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Raising the profile of women's participation in finance

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GENDER issues are topical and trending and the women folks are raising the bar with campaigns and greater participation in knowledge-based skills that equip them to take on the challenge. But the Association of Chartered Certified Accountants (ACCA), a global finance and accounting body, said that its diversity concept, which is intrinsic in all its operations, is a tool to overcoming the challenge.

For ACCA, diversity is an issue synonymous with it. "Firstly, because our membership is the most diverse of any international accountancy body. We have more than half a million members and students in 170 countries bringing with them a multitude of socio-economic, ethnic and cultural experiences. Our raison d'etre when we were founded more than 100 years ago was to give opportunity to people of talent and application whatever their background – and we really believe in the value that diversity brings.

"Secondly, on the gender issue, 45 per cent of our members and half our student intake are female. Given the rate at which the proportion of students is changing – many have said that the future of finance is female."

Brand, who lamented that despite its contributions, women account for only 20 per cent of the most senior posts held in finance, hence there is a great deal to work to enable the thousands of young women entering the accountancy profession to fulfill their potential and meet their aspirations.

To the association diversity is not simply about gender, but organizations need to ensure they address equal opportunities in all areas like cultures, diversity of skills and experiences, diversity of ideas and business perspectives that help create and drive great finance functions and deliver enhanced business performance. As a body, which qualifies finance professionals, we are committed to playing our part in ensuring the maximization of the finance function.

She noted that ACCA works to ensure that all its students, trainees and members – women and men, gain a breadth and depth of skill sets through the ACCA qualifications. "This complete skill set, which employers around the world overwhelmingly tell us they want, strengthens both male and female members in their finance functions, enabling them to deliver enhanced value and adapt to the changing needs of the business.

"We have put diversity to the top of our agenda. It is one of the main pillars of our research and insights programme, which represents our thought leadership on key issues of the day and of the near future. We have carried out several research projects on various aspects of diversity and the finance function. We have seen in the UK and Europe considerable political concern at the lack of women in the boardroom. Since the Davies report came out over two years ago, with its aim of achieving a 25 per cent figure of women in FTSE boardrooms, there have been reports that nearly half of new appointments have been female.

“ACCA hopes that this continues as an alternative to going down the quota route as the European Vice-President has pledged. We don’t believe in quotas since it could be seen as resulting in tokenism, in bitterness and to ensure organization can claim they are ticking all the right boxes – which serves no useful purpose. We want to see businesses recognizing the positive reasons for diversity. Quite simply, diversity is a critical component of capability. You want to employ the best people in finance and the best people simply are not defined along some set of homogenous criteria. So, diversity is a positive thing and capability is at the heart of the story.”

The Deputy Country Head, Nigeria, Deutsche Bank, Mrs. Adeola Azeez, who spoke on the barriers faced by women in the corporate world, also proffered possible solutions on how to overcome them.

For Azeez, who doubles as chair, Women in Management, Business and Public Service, success is hinged on sticking with a vision and having the foresight to reassess that vision when and where necessary. “Like many who have or will, I personally faced challenges to get to where I am today- juggle my career, my role as a mother and as wife. We all know, that women have issues- we don’t network well; not assertive; don’t fight for game changing roles; have fewer sponsors who are willing to use corporate capital to advocate for us; suffer from low self esteem; short-change ourselves as wives and mothers; don’t prioritize, among other things. It is undeniable that there are challenges unique to women in the corporate world, but how we face these challenges as individuals that matter. So, let’s talk about the personality traits we need to develop.

She noted that women sometimes are afraid of their own abilities and at other times, arrogant and aggressive in an effort to be confident. “However confidence is none of those things. It is simply an inner assurance of your own proven capabilities. Confidence takes your abilities to the level of recognition. So, build your self-esteem. Whether you’re speaking the queens or broken English, be eloquent in your delivery and comport yourself with elegance at all times. A smile goes a long way. Whoever it is you encounter during your day, put up a smile. We are Africans and this is our way.

“Polish your communications skills for effective communicators make things happen. It’s just not about being able to get a message across, its how you do it and the feeling you incite in other people during the process. Create a reputation of being personable and professional; these are the kind of women people want to work with and for.

“Technology is key in today’s world. Women should continually be honing their skills and allow themselves to be more tech savvy, allowing them to compete on the same level as everyone else. Have defined values, strength of character and a thirst for knowledge. Women should strive to continually educate themselves. Professional development and accredited skills give you credibility, flexibility and power. It is an essential tool when negotiating salary and career advancements.

“Join professional organizations to develop your skills and keep up to speed with changes in your field, be visible by leaving a mark, play to your strengths and know your weakness, be flexible, be a team player. Men often view their jobs as vehicles for advancement and opportunities to make connections with people who can help them succeed. They tend to look at the bigger picture making connections. However women make connections with often less strategic purposes in mind. It’s time to flip the script,” Azeez added.

