



Women's World Banking



Leadership as a Driver of Innovative Financial Services for Women

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Women's World Banking

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Foreword

In 2015, with the support of the Credit Suisse Foundation, Women's World Banking launched the Leadership & Diversity for Innovation Program (LDIP). More than 225 leaders from 84 institutions in 38 countries have participated in the program over the last six years. Running a global program to support both women leaders in their leadership journey and financial service providers to deliver more relevant financial products and services to women clients is an ambitious task – one that supports Women's World Banking's mission to build a more secure and prosperous world for everyone.

I want to thank in particular, the architect and captain of our Leadership & Diversity for Innovation Program, Sarah Buitoni, who has led this program since its inception. After each cohort, we have celebrated the successes of the leaders and the impact of their initiatives and explored further enhancements to the program. After six years of LDIP, we took the opportunity to look deeply at the Strategic Business Initiatives and understand even more how best to support financial service providers and their leaders in driving innovation to serve the women's market.



As we begin the process of a global recovery from COVID-19, we will hear the words “leadership” and “innovation” more and more. This is not an aberration. Today, more than ever, we need strong, gender-diverse leadership teams with the ability to drive innovative solutions to ensure that women are not left further behind. As one of our graduates so eloquently said, “Women's leadership is vitally important at all levels of society and, unfortunately, this is something which is very fragile. Thus, we need to protect and advance it with every step.”

Let's all continue to protect and advance gender equity to support innovation.

Karen Miller

Global Head, Leadership & Diversity Programs

Acknowledgements

These insights would not be possible without the generous time and energy of the participants of the Leadership & Diversity for Innovation Program. In particular, the leaders and staff of IndiaFirst Life Insurance, MaTontine, LOLC (Cambodia) Plc., Equity Bank, Annapurna Finance, and Export Development Bank of Egypt contributed greatly to this research. We are incredibly grateful for their participation. We also thank our reviewers within Women's World Banking, including Sonja Kelly, Karen Miller, and Sarah Buitoni.

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Introduction

Financial inclusion is critical to enabling women to build their financial security and prosperity, and ultimately contributes to women's economic empowerment. Yet, despite advances in financial inclusion over the last decade, more than one billion people worldwide remain excluded from the formal financial system. This lack of access disproportionately affects women, with the gender gap in access to accounts remaining at 7 percentage points globally.

Financial service providers (FSPs) play a large role in addressing this gap. These institutions are on the front line — designing and delivering financial services that have the potential to bring women into the formal financial system, and deepen their engagement with these services. They cannot do it alone.

Women's World Banking takes a multi-pronged approach to supporting FSPs to develop the innovative products and channels needed to reach women and serve them well. Beyond providing direct advisory and technical services, Women's World Banking also supports the leaders of FSPs. We want to ensure that executives have the knowledge, skills, and tools to effectively drive change in their organizations. Our guiding hypothesis is that technical know-how and leadership competencies will enable executives to drive women's financial inclusion on a greater scale than ever before.



Leadership & Diversity for Innovation Program

Over the last six years, Women's World Banking has supported leaders of FSPs through our Leadership & Diversity for Innovation Program (LDIP). The LDIP seeks to develop the skills of senior executives and high-potential women leaders to enable them to successfully serve low-income women, while charting a path for more diverse leadership within the institution. The pair works together on a strategic business initiative related to serving the women's market. Supporting leaders through the innovation process has given Women's World Banking insight into the enabling factors for FSPs to develop and deliver financial products and services that enhance women's financial inclusion.



Methodology

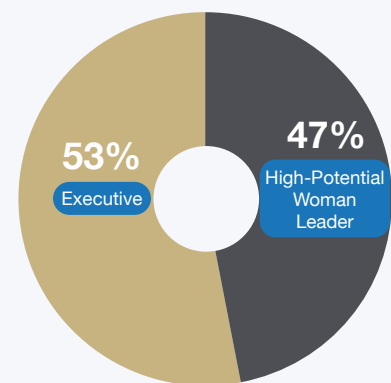
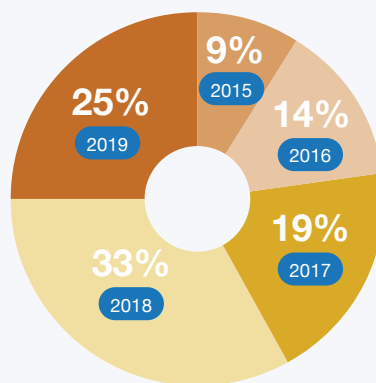
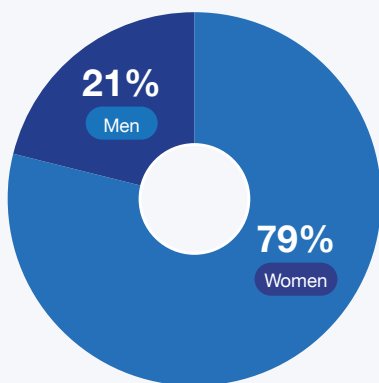
This report is based on research conducted by Women’s World Banking to measure the progress and value of the strategic business initiatives of LDIP participants. The research addressed the question of what factors led to the success or failure of the initiative to enhance women’s financial inclusion, and employed both quantitative and qualitative approaches.



