



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-RESTRICTED

Gender diversity strategy 2020-2026

Options for the way forward

DG/HR

Executive Board Meeting



12 May 2020

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Overview

A Executive Summary

B Demographic challenges and considerations

C Options for the way forward

i *Targets*

ii *[...]*

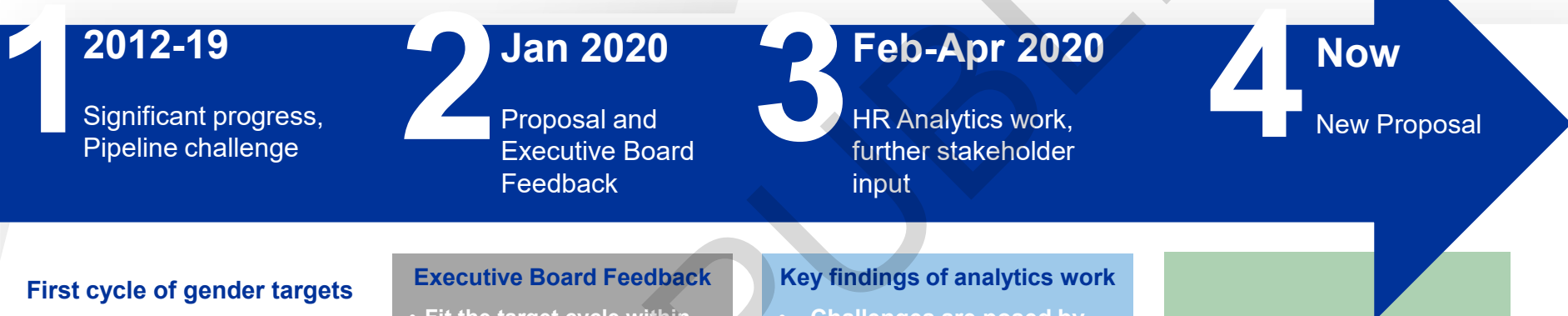
D Accompanying measures

E Stakeholder Input

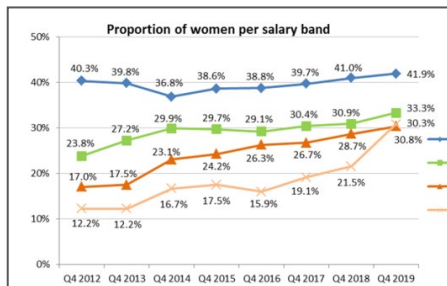
F Key Messages

G Next Steps

A. Executive Summary



First cycle of gender targets



Executive Board Feedback

- Fit the target cycle within current mandate of EB
- Targets should be clear, ambitious but realistic
- More inclusive: targets for analysts
- Focus on securing female talent at entry levels

Key findings of analytics work

- Challenges are posed by low staff turnover and male-dominated inflow to positions
- Opportunities are presented by male-dominated outflow from positions and the CTS

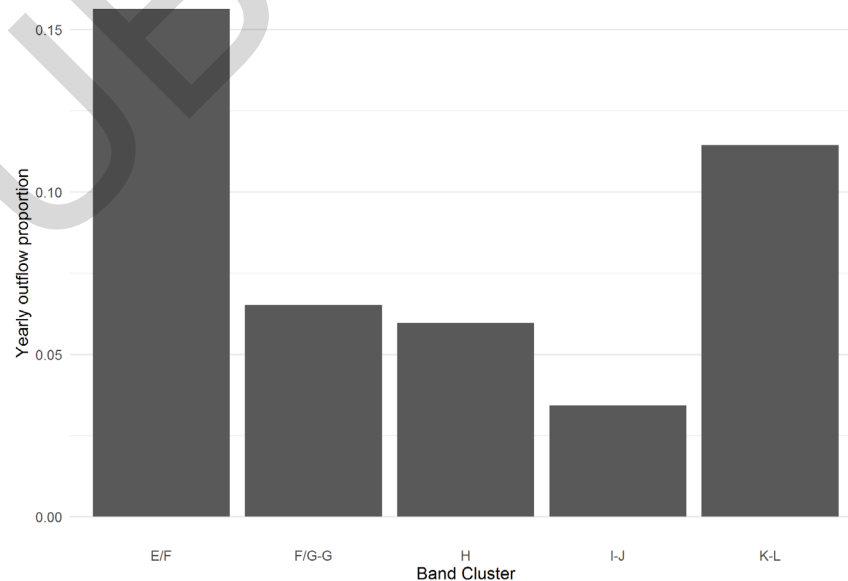
Proposal

- Introduce new Female Inflow Targets
- Review our Female Share Targets based on data

