



SEC/EB/20/1148/11
DG HUMAN RESOURCES
TMA

ECB-RESTRICTED

To: The Executive Board
Via: M. Diemer [approved], A.-S. Catherin [approved]
From: I. Raczne Szőke, [REDACTED]
Cc: E. Murciano, K. Tsitsibikou, [REDACTED]
Date: 8 May 2020
Subject: ECB Gender Strategy 2020-2026

In its meeting on 28 January 2020 the Executive Board discussed the gender strategy for 2020, aimed at increasing the proportion of women at the ECB. HR was requested to review its proposal including more specific targets that are ambitious whilst remaining realistic, instead of corridors, as well as a shortened timeline adjusted to the current Executive Board's mandate. This memo outlines two options for increasing the female share of staff¹ at the ECB for 2020-2026, accompanied by further measures to effect change to improve gender balance at the ECB, based on the realities and challenges inherent in the ECB's workforce and our experience with targets and measures to date.

The Executive Board is invited to:

- (a) **decide to introduce either:**
 - i. **Targets for 2020-2026; or**
 - ii. **[..]**
- (b) **[...]**
- (c) **request DG/HR to elaborate the proposed new measures to accelerate progress towards gender balance at the ECB.**

1. Background

In June 2013 the Executive Board introduced gender targets, together with an accompanying action plan, for various management levels for end-2019, with interim targets for 2015 and 2017. Since 2013, the action plan has been periodically supplemented and in 2015 the model was enhanced by the introduction of internally published targets for the talent pipeline: Principal Experts (H) and Experts (F/G – G). In 2018-2019, new sources of data and analysis about gender equality at the ECB became available:

- Working Paper by the ECB's Directorate General for Research²
- EDGE Strategy (Economic Dividends for Gender Equality): analysis and recommendations³

¹ Employees with permanent, fixed-term convertible, fixed-term non-convertible contracts and Graduates

² <https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2265~ad73fb9a6b.en.pdf>

³ Insights provided in the context of the ECB's certification at level 1 "Assess" within the EDGE Strategy methodology

This research and analysis was complemented by several meetings with stakeholders, including the Diversity Ambassadors, the Diversity and Inclusion Forum (with representatives of all networks, Staff Committee and IPSO), and the Women in Leadership (WiL) and Women Organise Women (WOW) networks.⁴ In addition, a technical meeting with the Staff Committee and IPSO was held on 5 March.

The 2012-2019 targets were developed using the critical mass theory, focusing on the critical number of women needed to affect policy-making. There has been a significant improvement in female representation in Senior Management and all Management since 2012. However, despite having stock targets and a number of initiatives in place, achieving a material change in the gender balance of the ECB's talent pipeline has proven more challenging.

At the ECB we foster diversity and inclusion because evidence shows that more diverse teams are more resilient in avoiding group-think and establishing robust decision-making processes. In this context, we aspire to improve further the gender diversity of our workforce thereby mirroring the society we serve. The aim of the gender strategy is therefore to increase the overall share of women, whilst acknowledging the realities of the ECB's demographics.

2. Demographic background and considerations

When devising an appropriate gender strategy for the ECB, we crafted two options based on a robust analysis⁵ of the development of our workforce, considering the following ECB specific challenges:

- a) The high retention rate and low staff outflow at the ECB makes swift demographic change difficult to achieve, especially **for salary bands F/G to J, which have less than 7% annual outflow.**

