



MIND THE GAPS:

Getting more women into leadership in Vietnam's banking sector

Executive Summary



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2121 Pennsylvania Avenue, NW.

Washington, DC 20433

www.ifc.org

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This publication was developed as part of a partnership between IFC and SBV to get more women into leadership and management positions in Vietnam's banking sector. Data collection and analysis was a collaborative effort between IFC and Deloitte Vietnam. Overall research supervision was provided by Amy Luinstra and Sarah Twigg at IFC and Tho Nguyen, Partner at Deloitte Vietnam. Data collection and analysis for this report were undertaken by Hang Vu, Duong Le (IFC) and Phuong Nguyen, Thuy Nguyen, Thuy Anh Bui and Linh Vu (Deloitte Vietnam). The report was edited by Simon Drought and designed by RIO team under the guidance of Hang Vu and Samurghi Perera (IFC).

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Executive Summary

This report provides a snapshot of where women and men are employed in Vietnam's banking sector* and outlines opportunities to increase women's participation in leadership roles across the sector. It is based on the results of an online staff survey, completed by 39,094 employees from the State Bank of Vietnam (SBV) and 50 banks, and a human resources survey of the SBV and 17 commercial banks and policy banks. Deloitte Vietnam was commissioned to run the online employee survey and analyze the data from both surveys. With the initial findings, the research team conducted qualitative interviews with senior and middle managers at four banks to validate the findings and gain more insights for the study. All research was conducted between September 2021 and March 2022.

Women are strongly represented in Vietnam's banking sector, yet absent from many senior leadership positions

Women comprised 68 percent of employees at the 18 banks surveyed. However, women are overrepresented at entry level – where they account for 60 percent of the workforce, and underrepresented in senior (33 percent) and top-level (26 percent) management roles.

Women tend to be overly prominent in certain functions, including frontline roles as bank tellers or consultants at counters (73 percent) and in operations (69 percent), but less common in other areas such as information and technology and digital banking (27 percent).

Strikingly, women's participation in the banking sector declines after middle management, with a 21 percentage point drop in the share of women between middle management (54 percent) and senior management (33 percent). This is also reflected in terms of promotions. While there is almost parity among women and men in promotions into middle management, women represent fewer than one-third of promotions into senior management.

* In this report we use "commercial banks" as an umbrella term for state-owned, joint venture, and foreign-owned banks.

Leaders and employees recognize the business case for gender equality

More than 80 percent of survey respondents considered gender equality a competitive advantage for their organization, with senior and top managers the most likely to agree with this statement. Leaders recognize that promoting gender equality across all levels and roles will enhance the talent pool, internal and external affairs, as well as overall business quality.

“*As women are strongly represented in the banking sector, we consider gender equality a core part of our strategy that drives our competitiveness and productivity. At our bank, women have good qualifications, innovative thinking, and positively contribute to the bank's operations. Consequently, more women into leadership positions means better utilization of our human capital and better employee engagement. Once employees, especially women, see their contributions being recognized, they find the motivation to increase work efficiency, drive innovation, and more.*

– Top manager at a major commercial bank



All participating banks reported that gender diversity was part of their business strategy and core values, however, with varying degrees of implementation in practice. Despite this strong recognition, many banks do not know how or do not make an effort to create a more gender-equal workforce and leadership team. Some assume they have already achieved gender equality due to a high share of female employees. This suggests that more needs to be done to create awareness among the banking sector about the types of policies and practices that can help foster a stronger role for women in leadership.

Women generally have equal chances of being hired. However, they have less access to learning and development opportunities, with diminished prospects of being promoted as they increase in seniority

Almost nine-in-10 employees reported that women and men have an equal chance of being recruited by their organization. Despite these positive perceptions, the study suggests there are certain practices which may limit women's chances of being hired at participating banks. For example, 13 percent of women reported being asked during the recruitment process about their plan to have children, more than double the rate of men. Asking such questions implies that childbearing plans and potential childcare responsibilities might be factored into recruitment decisions that could potentially limit the probability of some women being hired.

Women at all levels reported less access to all forms of training, development and career advancement opportunities.

They were 10 percentage points less likely than men to confirm access to training and learning opportunities that would prepare them for their next role or access to career critical assignments. Employees at entry level or in non-managerial roles (referred to as 'staff' in our survey) were the least likely to report access to training or career critical assignments. Similarly, when it comes to mentoring, coaching and leadership development programs, around one-third of staff reported access to such development initiatives – with significantly lower participation by women (25 percent versus 37 percent of men). Participation in leadership development programs is notably absent for staff and junior managers, where two-thirds of female staff and almost half of female junior managers revealed that no such programs existed for their roles (as did 55 percent of male staff and 41 percent of male junior managers). These gaps underline that more needs to be done to ensure staff at all levels and in all roles can access training and career critical development they need to advance, with a particular focus on ensuring equal gender access.

Overall, women are less optimistic about their opportunities for equal advancement than men.

