

BANKING ON WOMEN

Gender Intelligence for Banks— Moving the Needle on Gender Equality

ACKNOWLEDGEMENTS

The *Gender Intelligence for Banks – Moving the Needle on Gender Equality* report is the result of a joint partnership of the International Finance Cooperation (IFC) and Habib Bank Limited (HBL). We would like to thank several individuals who have contributed to this report.

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The study was led by Kathrin Hamm, Financial Institutions Group, Mumbai, and Roshin Mathai Joseph, Development Impact Unit, Washington, DC.

We are grateful for all of the input we have received, but the final report is ours and any errors are our own. The report contributes to IFC's Banking on Women program's catalyzing role in helping partners and financial institutions profitably and sustainably serve women-owned businesses.

DISCLAIMER

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments.

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About IFC

The International Finance Corporation, IFC, is a member of the World Bank Group. IFC is the largest global development institution focused exclusively on the private sector in developing countries. As part of the World Bank Group, IFC provides development solutions customized to meet clients' needs. IFC applies its financial resources, technical expertise, global experience, and innovative thinking to help its partners overcome financial, operational, and political challenges. Clients view IFC as a provider and mobilizer of scarce capital, knowledge, and long-term partnerships that can help address critical constraints in areas such as finance, infrastructure, employee skills, and the regulatory environment.

IFC's commitment to advancing gender equality is anchored in a strong business case and in client demand for gender-smart solutions, which has significantly grown over the past five years. In response, IFC is working with

clients to reduce the gap between men and women as entrepreneurs, employees, corporate leaders, suppliers, consumers, and community stakeholders. IFC's **Banking on Women** business provides investment and advisory services to financial institutions to help them seize the women's market opportunity, as exemplified by this work with HBL. IFC supports companies with gender-specific advice and investment and helps to provide access to credit, markets, housing, savings and insurance products, information, technology, and supply chains. IFC also works with companies on recruiting and retaining gender-diverse talent.

The new World Bank Group Gender Strategy (FY 2016 – 2023) outlines the support that the entire Group, including IFC, will provide to client countries and companies toward gender inclusion. Such support is a means to achieving greater gender equality, a key pathway to lasting poverty reduction, security, and shared prosperity.

About HBL

HBL was established in 1941 and was the first commercial bank in Pakistan. Over the years, HBL has grown its branch network and maintained its position as the largest private sector bank in a number of categories. In 2016, it had over 1,700 branches and more than 2,000 ATMs globally, a customer base of ten million customers with \$23.9 billion in assets, \$18 billion in deposits domestic market share of 14%, and \$327 million in net profit.¹

The Government of Pakistan privatized HBL in 2004. This resulted in AKFED² acquiring 51% of the Bank's shares and management control. The Government of Pakistan divested the remaining 41.5% of shares in April 2015. AKFED continues to retain 51% of HBL shares, while the remaining shares are held by individuals, as well as by local and foreign institutions and funds including CDC Group PLC (5%) and the International Finance Corporation (3%).

With a global presence in 25 countries (including subsidiaries and affiliates) — excluding Pakistan — spanning four continents, the Bank is expanding its presence in principal international markets including the UK, UAE, South and Central Asia, and the Far East. The Bank is expanding its presence in principal international markets including the

UK, UAE, South and Central Asia, and the Far East. Its key areas of operation encompass retail and consumer banking product offerings and services. HBL also has the largest corporate banking portfolio in the country, and has an active investment banking arm. SME and agriculture lending programs and banking services are offered in urban and rural centers.

HBL stands for a modern and forward-thinking organization. Of its more than 14,000 employees, 12.4% are women. It strives to be a true meritocracy by working to provide the same opportunities and advantages to employees on the basis of their ability, to reward achievements equitably, and to provide enriching career opportunities for all.

In terms of customers, HBL understands the various roles played by women in society and acknowledges the financial gaps in servicing women customers from all backgrounds. Today, HBL serves more women than any other bank in Pakistan. To do yet more, it introduced HBL Nisa, a banking platform dedicated to the women of Pakistan. HBL Nisa's goal is to understand, educate, and develop products and services that cater to the financial needs of women. With this initiative, HBL continues its pursuit of greater financial inclusion.

About HBL and IFC

Since HBL and IFC formed a partnership in 2007, the relationship has grown, with an IFC Global Trade Finance Program (GTFP) investment of \$100 million in 2014, an equity investment of \$75 million in 2015 (3% of HBL shareholding), and a Senior Loan of \$150 million in 2015. This is one of the largest IFC investment in a financial institution in Pakistan and the first loan to-date in Pakistan to finance women-owned businesses.

This engagement with HBL is also one of IFC's flagship Banking on Women (BOW) projects, in which IFC also provided advisory services to assist with integrating a bank-wide gender diversity framework. In addition, IFC along with HBL delivered a Gender Intelligence Training Program to support the internal alignment and overall rollout of HBL's gender strategy. Along with the HBL Gender Intelligence Training, IFC conducted an assessment to gauge effectiveness and generate learnings that will inform future interventions.

Foreword



IFC

Financial exclusion remains a major constraint for women, particularly in the developing world. In its latest FINDEX study, the World Bank estimates that more than 1 billion women either do not use or do not have access to the financial system. IFC calculates the financing gap for women-owned enterprises in developing countries worldwide at about \$300 billion annually for formal women-owned small and medium-sized enterprises in emerging markets globally.

Women also suffer from gender biases in the workplace, which have an adverse effect on their workforce participation. Female representation, though growing slowly in the financial services industry, has still only reached 16 percent globally at the executive level.

According to the World Economic Forum's Global Gender Gap Report for 2015, Pakistan has a significant gender gap, with financial inclusion reaching only 6% of women, while its female labor force participation was 25% in 2016, well below that of countries with similar income levels.

As a member of the World Bank Group and as the largest global development institution focused on the private sector, IFC is committed to helping women as part of its mission to reduce poverty and promote shared prosperity. In Pakistan, IFC invested \$225 million in the country's biggest commercial bank, Habib Bank Limited (HBL), to help it increase the number of women depositors and boost lending to rural borrowers and small businesses.

Through its *Banking on Women* business, IFC also designed and launched a comprehensive Gender Intelligence Training Program for HBL staff, to raise awareness of gender differences and draw more female clients to the bank. The results have been encouraging: sales to women have since increased, thus contributing to stronger inclusion of women in the financial sector. Findings from the program will also be integrated into IFC activities with its many financial sector partners worldwide, thus supporting continued advancement of gender equality across the globe.

— **Dimitris Tsitsiragos**

Vice President, New Business, IFC

HBL

Marking its 75th anniversary in 2016, HBL, Pakistan's largest bank, is looking at a bright future with boundless opportunities to support economic progress in Pakistan and the region. Building on its core values of progressiveness, customer focus, excellence, integrity, and meritocracy, HBL will continue focusing on the needs of its more than 10 million customers, enabling them to advance with confidence and success.

Women make up nearly half of Pakistan's population, and play a vital role in the country's economic and social development. Striving to serve the less privileged and create a more egalitarian society, HBL is determined to serve an increased number of women clients and become the employer of choice for women in the financial industry.

HBL already banks more women than any other bank in Pakistan. Scaling up its efforts, HBL recently launched HBL Nisa, a new platform to facilitate women's banking. HBL Nisa is designed to cater to the unique needs of women, enabling them to pursue their dreams and aspirations.



Not only is HBL committed to women as clients, but also to women as employees. In recent years, HBL has increased the share of women employees in the organization and is stepping up efforts to address gender biases influencing behavior in the workplace.

In this regard, the jointly developed Gender Intelligence Training helped HBL meet its expectations. The training program reached employees at all levels, including senior management. The results indicated in the strategic review of the training program exceeded our expectations and revealed linkages between training and sales to women clients.

HBL is proud of its 75-year legacy, and looks forward to a prosperous future as the bank of choice for men and women alike.

— **Nauman K. Dar**
Chief Executive Officer, HBL

Executive Summary

Gender Intelligence for Banks – Moving the Needle on Gender Equality is the result of a joint partnership between the International Finance Cooperation (IFC) and Habib Bank Limited (HBL) in Pakistan. The initiative's goal is to promote gender equality within banks and to develop insights into how gender intelligence programs can positively impact organizational gender awareness, financial inclusion for women, and bottom-line results for banks.

