POLICY DIAGNOSTIC

Women's World Banking

April 2024

# Policy Diagnostic: Women In Leadership

## Introduction

Women are increasingly leading financial institutions in C-suite and board-level positions. Compared to 12% in 2012, women now occupy 18% of C-suite and board leadership roles globally.[1] Greater women's representation has been correlated with higher returns, lower risk, and greater impact. In a 2016 study, boards that included three or more women experienced 10.1% median gains in return on equity and a 37% increase to earnings per share.[2]

Private sector companies with the most gender diverse boards boast over eight times greater annual returns on invested capital within five years than those with the least diverse boards.[3] According to a McKinsey report, companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above average profitability than peer companies in the fourth quartile, based on the fact that diverse and inclusive companies are likely to make better, bolder decisions. The effect goes further; the higher the representation, the higher the likelihood of outperformance.

Companies with more than 30% women on their executive teams are significantly more likely to outperform those with between 10% and 30% women, which in turn, are more likely to outperform those with fewer or no women executives. As a result, there is a substantial performance differential—48%—between the most and least gender-diverse companies.[4]

Even as numbers rise, however, the increase in women's representation in strategic and executive roles has been slow and varies by region and country. According to the Gender Balance Index (GBI) 2024 from the Official Monetary and Financial Institutions Forum (OMFIF), 42% of commercial banks increased their GBI scores in 2023, while scores decreased for 44%. Moreover, across the 63 institutions analyzed in the OMFIF, only 14% of the new leaders appointed were women.

Women's World Banking works with policymakers and financial institutions around the world to build policies and practices that facilitate women's advancement into decision-making positions.

In addition to direct work with policymakers through the Leadership and Diversity Program for Regulators (LDR), Women's World Banking's recent research in Indonesia and Nigeria offers action-oriented insights into the essential role of policymakers in creating equitable environments to encourage progress against closing the gender gap.

Policymakers, regulators, and supervisors have the authority to take clear and intentional steps alongside industry leaders to ensure continued and stronger growth of women's representation in leadership positions across all sectors, including the finance industry. Both through regulating financial services providers and changing central banks' and other agencies' own practices, policymakers can act as leaders in setting standards and modelling gender diversity and equity in the workplace.[6]

Policymakers are defined in this brief as government employees with policy, regulatory, or supervisory authority, and are integral to establishing foundational policies to promote gender diversity and women's advancement in the workplace. Through the synthesis of Women's World Banking's primary research insights and current studies on women's advancement, this document highlights good practices relevant to many settings, and recognizes that each country, administration, ministry, legal code, and culture will differ in what works to promote gender parity and equity in leadership positions.

This policy diagnostic presents policymakers with an overview of gender balance in the finance industry and then focuses on key areas for advancing women's movement into, and active participation in, executive and other leadership roles.

## Landscape of Gender Balance in the Financial Sector Globally

Women's representation in leadership differs by country, institution, and position. Across all types of institutions assessed by the GBI—sovereign funds, central banks, commercial banks, and pension funds—gender balance in leadership increased in the last decade.

However, progress has not been consistent. For instance, gender balance increased in 35% of central banks but decreased in 28% of central banks, and 11% of central banks surveyed still have no women in senior staff.

Overall, pension funds score the best in gender parity while sovereign funds fare the worst (Figure 1). All pension funds analyzed had at least one woman in senior leadership in 2023.

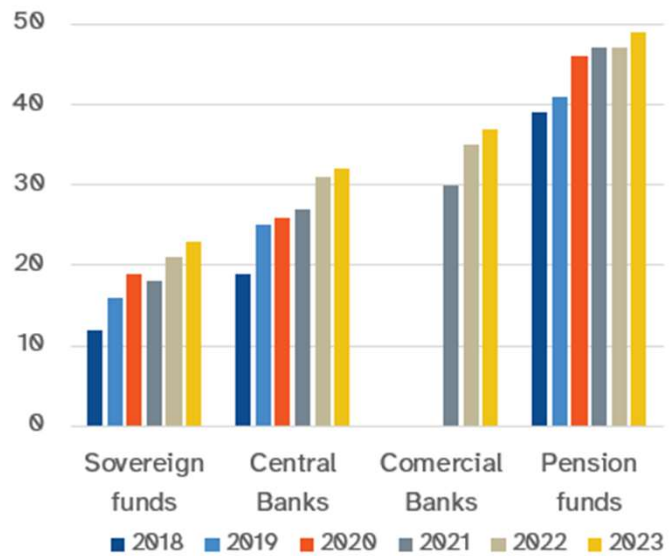
Despite scoring lowest on the GBI, sovereign funds have made the most progress of all institutions: sovereign funds improved their gender balance from 24 to 28 points, more than other institution types covered in the report.

Across institutions, progress depends upon type of role. The GBI data shows that in commercial banks, most increases in women-held positions have been for non-executive board members.

**Figure 1.**
**Improvement in Gender Balance Across All Financial Institutions.**

Aggregate GBI Scores (100=perfect gender balance)

*Note: Commercial banks were included in the index from 2021 onwards. The sample of pension and sovereign funds included in the index changed in 2022 to cover 50 of the largest institutions by AUM.*




Source: OMFIF GBI 2018-2023

Furthermore, while the number of female CEOs increased from seven in 2022 to eight in 2023, over half of commercial banks continue to have no women in C-suite positions. Of the nine CEOs appointed in 2023, all were men. Additionally, more women than men continue to fill administrative roles. At sovereign funds, for example, 32% of women employed hold administrative roles compared to 15% of men.

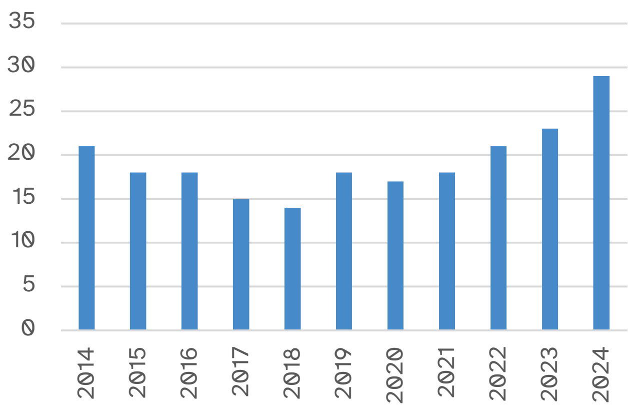
The gendered difference in strategic versus services roles also holds true for central banks. There are fewer women than men at the highest position of the chair, the individual that leads the mandate for the central banks. In 2015, fewer than 10% of central bank chairs globally were women.[7]

The International Monetary Fund reports that in 2020-2021, across eight G7 central banks and the European Central Bank (ECB), 80% of women employed held administrative or human resources (HR) roles. Only 35% of economists were women.

