



Women's Advancement in Banking in Emerging South Asian Countries

FINDINGS AND RECOMMENDATIONS FOR NEPAL

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ABOUT THIS REPORT

Global evidence is mounting that more gender diversity in banking, including having more women in leadership, leads to better outcomes for organizations, their employees, and investors. There is increasing recognition of the importance of workforce diversity and equity along various dimensions, including gender. Besides social and moral imperatives, there is a compelling business case for improving gender diversity in commercial banks. Globally, commercial banks with more women in senior manager roles command up to 33 percent higher return on equity.¹ Further, banks with more women in senior or leadership roles, especially in risk-related functions (for example, audit and risk committees of the bank's boards) demonstrate better risk management compared to their peers.² Having more women leaders can also allow banks to retain talent better, boost creativity, and tap new markets.³

While this insight is global, the barriers and pathways to achieving greater women's representation in leadership vary by country and region. In 2022-23, the International Finance Corporation (IFC) initiated a multi-country research study focusing on women's advancement in private commercial banking in South Asia. The study covered three countries: Bangladesh, Nepal, and Sri Lanka.⁴ It initiated this study—among the first of its kind in the region—to identify opportunities that can help achieve more equitable work outcomes for women employees in the industry. Specifically, the study examines the following aspects:

- Current representation of women in commercial banks' workforce, especially in leadership.
- Specific barriers that female employees face in advancing within the industry and how their experience compares to their male counterparts.
- Policies, processes, and mechanisms that commercial banks and other organizations in the industry (for example, banks' associations) have in place to support women reaching leadership positions.
- Solutions that banks and other actors (for example, industry bodies and regulators) should pursue to create an environment that supports women's advancement.

While the insights and recommendations of the wider study are compiled in a multi-country report, this edition is a complementary country brief focused on Nepal. It spotlights the key findings that emerged from the country and is based on an employee survey covering 2054 employees (1101 women, 953 men) across six private commercial banks and an organization survey filled by the human resource departments of five of these banks. This brief is intended to help industry actors—C-suite leaders in commercial banks, policymakers, industry bodies, and investors—direct their efforts toward increasing the representation of women in the industry's leadership.



ACKNOWLEDGMENTS

This first-of-its-kind report is a collaborative effort between IFC's Gender and Economic Inclusion Department and Dalberg Advisors.

The project was led by IFC under the overall guidance of Shalaka Joshi and Prapti Sherchan. We are grateful to Shabnam Hameed, Disha Pandey and Sarah Twigg for their invaluable inputs and research direction. The report was developed under editorial guidance from Tanya Thomas and designed by We Are Designers, Sri Lanka.

The research for the Nepal report took place through 2022 and 2023. We would like to thank Dalberg Advisors' market research team, Convergent for developing the online version of the survey tools and managing the technology infrastructure underpinning this research, and the International Development Institute for supporting the survey rollout and qualitative research in Nepal. For peer review, the team is grateful to the following IFC financial inclusion experts and peer reviewers: Natalia Kaur Bhatia, Ravikant Agrawal, and Rajendra Luitel.

We are grateful to Imad Fakhoury, IFC's Regional Director for South Asia, Martin Holtmann, IFC's Country Manager for Bangladesh, Bhutan, and Nepal, and Babacar S. Faye, IFC's Country Representative in Nepal, for championing our research in Nepal. For her encouragement and feedback throughout, the team would also like to acknowledge Nathalie Kouassi Akon Gabala, Global Director at IFC's Gender and Economic Inclusion Department. Thank you to also our colleagues Sammar Essmat, Heather Mae Kipnis, and Amy Luinstra for their consistent support and advice.

Finally, the team extends its warmest gratitude to the individuals and organizations who kindly shared their time, experience, and knowledge with IFC. Our research was enriched by the generous participation of Laxmi Sunrise Bank, Machhapuchchhre Bank, NMB Bank, Prabhu Bank, Siddhartha Bank, and Standard Chartered—Nepal in our surveys and interviews and their deep insights into Nepal's banking industry.

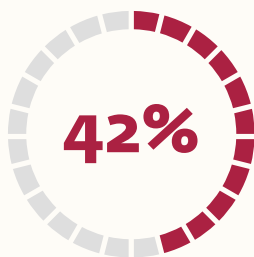


ACRONYMS

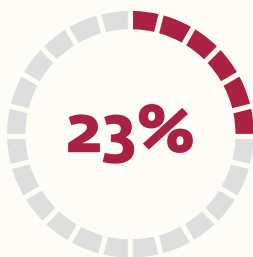
DEI	Diversity, Equity and Inclusion
ILO	International Labour Organization
WFH	Work From Home

KEY FINDINGS FROM NEPAL – AT A GLANCE

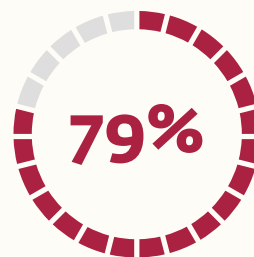
Representation & Aspiration



Women's share in commercial banks' workforce

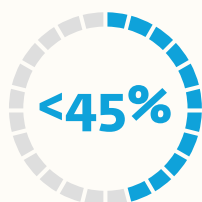


Women's representation in senior management roles



of female employees want to move to senior roles

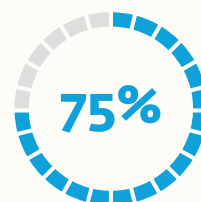
Navigating hurdles



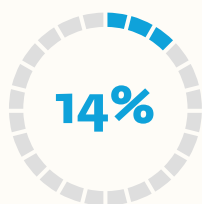
of women have access to coaching or mentoring



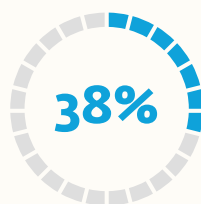
of women feel housework impacts their career



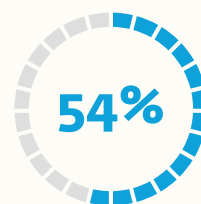
of women believe they do not receive fair evaluations



of women experience bullying in their organization



of women feel their companies do not have adequate safety measures



of men believe having more women leaders does not have business benefits

Industry action

4/5

banks have DEI policies or DEI is part of business strategy

2/5

banks provide anti-bias training to managers

1/5

banks have dedicated resources for DEI efforts



Executive Summary

The International Finance Corporation is dedicated to advancing diversity, equity, and inclusion in developing countries' private markets. Focusing on South Asian commercial banks, this study examines opportunities to increase gender diversity by improving women's representation in leadership. As highlighted in the multi-country report, research shows that more women in banks' leadership increases innovation and improves performance on business metrics. This brief provides salient findings and recommendations for Nepal based on the research conducted among six private commercial banks in the country.

Nepal's banking industry is a leader in South Asia when it comes to women's representation in commercial banks' workforce. Women constitute 45 percent of employees in the financial services industry in Nepal. Among South Asian countries, only Bhutan—where women occupy 46 percent of positions in financial services—has a better representation of women.⁵ In commercial banks too, representation of women in the workforce is better than other regional peers; in Nepal, women occupy 42 percent of all roles in surveyed commercial banks compared to 38 percent in Sri Lanka and 18 percent

in Bangladesh.⁶ Nepal also has a legal framework to promote women's economic participation that is more comprehensive than its neighbors in South Asia. Dedicated laws like those that guarantee parental leave for both women and men and prohibit workplace discrimination based on a person's sex are in effect and have created a strong foundation for women to participate and contribute to the industry. Nepal also requires companies, including banks, to have at least one female board member.⁷ Nearly all banks have also instituted policies aimed at improving women's representation in their workforce.