Challenge

Low staff outflow makes swift demographic change difficult to achieve, especially for bands F/G-G, H and I-J, which have annual outflow under 10 %

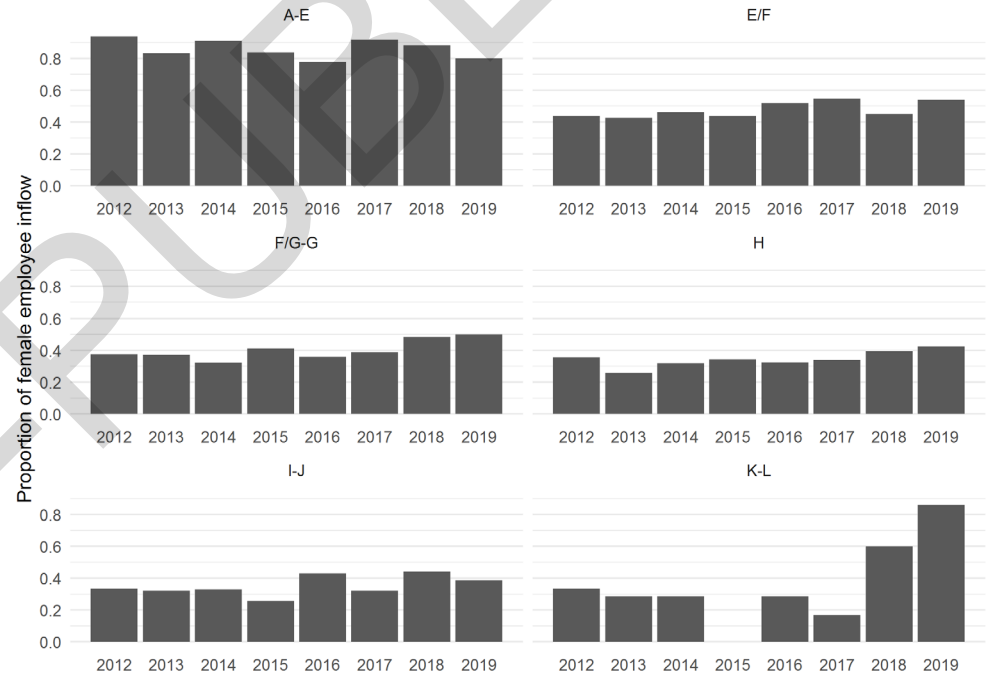
Employee outflow per band group (2019)



B. Demographic challenges and opportunities

Challenge

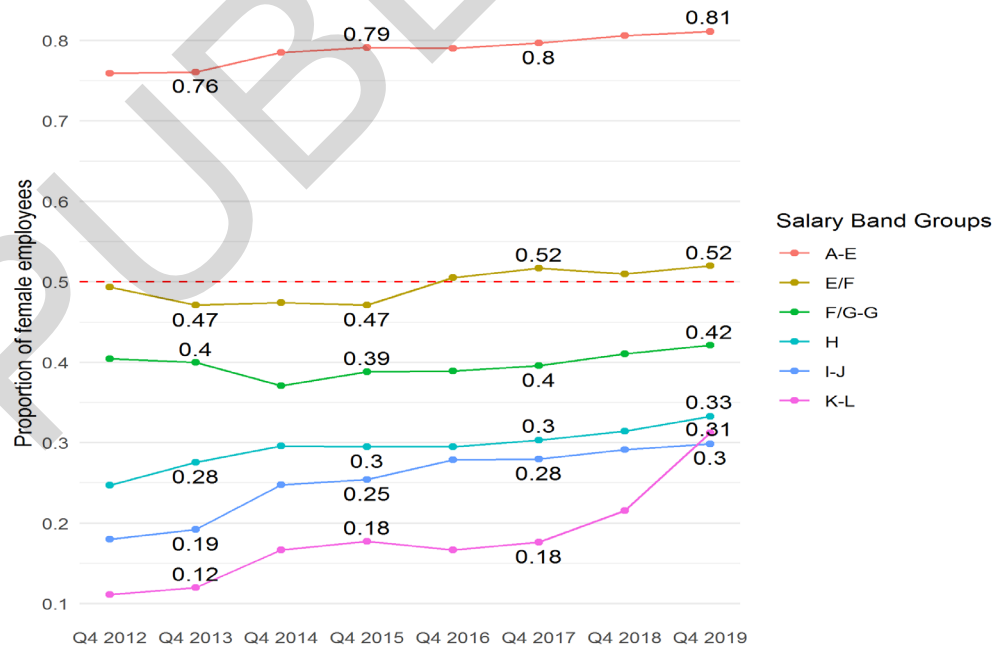
Female inflow has been consistently and significantly below 50% from bands F/G to J



