

HELP YOUR EMPLOYEES ADAPT TO DIGITAL TRANSFORMATION

SPM ESSENTIALS SERIES: Practical strategies for today's management challenges

SPTF has spent the past year updating the [Universal Standards for Social and Environmental Performance Management \("Universal Standards"\)](#) to reflect evolving industry best practices. The revised manual will be released in February 2022. To support implementation, SPTF is hosting a [webinar series](#) focused on new or updated concepts in the Universal Standards.

SPEAKERS:

- **Manu RAJAN**, *Division CEO, Wing (Cambodia)*
- **Mamie KALONDA KAPENGA**, *CEO, FINCA DRC (Congo)*

This webinar* examined how financial service providers (FSPs) that offer digital financial services (DFS) can manage their workforces effectively. Speakers from FINCA DRC and Wing (Cambodia) discussed how they manage changes so that employees have the technical skills and personal motivation necessary for success. The speakers also reflected on how thriving in a continually evolving digital world requires flexibility, speed, and innovation in internal departments, workflows, and employees' roles and responsibilities, along with innovation at the level of products and services. Goals for FSPs Help employees feel motivated and excited about their new roles and responsibilities when the FSP transforms digitally. Equip employees and agents with the skills to succeed in their careers even as the sector changes. Structure internal processes and departments to be rapid, cost-efficient, and adapted to clients' needs.

OVERVIEW OF FINCA DRC AND WING

FINCA DRC has 560 employees, 1600 agents, and 350,000 customers. It began its digital transformation in 2011. Today over 80% of FINCA DRC customers' transactions occur either through agents or mobile banking. Wing (Cambodia) has 1,000 employees, 10,000 agents, and 12 million users. It launched operations in 2009 as a digital payment company, but today has three different areas of business: payments, commercial banking, and e-commerce.

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RELEVANT EXCERPTS FROM THE UNIVERSAL STANDARDS

- **Standard 5B** The provider's Human Resource Development system is designed to attract and maintain a qualified and motivated workforce.
- **Essential Practice 5B1** The provider gives each employee complete employment documentation and training to understand their job requirements.
 - **5.B.1.1 Indicator** The provider communicates to each employee their individual employment terms:
 - » **5.B.1.1.1 Detail** Salary
 - » **5.B.1.1.2 Detail** Job description
 - » **5.B.1.1.3 Detail** Performance evaluation process
 - **5.B.1.2 Indicator** All new employees receive an orientation and job-specific training.
 - **5.B.1.3 Indicator** The provider makes professional development opportunities available to employees at every level.
 - **5.B.1.4 Indicator** Men and women receive equal opportunities for training and skill development.

HOW TO INTEGRATE "TECH" AND "TOUCH"

FINCA DRC and Wing combine digital services and human interaction. Wing calls it a "phygital" (physical + digital) approach, while FINCA DRC calls it "tech and touch." Both speakers emphasized the importance of retaining opportunities for clients to interact with people. Wing noted that it was unsuccessful initially, when it was a purely digital company--introducing human interaction via agents put Wing on the path to success. FINCA retained some elements of touch even as it transformed digitally, and it finds that contact with customers keeps employees motivated. They shared lessons for successfully integrating "tech" and "touch:"

- **Use an agent network.** Both Wing and FINCA DRA have extensive agent networks. For FINCA DRC, initial client demand was simply to cash-in / cash-out with the assistance of agents. Similarly for Wing, early customers primarily brought cash to agents and asked them to execute the desired digital transactions.

- **Offer in-person trainings for those who need it.** FINCA DRC offers financial education training to customers, in local languages, through both digital and in-person channels. Wing shared that its efforts to train agents virtually were not effective, especially agents in rural villages, so now it trains them in person.
- **Manage agents closely.** LMystery shopping to assess agent performance is an important oversight tool. Wing has a mystery shopping team that covers each of its 10,000 agents over the year. At FINCA DRC, one employee supervises 50 agents, and that person must visit each agent in person at least once per month. FINCA DRC also created WhatsApp groups of agents by region so they can consult each other, and 60% of the calls that FINCA DRC receives at its call center come from agents.
- **Listen to customers.** Wing staff conduct market visits to understand customers' needs. FINCA DRC does research and conducts customer satisfaction surveys. Additionally, when its data team identifies trends in clients' transactions that may signal a problem, management calls the customers to find out what is going on. FINCA DRC notes that these processes build trust, and "When someone trusts you, you really have to return it by listening and trying to implement what they are asking you to do."

TIPS FOR CHANGE MANAGEMENT WITH EMPLOYEES DURING DIGITAL TRANSFORMATION

- **Anticipate fears and resistance to change.** It is normal for employees to fear that new technology will replace them or to fear that the new systems may somehow increase their work burden. For example, when FINCA DRC first introduced personal digital assistants, employees resisted because they felt like they were being asked to do in just one day the work that they used to have two days to accomplish.
- **Go slowly and be patient.** Given that any change is likely to raise doubts, introduce it gradually. For example, if you have branch offices, use new technology first with just a few people, then expand it within a single branch, and then implement it in more branches.
- **Identify which employees would be most open to using new technology and start with them.** FINCA introduced tablets to its employees by first selecting a few employees to use them, and presented this opportunity as a recognition for the employees' potential to keep up with the changing world. Then other employees thought, "Why not me? Am I not also capable?" It became like a competition to be chosen to use new technologies.