Employment disparities were shown in contracts as well, with 65% of part-time contracts held by women.[6] Overall progress has been slow yet steady in moving towards gender parity in central banks. In 2023, the number of women central bank governors increased from 23 to 29. (Figure 2). By accelerating their own efforts to advance women into more senior roles, central banks could more strongly influence the financial sector.

**Figure 2**
**Record Number of Female Central Bank Governors and Largest Increase in One Year**

*Note: Data includes presidents of regional Federal Reserve Banks and the European Central Bank*




*Source: OMFIF 2024.*

## Key Areas for Policymakers' Influence on Women's Advancement into Leadership Roles in the Financial Sector

### Key Area 1: Ensure supportive and non-discriminatory policies are in place.

#### Hiring Discrimination

Discrimination in the hiring process can limit or deter women entering the workforce. Even so, few countries have legislation in place promoting anti-discrimination in hiring practices. Discrimination in hiring can be either explicit or implicit. Explicit discrimination may take various forms across all stages of the hiring process. For example, a text review of nearly 9,000 online job postings in Indonesia showed that job descriptions can be discriminatory in requiring certain ages, genders, and physical appearance of applicants.[8] Findings showed women job seekers were at a disadvantage in the job market, often needing to comply with requirements of being single, young, or having specific religious practices.

Research also shows that gender-coded words, when included in a job advertisement, can perpetuate inequality. Examples of masculine associated words include leader, competitive and dominant. Examples of feminine associated words include support, understand and interpersonal.

Once invited for an interview, questions asked may also be discriminatory. Interview questions around a woman's health or her family can relay gender biases, or the information can be used in discriminatory ways. For example, questions like "When do you plan to get married?" or "Do you have children?" can be asked lightly but the information may be used against women in companies concerned with paying for parental leave or expecting overtime work, travel or eventual transfer between office locations.

During the selection process, hiring managers may express to human resources counterparts a desire to select a man for similar reasons, or due to concerns stemming from social norms or perceptions of appropriate cross-gender interactions.

Gender biases are held by both men and women. In interviews with women business leaders, managers of both genders explicitly stated they preferred to "exclusively hire men," justifying their decisions with harmful gendered stereotypes. This indicates a need for awareness-raising about the existence of bias and clear policies that counteract the potentially negative impacts when bias translates into discriminatory workplace practices.

Whether or not countries have protections in place against direct discrimination, implicit bias is often more difficult for human resource departments or workplaces to recognize and address. Anti-discrimination hiring practices start with equal recruitment policies and crafting job advertisements free of gendered language.[9]

Interview panels and hiring teams must be diverse to counter any implicit bias of individuals or homogenous groups. Including photographs or visual representations of applicants can trigger biased decision-making. Some hiring processes remove the names of applicants during review, to avoid implicit biases connected to name associations.[10] Clear policies around hiring practices provide structure for hiring managers and protection for applicants, regardless of gender.

The gender wage gap parallels the gender gap in career progression and strategic roles. The gender pay gap seen globally (Figure 3) is also experienced in central banks and the financial sector. IMF's 2023 analysis of pay gaps in central banks and international finance institutions (IFIs) like the World Bank, show that in central banks, only 27% of the top 20% of earners are women. In IFIs, women are 35% of the top 20% of earners. As a positive finding, IMF researchers noted that salaries were similar between men and women holding top leadership positions.[6]

In the United States, women working in the finance industry earn 61 cents to the dollar that men earn.[11, 12] The financial services industry's gender pay gap is notably worse than the national average of women earning about 80% of what men earn.

Britain's finance sector reported a pay gap of 22.7% in 2022-2023, only second worst to the education sector at 23%, according to the Gender Pay Gap Services database. The U.K. and U.S. are in the bottom third of worst gender wage gaps among OECD countries.[13]

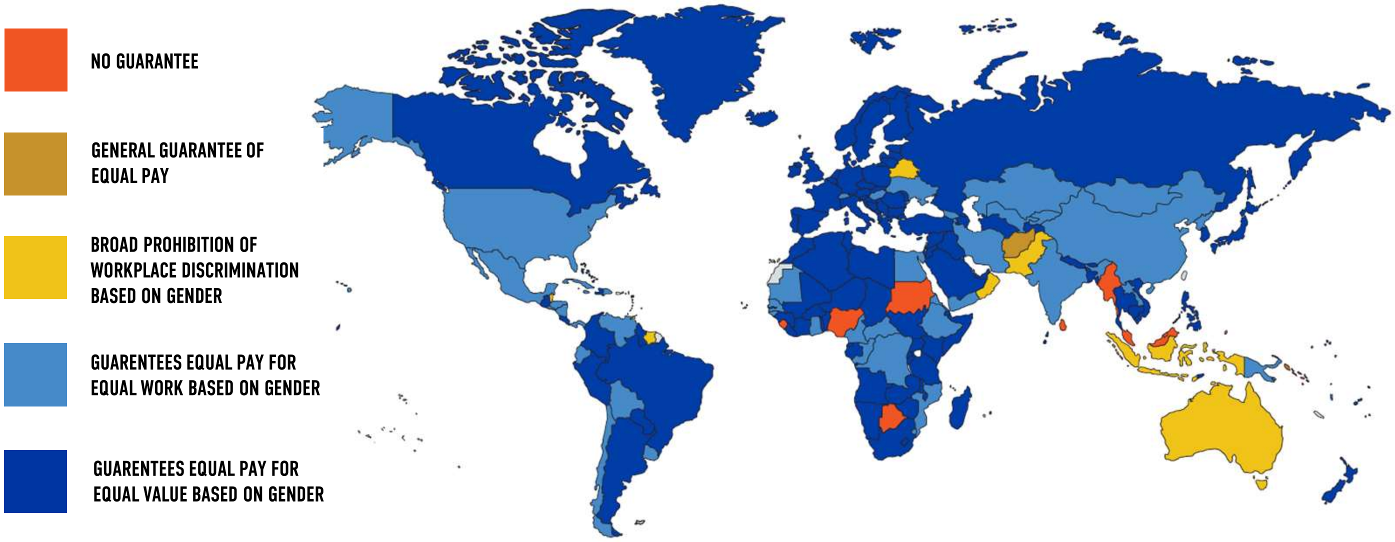
The two examples are instructive for policymakers as both the U.S. and U.K. have explicit laws demanding equal pay regardless of gender. In the U.S., the 1963 Equal Pay Act prohibited companies from paying a person less solely for being a woman. In the U.K., the 2010 Equality Act demanded equal pay for men and women performing the same work and since 2017, U.K. law requires all companies with 250 or more employees to report annually gender disaggregated data on wages.[14] Yet in both countries, companies find loopholes through which they justify differentiated pay, and policymakers are unable to fully enforce the acts.

