Closing the Gender Leadership Gap

CRDB: INVESTING IN WOMEN TO INCREASE COMPETITIVENESS

MARCH 2022

IFC International Finance Corporation
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This is to certify that
has successfully completed
A CONFIDENCE AND CAPACITY BUILDING PROGRAM FOR FEMALE EMPLOYEES
conducted from November 2020 to March 2021
DIRECTOR OF HUMAN RESOURCES, CRDB BANK PLC
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1. Introduction

THE BUSINESS CASE FOR MORE WOMEN IN LEADERSHIP: There is a strong business case for attracting and retaining more women in the financial sector from the board to the workforce. Women contribute to enhanced profitability, innovation, and risk management. Over the course of two decades, numerous studies have been undertaken by investors, corporate governance organizations, consultants, and financial institutions all over the world, which have found "a positive association between board diversity and company performance, investor protection, and/or enhanced decision making" (Zecca 2021).

One 2017 study found that "greater diversity on boards—including gender, ethnicity, educational background, age, financial expertise, and board experience—is associated with increased operating performance, higher asset valuation multiples, lower stock return volatility, reduced financial leverage, increased dividend payouts to shareholders, higher investment in research and development, and better innovation" (Zecca 2021).

In 2018, the International Finance Corporation (IFC) found that having women on boards enhanced governance practices, improved risk management, increased returns on invested capital and equity, and strengthened ethical conduct and overall reputation (Di Miceli and Donaggi 2018).

In addition, a large body of evidence demonstrates that having women in leadership positions and a gender-balanced workforce, positively correlates with a company's innovation, quality of service, and resilience. (Dickey 2019; Hewlett, Marshall, and Serbin 2013; Shook and Sweet 2019). Having more women in leadership positions enhances a company's ability to gauge consumer needs, innovate, and develop responsive products that end users want and need, and this has a direct positive impact on performance, including profitability. A 2019 International Labour Organization (ILO) study on the impact of gender diversity initiatives found that African companies reported a profit increase of 10 to 15 percent (ILO 2019).

IFC'S FINANCE2EQUAL AND THE CRDB/IFC 100 WOMEN TRAINING PROGRAM

In April 2019, CRDB, a longstanding IFC investment and advisory client, joined the IFC-led *Finance2Equal* initiative. The program aims to increase women's participation in the financial sector as leaders, employees, customers, and entrepreneurs, by expanding women's access to financial services and strengthening career opportunities. Under the initiative, IFC and CRDB co-sponsored a training program to help the bank reduce its gender gap in leadership by preparing women for senior positions. The objective of the training was to enhance CRDB's pipeline of future women leaders. This training was designed to encourage more women to apply for senior roles at CRDB, and in Tanzania's financial sector, as a whole (IFC 2020).

CHALLENGE: CRDB, a bank serving 3 million customers, with an asset base of TZS 7.2 trillion (US$3.1 billion), recognizes that gender equality is a smart business strategy. In 2020, CRDB had about 3,600 employees, of which 57 percent were men and 43 percent were women (CRDB 2020). The bank is currently working hard to achieve a gender balance of

50/50 in its workforce. However, CRDB understands that it must overcome a key challenge—a critical lack of women in key positions. While the Board of Directors includes two women, the gender gap widens substantially at the executive level. There are no women in the C-suite, and out of 15 Department Directors (Executive Committee), there is currently only one woman.

Recognizing the low representation of women in key decision-making positions, CRDB realized that it needs to invest in women. Reflecting on the challenges and solutions, Abdulmajid Nsekela, CRDB's CEO and Managing Director said, "We have many women in the second level of management. In one-on-one conversations with women, you see that they have many ideas, but they tend to not apply for the advertised roles, so we are working with human resources to create enablers to support our talent. Through the training with IFC, we are creating a pool of successors and we should have more leaders going forward."