Women were less likely to report familiarity with promotion criteria and less optimistic about having equal opportunities for promotion into junior management positions such as team leader, product lead, deputy or head roles at branch or department level. While both sexes identified the same top three barriers to advancement – not being able to travel as frequently as needed, not being able to work long hours/overtime due to care responsibilities, and not being able to socialize after work – women identified these at a higher rate in all cases. These findings suggest a strong perception that employees must be prepared to travel frequently, work long hours and socialize regularly to progress in Vietnam's banking industry.

There is persistent gender bias on who makes a good leader

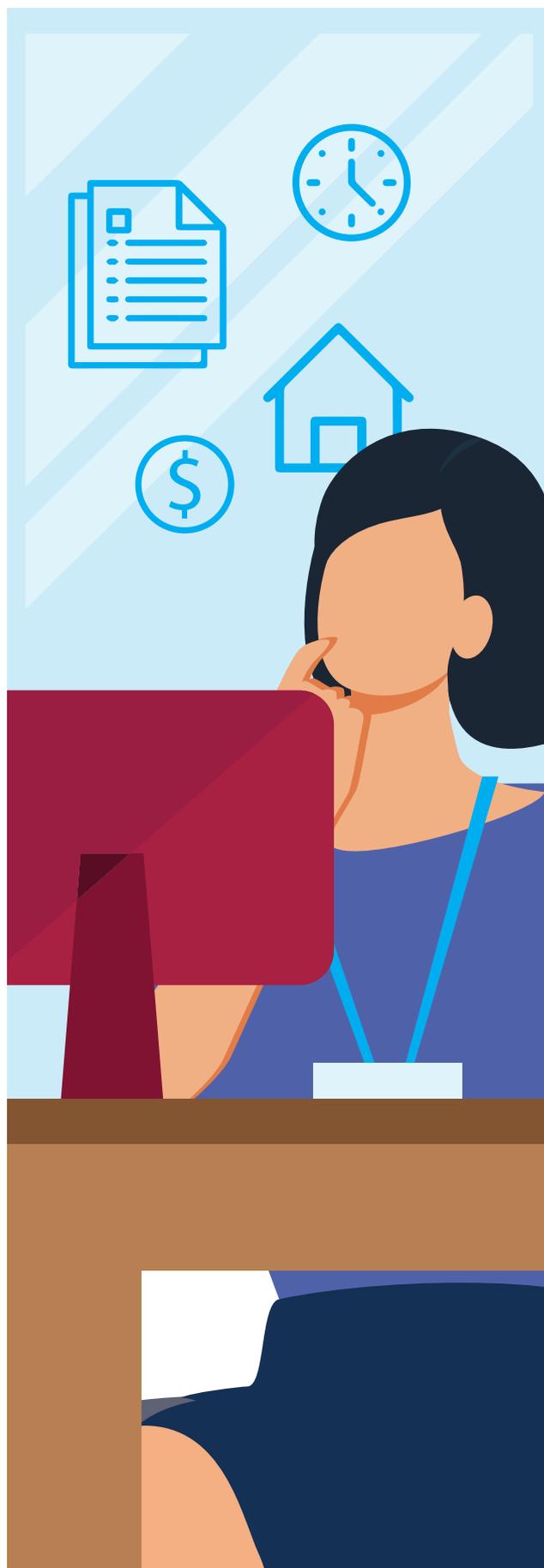
While approximately three-quarters of all respondents agreed that gender was not a factor in effective leadership, respondents were more likely to say that men were better leaders than women when asked more directly – with women 10 percentage points and men 20 percentage points more likely to hold this view. However, these respondents also highlighted the same key traits of top female and male leaders perceived as role models: self-confidence, vision, influence and problem-solving ability.

Women and men face challenges balancing work and family life

Better support for work-life balance was one of the top areas where female survey respondents wanted to see change. There was strong consensus among study participants that a high workload was a characteristic of Vietnam's banking sector. This negatively influenced the work-life balance of all employees, but with greater consequences for women who are also traditionally expected to take on the majority of childcare and household responsibilities. Women were less likely than men to report sufficient flexibility to balance work and life (63 percent of women and 71 percent of men), with the effects most pronounced among staff and junior managers.

Men take advantage of flexible work arrangements more than women

Sixteen of the participating banks reported having at least one flexible working scheme available for staff, and about 70 percent of respondents were aware of such arrangements. Women are less likely than men to be aware of such policies (68 percent of women versus 79 percent of men), according to the employee survey. Of those who responded to the question on flexible work, 90 percent reported using at least one form of flexible work arrangement, but some mentioned these options were only available during the COVID-19 pandemic. Interestingly, men are more likely than women to take advantage of flexible work arrangements, for example, flexi-time (75 percent of men compared to 55 percent of women), work from home (57 versus 35 percent), and flexi workstations (44 versus 17 percent). This may suggest that employees have been directed to utilize a certain form of flexibility rather than select the option that works best for their circumstances.