Quantitative Research

The first stage of the research involved executives and high-potential women leaders completing a 15-minute online survey. The survey went to all participants of the LDIP from 2015 to 2019 who had a strategic business initiative focused on women customers.

In total, 43 participants responded to the survey (36% response rate), representing 32 institutions and 35 strategic business initiatives.



Qualitative Research

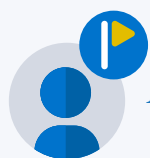
The second stage of research involved deep dive individual interviews with executives, high-potential women leaders, and staff of selected FSPs. A cross-functional team from Women’s World Banking chose six institutions by type of strategic business initiative, its reported success, the type of financial institution, and geographic location, in order to have a variety of perspectives. Selected institutions include: IndiaFirst Life Insurance, MaTontine (Senegal), LOLC (Cambodia) Plc., Equity Bank (Kenya), Annapurna Finance Pvt. Ltd. (India), and Export Development Bank of Egypt.

The selected sample includes four institutions that successfully deployed their initiatives, one institution that was still in pilot, and one initiative that had not been successfully deployed, based on responses from the quantitative survey. Women’s World Banking conducted 12 interviews with nine LDIP participants (three executives and six high-potential women leaders) along with three staff members.



Leadership Framework

In order to understand what it takes to build leaders of FSPs, we applied a framework that includes three components: Leading Self, Leading Others, and Leading Initiatives.



Leading Self

Executives must develop their personal leadership values and vision, and build the skills to support them in delivering on this vision. Skills include understanding of effective leadership behaviors such as listening and questioning, emotional intelligence, influencing others, and communicating with confidence.



Leading Others

Executives must learn how to lead effective and diverse teams. Skills include negotiation, building relationships, and people and change management. Leaders also have to build an appreciation for diversity, including an understanding of unconscious bias and work-life balance.



Leading Initiatives

Executives need the capability to deliver strategic initiatives within their organizations. This includes tools like the Women's World Banking women-centered design process, scenario planning, communicating your initiative, creating a culture of innovation, and peer action learning.

These components are mutually reinforcing, and taken together demonstrate how building leaders can drive positive change for their institutions and their women customers.

Leading Self

In order for leaders to effectively implement initiatives that promote women's financial inclusion, they need to start with the leadership skills and personal efficacy that will enable them to drive change in their organizations.

Our research found that participating leaders are actively seeking ways to enhance their skills. Ninety-one percent (91%) of survey respondents said their motivation for attending LDIP was to gain leadership skills. Through qualitative research, executives and high-potential women leaders cited specific skills that they felt were important, including effective listening and communication, influencing, and crisis management. IndiaFirst Life Insurance described how influencing others – both internal stakeholders and external stakeholders like regulators – was critical to the success of their strategic initiative.

Our research found that it is the confidence that comes from these skills that really enabled leaders – especially women leaders – to drive change.

“It was very fulfilling and it's very empowering... it sets your mind in a very empowered state whereby you feel fully responsible of what you do and it gives you an inner drive.”

— Equity Bank



Leading Others

Building core leadership competencies, and having the confidence to practice new behaviors, is the foundation for more effective team leadership. Leaders need the buy-in of their organizations and their teams to successfully drive change, particularly when executing on new, innovative solutions.

Our research found that a key driver of successful implementation of the strategic business initiatives was alignment to institutional strategy and buy-in of senior leadership. Sixty-nine percent (69%) of survey respondents chose their strategic business initiative because it was a strategic priority for their institution. Leaders needed to convince their Boards and executive teams of that alignment, and ensure there was support (both financial and operational) to drive the initiative.

“ Because of the support we had from the CEO, even if we faced challenges along the way we managed to clear the way... I think the commitment of the organization was very deep. ”

— **IndiaFirst Life Insurance**

Leaders also needed strong teams across departments who could implement these large-scale initiatives. Seventeen percent (17%) of survey participants cited lack of team preparedness or lack of training as one of the challenges faced during the implementation of their initiatives. Annapurna Finance, IndiaFirst Life Insurance, and LOLC Cambodia all cited the positive impact of effectively influencing their teams to foster buy-in and ensure effective implementation of their initiatives.