B. Demographic challenges and opportunities

Challenge

The increase in the proportion of female employees for H band and above since 2014 can in part be attributed to the increase in the ECB workforce headcount and in the opportunities for women following the creation of Banking Supervision

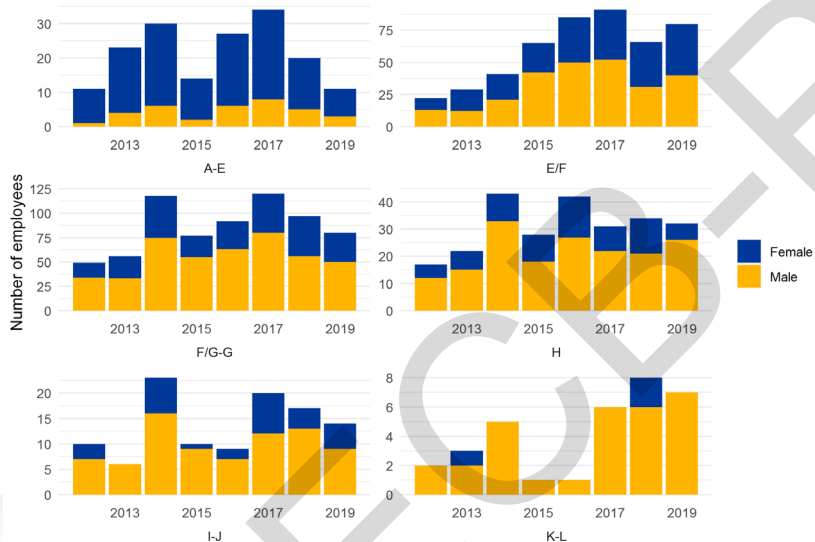


Opportunities

1. Outflow is male-dominated in all target categories except E/F, meaning that most positions to be filled have been left by a man

2. Of the 175 positions in the 2018 Career Transition Support, 62 are still to be filled by staff in bands E/F to L

Yearly employee outflow per band group



Level	E/F	F	F/G	G	H	I	J	K	L
Positions to be filled	11	1	15	1	14	9	9	1	1

C.(i). Option 1: Targets



New

Building on
2012-2019

Female Inflow Targets

Objectives:

- gender balanced inflow from Expert to Senior Management levels
- 60% female inflow for Analysts, to strengthen talent pipeline

Place accountability where progress can be achieved

Amenable to constant monitoring

ECB-wide and local targets

**New model
of targets**

**Realistic and
Ambitious**

Female Share Targets

Provide continuity and comparability with first target cycle

Present our vision for the ECB of 2026, as a milestone in a journey

ECB-wide and local targets

C.(i). Option 1: Targets



Seniority Level (salary bands)	Status Quo			Female Inflow Targets	Projected Female Outflow	Female Share Targets		
	Target end 2019	Female % end 2019	Average annual female inflow 2012- 2019	Annual female inflow 2020 - 2026	<i>Expected female outflow 2020 - 2026</i>	2022	2024	2026
Senior Management (K-L)	28%	30.8%	32.9%	50%	8%	37%	38%	40%
All Management (I-L)	35%	30.3%	35.4%	50%	16%	33%	34%	36%
Principal Experts (H)	42%	33.3%	35.9%	50%	29%	37%	40%	42%
Experts (F/G-G)	50%	41.9%	40.2%	50%	40%	44%	45%	47%
Analyst (E/F)	-	52%	49.9%	60%	51%	56%	59%	61%

C.(ii). Option 2:[...]



