

## Making Glocalization Work at IFC

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*After joining IFC in the Middle East and North Africa corporate governance program last year, I have experienced glocalization in its truest essence. Wikipedia describes the phenomenon of glocalization as “the individual, group, division, unit, organization, and community which is willing and able to think globally and act locally.” At IFC, we have all the right ingredients to do just that. As a global organization with 181 member countries, IFC has field offices in 81 countries and professionals from more than 126 different countries. Different projects, programs, and departments are ideally positioned to optimize the resources and opportunities provided by IFC’s global organizational structure and culture. A few interdepartmental and interproject initiatives have successfully tapped these resources and created immense synergies. This SmartLesson discusses one such example and explains how the Pakistan Corporate Governance Project has attempted to make glocalization work.*

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### BACKGROUND

As a part of the MENA Corporate Governance Program, the PCGP is one of the few country-specific corporate governance projects. Since the project’s inception three years ago, the project team has focused on introducing corporate governance initiatives to the Pakistani corporate sector and engaging with local regulators, academia, and civil society, with a focus on improving corporate governance in the country. For example, the Securities and Exchange Commission of Pakistan introduced a Code of Corporate Governance in 2002. However, the commission was finding it difficult to gain support of the stakeholders in accepting and practicing this code when the PCGP was launched three years ago. Since then, the project team has engaged with various stakeholders in Pakistan to introduce the business case for corporate governance and has undergone a very steep learning curve in the process. The team is now confident about contributing its experience and expertise to other corporate governance initiatives across the MENA region.

Last year, I was given the opportunity to help coordinate two training events for microfinance institutions in the Maghreb region that were interested in improving their corporate governance practices. This was a collaborative initiative between IFC’s regional microfinance investment team and

the corporate governance program. The first was a workshop for MFIs based in Morocco and Tunisia that were undergoing or contemplating undergoing a transformation process whereby they would change from nongovernmental organizations to regulated deposit-taking institutions. The second event was an orientation workshop on corporate governance for directors of the largest MFI in Morocco. Both the events under this initiative were very successful, with a satisfaction rate of more than 85 percent, even though they were extremely challenging to arrange and conduct. The main challenges came from having to consolidate and address the various expectations that came from multiple stakeholders, both within IFC and from external clients. How did we do it? How can such events be conducted even more smoothly? We learned the following lessons along the way.

### LESSONS LEARNED

*1) What? Why? Where?—Managing the expectations of all stakeholders is crucial to the success of a glocal event.*

When you are using organizational resources from around the world and working with several teams simultaneously, it is very easy for things to fall between the cracks and get lost in translation. The stakeholders we worked with for the microfinance

events were the MENA microfinance advisory teams based in Dubai and Cairo; the corporate governance program manager based in Cairo; IFC's Rabat field office for logistical support; the corporate governance unit in Washington for French-speaking corporate governance experts; and the external clients for whom the training was being offered.

Initially, there were some communication lags, which resulted in delays with decision making, as there was a lot of back and forth in terms of what was being said and done. However, we quickly realized that what was missing from our planning, thereby contributing to the lack of progress, was a clear knowledge of each shareholder's expectations of these events. Clarity often emerges after people simply articulate their problems. Once we understood the problem, it was easier to address the issues head on. The PCGP team took the lead and came up with a draft of key issues that we thought should be addressed at these training events. We shared the document with all of our internal stakeholders, and this started the sort of interaction and feedback cycle that brought the inherent expectations of each stakeholder to the table. In addition, by communicating with our microfinance colleagues, we found that because they had previous working relationships with many of the institutions we were targeting, they were able to help us gauge our clients' expectations.

## *2) Huh? What are you saying?—Use technology for effective communication.*

Following the first lesson, we learned that communicating effectively was the really important lesson from our experience in arranging the two training sessions in Morocco. When the people involved in delivering an event are spread all around the globe in different time zones, communication becomes extremely challenging. As a key coordinator of the event, I remember asking my colleagues in Washington to call me at 11 p.m. Pakistan time. Taking the ownership of this event and a personal interest in ensuring its success kept me motivated enough to work beyond normal office hours and



Taking notes at the Directors' Orientation Workshop.

helped me learn the importance of communicating with my colleagues.