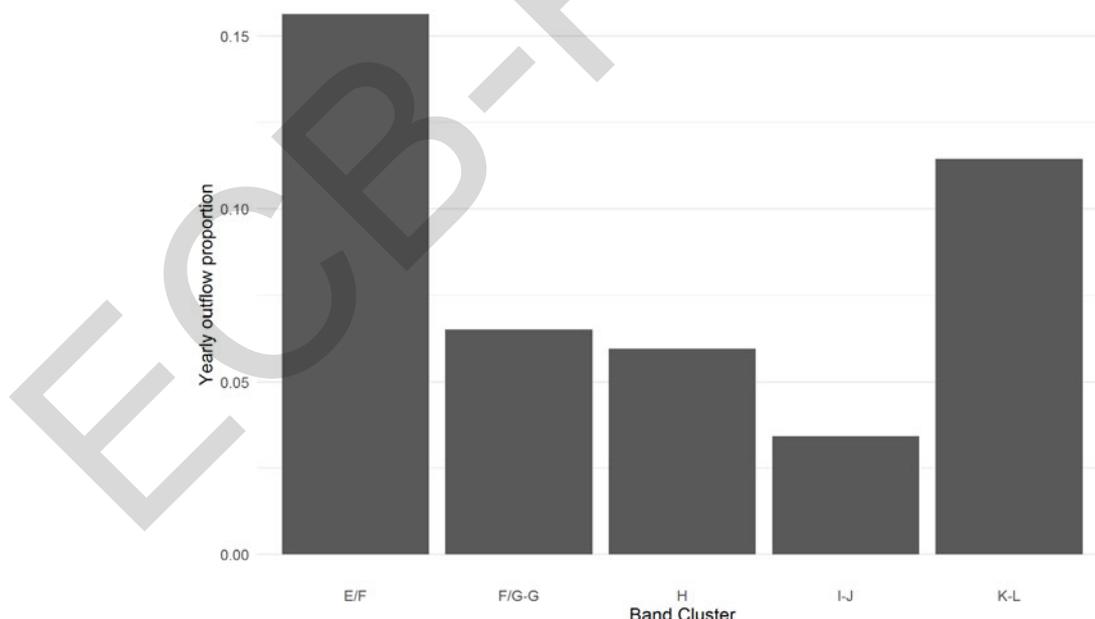


Figure 1- Proportion of outflow per band group (2019)

⁴ See Annex 2 and 3

⁵ See Annex 1 - Gender Target Analysis

b) The stable **share of female staff** is mirrored in the female inflow⁶ which, despite targets, remains a challenge as it has been consistently and **significantly below 50% from salary bands F/G to J**.

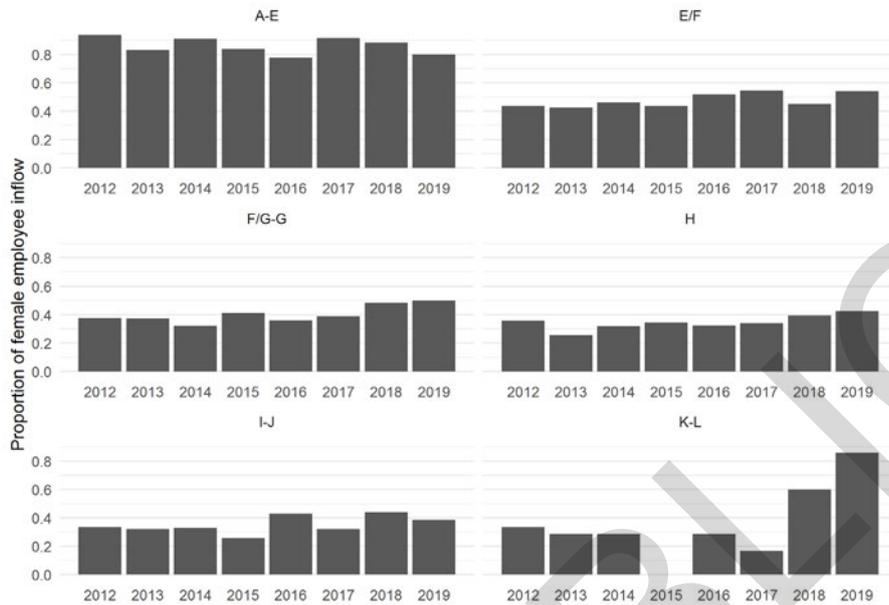


Figure 2 - Proportion of female employee inflow per year

c) 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 (as colleagues moved into new roles, freeing up positions) following the creation of Banking Supervision.

