

Women's Leadership in Mexican Credit Unions: A Study of Barriers and Opportunities

This FIELD Brief is part of a series produced by the Financial Integration, Economic Leveraging and Broad-Based Dissemination (FIELD)-Support Program. This brief discusses World Council's recent study, which explores the obstacles to women's leadership in Mexican credit unions. This brief was written by the World Council for Credit Unions.

Managed by FHI 360, FIELD-Support represents a consortium of organizations committed to advancing the state-of-the-practice of microfinance and microenterprise development through innovation, learning and exploration. FIELD Briefs support this by sharing what we have learned and fostering dialogue on key issues. This document was made possible with the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government. For more, visit www.microlinks.org/field-support.

Introduction

Over the last 20 years, World Council has had success with the introduction of women-responsive products in credit unions. The microfinance industry has seen increases in women's membership, accumulation of savings, and access to loans. Credit unions have learned that it is profitable to introduce working capital, agricultural, and cash management loans which provide greater flexibility in mobility, repayment periods, and geographic access for women. Yet, these

organizations do not experience women rising in management or leadership positions in the same proportion as men.

Women are under-represented in leadership positions and can be better mobilized to further global well-being. The advancement of women's leadership increases the capability of women to influence decision-making in their organizations. Credit unions that more effectively leverage all of their human resources will provide better service to their members, while increasing the ability of women to drive economic development in their communities.

In 2009, World Council established the Global Women's Leadership Network, engaging women from more than 35 countries. The Network advances credit union women in leadership and supports development activities that expand credit union services to women. This study furthers the work of the Network.

In 2013, World Council conducted a study under the FIELD-Support LWA to determine the prevalence of women in leadership positions in Mexican credit unions and to identify patterns of obstacles and attributes from their case histories. By identifying and addressing leadership constraints, the study seeks to stimulate and support greater development of women into management and leadership roles in the credit union system.



The findings of this study, presented in this Brief, indicate that women occupy administrative and mid-level management positions and their leadership is more prevalent in small- and mid-sized credit unions (rather than in large organizations). By gaining insights into the obstacles and attributes of leaders in the Mexican credit union sector, World Council can develop strategies to give women tools to become influential and impactful leaders in their credit unions.

Methodology

The study was carried out in Mexico, where there is an active microfinance industry involving various types of financial institutions, including credit unions. World Council has been operating in Mexico for over 10 years, and is currently working with 39 credit unions under BANSEFI'S¹ PATMIR² project; 31 of these 39 credit unions participated in the study.

World Council implemented a baseline census to gather comparative gender information on the frequency of middle level and senior management participation as well as Board of Directors participation for comparative credit union sizes. A total of 216 surveys were applied to 110 men and 106 women holding management and Board of Director positions. Qualitative research was also conducted through interviews with 18 individuals, including 10 male and 8 female credit union CEOs and members of the Board of Directors, including supervisory committee members.

The sample is not meant to be representative of the complete Mexican credit union system. The study evaluated responses from credit unions affiliated with World Council's BANSEFI-funded development project. These institutions have received significant technical support from World Council, and the on-going training and input received may have expanded their perspectives on broader global issues, such as diversity and gender inclusion. The survey tools were created by an academic researcher from the U.S. with input from Mexican researchers, and questions were designed to be adaptable across cultures. Some incongruities may exist. Leadership status, attributes, and obstacles are based on self-reported information by the organizations' employees and Board members rather than observed directly by researchers.

Women's Leadership in Mexico

According to a recent survey conducted by McKinsey in Latin America, “[g]ender diversity is gaining ground..., yet women in the region are still greatly underrepresented in top management—even though they are more likely than men to say they want to advance their careers.”³ Compared to private companies in other Latin American countries where women occupy 8% of executive committee seats and 5% of Board seats, Mexican companies have one of the smallest shares of women on executive committees.⁴ There are currently no female CEOs in Mexico's largest companies. Women occupy only 6% of Board seats and only one is chaired by a woman.⁵ Unfortunately, there is a lack of reliable data on women in leadership positions in the Mexican credit union sector.

¹ Banco del Ahorro Nacional y Servicios Financieros.

² Proyecto de Asistencia Técnica al Microfinanciamiento Rural.

³ McKinsey & Company, *Why Top Management Eludes Women in Latin America*, McKinsey Global Survey results, 2013.