Brand also noted that some researches have suggested that companies with more women on the boards outperformed rivals with 42 per cent higher returns in sales, 66 per cent higher returns on capital and 53 per cent returns on equity. In essence, a financial qualification or a background which demonstrates substantial financial acumen are seen as catalysts for women getting onto the boards of FTSE companies.

The report showed that proportionally, women appear more successful in attaining executive roles where they have a financial background: 45 per cent of female executive directors are financially qualified and 65 per cent in total have a financial background, while 26 per cent of their male colleagues are financially qualified and 44 per cent have a financial background.

Perhaps, the most important thing from the research was that networking was mentioned a lot by respondents. Many of the respondents said that women needed to build their networks, use their social connections and use their financial acumen to progress their careers. “And for me this is an important element of today’s event. You need to take every possible opportunity, including today, to stretch and develop your social and work connections, to share experiences about your careers and your aspirations.

“ACCA has also carried out other studies into diversity and the finance function and I would like to turn briefly to these now. Given that we are a global organisation, ACCA organised a series of roundtables with the Economic and Social Research Council, which involved experts in London, Shanghai and Delhi. These roundtables underlined the importance of leaders setting the tone from the top in harnessing the strengths for business growth and innovation around the world. The expert panels also discussed the need to train managers in how to bring out the diverse strengths and viewpoints of people in their teams. An important attribute for leaders today and in the future is cultural intelligence.”

According to Brand, in the knowledge economy, it’s the skills, knowledge and ideas that people bring to businesses which create competitive advantage. “It’s about people’s capability and that is as true for finance as it is for business at large,” she added.

We have also issued a recent report called, ‘Building a better business through finance diversity’, which examined a number of leading global companies.

“Every Chief Financial Officer (CFO) I have spoken to essentially has three goals for their finance function, they want to reduce cost and improve finance processing efficiency, they want to ensure appropriate control and compliance and they want finance to be a more effective partner to the business to help drive and create value.

“CFO today is now taking greater responsibility for activities outside of the finance function – from governance and regulation, strategy, custodian responsibilities, finance operations, through to business partnering and analytical support. They need to deal with an increasing range of internal and external stakeholders – tax authorities, auditors, government regulators, investment authorities, pension advisers, banks, CSR groups, consultancies, supplier, customers, logistics partners, among other things.”

She explained that the evolving role and career paths of the CFO, means the skills and capabilities that CFOs need to bring are very different and much wider than pure financial experience and acumen. And they will need diverse international and cultural experience as we move to an increasingly global finance function. “So, the skills requirements of finance are completely changing. We know it’s not enough just to have the technical skills. Finance

also needs the enabling skills to make use of those technical skills and go out to the business and wider – the communication, negotiation, influencing skills. It's about inculcating finance people with the right behaviours and creating a culture in finance, which is positive and which actually is very service orientated.

"By bringing in individuals from different backgrounds, sectors, experiences, and careers, finance leaders can bring a mix of different skills to their team. Working effectively with human resources is crucial and recruitment policies must be effective and engaging.

EVERY financial system has its own regulations governing activities, irrespective of other external and internal influences bordering on bilateral relations, foreign portfolio inflows, international laws, culture, literacy and economic development levels, among others. All of these combined form the rules and regulations, which invariably determine what morals and ethics are. Suffice it to say that even these dynamics are usually articulated, at least, to a certain degree, in the regulations.

But there are questions overhang: Are morals and ethics just personal awareness and codes? Is it noble to imbibe them? Are there benefits? Are there real reasons to involve morals and ethics in business? Indeed, a mere knowledge does not in totality guarantee adherence, except through personal will. This is where the need to imbibe the "spirit" of the codes and not only the words of the codes plays off. Again, this would require efforts of individuals and groups.

The current financial system's re-engineering in the country "speaks" more of violations of these morals and ethics and the manifest dangers, which were accentuated in pretense that all was well, when in reality, nothing was a semblance of well. At the onset of the reforms, it was discovered that corporate governance codes, which were written in "black and white" were grossly abused, if not abandoned in its entirety. The result was a near collapse of the financial system and the consequences are yet to be settled even now. As at now, banks are still making provisions for the bad portfolios that resulted from the neglect of the morals and ethics years after.

Before now, the abuse of these codes, even in the financial system aided money laundering activities, which eventually brought some uncomplimentary designation to the country. No doubt, the financial system benefitted from the rot at the beginning, until what seemed like nemesis turned up. At least, at a point, Nigerian banks were subjected to several procedures and protocols before they can transfer money outside the country or do transactions with their foreign counterparts. Beside reputation, there is certainly a lost business in that regime and that was not a healthy development for the economy.