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D. Accompanying measures

Items in **green text** are additions since the original proposal

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				Quick wins 2020	Medium-term 2020-2023	
Quick wins 2020	Medium-term 2020-23	1 Attraction, Recruitment, Promotion	2 Culture & Accountability	Video from the President (on Gender Diversity and beyond) Appoint ECB Supervisory Board Diversity Sponsor	Strengthen accountability: <ul style="list-style-type: none"> Scorecards Annual EB update Improved data sharing with all staff Recognising and encouraging positive D&I behaviour by managers Enhanced monitoring for underperforming Business Areas 	
Systematic gender-neutral vacancy notices	Internal head-hunting and careers fairs to identify talent from underrepresented gender			New target model		New local targets
Preparation for EDGE certification at Level 2: "Move"	Programme to open dedicated career opportunities to qualified staff in A-E bands Career Transition Support Scheme: Version 3.0					
Quick wins 2020	Medium-term 2020-2023	3 Leadership Development	4 Flexible Working	Promotion and role-modelling of flexible working by Managers	Review of parental leave and child support policies	
Increase capacity of Women's Leadership Programme	Mandatory inclusion training for all staff; comprehensive inclusion training for managers, Diversity Ambassadors and the D&I Forum;			Part-time possible by default	Improve staff integration during/after parental leave	
Re-launch ECB-wide mentoring	Sponsorship Programme to accelerate female promotion BAs to monitor and report allocation of career-critical tasks by gender			Consider job sharing possibilities, including for managers		

E. Stakeholder Input

Stakeholders have welcomed

- the thorough analytical basis of the proposal
- the combination of ambition with realism
- Increased accountability for management

Some Stakeholders consider the proposed targets insufficiently ambitious

See in particular response from the Women in Leadership Network - Annex 8 to the memo



1. Diversity Ambassadors
2. D&I Forum
3. Heads of Division

1. Diversity Ambassadors, D&I Forum
2. Women's Networks (WIL & WOW)
3. Technical meeting with Staff Committee

F. Key Messages

- We will increase the share of women at the ECB and better reflect the society we serve
- These **targets represent ambitious change**, based on the **reality** of our environment
- We are moving towards a **gender-balanced inflow**, bolstered by 60% at Analyst level
- Share targets illustrate **our vision for 2026** on the longer journey towards gender equality
- [...]

G. Next Steps

Today (12 May)

EB approves new gender strategy

14 May

- Video from the President and Vice-President (if targets)
- Intranet article

September

[...]

13 May

- Press Release (if targets)
- Social Media (if targets)
- Management Communications toolkit

May onwards

- In collaboration with all stakeholders, HR continues to develop and implement accompanying measures (if targets)

Annexes

- 1 Methodology and data development for new targets
- 2 Career Framework considerations
- 3 ECB's gender diversity journey
- 4 Measures introduced since 2012
- 5 Insights from research
- 6 More granular data on gender diversity
- 7 External benchmarking: Key findings

Methodology

1. The projections are **based on past demographic data and in/outflow numbers of employees since 2012**, while for bands K-L they also consider future retirements and concrete CTS cases.
2. If we assume that these numbers are representative of future expected outflow and assume that the number of employees stays constant, **we can project the female representation as a function of the yearly outflow and assumed inflow**.
3. It is assumed that the number of staff will not further increase until 2027. Accordingly, **figures as of Q1 2020 are used as a baseline** to simulate gender-ratio scenarios.

