



SEC/EB/17/1033/13

Directorate General Human Resources

To: The Executive Board
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From: [REDACTED]
Cc: [REDACTED]
Date: 5 October 2017
Subject: Gender Diversity – state of play and additional measures

The ECB aspires to be an organisation in which diversity is welcomed and appreciated in all its facets for the richness that it offers. As the ECB is fully committed to fostering diversity beyond gender in order to establish a truly diverse and inclusive working environment, the low number of women in management level positions requires setting the strategic focus on gender. This note proposes specific action points how to further increase gender diversity in order to achieve the publicly announced gender targets for end-2019 (35% for all management and 28% for senior management level positions).

1. GENDER DIVERSITY AT THE ECB

It is widely acknowledged that gender diversity (GD) is a driver for organisational performance and for the attractiveness of an employer brand. Therefore attracting, developing and retaining female talent at all levels is a key strategic priority for the ECB. On 4 June 2013, the Executive Board (EB) decided to establish and publish targets for female staff in management level positions to be reached by end-2019, and intermediate targets for end-2015 and end-2017. To support the achievement of these targets, the EB endorsed a dedicated action plan which has been subsequently implemented and complemented by two additional sets of measures in the meantime.

1.1. Current female share and gap to the targets

Starting from a low baseline in 2012, significant progress has since been made towards achieving the gender targets. However, these developments were to a large extent driven by the creation of the SSM, and slowed down in recent years [see Annex 1]. The ECB will miss its gender targets if we do not manage to change this trend [see Table 1]:

Table 1: Current female share at the ECB against the ECB 2017 and 2019 targets

% of women	Current gender share Status Q2/2017		Interim target end 2017	Delta to 2017 targets*	Final target end 2019	Delta to 2019 targets*
K-L	16.1%	9 women	24%	+ 4 women	28%	+ 7 women
I-L	26.1%	120 women	29%	+ 13 women	35%	+ 41 women
H	29.5%	122 women	35%	+ 22 women	42%	+ 52 women
F/G.G	39.2%	489 women	45%	+ 73 women	50%	+ 141 women

1.2. Benchmarking with peer organisations

In order to evaluate and compare our progress, DG/HR conducted a benchmark survey on the gender proportions and targets for senior management in peer organisations. The outcome indicates that the ECB does not score well compared to other European and international institutions from the financial sector and has significantly less women in senior management positions than e.g. BoE, CBI, EIB, IMF, FED, and the National Bank of Canada [see Annex 2].

1.3. Missed opportunities

The ongoing monitoring of the gender proportions at the ECB shows that GD varies significantly across business areas (BAs). Data shows that the majority of the BAs struggle to attract, retain and promote a sufficient number of female candidates in management positions – there are currently 15 BAs with no females at all in their senior management teams [K-L] and 16 BAs with less than 1/3 of women in I-L positions [see Annex 3-4].

In addition to the female share at the ECB as a whole and by individual BA, DG/HR is also measuring the respective gender proportions in the different stages of the recruitment process. The analysis of this data shows that in the period between 2013 and 2017 the ECB has 35 “missed opportunities” of appointing women to management positions (an appointment is considered a “missed opportunity” when ultimately a male applicant was hired, and at the same time a female candidate was assessed suitable) [see Annex 5].

To change these numbers, more targeted efforts towards achieving gender balance within and across BAs are needed. The below section proposes a list of additional measures supporting the achievement of the gender targets.

2. WAY FORWARD

2.1. Career Transition Support (CTS) as a unique window of opportunity

The CTS provides a new opportunity to recruit women into the to-be-vacated positions at management level. A total of 61 colleagues in salary bands I-L have so far registered for the CTS programme which, if all are approved, would vacate 44 I-L¹ positions in 13 BAs [see Annex 6 for details]. If we would manage to appoint female candidates to the majority of these positions, we would be able to make a major step towards achieving the targets (as shown in Table 1, with the appointment of 41 additional females to management level positions the ECB would reach the gender targets for end-2019).