### Good practices for policymakers

- Establish ‘Anti-Discrimination Acts for Workplaces’, including in hiring.
- Require workplaces to post the Anti-Discrimination Act where staff will see it.
- Establish non-compliance consequences for companies.
- Complement anti-discrimination and anti-harassment policies with training for all staff on what constitutes harassment, and ensure that reporting mechanisms are well understood, safe, and anonymous.
- Ensure equal pay for equal work.

To close the gender wage gap, policymakers can use their platform and influence to raise awareness of the gender wage gap in their industry. For countries without a legal requirement of equal pay, they can work towards building a legal basis to protect equal pay for equal work, even if it may be implemented in imperfect ways. They can require companies to report wage data by organizational level and by gender, and then share that publicly. Several U.S jurisdictions have also outlawed questions regarding past salaries, to improve the wage

**Figure 3**
**Do countries' legislation explicitly guarantee equal pay for equal work by gender?**




*Source: WORLD Policy Analysis Center. Map reflects policies in place as of January 2021*

gap. To promote transparency in wages, the State of New York recently required companies to post salary ranges in every job advertisement. While outcomes are yet to be evaluated on the policy, these are options that policymakers can leverage for increased transparency, accountability, and awareness raising.

## Establish protection, reporting structures, and consequences for harassment and abuse, including gender-based violence

While the specific barriers to advancement that women experience in financial institutions vary by country and region, women across the globe experience gender-based discrimination, harassment, or abuse in the workplace.

Policymakers can implement measures that explicitly prohibit direct and indirect discrimination, bullying, harassment, and abuse based not only on gender but also aspects such as race, religious affiliation, place of origin, sexual identity, disability status, or others.

Gender-based violence is violence directed at a person because of their gender, and especially afflicts women and girls. Gender-based violence may be sexual, physical, mental, or economic.[15]

According to 2021 data from the WORLD Policy Analysis Center, most countries have explicit legislation against direct gender-based discrimination. However, 55 of 193 UN member countries lack legislation explicitly prohibiting gender-based workplace discrimination or sexual harassment of women.[16]

The UN defines sexual harassment as "any unwelcome sexual advance, request for sexual favor, verbal or physical conduct or gesture of a sexual nature, or any other behavior of a sexual nature that might reasonably be expected or be perceived to cause offence or humiliation to another, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment."[17]

In studies led by Women's World Banking in Nigeria and Indonesia, multiple women employees of financial institutions and regulatory bodies reported experiencing sexual harassment within the workplace, including from bosses, colleagues, and customers. Sexual harassment encompasses a wide range of behaviors, from comments about a person's gender and unwanted questioning about marital status to inappropriate touching or rape.[18]

Women interviewed expressed a desire for more training on what constitutes harassment, clearly communicated channels of reporting and enforced consequences for harassment or discriminatory behavior. In interviews with Indonesian women working in customer-facing jobs, women discussed the "stigmas" they experience working in sales. One woman in government relations at a bank was asked by colleagues if she "went on dates with government elites" or "was invited to travel as an escort." She reflected, *"I had never thought that [my job was seen poorly]."*

A second woman working in marketing was in a conversation with a male superior who commented, *'We would have definitely closed that sale if I had brought to the meeting a young, beautiful, flirtatious colleague."* She reflected that at times she felt "unsafe" in her role but did not know of any avenues for reporting such behavior.

### Good practices for policymakers

- Mandate regular sexual harassment prevention training for all employees, both to socialize expectations and to combat harmful social norms of treatment of women. Some countries require employees to complete training annually.
- Mandate managers and colleagues report harassment, bullying and discrimination.
- Require workplaces to create explicit documented policies protecting employees from abuse that are shared widely and enforced. Policymakers can require that employers post equal opportunity laws and reporting mechanisms in public office spaces.
- Require workplaces to create confidential channels for denouncing discrimination, harassment and abuse, to maintain the safety of anyone who reports.

## Establish parental leave policies supportive of women's wellbeing as well as leave policies promoting equal childcare responsibilities between caregivers of all genders

The GBI finds that paid parental leave and flexible work are the policies most commonly linked to gender equality in leadership.[6] Yet inadequate, inflexible, and unused parental leave affects women and families worldwide. In approximately 25% of central banks surveyed in the 2023 GBI, fathers received around two weeks of parental leave with leave being as little as one day in some institutions.

83% of banks surveyed granted less than three months of paid paternity leave, compared to 8% that granted less than three months for maternity leave.[6] Bridging the gendered disparities in parental leave time can enable men to be more engaged in childcare and household responsibilities, creating more gender equity in care responsibilities. Ensuring parental leave for men and women, or non-gender-specific parental leave, challenges implicit discrimination against hiring women in their childbearing years.

Furthermore, companies must create policies and an internal company culture that ensures having children does not harm women's careers.

For example, in some Indonesian banks, employee performance was measured against 12 months of work, even when an employee took extended leave during that time. As a result, when a woman took parental leave, her performance review could prohibit her advancement or promotion. One Indonesian HR professional said in an interview, *"Maternity leave is approved, no problem, but the risk is that [the woman's] career will slow her advancement to a higher position."*

Policymakers can create labor laws protective of women's and men's job security during leave, as well as fair performance review standards. In other words, women and men would be reviewed according to their productivity during their work time, excluding leave.