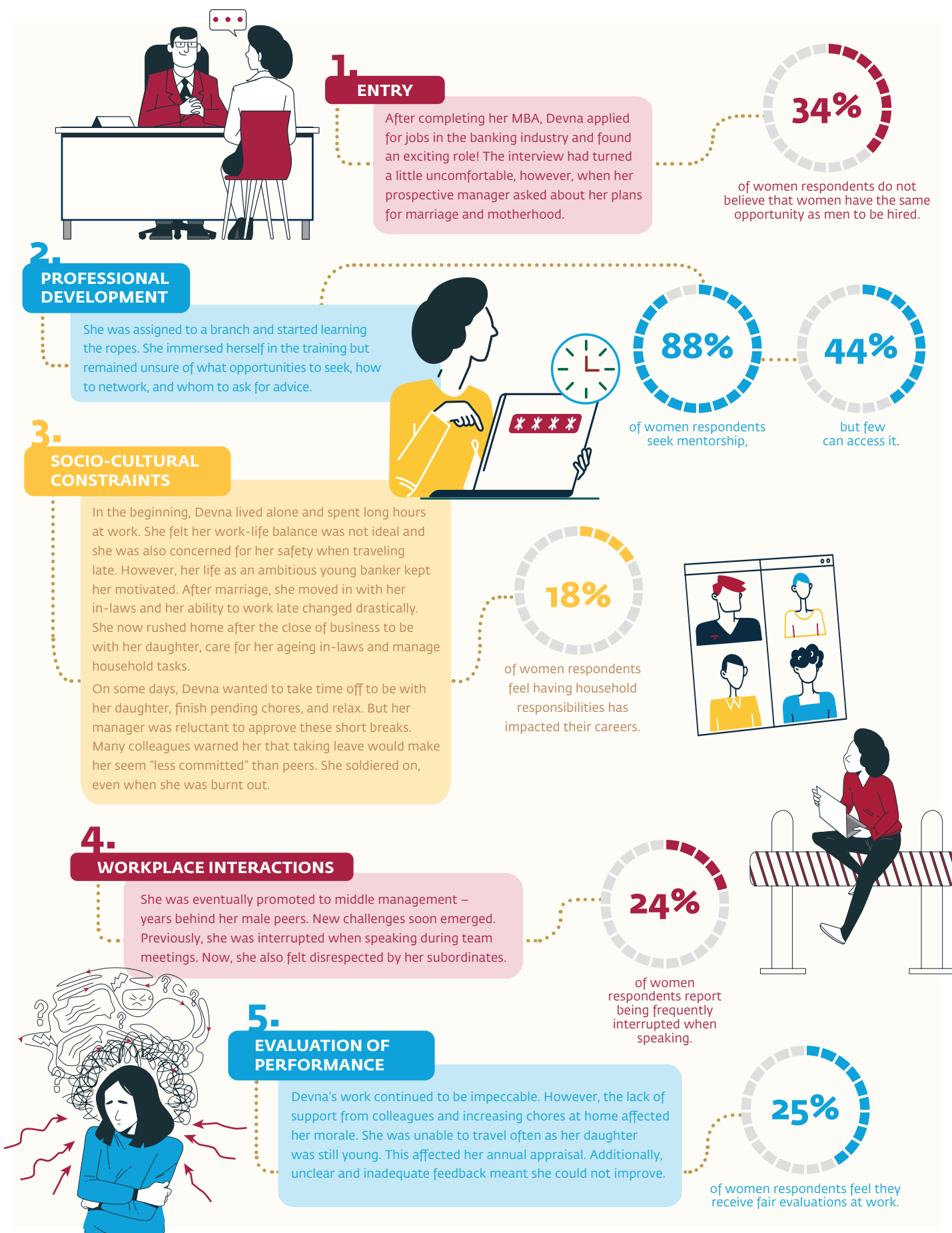
However, these positives have yet to result in increased representation in leadership roles despite most women wanting to progress. Among women employees, 79 percent of respondents indicate that they want to progress to a senior role in the industry, but very few women advance to such roles.⁸ Their share in the surveyed banks falls from 46 percent at the entry-level to 27 percent at middle-level management and 23 percent at senior-level management.⁹

Barriers: Challenges Holding Women from Progressing to Leadership in Commercial Banks in Nepal

Multiple interwoven barriers constrain their progression. Women bankers in Nepal encounter multiple challenges throughout their professional journeys that constrain their advancement at work. These challenges start emerging from the beginning of their careers and manifest at different points of their professional journeys to not only disadvantage them compared to

men in terms of work or professional outcomes, but also create a sub-optimal daily experience at work. While these challenges are covered in detail in the multi-country report, **Figure 1** lays out indicatively how these challenges could affect the career journey of a female bank employee in Nepal.

Figure 1: Illustrative journey of a typical female bank employee's career challenges in Nepal



In particular, three key challenges stand out for Nepal:

1.

Sociocultural constraints: Extant social norms and social expectations place a disproportionate burden of unpaid care work (such as managing work at home and childcare responsibilities) on women. A workplace culture that discourages employees from using paid leave and emphasizes visibility at work makes it more challenging for women to navigate this dual role. This compromises employees' ability to take time off from work or balance other responsibilities alongside work. Moreover, it disadvantages women who prefer to leave their workplace on time to be able to manage responsibilities at home. Managers often tend to see these women as "less hardworking" compared to male colleagues who do not have such constraints.

While banks have initiated efforts to address some of the above challenges, limited buy-in among the managerial and leadership cadre is adversely affecting the success of these efforts. Most banks have introduced policies to increase women's representation. They have initiated specific steps to improve women's experience and representation in the workforce (for example, by targeted recruitment drives, and specific leadership development programs for women employees). However, most banks do not currently monitor how these efforts are faring. Existing efforts are also undermined by a lack of buy-in from leaders and managers. In fact, nearly 57 percent of men in middle and senior management roles who responded to the survey do not believe that having more women leaders can help their organizations become more competitive. Without securing their support, efforts to bring about any cultural or process shifts to better support women are likely to have limited success.

2.

Lack of fair evaluations: Few respondents—especially women—believe they receive fair performance evaluations. Feedback for them tends to be vague or influenced by affinity bias, wherein managers value traits they associate in leaders—predominantly male—whom they have observed while overlooking other leadership traits that a female candidate may have.

3.

Non-conducive work environment: Many women face microaggressions at work, such as being interrupted while speaking. For women in managerial roles, this extends into a feeling of not being respected by their subordinates. Ultimately, this impacts women's daily experience at work and can also influence the overall perception that their colleagues and managers have about them (for example, whether they are confident or assertive enough).

Recommendations: Three-dimensional Approach to Increasing Women's Leadership in Commercial Banking

Across the studied countries, driving the advancement of more women to leadership roles requires targeted efforts in three directions. First, banks must lay out clear organizational commitments for gender diversity and to support women in reaching leadership positions. This should be complemented by creating buy-in and incentives for senior leadership within banks to own and deliver on these commitments. Second, banks should make efforts to create a safe and equitable environment at work that enables all employees—especially women—to thrive at work. Finally, industry actors must support banks in undertaking this transition and hold them accountable. Detailed opportunities and solutions across each of the three directions are listed in the multi-country report.

Based on the specific challenges observed in Nepal, solutions across all three areas remain relevant but need to be contextualized. Along each of these directions, it would be crucial to focus on areas that address the most prominent barriers observed in the country:

Building a committed leadership that can embrace the value of women's increased representation, embed positive workplace norms, and act as role models for the rest of the staff. The starting point should be to work with senior leadership, for example, the Chief Human Resources Officer, to deconstruct inherent notions around women's representation in leadership and offer training to counter unconscious biases. In addition, leaders should play an active role in moving to a culture that normalizes taking leave and shifts the emphasis away from "being seen in the office beyond work hours" to more objective metrics of performance.

Creating a safe and equitable work environment for all employees, especially with respect to professional development support and allowing flexible work. In addition to the above, an environment that provides employees with adequate support for professional development (for example, via mentorship) can help them—especially women—build relevant skills and pursue the right career opportunities. Introducing and normalizing measures that allow flexible work (for example, flexible hours, work from home) can help women and other employees strike the right balance between work and their personal lives to enhance their productivity. This would need to be accompanied by measures that reorient managers to this new norm of flexible working and that ensure employees receive fair evaluations. Finally, creating a more inclusive workplace—such as by engaging male colleagues as allies—can help employees counter microaggressions and speak up against incidents of bullying and harassment.

Fostering an industry ecosystem that can hold banks accountable and ramp up the pressure to accelerate change.

Regulators, industry bodies, and investors can build and sustain momentum within the ecosystem by helping banks set ambitious goals and priorities for increasing women's representation as well as holding the actors accountable to such goals (for example, by publishing data on women's representation and progress against these targets).

The above list is not an exhaustive set of recommendations but lays out the most pivotal areas where the industry should pay attention to advance more women bankers. Ultimately, concerted efforts in these areas can help the industry in Nepal capitalize on the head start it has over its neighbors in South Asia and serve as an example for them. In addition, these efforts can also contribute to the financial performance of banks and thereby, to the greater economic growth and prosperity of the nation. The rest of the brief lays down the key findings and recommendations for Nepal. Please refer to the multi-country report for more details on the comparative findings and more detailed recommendations.

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1.

STATUS QUO : WHERE ARE WOMEN IN THE INDUSTRY TODAY?

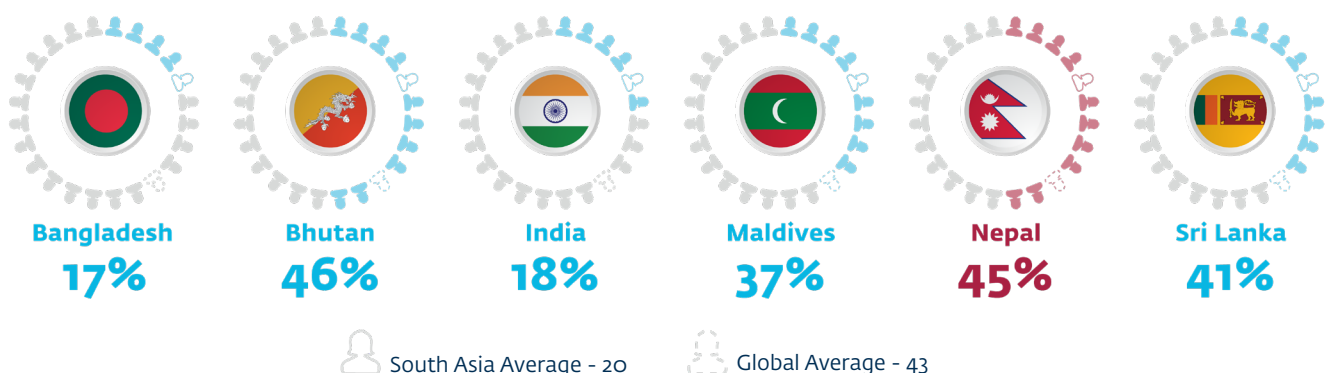
NEPAL IS IN A UNIQUE POSITION TO DRIVE MORE PARTICIPATION AND INCLUSION OF WOMEN IN COMMERCIAL BANKING. COMPARED TO OTHER COUNTRIES IN SOUTH ASIA. IT HAS AMONG THE HIGHEST REPRESENTATION OF WOMEN IN THE FINANCIAL SERVICES INDUSTRY OVERALL, AND IN COMMERCIAL BANKS. THIS IS MATCHED BY A HIRING RATE THAT IS ENCOURAGING, THOUGH NOT YET AT PARITY WITH MEN.