Pakistan has the second largest gender gap, ranking 143 out of 144 countries in the gender equality index.³ This low ranking indicates the magnitude of prevailing gender disparities in earnings, education, health, and political participation. HBL, as the largest bank (in several categories) in Pakistan has made a comprehensive effort to address gender equality for both its women employees and women customers. HBL rolled out several initiatives - these included encouraging internal diversity, developing a sales focus on women, launching the HBL Nisa brand platform, and undertaking the Gender Intelligence Training Program, which was mandatory for management and all other employees. Further, a study examined the differences between employees who have undergone training compared to untrained employees. Over 13,000 HBL employees (out of a total of more than 14,000)

have been surveyed, with branch level data analyzed for the years 2014-2016.

The findings of this analysis show that:

- Gender Intelligence training led to **a measurable increase in positive gender awareness** among the trained population compared to the untrained population.
- There were positive effects observed among trained employees with regards to **support for women at HBL** and **the confidence level of women**. Indicators included improved perception of equal workplace-performance capacity and improved confidence to apply for the next grade position.



Train the Trainer session, May 2015

- Training outcomes cross-referenced with sales data also showed that branches whose managers have been trained in gender intelligence outperform branches with untrained branch managers in terms of **increased women's deposits**. HBL incentivized the provision of deposit accounts through their performance measurement system and related key performance indicators (KPIs), doubling the KPIs for women-owned deposit accounts. While women's deposits increased across the institution over the same period, the increase was greater when combined with training. This demonstrates that women's financial inclusion can make a positive contribution to the financial bottom line of HBL Pakistan.
- Training needs to be part of a comprehensive strategy to work, especially in the face of **deep-rooted value systems** that may only change with time.

143RD/144
Ranking of countries

Globally, Pakistan has the second-largest gender gap.

Introduction

DOES GENDER DIVERSITY PAY OFF?

Today, it is widely established that gender-diverse groups outperform more homogeneous groups. When people are brought together to solve problems in groups, they bring different information, opinions, and perspectives.⁴ With regards to the workplace, it is well understood that diversity broadens employee perspectives, strengthens teams, and offers greater resources for problem solving.⁵ Moreover, studies also have found that diversity can have a positive impact on the financial bottom line, specifically showing that gender diversity has positive effects on sales revenue, customer base growth, and greater market share.⁶

However, women globally are still underrepresented in the workforce and management-level positions. Women advance professionally more slowly than men and are less likely to move to higher positions.⁷ This dynamic is especially severe for women in the financial services industry. Banking suffers from the lowest participation of women in leadership positions.⁸ Research has identified gender bias as one of the root causes preventing professional advancement of women employees.

Thus, reducing gender bias can help close the gender gap in employment. While previous studies found that gender diversity-training increases awareness, reduces bias and prejudices, leads to change in behavior, and an increased engagement with diversity,⁹ empirical evidence on the effects of diversity within organizations, including the impact on businesses' financial success, is still insufficient. This is primarily due to a lack of quantitative

data. It is crucial to understand which gender diversity-enhancing programs and initiatives are effective in promoting workplace equality and financial inclusion for women.

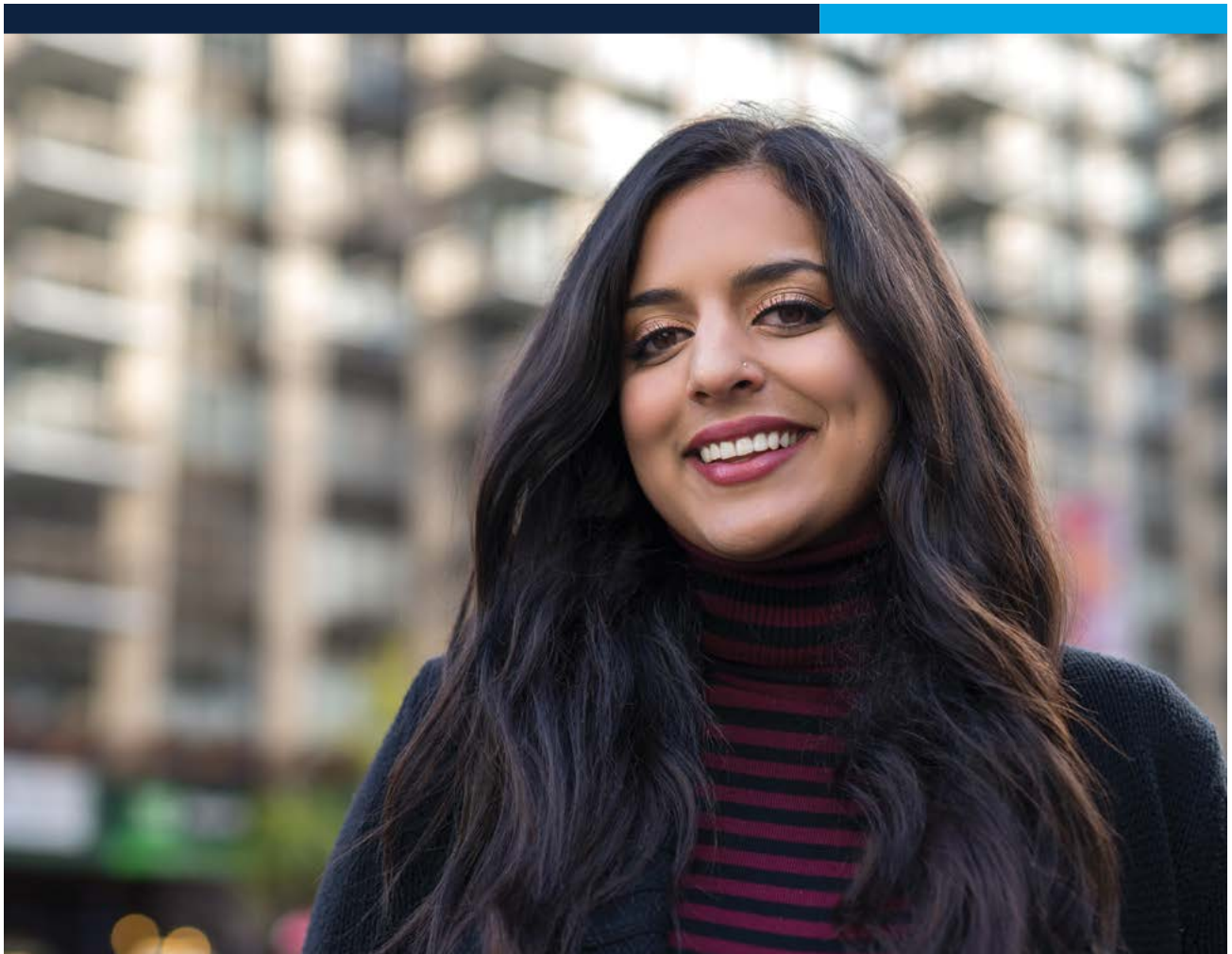
PREVAILING INEQUALITIES, EVEN MORE SO IN BANKING

While women are generally under-represented in organizations, the disparities are even more severe in banking as a total industry. Mercer highlights in their recent report "Women in Financial Services" that women enter financial services industries with the same ambition level as men, but that they are still widely under-represented in executive committees (16%, 2016) and

Size of HBL's
entire workforce
AS OF SEPTEMBER 2016

14,282

HBL is the largest bank in Pakistan employing more than 14,000 employees across the country. A majority of HBL's staff is located in branch locations. About 12.4% of HBL's workforce are women — most of them below 35 years of age.



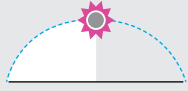








financial services boards (20%, 2016). The report also brings to light the issue of increased exit rates of women during mid-career, when women are as much as 30% more likely to leave their employer compared to their male peers.

In terms of access to financial services, the World Bank Group's latest Global Findex report indicates that worldwide more than one billion women still do not use or have access to the financial system.¹⁰ IFC has estimated that in emerging markets, a \$300 billion annual gap in financing exists for formal women-owned small and medium businesses, and more than 70% of women-owned small and medium enterprises have inadequate or no access to financial services.¹¹

Studies show that women often are systematically denied equal access to the financial system. Gender-based discrimination in credit markets disadvantages women as a result of inherited cultural gender biases. In practice, this leads to more-often denied bank credit and discourages women from applying for bank credit in the first place. Biases are the source for a variety of negative effects on women's access to credit.

