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Diversity 2008-2009

Progress Report
The Way Forward



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EXECUTIVE SUMMARY

This is the **first Annual Diversity Report** prepared by the EIB and follows the establishment of the Bank's **Diversity Strategy** in December 2008. It is a major step forward for the Bank: it consolidates the Bank's understanding of its diversity priorities and situation; it crystallises a concerted action plan; and – above all – it marks the Bank's recognition of the importance of diversity. The progress achieved is also imbued with a new level of realism and credibility, as it responds to the reinforcement of wider trends in this area.

The **report** focuses on calendar years 2008 and 2009 and trends over the past five years, but it also provides an insight into the priorities going forward and progress with the initial implementation of the Diversity Strategy and Action Plan in 2009 and the outlook for 2010.

The Bank's diversity slogan: **“Good for People - Good for Business”** reflects the link between human beings and business outcomes. In order to fulfil its mandate successfully, the Bank's top management recognises that it must be competitive in both areas. Management also recognises that sustainable diversity and inclusion are a challenge to the Bank's traditional culture, requiring fundamental changes in the management of people and ways of doing business.

The **Diversity Strategy** is fully integrated with the Bank's Human Resources Strategy and built on well-established principles of long-term talent management and employer branding, and avoids unsustainable quick fixes. It broadens the Bank's previous focus on gender to include a wider set of criteria that today are central to diversity and inclusion at the EIB. Initially, high priority is attached to attaining a gender and nationality balance and the inclusion of disabled people. In addition to promoting diversity in statistical terms, the Bank wants to ensure that all its employees are fully included and fairly treated.

The four **priority areas of the Diversity Strategy** are to attract, engage and retain diverse talent; build an inclusive work environment; foster leadership and management; and build the Bank's profile as an employer of choice. Considerable attention is being paid to open communication and transparency, and management practices. Managers are being made accountable for taking concrete action and obtaining results, and are expected to serve as role models for staff. Results will be monitored and reported on regularly.

In 2008, the **Bank strengthened its diversity infrastructure**. In addition to COPEC (The Committee for Equal Opportunities), a position was created for a Senior Advisor on Gender and Diversity to facilitate implementation of the Diversity Strategy. The Advisor produced the 2008 annual report to the President, and advised HR on the revisions to this updated 2008 – 2009 report incorporating 2009 data and the additional information requested by the Management Committee. In April 2009, the President proposed a team of three Directors General to sponsor, inspire, coordinate and follow up the implementation working together with the President, HR Director and the Diversity Advisor. Each Directorate appointed a “Diversity Liaison” to coordinate initiatives internally and, if it saw fit to do so, also a senior Sponsor to support the Liaison. These new structures are critical in order to open the door for new thinking and address the gap between formal policies and informal reality.

A recurring theme in this analysis is the conviction that **communication** is crucial and needs to be increased. Feedback from staff suggests that there is something of an information and recognition deficit for diversity issues, and that this is attributable to the Bank's cultural history and information exchange practices. It is also suggested that greater staff involvement in the diversity initiatives would be an opportunity to empower, inspire and engage people.

By playing a greater part in implementing the Diversity Strategy, staff will not only modernise the EIB's diversity practices, but also positively influence their daily work.

Key Report Headlines:

1. The Bank's gender profile is uneven. The trend over the past five years is positive, but at the end of 2009, only 16.1% of staff in management functions (SC and C) and 40.3% in professional functions (D, E and F) were female. For example, the gap in gender balance between functions E (weaker) and F (stronger) is significant, showing only a slight decrease during the past five years. Across Directorates and Departments, the gender balance varies greatly.

2. The nationality results are highly encouraging: the representation of new Member States (NMS) has increased rapidly during the past five years and since 2007 even in the highest professional function (D), where recruitment has typically been more limited. However, across Directorates, the variation is large. No targets were set for nationality but progress is carefully monitored. The challenge now is to follow the trend carefully and ensure that progress is not impeded by a glass ceiling.

3. The only numerical target, which is also included in the Bank's Key Performance Indicators, is for recruitment of women in management and professional functions combined. In 2008, the target of 42% was met. But in 2009, in the context of yet more challenging operational goals, the result (36.8%) fell well short of the 45% target set for the year. In July 2009, the President gave firm guidelines to ensure a 50/50 percent gender balance for the second half of the calendar year. This was not achieved.

4. Review by individual function reveals that women are hired in lower functions than men and the trend has not improved since previous gender reviews. Specifically, more women are hired than men in the lowest professional function (F) but more men than women in the higher professional functions (E and D). The starting function is a critical factor in predicting future career progress as even the slightest difference tends to become accentuated in subsequent years. Whilst processes exist within the EIB to correct or adjust function differences between similar posts (regrading, etc.), as this gender bias in starting function has persisted for several years, the Bank should now recognise that it needs to be analysed and addressed without delay.

5. 2008 Promotion data are mixed but show the potential for balance: the promotion rate for women is significantly higher than that for men in management functions (SC and C). In 2008, the professional functions (D-F) show more promotions for men and the support functions show more promotions for women. (This analysis rightly focuses only on those eligible for promotion, as governed by rules that are centrally administered by HR.) A more detailed analysis was conducted for two recruitment cohorts: all staff hired in 2002 and 2003. The share of women who received a promotion basically follows their share of the hiring. Similar results were obtained when the data were analysed by promotion rate based on the pool of eligible candidates in the lower function. Finally, the timing of promotions does not suggest any substantial difference between the gender groups. Such results are indicative of the potential for balance.

2009 promotion data will be analysed as soon as it is available.

6. Participation in Management training: the focus in this report is on the **Management Skills Development Programme (MSDP)**, which was introduced in the Bank in 2002. The basic population for participation is the highest professional function (D). The overall share of women historically has been below their share of function D posts. However in 2008 and 2009, this imbalance has been addressed. In 2008, 40% of participants were women and, in 2009, 36.7% of participants were women (women accounted for 22.9% of D posts in 2009). In 2010, the Diversity Strategy places special emphasis on integrating diversity within the MSDP and other training courses.

7. A review of the Bank's "public face" has previously been ignored from a diversity perspective. A first review of external representation revealed a negative gender picture: for example, only 9% of the Bank's speakers at external conferences in 2008 were women. This result is well below women's share of professional and managerial positions. Management has now requested that Directorates take prompt action to address this imbalance.

8. The Strategy considers balancing work and private life and flexible work arrangements to be important in addressing diversity biases and endeavours to ensure that using flexible options does not have an adverse impact on individuals' careers. The evidence suggests that daily management practices do not sufficiently acknowledge people's life situations. As long as managers and senior managers (Directors) are not made fully accountable for consistent application of flexible HR policies, it is felt that HR should – temporarily – assume an oversight responsibility, to accelerate progress in this area.

9. Each Directorate has a Diversity Action Plan to cascade down the Bank hierarchy in line with the objectives. The plans combine quantitative and qualitative aspects in three priority areas: talent management, the working environment and recruitment. A guiding principle in the Directorate-level diversity implementation is full transparency and collaboration across Directorates and HR with the purpose of jointly developing good practices. These initiatives can serve as pilots, to be gradually disseminated throughout the Bank. Top management recognises that, in order to ensure success, a more disciplined, structured and measurable approach with deadlines, indicators and accountabilities is needed.

- **Talent management** for the Bank's existing staff was highlighted in each Directorate action plan. Since the Bank is a long-term employer with low turnover, continuous growth opportunities for current staff are, indeed, critical. As in other areas of people management, individual practices do not make a difference in a communications vacuum – they have to be communicated correctly. Therefore, Directorates should focus on the exchange of ideas, in order to reap the full benefit of their efforts.
- **Working environment initiatives**, also included in each Directorate action plan, aim to ensure that all staff are fully included. Directorates are working hard to strike a balance between operational pressures and the needs of individuals for flexibility and developmental opportunities – which in the long run can help to ensure sustainable productivity.
- **Recruitment of new staff** is the third main area of Directorates' focus, often in the form of numerical targets. Action in this area was divided into two main categories: targeted outreach and recruitment to attract underrepresented candidates, and the quality of recruitment (objective, consistent and transparent criteria, procedures and communication with the applicants).

10. The Bank is lagging behind many private companies and its international organisation competitors in **reaching out to diverse expatriate talent**. A more proactive approach is needed. Jointly with the External Communications team and other relevant parts of the Strategy and Corporate Centre Directorate, HR is reviewing **the Bank's image as an employer** across the board, from employer branding to the attractiveness of the website. Individual Directorates complement the process in their own projects.

Key HR initiatives on the way towards better diversity and equality:

- **Talent management** approaches and instruments for talent identification and development, and pipeline building, such as competency-based assessment instruments, consistent CV data base, developmental mid-year feedback, and the internal mobility initiative.
- **New instruments for the recruitment process** and targeted search of underrepresented candidates, such as diversity-sensitive interview guidelines, interview training courses, assessment centres for managerial selection, and employer branding to improve the Bank's attractiveness.
- Improved **flexible work** opportunities.
- **Code of good practice on disability**, and the first training session held.

RECOMMENDATIONS: THE WAY FORWARD

It's time to move on

- **from control to trust**
- **from restrictions to opportunities, and**
- **from oversight to empowerment.**

Gender and nationality balance

1. **Set a target for Directorates on the recruitment of women in functional levels F to SC.** Within the Bank-level targets, adjust the Directorate ones to current status, needs for improvement, and professional candidate pool profiles.
2. **Set a target for the share (%) of women in SC-C and cascade it down** appropriately to Directorates, reflecting internal imbalances. Include the target in the Key Performance Indicators.
3. **Monitor nationality (specifically NMS/OMS) balance regularly** in recruitment and career development to ensure fair competency-based progress.

Appointment and promotion

4. **Expect each shortlist to be diverse**, presenting at least two candidates of underrepresented gender/nationality – while making all effort to meet the urgent operational requirements for hiring. Complement the shortlist with a systematic comparator analysis of the proposed candidates.

Talent Management & Recruitment

5. **Target the search** firmly at non-traditional recruitment markets; use channels/head hunters with a strong track record on diversity. Encourage Directorates, together with HR, to use appropriate agencies as needed.
6. **Establish a systematic database** on applicant qualifications from outreach to placement (re: Chapter 5). Address potential gender biases on entry levels¹ without delay. Use the same approach to enhance diversity in the internal job market.
7. **Monitor the selection tests and assessments** on an ongoing basis. Review the results against the Bank's diversity priorities; also review the results against performance at 3-5 year and against career progress at 5-10 year milestones.
8. **Integrate diversity into the Management Skills Development Program** and ensure participation is proportionate to the gender balance across eligible participant populations.
9. **Drive forward the approved Talent Management Strategy** with special attention to objective and transparent talent identification by, amongst other initiatives,
 - Implementing an improved "internal CV" to increase knowledge of our internal staff skills and knowledge. This knowledge is essential for the transparency and proactive management of internal mobility and selection;
 - Piloting "Talent reviews" within certain Directorates.

¹ Business Partners will collaborate closely with Staffing in ensuring and verifying that entry salaries are equitable, commensurate with relevant qualifications and experience and unbiased by factors unrelated to competence for the job.

Transparency

10. **Empower managers by increasing transparent on-line diversity data**; make data more of a management instrument and less of a control tool.
11. **Conduct a consistency/transparency review of internal communication** on people management issues (ensure the inclusion of the key diversity aspects such as career opportunities, promotions and mobility rules, implications of part-time work); set firm standards similar to external communication; publish this diversity report internally and externally.

Working environment

12. **Ensure the consistent use of the Bank's HR policies** to promote diversity and equal opportunities, as introduced by HR and decided by the Management Committee (e.g. increased flexi-time, teleworking); initially charge the HR Director to monitor data/feedback and report the findings to management on a semi-annual basis.

Reporting

13. **Continue to develop standard data reports and trend analyses** on HR data relevant to diversity, e.g. internal mobility at Directorate level as well as Bank-wide.

1. INTRODUCTION

This is the first Annual Diversity Report prepared for the EIB since the establishment of the Bank's Diversity Strategy in December 2008².