2.2. GOALS

Achieving the ECB gender targets for end-2019 and ensuring a better gender balance in the ECB management community is a stand-alone goal in itself and our current business objective.

Translating this institutional goal into concrete objectives for the BAs, we would propose **having (i) at least 1 woman in each BA’s senior management (K-L) and (ii) at least 1/3 of women in each BA’s management team (I-L).**

¹ The difference between the number of the CTS I-L applicants (61) and the to-be-vacated positions results due to (i) **5 CTS applicants whose positions are** financed by the Central Staff Facility, (ii) 6 CTS applicants who are on leave and have been already replaced and (iii) 6 CTS applicants who are ad-personam appointments sitting in H positions.

In order to ensure that the male talent pool is being fostered in parallel, DG/HR's Talent Management Division is currently working on changing the career landscape by developing a proposal for career progression across bands for all staff.

2.3. Additional measures

During brainstorming sessions with all relevant diversity stakeholders across the ECB (Diversity Sponsors, Members of the Workstream on Diversity & Inclusion, BAs' Diversity Ambassadors, Women in Leadership network, Rainbow network, Ethnic and Cultural Group, HR's Diversity team, etc.) a set of additional GD measures and action points emerged, which is summarised below [Table 2]:

Table 2: Areas for further improvement and concrete action points / GD measures

Areas for further improvement	Suggested measures / Measures / Action points:
I. Stronger & More systematic recruitment processes	<ul style="list-style-type: none"> a. [...] b. Recruiting managers to ensure attraction, shortlisting & selection of women c. More gender balanced recruitment panels (with at least 2-3 women in the Selection Panel) d. Cancellation of campaigns at I-L band in case of insufficient number of shortlisted women (min. 1/3 of shortlist should be female) e. 'Preferential treatment' of females (if a woman and a man are both assessed suitable) in I-L band campaigns [see Annex 8 on the positive legal assessment for such a measure] f. Enhanced recruitment/selection documentation: <ul style="list-style-type: none"> I. HR visum for I-L campaigns providing information on the BAs efforts to attract women and how a proposed selection impacts the BAs local targets. II. Additional information to be submitted in the recruitment memo which proposes a male I-L appointment on why women were not selected (if suitable) or why females were considered not suitable after interview.
II. More targeted talent acquisition	<ul style="list-style-type: none"> • Extensive use of headhunting (at least 50% of women on head-hunter's lists)
III. Raising awareness	<ul style="list-style-type: none"> • Unbiased decision making: Mandatory participation of all managers, advisers and team leaders to unconscious bias training
IV. Transparency & Accountability	<ul style="list-style-type: none"> a. Diversity bonus when a BA reaches its local targets for distribution by Area Heads b. Increase of local targets of Business Areas whose current local targets are 5% points lower than the ECB I-L 2017 targets [see Annex 9] c. Publication of individual BA's diversity data on the intranet and on the ECB's website [see Annex 3-4 for the information that would be published] d. Letter/Message from the EB to the Management community listing the Board's expectations to implement the GD measures e. Launching an external audit & certification for gender equality in the workplace [see EDGE Certification in Annex 7]