DESPITE THESE POSITIVES, WOMEN'S REPRESENTATION IN LEADERSHIP ROLES IN COMMERCIAL BANKS REMAINS LOW AND THE COUNTRY MUST SUPPORT WOMEN IN NAVIGATING EXTERNAL CHALLENGES.

Nepal has among the highest participation rates of women in the financial services industry in South Asia. Women constitute 45 percent of the workforce in the financial services sector in Nepal against a regional average of 20 percent (refer **Figure 2**).

By contrast, the female labor force participation rate in Nepal is 29 percent. In South Asia, only Bhutan—where 46 percent of employees are women—has better female representation in the industry than Nepal (refer **Figure 2**).^{10,11}

Figure 2: Share of Women in Financial Services Industry's Workforce Across South Asian Nations

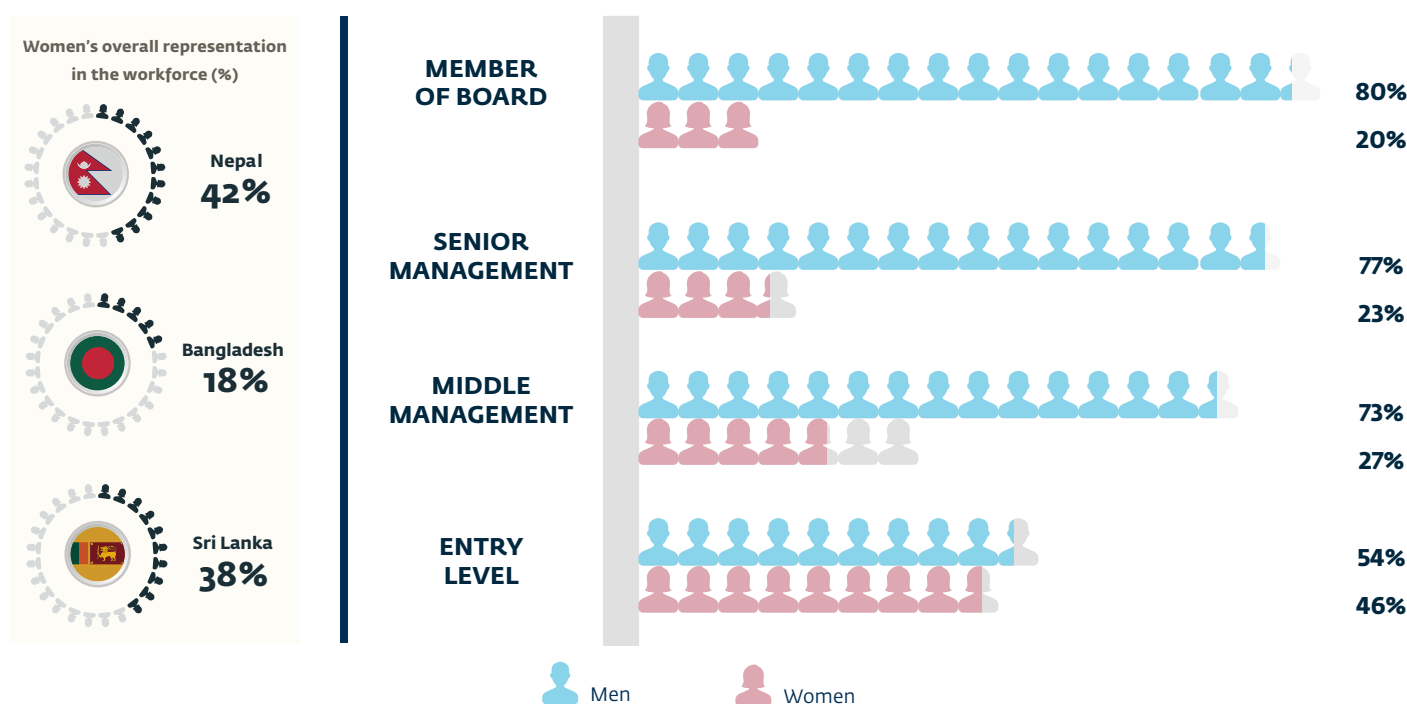


In commercial banks too, Nepal leads its neighbors in women's overall representation in the workforce.

Women constitute 42 percent of the workforce in the surveyed commercial banks in Nepal.¹² By comparison, women constitute 18 percent employees in surveyed commercial banks in Bangladesh and 38 percent of the workforce in surveyed commercial banks in Sri Lanka.¹³ In terms of hiring, while Nepal is not the leader in the region, women constitute more than one-third of new recruitments into the industry. In 2022, across the banks that were surveyed in Nepal, 39 percent of all entry-level hires were women, as opposed to 46 percent and 22 percent for Sri Lanka and Bangladesh, respectively.^{14,15}

Nepal is ahead of its neighbors in terms of representation in leadership roles as well, but has yet to catch up to the global average. Women occupy 23 percent of senior management positions in the surveyed banks in Nepal. In comparison, women constitute 20 percent of senior management roles in Sri Lanka and 12 percent of the same in Bangladesh.¹⁶ Nepal also requires companies, including banks, to have at least one female board member. However, many class-A (commercial) banks do not have female representation on their boards.¹⁷ The country has yet to catch up to the global average. Globally, women constitute 28 percent of the senior leadership roles in commercial banks.¹⁸ The gulf is wider when compared to high-income countries like the United Kingdom where women form 36 percent of the senior leadership in banks.¹⁹

Figure 3: Breakdown of Employees at Various Levels by Gender (%)



Female bankers in Nepal stop progressing, but not owing to lack of ambition. Limited representation in senior roles and the decline in proportion of women from entry-level to senior-level roles in Nepal (refer **Figure 3**) indicates fewer women are progressing to leadership roles when compared to men. However, Nepali women and men employed in the banking sector hold similar aspirations in career advancement.

A total of 79 percent of female respondents and 84 percent of male respondents indicate that they want to move to a more senior role with greater responsibility in future.²⁰ The low representation in leadership despite the strong aspiration among women indicates that their progression is restricted by extrinsic challenges.

2.

BARRIERS TO PROGRESS : WHAT IS HOLDING WOMEN BACK?

BARRIERS THAT PREVENT WOMEN'S ADVANCEMENT IN COMMERCIAL BANKS SPAN THEIR ENTIRE PROFESSIONAL JOURNEY—RIGHT FROM THE TIME THEY SEEK TO ENTER THE INDUSTRY.

WOMEN FACE FIVE KEY BARRIERS THAT IMPACT THEIR PROFESSIONAL GROWTH IN BANKING. FIGURE 4 LAYS DOWN THESE BARRIERS. FEMALE BANKERS ACROSS BANGLADESH, NEPAL, AND SRI LANKA FACE MANY OF THESE COMMON BARRIERS, BUT THERE ARE KEY DIFFERENCES. FOR

EXAMPLE, PREVALENT SOCIAL NORMS AND LACK OF WORKPLACE FLEXIBILITY MAKE IT CHALLENGING FOR WOMEN ACROSS THE THREE COUNTRIES TO STRIKE A BALANCE BETWEEN PROFESSIONAL RESPONSIBILITIES AND UNPAID CARE WORK EXPECTATIONS (FOR EXAMPLE, MANAGING HOUSEWORK). HOWEVER, A WORKPLACE CULTURE THAT DISCOURAGES TAKING LEAVE MAKES IT MORE CHALLENGING FOR FEMALE BANKERS IN NEPAL TO NAVIGATE THE DUAL RESPONSIBILITIES.

The challenges women face are interlinked and play out in complex ways. For example, women often face microaggressions at work, where their opinions often remain unheard or are shot down. This can lead to a perception of less contribution to team goals and influence senior leaders' view of their competence. Similarly, managing social expectations on the home

front implies that women often avoid long hours at work. These factors merge with deep-seated notions managers have about women's abilities, leading to performance evaluations that do not reflect women bankers' performance or leadership potential.

Figure 4: Typical Barriers Women Face in Their Career Journeys in Banking



2.1 INEQUITABLE HIRING

Most employees believe men and women have an equal chance of being hired, though hiring gaps remain for senior roles.

In total, 66 percent of female and 87 percent of male respondents believe that women have the same chance of being hired as men in their organizations. The difference in the perceptions of men and women could be fueled by limited hiring of women, especially for senior roles. Women constitute 39 percent of entry-level hires across surveyed banks, which drops to 17 percent of new hires at middle and senior-management levels.

Unpaid care work and parenthood could be leading to women opting for a career break.

