plan for gender diversity; in order to succeed, diversity must be championed by the senior leadership team as a strategic business imperative
2. Strategy for diversity that includes targets for the desired percentage of men and women throughout the organization but also maintains a commitment to finding the right talent and best fit for each position
3. Tracking and monitoring of key diversity statistics including hiring, promotions, percentage of men and women at all levels, as well as gender-disaggregated satisfaction and exit data
4. Broad and consistent communication about the importance of gender diversity beyond senior management using all channels to communicate concepts of equality and women rights; use of social media to influence the younger generation and achieve long-term change
5. Policies and programs that support, and are appealing to, both men and women including clear, gender-neutral career development planning that allows employees to envision their growth
6. Awareness that equal opportunity is not always gender-sensitive
7. Training in technical and management skills that are equally available and equally accessible to men and women staff
8. Coaching, mentoring and sponsorship opportunities, either from senior members of the leadership team or through external networks or other resources
9. Gender-sensitivity training; both women and men may have internal biases and training can help to reveal and diminish these biases
10. Policies that protect everyone and clear, safe mechanisms for reporting violations
11. Work-life balance programs including flexible hours or remote arrangements where possible
12. Strategies for business continuity during maternity or paternity leave for smoother transitions out of and back into the office
13. Assertiveness and communication training for women to build self-confidence among women staff, help them to recognize their potential and communicate in a way that gets their ideas noticed by colleagues
14. An inclusive culture in which people are living the value of diversity in their daily decisions, speech and interactions and desired behavior is rewarded and disruptive behavior is eliminated

*This list was developed by Women's World Banking's Leadership Community, a space where leaders of financial institutions can practice continuous learning and reflection, build supportive relationships with peer leaders, share successes and challenges and practice new behaviors.*





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