



Inclusive Solutions in Addressing the Gender Pay Gap

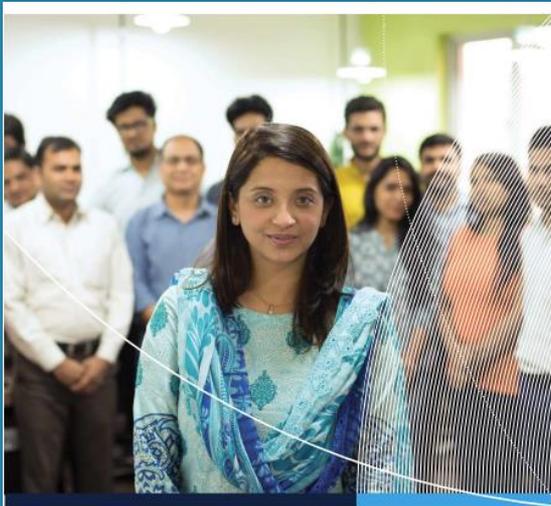


The experiences of women in banking

The gender pay gap

Women's access to finance





BANKING ON WOMEN

Gender Intelligence for Banks— Moving the Needle on Gender Equality



Women's Advancement in Banking in Emerging South Asian Countries

MULTI-COUNTRY REPORT COVERING BANGLADESH, NEPAL, AND SRI LANKA

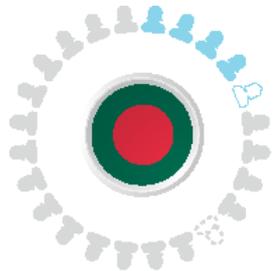


MIND THE GAPS:

Getting more women into leadership in Vietnam's banking sector



Women's representation in the financial services sector



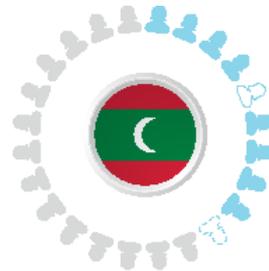
Bangladesh
17%



Bhutan
46%



India
18%



Maldives
37%



Nepal
45%



Sri Lanka
41%



South Asia Average - 30



Global Average - 52

Nepal outperforms other nations in South Asia in ensuring legal parity

Nepal has passed 16 reforms including [legislation to protect women from sexual harassment at work](#) and to ensure other employment related rights (equal remuneration for work of equal value, allowing women to work at night, etc)¹.

The law mandates [98 days of maternity leave](#) and [21 days of paternity leave](#); however, no law exists to prevent the dismissal of pregnant workers.

For women, progress to leadership is constrained by a combination of several interlinked barriers



Achieving equity for women in banking will require changing leadership attitudes, creating equitable workplaces and building a supportive ecosystem



Committed leaders

- A. Organizational commitment to DEI
- B. Ownership & accountability in senior management
- C. Promotion of positive work norms by leaders

Equitable and safe workplaces

- A. Inclusive hiring and retention
- B. Tailored professional development
- C. Support for work life balance
- D. Fair performance evaluation
- E. Safe working environment
- F. Allyship for bias-free

Engaged ecosystems

- A. Ambitious DEI goals and vision for industry
- B. Technical and financial support to improve DEI
- C. Women leaders have networks and support
- D. Industry-wide accountability for DEI

Greater representation of women in a bank's leadership is associated with better outcomes for organizations, their employees, and investors.

Improved gender diversity in the workforce and leadership linked to better enterprise profits Globally as well as in Asia Pacific



of enterprises globally reported a profit increase of 5-20



increase in median valuation for companies with gender-balanced leadership



increase in median valuation for companies with gender-balanced leadership

Specifically, banks with more female representation show better return on equity, better risk management and ability to draw new customers



Higher return on equity (by 33% on average)



Reduced bank risk



Increased ability to serve new segments of retail customers

Banks with more women in leadership roles, especially executive directorships and boards, also showed better performance during financial crises such as the one in 2008.

Market Trends

Investors increasingly look at diversity metrics given links to their return. An increase of 1% in women's representation has been shown to **increase the stock price of financial services firms by up to 1.65%** on the day of the disclosure.

In a recent large enterprise survey by the ILO, 57% of enterprises globally (and 68% in Asia Pacific) reported that launching gender diversity initiatives has helped them improve various business outcomes.

Global Evidence

Stock prices of companies in the financial sector (including BlackRock, Citi and JPMorgan along with 14 other companies) **increased more when disclosures revealed a higher level of diversity.**²

IFC's Commitment to Diversity, Equity and Inclusion (DEI)

- A key differentiator for our institution, DEI is a central pillar of who we are at IFC.
- To accelerate our journey, we focus on three DEI strategic priorities:

DEI STRATEGIC PRIORITIES

Gender
Equality

Data
Driven
Action

Inclusive
Leadership

IFC's Commitment to Diversity, Equity and Inclusion (DEI)

Gender Equality



Gender Balance Index (GBI): How We Measure Gender Workforce Representation

- Comprehensive implementation of our [Gender Action Plan](#). The plan has a critical focus on improving the representation of women at senior levels of the organization using the [Gender Balance Index \(GBI\) metric](#) to measure gender distribution across four grade groups at IFC starting from administrative staff to junior-mid level staff, senior technical staff and Managers. A score of [one](#) indicates gender parity at IFC overall. In FY23, we achieved a GBI score of 0.87, nearing our goal of 0.89.
- IFC Gender Action Plan is directly developed from the [Economic Dividends for Gender Equality \(EDGE\) certification](#) results. EDGE Certification is the leading standards for DE&I, centered on a gender and intersectional equity approach.
- In our last certification in FY21, our [action plan](#) included conducting [annual gender pay gap assessments](#), encouraging men to use available [paternity or parental leave](#), setting [gender equality objectives](#) for people managers, and providing [awareness training on potential gender biases](#) for those involved in recruitment, promotions, and performance evaluations.