- Women constitute 46 percent of entry-level, 27 percent of middle management, and 23 percent of senior management roles.²¹
- Many women opt for career breaks owing to challenges in balancing social expectations around unpaid care work (for example, childcare) and their professional

lives. In the prime working age group (25–54 years), labor force participation rate for single women in Nepal is 56 percent, but drops to 36 percent for married women.²²

It further drops to 34 percent for women with at least one young child.²³ Even for women living with extended family but having at least one young child, labor force participation rate is 30 percent, indicating that care responsibilities may not decrease despite the presence of other family members to support with childcare.^{24,25}

In-depth interviews indicate that such national trends are also relevant to women in the banking industry.



The dual responsibility that women have to carry is the main factor that holds them back. If a woman wants to rise, she has to give more than her 100 percent. After office hours, women are also expected to do household chores.”

- Senior female banker, Nepal

Even though most banks have initiated steps to support working or expecting parents, negative perceptions around taking parental leave and the lack of dedicated recruitment drives for women returning after career breaks leads to a thin pipeline of women leaders.

- To support employees experiencing parenthood and to drive retention, all the five surveyed banks provide maternity and paternity leave to employees. Paternity leave is typically very low, at 14 days or less for men. Additionally, many employees—especially men—are unable to access this leave because of a culture that discourages it. The inability of men to take time off could exacerbate the care burden on women, eventually resulting in their exit from the organization.²⁶
- Four out of five banks provide support with upskilling and training programs for women who return after career breaks. However, none of the surveyed banks have dedicated recruitment drives for such women. As a result, the pool of women managers who can be promoted to senior roles remains comparatively small.

“

“Even at the top, the feeling is that if you take more leave, that means you are not loyal or not dedicated or not hardworking. Even though you are taking leave within your yearly calendar, still you are seen as someone not as dedicated [as a male counterpart]. Not because of performance, just because you are taking leave.”

- Senior female banker, Nepal

“

Even though I was allotted 15 days of paternal leave, I was only able to take 3.”

- Male middle manager, Nepal



2.2 INADEQUATE PROFESSIONAL DEVELOPMENT

Women and men cite professional development support as important, though access to such support is much below demand.

- More than 70 percent of female and male respondents consider training, mentorship, coaching, critical projects, and sponsorship as crucial factors for their professional development. Access to such support is important for all employees, especially women, to advance in their careers.
- Many employees do not have access to such professional development support at work, though it is similar for women and men (refer **Figure 5**). For example, more than 80 percent of women and men rate mentorship as crucial. By comparison, 44 percent of women and 51 percent of men report having access to mentorship at

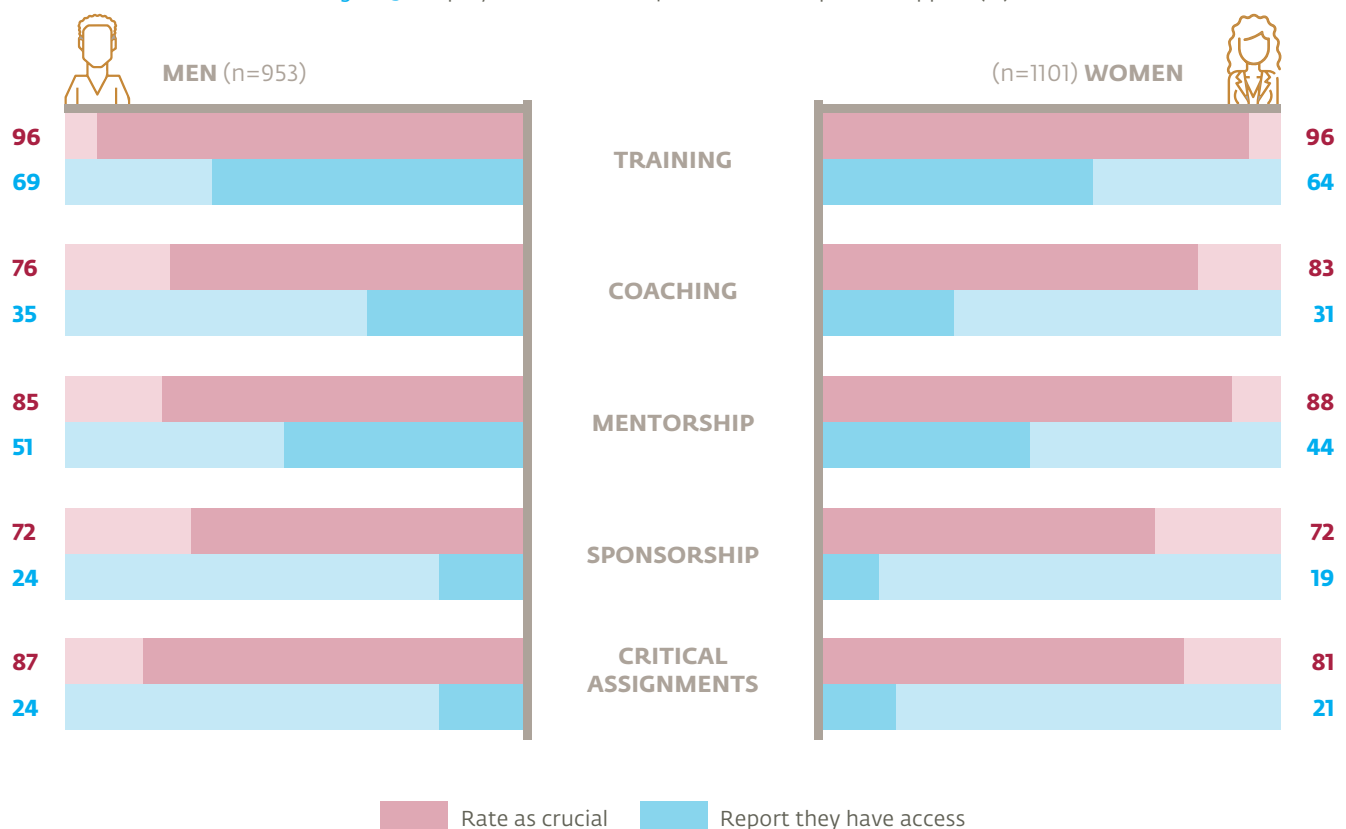
work.²⁷ Even though men and women have similar access, women face additional challenges in accessing some forms of support as described below.



Luckily, I had a female mentor who supported me in moving ahead in my career. The initial phase is the most challenging, and having a female mentor gives you emotional support and helps you manage time.”

- Senior female banker, Nepal

Figure 5: Employee Access to Professional Development Support (%)²⁸



Most banks offer technical training including specific programs to cater to the needs of women employees.

- All five surveyed banks have dedicated training programs for the staff, including in the form of leadership development programs. The design of these programs is based on needs assessment exercises each bank conducts to understand the development needs of employees.
- Three out of the five surveyed banks have put in place professional development programs for female staff. One out of the five banks that responded to the survey also has a management trainee program specifically for women employees.

Majority of women and men do not have access to coaching and mentoring despite dedicated programs offered by banks.

- Three out of the five surveyed banks offer mentoring and/or coaching programs for their employees. However, within formal programs, employees suggest that their designated mentors and coaches do not have the time or incentives to offer them the required support.
- Overall, 69 percent of female respondents and 65 percent of male respondents report that they do not have access to coaching in their organizations.²⁹ While access is relatively better at middle management levels, more than 50 percent of middle management employees also lack access to coaching in their organizations.

Lack of sponsorship and limited access to critical work assignments further impact women employees' professional development.

- Fewer than one in four employees who responded to the survey have access to critical projects. Women and men report similar levels of access to such assignments (refer **Figure 5**). Not being able to work on critical assignments can impact the visibility of an employee at work and prevent them from showcasing their readiness to be promoted.
- In Nepal, only one of the surveyed banks has a sponsorship program for potential candidates in succession planning. Lack of such programs can impact how assignments are distributed among employees.
- Some women are also unable to pursue such projects if they are in remote regions. The requirement of travelling (associated with some critical projects) to remote areas or areas away from the Kathmandu valley in Nepal can prevent women employees from taking them up.



Critical projects are inaccessible; it takes a lot of effort and time. The projects are in remote areas and require travel and being out for a week. Most women opt out because of this.”

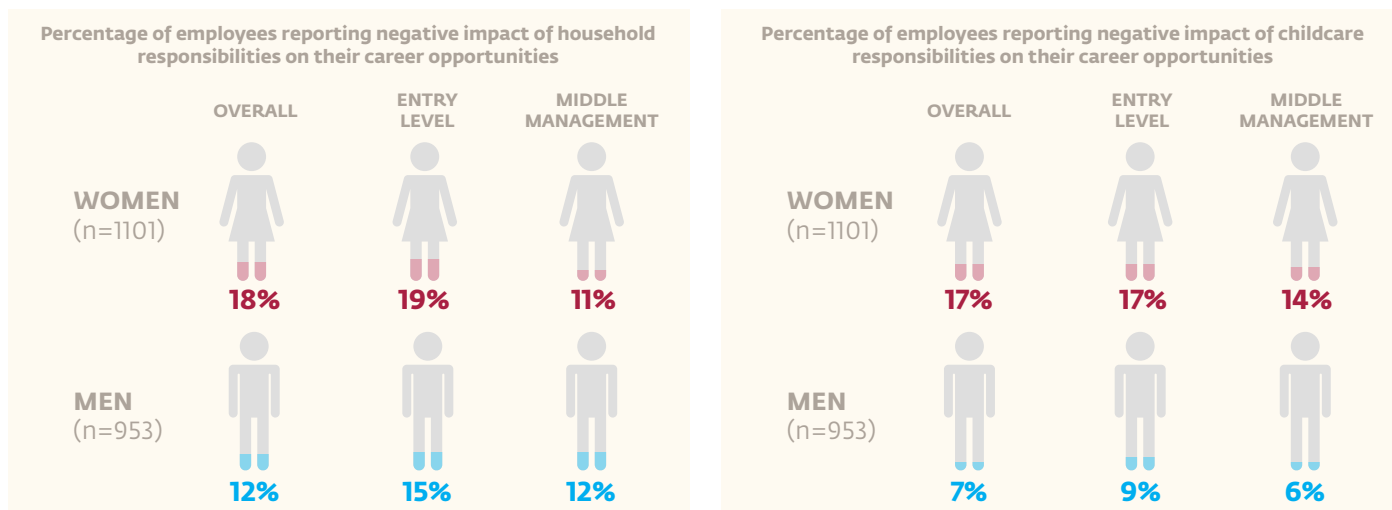
- Senior female banker, Nepal

2.3 SOCIO-CULTURAL CONSTRAINTS

Expectations around managing care responsibilities impact women's ability to balance their work and personal lives, which can result in stepping back

from work and prevent them from capitalizing on opportunities for advancement.

