The Business Case for Investing in Women’s Employment in Iraq

COMPANY INSIGHT

Ashur International Bank for Investment
Advancing Women in Business Leadership & Management Banking/ Financial Sector, Iraq
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1818 H Street NW, Washington, DC 20433
Telephone: 202-473-1000; Internet: www.worldbank.org

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Acknowledgements

This company insight was prepared by Tala Mitwally, Yasmin Mohamed, Yasmine Ossaily, and Tamara Azar based on the work of Management Partners. The publication benefited from inputs and comments by Nour Al Moghrabi and Sammar Essmat, and was edited by David Wood. The work was conducted under the general guidance of the Poverty and Equity Global Practice Manager Johannes Hoogeveen, and supported by the Mashreq Gender Facility team lead Jonna Lundwall and Iraq country lead Gharam Alkastalani Dexter, and IFC’s Gender and Economic Inclusion Group Manager, Henriette Kolb.

The company insight was prepared as part of the Mashreq Gender Facility (MGF). This Facility provides technical assistance to Iraq, Jordan and Lebanon to strengthen the enabling environment for women’s economic participation and improve women’s access to economic opportunities. The MGF is a World Bank - IFC initiative in collaboration with the governments of Canada and Norway. It is mainly supported by the Umbrella Facility for Gender Equality (UFGE) with contributions from the governments of Australia, Canada, Denmark, Finland, Germany, Iceland, Latvia, Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States, and The Bill & Melinda Gates Foundation.
FOREWORD BY THE WORLD BANK GROUP

The International Finance Corporation and the World Bank are working with local partners to remove barriers to women’s participation in Iraqi workplaces and build a community of companies that are dedicated to hiring, retaining, and promoting women.

Even before the pandemic, there was an urgent need to level the playing field for working women in Iraq. The labor force participation for women in Iraq in 2017-2018 was 12.6 percent compared to 72.8 percent for men, whereas it is over an eight-year average (2010-2018) 12 percent for women compared to 77 percent for men. That is one of the widest gender gaps in the world – and it has deep social and economic implications. We at the World Bank Group recognize that access to economic opportunities is essential for allowing both men and women to live dignified lives and become active social agents. Attracting, retaining, and promoting women is also good for companies. It allows them to harness talent, making them more productive and competitive.

In the bigger picture, raising female employment also contributes to economic growth and supports poverty reduction. Our recently published State of the Mashreq Women Flagship Report1 found that if Iraq raised its female labor force participation rate by 5 percentage points in 2025, its annual economic growth rate would increase by 1.6 percentage points by 2035. Amid the ravages of COVID-19, boosting female employment would act as a catalyst for Iraq’s economy, making it stronger and more inclusive. That is especially important given that years of conflict have already hampered economic growth in Iraq.

As difficult as the pandemic has been, it has allowed us to re-imagine workplaces and to reflect on what those mean for Iraq’s women. We have been inspired to see the agility of some Iraqi companies, many shifting to more flexible, home-working and family friendly work modalities, thereby creating inclusive work models that are responsive to the needs of women.

Under the Mashreq Gender Facility’s activities in Iraq, we have launched a series of company insights to showcase Iraqi companies that have created gender-responsive workplaces which support women and men. The company insights feature companies that are promoting greater inclusion of women in their workforce in three thematic areas:

- Supporting women in non-traditional sectors, as Nafith Logistics Company is doing;
- Promoting women in leadership positions based on Ashur International Bank for Investment’s experience; and
- Fostering family-friendly policies for women in the workplace as exemplified by Zain Iraq.

We hope these company insights will inspire and encourage other businesses in Iraq to develop more gender-aware environments based on insights into workplace models that work. Our utmost gratitude goes to the three companies that were profiled in these company insights for generously sharing their data and good practices, and for championing this important agenda. We also extend our gratitude to the governments of Canada and Norway for supporting the Mashreq Gender Facility (MGF), under which we are launching these company insights. The MGF is a five-year initiative to support the governments of Iraq, Jordan and Lebanon in their efforts to create a more enabling environment that contribute to increased female labor force participation.

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1 (WORLD BANK GROUP 2024-2019)

Saroj Kumar Jha
Regional Director, Middle East Department
Middle East and North Africa Region
The World Bank

Abdullah Jefri
Regional Manager
Levant Countries
International Finance Corporation
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OVERVIEW OF WOMEN IN BUSINESS LEADERSHIP AND MANAGEMENT IN IRAQ

A growing body of research shows that organizations with greater gender diversity in their leadership teams tend to perform better. For instance, a Harvard Business Review study found that increasing the proportion of women in management roles from zero to 30 percent translates into an average 15 percent increase in profitability for a typical firm (Harvard Business Review, 2016). To name but a few benefits, gender-diverse corporate leadership tends to improve a business’ productivity, open access to a wider talent pool for recruitment, build stronger client relationships, and boost the company’s overall reputation. Companies can actively promote women in leadership roles through introducing fair promotion policies, providing training and development, and instituting family-friendly work arrangements for female staff with caregiver obligations.