Exhibit 1: HBL Gender Intelligence program components

<p>Gender Intelligence: Senior Management <i>Gender awareness, women's market opportunity in Pakistan: new product offering</i></p>	<p> Diversity Dimensions</p> <ul style="list-style-type: none"> • Women in the organization • Women as clients <p> Audience</p> <ul style="list-style-type: none"> • Senior managers 	<p>Length Half day</p> 
<p>Gender Intelligence: Frontline Staff and All Other Staff <i>Gender awareness, women's market opportunity in Pakistan: new product offering, selling to women, role plays</i></p>	<p> Diversity Dimensions</p> <ul style="list-style-type: none"> • Women in the organization • Women as clients <p> Audience</p> <ul style="list-style-type: none"> • Frontline staff • Branch staff • Relationship managers • Department staff 	<p>Length Full day</p> 
<p>Gender Intelligence: Training of Trainers <i>Rolling out gender intelligence training across the bank, teaching gender awareness</i></p>	<p> Diversity Dimensions</p> <ul style="list-style-type: none"> • Women in the organization • Women as clients <p> Audience</p> <ul style="list-style-type: none"> • Women in the organization • Women as clients 	<p>Length Half day</p> 

PROMOTING GENDER INCLUSION TO CLOSE THE GAP AND OVERCOME BIASES

HBL is Pakistan's largest bank, with over 1,700 branches and more than \$18 billion in deposits. Since 2014, IFC has been supporting HBL's efforts to become a more gender-diversified organization by leveraging the benefits of gender inclusion and by serving a larger share of the women's market for banking services in Pakistan.¹² Within its workforce of over 14,000 employees, 12.4% are women. Yet the majority of women in Pakistan are financially excluded (informal markets dominate¹³) with only 3% of women in Pakistan having a bank account.¹⁴ HBL responded to this opportunity to focus on financial

inclusion by launching its women's market program, branded as HBL Nisa.


HBL faced many challenges with respect to gender inclusion, such as, a) a male-dominated workplace; b) an internal bias against women; c) a view that women are not a "commercial" segment; d) nothing unique to offer to this particular segment; and e) cultural barriers. HBL responded to these challenges by a) encouraging internal diversity; b) undertaking Gender Intelligence Training; c) developing a sales focus on women; d) launching the HBL Nisa brand platform and providing corporate brand support for it.

HBL acted on the underrepresentation of women as employees and customers as an opportunity, and

HBL's Gender Intelligence Program

 **8,483**
Employees Trained

 **2,119**
Training Hours

 **286**
Training Sessions

 **42**
Trainers

 **36**
Cities

Training Sessions

8,483
People Trained

FROM MAY 2015 –
OCTOBER 2016



launched their HBL Nisa program. The program aims to provide financial services to the women's market in Pakistan while at the same time address internal gender imbalances through a wide range of HR related policies and Gender Intelligence training within the organization. Training content was finalized over seven months of research (including mystery shopping and focus groups), and a series of pilots. A total of 42 trainers were trained by the Train the Trainer (TOT) program. The bank-wide Gender Intelligence Training Program consisted of two components: a half-day senior management training and a one-day training session targeting frontline and branch staff.

Developed jointly by HBL and IFC, the HBL Gender Intelligence Training Program is a tool to improve gender imbalances by promoting positive gender awareness, appreciating behavioral differences, and encouraging behavioral change. Training sought to help employees

understand the business case for targeting women within the workplace and as customers, to communicate HBL's women's market value proposition, and to encourage front-line staff to cater to the women's segment.

Content development was based on the outcomes of focus groups conducted among HBL employees and customers, as well as via mystery shopping, to uncover gender-biases within the organization. Focus groups among employees revealed skepticism of male colleagues towards female employees' performance and a general notion that women are less serious and interested in a career compared to their male counterparts. A similar picture of women business owners emerged, with respondents describing them as less serious about their business than male business owners. Additionally, mystery shopping revealed that women customers were served more hesitantly in HBL branches. HBL's training content

was designed to counterbalance stereotypes through data, statistics, and best practices from other markets.

Three areas have been prioritized for content development: 1) the benefits for HBL of increasing its share of female employees; 2) general data on the female economy and the opportunity to serve women as customers in Pakistan; and 3) the behavioral differences between men and women. Existing research on gender studies has been analyzed to crystallize differences in how gender can influence problem solving, perception, and interpretation of information, as well as leadership and communication styles.

Training sessions were not only held in the three HBL training centers in Karachi, Lahore and Islamabad, but training were also taken to the doorstep, often on weekends to widespread smaller cities of Pakistan, some in very remote areas.

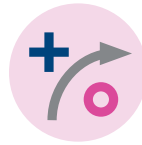
Trainings have been conducted in mixed teams, and have included rotational role plays to help participants discover and reflect on individual biases.

HBL aims to become the employer of choice for women, with the goal of building a critical mass of female employees (target 20% by 2020). From May 2015 to October 2016, 8,483 staff, which represents 62% of HBL's total workforce,¹⁵ participated in over 286 training sessions (held on weekends as well as weekdays to ensure maximum coverage) in 36 cities and across 20 departments. Regional competitions and celebrations were conducted to spur rollout.

MEASURING THE EFFECTS OF THE GENDER INTELLIGENCE TRAINING

HBL's Gender Intelligence Training Program had a quasi-experimental design. In July and August 2016, IFC and HBL conducted a survey among both employees who underwent the training (7,284 employees) and a control group who did not (6,101 employees) to better understand the training program's effects. The survey sought to

determine any significant differences between the two groups on:



Positive Gender Awareness



Support for Women at HBL



Confidence Level of Women



Sales to Women

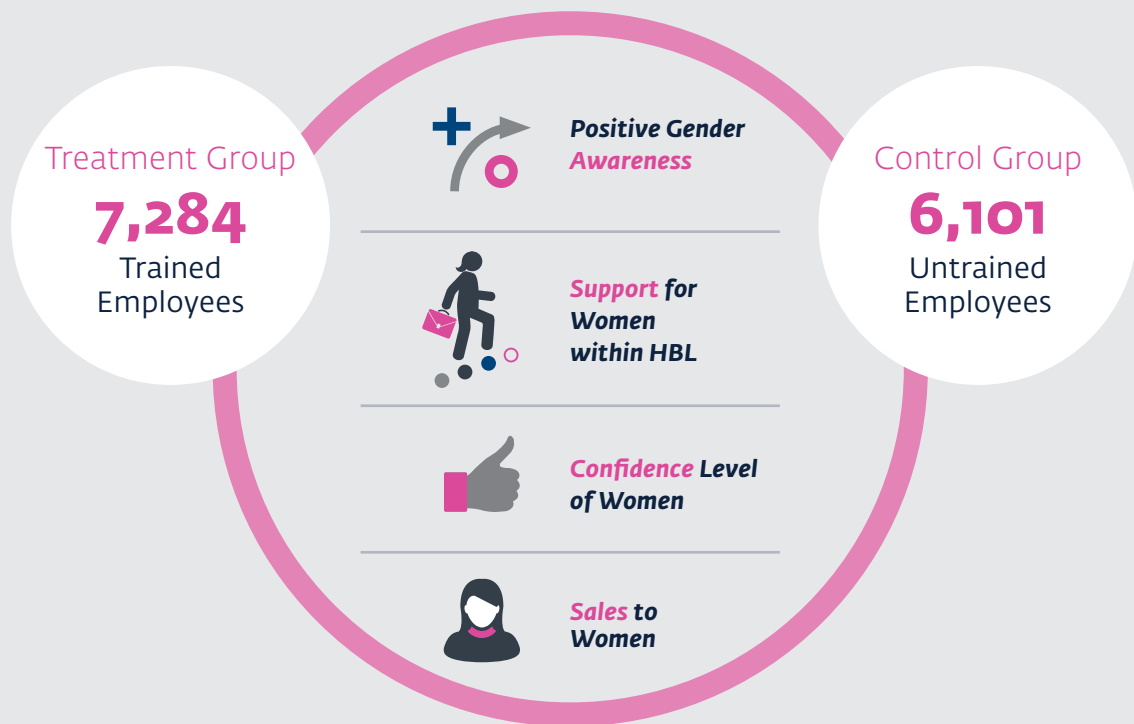
The section on "Positive Gender Awareness" captures both the business case for having a gender-balanced organization, as well as having women as Bank clients. For example, the survey asked employees whether they agreed with the statements that "there is a benefit to HBL to target women as banking clients" and "there is a benefit to HBL to have more women as employees."