RESPONSE: To improve gender diversity in CRDB's leadership, CRDB established a target to expand the number of women on its Executive Committee to 30 percent by 2023. To help accelerate progress toward that goal, under the F2E initiative, IFC and CRDB co-sponsored leadership training for 100 high-potential women. Lindam Group was selected to conduct the training program, which was held between November 2020 and May 2021. This report assesses the impact of the training program.

RESULTS: IFC's 100 Women Leadership Training Program uncovered hidden talents and inspired emerging women leaders to take more risks, be more visible, and voice their opinions. It created a cadre of highly motivated women who are eager to assume leadership roles in CRDB.

The women who graduated from the program have been getting greater exposure, are improving their performance, and are applying for and getting more senior jobs. Half of the women said they were innovating, and another half said they were pursuing ideas on how to increase lending, and expand women's access to finance. In November 2021, six months after completing the training, one woman broke "the glass ceiling" when she was appointed as the Managing Director of CRDB Bank in the Democratic Republic of Congo (DRC).

METHODOLOGY: CRDB selected 100 women employees in mid-level management to participate in the training, which Lindam Group designed and delivered. The goal was to enhance women's employability and leadership skills through self-paced and live training modules, assignments, and group discussions. Of the 100 women trainees, 97 graduated. Sadly, one women passed away, and two left for senior jobs outside CRDB.

IFC conducted this study to examine the impact of the training program on the beneficiaries. In October and November 2021, IFC conducted interviews and focus group meetings with training participants, as well as with CRDB and Lindam Group representatives. In November 2021, CDRB conducted a survey, which IFC had developed, and 42 of the women trainees responded. The survey collected both quantitative and qualitative data. While responding to each question was optional, the survey respondents answered nearly all of the questions, and also provided extensive comments to the write-in questions. Respondents were given the option at the end to remain anonymous or provide contact information.

2. Key Findings

The IFC 100 Women Leadership Training Program has inspired emerging women leaders to take more risk, be more visible, and voice their ideas and opinions. It has unleashed their inner confidence and created a cadre of highly motivated women who are eager to assume more leadership roles at CRDB. Some women have taken on more senior positions, including one woman who became Managing Director of CRDB's new subsidiary in the DRC. Several women have been using their skills to innovate and improve decision-making. The following section analyzes the key qualitative and quantitative findings from the survey and the focus group discussions.

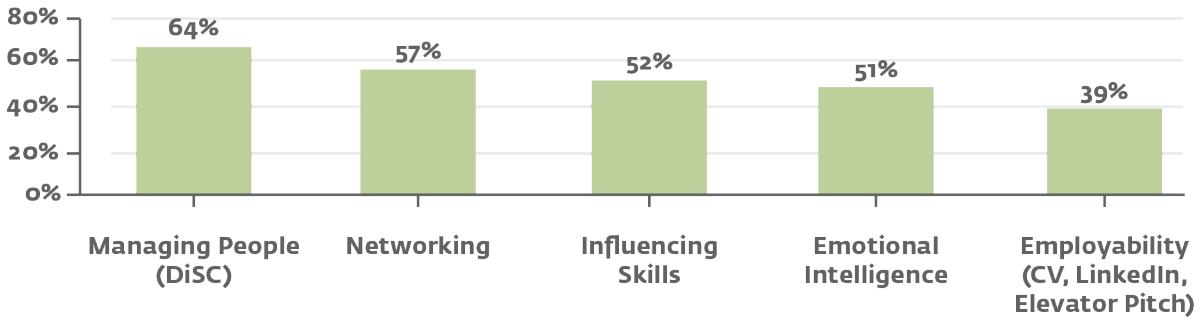
DEMOGRAPHIC: More than half (55 percent) of the respondents have worked at CRDB for more than 10 years, while 40 percent have worked for the bank for between two and 10 years. Most of the women (85 percent) manage between 1 and 20 people.

KEY SKILLS GAINED: To prepare women for future leadership roles, they were trained on the five key skills: managing people (DiSC),[1] networking, influencing, emotional intelligence (EQ), and employability (Figure 2.1).