Of course, money laundering is facilitated majorly by the financial system. Perhaps, it is the reason for the insistence of the Financial Action Task Force (FATF) to audit the banking activities and what could possibly be a test of their adherence to morals and ethics in relation to money laundering rules.

Should the individuals and groups be prodded and monitored to uphold the principles of morals and ethical behaviours? For our experience as a nation so far, it is worthwhile that these codes be assimilated as though a personal trait. Evidently, the prevailing attitude is that of cooperation when the taskmaster is around and lip service when kept at bay. But the repercussions have always been detrimental and lessons forgotten after the initial pains. Why would the banks need reminder to do what they are expected to do or ethical.

Recently, indications emerged that the impending visit of Financial Action Task Force (FATF), which listed Nigeria in its grey book, elicited directives from the Central Bank of Nigeria (CBN) to banks over the state of their records and some oversight functions in their operations. The governor of the apex bank, Mallam Sanusi Lamido Sanusi, had at a conference recently, hinted that the bank would soon carryout an audit of senior officials of banks at chief levels, to ascertain their qualifications for those positions, noting that there are rules governing those positions. There were palpable fears that some in those positions may become casualties due to qualification challenges. But the same issue may have topped the agenda of FATF audit. So, why would banks allow this to happen, even for a long time, knowing the rules governing the appointment? On the other hand, why would the individual fail to develop self or the bank fail to develop the individual, knowing what is required in terms of qualification?

On July 10, CBN notified banks and other financial institutions in a circular about the proposed visit of the International Cooperation Review Group (ICRG), an arm of FATF, by September this year. The body in 2009 placed the country among the grey list of nations that had not made significant progress in their Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regime. But, in another circular dated July 18, 2013, to banks, discount houses and development banks, the apex bank noted that some of these financial institutions do not have substantive Chief Compliance Officer (CCO), while those in the position were in acting capacity for a long period of time, which negates the importance of the office. To all intents and purpose, the scenario can easily be adjudged as a calculated move by the defaulting banks to achieve whatever they want to achieve. This is again where the issue of adherence to ethics is called to question.

The Acting Director of Financial Policy and Regulation Department, I.T. Nwaoha, had explained that the directive to the affected institutions to appoint the CCOs, not below the grade of a General Manager, was to, among other things, enforce the provisions of the relevant Acts and circulars on money laundering at various levels of the banks. Here again, if the course (anti-money laundering) is being fought together with the financial institutions, is not morally right for them to comply without being monitored and prodded?

Note that Section 9(1) of the Money Laundering Prohibition Act 2011, as amended, required banks to designate, at management level, CCOs in their head offices and branches, who have relevant competence, authority and independence to implement the banks' AML/CFT compliance programme. By this Act, which governs the operations of the industry as respects money laundering, moral and ethical issues can be extracted and defaulting financial institutions are culpable. They cannot claim ignorance of this Act and have no excuse not to comply because there many qualified unemployed candidates to fill that gap.

While the fight to pull out the country's name on the list is ongoing as CBN affirmed, based on the discussions at Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) plenary meetings in May and FATF Public Statement in June, it was agreed that Nigeria had largely addressed its action plan and improved its overall supervisory AML/CFT framework. But as a confirmation, FATF's ICRG insisted and scheduled to conduct an on-site auditing in Nigeria by September to ascertain the claims on the processes of implementing the required reforms and actions that are underway to address the identified challenges. The group's audit will also evaluate both public and private sector institutions' implementation framework, while a favourable report from the auditing will enhance Nigeria chances of exiting the uncomplimentary grey list.

Against this backdrop, the apex bank has the institutions in its purview to forward the particulars of the current CCOs and letters of approval of same, obtained from Banking Supervision Department of CBN, to the Financial Policy and Regulation Department later than August 1. The financial institutions are also urged to display AML/CFT notice in their banking halls; make available actual implementation and documentation of customer identification, verification requirements, customer due diligence, among others. They should also make available evidence of various trainings conducted for staff on AML/CFT issues, evidences of record keeping for a minimum of five years after severance of relationship with customers, appointment of CCOs, stating clearly their level, functions and support staff and availability of AML/CFT manual.

The puzzle is still ongoing. Are banks going to comply because of the impending "August visit," and return to status quo when the exercise is over. But it is also possible that we would be exonerated this time around by putting up all manners arrangements and cover ahead of the visit and be reversed within a short while if we fail to solidify the structure now. We are talking about the understanding of the reason for the codes or ethics, not merely the codes.

Are there financial systems where these codes are really working? Though it may not be perfect anywhere, but the much that are maintained have sustained those systems from being listed in the grey book. Certainly, not all the countries in the world are in that grey list and the success cannot be separated from their ability to carve a niche for themselves in adherence to ethical standards. Individual morals would also have been above the average and it is possible in Nigeria.