Promoting Women’s Economic Empowerment:
The Learning Journey of Standard Chartered Bank

"Women who are economically empowered are an incredibly powerful source of development."

– Peter Sands,
Group Chief Executive

Standard Chartered is one of the most internationally diverse banks, with over 70,000 employees and a presence in more than 70 countries. The bank has a strong focus on emerging markets. Since starting to think about a coordinated approach to addressing gender around 2005, it has developed an innovative set of initiatives for women in its workplace, in its communities and for its female customers. The bank views all three strands as important for leveraging the women's market and has quickly turned this view into a business imperative and key part of their customer strategy.

MAIN LESSONS

■ For women's banking products to work, they need to be tailored to different regional and country needs and specific cultural and legislative environments.

■ Gender initiatives are more likely to succeed if they are fully aligned with the company’s business interests and strategy.

■ Strong staff involvement can be crucial for ensuring internal support for diversity initiatives.

WIN-WIN SITUATION FOR BUSINESS AND FOR WOMEN

■ A global bank addressing gender issues in three strands –among customers, in the community, and in the workplace.

■ Developed innovative banking products and specialized strategies for women clients, such as a Diva Account and Club in Africa. Eighty percent of beneficiaries in Standard Chartered's microfinance outreach are women.

■ Empowering women through the community investment project Goal, which uses sports and life skills education to transform the lives of underprivileged girls.

■ Promoting gender equality within the company through diversity and inclusion initiatives, including flexible work and leadership training for high-potential female employees.

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Targeting Women As Part of Core Business Strategy

Standard Chartered moved to strengthen its focus on women amidst a growing global awareness about the multiplier effect that gender equality has on economic development. The bank’s leadership quickly embraced the message that gender equality helps strengthen communities and further economic development. But Standard Chartered did not stop at seeking an impact in its communities. It was equally interested in the role of women as customers and their potential to strengthen its business.

Research has shown that women are powerful, yet often overlooked consumers. The data on women’s consumer power was not lost on the bank. At a time of growing global competition, Standard Chartered was growing and doing well. But it was looking to differentiate itself and win a new consumer segment. With senior staff exposed to research demonstrating the benefits of gender equality, engaging women became a business imperative and a central feature in the bank’s business strategy. Though this recognition was relatively recent and happened only four to five years ago, the bank’s work on gender has quickly evolved since then.

This is evident today in its microfinance portfolio. Standard Chartered started microfinance lending in 2006, after committing to providing US$500 million to microfinance institutions by 2011 at the Clinton Global Initiative. It is today well on track to meet this target, with most of its portfolio being in Africa and South Asia, where the highest demand has been.

In addition to microfinance, the bank has focused on markets where women have been traditionally underserved by financial institutions and has tailored products based on regional needs and circumstances. For example, Standard Chartered now operates all-female branches in India and Pakistan and private banking centers for women in Korea. “Culturally, some women may not feel comfortable speaking to male tellers. And this [arrangement] helps increase their comfort levels,” says Payal Dalal, the company’s Head of Public Affairs for the Americas.

In Africa, the Bank has been running a Diva Club account through their Consumer Banking division since 2006, which offers women special lifestyle benefits. Tied to this account is the Diva Chamma Account, aimed at women saving together in investment clubs, and the Diva Club, which was recently launched in Nigeria to facilitate networking among female customers. In launching Diva Club, Standard Chartered is responding to the high demand for networking opportunities among female clients. Joint savings clubs for women have existed in many countries in the region informally, and the bank has seized the opportunity to provide a formal channel for the women to coordinate such efforts. Explaining the decision to launch such programs in Zambia, Mazinga Melu, the bank’s managing director for the country, explains, “There is an awareness and knowledge gap and in view of this we established [these programs] that offer the freedom & flexibility our women entrepreneurs always wanted.