- **Connect new technology to opportunities for career advancement.** Whenever FINCA DRC develops a new digital product or service, it first tries to find someone internally who can take on the work. FINCA assigns employees to new roles on a six-month trial basis, and those who succeed remain in those functions. Today, FINCA DRC has both a digital department and a data department, and every person in them was promoted from within the organization. FINCA advises, “Show employees that with technology, they are not losing their jobs but getting promotions.”
- **Demonstrate to employees the value of the changes.** The new changes should make employees’ lives easier, not frustrate them.
- **Train continually, on hard and soft skills.** Whenever you introduce a change, train employees on it. Also, view training as an opportunity to build both functional skills and soft skills, such as collaboration and communication. All Wing employees have access to a life coach to help them “work better, communicate better, understand people better, understand different perspectives better.” It has observed positive impacts in camaraderie among employees.
- **Success is motivating.** Wing notes that “nothing succeeds like success.” When what you are trying is working for you, employees develop a mentality of wanting to do more. FINCA DRC notes that the success of employees who have taken on new digital roles is motivating others.
- **Emphasize that change will be ongoing.** When Wing hires new employees, it is “conscious to pick people who have ambitions to think differently from the traditional banking,” and adds that one of the most important attributes employee success is an “open mindset.” Similarly, FINCA DRC observed that with digital transformation, it learned, “You need really to be faster in taking quick decisions.” Technology changes so fast that if you make a decision to offer something new, even six months later when you are going live, things may have changed. Also, your competitors are watching what you do and replicating your successes.”

CHANGE IS INEVITABLE: BE PREPARED

- **Change your workflows.** For FINCA DRC, employees now enter data directly into electronic devices instead of onto paper. This has created new, more efficient workflows regarding who sees what data, when.
- **Adjust your internal departments.** To align with the new workflows, FINCA DRC has created different front- and back-office departments. For example, a data department now analyzes data and shares it within the company to support decision-making. A new group within the HR department called New Initiatives helps FINCA DRC manage its myriad and growing partnerships.
- **Pilot test! FINCA DRC now has employees pilot test any new product.** Through pilot testing, employees learn how products work and provide feedback on what they do not like about product design. FINCA DRC then adjusts the product before launch.
- **Do your market research.** With digital products, you can get your results from testing products quickly. If a correction is needed, you can implement that much faster too.
- **Use feedback to your benefit.** FINCA DRC implemented a call center after it digitally transformed and has extended operating hours to 7:00am to 8:00pm because the call center proved so useful. The call center serves both as a source of training for those who call with questions, and as a channel through which people register complaints. The agent network is another new, valuable feedback channel. Agents report any problems that they encounter, but also share feedback or complaints that they hear from customers.

- **Think outside the box to train employees.** Training of employees and agents becomes a constant process, since there are always new products coming out. Wing has a digital training platform called Wing University. It uses content from a variety of sources, including LinkedIn Learning, and delivers training via videoconferencing platforms. A dedicated employee keeps track of when employees complete online training courses and Wing scores their performance. FINCA DRC also now uses a digital platform to train both staff and customers. It has found that videos that demonstrate product use step-by-step are quite effective. Both speakers also noted customers' need for digital financial literacy training.
- **Incentivize agents.** FSPs that use agent networks have to set prices and fees in a way that makes the model profitable to agents as well as to the FSP, all without harming clients. Wing has defined a certain profit threshold for agents, and the sales and distribution team that is responsible for expanding the agent network considers this number before it decides to increase the depth and breadth of agent penetration in a given area. Additionally, the team that manages the agent network identifies when it would be beneficial to migrate agents to a different business model, to create other revenue generating opportunities for them. Making sure that agents benefit too has helped Wing to succeed. In the beginning, it had trouble finding agents, but now there is high demand to become a Wing agent.

STRATEGIES TO COMMUNICATE WITH AND SUPPORT EMPLOYEES DURING CHANGE.

- **Give employees a sense of ownership.** “Explain why you are doing what you are doing” advises Wing, so employees fully participate. Part of what motivates them is their sense of ownership that comes with helping to build the brand.
- **Invest in building the work culture you want.** For new employees especially, sometimes the work culture and systems are all new and there is resistance to change. Wing uses life coaches to address this challenge. If an employee is struggling with the work culture, they usually confide in their life coach, who can then offer clarification or facilitate two-way feedback and change.
- **Communicate all proposed new strategies in open meetings,** explaining the reasons for the changes, and give employees opportunities to ask questions.
- **Make each head of department a part of all new projects.** This creates accountability, because you cannot blame the organization for a project failing when you were part of the team that was building it.
- **Meet regularly with employees, in person or online,** to give opportunities to ask and answer questions. Use email channels for questions and responses too.
- **Create clear performance targets, with input from employees.** For example, at FINCA DRC, employees suggest targets for themselves. Supervisors review and approve, and then FINCA DRC enters the targets into an HR system that auto-generates progress reports.