Outflow: Definition

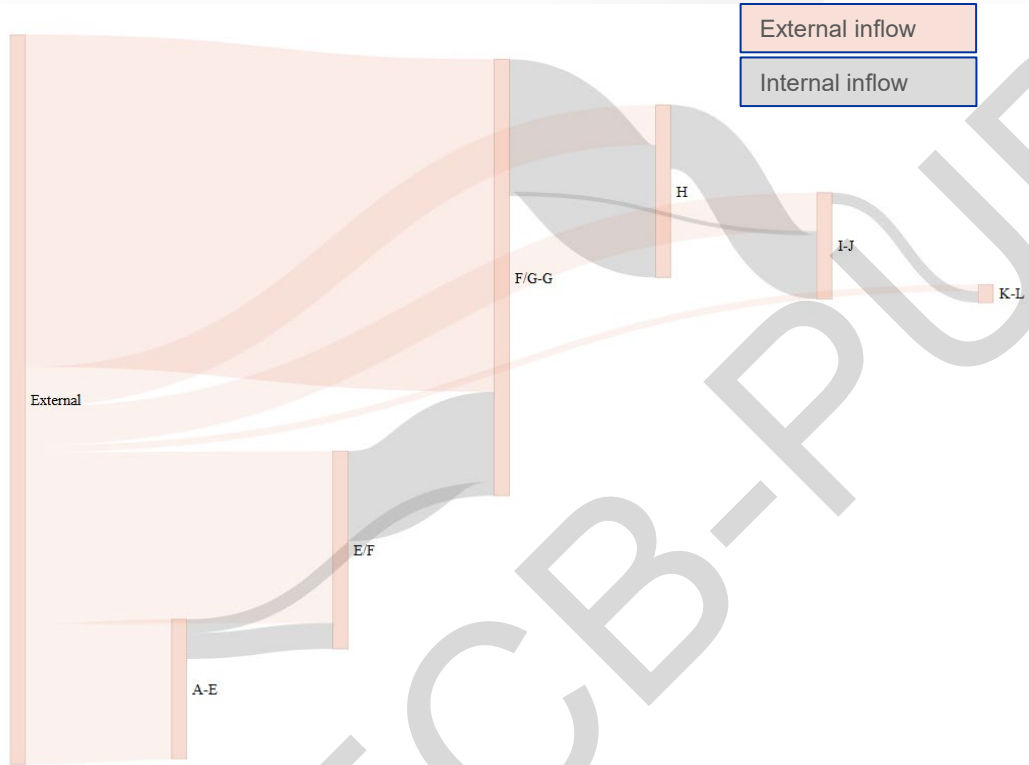
- Outflow means that either an employee is leaving the bank (e.g. contract expiration, resignation, retirement) or is being promoted out of the current salary band.
- Please note that the outflow numbers below do not include cases where a person (a) was temporarily promoted and later returned to their original salary band or (b) went on unpaid leave, as such cases do not account for long-term demographic changes.

Inflow: Definition

- Inflow means either a new hire from outside the ECB, a contractual status change (e.g. from short-term to fixed-term) or a promotion to the next salary band.
- As with the outflow figures, inflow due to temporary promotions and return from unpaid leave is not included in these figures.

2. Career Framework considerations

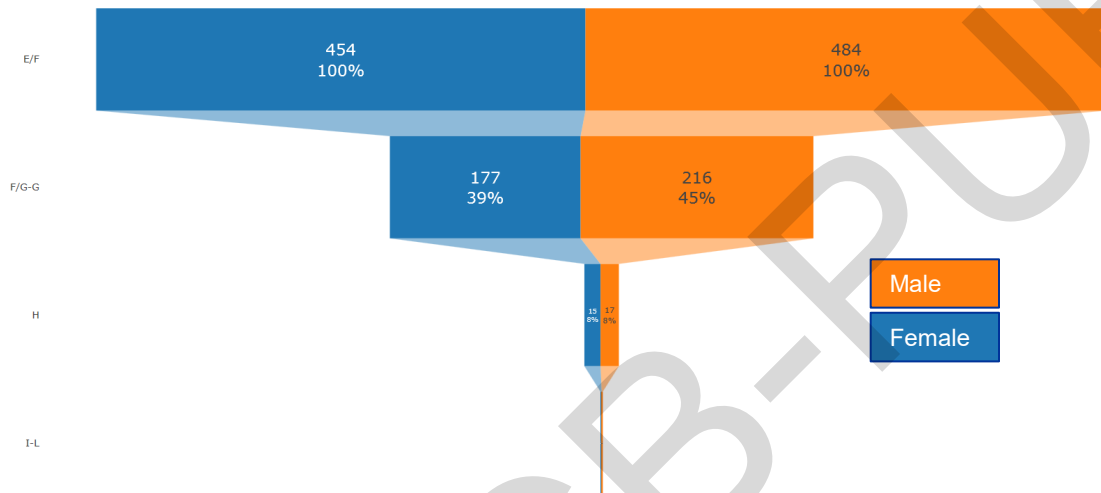
Promotion Pipeline at the ECB (using past data)