Women face discrimination in relation to childbearing

There is strong evidence from across all banks that women may face overt and unconscious discrimination due to childbearing and childcare responsibilities. Almost one-quarter of women and one-in-10 men have been asked about their childbearing plans at some point during their employment. Women were almost twice as likely as men to have been asked about childbearing plans in the context of a discussion on training or leadership development. Women in junior management were the most likely to face this question, likely reflecting their age bracket as the most common childbearing years. This is reflected by more than one-third of respondents who reported that having or planning to have children disadvantaged them at work and 34 percent of women and 28 percent of men who consider care responsibilities as one of the factors limiting their banking industry career. It is perhaps not surprising that 31 percent of women reported having considered postponing plans to have children due to potential detrimental impacts on their job.

Lack of support for women during pregnancy and post maternity leave may also limit women's career progression in the banking sector.

While all banks have policies in place to support women's return from maternity leave, results from the employee survey and in-depth focus group discussions suggest that women may be evaluated as having lower performance during pregnancy and after returning from maternity leave. Some women reported an implicit agreement with employers not to take maternity leave within the first one or two years of employment.

Banks can do more to ensure a safe and respectful work environment

More than 80 percent of respondents reported they felt safe at work. However, nearly one-in-five has witnessed bullying and one-in-10 has personally experienced bullying behaviors, with similar response rates among women and men. There was low overall reporting of experiencing or witnessing sexual harassment. All but one of the participating banks reported having anti-sexual harassment policies in place and 14 have implemented non-discrimination policies, which in most cases include mechanisms to encourage reporting of any incidents of harassment or discrimination. However, feedback suggests that in most cases, these mechanisms are not as effective as they could be or that employees are not aware of any reporting channel. Of those who experienced bullying or sexual harassment, most expected better responses from their banks. There is more to be done to reduce the impact of such behaviors and ensure a safe and respectful work environment for all.

Recommendations

Overall, positive steps towards gender equality have been taken by banks covered in this study. To further enhance this progress and help close the remaining gender gaps, the report sets out a series of recommendations focused on increasing the participation of women in senior and top leadership roles, as this is where gender gaps are the largest.

1 Demonstrate commitment to diversity and inclusion. While most banks included in this study reported gender equality as a strategic priority, few had taken practical steps to internalize or operationalize these commitments. There are several steps each bank can take to move gender from a high-level priority to becoming part of its DNA. These include:

- 1.1.** Analyze HR data on women and men in the organization and in leadership.
- 1.2.** Establish a diversity and inclusion strategy and implementation plan.
- 1.3.** Develop succession planning with a gender lens.
- 1.4.** Make public commitments on gender.
- 1.5.** Hold senior leaders accountable for driving gender equality outcomes.

2 Close gender gaps in access to learning and development opportunities. The study highlights several gender gaps in access to learning and development opportunities. By addressing these gaps, banks can ensure they have a pipeline of qualified and experienced women to take up senior leadership positions. The following activities can help close these gaps:

- 2.1.** Conduct a sex-disaggregated training needs assessment and design and deliver the training accordingly to meet participants' needs.
- 2.2.** Communicate clearly about training and development opportunities available for each role and for all levels.
- 2.3.** Communicate clearly about the criteria for promotion between grades.
- 2.4.** Conduct a regular review of all training and development programs.

3 Advance family-friendly practices and encourage more flexible work arrangements. Work-life balance is important to both women and men, however, it is more challenging for the former. Women also face widespread discrimination – overt and unconscious – based on childbearing and their primary role for caring for children and managing the household. Banks can take the following steps to address these gaps and create family-friendly workplaces where all employees can thrive:

- 3.1.** Adopt policies and practices to advance family-friendly workplaces.
- 3.2.** Prohibit mentioning of childbearing plans during recruitment, training or promotion discussions.
- 3.3.** Increase digitization of work processes.

4 Promote respectful workplaces. This research shows that workplace bullying and harassment occurs within participating banks. This can compromise the ability of banks to provide safe work environments for employees. To address workplace violence and harassment and its business impacts, banks can:

- 4.1.** Ensure leaders model respectful behavior and encourage employees to disclose workplace violence and harassment.
- 4.2.** Strengthen policies and procedures, especially those against workplace bullying and harassment. Introduce reporting and supporting mechanisms for employees.
- 4.3.** Raise employee awareness through training and information that challenges victim-blaming attitudes and encourages employees to disclose workplace bullying and harassment and seek support.
- 4.4.** Monitor and evaluate disclosures and responses. Policies and procedures should be periodically reviewed.



Contact information

East Asia and the Pacific

Amy Luinstra

Regional Lead

Gender and Economic Inclusion

Tel: +84 24 3937 8776

Email: aluinstra@ifc.org

Vietnam

Hang Vu

Operations Officer

Gender and Economic Inclusion

Tel: +84 24 3937 8749

Email: hvu5@ifc.org

Website: www.ifc.org/gender/EAP



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