⁴ Ibid.

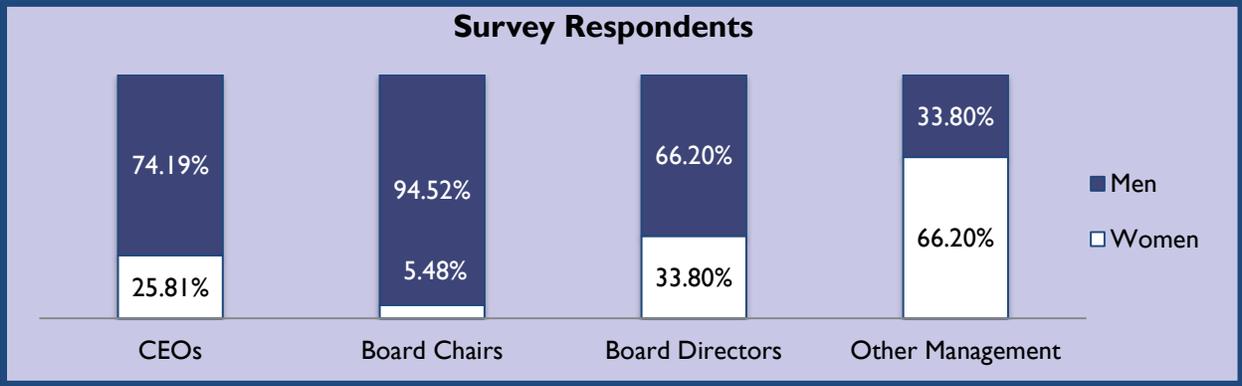
⁵ Data from GMI Ratings in *In Mexico and Around the Globe Women are Moving into Senior Leadership Positions*, <http://www.forbes.com/sites/nathanielparishflannery/2012/03/26/in-mexico-and-around-the-globe-women-are-moving-into-senior-leadership-positions/>

Research Findings

Gender Composition in Leadership

The study revealed that gender composition is correlated to institutional asset size. Small- and mid-sized organizations have a higher prevalence of women leaders, whereas larger institutions have fewer women in leadership roles. Of the 10 credit unions surveyed with more than MXN \$500 million (about USD \$38.3 million) in assets, only one is led by a female CEO and just four have female Board Chairs. The other female-led credit unions were significantly smaller, ranging in assets between MXN \$44 million to \$159 million (approximately US \$3.4 to \$12.2 million).⁶

When evaluating the composition of credit unions at the organizational level, genders are equally represented. At the top-tier decision-making positions, however, gender differences arise, illustrated in the graphic below. There are significantly higher percentages of men occupying CEO and Board Chair positions. Of the 31 credit unions in the study, only eight, or 25.8%, had a female CEO. One institution had no female leaders at any level. At the Board level, women comprise just 5.5% of Board Chairs; there were only four female Chairs of the 73 directors surveyed.



The questionnaire also revealed that women desire to occupy formal leadership positions in greater numbers than their actual occupation of such positions. The majority of female respondents currently participates in senior management and serves as volunteer Board members. Yet, 71% of women surveyed indicated that they would like to participate in higher levels of leadership.

Defining the Problem

During interviews, women and men emphasized the gender neutrality of their organizations. Respondents stated that all new hire and Board member candidates are given equal opportunities for involvement and advancement. They highlighted the unbiased working conditions that are afforded to all employees. Interviewees, regardless of gender, believe that women (more commonly than men) simply make the personal choice not to get involved at the highest levels of leadership.

⁶ The “Asset Size of Respondent Credit Unions” graph has omitted the two largest outlying credit unions to better illustrate the gender difference. One has MXN \$25.19 million in assets and has a male CEO. The other has MXN \$1.52 million in assets and has a female CEO.

As mentioned above, 71% of women surveyed indicated that they would like to participate in higher levels of leadership, yet men and women interviewees state that women choose not to take the necessary steps for advancement. Why not?

Obstacles to Leadership

The “Act to Regulate the Activities of Savings and Credit Cooperatives” mandates that all Mexican credit unions are regulated. The law requires that credit union management and Board members comply with education and training requirements. As a result, lower level formal education and technical abilities pose an obstacle to higher levels of leadership, such as CEO and director positions. Therefore, there are greater opportunities for leadership within smaller credit unions.