- Inflow to H and higher has been mostly due to employees moving from one salary band to another.
- Inflow to F/G-G and lower has been mostly **external new hires**
- Internal talent focus could lead to increased internal female employee inflow into higher bands
- This may result in higher proportion of female outflow from the previous bands
- Achieving gender balance across all **bands** in the near future may be more challenging

2. Career Framework considerations

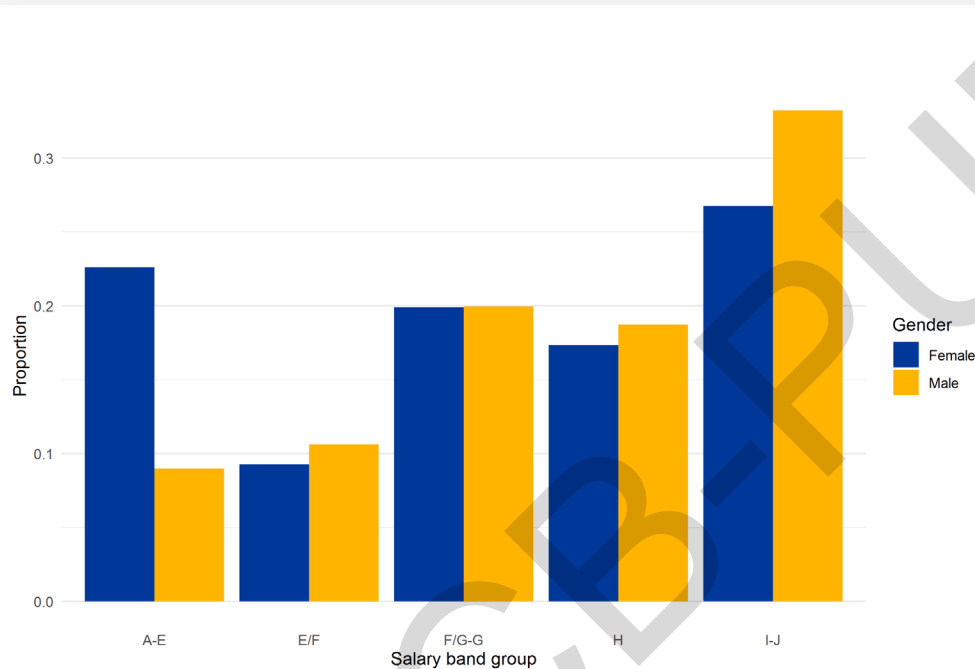
Promotion funnel at E/F



- Proportion of appointments between males and females on E/F has been **balanced**
- **More males** moved to F/G-G since 2012 than females.
- Small fraction of employees starting on E/F moved through F/G-G up to H.
- New career framework should see more move up the salary bands

2. Career Framework considerations

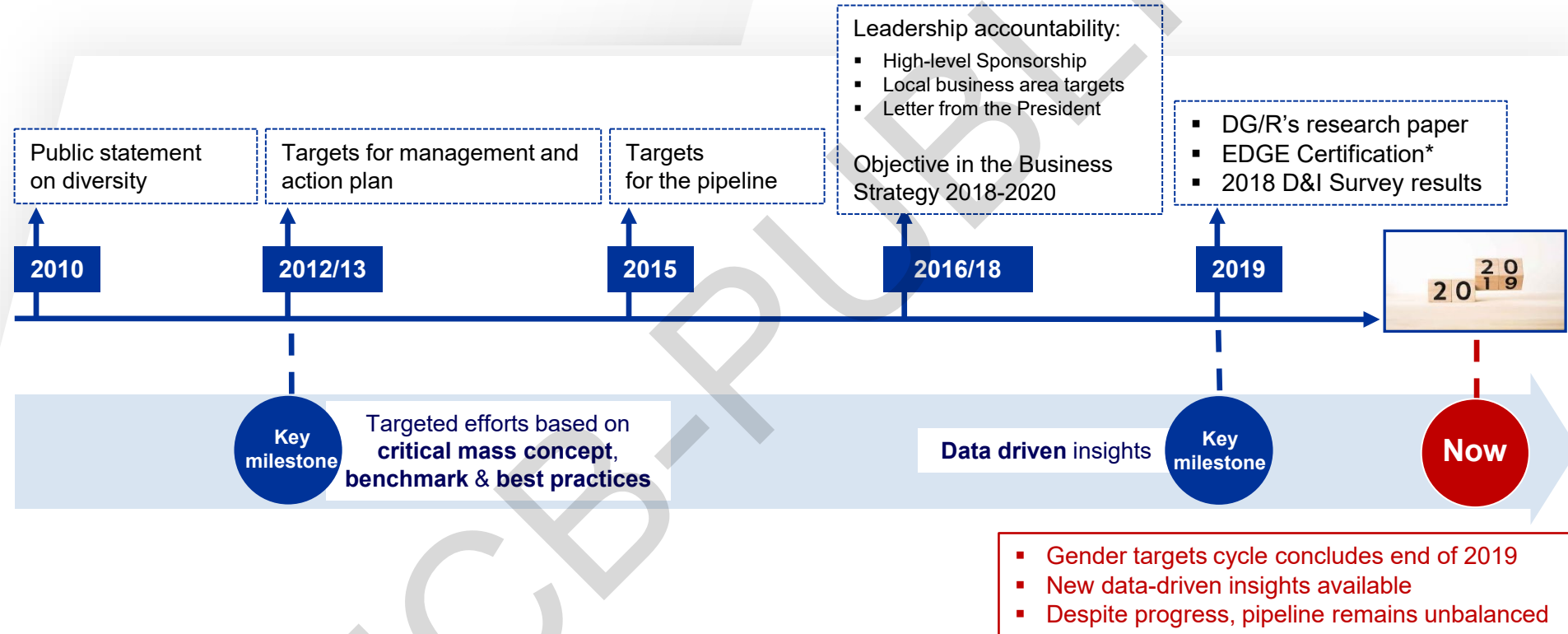
Proportion of females and males fulfilling the mobility requirements