The DiSC module was one of the most effective components of the training, with more than half (64 percent) reporting that they are using this skill regularly (Figure 2.1). "For me, developing an understanding of DiSC and emotional intelligence (EQ) is critical in my role as a leader. Now, I can comprehend the dynamics in my team and communicate in a way that ensures they will work well to deliver the expected objectives," said Jessica Nyachiro, incoming Managing Director of CRDB in the DRC, and the current Head of Strategy and Investor Relations in Tanzania, and the Chair of the SHE Initiative.

> **"Emotional intelligence was a tool I didn't know I needed, but it amazes me how effectively it can be in leading the team and connecting with a higher authority. Once exercised, it works in an instant."**
>
> *Janeth Kishe, Branch Manager Kawe*

Figure 2.1: Skills Gained

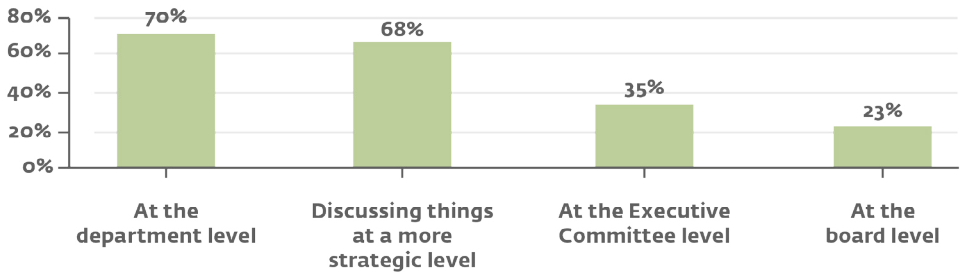


[1] The DiSC assessment ((D)ominance, (i)nfluence, (S)teadiness and (C)onscientiousness) is a tool that provides an understanding of different personality types, how to effectively interact with different groups of people, how to influence desired behaviors, and how to drive performance.

A. IMPACT

INCREASED EXPOSURE: As a result of the training, the leadership style of several women has changed, and some line managers and directors have noticed. A few women said that their supervisors have shown a sense of greater trust than before. A large share (70 percent), reported getting more exposure at the departmental level, and 68 percent reported having an opportunity to discuss things at a more strategic level (Figure 2.2). More than one third (35 percent) had an opportunity to present to the Executive Committee. About a quarter gained exposure at the board level, either through attending meetings or presenting. For instance, the Director of Credit is giving women on his team opportunities to present to the board and to listen to board discussions.

Figure 2.2: Increased Exposure



When women were asked whether their supervisor was providing opportunities to do additional things that they did not do before, 67 percent (23 out of 34 women) responded, Yes. One woman was given responsibility to lead the largest branch in a city, and another was given a leading role in presenting the quarterly progress report on one of CDRB's strategic projects. Some women were given new decision-making responsibilities, or temporary authority to run the department.

When employees are exposed to dealings in the upper echelons of a company, they develop a deeper understanding of the internal drivers and gain confidence, and this experience expands their perspective and informs their own strategic decision-making. One woman explained, "I have been able to act in the capacity of my supervisor in her absence, and that has enabled me to learn more about the business unit." This type of exposure through on-the-job training is critical preparation for senior positions and career advancement.