The category "Support for Women at HBL" relates to career opportunities for women within the Bank, including hiring and promotion, as well as support for a gender-friendly and enabling work environment, such as one that includes childcare facilities (e.g., "I think that employers should provide childcare facilities.")

"Confidence Level of Women" looks at confidence levels among women to reach a management position and apply for promotions. For example, this section asks the level of agreement with the question, "I am confident I will succeed in reaching a top-management position."

The Experiment

Exhibit 2: Survey design assessing differences among survey population along four categories



- Online survey administered to **all HBL employees**
- Differences between treatment and control groups reflect **training effectiveness**
- Results are linked with **sales numbers to women**

The last category, “Sales to Women,” refers to the intention to sell to women (e.g., ‘I intend to sell more products to women customers.’) In addition, the analysis also triangulated branch-wide sales data to see if training was associated with an increase in the number and volume of women’s deposit accounts.

The survey overall contained around 40 questions that were administered online in both English and Urdu. It was developed after extensive peer review, and

incorporated learnings (and where pertinent, questions) from other similar studies⁶ reviewed during the literature review stage, thereby building on the existing knowledge base. The survey was kept open for a month, during which HBL actively encouraged participation through top-down (management support, reminder messages from management) and bottom-up (pop-ups, reminder messages) incentives. As an added incentive to take the survey, participants could also optionally enter a raffle



to win one of seven tablets. Given the sometimes sensitive nature of the topic, respondents were assured that their responses would be treated as anonymous and confidential.

SURVEY DEMOGRAPHICS AND FINDINGS

HBL's follow-ups and encouragement were instrumental in helping achieve a survey response rate of 63% (N=8,469), of which 62% of respondents were trained. In line with HBL's demographics, 85% of respondents were men and most respondents were branch and frontline staff. An interesting fact is that 79% of female respondents were below 35 years of age, and that a majority of the male respondents are married, while a majority of the female respondents are not.

Overall, trained and untrained branch and non-branch employees show similar demographic characteristics. Out of 6,468 respondents working in branches, 86% were men, compared to 82% of 2,001 non-branch employees. Similarly, among branch and frontline staff, 14% of the trained and untrained respondents were women (644 trained women versus 245 untrained women). With regards to age distribution, particularly among trained and untrained frontline staff, we see similar demographic patterns (Exhibit 6).

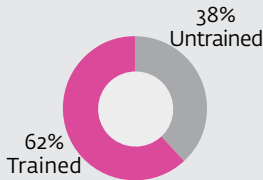
Overall, trained and untrained employees show similar demographic characteristics.

Measuring HBL's Gender Intelligence Program — Survey Demographics and Findings

Exhibit 3: Survey demographics

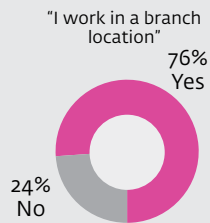
62% of respondents participated in the Gender Diversity Training

Training status of survey respondents, N=8,469



Gender Diversity Training focused on branches and frontline staff

Majority of survey respondents are based in branch locations, N=8,469



In line with HBL's demographics, 85% of respondents are men

Gender distribution of survey respondents, N=8,469

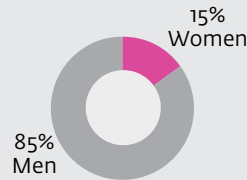


Exhibit 4: Age distribution of survey population

79% of female respondents are below 35 years of age

Gender distribution by age group (N=8,469)

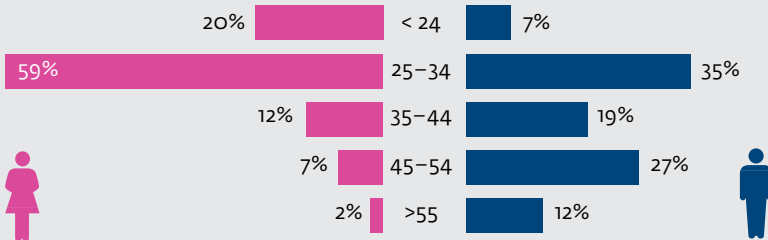
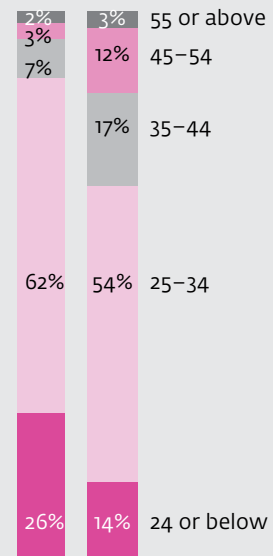


Exhibit 6: Demographic distribution of trained and untrained frontline staff

Branch and frontline staff show similar demographic distribution patterns

N=6,468



Trained | Untrained

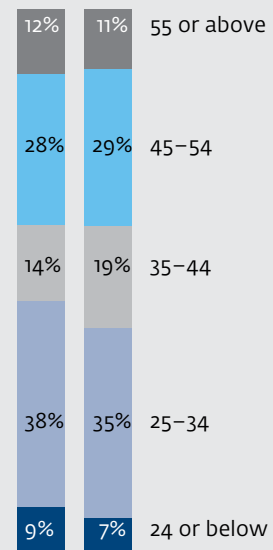
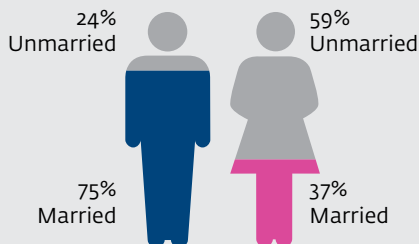


Exhibit 5: Marital status

Majority of male respondents are married and the majority of female respondents are not.

Gender distribution of survey respondents, N=8,469



Gender Diversity Training: Initiating a Change of Mind

Over the years, a variety of gender-related research has been conducted around the globe. It has been a known, underlying commonality that women are sure of their own abilities and that women are ambitious, but often are restricted in their career opportunities.¹⁷ Few women reach top-level jobs. This is particularly true in developing countries with a strong gender bias.¹⁸ Pakistan has been ranked as the second-worst country when it comes to gender equality, ranking 143 out of 144 countries in the gender equality index,¹⁹ indicating the magnitude of the prevailing gender disparities related to earnings, education, health, and political participation.

Research clearly shows that gender-diversified companies produce better financial results compared to lesser-diversified firms. For example, McKinsey found that companies with a “critical mass” of female executives perform better than those with no women in top management positions.

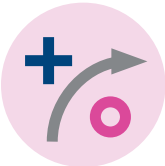
RAISING AWARENESS TO DRIVE GENDER DIVERSITY

To reach gender diversity and gender inclusion, raising positive gender awareness — especially among men, but also among women — can be considered a prerequisite. Awareness drives behavior change. Without knowing about the underlying attitudinal gender differences, ways to address them, and the many benefits of gender inclusion, no change in behavior can be achieved, and thus no real gender inclusion.



**Companies with a “critical mass”
of female executives perform better
than those with no women in top
management positions.**

Gender Diversity Training Programs: Did the Needle Move? — The Case of HBL



INCREASING POSITIVE GENDER AWARENESS — THE BENEFITS OF GENDER DIVERSITY

As mentioned earlier, the section on “Positive Gender Awareness” captures both the business case for having a gender-balanced organization, as well as having women as bank clients. For example, the survey asked employees’ level of agreement with the statements that “There is a benefit to HBL to target women as banking clients” and “There is a benefit to HBL to have more women as employees.”