Figure 6: Adverse Impact of Social Constraints on Career Progression



- Women bear a disproportionate burden of the care work at home, which often conflicts with their professional responsibilities. Compared to 12 percent of male respondents, 18 percent of women feel that family expectations around managing housework have impacted or can adversely impact their careers.³⁰ Similarly, 17 percent of women and 7 percent of men feel that their careers have been impacted by or will be impacted if they have children (refer **Figure 6**).

- The resulting challenges in striking a balance between work and personal lives can adversely impact progression for employees. Care responsibilities limit the time that women are able to spend in office and can also impact their productivity. It decreases their visibility among their supervisors who take presence at work as a sign of a hardworking and loyal employee. This emerges as a latent factor in performance evaluation for employees.

- Similarly, the resulting time poverty leaves women with limited time to keep up with industry developments and network effectively.

The ability to manage professional and personal lives is adversely impacted by strong perceptions around taking leave in commercial banks.

- Opting for leave to undertake care-related responsibilities can help employees strike a better work-life balance. However, many women and men are unwilling to or discouraged from taking leave even within their allocated quota as it is perceived to indicate less dedication towards work.



Once you reach the manager level, male counterparts are 'seen' more by the supervisors and they are able to give more time to the organization. That's where women are disadvantaged. Women are said to be less dedicated or loyal because they might take more leave."

- Senior female banker, Nepal

Many employees who have children indicate that flexible working arrangements and other support with caregiving can help them to better manage their work and personal lives.

- Flexible working arrangements (such as WFH options) can help employees, especially working parents, manage care responsibilities alongside work.
- Current arrangements offered by banks are helpful for many employees: 45 percent of employees who have children (35 percent of women and 50 percent of men) report that the current arrangements support their needs. However,

18 percent of employees who have children (23 percent of women and 16 percent of men) believe that better flexible working arrangements are needed.

- Overall, 34 percent of working mothers who responded to the survey also express a need for other support with caregiving (such as on-site childcare). Only one of the five surveyed banks offers such support, even though Nepal's central bank, the Nepal Rastra Bank, allows commercial banks to use their corporate social responsibility funds to create such facilities.³¹



2.4 LACK OF OBJECTIVE EVALUATIONS

Managers' biases in performance evaluation and providing feedback to employees often disadvantage women in their career progression.

- Fewer women than men believe they receive fair performance evaluations. Compared to 38 percent of male respondents, only 25 percent of female respondents believe so. Further, less than half of the women believe that they receive clear inputs on goals and expectations from their managers.
- Women often tend to receive feedback from their managers that does not provide them a clear direction on what they need to improve on to build and showcase their readiness for advancement.³² Such feedback may be affected by pre-conceived notions of leadership held by managers, while not acknowledging effective leadership traits that their high-potential women employees may have.^{33,34,35}

Some banks are taking steps to bring more objectivity to employees' performance evaluations, but more comprehensive reforms are needed.

- One of the five surveyed banks has revised its performance evaluation criteria and set clear metrics to assess performance.
- Two of the five surveyed banks have introduced training for managers to reduce gender-related bias in conducting evaluations. These banks have also introduced processes such as 360-degree evaluations to corroborate feedback from multiple sources to ensure fairness in evaluations.
- Reforms that acknowledge the presence of such biases and aim to weed them out by bringing more transparency and accountability in appraisal processes can help banks reduce discrimination and ensure that the most deserving employees are recommended for advancement. In the long term, this can help banks become more equitable and set a performance-oriented culture.

2.5 NON-CONDUCTIVE WORK ENVIRONMENT

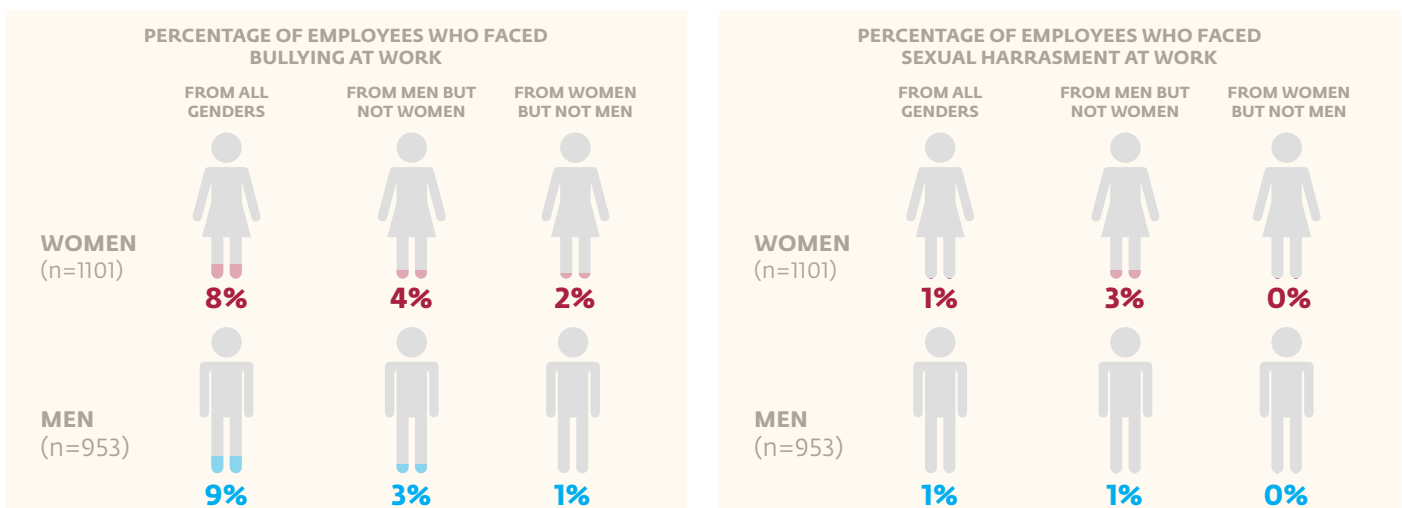
Many women continue to face microaggressions at work.

- More than half of the female respondents (51 percent) report that they do not feel confident in contributing in team settings. Many cite microaggressions at work as a driving factor:
 - Overall, 24 percent of female respondents who do not feel confident in team settings report that they are often interrupted, or others speak over them.
 - A total of 12 percent of female respondents at the entry level and 11 percent of female respondents at the middle management level who do not feel confident report that they fear being judged harshly if they are wrong.
 - Fewer than half of the surveyed women feel respected by their subordinates.
- Such microaggressions not only affect women's workplace experience but compound the challenge around receiving fair evaluations. Being frequently interrupted and lacking confidence can reflect in the perceptions managers form around women's contribution at work, and this is reflected in their performance evaluations.

Employees—men and women—report facing bullying and sexual harassment at work, indicating that banks have a long way to go to become zero-incident workplaces.