Leading Initiative

A core objective of Women's World Banking's work with leaders is to equip them with the capabilities to develop and deliver products and services that truly meet the needs of women customers and employees. Leaders need tools for understanding customer needs, balancing business priorities and assessing the market context, in order to innovate for women's financial inclusion.

Our research found that initiatives that were developed based on identified customer needs were more likely to be successful. Sixty-three percent (63%) of survey respondents said LDIP affected their strategic business initiative by giving them a better understanding of women customers. Qualitative research further supported this finding.

IndiaFirst Life Insurance utilized customer research to design insurance products specifically for economically disadvantaged women, and also felt that customer feedback from user testing and piloting was critical for securing regulatory approval.

“I personally enjoyed the entire perspective on the active design piece, the whole process where you prototype and you take feedback along the way ...i.e. start with the customer and you work backwards...”

— *IndiaFirst Life Insurance*

At the institutional level, leaders also articulated the fact that initiatives need to make business sense, in addition to meeting social impact goals. For example, LOLC Cambodia balanced deposit mobilization from middle-income women with rural farmers to ensure sustainability of the program.

Further, operational support in areas such as technology are critical to successfully implementing initiatives. Respondents cited delays due to IT development and testing, especially for initiatives involving digital financial services. Although technical challenges can always arise, skills such as change leadership can enable institutions to successfully navigate these challenges.





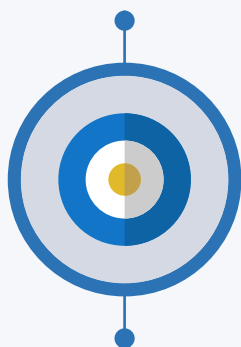
Women-Centered Design

Women's World Banking utilizes a design process that takes into consideration both the customer and business perspective. This process is an important tool for leaders of financial service providers, to enable them to innovate to promote women's financial inclusion.

Customer

Define

Align on a customer problem



Align on a business problem

Diagnose

Understand the customer's perspective



Understand the business requirements

Design

Create & refine insight-based solution



Refine designs to meet operational feasibility & estimated ROI

Pilot

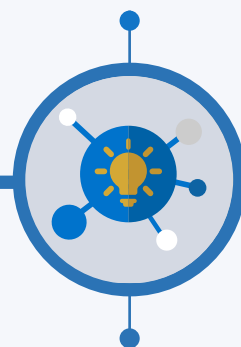
Validate & address design gaps in pilot



Validate & address operational gaps in pilot

Scale

Rollout solution that addresses desired behavior change



Rollout commercially viable solution

Business

The research also found that half of respondents (50%) saw external market factors as a key challenge to implementing strategic business initiatives. Institutions that were developing new products or channels required regulatory approval. Respondents also cited competitive issues as a barrier to implementation and product take-up, with one institution even facing legal challenges by a competitor.

There were also challenges specifically related to COVID-19, as several respondents mentioned the negative impact of lockdowns on their customers' businesses, with the resulting impact on their ability to deliver financial services.

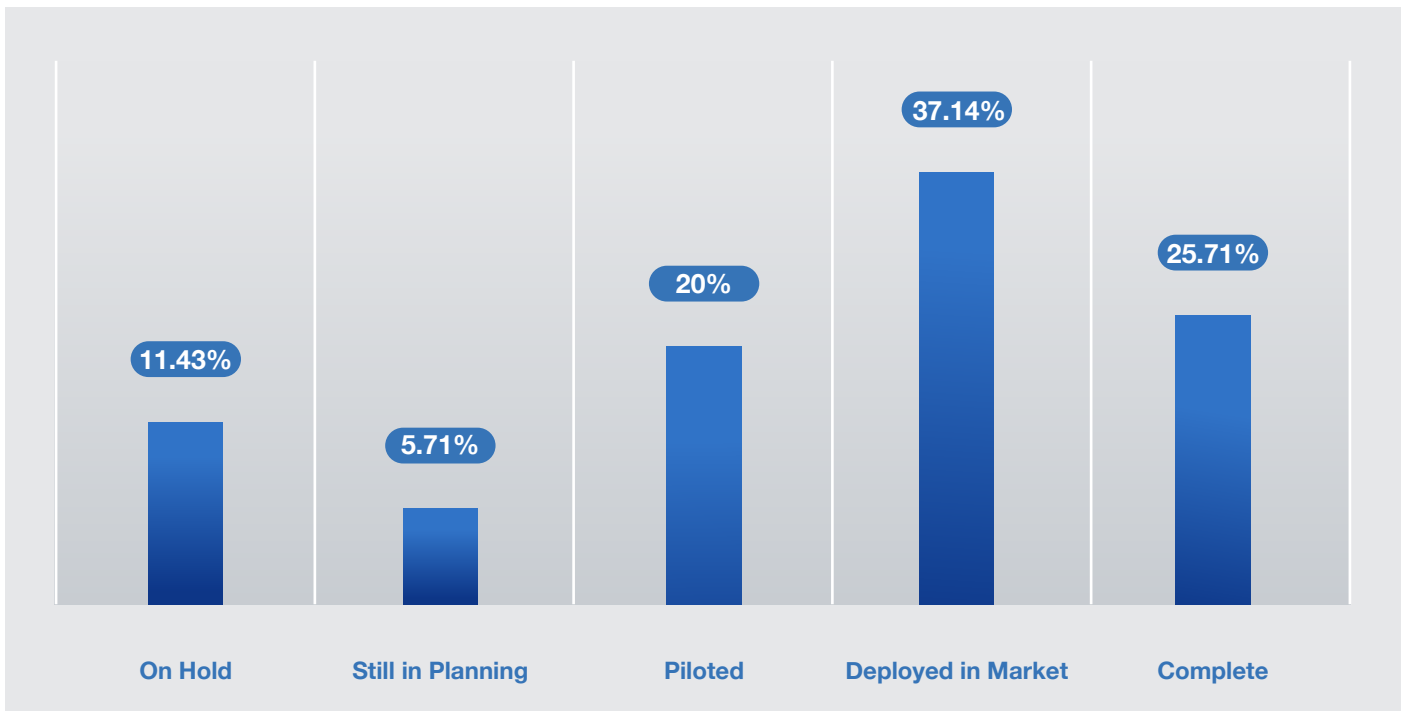
While it is not possible to predict or control all potential market externalities, design capabilities can give leaders and their institutions the tools to react to change in a way that is responsive to business and customer needs. For example, several respondents applied the ideation and prototyping tools of the women-centred design approach to larger business processes, enabling them to adapt during times of change.