- Apart from A-E and I-J, the rate of employees who were mobile is roughly equal for males and females.
- For I-J, male employees are currently more likely to be eligible for promotion than females.
- Proportion of employees eligible will likely increase as mobility is incentivised
- Cannot predict there will be equal expression of interest in mobility for both men and women

3. ECB's Gender Diversity Journey

Development of gender strategy since 2010



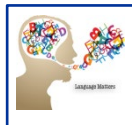
*Economic Dividends for Gender Equality

4. Measures introduced since 2012

Gender measures and targets



Career fairs (focus on women)



Gender neutral language



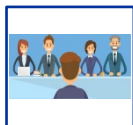
Use of headhunting



Advertise managerial vacancies externally



Close campaigns if women applicants < 1/3



At least 2 women in selection committees for managerial campaigns



Letter on diversity from the President



High-level Sponsorship



2 Diversity Ambassadors per business area



Unconscious Bias workshops for managers & team leads



Data monitoring and sharing



Certification for gender equality



Flexitime: rebalancing, recuperation, core hours



Advertise if a position allows for part-time



5 teleworking days per month



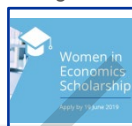
Women's Leadership Programme



Centralised Mentoring Programme



Salary increase after maternity/parental leave



Scholarship for women in economics (*new*)



Targets (measuring progress)

EDGE Gender Equality Certification

January 2019

EDGE suggested these actions:

- Improve transparency of promotions
- Structured access to career-critical tasks
- Formal mentoring programme
- Managers assessed on gender equality
- Promote flexible working from the top
- Re-entry programs for working parents/careers



The company makes a public commitment to a strong gender balance across the talent pipeline, to pay equity, to a solid framework of gender equality policies and practices as well as to an inclusive workplace culture as reflected by high engagement levels of both male and female employees.

DG/R Working Paper on gender and career progression

April 2019

Four actions most likely further level career playing field:

- Strengthen pipeline through mentoring and networks
 - Foster a more inclusive culture
 - Lower barriers for women to apply
 - Enhance child support benefits and services
-
- Measures and targets **have reduced gender bias in promotions**
 - Gender wage gap in part explained by **slower promotion of women**
 - Appears to be due to a **parenthood penalty**
 - Negative promotion gap **reduces after 2011**
 - Women **less likely to apply for promotions**
 - When they do apply, **women are more likely to be promoted**
 - This is based on **merit**, not positive discrimination