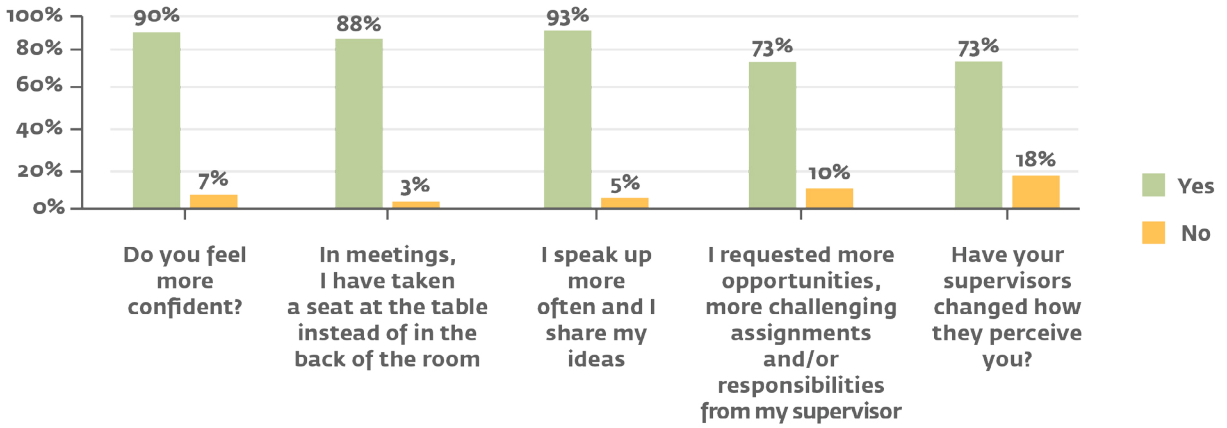
INCREASED CONFIDENCE: The training empowered a significant number of women who became more visible and gained the confidence to voice their opinions. Almost all of the women (90 percent) reported feeling more confident. Most women (88 percent) said they have taken a seat at the table in meetings, instead of sitting at the back of the room (Figure 2.3). Nearly all women (93 percent) said that they speak up more often and share their ideas (Figure 2.3).

The majority (73 percent) said that they had asked their supervisor for more opportunities, more challenging assignments, and/or more responsibilities (Figure 2.3). When asked if their supervisors' perceptions of them had changed, 73 percent said, Yes. "They have encouraged me to become more assertive, bolder, reject biases, and press on," said Winniefrida Wanyancha, Head of Business Transformation.

> **"There was a discussion in the board room about the lack of women in the room. I asked the board to allow me to bring ladies to present topics to the board and it has become a custom now. This training is creating opportunities for them to show their value and expose them to our network so they can grow, and achieve results in the future."**
>
> *Abdulmajid Nsekela, CRDB CEO and Managing Director*

> **"My supervisors are more confident in me and are comfortable having me represent them in high-level meetings."**
>
> *Azmina Hemed, Manager SME Lending*

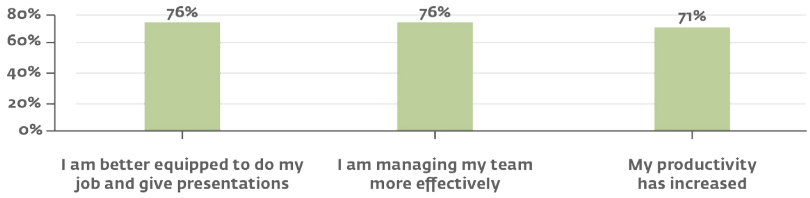
Figure 2.3: Projecting Confidence



IMPROVED PERFORMANCE: Most women reported that the training added value to their role and positioned them to improve their individual performance. Half of the women said they were innovating, and another half said they were pursuing ideas on how to increase lending, and expand access to finance for women.

Most women (76 percent) reported being better equipped to do their jobs and give presentations (Figure 2.4). Another 76 percent were managing their team more effectively. A large share, (71 percent) said their productivity increased.

Figure 2.4: Increased Productivity



> **Before the training, I was not very sensitive to the gender of potential borrowers—whether they were men or women—but now I am very aware of this. I am energized to help the women business owners in my community. I want to use the momentum from the training to find new ways of reaching more women and facilitating greater access to finance."**
>
> *Jane Christopher*
> *Branch Manager, Bagamoyo*