- In total, 14 percent of female respondents and 13 percent of male respondents report facing bullying at their workplace.³⁶ Majority of them report experiencing bullying from male as well as female colleagues (refer **Figure 7**).
- Of the respondents, four percent of women and two percent of men report having experienced sexual harassment at work. As in previous studies, it is plausible that the incidence of sexual harassment at work may be underreported in this survey (refer **Figure 7**).³⁷

Figure 7: Prevalence of Incidents of Bullying and Sexual Harassment in the Organization³⁸



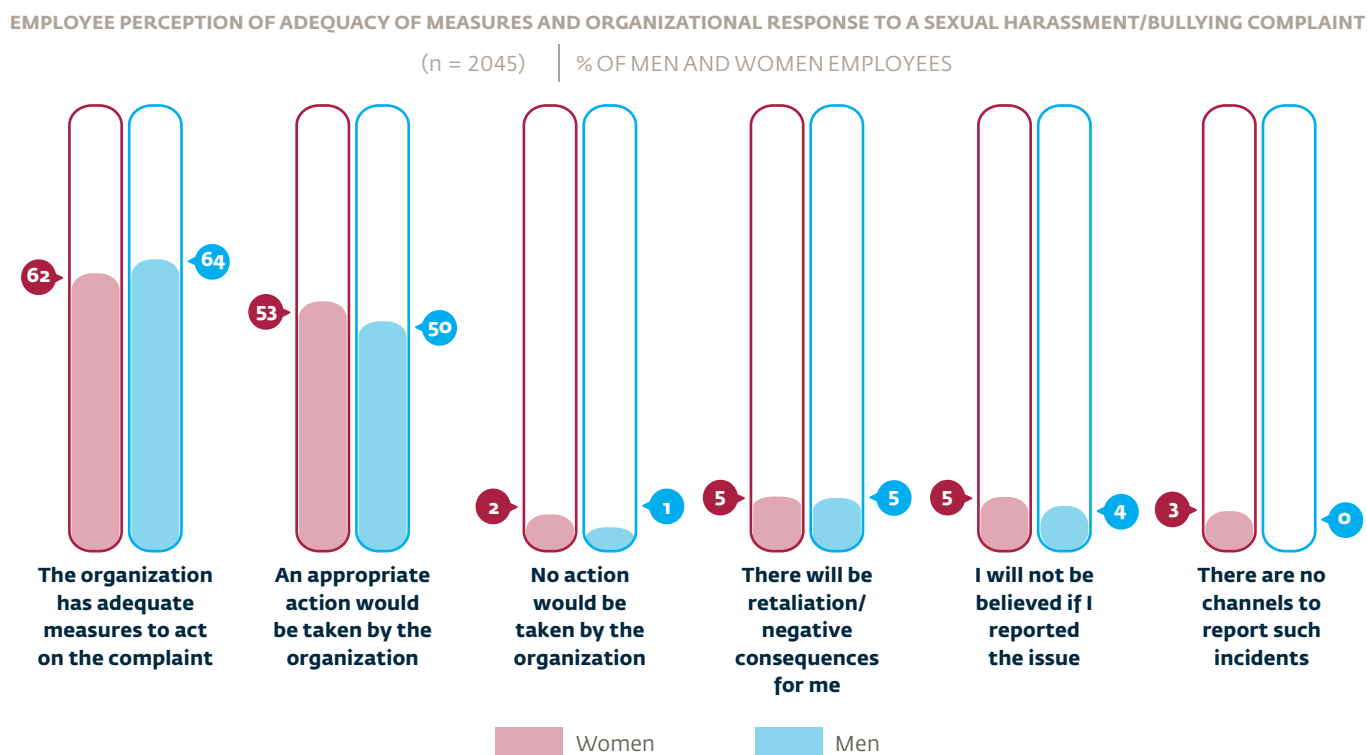
Most banks have instituted policies and systems to ensure employee safety; yet many women do not have confidence that their organizations have adequate measures in place to effectively deal with incidents of bullying and sexual harassment.

- Four of the five surveyed banks report that they have dedicated policies to prohibit and address incidents of sexual harassment. These banks have also instituted channels to anonymously report such incidents and introduced other provisions, such as late-night transport, to ensure the safety of employees.
- Three out of five surveyed banks report that they have policies that explicitly prohibit bullying, including cyber-bullying.

Despite these policies and mechanisms, many female employees do not believe that their organization has adequate measures to act on sexual harassment or bullying complaints (refer **Figure 8**):

- Nearly half of the female respondents do not believe that appropriate action will be taken by their organization if they report a sexual harassment or bullying incident.
- Action around complaints may get suppressed owing to a lack of male allyship in the workplace, as male employees may be reluctant to speak up against colleagues or seniors.³⁹

Figure 8: Employee Trust in Organization's Response to Sexual Harassment and Bullying Complaints



There was a huge fiasco about harassment [around a particular incident] and most of the men didn't want to take action. They would rather have it subside and make sure it doesn't blow into a big thing. I stood up against supervisors; made sure the person was nailed down. [Speaking up] was actually a black mark for my record; so I doubt people would take the same action for women employees."

- Senior female banker, Nepal*

*Quote has been lightly edited for clarity.

3.

HEADWINDS:

What Is Preventing Change?

A MAJORITY OF THE SURVEYED BANKS IN NEPAL HAVE CLEARLY ARTICULATED GENDER DIVERSITY AND INCLUSION POLICIES. THEY HAVE ALSO SET GENDER BALANCE TARGETS FOR THE WORKFORCE. HOWEVER, MAJOR GAPS STILL EXIST IN TERMS OF MONITORING PROGRESS ON THESE POLICIES,

MAKING SOMEONE ACCOUNTABLE FOR PROGRESS, AND HAVING DEDICATED STAFF AND RESOURCES TO IMPLEMENT THESE PROGRAMS. LIMITED BUY-IN AND ATTENTION FROM LEADERSHIP RESULTS IN SUBPAR IMPLEMENTATION AND LIMITED SUCCESS FOR EXISTING EFFORTS.

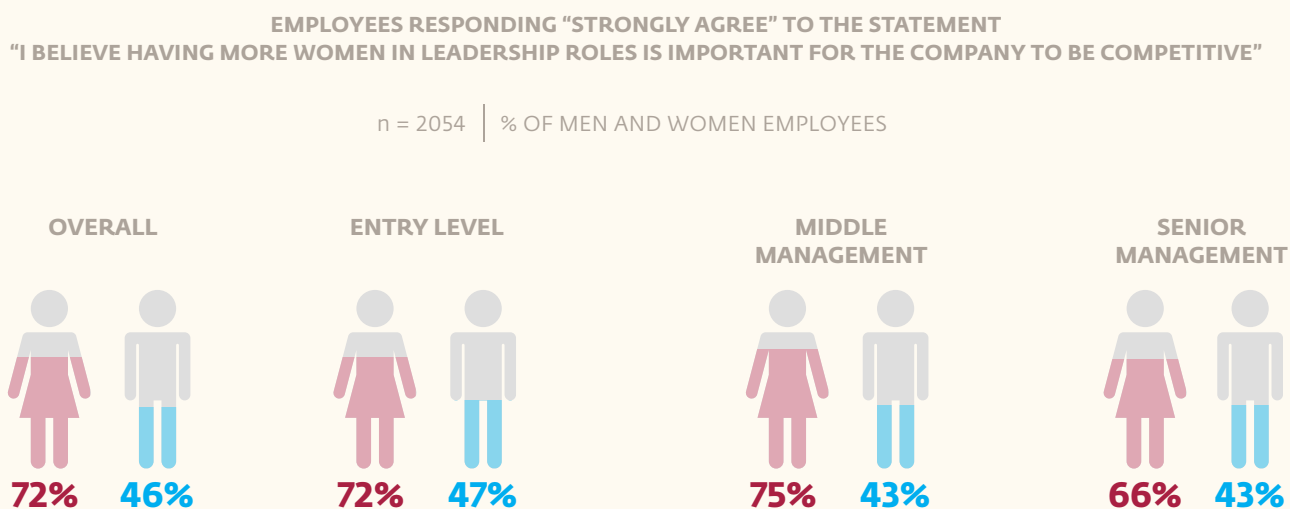
Nearly one in two male respondents do not believe it is crucial to have more women in leadership for the business to be competitive.

- Nearly three in four female respondents strongly believe that having more women in their organization's leadership can help it become more competitive (refer

Figure 9).

- The perception among men is starkly different. More than 50 percent of male employees do not fully believe that more women in leadership leads to a more competitive organization. Men at all levels within the organization hold this view.

Figure 9: Employee Perception of the Positive Impact of More Women Leaders on the Company⁴⁰



Lack of comprehensive policies to improve women's representation and their weak implementation could be driving factors for these prevalent attitudes.

- Three out of five surveyed banks report that they have clearly articulated gender diversity and inclusion policies. However, only one bank periodically monitors progress against these policies. Similarly, only one surveyed bank has allocated dedicated resources, staff, and budgets to implement these programs.
- Only one out of five surveyed banks reports assigning accountability for adherence to the gender diversity and inclusion policy and progress against it to a senior leadership member.



4.

TAKING ACTION: WHAT CAN THE INDUSTRY DO TO ADVANCE MORE WOMEN TO LEADERSHIP?