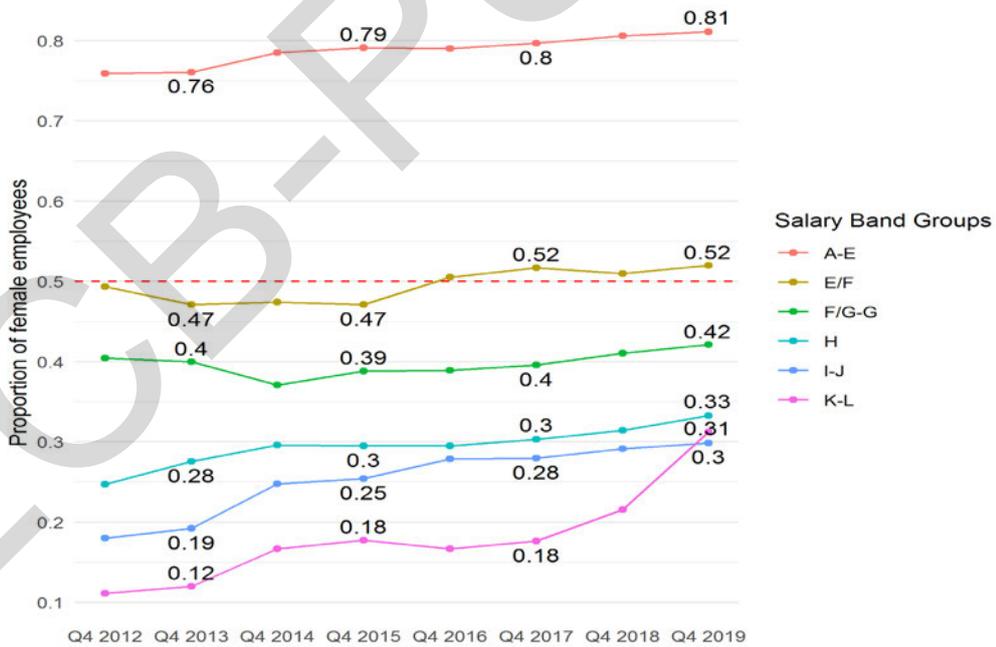


Figure 3 - Proportion of female staff per band group

⁶ Inflow including any movement to a new position either through (external or internal) recruitment, reserve list usage, or promotion without recruitment.

The current headcount stabilisation results in fewer fluctuations but there are some opportunities:

- d) When examining employee outflow the data show that over the last eight years, **outflow is currently male-dominated** in all salary bands except E/F.

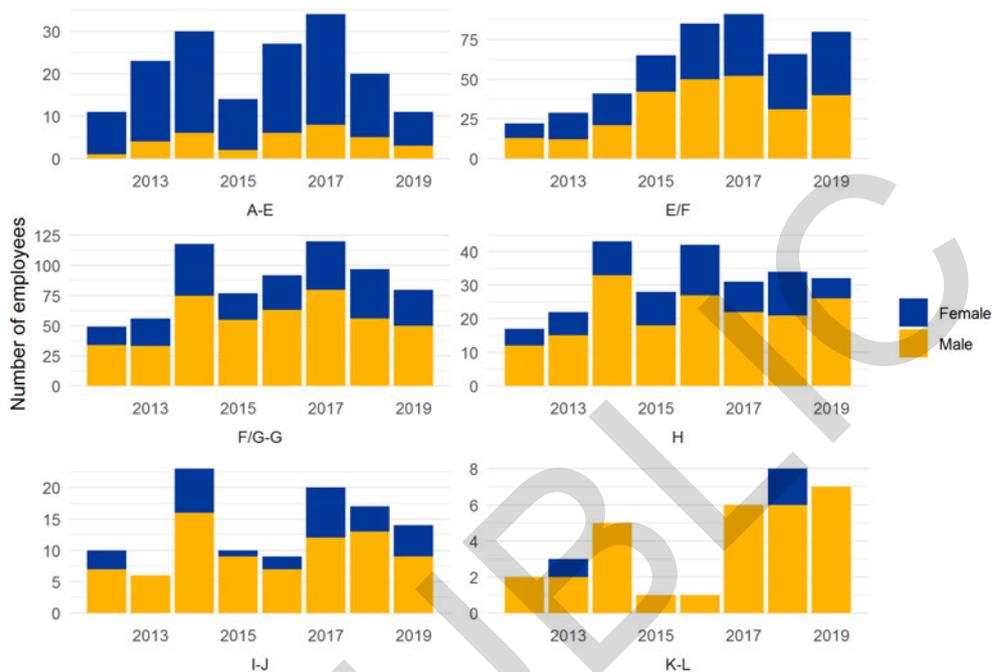


Figure 4 - Yearly outflow per band group

- e) The 2018 **Career Transition Support (CTS)** opened 175 positions, 99 of which have been filled. **49 have been filled by women** and 50 by men. Of the 99 positions which have been filled, 22 were originally held by women and 77 by men. 76 positions are still to be filled⁷.