The Gender Intelligence Training Program increased awareness of the benefits of gender diversity and HBL’s women agenda. Our survey results highlight broad agreement on questions related to the strategic decision to foster gender diversity for the benefit of the organization and its clients. As can be seen in Exhibit 7, trained participants were more likely to agree with the statements “Improving the Bank’s gender awareness and offering to women clients is a strategic priority for HBL Bank,” “There is a benefit to HBL to target women as banking clients,” and “There is a benefit to HBL to have more women as employees.” Our research shows that women showed already high levels of awareness on these issues, while men were more receptive after the training.

Among trained employees, HBL’s Gender Intelligence Training Program systematically helped raise gender awareness. After controlling for personal/professional

characteristics, training was associated with a statistically significant increase in agreements to statements on the value of gender awareness and diversity such as the business case for women as banking clients, the importance of women employees to the organization, and awareness of gender biases (Exhibit 7).^{20, 21}



SUPPORT TO WOMEN WITHIN HBL

The category “Support for Women at HBL” relates to career opportunities for women within the Bank, including hiring and promotion, as well as support for a gender-friendly and enabling work environment, such as one that includes childcare facilities (e.g., “I think that employers should provide childcare facilities.”)

Trained men demonstrated support for women in HBL and appear to be more agreeable towards encouraging a more enabling environment for women. For example, trained men responded more positively to questions such as, “Women should be actively encouraged to apply for management and supervisory positions in the Bank” and “There is a benefit to HBL to have more women as employees”²² as shown in Exhibit 8.

In terms of a more gender-diversified work environment, 85% of trained men (in particular in branch locations) favor a higher ratio of women employees, compared to only 71% of untrained men. Women did not show a significant training effect, as 93% of trained and 90% of

Overall, Gender Diversity Training led to a comprehensive increase in awareness. Men were more receptive to heightened gender awareness, while women showed already high levels of gender awareness.

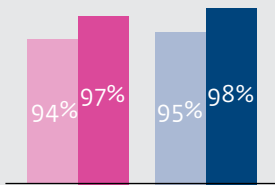
Exhibit 7: Raising awareness of the benefits of gender diversity through Gender Intelligence Training

Business Case for Women

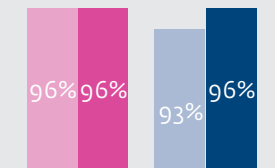
SURVEY ANSWERS

by percentage of agreement

Improving gender awareness, and its offering to women clients is a strategic priority for HBL Bank.



There is a benefit to HBL to target women as banking clients.

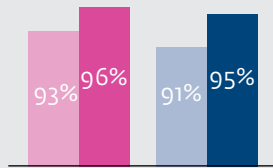


Women in the Organization

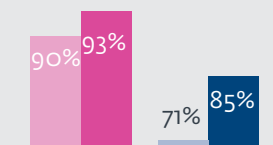
SURVEY ANSWERS

by percentage of agreement

There is a benefit to HBL to have more women as employees.



HBL should have specific targets to promote gender diversity at each level in the organization.

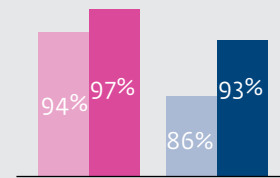


Recall

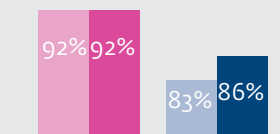
SURVEY ANSWER

by percentage of agreement

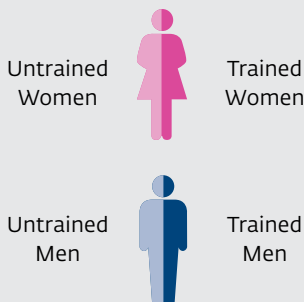
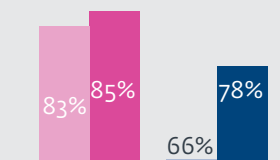
Gender-diverse companies produce better financial results.



Differences in the way men and women think have effects on both men and women in the workplace.



Men rate themselves higher on self-performance at work than women.



Graphs are not to scale and have been magnified to show differences.

untrained women support higher female participation among HBL's workforce.

Since HBL strives to increase its share of female employees as part of its strategic plan for a gender-diversified organization that caters to both men and women employees and banking clients, this is encouraging news. Over the 1.5-year period from December 2014 to June 2016 HBL increased its share of women employees by about 20%. HBL also reported that 748 female employees were hired since the end of 2014, 48% of whom were in middle management positions and 5% in senior management. This is a positive step towards its target of having 20% of women in its workforce by 2020 (Exhibit 9).

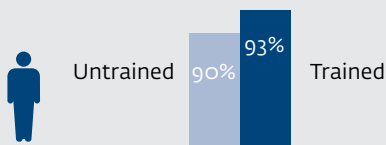
While we observe an influx of female workers into the organization boosting women's presence in the workforce, we also observe that women currently occupy a disproportionate share of entry-level positions and lower management positions, while men dominate middle management and senior management posts (Exhibit 10).

While growth rates are encouraging, they need to be put into perspective: most women are still stuck in the lower ranks. This raises the question of equal opportunities for career progression. Our research showed that men and women alike are skeptical (Exhibit 11). Some 67% of female respondents expect that a male competitor for salary, promotion, and awards, etc., would be given preference while 69% of male employees have the same feeling that female colleagues could be treated preferentially.²³

Exhibit 8: Encouraging — A positive shift in trained men's perception of female co-workers

Women should be actively encouraged to apply for management and supervisory positions in the Bank.

Men who strongly agree or agree:



There is a benefit to HBL to have more women as employees.

Men who strongly agree or agree:

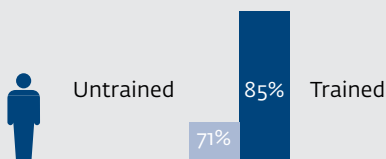
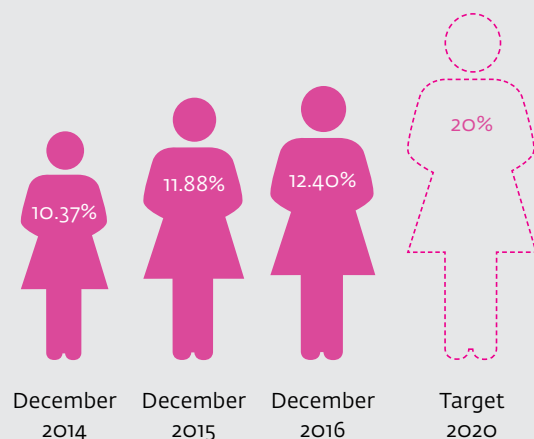


Exhibit 9: Women on the rise

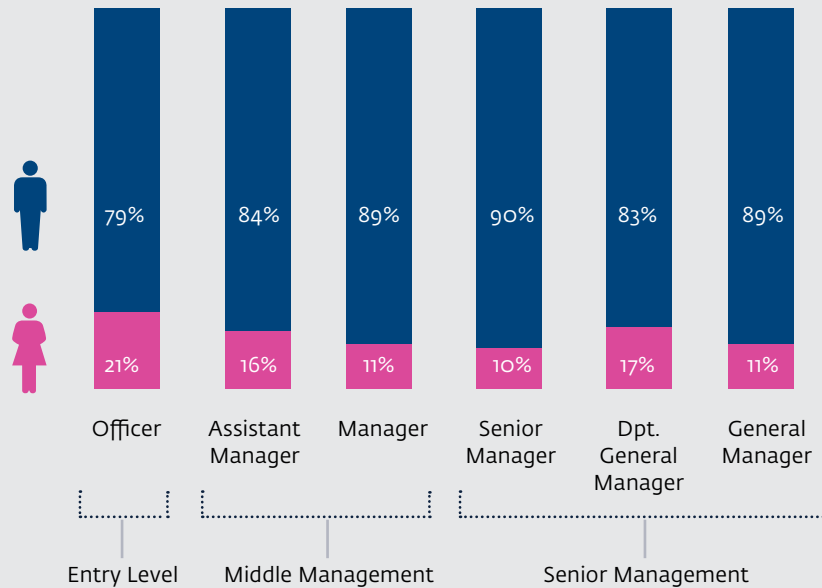
Percentage of women as part of HBL's workforce



The majority of female employees hold entry-level and middle-management positions.