Outcomes of the Strategic Business Initiatives



Overall, most LDIP participants were able to successfully implement their strategic business initiatives, and these initiatives had a positive impact on low-income women. Among survey respondents, 63% reported their strategic business initiative to be deployed in the market or completed, and 73% of respondents rated the implementation as “successful” or “extremely successful.”



These initiatives had a positive impact, with ninety percent (90%) of survey respondents stating that the initiatives helped improve service for women customers.

With a deposit base of more than US\$500 million, and 400,000 customers (70% women), LOLC became the third-largest Microfinance Deposit-Taking Institution in Cambodia. They recently launched a new mobile app, with 13,000 registered, which enables them to reach rural customers.

Equity Bank was the first mobile virtual network operator (MVNO) in Kenya, which enabled them to leverage an existing network to offer mobile banking to over 2 million customers. This platform supported self-service, saving customers time and helping them manage the impact of COVID-19.

While still early in rollout, more than 800 women have enrolled in IndiaFirst’s hospital cash insurance program, which allows them to protect against loss during hospitalization. In addition, IndiaFirst created a “micro” vertical, which will enable them to further serve low-income women.



Recommendations

This analysis supports several key recommendations for leaders to drive innovative financial services for women.



Leading Self

- Offer opportunities for leaders to gain skills, such as influencing others and communicating with confidence, which enable them to articulate and implement their leadership vision.
- Use leadership development programs as a catalyst to build the confidence of leaders – especially women leaders – to drive change.



Leading Others

- Support leaders to influence internal stakeholders like their Board and senior leadership, in order to ensure buy-in for initiatives.
- Develop leaders' skills in people and change management, which can help to ensure work across teams or departments is successful.



Leading Initiatives

- Ensure alignment of initiatives to promote women's financial inclusion with strategic priorities of the FSP, and ensure initiatives balance business needs with social impact objectives.
- Support leaders to understand women customer's needs and build products and services that respond.
- Foster opportunities for leaders to learn from like-minded institutions.
- Explore opportunities to influence policymakers to enable regulation that supports women's financial inclusion.

Conclusion

Strategic business initiatives are not the only way leaders add value to their institutions, but these initiatives serve as focal points to understand the challenges and successes that leaders face as they pursue their objectives. The emphasis on the process of implementing such an initiative shows the role that broader organizational leadership, external support organizations, and internal skills and confidence all play in a leader's success. In this report, we used both quantitative and qualitative data to articulate the various types of support that leaders need as they move forward in their institutions.

In order to promote women's financial inclusion, we need to support the institutions on the front lines. One key way to do this is to empower the leaders of these institutions. By giving leaders skills and confidence, enabling them to manage teams that deliver, and providing tools to support innovation, we can effect positive change. The Leadership & Diversity for Innovation Program is just one channel. Women's World Banking hopes this report will give a variety of stakeholders the evidence needed to invest in financial service providers, and especially their leaders, to drive innovative financial services for women.



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