3. Options for gender targets 2020-2026

Given the overrepresentation of women at salary bands A-E, it is proposed not to introduce targets or [...] for those bands, but rather focus on boosting career opportunities for qualified staff in those bands, in the wider context of the ECB career framework. In particular, it is proposed to explore the possibility of providing dedicated career opportunities to staff at salary bands D and E who have the requisite educational qualifications to work at higher bands.

There are two potential methods to increase the share of female staff at the ECB for E/F-L considering the above challenges and opportunities: targets and [...].

⁷Positions to be filled as a result of CTS above E/F

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

3.1 Option 1: Targets

The change in female representation at the ECB between now and 2026 will depend on two factors: female inflow to and outflow from the respective seniority levels. **Female Inflow** is the percentage of women “joining” a specific salary band⁸, whereas **Female Outflow** is the percentage of staff “leaving” a salary band⁹ who are female. While management action can impact the level of female inflow, outflow is by its nature less subject to managerial influence. With this in mind, based on projected outflow it is proposed to introduce two types of targets:

- (a) **Female Inflow Targets** that focus on achieving gender balance in the populations joining specific seniority levels, on an annual basis.
- The proposed target for ECB-wide annual Female Inflow is 50% for seniority levels from Expert to Senior Management, and 60% for Analyst level, in order to bolster the female talent pipeline.
 - The Female Inflow Target applies on an annual basis and the ECB’s progress will be monitored by the Executive Board annually.
 - Along with the ECB-wide targets, it is proposed to derive local Business Area Female Inflow Targets for each seniority level from the ECB-wide targets, taking into account the local realities in each Business Area and cumulatively equalling the ECB-wide Female Inflow Target.
- (b) **Female Share Targets** that focus on increasing overall female representation in our talent pipeline and management, in order to improve on the progress made in the first target cycle.
- The proposed targets are set by combining the annual Female Inflow Targets and underlying assumptions for annual Female Outflow. The underlying assumption is that outflow in the period 2018-2019¹⁰ is representative for the expected outflow in 2020-2026. Furthermore, the projections assume that the total number of staff will stay constant.
 - As well as final targets for 2026, it is proposed to set interim targets for 2022 and 2024.
 - Each Business Area will also have a local Female Share Target, calculated using projected Female Outflow for that Business Area and the local Female Inflow Targets described above.

⁸ Female Inflow can either be due to new hires, contractual status changes (e.g. from short-term to fixed-term) or promotions to the next salary band groups. However, temporary promotions and return from unpaid leave are not included in the definition of Female Inflow.

⁹ Outflow results from a people leaving the bank (e.g. contract expiration, resignation, retirement) or being promoted out of the band. Please note that Outflow does not include cases where a person (a) was temporarily promoted and later returned to their original salary band (if the temporary promotion was shorter than one year) or (b) went on unpaid leave, as such cases do not account for long-term demographic changes.

¹⁰ See Figure 4.

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	Expected female outflow 2020 - 2026	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% ¹¹
Analyst (E/F)	-	52%	49.9%	60%	51%	56%	59%	61%

The new Female Inflow Targets represent an ambitious change from previous experience and focus on the critical sourcing moment. They enable accountability to be placed clearly on decision-makers in the selection process.

The ECB-wide Female Share Targets represent continuity with our previous cycle of targets, a statement of our vision for a more gender-balanced institution in 2026, and they aim to be ambitious while remaining achievable within the timeframe.

The targets would be critically reviewed at the interim points (2022 and 2024) and adjusted accordingly – either via introducing or adjusting measures or modifying the ECB-wide Female Share Targets. Factors that may influence a change in the Female Share Target would be a significant deviance from the expected outflow or in the ECB's headcount.