Exhibit 10: Grade-level distribution of male and female survey respondents at HBL

Gender distribution as a percentage per grade level, N = 8.469



EFFECTS ON CONFIDENCE & AMBITION AMONG FEMALE EMPLOYEES

“Confidence level of women” looks at confidence levels among women to reach a management position and apply for promotions. For example, the level of agreement with the statement “I am confident I will succeed in reaching a top-management position” appears in this section.

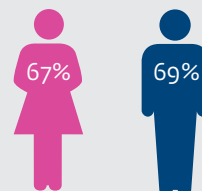
Our research showed that women employees are generally self-confident and ambitious. A full 97% of trained women see themselves as academically qualified as their male counterparts, and 95% of trained women believe that women can perform all jobs at HBL to the same standard as men. Here, trained men showed a better perception of equal performance capacity in the workplace. Among trained men, 79% agreed or strongly agreed with the

Equal chances really? Both, men and women, believe in there is preferential treatment of the opposite gender when competing with each other.

Exhibit 11: Are men and women treated equally?

If an equally qualified candidate of the opposite gender were competing with you (for a salary increase, a promotion, an award etc.) do you think that (s)he would be given preference?

Strongly agree or agree:

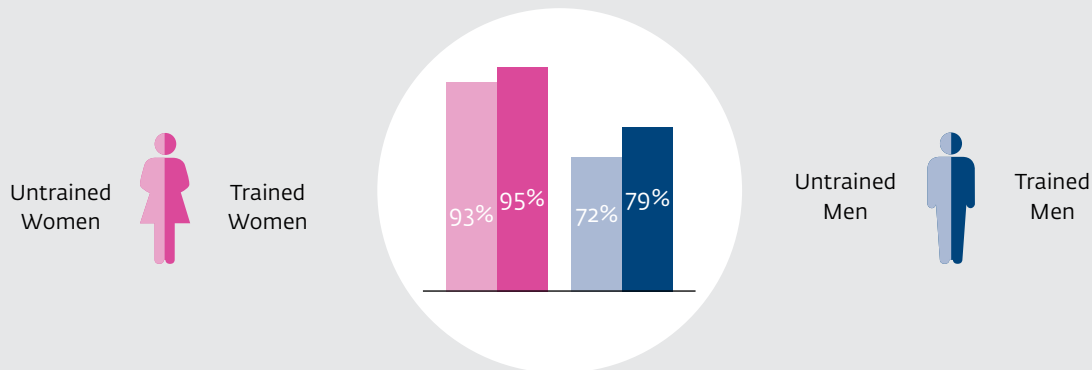


Trained men and women show a better perception of equal performance capacity at the workplace.

Exhibit 12: Performing to the same standards

"All jobs in the Bank can be performed by a woman to the same standard as a man."

Strongly agree or agree:



statement "All jobs in the Bank can be performed by a woman to the same standard as a man," compared with 72% of untrained men.²⁴ (Exhibit 12)

About 92% of men and 98% of women agree that women should have the same access to managerial roles. When it comes to the desire to reach the top, women display a strong sense of ambition, with 99% of trained and 98% of untrained women intending to reach a top management post. Building on this confidence and ambition, 99% of trained and still 95% of untrained women actually feel confident enough to apply for a next higher-level job in case it opens up.²⁵

But women lack the belief that they can actually make it to the top. Only 80% of trained and 79% of untrained female respondents believe they can reach a top job (Exhibit 13). We see from our research that the overall confidence level among women to reach a top-management position decreases with age. Women below 35 years appear far more confident about reaching the top than older female colleagues.

This effect has been highlighted by McKinsey and others and is confirmed by our results. However, it is encouraging

from a Gender Diversity Training perspective that confidence among trained women increased as a result of the training. When asked whether they would apply to a next higher-level position given the opportunity, a significant portion of trained women, 99%, responded confidently compared to 95% of untrained female colleagues, who appear slightly less confident.

Creating a Supporting Environment for Women

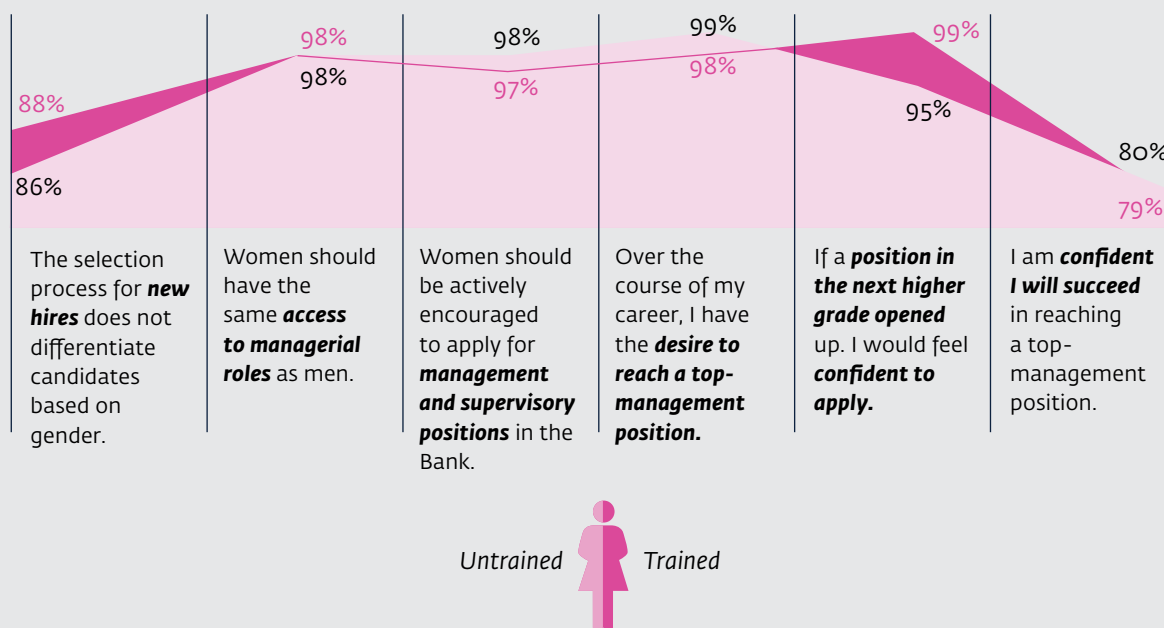
Our survey found that trained men and women see a woman's responsibilities outside the workplace restricting her opportunities at work. There was a desire for more flexible work arrangements when returning from maternity leave, as well as interest in daycare facilities for children.²⁶ These outcomes are not related to the training itself but highlight the need to further analyze the needs of women towards a supportive organizational environment.

While Gender Diversity Training has no primary intention to enhance the corporate supporting environment, the training nevertheless influenced participants' awareness. Creating a more supportive organizational environment (e.g., by providing more flexible work arrangements for

Gender diversity training may not have a significant influence on women's confidence for career progression.

Exhibit 13: Going all the way to reaching the top...eventually

While the desire to reach a top management position is there, the confidence of succeeding is comparatively low.



women returning from maternity leave or by providing childcare facilities) might further enable women to flourish.



SALES TO WOMEN: CAPTURING THE WOMEN'S MARKET

This category refers to the intention to sell to women (e.g., "I intend to sell more products to women customers.") In addition, the analysis also triangulated branch-wide sales data to see if training was associated with an increase in the number and volume of women-owned deposit accounts.

When shifting focus from the organizational environment to a sales perspective, it needs to be acknowledged that the Gender Diversity Training Program has significantly

increased trained staff's awareness of the importance to HBL of targeting women as banking clients. We observe these effects for men and women, in particular for managerial staff.