Women in Senior Technical and Managerial Roles

- Over the last five years, we have made gains in the [representation of women in the GG+ Technical and Managers grade groups](#), which comprise a [combined 70 percent of GBI](#). Since FY19, the share of women across these two grades groups has risen from 41.1 percent to 44.2 percent in FY23, which represents a 7.5 percent increase. In FY24, we [aimed to increase female hires and promotions in the GG+ Technical grade groups](#). With the knowledge that the share of women in lower grades is above 50% .

IFC's Commitment to Diversity, Equity and Inclusion (DEI)

Data Driven Action

Monitoring, analysis, informed decisions and proactive action

- IFC's approach to data-driven action transformed with the launch of the **IFC Dashboard**, which puts a wide range of data—including DEI data— into the hands of IFC staff.
- IFC Dashboard provides data that allows IFC Management, HR, and DEI Advocates to **make more informed decisions** and **empowers staff** to closely monitor their progress even at the Department level.
- Data-driven accountability **builds trust** between staff and management.

Reporting

IFC publishes its annual DEI Report with progress on DEI each year:

<https://www.ifc.org/en/insights-reports/2024/fy23-ifc-dei-annual-report>



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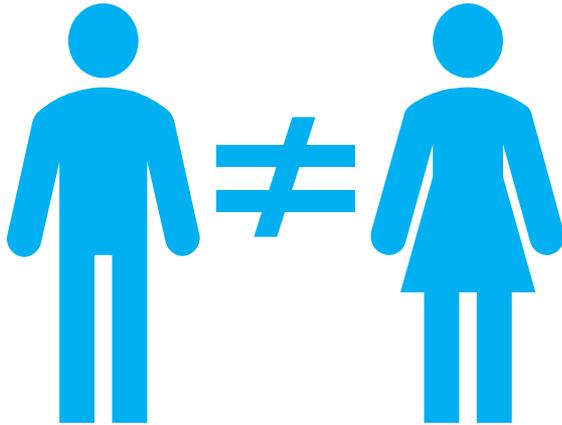
Inclusive Leadership

Leading by example to foster inclusion and belonging

- **Inclusive Communication Learning Program** launched in FY 23 to improve employee engagement.
- The **Respectful Workplace Advisors (RWA) Program** trains and supports peer volunteers to provide confidential support to staff who have concerns or questions about resolving workplace issues. IFC has 58 country office RWAs and seven HQ RWAs.
- **Inclusive Recruitment** - IFC focuses on a 360° inclusive recruitment process, from job description, advertisement, talent outreach, screening, diverse interview panels structured interviews, assessment of skills and training. This is all underpinned by inclusive recruitment training and continuous improvement.
- **Country Office DEI Representatives** - IFC supports regional teams in identifying DEI needs specific to local concerns. With 57 percent of all IFC staff based outside HQ, country offices are critical to advancing our strategic priorities and expanding the breadth and depth of IFC's DEI agenda.
- Country Office DEI Representatives are instrumental to **developing a DEI agenda that aligns IFC's strategic priorities within local contexts**. The IFC DEI Representatives are a network of over 50 employees globally who champion DEI in country offices and lend their local expertise to assist with DEI initiatives.



What is the gender pay gap?



The **difference in earnings between men and women** in the workforce, typically expressed as a percentage based on the median income of each group.

Global Gender Pay Gap = 24%

East Asia and Pacific = 20%

South Asia = 35%

What explains the gender pay gap?



Source: ILO, *Women in Business and Management: Understanding the gender pay gap*



Gender Pay Gap Analysis

- IFC **Proactive Pay Gap Controls** and **Annual Corrective Measures**
- IFC conducts an **annual pay gap assessment using a regression analysis** that covers base salaries, bonuses, and other cash benefits. The assessment seeks to identify any unexplained gender pay gap, which is to say a gap in pay after accounting for additional factors that could potentially impact staff salaries, such as tenure or grade.
- IFC has in past occasions, implemented a **proactive correction of identified individual pay gaps** using data-driven methodology .
- IFC **continues to use feedback from HR Client Services and Managers** to revise the salary-setting process it uses for new appointments, promotions, progressions, and ad-hoc increases.

Parental Leave Benefit

- One of the ways to create a more gender-inclusive workplace and accelerate gender equality is by **encouraging the use of parental leave by secondary caregivers**. This approach empowers primary caregivers, the majority of whom are women at IFC, to re-enter the workforce while managing their caregiving responsibilities at the same time; thus reducing the likelihood of missing out on important career development opportunities.
- **IFC's Parental leave policies** were updated in FY19, increasing primary caregivers' parental leave from 70 to 100 days and secondary caregivers' leave from 10 to 50 days.



THE BUSINESS CASE FOR PAY PARITY

Why is addressing the gender pay gap important for your organization?

1

Pay parity is one of the key indicators of **gender equity**



Representation



Pay equity



Effectiveness of policies & practices



Inclusive culture

2

Leads to better business performance



Attract and retain talent



employee engagement



Avoid reputational damage

3

Improves firm's reputation



Employer of Choice



Partner of choice



Beyond Compliance