The report provides an expert assessment of the status and trends of the Bank's staff diversity and inclusion. In line with the Bank's commitment to transparent information sharing with its staff and stakeholders³, and following the recommendations of Diversity Strategy, the report will be posted on the Bank's internal and external websites.

The purpose of this report is to present:

- the priorities, goals and philosophy of the Diversity Strategy and Action Plan;
- the Bank's diversity management infrastructure;
- a numerical analysis as of end-2009, and for the previous five years;
- a comparison with the gender balance in selected similar international organisations for the purpose of benchmarking;
- the most significant steps for progress, main concerns, lessons learned and recommendations for action.

The report focuses mainly on calendar years 2008 and 2009, and also provides an insight into the implementation of the Diversity Strategy and Action Plan, first steps taken and results obtained. This covers the Bank-wide and Directorate-level action plans.

The report endeavours to strike a balance between constructive criticism and encouraging information on progress; the gaps and concerns will be openly identified and communicated, but they should immediately generate proactive and concrete responses throughout the Bank rather than cynical reactions. The Diversity Strategy implementation will be assessed in close mutual integration with the Bank's Human Resources Strategy to ensure that the documents and their application are fully aligned.

² In previous years (1999–2004), COPEC prepared an annual report on gender and continues to do so in line with its Convention. The Bank also published internally an "independent expert analysis" of the status and trends of gender equality in 2006 and an updated version in 2008, prepared by an external consultant. Those reports are available on the Bank's internal website.

³ See also the Bank's Policy on Public Disclosure.

2. THE EIB'S DIVERSITY STRATEGY: GOOD FOR PEOPLE – GOOD FOR BUSINESS

What lies behind “diversity?”

The European Investment Bank's Diversity Strategy positions the Bank as an advanced and modern employer, able to attract the best diverse talent in the labour market, and to motivate, develop, advance and reward its existing staff. The philosophy sees staff and candidates as rich combinations of human characteristics rather than just women and men, new and old Member State nationals, etc., while still using available demographics in monitoring measurable aspects of those dimensions. The Strategy pays considerable attention to management performance, communication, practices and cultural issues.

The Bank's concept of diversity embraces a wide range of individual and cultural characteristics, such as age, cultural, ethnic and racial background, education and experience, family status, gender, nationality, physical ability, religion and sexual orientation.

The Strategy is built on long-term, professionally sound Human Resources Management, avoiding quick fixes and short-term cosmetic measures, and does not introduce quotas or gender-based preferential treatment. The Strategy does not accept the concept of reverse or “positive” discrimination at all. Discrimination, by default, is seen as negative. The Strategy is driven by recognising the employer's duty to identify and take positive action to address any systemic or behavioural biases in the working culture, to ensure dignity, justice and equality. This responsibility falls to every line manager. Each manager will be made accountable for actions and results, which would eventually be reflected in balanced statistics.

In addition to promoting staff diversity in statistical terms, the Bank wants to ensure that its employees are fully included. By “inclusion”, the Strategy means valuing the unique contribution each employee can bring to the work community. People are at their best when they work in an atmosphere of respect and trust that allows maximum flexibility and autonomy in their ways of working while ensuring that they are fully committed to the agreed objectives. Trust-based management is critical for motivating the talent the EIB wants to employ. Unnecessary control and restrictions do not serve the Bank's talent and diversity management goals.

There is zero tolerance of discrimination or harassment; should such behaviours or practices be observed, they should be addressed. The foundations of the diversity efforts were already laid in the Bank's Code of Conduct (1997) and Dignity at Work Policy (2003). Despite the existing infrastructure, there is not enough awareness of diversity/equal opportunities and discrimination/harassment at the Bank. This also applies to the relevant EU regulations on these issues – people are simply not aware of them. Therefore, an essential element of the Strategy is awareness raising and skills building by integrating and mainstreaming diversity into the training programmes, and by offering special supplementary programmes to staff and managers.

The Bank's approach strikes a balance between numerical targets and indicators and qualitative ones that reflect processes, practices and the working environment. In their performance assessment, managers are made accountable for taking concrete action and achieving results. The findings of regular monitoring procedures are published for management and staff in a systematic manner.

A critical factor for the successful implementation of this strategy is clear and sustained leadership from the top, the engagement of all line managers, and robust tools and professional support from Human Resources. Management are expected to model diversity and inclusion and, on an individual basis, serve as role models to staff.

The publication of the Strategy and the Action Plan marked the beginning of a long journey. The outcome will enrich the working environment for each staff member. Every step counts although it will take time to achieve meaningful results. Sharing and celebrating progress while also openly acknowledging obstacles is necessary to keep up the momentum. Transparent monitoring and reporting are key instruments, as with any business operations.

The business case, the vision and the strategic priorities

The Bank's **business case** for diversity combines three equally important interrelated elements:

- the need for a high level of institutional performance in responding to increasingly complex operational challenges;
- the ethical and social responsibility of the Bank as an employer and as a public EU institution;
- the need for strong management of talent to ensure the best possible use of human resources.

The Bank's diversity slogan: "*Good for People – Good for Business*" reflects the link between human beings and business outcomes. In order to fulfil its mandate successfully, the Bank must be competitive in both areas. The Bank must serve as a model for its high ethical standards and social responsibility objectives and inspire the best from its talent; staff statistics must reflect the available talent pools; and the business approaches must be relevant and credible from the perspective of different customers.

The richer the perspectives and toolkits, the better the Bank will be in proactively refining its strategies and responding to changes in the world market.

The Bank's **vision** of diversity is to achieve collective well-being, long-term productivity and sustainable business success

- by attracting the best and most diverse talent from the member countries;
- by offering a working environment where everyone feels valued and where loyalty is respected; and
- by ensuring a management infrastructure in which all talent is used to the best of each individual's ability and for the benefit of the Bank's business.

The **focus** is initially on **gender and nationality** but this will gradually evolve as results are achieved. For several years, the Bank's main concern with regard to diversity has been the gender imbalance in senior functions and this issue still needs attention. The recent rounds of European Union enlargement have created additional challenges for the Bank in terms of attracting and integrating staff from the "new" Member States (NMS), without forgetting that some of the "old" Member States are underrepresented. In accordance with the EIB's statutory requirements, nationality imbalances have to be addressed.

While the gender and nationality balance requires the most urgent action, the EIB will not ignore other important dimensions, such as the inclusion of people with **disabilities**. The Bank's new building meets high standards in terms of accessibility for disabled people and consequently a disability policy was approved by the Management Committee in July 2009. It will be implemented so as to ensure similar standards for institutional behaviour and culture.

The sustainable establishment of diversity and inclusion is a challenge to the Bank's culture. It requires fundamental changes and radical reform in managing people and work and the ways of doing business. The current opaque seniority-driven culture must be improved and modernised in favour of trust-based management driven by objective standards, transparent decisions and merit-based careers. Managers are responsible for taking the initiative and accountable for achieving results, but they need staff to be responsive.

The Bank has adopted high standards of external transparency, public disclosure and ethical and social responsibility. These high standards should likewise apply to internal management, specifically in people-related operations. The Diversity Strategy can only be successfully implemented in an atmosphere of open communication, transparency and trust between managers and their staff. Managers are expected to manage their work units according to the principles mentioned above and the objectives set out in the Diversity Strategy.

The four priority areas of the Diversity Strategy are:

- *to attract, engage and retain diverse sources of talent fairly and equally*, regardless of personal characteristics (gender, nationality, disability, etc.) that are irrelevant to professional ability. Balancing existing staff management with selective external recruitment will ensure sustainability while inviting fresh thinking;
- *to build an inclusive work environment* where different skill sets, viewpoints and work styles are valued, ensuring that the competencies of all staff are recognised, developed and fully utilised. This requires that the focus be firmly placed on agreed results, while employees are given flexibility in accomplishing their work;
- *to foster leadership and management*. Effective diversity management demands clear leadership from the Management Committee and Senior Managers, credible commitment from all line managers and professional support from Human Resources. Management are expected to serve as role models;
- *to build the Bank's profile as an employer of choice*, aligned with the Bank's high standards for social responsibility, ethics and transparent information sharing.

The strategic principles in a nutshell:

- an approach based on holistic and sustainable diversity, with the initial focus on gender, nationality and disability;
- a special emphasis on trust-based talent management, targeted recruitment and cultural modernisation;
- transparent and open communication and reporting of data, priorities, actions, progress and challenges;
- systematic monitoring of numerical and qualitative aspects;
- managers' accountability and role modelling.

The concrete objectives set for the Diversity Action Plan:

- increase the statistical diversity and balanced distribution of women and men, and new and old Member State nationals⁴ across functional levels, operational categories, Directorates and Departments.
 - The initial numerical target – included in the Bank's Key Performance Indicators – is set for the recruitment of women in functions SC-F. This target was 42% in 2008, 45% for 2009 and 50% for 2010. HR reports on progress to the Management Committee on a quarterly basis;
 - Other staff statistics on recruitment, the staff count, performance assessment, promotion, mobility⁵, part-time work, management training, etc., are regularly monitored through selected indicators to ensure balance and equity.
- ensure equal opportunities for all candidates and staff in search, selection, development, assessment, visibility and exposure, rewards and career progress;
- modernise the Bank's management culture, move from presence, control and unnecessary restrictions to trust, openness, transparency and flexibility.

⁴ Including nationals of pre-accession countries

⁵ It is hoped that statistics will be available in 2010.

3. THE EIB'S DIVERSITY INFRASTRUCTURE

Policy framework and recent diversity reviews

The Bank has adopted a number of HR policies that have a direct link to diversity, such as the Staff Code of Conduct, Dignity at Work, Performance Appraisal, Principles of Staff Development, Working Hours and Part-time Work, Guidelines on Mobility and Promotion, Maternity Leave, Leave for Nursing Mothers, Adoption Leave, Parental Leave, Leave for Cures, Family Leave and Unpaid Leave.

"The Bank ... guarantees equal opportunities and ensures respect for the dignity of [both female and male] employees", and "The Bank strives to promote working relations based on loyalty and mutual trust". Staff Code of Conduct (2006)

In 2009, there was a significant increase in the development of diversity-sensitive HR reforms. They established sound and systematic practices for HR management and will therefore have a positive impact on equal opportunities. A number of these issues were submitted to the Management Committee for information or approval in July 2009. A special initiative to be highlighted here is the Code of Good Practice on Disability – an important step forward to meet modern diversity standards.

Between 2004 and 2009, the Bank also conducted several gender and diversity reviews with the help of external consultants and internal stakeholders such as COPEC and Internal Audit/IG. The findings seem to suggest fairly similar recommendations, regardless of the reviews' initial focus, namely that the quality and transparency of data should be improved with respect to HR criteria, standards and decisions. So far, the lack of systematic data has been – and still is – the biggest obstacle to analysing existing biases between women and men, and new and old Member State nationals.

Selected Management decisions

Management's commitment to gender equality has been demonstrated repeatedly since 2003 but there was no concise statement of this commitment until the Diversity Strategy was approved in December 2008. Many of the Management's decisions have, unfortunately, remained unpublished and therefore gone unnoticed.

One of the most significant steps in this area was the establishment in 1996 and Management Committee's approval of *quantitative targets* by Directorate, to be achieved over the period 1996-2001. In March 2003, President Maystadt confirmed that the Management Committee's decision was still in force and that the target for women in managerial grades C and SC for 2005 was 13%.

In 2004, the Bank's Management Committee confirmed the general principle that whenever job applicants had equivalent qualifications, priority should be given to females. The Committee also decided that one of the five selection panel members for filling vacancies in function C and above should be a COPEC representative, as an observer, to ensure that sufficient attention is paid to gender equality aspects with every appointment. In addition, it was recommended that, in external advertisements for Bank positions, information on the Bank as an attractive employer for female candidates should be highlighted.

COPEC

In 1984, the EIB created the first Consultative Group on equal opportunities. Ten years later, in 1994, the Bank and the Staff Representatives signed the COPEC Convention, updated in 2004, creating a joint HR-Staff Representatives committee with the aim of (1) approving an Action Programme and (2) monitoring the implementation of a policy of equal opportunities among staff. COPEC has traditionally had a role in initiating work-life balance policies, evaluating and monitoring gender-related data, policies and actions, reporting on issues of equal opportunities for women and men in its annual reports. As such, COPEC initiated a first external expert review on gender data in 2006 and recommended the strengthening of the diversity infrastructure through the recruitment of a Gender and Diversity Advisor to elaborate and implement a diversity strategy for the Bank. COPEC also comments on HR proposals affecting personnel policies that might have a bearing on gender issues and has an observer role in senior function selection panels. Finally COPEC is the organiser of, and representative in gender events, networks, and meetings.