2.4. Specific recommendations per BAs

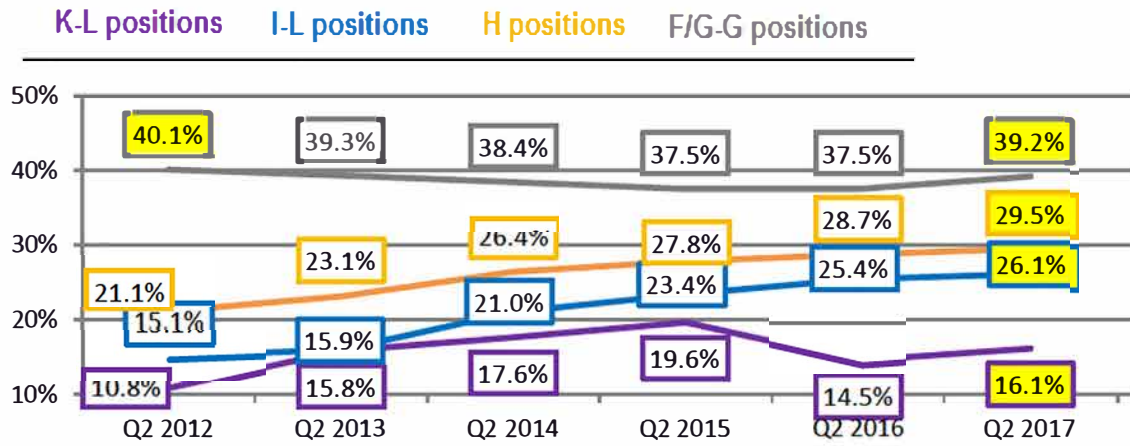
In order to implement the goal of having a better gender balance at management level (i.e. at least 1 woman in each BAs senior management team [K-I] and not less than 1/3 of women in I-L positions), it is expected that Business Areas will make strategic use of the window of opportunity provided by the CTS. In particular 13 Business Areas (DG/E, DG/MIP, DG/MF, DG/A, DG/I, DG/S, DG/IS, DG/M, D/IA, DG/L, DG/C,

DG/HR and DG/F) may have, if all their CTS requests are approved, upcoming free I to L positions to fill. In order to ensure a sufficient inflow of female applicants in the recruitment processes, and taking into account the existing evidence of low female applications for these areas in the past combined with a limited internal female pipeline, it is to be expected that the recruitment processes will only be launched in conjunction with dedicated headhunting and outreach efforts.

The Executive Board is invited to:

- (a) take note of the goal of having**
 - a. at least 1 woman in each BA's senior management team (K-L) and**
 - b. at least 1/3 of women in each BA's management team (I-L),**
- (b) with a view of reaching this goal, to approve:**
 - (i) [...]**
 - (ii) that female representation on recruitment panels should be further increased (at least 2-3 women in selection panels);**
 - (iii) that recruitment campaigns in I-L bands should be cancelled in case of an insufficient number of shortlisted women (min. 1/3 of shortlist should be female);**
 - (iv) a more extensive use of headhunting, with the head-hunters being instructed to present at least 50% of female candidates;**
 - (v) [...]**
 - (vi) enhanced recruitment and selection documentation:**
 - (1) HR visum for I-L campaigns providing information on the BAs efforts to attract women and how a proposed selection impacts the BAs local targets;**
 - (2) additional information to be submitted in the recruitment memo which proposes a male I-L appointment on why women were not selected (if suitable) or why females were considered not suitable after interview;**
 - (v) mandatory participation of all managers, advisers and team leaders to unconscious bias training;**
 - (vi) a dedicated diversity bonus if local targets are achieved for distribution by Area Heads;**
 - (vii) an increase of local targets of Business Areas whose current local targets are 5% points lower than the ECB I-L 2017 targets;**
 - (viii) the publication of individual BA's diversity data on the intranet and on then ECB's website;**
- (c) take note that DG/HR is launching an external audit and certification for gender equality in the workplace which will include a short survey to all ECB staff on diversity aspects;**
- (d) agree to, upon the receipt of a proposal by DG/HR, send a letter to the to the ECB's Management Community listing the Executive Board's expectations towards all managers in implementing the gender diversity measures.**