Our analysis shows an increase in the intention to cater to women customers after the training, and suggests an increased focus on women customers by trained employees regardless of gender. After the training program, 90% of trained men and women stated that they intend to sell more to women clients, compared to 78% of untrained men and 70% of untrained women (Exhibit 14).²⁷

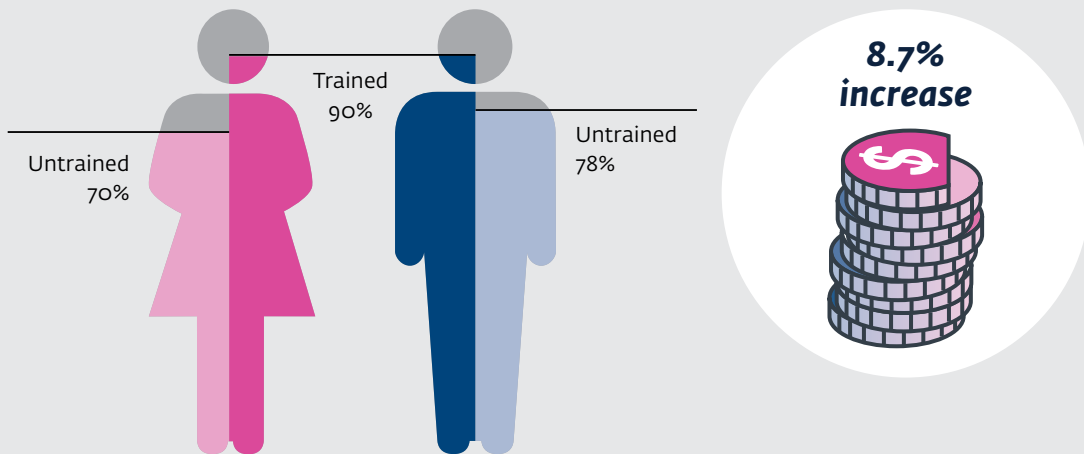
But how well did this increased awareness and intention translate into actually catering to women clients? In addition to regression analysis of the survey data, we cross-referenced the survey results with HBL sales data.

Overall, among both men and women, there was an 8.7% increase in the intention to sell more to women customers.

Exhibit 14: Gender Intelligence Training positively influences willingness to serve women clients

"I intend to sell more products to women customers."

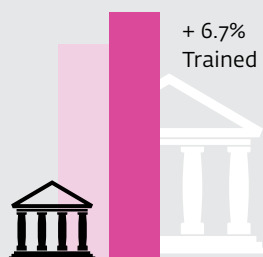
Strongly agree and agree:



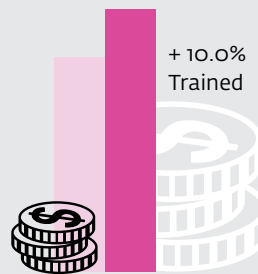
Branches whose managers have been trained in gender intelligence outperform branches with untrained branch managers in terms of increased women's deposits.*

Exhibit 15: Growing the deposit portfolio

Increase in the number of women-owned deposit accounts



Increase in the volume of deposits in women-owned deposit accounts.



* When it comes to the provision of loans to female clients, HBL was still in the early stages of rolling out the HBL Nisa program, and began with deposits. It did not yet have a loan product dedicated specifically to women clients at the time. It does seem very likely that additional bottom-line business results in the form of loans, fee-based services, and the like could be expected in subsequent stages of the rollout.



When comparing trained (686) and untrained (730) managers' branches,²⁸ a noticeable increase in sales to female clients could be observed among trained managers' branches. In particular, the number and volume of deposit accounts show a statistically significant increase.²⁹ The number of women-owned deposit accounts increased by 6.7%, while the volume of deposits from women-owned accounts increased by 10%³⁰ (Exhibit 15).

When it comes to the provision of loans to female clients, HBL did not yet have a loan product dedicated specifically to women clients. However, HBL incentivized the provision of deposit accounts through their performance measurement system and related key performance indicators (KPIs), doubling the KPIs for women-owned deposit accounts.

Gender Intelligence Programs — What Have We Learned?

Women face gender bias both as employees and clients, and women are still underrepresented in organizations. This is especially so in the banking industry. At the same time, gender-based discrimination in credit markets disadvantages women, often systematically denying women equal access to the financial system.

Reducing gender bias in banks thus benefits employees, clients, and financial performance. The focus of this report was to understand the impact that gender intelligence training can have on banks and to gain insights that will help improve future gender intelligence trainings. Analysis of this HBL Pakistan's Gender Intelligence Training Program showed that:

- Gender Intelligence Training led to a measurable increase in positive gender awareness among the trained population compared to the untrained population.
- There were positive effects observed among trained employees with regards to the support for women at HBL and the confidence level of women. These effects included improved perception of equal performance capacity in the workplace and improved confidence to apply for the next higher-grade position.
- Cross-referencing training outcomes with sales data also showed that branches whose managers have been trained in gender intelligence outperform branches with untrained branch managers in terms of increasing deposits by women. While women's deposits increased across the institution over the same period, deposit increase was greater when combined with training,

therefore demonstrating a positive contribution both to women's financial inclusion and HBL Pakistan's financial bottom line.

- Training needs to be a part of a comprehensive strategy to work; also, there are deep-rooted value systems that may only change with time.

Social traps caused by diversity initiatives are mitigated when there are clear, unambiguous signals regarding the importance of diversity, and when programs are well integrated into a larger set of diversity-related human resource practices (Johnson, 2001). In addition, diversity training itself can create an awareness of these traps and provide strategies for addressing the concerns that underlie them.³¹

Gender diversity therefore needs to remain an inclusive process involving men and women alike (Exhibit 16). To avoid discriminatory notions among men and women, it is recommended to design women-support activities and programs in a way that also involves men, e.g., in a trainee or mentorship program.

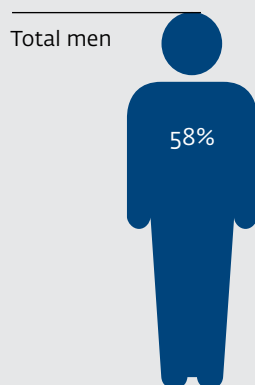
Furthermore, gender diversity programs should focus on giving people concrete skills for how to use diversity as a resource, as well as how to manage conflict constructively. Without such skills, co-workers and

Too much: Is gender inclusion inclusive of men?

Exhibit 16: Be inclusive of men and women

"Having too many gender-diversity measures or initiatives to promote women leaders (e.g., initiatives to recruit, retain and develop women) is unfair to men."

Strongly agree or agree:



managers may fail to meet the new behavioral expectations set by these programs, which can lead employees to become cynical.³²

Questions related to statistical evidence presented during trainings showed higher recall rates than those without such numeric references (Exhibit 7). For example, 93% of trained men and 97% of trained women agree that gender-diverse companies produce better financial results. In comparison, 86% of untrained men and 94% of untrained women agree.³³ Further expansion of such number-based training elements therefore can enhance the overall program's effectiveness.

In addition, gender diversity programs should not be focused on the negative impacts of stereotypes and biases. It is recommended to avoid discussing diversity as primarily a moral and ethical issue, as this may cause intergroup exchanges to devolve into charges and countercharges of prejudice and discrimination, which produce more negative than positive effects on group functionality and performance.³⁴

As a result of gender intelligence training at HBL, organizational environment-related topics (such as gender biases that influence attitudes and behaviors

with colleagues and customers, and appropriate behaviors when interacting with the opposite gender) are more familiar to training participants. The likelihood of more gender-inclusive behavior in the workplace increased.

Finally, it must be noted that training is not a silver bullet. It needs to be part of a comprehensive strategy to work, as was the case in HBL. While training has the potential to raise participants' awareness of a specific topic and get participants to think about the many opportunities for applying training content, training may not be enough on its own. With awareness being an important driver of behavior change, there are other underlying factors influencing behavior, such as culture and deep-rooted value systems that may only change with time. For example, on the survey questions pertaining to whether employers should provide childcare facilities and whether women who take maternity leave should be allowed flexibility, female employees are more likely to agree than male, and no change in viewpoint is observed in men from the training.

Annexes



Annex I: Caveats and Assumptions

It is important that the following be taken into account when interpreting the results that are being presented. The survey was envisaged about halfway through the training program to determine if it was working, and to apply any learnings to the remainder of the rollout and future programs. The team developed a quasi-experimental design, but would recommend that for future programs the assessment be built into the design and rollout of the training program from the very beginning (e.g., in the form of a Randomized Control Trial). The caveats include:

Identification: The training was conducted over a long period and there could be other externalities that affect the results. We note that the training was being undertaken in an environment where there are many other initiatives (HR related, HBL Nisa, etc.) that were being undertaken in parallel.

Positive Spillovers: Many employees were brought into regional hubs for trainings and all may not have been brought in from the same branch at the same time. Given the topic of the training, training may have generated discussion, and there may be cases in which trained and untrained employees discussed the training. Also, in HBL branch staff sometimes rotated between branches which could have increased spillover.