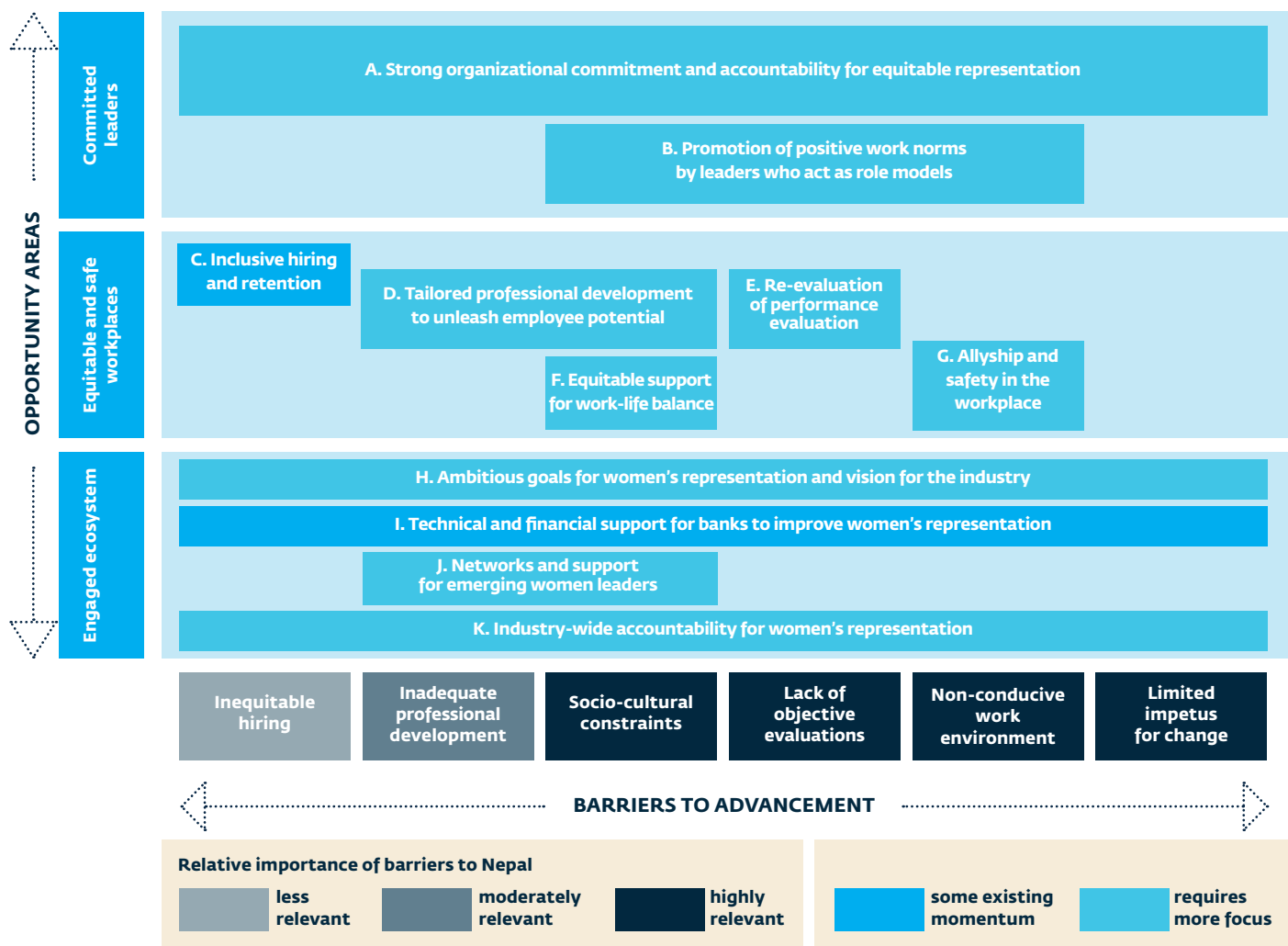
EVEN THOUGH NEPAL IS AHEAD OF ITS PEER NATIONS IN SOUTH ASIA IN TERMS OF WOMEN'S REPRESENTATION IN THE WORKFORCE, MORE TARGETED EFFORTS ARE NEEDED TO SUPPORT WOMEN IN ADVANCING TO LEADERSHIP ROLES. ISOLATED SOLUTIONS TO ADDRESS ONE OR FEW BARRIERS ARE UNLIKELY TO TACKLE THE MULTITUDE OF CHALLENGES THAT WOMEN EMPLOYEES FACE. WHILE THE SOLUTIONS STILL NEED TO BE NUANCED TO TACKLE EACH BARRIER, SEVERAL KEY BARRIERS NEED TO BE ADDRESSED SIMULTANEOUSLY.

ACCORDINGLY, BANKS AND INDUSTRY ACTORS WOULD NEED TO DIRECT THEIR EFFORTS ALONG THREE DIRECTIONS: BUILDING A COMMITTED LEADERSHIP, CREATING A SAFE AND EQUITABLE WORKPLACE FOR WOMEN, AND FOSTERING AN ENGAGED ECOSYSTEM. THIS CHAPTER LAYS OUT THE KEY RECOMMENDATIONS FOR BANKS AND OTHER INDUSTRY ACTORS (SUCH AS REGULATORS AND INDUSTRY BODIES) IN NEPAL TO BETTER SUPPORT WOMEN'S PARTICIPATION AND ADVANCEMENT IN COMMERCIAL BANKING.

To advance more women to leadership, banks and industry actors will need holistic efforts across three areas: committed leadership, safe and equitable workplaces, and an engaged industry ecosystem. The three areas, specific opportunities

against each, and detailed recommendations are highlighted in the multi-country report. Most of the opportunity areas remain relevant for Nepal but the recommendations need to be adapted for the country's context. These are described in the next page (refer **Figure 10**).

Figure 10: Opportunity Areas for Nepal's Banking Sector that Require More Focus



5.1 RECOMMENDATIONS FOR BANKS TO DEVELOP MORE COMMITTED LEADERS

1. Strong organizational commitment and accountability for equitable representation:

Banks in Nepal should set clear and time-bound targets for women's representation in hiring and promotion, with a focus on improved middle management retention. Banks must complement this with adequate resources to put policies into practice, and continuous monitoring to ensure the organization stays on course and adapts to what is working and not working. Currently, only one of the five surveyed banks monitors progress on diversity and inclusion goals, and only two of the five banks have made someone accountable for adherence to these policies in their organization.

2. Promotion of positive work norms by leaders who act as role models:

Inspire and incentivize Nepal's banking leadership, which is predominantly male, to engender a culture that establishes positive working norms. Leaders should endeavor to normalize employees taking leave when required to help them balance personal commitments. This can help drive the acceptability of such norms within the bank and increase their adoption.

5.2 RECOMMENDATIONS FOR BANKS TO CREATE MORE EQUITABLE AND SAFE WORKPLACES

1. Tailored professional development to unleash employee potential:

Curate initiatives to ensure women have access to adequate professional development opportunities to meet their unique needs. Focus on programs that can be leveraged by women facing time poverty and that connect women with each other for engendering stronger networks. Provide requisite support to women to take up critical assignments, especially those arising in remote areas.

2. Re-evaluation of performance evaluations:

Ensure that the performance evaluation process in the banking sector in Nepal is thorough and free from bias. Prevent subjective criteria, such as visibility in the workplace or leave taken, from impacting a robust performance assessment.

3. Allyship and safety in the workplace:

Inspire all employees, especially men, to actively confront biases and discriminatory or unprofessional behavior in their interpersonal interactions, and to intervene to address it when they observe it among their peers. Given the low trust in adequacy of existing channels to report bullying or sexual harassment incidents, ensure these channels work as intended and take measures to build trust in their efficacy. In Nepal, several critical projects are in remote areas, where the safety of employees is also a concern. Ensure the provision of safe travel and accommodation arrangements for employees when travelling to remote locations for critical assignments.

4. Equitable support for work-life balance:

Banking in Nepal is characterized by long working hours and a six-day work week. Most bankers are expected to report to the office in person because no bank provides unrestricted WFH flexibility and only one bank has on-site childcare. This puts additional pressure on employees with

caregiving responsibilities. This, coupled with visibility being a latent criterion in performance evaluations, makes it difficult for bankers to strike a healthy work-life balance.

CASE STUDY 1

Standard Chartered Bank's Suite of Initiatives Aims to Build a More Equitable Work Environment.

Standard Chartered Nepal has instituted many programs, from hiring to retention, to address the inequities and biases women employees face in the workplace. The bank achieved its overall representation targets (45 percent) and is looking to expand these targets further. All job advertisements are gender-neutral to ensure there is no subconscious association of gender with the role, and at least one female panel member sits on the interview panel. Hiring managers are also trained in gender-sensitive interview etiquette.

The bank has an active women-focused employee resource group that runs specific initiatives and engagement programs. This sensitizes employees

throughout the bank on the importance of equitable representation of women and provides a forum for healthy dialogue about this topic. All line managers are required to attend unconscious bias training (called "When We All Are Included").

Lastly, the bank has enacted a host of policies to prevent sexual harassment and create a safe and conducive work environment for women.⁴¹ In case of any grievance/dissatisfaction, including sexual harassment, employees have escalation channels available to them, like reporting to the Line Manager, to compliance/HR teams or confidential speak-up channels. This helps the bank maintain a safe work environment.

5.3 RECOMMENDATIONS FOR THE INDUSTRY TO BUILD A MORE ENGAGED ECOSYSTEM

1. Ambitious goals for women's representation and

vision for the industry: Setting an industry-wide mandatory target by the central bank for representation of women in Nepali banks' workforce and supplementing it with necessary support can provide a runway for banks to accelerate and monitor their progress. Such actions can also serve as inspiration for other related sectors such as insurance and fintech, leading to wider transformation in the financial services industry.

2. Networks and support for emerging women leaders:

Women in banking in Nepal indicate the need for stronger networks and professional support to further their careers in the sector. Banks may be able to move the needle on these gaps to an extent, but ecosystem-level actors (for example, the regulator, banking associations) can create greater impact by creating cross-organization connections.

3. Industry-wide accountability for women's

representation: Creating a culture of public disclosure of women's representation in the workforce by banks in Nepal will elevate their accountability to achieving these goals. This ensures that women's representation goals are treated with the same importance as other key performance metrics.

CASE STUDY 2

United Nations Women-led Training in Nepal to Boost Gender Communications Across Agencies.