In addition to banking products, Standard Chartered is starting to provide financial training specifically for women. In December 2008, the bank announced a new commitment on women’s financial literacy at the Clinton Global Initiative in Asia. The bank will be using a variety of channels to increase women’s knowledge around basic financial information, financial planning, investment, and small and medium enterprise capacity building. The aim is to help increase women’s financial acumen, but the training is ultimately also tied to potential business benefits for the company.

Standard Chartered also supports women in the communities in which it operates. Its most visible program on this front today is Goal, which uses life skills education and netball to empower underprivileged girls between the ages of 14 and 19 in Delhi and Mumbai, India. According to Alisha Fernandez Miranda, Community Investment Manager, the bank decided to focus on adolescent girls because “it resonated across our market and fit well with our approach to diversity and inclusion. We were also increasingly looking to be a leader in gender and empower women in communities.”

Started in 2006, the program helps increase girls’ knowledge and self-confidence through a combination of netball training and informal education on critical life skills, including financial literacy, health and hygiene, and communication. The bank encourages its employees to volunteer with the program, helping design or deliver training, setting up netball games, or assisting with monitoring and evaluation. The company believes that greater financial literacy among girls will ultimately have multiplier effects and larger positive ramifications for economic development.

Finally, gender equality is a key part of the bank’s diversity efforts. The focus on gender diversity started with the desire to attract the best talent and for programs to better reflect the communities in which the bank operates. Standard Chartered employs a roughly equal number of men and women, but has sought to increase the percentage of women in senior management. “We wanted to get the best talent, regardless of gender, nationality or otherwise,” says Kari Reston, Head of Diversity and Inclusion.

To increase diversity in a generally male-dominated industry, Standard Chartered developed several initiatives for women in its workplace. They already had a well-developed diversity and inclusion network, including a Group Diversity and Inclusion Council and Diversity and Inclusion Champions. These groups have been promoting the agenda across the organization since 2005. In 2007, Standard Chartered also set up a Group Women’s Council. “The council consists of
Global Impact

On the customer side, 80 percent of the end users of Standard Chartered's portfolio in microfinance are women. Since announcing its commitment at the Clinton Global Initiative in 2006, the bank has provided US$385 million in microfinance, benefiting over 1 million women.

Its Diva program has been rolled out in Botswana, Zambia, Tanzania, Uganda, Nigeria and Ghana. These efforts have secured Standard Chartered membership in the Global Banking Alliance for Women, a consortium of financial institutions that leverage the women’s market for profit and social good. The bank is hosting the Alliance’s annual summit in Singapore in October 2009.

The diversity and inclusion efforts have also paid off. Within Standard Chartered today, 21 percent of senior managers and 34 percent of middle managers are women. Also, female CEOs run country offices in diverse markets such as Lebanon, Zambia and China.

In an industry known for being male-dominated, the high presence of women is encouraging. “We have fantastic female role models across the bank. This has helped enhance our image and recruit new talent,” says Kari. The efforts to demonstrate that Standard Chartered is a good employer for women are paying off. Following a recent diversity campaign in India, 70 percent of new job applicants were female.

As for Goal, Standard Chartered staff note it has helped increase young women’s self-confidence and education. The company has reached 430 girls directly and 21,500 family and community members through its outreach component. It has trained fourteen Goal champions who will in turn train others. Operations are being expanded, with aims to reach girls in five countries by 2012. By earning positive media attention, the program has helped enhance the bank’s brand and image, and Standard Chartered staff believe may eventually help provide a pool of talented female employees.

IN HER OWN WORDS:
ARCHANA CHADHA’S EXPERIENCE AS A BANK CUSTOMER

Archana has been a successful professional and businesswoman for over thirty years in India. With a background in Information Technology, she has extended her profile to investments in real estate, financial markets, and technology-based businesses, and has been a promoter for bringing foreign investors to India.

