



# International Recognition of NMB's Commitment in Advancing Gender Equality



## Company Insights

# NMB Bank: EDGE Gender Certification Helps Tanzania's Leading Bank Prioritize Actions to Close Gender Gaps and Deepen Workforce Equality

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**IFC**

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**N**MB, one of Tanzania's largest banks, stands out for its gender leadership in the financial sector. In October 2022, NMB became the first bank in Africa, and the first company in Sub-Saharan Africa to earn the prestigious certification from the Economic Dividends for Gender Equality (EDGE) Foundation.<sup>1</sup> Since 2011, EDGE has set the global standard for measuring gender equality in the workplace and guided companies on how to make improvements.

NMB's trailblazing accomplishment on the African continent follows on the bank's already significant positioning in the Tanzanian market on gender equality. For example, in 2020, Ruth Zaipuna, became the first Tanzanian, and the second woman to become an NMB Bank Chief Executive Officer (CEO).<sup>2</sup> This is remarkable in a global context where women CEOs in finance are very rare.

In 2022, The Boardroom Africa found that only a tiny fraction (4 percent) of publicly listed companies

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***The EDGE methodology has helped us to see multiple dimensions in our gender data. We understand where talent leakage is happening, and where our policies are not translating into effective practice and results. Armed with this information, we are now better targeting our interventions and we are keen to constantly evaluate progress against our targets.”***

**Ruth Zaipuna**  
CEO, NMB Bank Tanzania

across all sectors in Africa had a female CEO (The Boardroom Africa 2022). Further, a joint study by the Official Monetary and Financial Institutions Forum (OMFIF), the International Finance Corporation (IFC), the International Monetary Fund (IMF), and EDGE, found that globally, just 14 percent of banks are run by women (Ospina et al. 2022).

There is also strong evidence, globally, that having women in leadership positions and having a gender balanced organization contributes to greater profitability and innovation, and better risk management. However, in the financial sector, the higher one looks up the organizational ladder, the fewer the number of women (Ospina et al. 2022). As of December 2021, only 31 percent of NMB's senior leaders were women. Hence, to achieve gender balance in leadership, the bank sought ways to reduce its “leaks in the leadership pipeline” that were reducing the number of talented women who were climbing the ladder to the top of the Bank.

In 2019, the International Labour Organization (ILO) found that when companies are gender balanced (defined as 40 to 60 percent of either gender at all levels of the organization) the opportunities to welcome talented women into leadership positions are much greater (ILO 2019). Thus, to achieve gender balance at the leadership level, banks need to “invest in talent management policies and practices that secure a pipeline of female talent to fill senior positions (Ospina et al. 2022).” Financial institutions also need to make efforts to retain women once they reach the highest corporate positions.

<sup>1</sup> EDGE Certified Organizations | EDGE Certification (edge-cert.org) <https://www.edge-cert.org/certified-organizations>.

<sup>2</sup> See IFC's Leading Tanzanian Women in Financial Services report.



Positioning more women to take key leadership positions that influence profit and loss, and not just corporate support functions, requires a deliberate strategy. Frequently, a company's culture, policies, and practices create blind spots. These result in unseen, and often unintended hurdles, that women must overcome to advance in their careers. To better identify and understand such challenges and areas of opportunity, companies can conduct specialized gender-diagnostics.

In April 2019, NMB joined the IFC-led Finance2Equal (F2E) Tanzania initiative as the lead private sector partner. Through F2E, IFC worked with companies in the financial sector to increase women's participation as leaders, customers, entrepreneurs, and employers. IFC helped companies to strengthen career opportunities for women and to expand women's access to financial services.

In 2022, as part of its F2E commitments, NMB carried out the EDGE gender workplace diagnostic so that the bank's management could better understand the gender gaps in its workforce and prioritize actions to become a more gender equal organization. IFC, as an EDGE accredited licensing partner, facilitated the process.

The EDGE diagnostic is the leading global gender equality assessment methodology, and it has set the business certification standard for gender and intersectional equity. EDGE certification provides a valuable, public endorsement of a company's efforts to improve gender equality, but most importantly, it helps companies to identify gender gaps, and prioritize plans to address these.