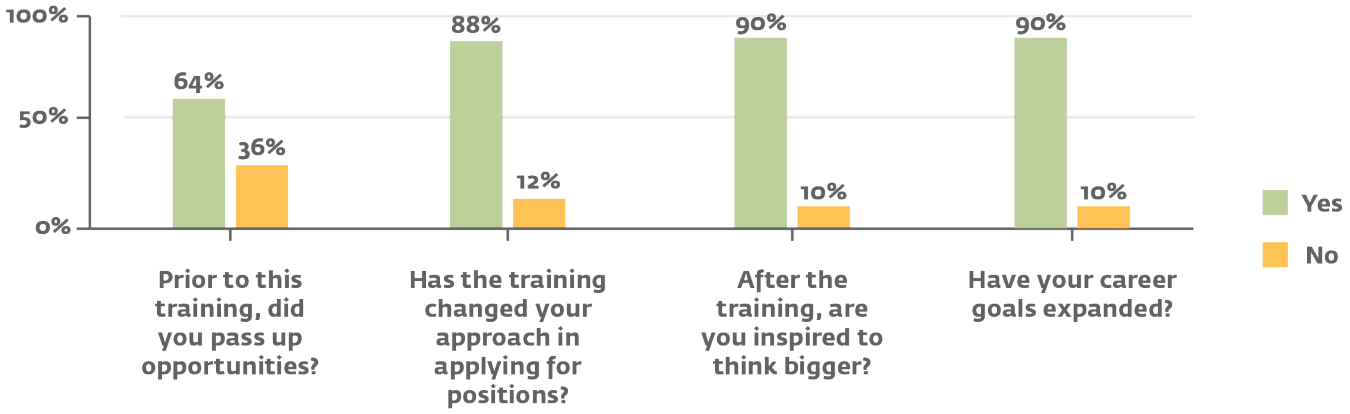
B. PREPARING FOR THE FUTURE

GROOMING FOR LEADERSHIP: When women were asked if they felt that they were being groomed for higher-level positions, 93 percent responded, Yes.

ATTITUDES TOWARD OPPORTUNTIES: As part of the training, the facilitators discussed how women are conditioned to not promote themselves. "Women undersell themselves by 30 percent, whereas men oversell themselves by 30 percent. As a result, women look at qualifications in vacancy announcements, and conclude that they do not have all the skills, and then they do not apply; however, men are more likely to apply for jobs even if they do not meet all the requirements," explained Zuhura Muro, Lindam Group's Managing Director.

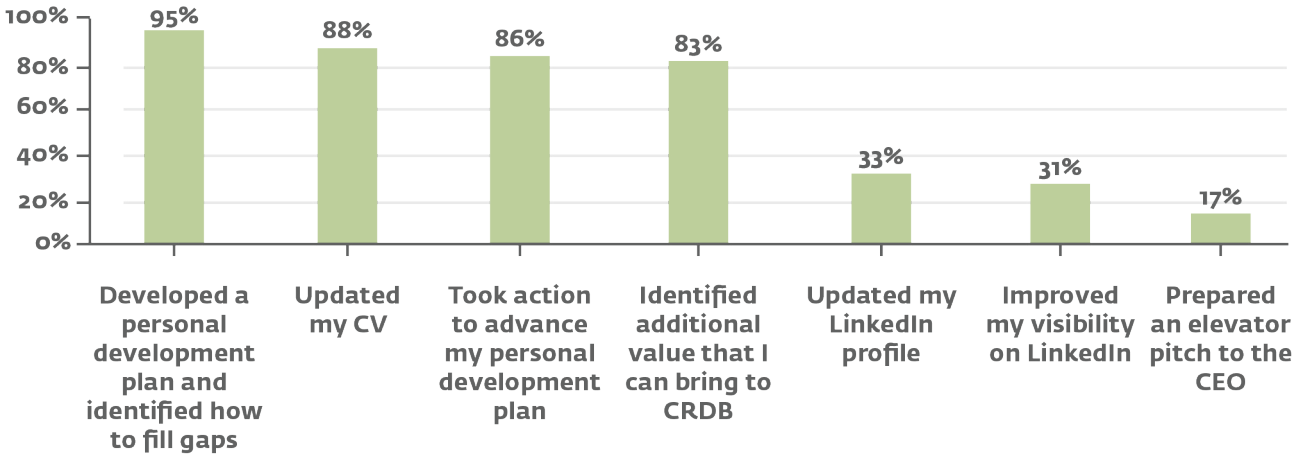
The survey confirmed this dynamic at CRDB, and found that prior to the training, 64 percent of women reported passing up opportunities; however, after the training, 88 percent reported that the training had changed their approach to applying for positions (Figure 2.5). Most women (90 percent), reported being inspired to think bigger, and 90 percent (37 women) said that their career goals had expanded.