Standard Chartered Bank has been her partner of choice for over nine years. She initially turned to the bank because of its good reputation and brand name. Her financial investments and portfolio are now completely being handled by Standard Chartered. “My interaction started with a woman banker, and I’ve been dealing with the same person since then,” she says. “The bank has been my backbone. I have a large portfolio with Standard Chartered. And it has grown over time.”

When the bank opened a women-only branch in Delhi about two years ago, Archana’s account was assigned there as one of its priority customers. Archana is glad to bank at this branch. “Dealing with women only, you definitely feel more comfortable and secure. Over time, it’s helped me interact [with the bank] better,” she explains.

Archana believes that further expanding female-only branches has great potential in India. She enthuses, “There is a huge market opportunity here waiting to be taken up by the women.”
Lessons Learned

For a global company that operates in diverse regions, one important lesson has been about the need to tailor women’s banking products to specific regional and country needs, given the vastly different cultural and legislative environments that affect women’s financial situations in places in which the bank operates. This is why the company’s efforts on consumer banking can vastly differ by region. While women-only branches have been appropriate for India and Pakistan where women feel safer conducting business among each other, in many African countries, where women have traditionally faced greater challenges in accessing finance than men, women-specific accounts have made more sense to attract a customer base that may have been otherwise reluctant to approach the bank.

While strengthening its focus on women, Standard Chartered also quickly learned that the best way for an initiative to succeed and be sustainable was by ensuring it was fully aligned with the company’s business interests and strategy. Initially, Goal did not have any obvious, direct links to the banking business and was met by skepticism internally. The program managers found that, in order to get internal buy-in, they needed to better link the program to the company’s business interests in addition to its community strategy. To accomplish this, they added the training component. “We are adding a financial literacy component and education, teaching girls what checking and savings accounts are, and how to manage personal finances. Now that [the program] is tied to financial literacy training, it will be more sustainable in terms of ensuring internal support,” says Alisha. “The closer we can tie this [program] to our core business and use our core skills, the more likely it is to succeed and be sustainable.”

Strong staff involvement has also been crucial to ensure internal support for initiatives on diversity and community engagement. “Senior management and staff support has been extremely important. For diversity and inclusion to work, you have to make sure it is an integral part of the company. Our Group CEO [Peter Sands] is also very committed to women’s empowerment,” Kari explains.

Apart from the CEO, involving regular staff is just as crucial to build internal support. As part of the bank’s annual volunteer leave entitlement, members of staff are encouraged to spend time in their local communities. Promoting opportunities for staff to volunteer for Goal has helped to not only provide concrete support for the program, but to also secure staff buy-in for the initiative by giving them a personal stake in it.

Finally, big changes are not always necessary to see significant impact. Even small adjustments to existing initiatives can help. Kari explains, “Soon after we started this journey, we noticed that in our requirements to be classified as ‘high potential,’ we were expecting employees to be geographically mobile. But many women, as well as men, can’t or don’t want an international move. We took this requirement out from the definition and saw a resulting increase of women classified as high potential.”

The recession has not diminished the company’s efforts to empower women and may have actually had a positive impact on the bank’s approach to gender diversity. “It has made us more determined. By pursuing women as customers, we can expand the number of clients and opportunities in our markets,” says Payal. Standard Chartered believes that its women’s empowerment initiatives will enable long-term development and will benefit their workforce, their customers and communities. These results should be an encouraging example for others to follow.

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View this case study online at: http://pslforum.worldbankgroup.org/casestudies/standardchartered

Launch of ‘Orjon’, a Business Installment Loan in Bangladesh designed specifically for female entrepreneurs

The Forum is an initiative of the World Bank Group Gender Action Plan to engage private sector leaders in promoting women’s economic empowerment. It is one of World Bank President Robert B. Zoellick’s six commitments on gender equality. Its members are committed to creating opportunities for women in core business, corporate social responsibility or diversity and inclusion initiatives.

For more information, visit our website: http://psforum.worldbankgroup.org

Participants from the Women in Leadership program in Dubai

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