The Senior Advisor on Gender and Diversity

In October 2008, the Bank created a position for a professional Senior Advisor on Gender and Diversity to enhance the implementation of the Diversity Strategy. The Advisor worked closely with the HR Director and other HR colleagues, Management, Directorates, staff and Staff Representatives and served as an observer for COPEC and as an external Bank representative on diversity issues.

The three DG Diversity Sponsors, and Directorate Diversity Liaisons and Sponsors

In April 2009, the President approved the establishment of a team of three voluntary Directors General to sponsor, inspire, coordinate and follow up the implementation of the Diversity Strategy jointly with the Diversity Advisor, and the HR Director. The members will rotate every three years to maximise the extent to which Directorates “buy in” to the Strategy. Three meetings are held annually with the President to review progress and challenges. The first meeting was held in early July 2009, resulting in important agreements on the next steps and communication with other DGs. The team will play a key role in establishing high-level engagement and ensuring prompt action as issues arise.

Each Directorate was asked to appoint a Diversity Liaison as an internal coordinator to work closely with the DG and the Senior Advisor on Diversity. The Liaisons meet on a quarterly basis with the Diversity Advisor and the HR/Directorate Business Partners to discuss experiences and concerns, and obtain appropriate training as needed. Three Directorates also followed the recommendation that an internal senior-level Sponsor be appointed to collaborate with the Liaison, serving as a link between Directorate management and staff.

These new structures are crucial as part of the Bank’s cultural reform to open the door for new thinking. Traditional institutional arrangements, such as steering committees or other “oversight” entities, tend to maintain existing power structures, agendas, roles and attitudes. Despite good intentions, they do not facilitate individual empowerment and ownership of change. Old structures were established to serve old needs; new challenges call for new structures.

External framework

In the European Community context, the EIB has a lot of formal support for its gender equality efforts, particularly in the Treaty establishing the European Community (Articles 137 and 141), the Charter of Fundamental Rights of the European Union (Article 23) and various Community texts concerning equal opportunities. Useful support is also provided by Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions.

THE WAY FORWARD

Despite the many Management decisions and modern HR policies, there appears to be a gap between formal policies and informal reality. A major obstacle does not necessarily seem to be resistance, but rather lack of communication and lack of accountability. Therefore, even more attention to transparent communication is needed.

It is important that new work practices are proactively and systematically conveyed to managers with a signal regarding each manager’s full responsibility for transferring them into daily management practices. The Diversity Strategy process has revealed a number of practices that vary across Directorates, such as flexible work arrangements, part-time work, performance assessment in cases of maternity or parental leave, or simply how policy and rule changes are communicated to staff. HR may need to do more to ensure that guidelines are consistently implemented across Directorates. Much work needs to be done to ensure fully consistent, fair and transparent implementation and communication of the Bank’s HR policies. The responsibility for achieving the EIB’s diversity objectives rests firmly with the Management Committee and the Directorates, with the Directors General visibly sponsoring initiatives in their area.

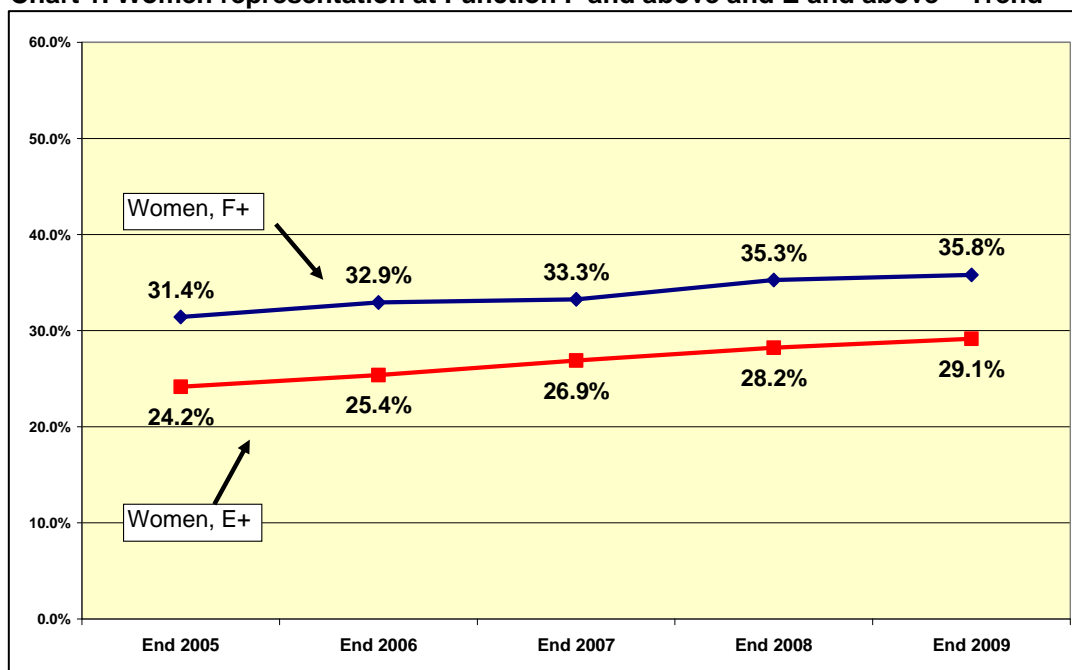
4. STAFF DIVERSITY IN NUMBERS

Gender profiles⁶

Overview

Over the past 5 years, the share of women in function F and above has increased from 31.4% in 2005 to 35.8% in 2009. Chart 1 shows the positive progression of women representation when we consider E function and above only. These successful results are mitigated by a number of factors, mainly a) the fact that the rate of relative increase of women representation seems to have slowed down in 2009 and b) the much smaller representation of women at higher levels (Chart 2).

Chart 1. Women representation at Function F and above and E and above – Trend



Distribution of women by function

Despite several years of attention being given to gender issues, the Bank's gender profile is still uneven. At the end of 2009, while 40.3% of staff in professional function (D-F) were female, the share dropped to 16.1% in SC-C functions. Women in support function (G-K) were 87.5% of the total, resulting in 51.7% when all EIB staff are included, as Table 1 indicates. This unbalanced profile tends to create a stereotypical image of women as support staff and men as managers. Subconsciously, these images work against equal opportunities when career talent is considered.

Table 1. Number of staff by Function and Gender as of December 31, 2009

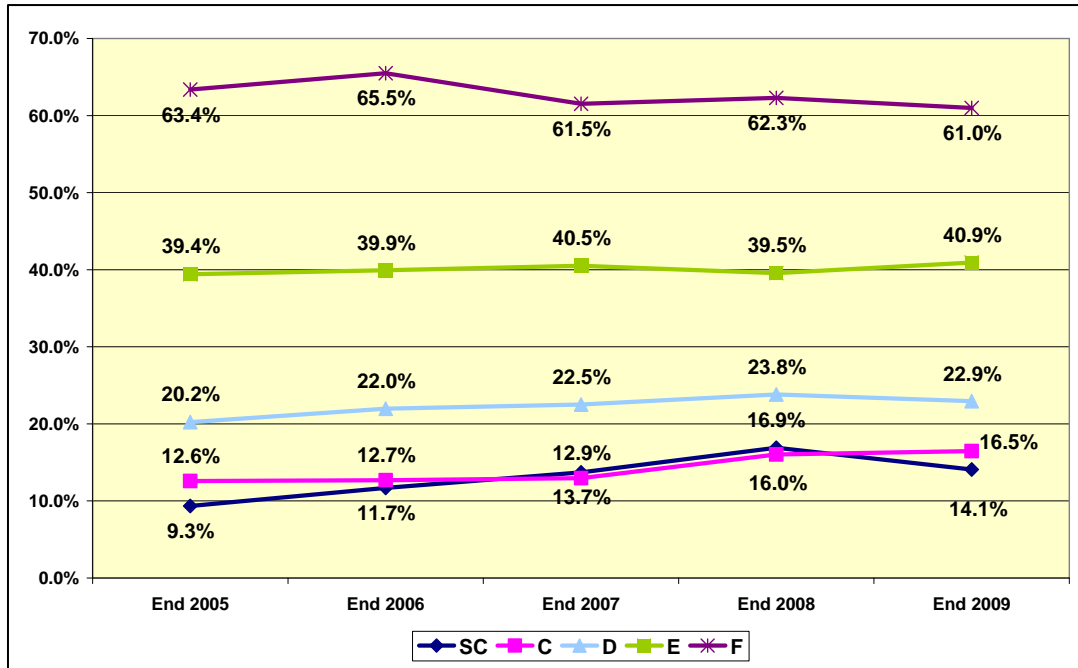
Function	Women	Men	Total	% Women
SC	9	55	64	14.1%
C	27	132	159	17.0%
D	72	243	315	22.9%
E	168	241	409	41.1%
F	153	98	251	61.0%
G-K	463	66	529	87.5%
EIB Total	892	835	1727	51.7%

As far as functions SC are C are concerned, the trend over the past five years is positive, with an increase of 4.8 and 3.9 percentile points, respectively. In this respect, it should be emphasised that (i) the number of staff at these levels (particularly SC) are small, so very sensitive to small variations and that (ii) the positive results of previous years were partially eroded in 2009.

⁶ The source of the data reviewed for this analysis is the EIB's PeopleSoft database as of end-2008 and for the past five years.

The figures showed some marginal improvement at function D but remained flat at E and actually dropped a little for function F. A clear element is that the gaps between functions E and F and also D and E are quite significant and they have not been reduced between December 2005 and December 2009.

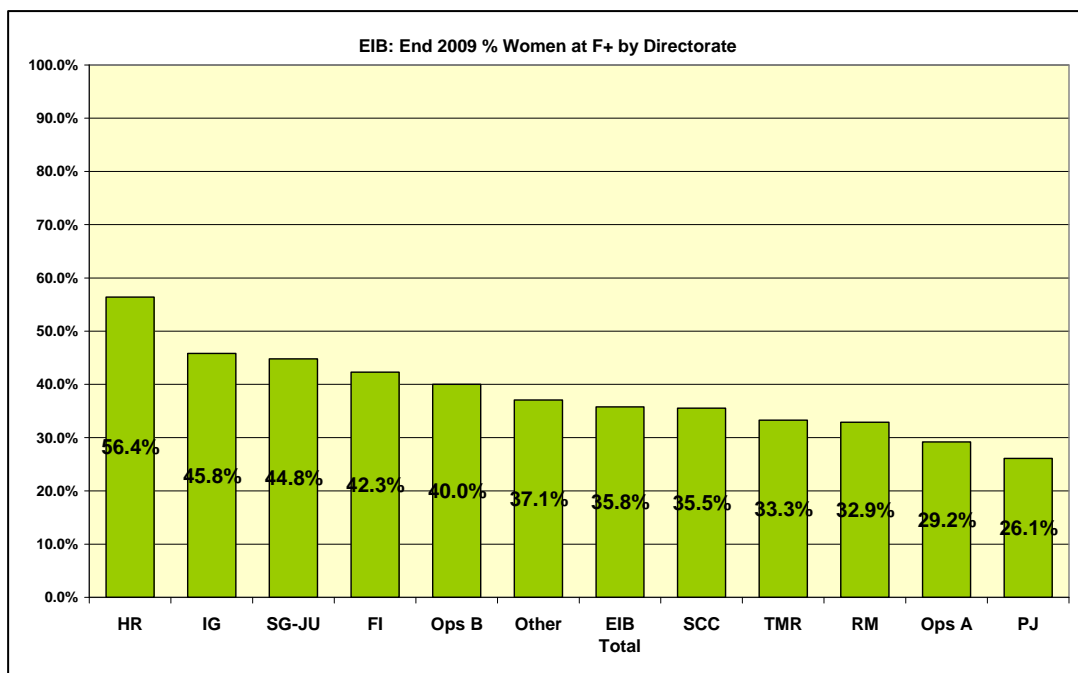
Chart 2. Share of women by functional level F and above only, 2005-2009



Directorates

Across the institution, in Directorates and Autonomous Departments (hereafter, D/AD), the gender balance varies greatly (see Annexes I and II). In professional and managerial functions F and above combined, the gender balance is significant (40 to 56.4%) in FI, Ops B, HR, IG and SG/JU (Chart 3). In some of these Directorates, however, the variation across individual functions and operations hides pockets of significant non-diversity. Some Directorates, despite their relatively weak 2009 gender balance, such as PJ and Ops A, show an impressive improvement of 10.6 and 6.8 percentile points, respectively, in the last 5 years.