A cross-agency training on gender in communications was conducted as part of the Gender Equality Scorecard Recommendations put forward by the *United Nations Country Team – System-Wide Action Plan*. The two-day training brought together United Nations staff from 13 agencies in Nepal, providing participants with a range of tools and skills to develop gender-responsive communication materials in their respective lines of work. The sessions covered principles of gender-sensitive communication from several angles, including the use of gender-inclusive language. The panel also discussed the challenges of incorporating gender-responsive communications in daily work and ways to overcome these challenges.⁴²



ANNEXURE

LIST OF PARTICIPATING BANKS IN NEPAL

S. NO.	BANK NAME
1.	Laxmi Bank*
2.	Machhapuchchhre Bank (MBL)
3.	NMB Bank
4.	Prabhu Bank
5.	Siddhartha Bank
6.	Standard Chartered Bank - Nepal



*Laxmi Bank participated in the survey prior to its consolidation with Sunrise Bank in 2023.



ENDNOTES

¹ Credit Suisse Research. 2016. "The CS Gender 3000: The Reward for Change." <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/csr-gender-3000.pdf>.

² Yu, Bing. Mary Jane Lenard, E. Anne York, and Shengxiong Wu. (2015). "Women Leaders in Banking and Bank Risk." In Proceedings of World Business Research Conference, Hotel Novotel Xin Qiao, Beijing, China, June 11-13, 2015. <https://studylib.net/doc/13320687/proceedings-of-world-business-research-conference>.

³ International Labour Organization (ILO). 2019. "The Business Case for Change." https://www.ilo.org/wcmsp5/groups/public/-dgreports/-dcomm/-publ/documents/publication/wcms_700953.pdf.

⁴ The study simultaneously covered non-banking financial companies in India, which are not covered by this report.

⁵ ILO. Economic activity (International Standard Industrial Classification) 64 - Financial service activities, except insurance and pension funding.

⁶ Data based on workforce composition of surveyed banks in Nepal as of December 31, 2022; A 2022 article not associated with this research indicated women's representation in private commercial banks is 40 percent. Source: Pande, Sabin Jung, and Ayusha Chalise. 2022. "Women in Banking Leadership: A Grim Reality." The Farsight. <https://farsightnepal.com/news/65>.

⁷ Dhakal, Pabitra. (2021). "Board of Directors of 8 'A' Class Banks Void of Women." Nepal Press. <https://english.nepalpress.com/2021/03/26/board-of-directors-of-8-a-class-banks-lacking-women/>; Data collated from official websites of all commercial banks listed on Central Bank's website as of July 6, 2023.

⁸ All similar findings that report employee responses/perceptions are derived from the employee survey rolled out as part of the research effort, unless specified otherwise.

⁹ Data based on workforce composition of the surveyed banks in Nepal as of December 31, 2022; Women constitute 20 percent of middle management, 9 percent of senior management, and 16 percent of board-level positions in the banking sector in Nepal as per an article published in 2022. Source: Pande, Sabin Jung, and Ayusha Chalise. 2022. "Women in Banking Leadership: A Grim Reality." The Farsight. <https://farsightnepal.com/news/65>.

¹⁰ ILO. Economic activity (International Standard Industrial Classification) 64 - Financial service activities, except insurance and pension funding.

¹¹ Comparison based on ILO data available for latest year (Bangladesh, Nepal: 2017; Maldives: 2019; Sri Lanka: 2020; India, Bhutan: 2022).

¹² Data based on workforce composition of surveyed banks in Nepal as of December 31, 2022; A 2022 article not associated with this research indicated women's representation in private commercial banks is 40 percent. Source: Pande, Sabin Jung, and Ayusha Chalise. 2022. "Women in Banking Leadership: A Grim Reality." The Farsight. <https://farsightnepal.com/news/65>.

¹³ Data based on workforce composition of surveyed banks in Bangladesh and Sri Lanka as of December 31, 2022.

¹⁴ Data based on representation of women in new recruitments for the year 2022 in surveyed banks for respective countries. Industry-level data were not available for this.

¹⁵ The India phase of the study focused on non-banking financial companies. Hence, comparisons here and throughout in this report do not include India, except where secondary data are available. For more details, please refer the Methodology section in the multi-country report.

¹⁶ Data based on workforce composition of the surveyed banks in respective countries as of December 31, 2022.

¹⁷ Dhakal, Pabitra. (2021). "Board of Directors of 8 'A' Class Banks Void of Women." Nepal Press. <https://english.nepalpress.com/2021/03/26/board-of-directors-of-8-a-class-banks-lacking-women/>; Data collated from official websites of all commercial banks listed on Central Bank's website as of July 6, 2023. From our HR survey across 2020-22, two surveyed banks reported they had no women on their boards. Two other banks had one woman each on their five and eleven-member boards respectively, while one bank had two women on their five-member board.

¹⁸ Official Monetary and Financial Institutions Forum. 2022. "Gender Balance Index 2022." <https://www.omfif.org/wp-content/uploads/2022/04/GBI-2022.pdf>.

¹⁹ Deloitte. 2022. "Within Reach - Achieving Gender Balance in UK Banking Leadership." <https://www2.deloitte.com/us/en/insights/industry/financial-services/women-in-financial-services-leadership-roles.html>.

²⁰ Difference between men and women in terms of their aspiration in wanting to rise to a senior role is not statistically significant.

²¹ Data based on workforce composition of the surveyed banks in Nepal as of December 31, 2022.

²² ILO. 2021. "Labour Force Participation Rate by Sex, Age, and Marital Status (percent)." https://www.ilo.org/shinyapps/bulkexplorer25/?lang=en&id=EAP_DWAP_SEX_AGE_MTS_RT_A.

²³ *ibid.*

²⁴ *ibid.*

ENDNOTES

²⁵ Overall, 18 percent of female respondents indicate that their careers have been or will be impacted by childcare responsibilities. This is covered in more detail in section 2.3. However, the survey was only administered to current banking employees and did not cover individuals who may be on a career break and might have quit the industry, and hence the figures might be underreported.

²⁶ This also indicates the need for adequate paternity leave across industries, so that women bankers whose partners are employed in other industries can benefit. This will also benefit women professionals in other industries. The banking industry could lead the way by being an exemplar for other sectors.

²⁷ The difference between the responses of men and women is not statistically significant for a 95 percent confidence interval.

²⁸ *ibid.*

²⁹ *ibid.*

³⁰ As noted earlier in the report, the survey only captured responses from current employees. Individuals—especially women—who are on a career break or have quit the industry due to similar reasons (for example, care responsibilities) are not captured by the survey. Thus, the actual extent of the challenge may be higher.

³¹ In 2017, Nepal repealed a previous provision existing in the Labor Act that mandated provision of on-site childcare.

³² Correll, Shelley J., and Caroline Simard. 2016. "Research: Vague Feedback Is Holding Women Back." <https://hbr.org/2016/04/research-vague-feedback-is-holding-women-back>.

³³ Fiske, Susan T., and Steven L. Neuberg. 1990. "A Continuum of Impression Formation, from Category-based to Individuating Processes: Influences of Information and Motivation on Attention and Interpretation." *Advances in Experimental Social Psychology* 23: 1–74. <https://www.sciencedirect.com/science/article/abs/pii/S0065260108603172?via%3Dihub>.

³⁴ Higgins, E. Tory, and John A. Bargh. (1987). "Social Cognition and Social Perception." *Annual Review of Psychology* 38:369–425. <https://doi.org/10.1146/annurev.ps.38.020187.002101>.

³⁵ Schein, Virginia E. 1973. "The Relationship Between Sex Role Stereotypes and Requisite Management Characteristics." *Journal of Applied Psychology* 57: 95–100. <https://doi.org/10.1037/h0037128>.

³⁶ Bullying behavior at work is when an individual intentionally uses aggressive or unreasonable behavior or comments to hurt or isolate an employee; for example, through hurtful jokes, teasing, scolding or rude dismissal, yelling, or shouting.

³⁷ Coyle, Daniel. 2014. "Women's Insecurities and the Workplace in Nepal." <https://www.files.ethz.ch/isn/177981/womens-insecurities-and-the-workplace-in-nepal-high-res.pdf>.

³⁸ The difference between responses of men and women is not statistically significant for a 95 percent confidence interval.

³⁹ By definition, allies align themselves with disadvantaged or oppressed groups and recognize the need for further progress in the journey toward equality. For example, male allies actively confront inequality in interpersonal interactions and intervene to address the structural and institutional dimensions of inequality. Crucially, allies recognize their roles in potentially perpetuating the status quo. Source: Nash, Meredith, Ruby Grant, Robyn Moore, Tania Winzenberg. 2021. "Male Allyship in Institutional STEM Gender Equity Initiatives." *PLoS ONE* 16, no. 3: e0248373. <https://doi.org/10.1371/journal.pone.0248373>.

⁴⁰ The difference between responses of men and women is not statistically significant for a 95 percent confidence interval at senior-management level.

⁴¹ Interview with Zarin Daruwala, Chairperson of Standard Chartered Nepal. Retrieved from The Kathmandu Post.

⁴² Abbas, Anam, Aino Efraimsson, and Ashma Shrestha. 2019. "UN Women-led Training Boosts Gender Communications Across Agencies in Nepal." *UN Women*. <https://asiapacific.unwomen.org/en/news-and-events/stories/2019/09/un-women-led-training-boosts-gender-communications-across-agencies-in-nepal>



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