ANNEX 1: GENDER SHARE TREND SINCE 2012



ANNEX 2: BENCHMARK WITH PEER INSTITUTIONS

Peer organisation	% of women in senior positions	Targets
National Bank of Canada	46% (in 2017)	--
Federal Reserve System	37% (in 2016)	--
Central Bank of Ireland	31% (in 2016)	--
European Investment Bank	26.10% (in 2016)	50% of women in external recruitment at executive level; 25% of women at management level by 2015 (upcoming strategy will be more ambitious)
International Monetary Fund	23.60% (in 2015)	Targets set for senior level (30% for economists and 45% specialized career streams), 50% of women in all external recruitment
Banque de France	22.4% (Q2 2017)	30% of women in senior management positions (by end-2019)
Bank of England	23% (in 2013)	35% of women in senior positions; 50% of women below senior positions
Deutsche Bank	20% (in 2017)	--
ECB	16.1% (K-L, Q2 2017)	K-L interim gender target end-2017 : 24% K-L end-2019 gender target: 28%
Banca d'Italia	14.1% (in2016)	--
Deutsche Bundesbank	9.9 % (in 2016)	29,0% for all managerial positions (by end-2020)
Bank for International Settlements	6.20% (in 2017)	--

ANNEX 3: GENDER PROPORTIONS AT MANAGEMENT LEVEL

Proportion of women per BA, I-L band



Gender distribution in K-L

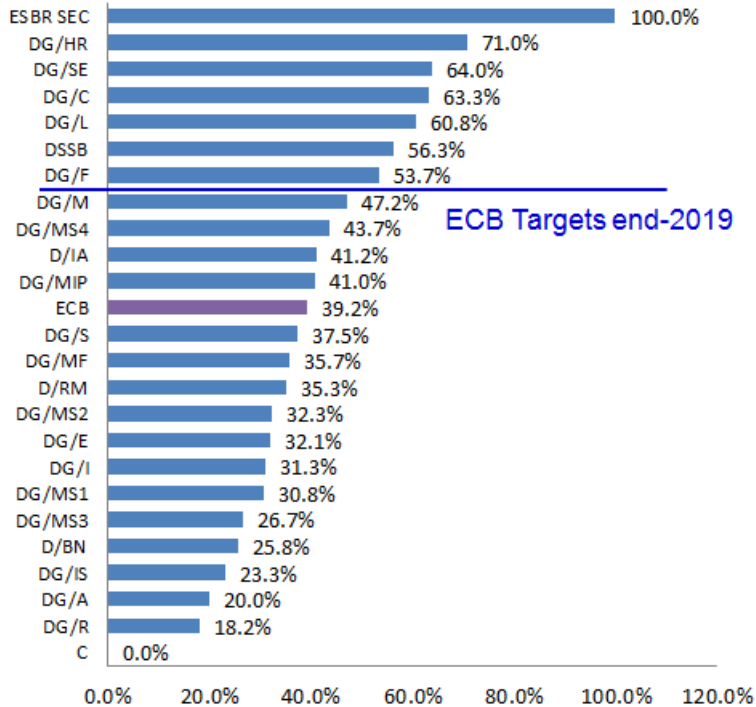
Org. Unit	Males K-L	Females K-L	Total
DGC	2	2	4
DSSB		1	1
DGMS3	1	1	2
DGHR	1	1	2
DGF	1	1	2
DGM	2	1	3
DGL	2	1	3
DGMS1	2	1	3
DIA	1	0	1
DGSE	3	0	3
SEC ESPB	1	0	1
DGR	2	0	2
DGMF	2	0	2
DGS	2	0	2
DGI	4	0	4
DBN	1	0	1
DGMP	2	0	2
DFM	1	0	1
DGE	5	0	5
DGMS2	3	0	3
DGMS4	3	0	3
DGIS	3	0	3
DGA	2	0	2