However, despite plenty of evidence that gender-diverse leadership teams improve corporate performance, global representation of women in leadership roles remains modest. In 2019, women accounted for 17 percent of board members worldwide (IFC, 2019). This level of representation dropped to just 2 percent in the Middle East and North Africa region. In Iraq, women are generally absent from senior management and leadership positions, with an estimated representation of just 1 percent – even lower than the regional average (Deloitte, 2019). These figures become slightly more encouraging in the Iraqi financial sector, where female leaders have typically enjoyed more promotion opportunities than exist in other fields. Women also account for more than half of the financial sector’s workforce, owing in part to government directives to appoint more females within Iraqi banks. In 2018, with IFC assistance, the Central Bank of Iraq required that every Iraqi bank’s board of directors should include at least one woman (CG guidelines for Iraqi Banks, 2018).
Many private banks in Iraq are currently developing modern banking practices, with several of them prioritizing gender diversity in leadership positions. This company insight explores the experience of one such Iraqi bank, Ashur International Bank for Investment (Ashur Bank), which has been a pioneer for private banks in recruiting and promoting women to management positions. In Ashur Bank’s experience, these policies have improved the company’s performance, driven economic growth and profitability, and improved innovation. The sample size however is not statistically significant and cannot be used to draw definite conclusions but rather provides anecdotal evidence on the topic of this study.

WHY ASHUR BANK?

The World Bank Group (WBG) had conducted several interviews with leading Iraqi private sector companies that could be the subject of this study. Based on a selected set of criteria such as company policies and availability of quantitative HR data, company gender diversity efforts on relevant topics, previous experience with the WBG in particular the IFC Gender team, size of the company. Ashur Bank proved to be a prominent Iraqi private sector company that has made great strides towards gender diversity, in particular advancing women in business leadership and management. As such, Ashur Bank was selected to be the subject of this company insight.

HOW ASHUR BANK SUPPORTS WOMEN IN LEADERSHIP POSITIONS

In recent years, Ashur Bank’s corporate management has proudly facilitated a more gender-diverse workplace, including by appointing more female leaders. Alyaa Majeed, who currently serves as Ashur Bank’s managing director, received an internal promotion in 2018, after working for the bank since 2007. In the same year, based on IFC CG recommendations, Ashur Bank also appointed a female board member Dr Salwan Hameed, who boasts a Doctorate in Accounting and Auditing. Management figures report that Ashur Bank has been increasingly recruiting women to junior leadership positions, which can prepare the next generation of female corporates at the company. The following are some of the practices applied by Ashur Bank, which enabled the company to place 40 percent of women in senior positions between 2018 – 2020.

COMPANY OVERVIEW

Ashur International Bank for Investment was established in 2005 as Iraq’s first investment bank to provide full banking services to commercial enterprises and individuals. Ashur Bank has a capitalization of 250 billion Iraqi Dinars (about 215 million US Dollars), and considers itself a pioneer in providing high-quality and innovative financial services. Ratings agency Moody’s has assessed Ashur Bank as among the most stable privately owned banks in Iraq (Moody’s, 2021)

Ashur Bank has committed itself as an institution to encourage excellence amongst leaders, free from any gender bias. In 2018, Ashur Bank hired a female Managing Director, reflecting the company’s growing commitment to promoting women in key management positions. Ashur Bank also hired a female board member, as required under Iraqi regulations. Beyond executive positions, female employees make up 40 percent of Ashur Bank’s total employees, of which 21 percent occupy management and leadership positions.

“ ‘We support women to take junior leadership positions to prepare them for senior opportunities. I still believe the sky is the limit for women who want more for their careers.’”

Bassam Alsamhouri, Head of The HR Department
Ashur Bank has instituted several policies aimed at supporting female leaders. Each initiative aims to address tangible barriers to women reaching management roles, from preventing systemic gender bias to helping employees balance work and family obligations.

**Gender-balanced recruitment process:**
Ashur Bank has institutionalized a recruitment policy of ensuring gender balance between heads of departments or branches and their successors. Under this initiative, a female leader will always have a male deputy, and vice versa. This requirement helps to ensure that gender diversity becomes fully integrated throughout Ashur Bank’s senior management positions. For example, a female deputy was immediately appointed as financial manager when the position’s previous occupant, a man, resigned from Ashur Bank. A female employee now heads the department with a male staff member serving as her deputy.

**Clear commitment from leadership:**
In early 2018, Ashur Bank’s board of directors pledged to have a gender balanced board and company, this pledge was released as part of the BOD’s commitment to advancing women in leadership. This decision benefited from the buy-in and dedication of Ashur Bank’s leadership and management, which drove all necessary reforms to remove barriers for the recruitment, retention, and promotion of female employees. The management pledge encouraged all directors to confront both conscious and unconscious gender bias, while insisting on better decision-making throughout the company.