Although education and training obstacles are not gender specific, interviewees noted that this often affects women. Women generally have less formal education, particularly in rural areas of Mexico. If a credit union offers off-site training and travel is required, it can be more difficult for women to participate as they would have to be away from their homes. Positions that require unstructured work hours, frequent travel, and long, time-consuming activities necessitate flexible schedules. These can be challenging for women with competing family responsibilities. Because smaller credit unions have fewer regulatory and educational requirements, women fill more leadership roles in small- to mid-sized credit unions.

“In some remote places, there are no training centers or universities. Anyone the cooperative sends away for training must be willing and able to take the time.”

–CEO, female

Larger credit unions offer employment advantages for administrative and middle management positions. These institutions require a greater number of staff, offer more well-defined positions, and have more structured working hours. Position changes can be accommodated to provide greater employee security (e.g., moving women out of rural areas where they are more frequently targeted for robbery and abuse). Women who have to care for family members appreciate broader opportunities for mobility. Despite such benefits, it is challenge for women to reach top-level management and Board positions due to the higher regulatory, education, and training requirements of larger credit unions.

“Maybe [women] have more obligations and therefore have less time to pursue their own growth.”

– Board Chair, female

Traditionally in Mexico, the burden of caring for children and elderly family members has fallen on women more than men. Interviewees reported that in Mexico, many husbands still “forbid” their wives to pursue careers so women opt to focus on the family instead. Sixty-two percent of questionnaire respondents take care of children and 38% care for elderly relatives. Of these caregivers, only around 7% thought that caregiving hindered their career development. Both men and women strongly indicate that they do not think caring for family limits their professional growth. Although family responsibilities are not considered obstacles to leadership, women are more frequently affected by this since caregiving falls to them more often than men.

“Women do not like to be speakers in conferences; they are wary of speaking in public. Men are more daring in this respect.”

–Board Chair, female

Women’s participation in leadership is also influenced by biased gender perceptions. Statements like, “women do not like to participate in politics” and “women don’t dare speak in public” were made to justify the lack of female representation at federation⁷ meetings, financial sector conferences and in meetings with government authorities. Men perceive women to have less “character” (i.e., women are weaker, more insecure) and to be less “versatile” (i.e., unconditionally available to the organization). Women interviewees articulated similar beliefs, claiming that women are more passive and make less time for the organization. Although questionnaire results indicate that women aspire to take on greater leadership roles, interviews indicate that both genders believe that women are hesitant to do so.

Conclusions

While there is broad participation by women throughout credit unions, the prevalence of women leaders in top leadership positions is significantly smaller than that of men. There is a greater number of women leaders in smaller credit unions than in large institutions. Family obligations and responsibilities, education and training requirements, and biased gender perceptions limit women’s professional growth. To reduce obstacles and increase women’s participation in management and leadership positions in credit unions, several strategies are suggested:

- **Improve understanding** – Communicating the issues highlighted in this study will challenge traditional beliefs, expand perspectives, and give people the opportunity to make more informed decisions. Key topics include existing gender discrepancies, the challenges faced by women professionals, and the importance of diversity and gender inclusion in leadership roles.
- **Provide leadership training** – Targeted leadership development and technical training programs will identify female candidates for leadership to expand their skillsets and support their professional growth. Training opportunities include engagement with professional networks, mentoring, executive coaching, and online and in-person capacity-building workshops.
- **Offer accessory support measures** – Expanding connectivity and working tools will allow women to participate virtually in meetings and trainings. Providing or facilitating access to services, such as childcare and transportation, will also enable women’s participation in work-related activities.

World Council addresses these issues through the Global Women’s Leadership Network. The Network engages women in professional and personal development through social media and online resources, educational platforms, and networking events. This international community of women leaders advises each other, develops skills, shares resources, and cultivates professional connections to problem-solve and achieve common goals. By interacting with other professionals in a business forum, women access unlimited resources and learn from their peers.

Providing these essential opportunities and resources to women leaders in Mexico and around the world furthers women’s leadership and allows credit unions to foster economic empowerment by providing better, more effective services to members.

⁷ Mexican law requires credit unions to be affiliated to a federation. These are authorized second-tier bodies, which provide their members with supervision services—in accordance with legal and regulatory requirements—as well as technical assistance and political representation.