Figure 2.5: Change in Career Tactics



STRENGTHENING EMPLOYABILITY: One of the objectives of the training program was to prepare women to apply for senior positions by equipping them with employability skills that strengthen their competitiveness. Nearly all (95 percent) developed a personal development plan and identified how to fill gaps (Figure 2.6). Most women (88 percent) updated their CV. About one third updated their LinkedIn Profile and improved their visibility on the platform, while about 20 percent prepared an elevator pitch to present to the CEO.

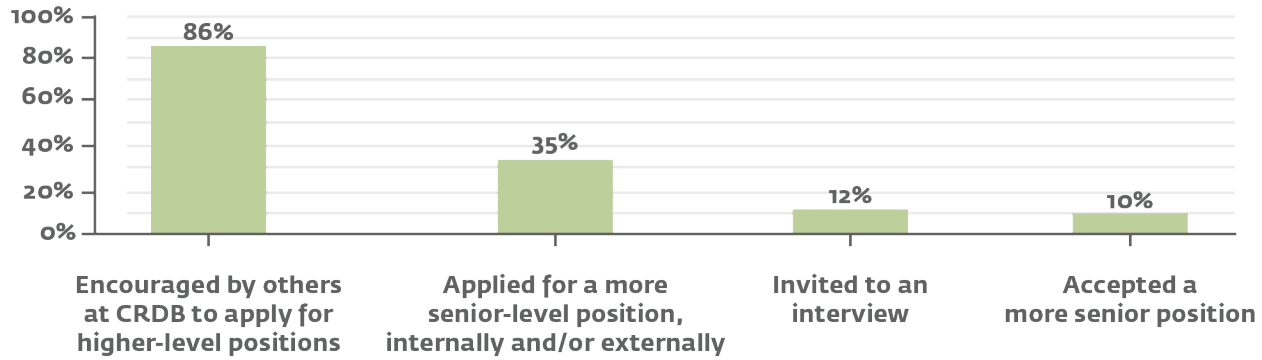
Figure 2.6: Strengthening Employment Competitiveness



ACTIVELY PURSUING ADVANCED OPPORTUNITIES: When women were asked whether they were actively pursuing higher-level opportunities, 82 percent said they were seeking internal positions (Figure 2.7). One quarter of the women were looking in their department, while about another quarter were looking in other departments. One third of the women were exploring external opportunities.

APPLYING FOR AND GETTING JOBS: Most women (86 percent) reported that they were being encouraged by others to apply for higher-level positions (Figure 2.7); and 35 percent applied for more senior positions (21 percent, internally, and 14 percent, externally). This is a significant milestone because prior to the training, women were not applying for senior positions. In total, 12 percent were invited for an interview and 10 percent accepted a more senior position. One woman broke the glass ceiling one year after the training. Jessica Nyachiro said, "After the successful training that renewed my confidence, I applied for the advertised role of Managing Director for CRDB Bank in the Democratic Republic of Congo, and was appointed to the role in November 2021. The selection process included psychometric tests, as well as a series of interviews with the Executive Team and the Board of Directors. The process was not easy, but with my new-found confidence, my experience, and competencies, I believed that I would do well. This experience taught me that if we want to succeed in our careers, we need to put ourselves out there and be tested."

Figure 2.7: Applying for and Getting Jobs



MULTIPLIER EFFECT: The women found the training to be very powerful, and wanted to share their new-found knowledge with their female colleagues. This came out strongly in both the focus group discussions and in the survey. To that end, 44 percent were teaching others how to improve their influencing skills, while about a third were sharing tactics on emotional intelligence, DiSC, and networking. All the women said they were encouraging other women on their team to speak up, and volunteer for opportunities.