Chart 3. Women in functions SC-F by Directorate, end-2009



The Bank's "public face"

The Bank's "public face" in operations is a business card that tends to be ignored in diversity programmes. This public face is, however, what potential employees, customers and collaborators see, hear and remember. People read articles and interviews, and they see pictures of decision-makers in public media. They listen to the Bank's representatives as speakers at external conferences and meetings. They also compare staff statistics in various UN, EU and employer benchmarking reports. All these elements create an image of the Bank. Upgrading the Bank's recruitment website is not enough to reflect a credible diversity strategy.

As a natural consequence of the imbalance in gender at Senior levels, the first EIB review conducted for this report revealed a negative gender picture in one aspect of our "public face" - only 9.3% of the Bank's speakers at external conferences in 2008 (a total of 243) were women. This result is far below the share of professional and managerial positions occupied by women.

Prompted by the initial findings, Management has now requested Directorates to take swift action to address this imbalance and increase the share of women, new Member State nationals and young staff in external visible assignments.

THE WAY FORWARD

Targets for the share of women

It is proposed that the Bank introduces the following two gender targets:

1. Bank-wide share of women in function D-F, cascading it down to the D/AD level – this will have to be calibrated to take into account the different starting point of each D/AD and, more importantly, the different labour markets;
2. Bank-wide share of women in function SC-C, with the same top-down approach as above.

The Bank compared with selected other International Organisations

The professional nature of the Bank and the fact that it is located in Europe would suggest that the gender balance should be fairly good and systematically improving due to increasing gender equality in the European Union's educational and employment systems. In the EIB professional functions (SC-F), this seems to be the case (if function F is included as a fully professional category of staff) (Chart 4). At the managerial level, the Bank is unfortunately lagging behind most other comparative international organisations (Chart 5). Since the benchmarking results have indicated consistent weaknesses for several years, HR might want to investigate what lies at the root of the problem. The findings of this report suggest that the analysis should focus on the function at which women are initially hired compared with men, and possibly the mini-steps within each function.

Chart 4. Professional women in selected International Organisations, 2000-2008

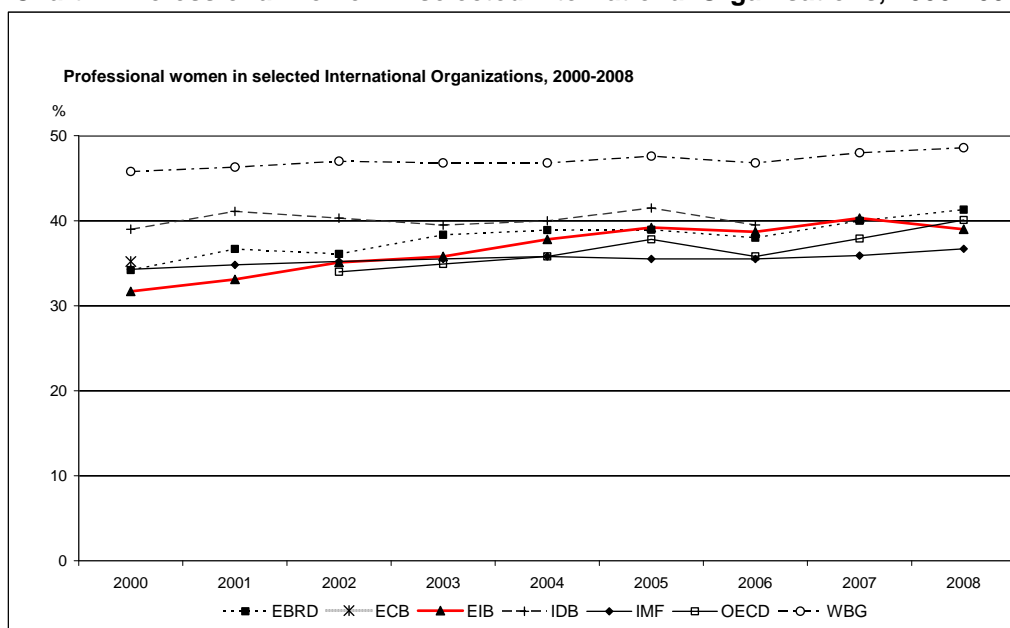
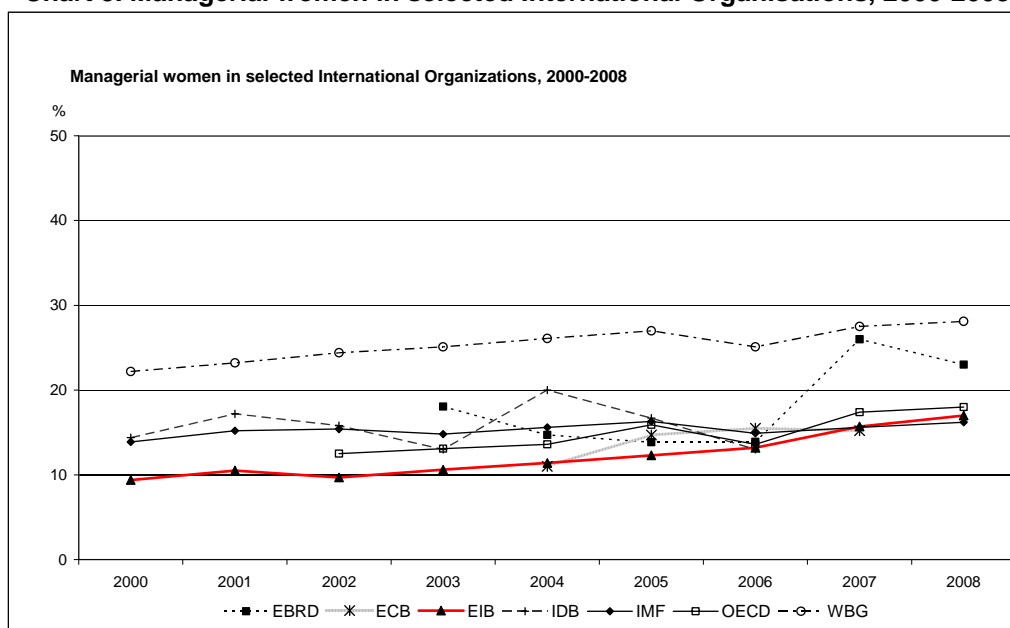


Chart 5. Managerial women in selected International Organisations, 2000-2008

Nationality balance in terms of New and Old Member States

“In the selection of staff, account shall be taken not only of personal ability and qualifications but also of an equitable representation of nationals of Member States.”
EIB Statute, Article 13(7), version May 2004.

In terms of nationality, this report focuses on the representation of New Member State nationals (hereafter NMS), which is the second priority group in the Bank’s Diversity Strategy. In line with the Strategy, other most underrepresented nationalities will also be regularly monitored⁷. No targets have been set for nationality. However, HR will start to provide clear recruitment guidelines to aid the Directorates to focus in an effort to meet the requirements of the Statute. The Staffing Division is in a key position as the Bank’s gatekeeper to ensure that the nationality imbalance is not accentuated, but it is equally important that Management and Directorates appreciate this Bank-wide concern.

The growth in representation of NMS nationals within the EIB is highly encouraging; it has substantially increased during the past five years. At the end of 2009, NMS nationals’ share of all staff was 10.0%. Table 2 below shows the distribution by functional level. It is interesting to note that while NMS are barely represented at SC-C levels, 1 in every 5 staff in function E is from NMS. Also, since 2007, a few posts in function D have been filled by NMS staff. Chart 6 illustrates the positive trend in NMS representation at professional levels.

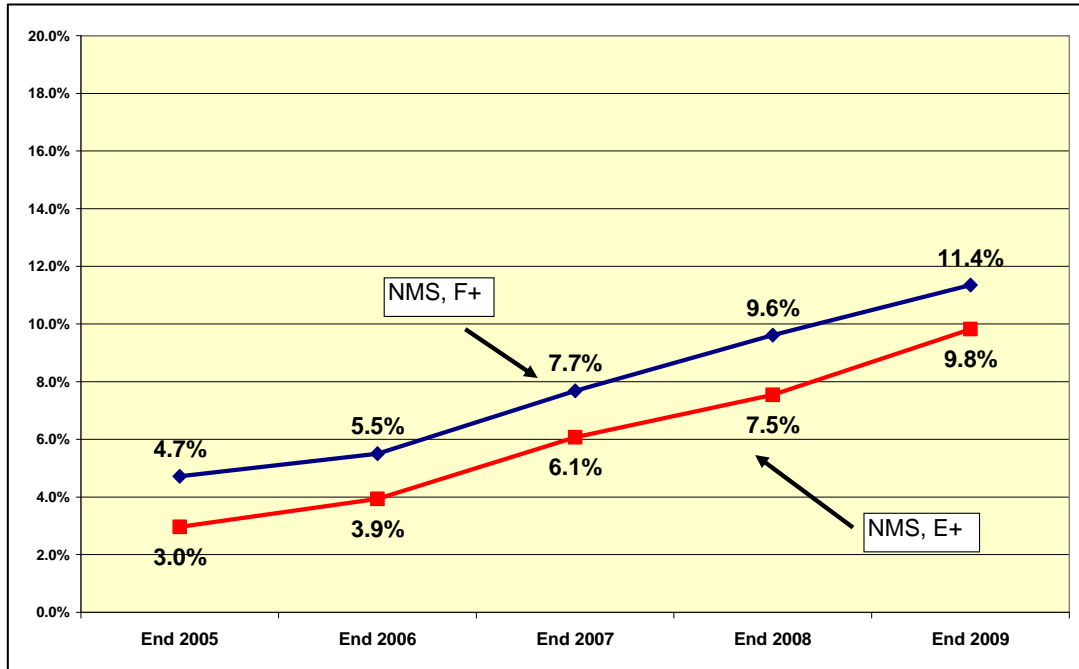
Table 2. Number of staff by Function and Nationality Group as of December 31, 2009

Function	NMS	OMS	Total	% NMS
SC	0	64	64	0.0%
C	1	158	159	0.6%
D	14	301	315	4.4%
E	78	331	409	19.1%
F	43	208	251	17.1%
G-K	36	493	529	6.8%
EIB Total	172	1555	1727	10.0%

⁷ The Bank-wide statistics are available on the intranet.