BAs with less than 1/3 women in I-L

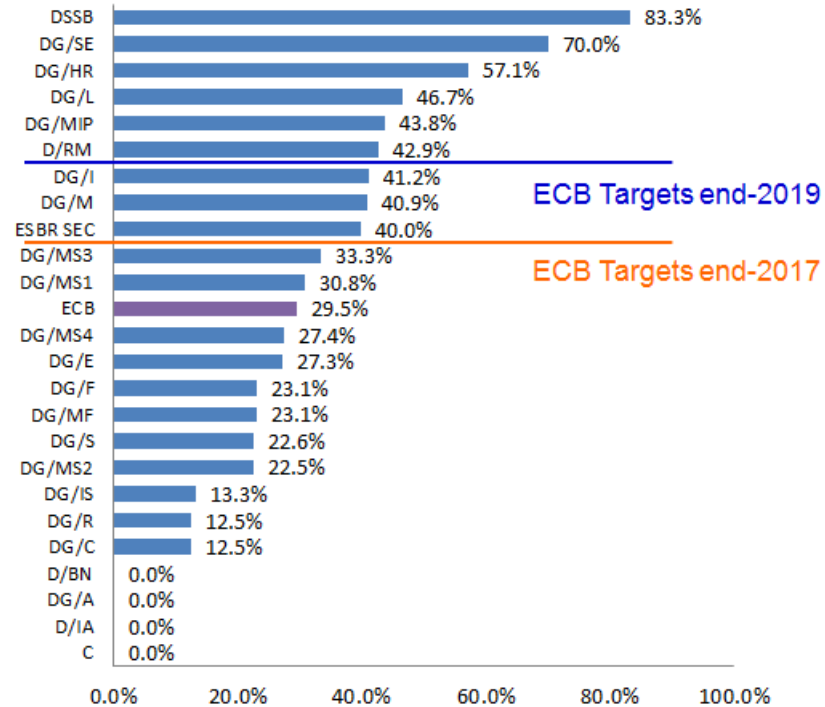
Org. Unit *	Males I-L	Females I-L	Total	Delta to 1/3 women
DGMS1	30	17	47	1
DGC	7	11	18	5
DGMS3	7	8	15	3
DGHR	4	6	10	3
DGF	7	4	11	0
DFM	4	2	6	0
DGL	13	6	19	0
DSSB	5	2	7	0
C	6	2	8	-1
DGSE	5	1	6	-1
DGM	14	5	19	-1
SEC ESPB	4	0	4	-1
DBN	6	1	7	-1
DIA	5	0	5	-2
DGMS4	34	14	48	-2
DGMP	14	4	18	-2
DGR	12	2	14	-3
DGMF	15	3	18	-3
DGIS	17	3	20	-4
DGI	13	1	14	-4
DGMS2	43	16	59	-4
DGS	22	5	27	-4
DGA	17	1	18	-5
DGE	33	6	39	-7

ANNEX 4: GENDER PROPORTIONS IN THE PIPELINE

Proportion of women per BA, F-G band



Proportion of women per BA, H band



ANNEX 5: MISSED OPPORTUNITIES



Missed opportunity = male applicant hired for a managerial position when a female was also suitable (i.e. at least 1 woman on the reserve list)

Year	Total number of hired managers	Missed opportunities
2013	120	7
2014	59	14
2015	44	6
2016*	32	6
2017**	12	2



35 missed opportunities!

* Out of 32 I-L hired managers in 2016*, 6 were found to be 'missed opportunities: DGS, DGE, DGM (x 2), DGMF, DRM

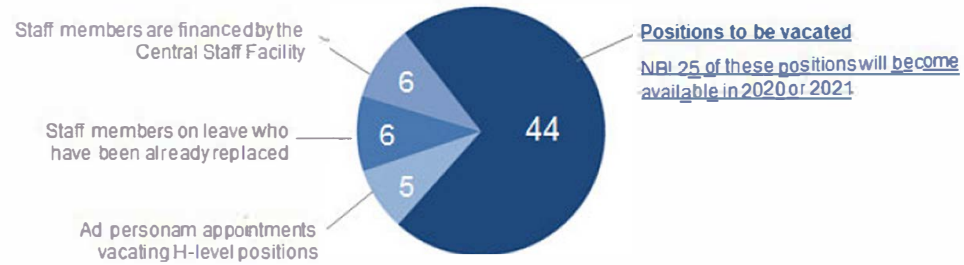
** Out of 5 I-L band campaigns in 2017, 2 were found to be 'missed opportunities: DGE, DGMIP