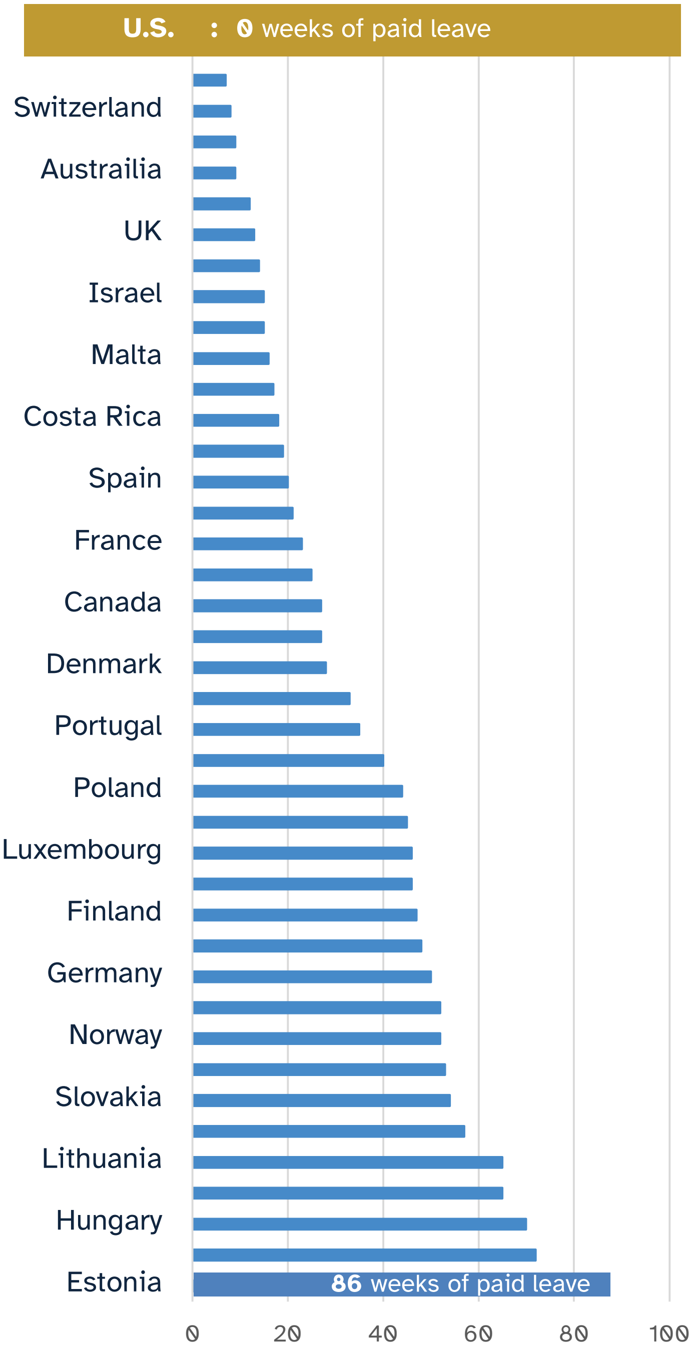
Many countries have legislation mandating paid parental leave, particularly for mothers, and countries are increasingly expanding mandates to include parents of all genders. As of 2021, 114 of the 190 UN member countries had legislation for paid parental leave. Only five countries, however, had legislated parental leave policies, inclusive of fathers, that meet the 14-week leave mandate from the International Labor Organization (ILO).[19]

Few countries have no federally mandated parental leave policies, the U.S being the largest. A 2018 study by the Organization for Economic Cooperation and Development (OECD) ranked 41 countries' paid leave entitlement policies for mothers and highlighted the U.S.'s lack of federal mandates on paid leave (Figure 4).

Among countries with legislated paid leave mandates, the length of time varies. Indonesia recently approved the draft Law of Maternal and Child Welfare which gives mothers the right to six months maternity leave and fathers the right to 40 days.[21] This would increase women's parental leave from three to six months and increase men's parental leave from two days to 40 days (about five working weeks).

In Nigeria, women are entitled to 12 weeks of parental leave under the National Labor Act, while men are entitled to no leave. As of late 2022, changes for civil service employees permit women 16 weeks and men 14 days of parental leave. Despite improvements for some workers, continued gender inequalities in parental leave can perpetuate discrimination by promoting the social norm that caregiving is women's work. Boosting women's representation in leadership roles requires destigmatizing men's role as caregivers.

**Figure 4**
**U.S ranks last in government-mandated paid leave for new parents.**
*Total weeks of paid leave mandated by national government*




*Note: Includes maternity leave, paternity leave and parental leave entitlements in place as of April 2018. Estimates based on a "full-rate equivalent" calculated as total number of weeks of any paid leave available to a new parent, multiplied by average rate of earnings reimbursement for those weeks of leave.*

*Source: Adapted from* Pew Research Center, using *OECD Family database*[20]

Additionally, when policies for parental leave are in place, many employees do not take it. Women in junior roles often believe that taking all their parental leave will negatively affect their career progression.[6] This belief is more pervasive among men. Governmental agencies can set an example for industry and create a workplace culture in which both men and women employees take their full leave.

### Good practices for policymakers

- Labor laws can move towards equal parental leave policies for all genders.
- Ensure all institutions comply with fair and equitable parental leave policies.
- Create labor laws protective of women's and men's job security during leave, as well as fair performance review standards.
- 'Walk the talk' by implementing and modelling leading edge parental leave practices.
- Launch advocacy or communication campaigns promoting gender neutral parental leave and men taking parental leave.

## Childcare support

Even as women increasingly work outside the home, society continues to expect women to perform most caregiving functions including childcare, elder care, and household management. The World Bank Group's *Women, Business, and the Law* will publish data from 95 markets on laws for childcare provision and connections to women's livelihoods and advancements.[22]

Preliminary findings from the World Bank Group's pilot study show that legislation is varied across countries. While 58 of the 95 governments studied have legislation on publicly provided childcare generally, some of the regulations are unclearly integrated with education laws, and only 10 economies stipulate childcare should be free of charge. The structures for government support of childcare are varied, including tax subsidies, care vouchers, fee reductions, or guarantee of access for low-income families.