CRDB has committed to continue to invest in its Women's Leadership Training Program, and will expand the program to 200 women in 2022.

3. Recommendations

Financial sector providers can reap the benefits of a gender-diverse leadership and workforce by taking action in three key areas: (1) leadership championing; (2) creating supportive policies on recruitment, retention, and promotion; and (3) setting clear and transparent goals, and regularly monitoring and evaluating the progress of these.

1. Leadership Championing:

a. *Women on Boards:* More qualified women can be recruited to board positions. Partnerships with organizations that help promote women on boards can help to identify and cultivate more highly qualified women prospects.

b. *Creating a Gender-diverse Culture:* Boards and CEOs can champion a culture that supports more women rising to leadership positions. CEOs can hold townhalls to share strong evidence that women can help transform business by increasing profitability, increasing innovation, and reducing risk. Greater buy-in on the benefits of gender diversity in leadership could accelerate culture change, and develop an important competitive edge.

2. Gender-friendly Policies and Initiatives on Recruitment, Retention, and Promotion:

a. *Gender-balanced Interview Panels*: Ensure that women are on interview panels for all positions, including for the C-Suite and the Executive Committee. For high-level positions, where interview panels may not be gender-balanced, and where women would be interviewed exclusively by men, consider inviting women board members and women experts from outside to diversify the interview panels.

b. *Mentoring and Coaching:* Provide mentoring and coaching support and enlist male support. Promote opportunities where women can gain more experience and see broader perspectives, such as through job shadowing, stretch assignments, and delegation of temporary authority.

c. *Training:* Provide training on gender sensitization and unconscious bias for both genders, and at all levels, from the board down through the whole workforce.

3. Setting Clear and Transparent Goals, and Monitoring and Evaluating Progress:

a. *Measure Return on Investment:* Measure the return on investment that the training has on business performance. Track sex-disaggregated data on results related to the business case for gender diversity, including greater profitability, increased innovation, new products, increased lending to women, and better risk management.

b. *Targets:* Gender targets can be established to lay the groundwork for diversifying corporate leadership, and these targets can be raised over time. Succession planning can include women candidates.

c. *Quarterly Board Reporting:* Report quarterly to the board on the diversity of interview panels, and the number of women applying for higher-level positions, the number of women offered these positions, and the number of women who accept.

d. *Visibility:* Give greater visibility to the company's high-level commitment to gender equality and achievements by regularly publishing information on gender policies, actions, and results. This will send a strong message to employees and the business community, and can help accelerate progress.

4. Conclusion

The findings from this study show that as a result of the partnership between CRDB and IFC, the process of preparing women for leadership roles has been accelerated. The women in this study reported that the training was very powerful, and that they are more confident, more ambitious, and are seeking more leadership opportunities. There is also evidence that these women are gaining access to more opportunities, are getting greater exposure, and are receiving more recognition. Godfrey Rutasingwa, CRDB's Head of Learning and Development said, "Hearing the women sharing their experiences at the graduation ceremony opened our eyes. These women have more talent than what we see, and what we perceive, and it is exciting for me to know that these women are coming up the ladder."

When companies invest in people, and especially in women, it pays off by creating a pipeline of future women leaders and trailblazers who serve as role models for other women. Further, by investing in women, and closing the gender leadership gap, CRDB can increase its competitiveness in Tanzania. For Abdulmajid Nsekela, the CEO, this program is "not only about creating leaders for CRDB but also about creating leaders for Tanzania. Our intention is to see more women at the top, and especially the women we have trained and mentored." He expects the benefits of the IFC 100 Women Leadership Training Program to trickle throughout the community, as well as the country.

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For more information about
Finance2Equal, please contact:

Anne N Kabugi
Regional Gender Lead, Africa
Gender and Economic Inclusion Group
akabugi@ifc.org
Kenya

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