These projections have been criticised by stakeholders, most notably the women's employee networks: Women in Leadership (WIL)¹² and Women Organise Women (WOW). They are critical of, amongst other things, the slow rate of progress towards gender equality represented by the proposed inflow and share targets, and the likelihood that this will be achieved, based on the accompanying measures proposed. They consider that more ambitious targets – most obviously at the level of experts – should be analysed and considered.

¹¹ Please note the end 2026 projection would be less than the envisaged 2019 target

¹² See Annex 8

3.2 Option 2: [...]

3.3 HR Recommendation

Weighing the above considerations, and acknowledging that any solution will meet with some resistance, the recommendation from DG/HR is **option 1** (Female Inflow Targets and Female Share Targets) outlined above. The strengths of this option are the clarity of the message, the accountability of local management, the feasibility of achieving the objective and its compatibility with the ECB's career framework.

4. Proposed new accompanying measures

Based on research and stakeholders' input,¹³ the following measures are proposed, in order to accelerate progress:

Category of measures	Immediate priorities (2020)	Medium-term (2020-2023)
1. Attraction, Recruitment, Promotion	<ul style="list-style-type: none"> Systematically neutral vacancy notices Preparation for EDGE Certification at Level 2 ("Move") in early 2021 	<ul style="list-style-type: none"> Internal head-hunting and career fairs to identify talent from underrepresented gender Career Transition Support Scheme: Version 3.0 Career support programme for support bands (A-E) and exploration of possibility to offer dedicated career opportunities to qualified staff at D and E bands.
2. Culture & Accountability	<ul style="list-style-type: none"> External publication of all targets, including pipeline for first time Video from the President on gender diversity and beyond (see Annex 7) Appointing an ECB Supervisory Board Diversity Sponsor Annual gender diversity progress report per Business Area and, going forward, by Division 	<ul style="list-style-type: none"> Annual progress reports, an annual update to the Executive Board and improved data sharing with all staff For Business Areas who fail to reach their inflow targets: <ul style="list-style-type: none"> enhanced monitoring in the form of meetings with the President and the responsible Executive Board member an upward adjustment of the requirements on female representation in shortlists, if deemed appropriate by the

¹³ See Stakeholder Input A: results of meetings in 2019 on measures for detailed results from stakeholder meetings on potential measures.

		<p>President and the responsible Executive Board member.</p> <ul style="list-style-type: none"> • Biannual check-up between Business Area Management, Diversity Ambassadors, and DG/HR • Design and develop a process to recognise and encourage positive diversity & inclusive behaviour by managers
3. Leadership Development	<ul style="list-style-type: none"> • Mandatory inclusion training for all staff; comprehensive inclusion training for managers, Diversity Ambassadors and the D&I Forum; • Re-launch ECB-wide mentoring 	<ul style="list-style-type: none"> • Sponsorship programme to accelerate the promotion of talented women; • Business Areas to monitor and report allocation of career-critical tasks by gender
4. Flexible Working	<ul style="list-style-type: none"> • Promotion and role-modelling of flexible working by managers • Part-time possible by default 	<ul style="list-style-type: none"> • Review of parental leave and child support policies • Improve staff integration during/after parental leave • Consider job sharing possibilities, including for managers

5. Next steps and communication

Should the Executive Board decide to implement targets, DG/HR will further elaborate the additional proposals to facilitate their implementation. DG/HR will also prepare an information package for managers, Diversity Ambassadors and Diversity Networks, to support the cascade of information, and publish an intranet article to inform all staff and managers about the new gender strategy. More details in Annex 5 on envisaged communication activities, and Annex 6 and Annex 7 which contains the script for the video by the President to all staff and the draft press release.

[...]

List of Annexes

Annex 1: Gender Target Analysis

Annex 2: Stakeholder Input A: results of meetings in 2019 on measures

Annex 3: Stakeholder Input B: responses to target proposals in 2020

Annex 4: Overview of external benchmarking

Annex 5: High level communication plan with envisaged activities

Annex 6: Script for video from the President

Annex 7: Draft press release setting out new model of targets

Annex 8: Response to new gender targets from Women in Leadership Network