There is nothing more important than ensuring that you do not waste time in communicating. E-mails are great, but at times they can slow you down and you may not be able to get your point across in the first instance. For such cases, where things need to be discussed and deliberated, phone calls are a good solution; but, if possible, do videoconferencing. Being able to see your counterpart as you discuss matters is invaluable. The nonverbal communication that is lost in e-mails and phone calls helps in understanding what is being said much more easily and quickly. This is especially true for IFC. Because our colleagues are spread all over the world and in most cases English is not their first language, it is difficult to understand each other sometimes due to differences in accents, cultural context or professional backgrounds.

## *3) Who is in the driver's seat?—Depoliticize decision making and exploit the collective wisdom of the team.*

When conducting events that entail using resources from two or three different country offices and different departments, there may come a time when no one knows which team is in the driver's seat. This may be because of differing objectives of each



Lots of ideas after engaging with stakeholders...

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team, unstated biases, or executive hubris. In our experience with organizing the training sessions, we learned that decision-making processes should exploit the collective wisdom of the entire organization and beyond. A day after the first event, the team got together for a breakfast meeting to analyze its performance and make course corrections. The effectiveness of this process depended on getting buy-in of the entire team in fine-tuning our strategy for the second event. The team had developed a strong chemistry in a very short time—opening up channels of communication leading to an uninterrupted flow of ideas and suggestions for ways to optimize our performance for the next event, the Directors’ Orientation Workshop.

*4) Okay, now what?—Contingency planning is important, but being able to think on your feet is the key.*

Despite trying our best to anticipate and mold our training according to the clients’ needs, during the first half of the first day of training, we could easily sense that some in the audience had very specific corporate governance-related concerns; these participants did not want broad-brush training, but rather a more direct problem-solving session. While it is difficult to resolve one client’s specific issues in a forum where there are a number of clients present, we improvised on our original design. During the second half of the day, we created a small exercise where we asked representatives from the MFIs to write down five of their most pressing corporate governance problems. We then tried to find those issues that were common among all the participants and addressed those. The effect was twofold. First, it made the audience feel like they were being heard and that their issues were being addressed. Second, given the large number of common corporate governance problems each MFI had listed, the MFIs realized that their problems were not as unique or complex as they had initially perceived.

You can only do so much contingency planning, but when it comes to responding to the audience, be prepared to think on your feet and improvise. Gauging the audience's reaction and tinkering with the event's format accordingly, while the event is ongoing, needs some courage. If done correctly, however, the rewards are plentiful and lasting.

### *5) So, how was it?—The importance of timely follow-up.*

It is easy to feel relaxed and euphoric once the wrap-up session takes place and the audience leaves smiling and grateful for a day well spent. But we have to keep reminding ourselves that the job is not over yet. Given the nature of work we do at IFC, it's extremely crucial to keep the relationship with the clients alive. Timely “thank you for your participation” e-mails, follow-up on any further developments, and responses to any queries that have arisen during the event are all important to the ultimate success of any event.

## **CONCLUSION**

IFC provides us with a unique opportunity to create immense synergies in our work by working across borders, areas of specialization, and cultures. Tapping

into the global resources of the organization is extremely interesting and rewarding but, at the same time, challenging. The MENA corporate governance team is increasingly looking to work glocally. More and more of our events and new initiatives combine staff from two or more countries or another department within IFC. The benefits are twofold: not only do you create synergies this way, but you also accomplish more with less. The combination of these two factors makes globalization a key success factor in doing things the IFC way.

### **ABOUT THE AUTHOR**

Mahwesh Bilal Khan has been working for the Pakistan Corporate Governance Project as an Operations Analyst since April 2008. Before joining IFC, she worked for the Securities and Exchange Commission of Pakistan as an assistant director of the Project Management Unit, where her main responsibilities included overseeing corporate governance-related matters and reforms.

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