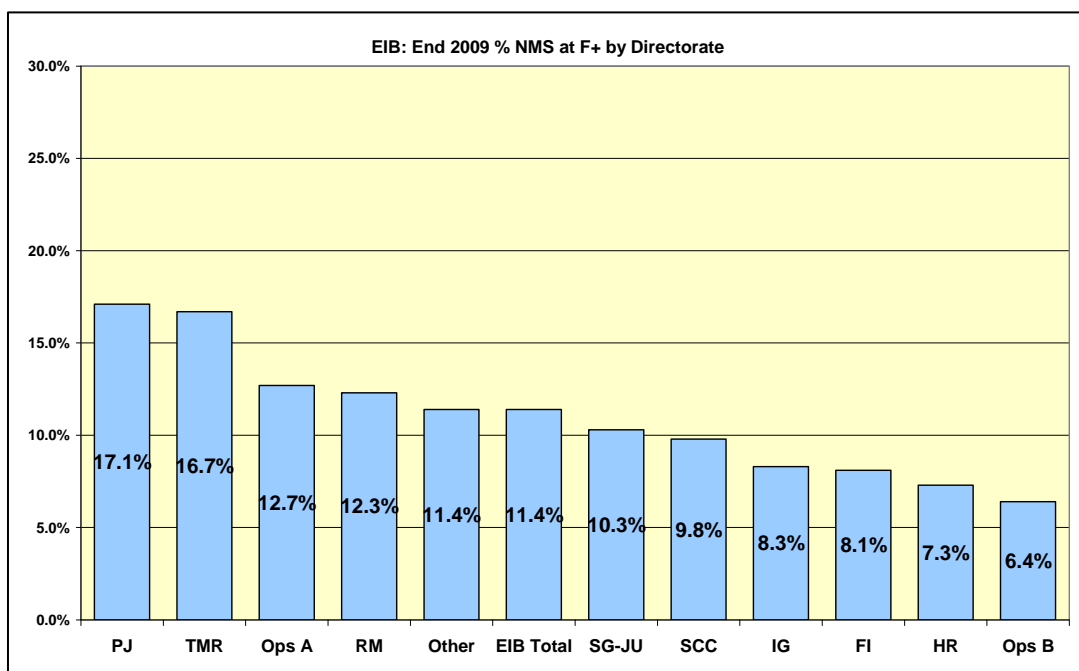
The challenge is now to monitor the trend carefully and ensure that progress is not impeded by a glass ceiling. Any minority, whether defined by gender, nationality or some other criterion, typically tends to face career obstacles due to lack of role models, networks and mentors or simply because of a non-inclusive culture. Therefore, the Bank's Diversity Strategy emphasises the importance of offering targeted support to minorities to ensure that they are able to fully contribute to the EIB and develop successful careers here.

Chart 6. NMS representation at Function F and above and E and above - Trend



By Directorate, the variation is considerable (Chart 7). In functions F and above, the highest proportion (17.1%) of NMS staff are in PJ (owing to Jaspers), followed by TMR (16.7%) and Ops A (12.7%). The lowest share of NMS staff is in Ops B (6.4%) and HR (7.3%).

Chart 7. Share of New Member State nationals by Directorate, F+ end-2009



5. TALENT MANAGEMENT & RECRUITMENT

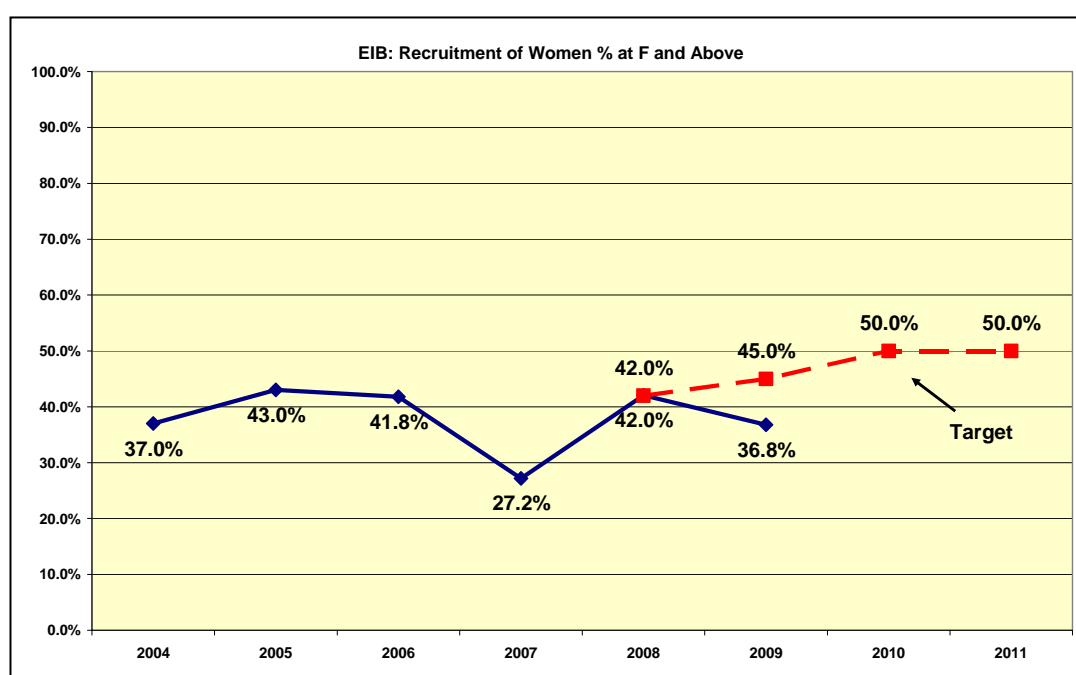
Recruitment of women by function

The Diversity Strategy sets one numerical target: *the recruitment of women in functions F to SC combined*. For 2008 the target was 42%, for 2009 it was 45% and for 2010 it is 50%.

- Good news: In 2008, the Bank met the target with exactly 42.0%
- Bad news: In 2009, the results have been below the target, with 36.8%

In previous years the recruitment results varied significantly, being at their highest (43% women) in 2005 and at their lowest (27.2%) in 2007 (Chart 8). The drop in 2007 was due to the recruitment of technical experts – typically predominantly male professions - for the JASPERS programme⁸.

Chart 8. Recruitment of women at functions SC-F, 2005-2009

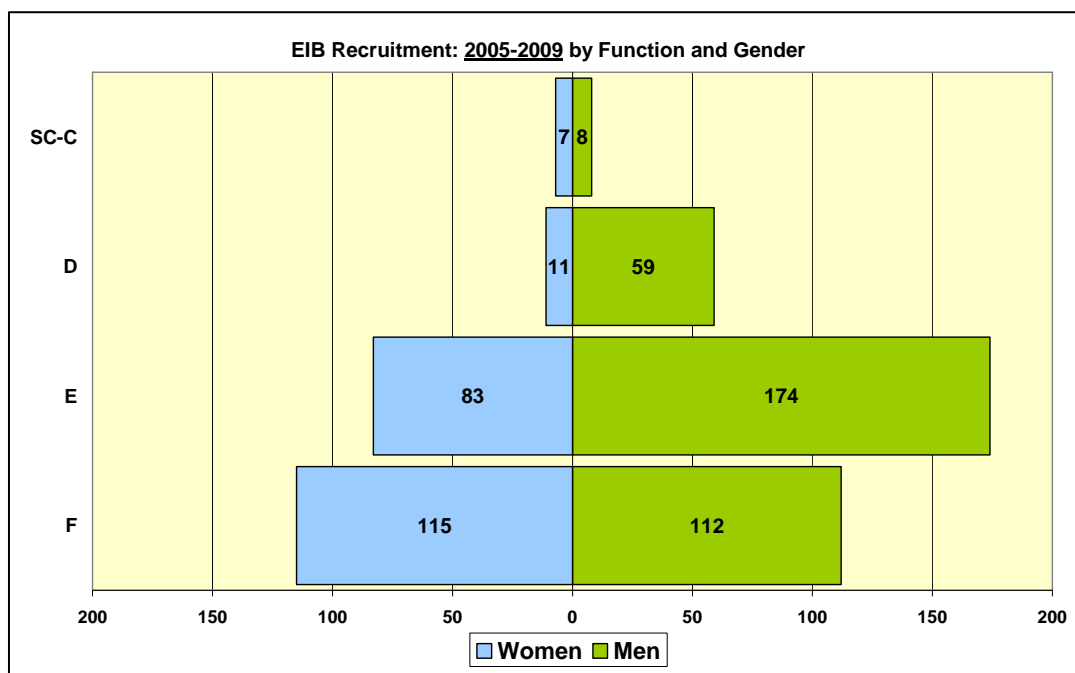


The review by individual function reveals a major concern: women are predominantly hired in lower functions than men (Chart 9) and the trend has not improved since the previous 2006 and 2008 gender reviews, COPEC annual reports and the internal audit report of 2008.

More specifically, professional women are hired more often than men in function F (except in 2007, when the JASPERS programme changed the recruitment profile), while men seem to be placed more frequently in function E. The gap has persisted over the past five years.

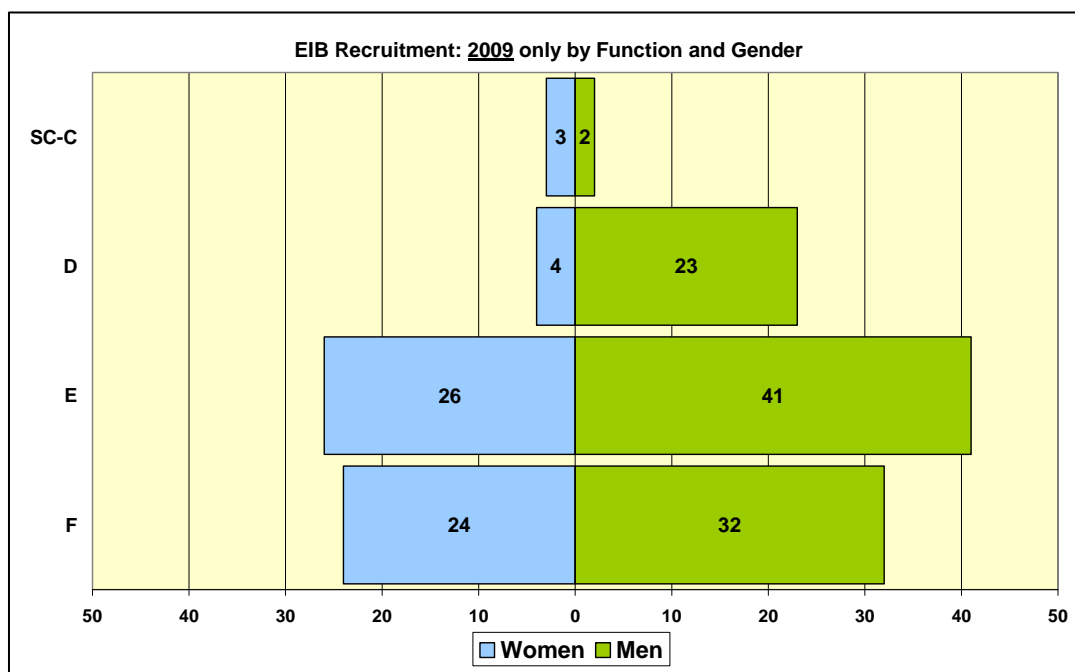
⁸ JASPERS (Joint Assistance to Support Projects in European Regions): Total recruitment in 2007 was 28, of which 2 were women.

Chart 9. Recruitment of women and men by function SC-F, 2005-2009



In 2009, out of the 155 professionals hired, 57 were women, of whom 42.1% were placed in function F (Chart 10). The total number of professional men was 98, of whom only 26.5% were placed in F. In function E, the respective shares were 45.6% for women and 41.8% for men. Women are seldom recruited in function D (only 7.0% of professional women hired in 2009), whereas it was the starting function for 23.5% of professional male recruits.

Chart 10. Recruitment of women and men by function SC-F, 2009 only

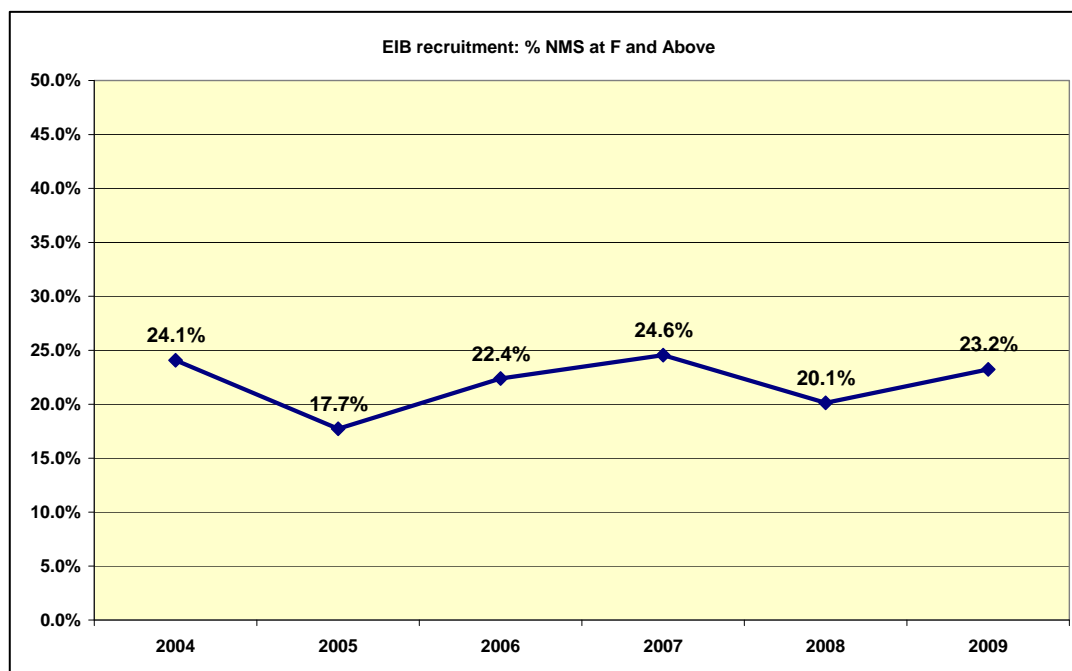


The mini-step analysis of 2009 did not indicate systematic or significant gaps between women’s and men’s starting steps. Since the 2007 recruitment year was exceptional, the five-year data did not provide a solid basis for a detailed mini-step analysis and is therefore not used here. Since mini-steps directly reflect salaries, to protect the confidentiality of individual data the available one-year 2009 statistics cannot be presented.