Where legislation does not provide childcare, sometimes institutions implement childcare facilities or benefit programs for employees. Workplace-established benefits can be unevenly accessible, however, and are not a solve-all for one of the central obstacles to women's workplace advancement.

In Women's World Banking's research interviews with Indonesian women working in banks, many women said they felt it impossible to care for their families as expected according to social norms and advance into more senior roles, or more generally continue a career in the finance industry. Women reported many of their colleagues had left the workforce after finding their careers and their caring responsibilities logistically incompatible. In addition to childcare support, social norms in workplaces and society more broadly must change to include men and other family members in childcare responsibilities.

In Women's World Banking's research in Nigeria, some bank's headquarters offer on-site childcare centers, called crèches. One woman professional interviewed recalls the importance of these centers early in her career:

*'When I was Head of Operations and we ran a call center, sometimes you have to work nights, sometimes you have to work weekends. But because we had the crèche, that allowed [to work the hours needed]. Or when one is working on the weekend, Saturday the crèche is open. So that was a support, and I saw some women that were saying, 'oh, I was able to go through that phase of my career and do well because there was that support.'*

Women's World Banking's research showed that these childcare benefits were not offered evenly across companies, especially in branches or outside of a head office location. Childcare is instrumental in advancing women's careers. GBI data indicated only 22% of central banks offer in-house childcare and affiliate childcare facilities. While policymakers may not have the mandate to require such childcare benefits, they have the opportunity to act as exemplar employers and establish such benefits within their own offices.

There remain significant opportunities for central banks to better support employees with families. Almost half of the central banks surveyed in the 2023 GBI offered childcare subsidies like paid benefits, childcare vouchers, coupons or tax relief. This financial support is excellent when offered consistently. Of note, more supportive parental leave policies were associated with childcare support; central banks that offered nine months or more of maternity leave were far more likely to offer support for childcare than those that offered less maternity leave.[6]

Supporting employees with families extends beyond benefits, to also include creation of an inclusive organizational culture and flexible work arrangements. Central banks can ensure their own work cultures are supportive of parents, by offering flexible schedules for school pick-ups or drop-offs, permitting work from home when possible, and ensuring within-work-hours professional development and networking opportunities.

### Good practices for policymakers

- Establish or strengthen childcare support through subsidies, tax credits, or programs that lower costs and increase access to quality childcare.
- Make quality and affordable childcare available to own employees and implement flexible workplace policies, encourage their uptake through training, awareness and other culture initiatives.

## Key Area 2: Mandate minimum percentage of women in strategic leadership positions and publicly monitor progress.

Research by Women's World Banking and others indicates that mandates, recommendations, legislation or other guidance establishing gender diversity targets can advance gender diversity in strategic leadership positions among regulated entities. Yet, few countries have mandates or quotas for women in executive or senior government positions. In countries with mandates in place, many are limited to specific companies, sectors, or public institutions and lack consequences for non-compliance.

Some countries have chosen more strict quotas that require compliance. For instance, while Germany has made progress on women's representation in boardrooms, it remains one of the few Western European countries that scores below the global average. As of 2022, Germany's share of female board members stood at 30.8%, below the Western European average of 35.5%. Some research attributes this lag partly to gender quotas on executive boards not being implemented in Germany until 2021.[23]

Ideally, such mandates or quotas compel companies to counter any informal processes of board member selection, which may reflect implicit discrimination. When companies with male dominated boards default to using their informal networks to fill board seats, these seats often go to men.[24]

A similar mandate in the state of California in the United States in 2018 required all boards of publicly traded companies to have at least one woman director by the end of 2019. A monitoring structure included fines for non-compliance. The change in board composition was immediate. By 2019, the average share of women on boards increased to 15.8% from 12.9% in 2016. In 2020, the average was at 23.2%.[25]

Evidence from countries that have enacted gender diversity mandates for strategic leadership positions highlights the potential effectiveness of mandates. Malaysia introduced gender targets for boards in 2011. The 2017 Code of Corporate Governance reaffirmed the country's commitment to gender diversity, requiring 30% of all board members to be women in any corporation in the FTSE Bursa Malaysia top 100 index.[26] Though targets have not yet been met, women's representation on board of director seats in Malaysia rose from 15.3% in 2016 to 27.8% in 2021.[27]

In 2002, Kenya's code of corporate governance required corporations' board selection processes to be gender sensitive. In 2010, Kenyan constitutional reforms included a requirement that any state-owned company must not have more than two-thirds of their board seats occupied by a single gender. These quotas supported a subsequent rise in women board members. By 2021, 36% of board seats in Kenya were occupied by women and 21% of boards were chaired by women.[28]

In 2012, the Central Bank of Nigeria (CBN) mandated that in all commercial and microfinance banking institutions, women must occupy a minimum of 30% of board member positions and 40% of managerial roles. After the mandate was issued, the numbers of board chairs that are women increased from 6.3% in 2016 to 20% in 2021.

Yet, there is room for progress. The percentage of women on boards in Nigeria has increased marginally, from 21.1% in 2016 to 21.7% in 2021.[29] As of 2020, 30.7% of banks had not met the mandated minimum, indicating limits to the mandate's success. Additionally, there has been less monitoring of the percentage of women in managerial positions than the percentage on boards.

In an interview with Women's World Banking, a Nigerian banking professional related,

*"At [my place of employment], they've been trying to make leadership more [gender] balanced, but it's not a policy. [The mandate] was more of advice from the Central Bank. Because if it was a policy that if you don't [comply] you get sanctioned, I would have definitely seen a difference."*

Nigerian women interviewees agreed that clear consequences for non-compliance would drive institutional change.

An effective mandate is not only a public statement, but has reporting, monitoring, and incentivizing structures underpinning the declaration. India's 2013 Companies Act required publicly listed companies to have at least one woman director. While the Act worked to expand gender diversity, women directors were still relegated to less prominent committees, despite being more educated and politically experienced than male counterparts.[30]

Requiring companies to report the numbers of female directors and specific positions occupied can hold companies accountable for how mandates are being enacted. Establishing clear and transparent hiring criteria, adjusted to the business needs of any given position and requirements about a gender diverse hiring pool can counter critiques of women's positions are solely symbolic in order to meet mandated goals.

