

Culture and people

Accelerated diversity and inclusion efforts by major banks



The Covid-19 pandemic has changed the global employment market in lasting ways. The ongoing economic downturn and lockdown restrictions have resulted in unprecedented employment loss – an impact that particularly impacted women. According to the UN’s International Labour Organization (ILO), in 2020 there were global employment losses of 114 million jobs relative to 2019 – an unprecedented figure. These losses were higher for women (5 percent) than for men (3.9 percent).

Moving forward, it is important that banks lead the charge in promoting gender diversity. Saudi Arabia has sharply changed in the last five years from being viewed as a limiting environment for women to becoming a leader in the conversation about gender equality. It should be expected that banks – some of the Kingdom’s largest, most international institutions – reflect this shifting reality. In addition, consumers are increasingly conscious about which institutions they give their business to and are choosing to bank with companies that have strong purpose-driven agendas and gender diversity.

W20 in the Kingdom

The annual G20 summit was held in the Kingdom last year, as well as the accompanying Women 20 (W20). W20 is one of the policy recommendation engagement groups of the G20, and aims to ensure that gender considerations are mainstreamed into G20 discussions and translate into the G20 Leaders’ Declaration as policies and commitments that foster gender equality and women’s economic empowerment. Through a broad dialogue facilitated by digital tools, expert meetings, roundtables and the

final summit, W20 delegates jointly formulate concrete actionable policy recommendations to advance gender equality in G20 negotiations.

Every year, the W20 develops and addresses to the G20 Leaders a communique which contains a series of actionable policy recommendations aimed at fostering gender equality and women’s economic empowerment. The W20 communique produced in Saudi Arabia had two main focuses: gender-centric measures to expedite the economic recovery and measures for the long-term economic empowerment

of women, and as actionable recommendation it added that, in partnership with public and private financial institutions and banks, innovative and easily accessible digital financial products should be developed to increase women’s access to financial services.

For its part, KPMG partnered with W20 and its host organization AlNahda Society for the summit in Saudi Arabia. KPMG is strongly aligned with Vision 2030 and the United Nations Sustainable Development Goals, especially number five aiming at ‘achieving gender equality and empowerment to all women and girls.’ As pioneers



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in hiring women, KPMG in Saudi Arabia recruited its first female employee in 2007 and appointed the first female partner in 2017.

Changing culture

Women in Saudi Arabia are playing a major factor in the future success of Vision 2030. The government's broad program of gender reforms has received international recognition, including its first ranking in the GCC and second in the Arab world in the World Bank Business and Law Report (2020) for twelve regulations pertaining to women. Examples of new laws include gender discrimination protection in employment and accessing financial services and an equalization of the retirement age for men and women to 60 years – prolonging women's employment duration, earnings, and contributions.

Such regulatory changes have translated into real results for women's employment. Indeed, according to the Saudi Arabia General Authority for Statistics, women's labor force participation rate increased from 19 percent in 2016 to 25 percent by the end of 2019, and their overall employment rose by around 9 percent during the same period.

According to KPMG's recent Female Leaders Outlook in Saudi Arabia, 23% of female leaders surveyed cited quotas for female leadership as a factor for their future success – double the figure of global female leaders. This indicates that leaders really believe in the Kingdom's regulatory efforts to encourage gender diversity. However, quotas are were cited behind an active personal network (50%), support from mentor/current boss (46%),

and strong communication skills (27%) as factors for personal success.

Getting back on track

In Saudi Arabia, the economic downturn paired with a sharp decrease in oil prices threatens gender diversity progress that has been made to date. Women in the Kingdom started coming into the workforce more recently than the men competing for the same positions.

Banks, however, are particularly well-suited to help women enter or get back into jobs, according to Rania Nashar, former CEO of Samba Financial Group and current Senior Advisor to the Governor of the Public Investment Fund (PIF).

"Given these challenges, Samba and other banks in Saudi Arabia have, wherever possible, sought to provide greater employment flexibility to their female employees," Nashar said. "This has primarily been done through greater working from home opportunities for women employees, particularly those with young children/families."

Nashar said that Samba and other banks will and should continue to use employment flexibility as a way to attract more women to their workforces after the pandemic.

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“Samba has been at the forefront of gender diversity in Saudi Arabia,” Rania Nashar said of the company she helmed. “This is driven by our belief that a diverse workforce enhances the performance of an organisation, as well as the quality of decision-making within it.”

Samba uses a “bottom-up” approach to increasing female representation, which spans all layers of its organization, from its branch network to its corporate HQ. “Over time, we hope that this greater pool of female employees will give us greater scope to choose our future leaders from,” Nashar said.

Gender inclusion for business success

Especially in this moment of lower profits for banks in Saudi Arabia, managers will be looking for factors that will increase productivity and contribute to business success. One factor can be gender inclusion, especially at the management- or board-level. With more women in decision-making roles, a diversity of opinion is brought to a firm, allowing for better decisions and a broader picture of customer and employee desires.

Female leaders in Saudi Arabia and globally feel that there is much progress to be made to

increase the involvement of women in high-level decisions. Eighty percent of Saudi and 92% of global female leaders admit that we are still a long way from gender diverse boards and management teams according to the Saudi Arabia Female Leaders Outlook.

A holistic approach is needed

In the end, cultural change may be the biggest factor in translating gender diversity into enhanced business success – ahead of legal changes or mandated gender quotas. A Harvard Business School (HBS) study of 1,069 leading firms across 35 countries and 24 industries found that “gender diversity relates to more productive companies, as measured by market value and revenue, only in contexts where gender diversity is viewed as ‘normatively’ accepted.”¹

The HBS study found that, for example, in the telecommunication industry in Western Europe (historically a gender-inclusive region), the percentage of women employees was “significantly tied to a company’s market value.” Comparatively, in the energy sector in the Middle East (historically not a gender-inclusive region), gender diversity was “unrelated to company performance.”

Saudi Arabia has proven itself to be a regional leader in gender diversity measures in the eyes of international institutions. We are expecting to see more guidelines supporting female participation in

leadership positions; in December 2020 an MOU was signed between the Ministry of Human Resources and Social Development and CMA to support and promote the presence of women on the boards of directors of companies listed in the capital market. It is through concerted effort – on an individual-, company-, and country-scale – that gender diversity will yield business success in the banking sector and beyond.



Kholoud Mousa
Partner and Head of Inclusion & Diversity
KPMG in Saudi Arabia

Kholoud Mousa is the first female Saudi Partner in Saudi Arabia and was also the first Saudi woman licensed to practice as a certified public accountant in the Kingdom. She has 21 years of audit and advisory experience across various industries and is a certified family business governance advisor. In 2019, she was named as one of the leading 20 Saudi Women in Finance, Economy, and Commerce.



¹https://www.hbs.edu/faculty/Publication%20Files/An%20Institutional%20Approach%20to%20Gender%20Diversity%20and%20Firm%20Performance_4c0479f3-9d13-4af8-82da-7f1713af940d.pdf