Recruitment of New Member State nationals

Nationality review provides a highly encouraging picture: The recruitment results of NMS nationals in professional functions has consistently improved, reaching 23.2% at the end of 2009, compared with 20.1% one year earlier (Chart 11). This is significantly higher than the current share of NMS nationals of professional staff, 11.4% and will be reflected in staff balance.

Chart 11. Recruitment of staff from NMS at functions SC-F, 2005-2009



THE WAY FORWARD

The findings regarding the function at which new staff are taken on suggest various hypotheses that are presented here for consideration:

1. either the Bank's image and/or outreach attract less qualified women whereas male applicants tend to be professionally more available – but why⁹?
2. or perhaps women apply for lower-level positions regardless of their qualifications (this is in fact a global tendency). The Bank may want to address this bias by proactive placement correction of candidates who are overqualified for the job applied for. This is an ethical and strategic question for the Bank, and a major issue as far as utilisation of talent is concerned;
3. or perhaps there is a systematic hiring bias against women in terms of qualifications vs. starting function. Since such biases have been identified in a number of studies; it is the Bank's responsibility to investigate whether this applies to the EIB.

The starting function and mini-step level are the most critical factors in predicting future career progress. Even the slightest differences tend to be exacerbated with the passage of time. Whilst processes exist within the EIB to review the functional grade of roles (regrading, etc.), and to correct differences between similar posts, the Bank does need to assure itself that there is no hiring bias. Since this gender or nationality imbalance/bias in starting function has been pointed out for several years¹⁰, the Bank should,

⁹ Main reasons are the issue of dual careers, the location in Luxembourg, the challenge to find jobs for partners in a relatively narrow labour market, and the scarcity of women available in certain technical domains the EIB is looking for. However, it is easier to know why people apply than why people do not apply: The way the organisation is perceived externally is increasingly critical to attract good people. Historically the EIB has been a "low profile" organisation. The ongoing evolution towards a more proactive external communication, with increased direct interaction with external stakeholders helps to improve the attractiveness as an employer. The ongoing review of EIB "employer branding" intends to contribute to improve image and facilitate outreach activities.

¹⁰ - Review of Gender Equality at the European Investment Bank – Status, recent developments, benchmarking, and recommendations, by Leena Lahti, Axianet Oy, May 2006
 - COPEC Annual Report 2006
 - Update on the Review of Gender Equality at the European Investment Bank, by Leena Lahti, Axianet Oy, 2008
 - Recruitment Review (AI-2007-SP-04)

without delay, analyse why this is so and address the issue. As a first step, effective immediately, proposed entry functional levels will be subject to a "four-eyes principle" check and balance.

Data are needed on the following chain of aspects, step by step, to allow the Bank to take appropriate action and monitor the quality of selection processes:

- Potential applicant pools (statistics from member countries and universities)
- Applicants' relevant qualifications, including unsuccessful candidates
- Consistent comparative data on the long-listed and short-listed candidates
- Candidates' ratings against the transparent criteria for selection
- Function and mini-step of the final appointments against qualifications
- Performance mark at 3/5 year milestones and career advancement at 5/10 year milestones to assess the relevance of the selection methods.

Over the past five years, the Staffing Division has been labouring under enormous pressure due to its rapidly increasing volume of work, driven by the Bank's need to build up fast its resource base in the context of the increased mandates and responsibilities and the response to the financial crisis, while the 2006-2009 early retirement plan implied a higher number of departures. Between 2006 and 2007, the number of vacancies filled increased by 50%, and again by 49% in 2008, reaching a total of 228 vacancies filled, and 211 in 2009. In 2008, the total number of applications processed was 19 000 (which increased to more than 38,000 in 2009), which meant that more than 30 panels had to be organised in each year for functions C and SC, apart from the other related recruitment activities, such as tests and interviews. Without significant streamlining, improvement in the processing systems and more dedicated resources being made available for outreach and targeted recruitment, it is hard to believe that gender results can be improved.

The attraction of more applications from women for professional and managerial vacancies requires a persistent effort in employer branding and candidate outreach initiatives and activities. In the coming years, the Bank will build on the ongoing employer branding initiatives, and the streamlining recruitment process projects. It is also important to improve employment market intelligence, to use more efficiently different channels, to organise and attend recruitment events, and to launch global recruitment campaigns to build pipelines of candidates. But, most importantly, the day-to-day reality of the Bank is the strongest basis for the image perceived, so it is key to consolidate and further build best practices in people management matters (e.g. talent management), get managers to lead by example, and demonstrate the growing influence of professional and managerial women in the EIB, e.g. by increasing their visibility in external conferences, public speaking opportunities, client relations and other interactions with our stakeholders.

Talent management

Performance appraisal¹¹

The data on performance appraisals over the past five years to year end 2008, indicate that, on average, men were awarded higher performance marks than women. By function, the results are mixed. In SC, 18.5% of women received an A compared with 15.5% for men. With regard to B+, men's share was higher (39.8 vs. 34.6% for women). In functions D to F, more men were awarded A or B+ than women. In support functions, significantly more women received an A than men.

In 2008, men's performance was more frequently assessed as deserving an A or B+ in functions SC-C and D-F, whereas in support functions the results by mark and gender were mixed.

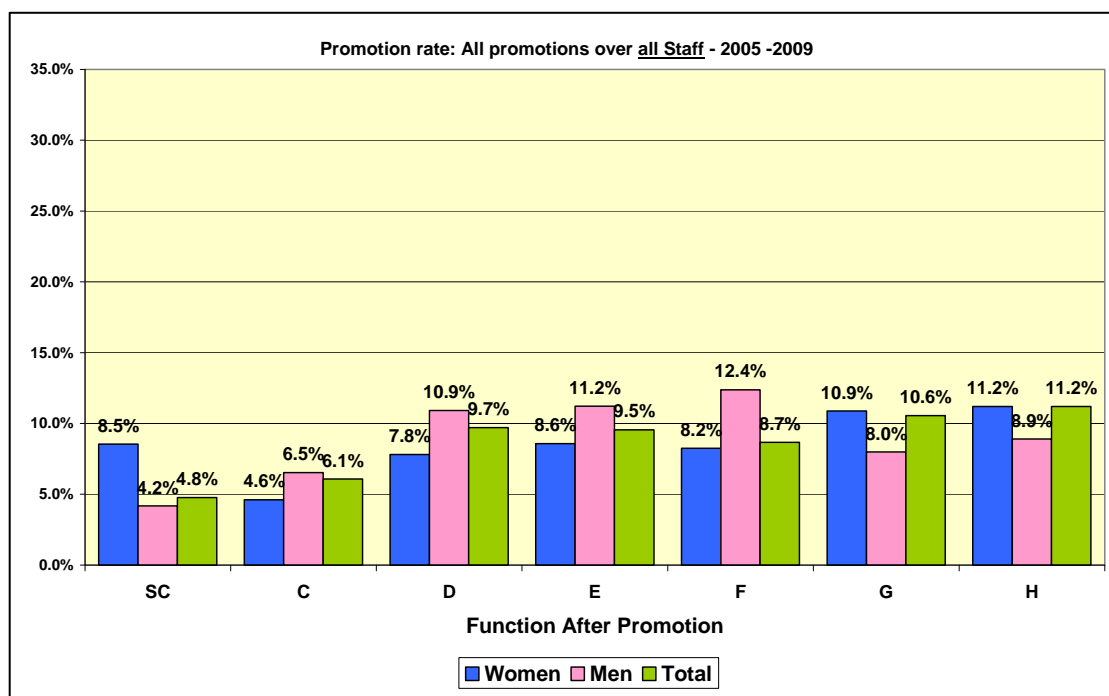
2009/2010 data on performance appraisals is not yet available, but will be analysed after the process closes and then reviewed at the next meeting with the DG Diversity Sponsors.

¹¹ The performance appraisal data refer to the 2008/09 cycle. The 2009/10 cycle has just started.

Promotion

The cumulative 2005-2009 promotion rate across the functions varies between 4.8% in SC and 11.2% in function H (Chart 12). These shares reflect the entire population in the function immediately below. In SC the promotion rate for women is significantly higher (8.5%) than that for men (4.2%). In C function and in other professional functions the rate for women is clearly below that for men.

Chart 12. Promotion of women and men to functions SC-H, 2005-2009, cumulative



Eligibility for promotion at the Bank is governed by general rules¹² that are centrally administered by HR, which sends each Directorate an official list of staff eligible for promotion on the basis of the following criteria:

- a minimum of three years in the current function by 31 December (although this rule has been discontinued in 2010);
- a performance mark of at least B+;
- the salary increase may not exceed 15% (except D to C, G to F and HR-approved career paths).

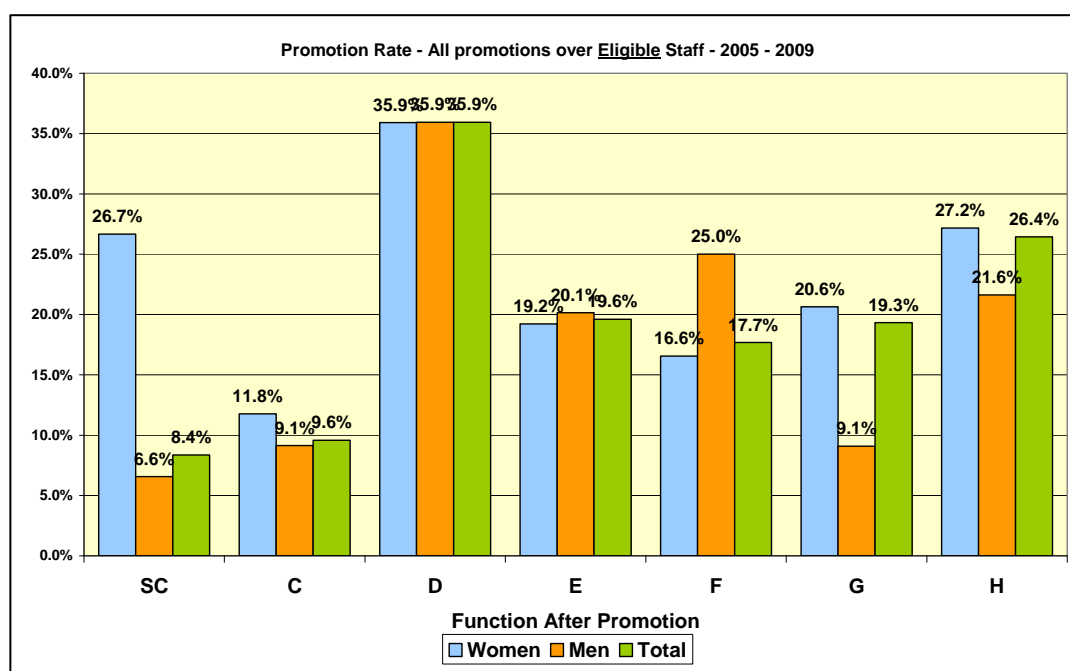
A review of promotions for the eligible population in 2009 shows that the overall differences between women and men remain similar to those indicated above. Again, the promotion rate for women is significantly higher (26.7%) than for men (6.6%) in SC and in C (11.8% and 9.1%, respectively) (Chart 13). The professional functions D and E are basically equal while promotion rates for F are more favourable for men. Rates for support functions are more favourable for women.