ANNEX 6: STATISTICS ON THE CTS APPLICATIONS

We can still reach the targets

• Opportunity ahead: **CTS**

- 61 colleagues from 14 BAs have applied for the CTS, vacating 44 I-L positions



Overview of BAs with CTS applications and to be vacated positions:

BA	No. of I-L positions
⊕ DGA	4
⊕ DGC	2
⊕ DGE	7
⊕ DGF	2
⊕ DGHR	2
⊕ DGI	1
⊕ DGIS	4
⊕ DGL	3
⊕ DGM	3
⊕ DGMF	1
⊕ DGMIP	4
⊕ DGS	7
⊕ DIA	4
Grand Total	44

ANNEX 7: EDGE EXTERNAL AUDIT & CERTIFICATION FOR GENDER EQUALITY IN THE WORKPLACE:

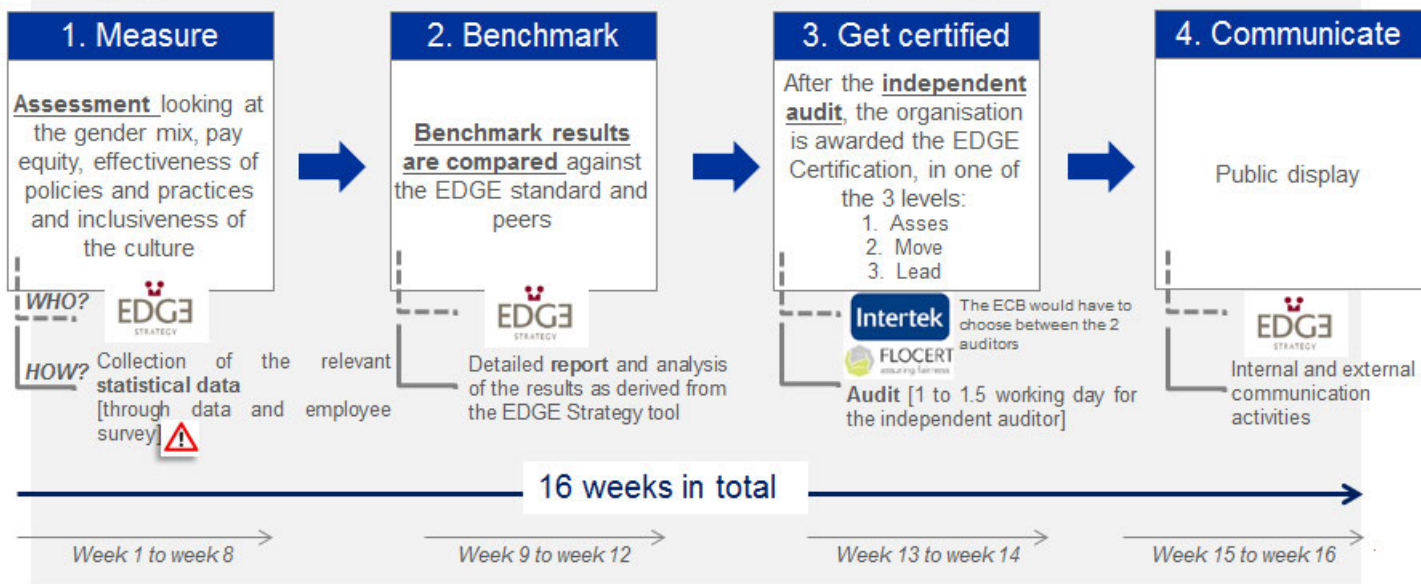
Mandate for DG/HR – EDGE Certification



Objective: Measuring success in Gender Equality

→ EDGE is currently working with more than 1700 organisations, in over 40 countries and 22 industries: [WorldBank](#), IMF, Deutsche Bank, Asian Development Bank (ADB), Netherlands Development Finance Company (FMO)