As part of NMB's gender diagnostic, EDGE employed quantitative and qualitative methods to measure the processes and outcomes of five key drivers of workforce equality: (1) recruitment and promotion practices; (2) leadership development, training, and mentoring; (3) pay equity; (4) flexible working

arrangements; and (5) corporate culture. Based on the results of the diagnostic, NMB developed an action plan to address the gaps and allocated resources to address the challenges.

## Best Practices on the Journey to a More Equal Workplace

The EDGE diagnostic found that NMB already has effective policies and practices in most of the five categories listed above. The bank's culture of gender equality is driven by the CEO and flows down through the C-Suite (executive suite) and senior management, to the whole workforce. To assess progress, the CEO holds quarterly business reviews with the leadership team and quarterly townhall meetings with all the staff to assess progress. These meetings include a discussion about NMB's progress on the road to achieving its targets on women in leadership, gender equality, and diversity. In addition, Human Resources (HR) drives a culture transformation program that examines the extent to which NMB is making the bank a better place for both women and men to work.

NMB has key performance indicators (KPIs) that measure the extent to which the bank is attracting and retaining women on its staff and increasing the number of women in leadership roles. To assess progress in meeting NMB's target to increase the percentage of women employees from 31 to 35 percent by 2025, NMB uses sex-disaggregated workforce data to closely monitor progress. To achieve the goals of increasing the percentage of women on staff, as well as in leadership roles, the bank is supporting women's recruitment, professional development training, and promotions. HR's role is to ensure that both genders have access to equal opportunities at all stages of their career.

To ensure equal opportunity from the start, recruiters must provide the Head of HR with a short list of

candidates which shows that both genders will be interviewed. The Head of HR then approves or rejects the short list of candidates. For some senior positions, in a few instances, when all the applicants who met the minimum criteria were men, NMB sought women staff who met the minimum requirements and encouraged them to apply. Also, the bank upskilled women staff so that in future they would be qualified to fill the position.

To mitigate bias in the bank's interview process, although not an established policy yet, HR established processes that ensure that all the interview panels include at least one woman, and if possible, that the panels are gender balanced. To ensure accountability, the composition of the interview panels must be approved by the Head of HR. Similarly, a gender-inclusive committee determines which employees receive professional training scholarships.

For women who do not succeed in the interview process, HR provides each candidate with private post-interview feedback to explain what she did successfully and what she could improve. NMB also helps each woman to improve the skills and competencies that could enable her to succeed in future competitions.



*"We have open channels of discussion, conversation, and communication, which achieve more togetherness, and foster a culture of inclusivity and equity. We are also working to eliminate the fear that 'maybe I cannot go there or do that.'"*

**Hellen Dalali**  
NMB Vice Chair of the Diversity, Equity, and Inclusion (DE&I) Committee

<sup>3</sup> At EDGE, intersectional equity refers to the realization that assessing organizations solely on gender oversimplifies matters and excludes the richness of other diversity indicators. EDGEplus assesses a full diversity spectrum such as gender identity, sexual orientation, ethnic background and origin, age, abilities and disabilities, as well as nationality. See: <https://www.edge-cert.org/article/what-is-meant-by-intersectional-equity-and-why-does-it-matter/>