Not all mandated and compliance mechanisms are equally effective. Effectiveness depends upon targets set, the severity of sanctions for non-compliance, the cost for achieving quotas, and other factors. Research has found that clear targets and moderate sanctions for non-compliance are most effective in achieving desired results.[31] Additionally, when enacting mandates, language and framing matter.

In Indonesia, interviews with financial sector leaders showed both men and women perceived mandatory gender quotas as unfair and opposed to local meritocratic values but had no negative perception of gender diversity targets or interventions designed to boost women in leadership.[32]

Mandates on women in leadership can encourage institutions to develop internal programs to support their ability to meet quotes. For example, Nigeria's 2012 CBN mandate encouraged the creation of internal programs to support women in leadership, which is discussed in more detail in the next section.

### Good practices for policymakers

- Enact mandates to push institutions to increase gender diversity in leadership positions.
- Ensure mandates include more than an ideal ratio but specify additional measures to support and promote women in the workplace.
- Implement monitoring and reporting mechanisms for the mandate.
- Beyond women in leadership, policymakers can require regulated entities to report key gender diversity metrics from across organizational cadres and functions.

## Key Area 3: Encourage a pipeline of women leaders in financial institutions, starting with ministries and central banks as exemplar institutions.

Achieving gender parity in global finance leadership requires that finance institutions invest in an internal pipeline of women leaders prepared for decision-making roles. While half of the 22 women leading central banks today have built their careers at the institutions they currently lead, most increases in women-held positions have been for non-executive board members. These numbers suggest banks are improving their gender balance by hiring from the outside rather than promoting women from within.[6]

Women's World Banking research on women's leadership in Indonesia and Nigeria found that seeing women in senior roles in government is a motivator for women seeking careers in finance. Strong internal development programs prepare women for advancements within the institution or company.

In contrast to top-down efforts including quotas or mandates, some countries have elected to take a more bottom-up approach to increasing gender diversity by establishing national leadership development programs for women.

For example, Thailand replaced gender diversity quotas with programs that facilitate women's networking, access to career advice, and development of business skills. As a result, as of 2022, 17.8% of boards seats in Thailand were held by women while 4% of boards were chaired by a woman. These numbers are up from 2014, where the numbers were at 9.7% and 0% respectively.[28, 33]

Women's World Banking's research in Nigeria offers an example of a different approach, showing how a mandate can encourage institutions to build pipelines for progressing women into top roles.

Interview data from Nigeria emphasizes that the CBN mandate prompted the creation of programs within banks to support a pipeline of women leaders including training programs created for hiring women for non-senior positions, despite the mandate not including quotas for non-senior positions.[29]

For instance, a banking leader discussed how his bank developed a training program for women who were early in their careers and needed to take a few years off work for parenting responsibilities:

*'[The executive at the bank] expedited some training processes for women, especially those who had to take a few years off, so that they could do catch-ups, [or to] accommodate women through those 10 years [of childbearing ages]. The training structure has been very critical in making sure that women stayed in the management line and they were able to grow.'* [29]

The mandate encouraged the creation of internal programs to support a pipeline of women leaders. Other interviewees mentioned organizations which hosted professional training or internal mentoring programs to facilitate women in leadership.

As a result, women reported seeking out workplaces with mentoring programs and that mentoring programs helped provide incentive for staying at companies. Women-oriented professional development or networking groups were a strong draw for attracting talented women professionals.

### Good practices for policymakers

- Offer professional and technical skills development and networking opportunities, where possible, within the workday so that women or working parents are not systematically excluded.
- Create internships for women to pursue financial services careers during university, so they can better position themselves for an entry-level job.
- Provide training to mid-level women on leadership including areas such as career planning, political savvy, and professional networking skills.
- Offer career coaches for mid-level women to support their career progression and prevent them from leaving the workforce. For later-stage professional women, institute career planning conversations that encourage executive training and stretch roles for gaining management experience. Establish formal mentoring or career sponsorship programs.
- Introduce specific training for women to address issues such as confidence and imposter syndrome; management of multiple roles; and build core managerial skills.
- Include men in the conversation about equity, and introduce training on gender, unconscious bias, and allyship.
- Promote affinity groups, employee resource groups or networks for women to provide mutual support and share experiences. For example, groups of parents of young children might be able to provide one another with ideas of how to manage competing work and home lives.
- Create on-ramp programs for women wishing to restart their career following a break due to marriage, childbirth, or other life events. Cross-organization resource groups or job-based committees such as HR managers can share challenges and source ideas.

Within development programs for advancing women, research suggests mentoring can be an important component in bridging the gender gap in executive and other leadership roles. In the 2023 GBI, 15 of the 16 central banks whose gender parity scores declined did not have a mentoring program.[6]

Researchers hypothesize the lack of professional mentoring programs is associated with a decline in gender parity in leadership. Using data from the ECB, Hospido et al. (2022) found that women are less likely than men to apply for promotion, a fact driving low promotion rates for women. Mentoring programs, however, motivate women to apply, reducing the promotion gender gap.[34]

## Key area 4: Require publicly reported gender-disaggregated data from companies on leadership teams, types of positions, pay, and promotions

Progress against goals will only see sustained attention if policymakers "measure what matters," with strategic data collection, use, and transparency. Gender-aware recruitment, hiring, promotions, leadership development, and pay can all be reduced to easy-to-measure metrics with benefits for women leaders. Policymakers have the power to overcome firm-level barriers to sharing these data through encouraged transparency, rewards for companies performing well on such metrics, and consequences for companies that are not making expected progress.

Gender-disaggregated data—data that includes the gender of the individuals they represent—is commonly captured by employers as part of their recruiting and hiring practices. Leveraging this data for increased transparency in recruitment, hiring, promotions, leadership development, and pay is much less common. Without other companies disclosing these prospectively reputation-damaging data, however, firms do not have incentive to share. Instead, whether a company is known to be gender-intentional in its employment practices is determined by informal rumors or anonymous internet message boards.

Policymakers can work to overcome challenges related to the transparency and accessibility of gender-disaggregated data. There are many ways policymakers can encourage the use of data to increase the influence of gender on labor force participation initiatives and can also create both positive and negative consequences associated with compliance. Rewards might include awards or positive, public recognition. Alternatively, policymakers can use fines or public disclosure in cases of non-compliance.