Data Availability: The available sales data is measured annually (from the baseline year of 2014 onwards). It would also have been useful to do a trend analysis with gender-disaggregated data going back at least five years to better understand trends.

Multiple Responses: Given the sometimes sensitive nature of the topic, respondents were assured that their responses would be treated as anonymous and confidential. In addition, not all staff (especially those in rural branches) may have access to a dedicated computer. Thus, the team could not track respondent identities. There could be a few cases of repeat survey taking. (A few repeat entries were noticed for the raffle draw for the tablets.)

Respondent Confusion: There were cases in which trained respondents said that they were not trained, and untrained ones thought they had participated in training.



Omitted variable bias: In the absence of random selection, there is a possibility that the gender-related responses are affected by unobservable variables. Regression analysis of the sales data suffers from a lack of sufficient controls for branch-level characteristics. We control for respondent's personal and professional characteristics in the individual-level regression analysis and for region-fixed effects in the branch-level regression analysis, but outstanding bias from omitted variables and selecting issues may remain.

Wording of questions: Two questions which were worded "negatively" were answered with a strong positive response that may indicate that some respondents could be clicking through responses rather quickly, without fully understanding the questions.

Annex II: Regression Methodology

This section outlines the regression methodology used to analyze the HBL Gender Diversity Training Survey. To estimate the association of the gender diversity

training with changes in self-assessed ratings on questions relating to gender-related outcome, we estimate the following equation as a linear probability model:


$$\text{Outcome variable}_{ij} = \beta_0 + \beta_1 \text{Training}_i + \beta_2 X_i + \beta_3 Z_{ij} + \varepsilon_{ij} \quad 1$$

Outcome variable_{ij} refers to the questions on gender attitude and viewpoint of individual *i* in branch location *j* along various dimensions relating to the effectiveness of training, and is coded as a dichotomous agree/disagree dummy variable; Training_i denotes the primary variable of interest, a dummy variable indicating whether employee *i* undertook the HBL Gender Diversity Training; X_i refers to a vector of dummy variable relating to the employees personal characteristics (gender, age, marital status, education); Z_{ij} refers to a vector dummy variables relating to professional characteristics of the employee (whether a branch employee, bank department, employee grade); and ε refers to the error term, clustered at the regional level.

β_1 , the point estimate of the Training variable, is interpreted as the comparison between employees who underwent training and those who did not, in how they respond to questions on gender-related outcome. More precisely, the point estimate gives the percentage point change in trained versus untrained employees' agreement with a particular outcome statement related to gender.

In addition, to estimate if there was a differential effectiveness on training among gender, education level, grade level or branch location, we introduce an interaction term with the training dummy, and estimate the following equation as a linear probability model:

$$\text{Outcome variable}_{ij} = \beta_0 + \beta_2 X_i * \text{Training}_i + \beta_3 \text{Training}_i + \beta_4 X_i + \beta_5 Z_i + \varepsilon_{ij} \quad 2$$



The interaction terms $X_i * Training_i$ is the variable of interest and indicates whether training is more effective for a particular segment within the group.

We run further regressions to ascertain whether, at the branch level, training is associated with an increase in sales to women customers. We estimate the following robust linear regression model:

$$\text{Change in banking use by women}_j = \beta_0 + \beta_1 \text{ Trained branch}_j + \beta_1 R_j + \epsilon_j \quad 3$$

Where, change in banking use by women_j refers to change in number and volume of deposit and loan accounts by women customers in branch j, Trained branch_j refers to a dummy variable for whether the manager in branch j is trained, and R_j refers to region-fixed effects to account for regional trends in banking use by women.

The estimate for the variable of interest Trained branch, β_1 , provides the association between a trained branch and changes in number and volume of women-owned deposit and loan accounts at HBL branch locations compared to untrained branches.

Endnotes

- 1 As of December 2016
- 2 Aga Khan Fund for Economic Development
- 3 World Economic Forum (WEF), Global Gender Gap Report 2016: Report captures educational attainment, health and survival, economic opportunity and political empowerment
- 4 Phillips (2014): How Diversity Makes Us Smarter
- 5 Herring (2009): Does Diversity pay? Race, Gender and the Business Case for Diversity
- 6 Herring (2009): Does Diversity pay? Race, Gender and the Business Case for Diversity
- 7 Walker and Fennell (1986): Gender Differences in Role Differentiation and Organizational Task Performance
- 8 Oliver Wyman (OW) (2015): Women in Financial Services
- 9 Curtis (2008): Diversity Management Interventions
- 10 Demircuc, et al (World Bank Group 2015): The Global Findex Database 2014 - Measuring Financial Inclusion around the World
- 11 IFC (2014): Women-Owned SMEs: A Business Opportunity for Financial Institutions — A Market and Credit Gap Assessment and IFC's Portfolio Gender Baseline
- 12 Source HBL: Strategic priorities for capturing the women's market for banking products and services are summarized under the umbrella of HBL's Women's Market Program
- 13 IFC-McKinsey MSME Finance Gap Database
- 14 Demircuc, et al (World Bank Group 2015): The Global Findex Database 2014 - Measuring Financial Inclusion around the World
- 15 Source HBL: As of June 2016, the training was rolled out to over 7,800 HBL staff.
- 16 E.g. McKinsey & Company (2013): Women Matter 2013, Gender diversity in top management: Moving corporate culture, moving boundaries
- 17 McKinsey (2014): Moving mind-sets on gender diversity: McKinsey Global Survey results
- 18 McKinsey (2015): Why Diversity Matters
- 19 World Economic Forum (WEF), Global Gender Gap Report 2016: Report captures educational attainment, health and survival, economic opportunity, and political empowerment
- 20 Annex I outlines the regression methodology underpinning the estimate used to statistically quantify the effectiveness of the training. While the graphical representation and discussions that follow cite the summary statistics for clarity, only those questions where a statistically significant effect was observed in the regression analysis have been used to drive the discussion. Discussions of regression estimates, where relevant, are confined to the footnote.
- 21 We generally report the sub-sample averages (e.g., trained vs. untrained, male vs. female) to drive the narrative of the findings. Population averages can be imputed using summary statistics presented in Exhibit 3.
- 22 The corresponding regression estimates for these two questions are 2.2 percentage point and 4 percentage point increases in agreement with the statements respectively (both statistically significant at 99% confidence level)
- 23 Regression analysis suggests that training is associated with a 4.3 percentage point greater acknowledgement by men that female would be treated preferentially if equally qualified (statistically significant at 99 percent confidence level)
- 24 Overall, according to regression estimates, training is associated with a 1.9 percentage point increase in agreement with the statement that all jobs in the Bank can be performed by a woman to the same standard as a man (statistically significant at 90% confidence level)
- 25 Regression estimates suggest that women are 4.9 percentage points less likely to display confidence in reaching a top management post, but training is associated with an overall increase in agreement with the statement by 4 percentage points (both at 99% confidence level)
- 26 According to the regression analysis, women in particular show an interest in daycare for children (2.8 percentage points more than men) and flexibility when returning from maternity leave (4.5 percentage points more than men), both at statistically significant 99% confidence level
- 27 The intention of staff to sell more to women customers is strongly associated with training according to regression estimates: trained staff are 8.7% point more likely to agree (99% CL).
- 28 A trained branch is associated with a trained manager, as the manager is responsible for policy implementation, hiring, sales, etc.
- 29 It is important to note that HBL's strategy of targeting female customers through the HBL Nisa program, introducing KPIs, and other initiatives led to an increase in female deposit accounts across the institution over the same period; however deposit increase was greater when combined with training.
- 30 Baseline 2014 compared to 18 month growth (January 2015 – June 2016)
- 31 Barry, Bateman (1996): A Social Trap Analysis of the Management of Diversity
- 32 Kossek, Lobel (1996): Managing Diversity: Human Resource Strategies for Transforming the Workplace
- 33 Overall, in the regression analysis, training is associated with a 4.3 percentage point increase in agreement with the statement that gender-diverse companies produce better financial results (statistically significant at 99% confidence level)
- 34 Ely, Thomas (2001): Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Processes and Outcomes

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www.ifc.org/gender



Creating Markets, Creating Opportunities