**Capacity Building through Job Rotation:**
Beyond leadership positions, Ashur Bank ensures that male and female employees regularly rotate across different line assignments, ensuring that all staff members have a well-rounded and broader development experience.

**Promote a family friendly and safe workplace:**
The Bank invested in developing policies that guarantee a safe and flexible work environment for its employees by setting up the following:

* Maternity Leave Policies and Healthcare: Ashur Bank has exceeded minimum standards for healthcare and maternity leave policies. Since 2019, all staff have benefited from an affordable and quality healthcare insurance policy. Mothers receive 98 days of maternity leave – as required under the Iraqi Labor Law – but can also take one-year of unpaid leave with a guaranteed return to their previous positions. Other Iraqi banks grant only two or three months of unpaid leave to their maternal staff.
Top management’s support to female employees at the Bank has contributed to creating new ideas and offering new products to attract new segments of the Iraqi society

Tamara Ra’ed, Head of Products Development Division

THE BUSINESS BENEFITS OF ADVANCING WOMEN IN LEADERSHIP:

Within just three years, Ashur Bank has started reaping the benefits of promoting female employees into senior management positions. Below are various tangible advantages that Ashur Bank has secured by shrugging off male-dominated stereotypes and giving real responsibility to female employees.

Wider talent pool:

Ashur Bank has already improved operations since ensuring that recruitment and promotion opportunities did not skew towards men. Already, the bank has found highly qualified women like Majeed (the managing director) and Hameed (a board member) to leadership positions in which they can excel. Majeed receives overwhelmingly positive feedback as a strong and capable leader, especially with her deft handling of ISIS-related threats to Ashur Bank’s interests during her term as managing director.

Greater innovation:

Female leaders at Ashur Bank have been successful in driving the company’s pursuit of women as customers. Recently, Ashur Bank has designed special programs, banking products, and services that target women entrepreneurs and women in businesses. These innovative offerings include “the woman’s loan,” which is a soft loan facility for female borrowers. Female leaders within Ashur Bank convinced their colleagues of the commercial potential that such financing instruments could unlock, as the bank taps into the growing market for female entrepreneurship.

“Top management’s support to female employees at the Bank has contributed to creating new ideas and offering new products to attract new segments of the Iraqi society”

Tamara Ra’ed, Head of Products Development Division

Higher employee satisfaction, retention and efficiency:

Supporting female leaders has coincided with increased job satisfaction and employee retention amongst Ashur Bank’s employees. Annual staff turnover dropped from 14 percent in 2019 to just 2 percent by June 2021, with the bank’s HR team indicating that employees enjoyed working under more gender-diverse leadership. Employees ascribed Ashur Bank’s improving work-life balance to the increasing prominence of female leaders, who have also championed employee benefits such as health plans. Of course, Ashur Bank’s female employees feel stronger motivation in the office upon realizing that they have fair prospects for promotion to senior roles, thus increasing overall staff satisfaction. Furthermore, when the credit department was assigned a female deputy head, the credit processing function benefited from an accelerated process per loan transaction.
WHAT’S NEXT FOR ASHUR BANK

Ashur Bank is committed to building on the company’s momentum in terms of supporting females in leadership positions. It plans to strengthen the internal pipeline for female talent by appointing more qualified women to management and senior management roles. For the 2021/22 financial year, Ashur Bank has targeted a 2 percent increase of women occupying such positions. In tandem, Ashur Bank will support female employees through other policies. These initiatives range from family-friendly work conditions – such as family health insurance plans and improved childcare support – to focusing on skills development for female employees.

CONCLUSION

Women in leadership and senior management positions can be powerful contributors to the economic revitalization of any entity. Ashur Bank strongly advocates for this transformation. The company’s experience proves that gender diversity in a company’s upper echelons not only enhances profitability, but also helps to build a better work environment for all staff. Other companies can follow Ashur Bank’s lead by liberating their corporate structures from gender bias and unlocking the true commercial potential of women.

LESSONS LEARNED

• **Ensure committed leadership:** Ashur Bank has successfully integrated female leadership throughout the company because the board of directors has genuinely sought this development. Any company’s leaders need to have the buy-in and acknowledge the necessity and opportunity involved in greater gender diversity for such policies to work effectively.

• **Make the business case:** Advocates for female corporate leaders can build a consensus around gender-diverse leadership by proving the commercial benefits of making the transformation. It is crucial to track and report on stronger business performance and increased stability following the appointment of senior female leadership.

• **Integrate women throughout the company:** Positioning women in leadership positions among diverse team members is key to driving the necessary change for a more diverse workplace. Teams with better gender balance have more balanced insights (including market insights) and an improved level of risk awareness within the business and are also typically committed to fostering diverse workplace.

• **Build a pipeline for female leaders:** Ashur Bank has distinguished itself by promoting female leaders through the company, not just in senior roles. Developing a pipeline of talented women saves on external recruitment costs, while also providing a clear incentive for female staff to work hard and advance their careers.
SOURCES