### Good practices for policymakers

Examples of government initiatives to increase data transparency include:

- Mandate select indicators be publicly shared as part of annual disclosure requirements for particularly large, influential, or public companies.
- Collect a set of data from mid- to large-sized firms, analyze these data, and publish industry standards by which individual companies can self-assess progress.
- Monitor and publish lists of the most successful companies and the least successful companies at reaching benchmarks such as board gender diversity, closing the gender pay gap and increasing the proportion of executive positions held by women.
- Conduct research on the relationship between gender diversity and business outcomes at the market level and hold industry fora to discuss.

## Conclusion

While the financial industry has seen positive change in the past decade in women's leadership, this change is slow and geographically inconsistent. At the current rate of progress, it will take an estimated 140 years to achieve gender parity in global finance leadership positions. The barriers to women advancing in leadership are diverse, so the solutions should also be diverse.

As the 2023 Gender Balance Index (GBI) authors state, "Unfortunately, there are no easy answers to resolving this issue of slow progress." There is no one factor or policy that will fix a lack of gender diversity in the financial sector. Instead, real and sustainable change will take a range of public and private sector players using a variety of solutions.

The good news is that decades of policymaking focused on advancing women's leadership has given us clues to the kinds of approaches that contribute to progress.

Stakeholders across the finance industry can take action to ensure supportive and non-discriminatory policies are in place, mandate minimum percentage of women in strategic leadership positions, monitor progress and enforce sanctions for non-compliance, and encourage a pipeline of women leaders in financial institutions, starting with ministries and central banks as exemplar institutions.

These efforts must be complemented by rigorous collection and analysis of gender-disaggregated data to measure change overtime and adjust approaches as needed to reach gender parity.

For policymakers wanting to advance further, Women's World Banking recommends continued attention to resources that offer the global context and highlight current best practices.

The annual OMFIF GBI offers insights on regional and national progress and drivers of such progress.

The Annex that follows offers additional resources. Continuing to derive inspiration from external sources will increase innovation in local contexts.

Policymakers and regulators are responsible for promoting meaningful change across the sectors they oversee and change often starts from within, by removing barriers and biases for women's leadership advancement within their own halls and implementing corporate policy and practice at the leading edge of diversity, inclusion, equity and belonging. This role modelling effect can play an important role in larger scale change.

Accelerated and sustainable change will require efforts from industry leaders and ecosystem players to offer a holistic range of inputs—from changing social norms to building a pipeline of talented women into traditionally male fields of study and work, ongoing capacity-building, mentoring and networking support tailored to each stage of a woman's life and career and the creation of inclusive corporate strategy, policy and practice.

While, globally, we are further along in women's leadership today than at any time in modern history, there is a long way to go. The tools and knowledge are available to enact systemic change and it will take powerful coalitions from across the public and private sectors, dedicated communities of practice and committed leadership voices to move forward together.

## Appendix: Key Resources


- Baumann, M.D., Hindriyani, M., Buitoni, S., & Salyanty, A. (2023). Catalyzing Women's Advancement into Decision-Making Roles in Indonesia's Banking and Fintech Sectors. Women's World Banking. https://www.womensworldbanking.org/insights/report-catalyzing-womens-advancement-into-decision-making-roles-in-indonesias-banking-and-fintech-sectors/

- Comunale, M., de Bruxelles, P., Kochhar, K., Raskauskas, J., & Unsal, F.D. (2023, May). Who are Central Banks? Gender, Human Resources, and Central Banking. (Working Paper No. 2023/091). https://www.imf.org/en/Publications/WP/Issues/2023/05/05/Who-are-Central-Banks-Gender-Human-Resources-and-Central-Banking-533096

- Hospido, L., Laeven, L., & Lamo, A. (2019). The Gender Promotion Gap: Evidence from Central Banking. (ECB Working Paper No. 2265). https://doi.org/wo.2866/21455

- Iwueze, J., & Baumann, M.D. (2022). Advancing Women as Leaders in Nigeria's Finance Industry. Women's World Banking. https://www.womensworldbanking.org/insights/report-advancing-women-as-leaders-in-nigeria-finance-industry/

- Official Monetary and Financial Institutions Forum (OMFIF). (2024). Gender Balance Index 2024. (10th edition). https://www.omfif.org/gbi2024/

## References


1. Rogish, A., Shemluck, N., Hazuria, S., & Danielecki, P. (2023). Advancing women leaders in the financial services industry, 2023 update: A global assessment. Deloitte. https://www2.deloitte.com/uk/en/insights/industry/financial-services/women-leaders-financial-services.html

2. Thwing Eastman, M., Rallis, D., & Mazzucchelli, G. (2016, December). The Tipping Point: Women on Boards and Financial Performance. MSCI. https://www.msci.com/documents/10199/fd1f8228-cc07-4789-acee-3f9ed97ee8bb

3. Ferguson Partners. (2022, September). 2022 REIT Diversity Across Boards and Executives. Ferguson Partners. https://www.fergusonpartners.com/wp-content/uploads/Ferguson-Partners-REIT-Diversity-Report-2022.pdf

4. Dixon-Fyle, S., Hunt, V., Dolan, K., & Prince, S. (2020, May). Diversity wins: How inclusion matters. McKinsey & Company. https://www.mckinsey.com/~/media/mckinsey/featured%20insights/diversity%20and%20inclusion/diversity%20wins%20how%20inclusion%20matters/diversity-wins-how-inclusion-matters-vf.pdf

5. Official Monetary and Financial Institutions Forum (OMFIF). (2024). Gender Balance Index 2024. (10th edition). https://www.omfif.org/gbi2024/

6. Comunale, M., de Bruxelles, P., Kochhar, M.K., Raskauskas, J. and Unsal, M.F.D., 2023. Who are Central Banks? Gender, Human Resources, and Central Banking (No. 2023/091). International Monetary Fund.

7. Diouf, I., & Pépin, D. (2017). Gender and central banking. Economic Modelling, 61, 193-206.

8. Ningrum, P. K., Pansombut, T., & Ueranantasun, A. (2020). Text mining of online job advertisements to identify direct discrimination during job hunting process: A case study in Indonesia. Plos one, 15(6), e0233746.