4 steps (and 3 sources of information: Statistics, Infrastructure, Experience):



[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

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ANNEX9: LOGAL GD TARGETS PER BA

BA	I-L bands			H-band			F/G-G bands		
	Female share Q2 2017	targets end-2017	targets end-2019	Female share Q2 2017	targets end-2017	targets end-2019	Female share Q2 2017	targets end-2017	targets end-2019
ECB overall	26.1%	29.0%	35.0%	29.5%	35.0%	42.0%	31.3%	No target for 2017	50.0%
C	25.0%	40.0%	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%	50.0%
DG/C	61.1%	50.0%	50.0%	12.5%	22.0%	27.0%	63.3%	50.0%	50.0%
D/IA	0.0%	0.0%	0.0%	0.0%	0.0%	17.0%	41.2%	35.7%	42.0%
DG/SE	16.7%	29.0%	43.0%	70.0%	67.0%	67.0%	64.0%	69.0%	69.0%
ESBR SEC	0.0%	0.0%	0.0%	40.0%	50.0%	50.0%	100.0%	100.0%	100.0%
DG/MF	16.7%	28.6%	35.7%	23.1%	26.6%	39.9%	35.7%	36.8%	45.0%
DG/A	5.6%	20.0%	25.0%	0.0%	25.0%	30.0%	20.0%	40.0%	45.0%
DG/R	14.3%	20.0%	25.0%	12.5%	20.0%	25.0%	18.2%	20.0%	25.0%
DG/IS	15.0%	16.7%	22.2%	13.3%	15.4%	23.1%	23.3%	25.0%	30.0%
DG/S	18.5%	20.0%	28.0%	22.6%	34.0%	41.0%	37.5%	45.0%	50.0%
DG/M	26.3%	29.0%	35.0%	40.9%	35.0%	42.0%	47.2%	50.0%	50.0%
DG/I	7.1%	15.4%	23.0%	41.2%	40.0%	46.7%	31.3%	40.0%	46.7%
D/BN	14.3%	14.0%	14.0%	0.0%	0.0%	14.0%	25.8%	23.0%	27.0%
D/RM	33.3%	29.0%	35.0%	42.9%	35.0%	42.0%	35.3%	40.0%	50.0%
DG/MIP	22.2%	30.0%	35.0%	43.8%	48.0%	50.0%	41.0%	45.0%	50.0%
DG/L	31.6%	32.0%	35.0%	46.7%	50.0%	50.0%	60.8%	50.0%	50.0%
DG/E	15.4%	13.0%	15.0%	27.3%	30.0%	32.0%	32.1%	37.0%	40.0%
DG/HR	60.0%	50.0%	50.0%	57.1%	47.5%	55.0%	71.0%	63.0%	60.0%
DG/F	36.4%	40.0%	45.0%	23.1%	35.0%	50.0%	53.7%	55.0%	55.0%
DSSB	28.6%	30.0%	35.0%	83.3%	35.0%	37.5%	56.3%	42.8%	47.6%
DG/MS1	36.2%	39.0%	39.0%	30.8%	34.0%	39.0%	30.8%	30.0%	33.0%
DG/MS2	27.1%	30.0%	30.0%	22.5%	25.0%	30.0%	32.3%	30.0%	35.0%
DG/MS3	53.3%	38.0%	40.0%	33.3%	45.0%	50.0%	26.7%	37.0%	50.0%
DG/MS4	29.2%	29.0%	35.0%	27.4%	30.0%	35.0%	43.7%	45.0%	50.0%

A BA is deemed conservative when its target for I - L position for 2019 is lower than 30%, i.e. 5 points lower than is ECB target for I – L positions (highlighted in red)