## Finding Opportunities to Close Gender Gaps with the EDGE Lens

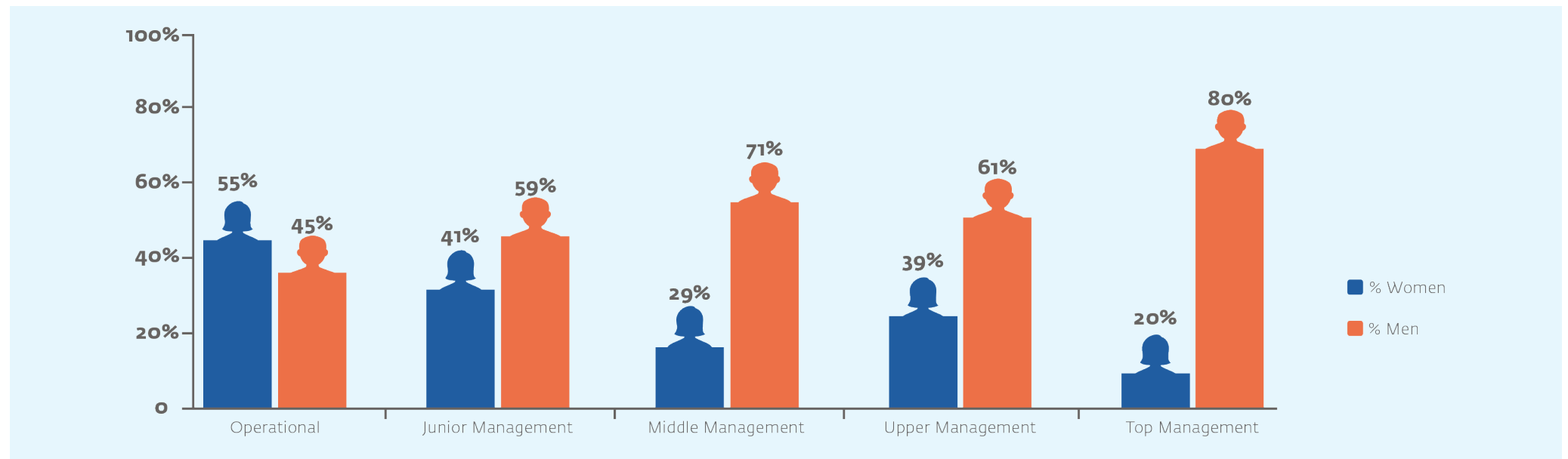
Even though NMB has been implementing several best practices to support women's professional advancement, the company saw value in having EDGE make a holistic assessment to identify gender gaps and explore how to bridge these. NMB also welcomed the opportunity to benchmark its progress against peers in the global finance industry.

The EDGE diagnostic found that NMB has achieved gender balance at the operational and junior management levels, however, gender gaps in representation start to emerge in middle, upper, and top management levels (Figure 1). Further, as is often the case in many sectors, more men than women hold core business and profit and loss roles at the junior, operational, middle management, and upper management levels.

Regarding NMB's policies and practices, the EDGE diagnostic found that the bank had effective approaches concerning anti-discrimination in recruitment and promotion, pay equity, access to leadership and training opportunities, flexible work, and childcare support, among others.

The EDGE diagnostic helped to identify a range of areas for improvement which the bank plans to address to accelerate progress towards achieving gender equity. For example, NMB will enhance access to training and mentorship opportunities for women, measure the effectiveness of leadership training, and strengthen accountability for gender diversity among managers. The bank will also conduct an institutional pay gap analysis annually and will increase transparency on pay and rewards. In compliance with EDGE's certification requirements, these actions have specific time frames and milestones, which are backed by a budget and resources to support implementation.

Figure 1: NMB's Gender Representation



Source: NMB 2022

In October 2022, NMB was certified at the EDGE Access level, and the bank's leaders made a strong commitment to close the remaining gender gaps in its workforce. NMB is the first bank in Africa, and the first institution in Sub-Saharan Africa to become EDGE certified. With its EDGE certification, NMB has now joined more than 200 large organizations that employ over 2.4 million people, in 50 countries, on five continents.

EDGE's rigorous certification process has helped NMB to identify gender gaps in the bank and prioritize impactful actions to overcome these challenges over the next two years, and beyond. By creating stronger policies and eliminating barriers to recruitment, promotion, and retention, NMB will strengthen the pipeline for women to rise to the upper echelons of the bank, while setting standards for other financial institutions to follow.

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*We are doing very well in lower-level roles, but looking up the ladder, we can see that men tend to be advancing faster than women. We are now consciously working toward greater inclusiveness because we know that having greater gender diversity in leadership will enable us to make better-quality decisions and increase our staff's level of engagement.*

*Thanks to the thorough analysis undertaken by EDGE, we have identified which areas we should focus on going forward. These actions are realistic and measurable, and they challenge us to deploy focused and well-designed interventions, which should achieve a well-balanced workforce, as well as enhance the bank's performance."*

**Emmanuel Akonaay**  
Chief Human Resources Officer

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# Company Insights

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