6. More granular gender data

Gender diversity in numbers by cluster

Seniority Level (Salary bands)	ECB wide		By Cluster* Q3 2019		
	Target end 2019	Female representation Q3 2019	Central Banking	SSM	Shared Services
Senior management (K-L salary bands)	28%	30.3%	24.0%	33.3%	34.8%
All management (I-L salary bands)	35%	29.8 %	22.3%	30.5%	38.1%
Principal expert level (H salary band)	42%	32.7%	32.2%	32.3%	33.8%
Expert level (F/G-G salary bands)	50%	41.9%	38.1%	37.9%	47.9%

*The ECB Strategic Clusters

Central Banking: DBN, DGE, DGI, DGM, DGMIP, DGMP, DGR, DGS, DRM

SSM: DGMF, DGMS1, DGMS2, DGMS3, DGMS4, DGSSB, SEC ESRB

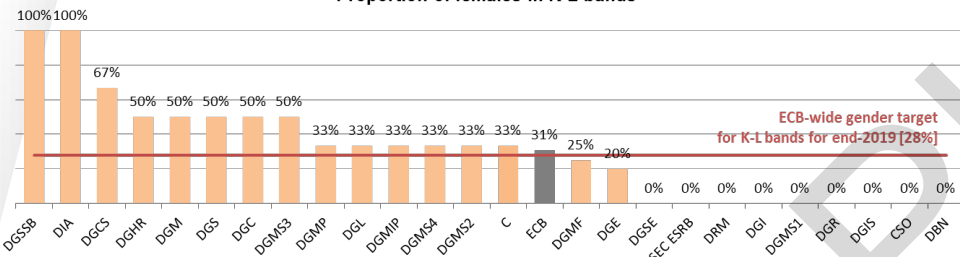
Shared Services: C, CSO, DGC, DGHR, DGIS, DGL, DGSE, DIA

6. More granular gender data

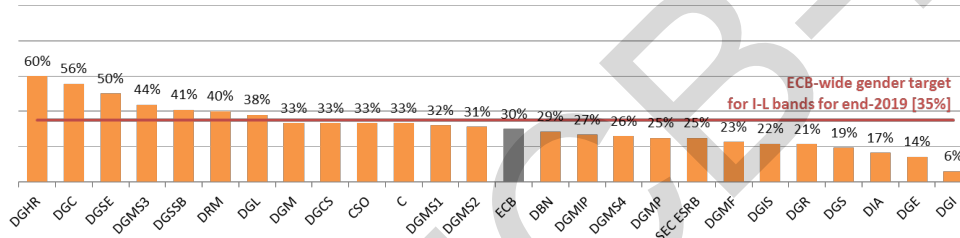
Female representation by Business Area, Q4 2019

Management Levels

Proportion of females in K-L bands

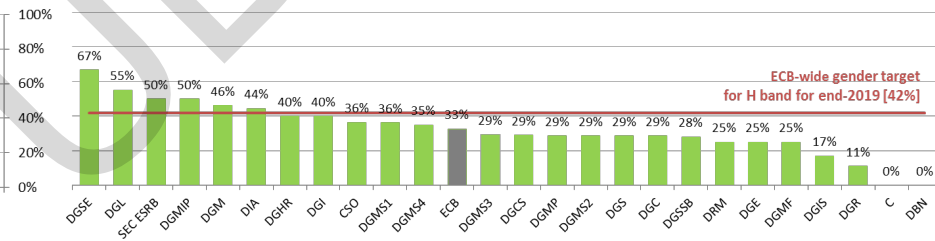


Proportion of females in I-L bands

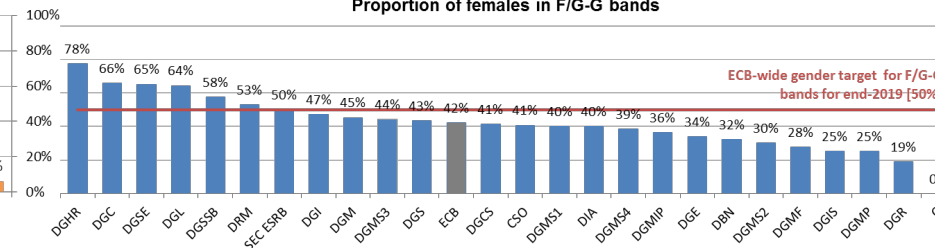


Talent Pipeline

Proportion of females in H band



Proportion of females in F/G-G bands



7. External benchmarking: Key findings

*Gender targets for Senior Management
in other institutions*

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[...]

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