The drop in overall promotion rates in general is significant from function D (35.9%) to function C (9.6%). This is normal organisational practice to ensure managerial quality. From a staff member's perspective, the shift tends to lead to disappointment and this may be one of the reasons behind the negative views of D staff in the 2009 Staff Survey.

Managers must learn to manage expectations by providing other sources of job satisfaction. The realities of promotion should be made very clear and transparent to all staff collectively and to individual staff by their supervisors. Other growth opportunities, such as more visibility, exposure to broader challenges, mobility and scope for internal and external presentations, should also be offered to ambitious talented staff.

¹² With some exceptions concerning new staff and certain functions.

Chart 13. Promotion of eligible women and men in functions SC-H, 2005-2009, cumulative



2009/2010 data on promotion is not yet available, but will be analysed after the process closes and then reviewed at the next meeting with the DG Diversity Sponsors.

Promotion data on NMS nationals does not yet provide a reliable statistical picture and cannot yet be used for annual trend analysis or conclusions. The data will be carefully monitored and respective analyses will be conducted in due course.

Career advancement of selected recruitment cohorts

A more detailed analysis was conducted for two recruitment cohorts: all staff hired in 2002 and 2003. These years were selected since they go back far enough to provide a long-term perspective but not too far for the number of exits to be excessive.

The total number of staff hired in 2002 and 2003 was 184. Women accounted for more than half of the cohorts but they were mostly hired at function I/K, while most men were hired at function E. By the end of 2008, 28 staff had left the Bank, equivalent to 15.2% of the cohort members. Half of those who left were women.

The share of women who received a promotion was basically in line with their share of the hiring function. For instance, 25.7% of the promotions for staff hired at E were women, and at the same time the share of women in function E was 25.5%.

Similar results were obtained when the data are analysed by promotion rate based on the pool of available population in the lower function. Promotion rates for women hired at F and above are similar, if not slightly higher, than those for men. Overall, the timing of promotions does not indicate any substantial difference between the gender groups.

Internal Mobility

In April 2009, the Management Committee approved an upgraded internal mobility action plan. In line with the proposed reforms, HR is prepared to enhance mobility significantly but institutional attitudes and manager resistance seem to be an obstacle to progress. Without cultural changes – putting the collective benefits for the Bank before Directorate “ownership” – mobility cannot be fully utilised.

For the time being, as far as gender diversity is concerned, the internal mobility data for 2009 shows a fairly balanced implementation of the policy. Sixty-six staff in function F and above moved (based on the internal mobility definition) last year. As Table 3 shows, the Inter-Directorate internal mobility rate does not indicate substantial differences in 2009. When Intra-Directorates mobility is included, the rates double but the gender split does not show any significant differences either.

**Table 3. 2009 Inter-Directorate Internal Mobility Rate
By Gender and Functional group**

	SC-C	D-F	G-K	Total
Women	0.0%	6.5%	7.1%	6.5%
Men	2.6%	7.3%	6.9%	6.1%
Total	2.2%	7.0%	7.1%	6.3%

Recent Initiatives under the New EIB Talent Management Approach

The Bank’s new talent management approach is a key pillar for the diversity strategy. The main aims of EIB talent management are:

- To enhance the Bank’s ability to attract the best candidates by reaching out to diverse talent pools and by continuing efforts to enhance the Bank’s staffing processes, and
- To make best use of existing EIB staff through better knowing, developing and deploying their skills and competencies.

Talent management works through the creation of systematic and transparent HR processes that reduce risks of bias in assessment and career development decisions, and thus increase equal opportunities and the use of the Bank’s talent base. Since HR submitted its proposals in July 2009, the following actions have been taken for implementation:

1. Set up and pilot run of 360° feedback for managers, a tool that aims at developing the managerial competencies of existing EIB managers
2. Development of an initial template for an internal CV, which will ensure greater quality of information about the experience and capabilities of all staff. This information will provide the necessary basis for the proactive management and transparency of internal mobility and selection.
3. Introduction of development dialogues and Individual Development plans within e-appraisal
4. Further development and use of external assessment centres to support the quality of selection to managerial positions
5. Further development of the EIB mentoring and coaching programmes
6. Preparations to broaden the existing career counselling offer through the team of HR business partners. Availability planned for second quarter 2010
7. HR Business Partners support to the managerial review process in Directorates, aiming at increasing the quality and consistency of appraisal and objective setting, and preparing the ground for the introduction of talent reviews with focus on potential identification and development, in the course of 2010
8. Further development of competency definitions for EIB benchmark roles

Training and Development

The diversity training focus in this report is the Management Skills Development Programme (MSDP), which was introduced in the Bank in 2002. The MSDP is the Bank's principal instrument for developing managerial talent. This voluntary programme offers paths for Senior Cadres, Line Managers and Senior Professionals (SP). Enrolment for the MSDP SP is based on the selection of participants by Senior Management (Directors General and Directors) in close cooperation with HR. The basic population for participation is function D, where women accounted for 23.8% of posts in 2008 and 22.9% of posts in 2009.

Table 4 below shows the participants figures by gender. The data indicates a positive trend: that nearly one-third of MSDP participants were women in the sessions of the last two years, i.e. a greater percentage than their share of posts.

Table 4. MSDP Participants by Gender 2008 and 2009

	2008				2009			
	Women	Men	Total	% Women	Women	Men	Total	% Women
SC-C	5	17	22	22.7%	10	24	34	29.4%
D	12	18	30	40.0%	18	31	49	36.7%
E	1	7	8	12.5%	0	7	7	0.0%
Total	18	42	60	30.0%	28	62	90	31.1%

Note

a/ Individual who attended at least one MSDP session

b/ Functional level at the time of MSDP Session attended

c/ Individuals who attended sessions in both years are counted twice

Due to the unique importance of the MSDP in the Bank's management training, the Diversity Strategy emphasises its role in promoting gender and nationality-based equality: *"...it is crucial to increase the share of women and new Member State nationals in the MSDP beyond their current share in the respective functions until a fair balance has been reached."* Directorates and HR must attach particular emphasis to this aspect when selecting candidates for the programme. The statistics on gender and nationality will continue to be monitored against the respective population.

Another aspect highlighted by the Diversity Strategy and requested by the CD in October 2006, but not yet addressed, is the integration of diversity into the MSDP. Diversity should also be systematically integrated into all other training programmes, especially those for managers.

6. THE WORK/LIFE BALANCE

Flexible working arrangements

At the EIB, flexible working arrangements have traditionally been seen as part-time work, and relevant for women. Other flexible options, such as telework, compressed work schedules or overtime savings are being gradually developed. These more modern options can only be effectively managed with clear objectives, full trust and strict performance assessment based on outcomes, whereas the Bank's management culture is based more on presence and time regulations.

The Diversity Strategy is changing the perspective through proposing that all staff have an opportunity to use flexible and part-time schedules unless the nature of the job does not make it possible. The first recommendations of the Flexible Work working group were approved by the Management Committee in July 2009, and more is coming.

At the end of 2009, part-time working was an arrangement used mainly by women (see Table 5).

Table 5. Part-time Arrangement by gender and Functional group – End 2009

Function group		Women	Men	Total	% Women PT
SC-C	Part-time	2	4	6	33.3%
	Full-time	35	185	220	
	Total	37	189	226	
	Part-time %	5.4%	2.1%	2.7%	
D-F	Part-time	26	3	29	89.7%
	Full-time	367	579	946	
	Total	393	582	975	
	Part-time %	6.6%	0.5%	3.0%	
G-K	Part-time	74	1	75	98.7%
	Full-time	388	63	451	
	Total	462	64	526	
	Part-time %	16.0%	1.6%	14.3%	
Total EIB	Part-time	102	8	110	92.7%
	Full-time	790	827	1617	
	Total	892	835	1727	
	Part-time %	11.4%	1.0%	6.4%	

THE WAY FORWARD

The data provide a background to concerns expressed mainly by female staff: the imbalance between current workloads and "face value" on the one hand and family responsibilities on the other. This struggle is especially difficult for single mothers and fathers, but increasingly common also for young fathers who want to participate in parenting their own children. The situation poses challenges to the Bank to ensure an equal playing field for female and male staff, as well as staff with diverse family structures. Managers should, as a matter of urgency, be provided with professional managerial training which incorporates diversity sensitivities.

The way in which policy has developed since 2003 demonstrates a political will at the EIB to address this challenge. However, the daily management practices in Directorates do not fully support implementation of the opportunities; in some cases the Directorate-level behaviour and instructions actually make it difficult for staff to take advantage of the policies. This is a major problem in the Bank's management culture and undermines the credibility and cost-effectiveness of HR and Management efforts.

Taking into account the above-mentioned issues, the Diversity Strategy highlights the importance of disciplined work management, such as "core hours" for meetings, which should finish by 6 p.m. at the latest. This would enable every staff member to be equally included in the information loop and to obtain access and exposure to operational issues – a self-evident right of all staff. Of the Directorates, Ops A and

SCC made this a specific point for action in its Diversity Action Plan, and other Directorates are strongly encouraged to follow their lead.

When approving the Diversity Strategy in December 2008, the Management Committee took the decision to strengthen staff access to more flexible working arrangements, including part-time work. As a result, HR established a Bank-wide Working Group to review and develop the options, such as telework, flexitime, recovery of overtime, a “compressed work schedule” and other alternatives. The working group decided initially to focus on the current policies and practices to ensure that they are fully applied and utilised. The first proposals were submitted to the Management Committee and approved in July 2009.

Managers and Directors need to be made fully accountable for consistent application of Management’s decisions with regard to employee management issues. HR can support this accountability through Management training, information about EIB policies and practices, and also through monitoring to help ensure consistency across Directorates. This is essential not only for equal treatment of staff and for enabling them to take advantage of the reforms, but also to increase the credibility of the Bank’s people initiatives.

A group often ignored in this connection is support staff. Many secretaries are now assigned to work with as many as 10 to 20 officers under increasingly tight and constantly changing schedules. The complexity of their assignments, constant interruptions and the need to move from one task to another, as well as uncontrolled management styles among their “supervisors”, quite apart from the actual volume of work, cannot be left unaddressed. This, combined with the fact that assistants are ignored in many important programmes such as mentoring or coaching, may create the perception that they are second-class employees.

7. DIRECTORATE DIVERSITY ACTION PLANS

Strategic priorities

As requested by the President, each Directorate prepared a Diversity Action Plan to enable the Bank-level objectives to cascade down. The Bank-level Action Plan is scheduled to take three years. The Directorates were requested to set long-term priorities for those three years and prepare a concrete time-bound action plan with measurable outcome expectations for the first year. They will be asked to update the plan for the following years in due course.

The plans combine quantitative and qualitative aspects in three priority areas: talent management, the working environment and recruitment. The other issues focused on are management development and employer image. The action plans were distributed to each DG across the Bank to facilitate the exchange of experiences. The first update reports were requested in June 2009 for this annual report.

The updates demonstrate that a good effort has been made in most Directorates but also reveal that diversity, like HR issues in general, is not considered as important as other management responsibilities. There is a need for much more disciplined structures and a measurable approach, with deadlines, indicators and accountabilities.

FI's guiding principles in its diversity efforts

“Solid, realistic, pragmatic”

The guiding principle in the Directorate-level diversity implementation is full transparency and collaboration across Directorates. The purpose is to develop good practices jointly with those Directorates that have similar needs. These initiatives can serve as pilots, to be gradually disseminated throughout the Bank. HR is assisting Directorates by adjusting the rules as appropriate, coordinating initiatives and ensuring consistent follow-up. The frontline HR representatives in this endeavour are the Business Partners. HR has also prepared its own diversity plan and is doing its best to meet the expectations emanating from the organisation.