9. Gaucher, D., Friesen, J., & Kay, A. (2011). Evidence that gendered wording in job advertisements exists and sustains gender inequality. Journal of Personality and Social Psychology, 101(1), 109–128. https://doi.org/10.1037/a0022530

10. Milkman, K. L., Akinola, M., & Chugh, D. (2015). What happens before? A field experiment exploring how pay and representation differentially shape bias on the pathway into organizations. Journal of Applied Psychology, 100(6), 1678.

11. Government Accountability Office. (2023 Mar 14). Women Continue to Struggle for Equal Pay and Representation. [Blog post.] https://www.gao.gov/blog/women-continue-struggle-equal-pay-and-representation

12. Yildirmaz, A., Ryan, C., & Nezaj, J. (2019). 2019 State of the Workforce Report: Pay, Promotions and Retention. ADP Research Institute. https://www.adp.com/resources/articles-and-insights/adp-research-institute/research-topics/-/media/62FB03253C3B4B80A2EE73EB8EC29B82.ashx

13. OECD. (2023). Gender wage gap (2022). [Data set]. doi: 10.1787/7cee77aa-en

## References


14. Gilchrist, K. (2023 Apr 5). Women are paid less than two thirds of men's earnings at several UK banks, new analysis finds. CNBC. https://www.cnbc.com/2023/04/05/uk-gender-pay-gap-banks-pay-women-less-than-two-thirds-of-mens-earnings.html

15. United Nations Refugee Agency (UNHCR). Gender-based violence [webpage]. https://www.unhcr.org/what-we-do/protect-human-rights/protection/gender-based-violence

16. WORLD Policy Analysis Center. (2021). *Gender*. [Data set]. WORLD. https://www.worldpolicycenter.org/topics/gender/policies .

17. United Nations Entity for Gender Equality and the Empowerment of Women. (n.d.) Prohibition of discrimination, harassment, including sexual harassment, and abuse of authority. United Nations. https://www.un.org/womenwatch/uncoordination/antiharassment.html#:~:text=Harassment%20may%20take%20the%20form,implies%20a%20series%20of%20incidents

18. United National Development Program. (n.d.). Examples of Behaviour constituting harassment, sexual harassment, discrimination, and abuse of authority. UNDP. https://www.undp.org/sites/g/files/zskgke326/files/migration/jm/ce28f35f250054109804944efc17a0a8a51d91339399db72b3775a9e61613214.pdf.

19. Magariño, P., & Shen, L. (2022 May 16). Four revealing graphs on paid family leave. [Blog post]. ILO. https://blogs.worldbank.org/developmenttalk/four-revealing-graphs-paid-family-leave

20. Livingston, G., & Thomas, D. (2019 December 16). Among 41 countries, only U.S. lacks paid parental leave. Pew Research Center. https://www.pewresearch.org/short-reads/2019/12/16/.

21. International Labor Organization (ILO). (2023 March 8). It is time for Indonesia to invest in care leave and services. ILO. https://www.ilo.org/jakarta/info/public/pr/WCMS_874157/lang--en/index.htm

22. World Bank. (2023). Women, Business and the Law 2023. Washington, DC: World Bank. doi:10.1596/978-1-4648-1944-5

23. Footnote: Germany distinguishes between "supervisory boards," consisting of shareholders which "establish the dividend, votes on strategy changes, sets executive pay, and holds the power to fire executives," and "executive boards" which manage day-to-day operations. While a gender quota of 30% was placed on supervisory boards in 2016, a quota was not enacted for executive boards until 2021.

24. Agarwal, S., Qian, W., Reeb, D. M., & Sing, T. F. (2016). Playing the boys game: Golf buddies and board diversity. American Economic Review, 106(5), 272-276.

25. Gertsberg, M., Mollerstrom, J., & Pagel, M. (2021). Gender Quotas and Support for Women in Board Elections. (National Bureau of Economic Research Working Paper 28463). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3785797

26. Securities Commission Malaysia. (2018 January 21). Positive Progress Made on Gender Diversity. https://www.sc.com.my/resources/media/media-release/positive-progress-made-on-gender-diversity

## References


27. Milhomem, C. (2021, November). Women on Boards Progress Report 2021. MSCI. https://www.msci.com/documents/10199/093d46d8-982b-6466-74c9-2629d2c0229a

28. Deloitte Global Boardroom Program. (2022, February). Progress at a snail's pace: Women in the boardroom: A global perspective. (7th edition). Deloitte. https://www.deloitte.com/global/en/services/risk-advisory/research/women-in-the-boardroom-seventh-edition.html

29. Iwueze, J., & Baumann, M. (2022, November). Advancing Women As Leaders in Nigeria's Finance Industry. Women's World Banking. https://www.womensworldbanking.org/insights/report-advancing-women-as-leaders-in-nigeria-finance-industry/

30. Aguilera, R.V., Kuupuswamy, V., & Anand, R. (2021, February 5). What Happened When India Mandated Gender Diversity on Boards. Harvard Business Review. https://hbr.org/2021/02/what-happened-when-india-mandated-gender-diversity-on-boards

31. Kang, W., Ashton, J. K., Orujov, A., & Wang, Y. (2023). Realizing gender diversity on corporate boards. International Journal of the Economics of Business, 30(1), 1-29.

32. Baumann, M., Hindriyani, M, Buitoni, S., & Salyanty, A. (2023, May). Catalyzing Women's Advancement into Decision-Making Roles in Indonesia's Banking and Fintech Sectors. Women's World Banking. https://www.womensworldbanking.org/insights/report-catalyzing-womens-advancement-into-decision-making-roles-in-indonesias-banking-and-fintech-sectors/

33. Women's World Banking. 2023. "Policy Brief: Women on Boards." Internal brief.

34. Hospido, L., Laeven, L., & Lamo, A. (2019). The Gender Promotion Gap: Evidence from Central Banking. (ECB Working Paper No. 2265). https://doi.org/wo.2866/21455


## Acknowledgements


This policy diagnostic was a collaborative effort between Women's World Banking employees, namely, Megan Dwyer Baumann, Francesca Brown, Sarah Buitoni and Sonja Kelly.

This publication has been funded by the Swiss State Secretariat for Economic Affairs (SECO).

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Eidgenössisches Departement für
Wirtschaft, Bildung und Forschung WBF
**Staatssekretariat für Wirtschaft SECO**