HR's commitment to diversity:

- Serve as a role model to the Bank in terms of high-quality HR management, transparency and communication.
- Establish managerial accountability for diversity efforts and outcomes within HR.
- Ensure equal opportunities, objective performance criteria, fully transparent selection and optimal communication.

Areas for promoting diversity in Directorates

Talent management for the Bank's existing staff was highlighted in each Directorate action plan. Action focused on the following categories, which are also at the heart of HR's current major projects:

- talent identification
- talent development
- pipeline building
- career advancement.

Since the Bank is a long-time employer with low staff turnover, continuous growth opportunities for current staff are critical. Systematic talent identification builds a solid foundation for equal opportunities. In this area, HR will provide the instruments for Directorates to collect information jointly with their staff through performance assessment and feedback discussions.

The fact that positions at senior functions SC-C are limited compared with lower down the scale tends to create promotion blocks, especially at function D. Directorates are therefore trying to offer talented and ambitious people other channels for growth and recognition, mobility being one of the most effective ones.

As in other areas of people management, individual practices do not make a difference in a vacuum – they have to be communicated correctly. Therefore, communication should become a focus of Directorates' attention in order to reap the full benefit of their efforts. Directorates should also extend their interest to Bank-wide talent development rather than protecting their own talent pools.

TMR's approach to diversity

"Focus on essential competencies and team fit"

- When building a new team, use the opportunity to diversify.
- Build on complementary strengths and diversity benefits.
- Pay special attention to underrepresented applicants, flag them for visibility.

Working environment initiatives, also included in each Directorate action plan, aim to ensure that all staff are fully included. Directorates are working hard to strike a balance between operational pressures and the needs of individuals for flexibility and developmental opportunities – which in the long run will ensure sustainable productivity. This will be of mutual benefit to both individuals and the Bank. In this area, many Directorates will wisely integrate the Staff Survey follow-ups into their diversity implementation.

The measures in this area cover:

- the management culture: moving from control and restrictions to trust and dialogue;
- diversity awareness and skills;
- targeted support and networks for women and minorities who come from different cultures without natural networks;
- flexible working arrangements, including part-time and telework;
- systems for professional, prompt replacements (such as "flying teams") to compensate for resource gaps caused by flexible arrangements;
- core hours for meetings to enable everyone to attend.

The **recruitment of new staff** is the third main area of focus, often in the form of numerical targets. Action in this area can be divided into two main categories:

- targeted outreach and recruitment of women and underrepresented nationals, including those from the new Member States. Particular attention is paid to the message, style and channels for advertising vacancies to the desired target groups;
- the quality of recruitment: professionalism – objective, consistent and transparent criteria for selection – and timely feedback and sufficient communication with the applicants. Directorates are also trying hard to accelerate the recruitment process to meet their operational needs.

In this area, the Bank is lagging behind many private companies in the financial sector as well as its international organisation competitors in attracting diverse expatriate talent. The high annual number of applicants (34 000) has led the Bank to feel successful. The pool of applicants, however, does not necessarily reflect the market in terms of gender, nationality or disability. A more proactive and modern approach is needed. Directorates are trying to upgrade the Bank's image as a modern employer and improve the transparency of the recruitment process. Some Directorates that have special needs not easily met by traditional HR approaches have taken a more proactive role in outreach and selection, working closely with HR Staffing Division.

Jointly with External Communications and SCC, HR is currently reviewing the Bank's employer image across the board, from employer branding to the content of the messages and user-friendliness of the websites. Individual Directorates complement the process by improving their personal image as reflected in the vacancy postings.

The IT recruitment challenge

"IT has a particular challenge in recruiting female candidates. Women represent approximately 15% of today's IT graduates (according to a recent article in the *Financial Times*), which is in line with the applicant CVs that EIB/IT receives. As the roles become more technical (system engineers or network specialists), women's share drops even lower, to 5%.

On the basis of recent experience, IT is convinced that:

- to be fully aware of the available and emerging talent pools, the Bank should take responsibility for pre-screening all incoming CVs. This has appeared to be both eye-opening and useful;
- much good IT talent is untapped, especially in the newer Member States. The Bank must extend its recruitment efforts beyond the current practice, which tends to be biased in favour of the old Member States and does not attract sufficient women. It should conduct recruitment drives in Warsaw and Prague, jointly with HR. So far this initiative has been impeded by factors such as HR's heavy recruitment workload;
- it is more productive to contact recruitment agencies and give them specific terms of reference than to use traditional approaches. IT has sought to find alternative specialised sites for publishing IT vacancies, with limited success. A recent example was a "Java" development role. The Bank received half a dozen valid CVs and finally hired one of the applicants. The process was not easy, and the change to CUBIKS tests in HR caused difficulties, with all candidates initially failing to reach the threshold set by HR;
- the Bank should also be open to recruiting directly from universities, possibly via HR's graduate scheme (GRAD). Recent experience with young graduates who have up-to-date technical skills shows that they can be used immediately to work on the Bank's IT applications.

Management development

With regard to other Directorates, JU took prompt action to develop a training module on EU discrimination directives, to be posted on its website and made available to all Bank staff. RM organised an awareness event for its staff on the same important topic, which took place in July using the Bank's internal resources. TMR invited its staff to an awareness event in July at which the Bank's diversity approach and TMR action plan were introduced. These prompt actions demonstrated management's commitment to moving forward and keeping their staff involved. In addition, FI, Ops A, RM and SCC invited the Diversity Advisor to introduce the Diversity Strategy to their management teams.

Communicating Directorate action plans to staff

Many Directorates did a good job in preparing their Diversity Action Plans. They should also be given credit for going beyond quick fixes. Ops A had the benefit of integrating the Diversity Action Plan into the "Building Our Future" project. All other Directorates will have the chance to link diversity communication with the Staff Survey follow-up actions.

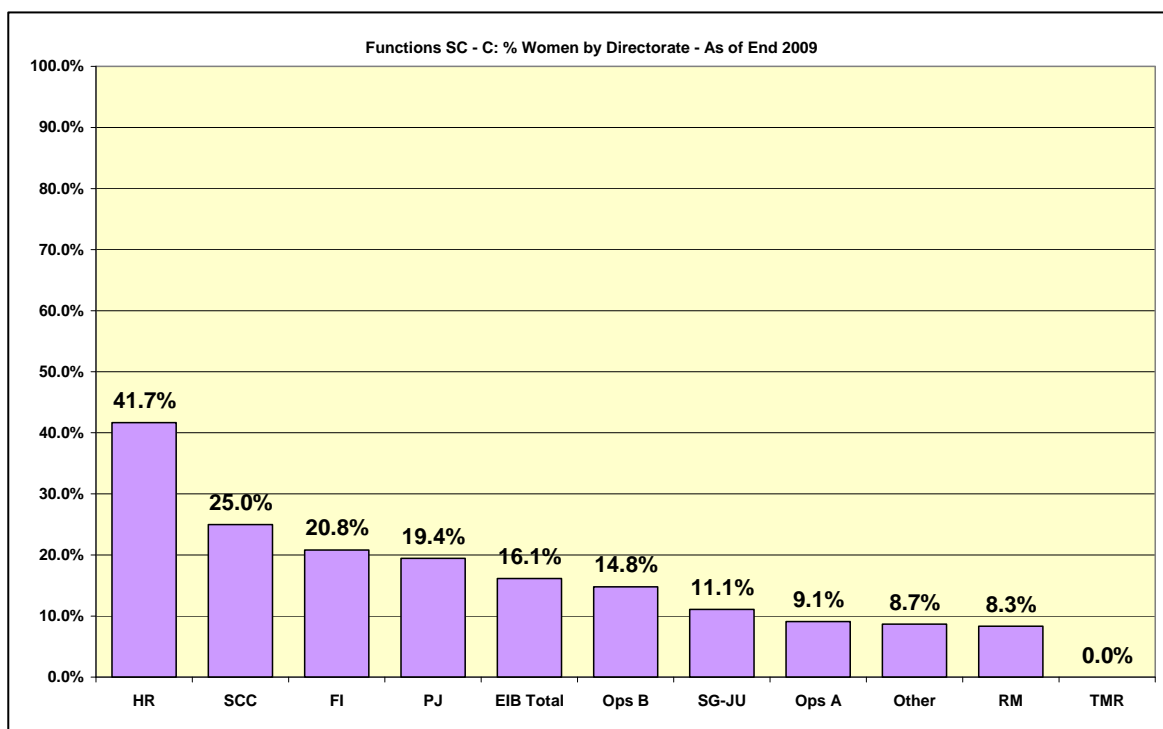
By the end of 2009 all Directorates were expected to have presented their Diversity Action Plans to all staff and/or posted it on their internal website. It is highly recommended that the action plans are presented as soon as possible in 2010, if they have not been. Only a little effort is needed, but the impact can be considerable.

Overall, communication should be better. Informal feedback from staff is clear: "We don't know enough about our Directorate's diversity efforts". This communication vacuum is that part of the Bank's culture that calls for modernisation. Insufficient communication may not be intentional, but in spite of that it is harmful. Staff involvement is an opportunity to empower, inspire and engage people to be part of the reform that will have a major impact on their daily work.

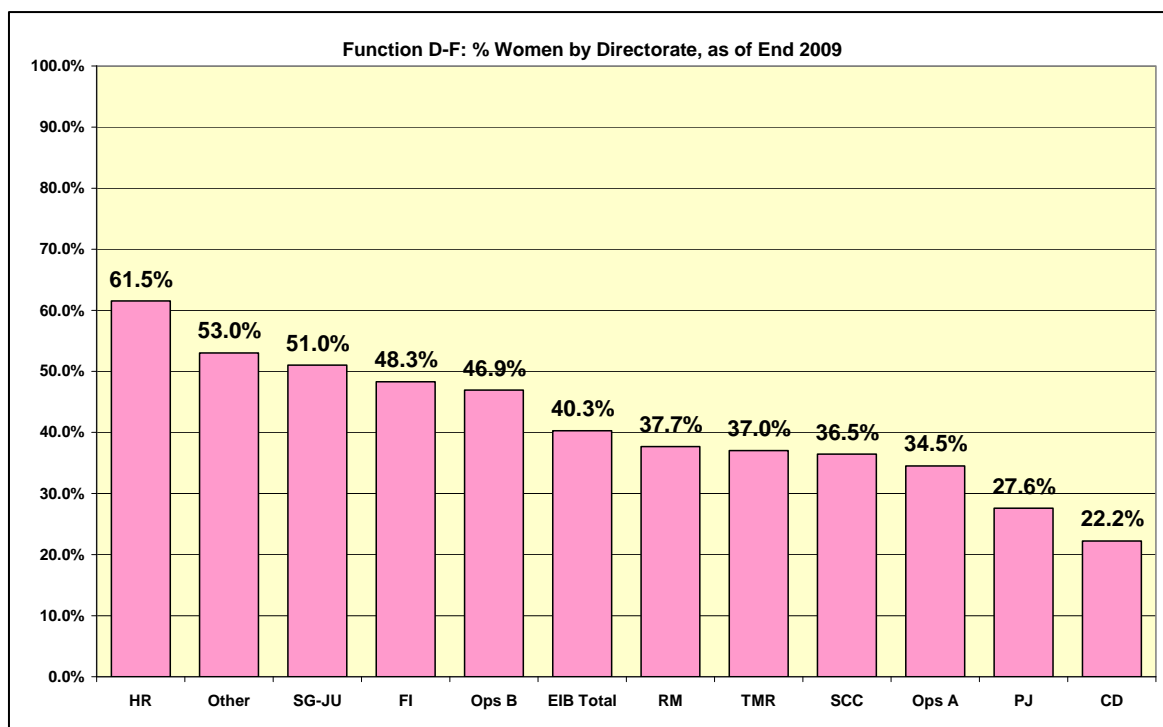
RM role modelling diversity communication to staff

- Post the Directorate Action Plan on the intranet
- Organise an awareness event for all staff on the selected topic
- Share PowerPoint presentations on diversity from Director meetings among all staff via the intranet

Annex I. Women in functions SC-C by Directorate, end-2009



Annex II. Women in functions D-F by Directorate, end-2009



Diversity 2008-2009 – Progress Report The Way Forward



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