

Joanne Kellermann: The challenge of diversity in central banks

Speech by Ms A J Kellermann, Executive Director of the Netherlands Bank, at the European Central Bank (ECB) Diversity forum, Frankfurt am Main, 28 March 2011.

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Within De Nederlandsche Bank, role models are important for the emancipation of its female staff. As the first and only woman on DNB's Governing Board, I am glad to act as a role model in that sense. Although DNB may appear to be a male bastion, it's good to remember that its continuance – shortly after its establishment – depended on a woman: the widow Borski.

When King Willem I founded De Nederlandsche Bank in 1814, not all of the 5000 issued shares were sold immediately. However, Madam Borski had confidence in the newly established bank and, in 1815, she decided to buy the remaining 2000 shares. Her purchase was subject to a secret condition that the King would not issue any extra shares for three years. Many years later Madam Borski sold her shares at a tidy profit.

Introduction – general

Many women are inclined by nature to wait until the organisation notices their management potential. They only apply for a position if they comfortably meet all the job requirements. When interviewing job candidates of their own sex, recruiters tend to more easily recognise gender-specific aspects and to value them more highly.

Personal

Within our organisation too – despite our successful diversity policy – these gender aspects sometimes play a significant role. As a woman member of DNB's Governing Board, I see it as my task to speak out in such situations. For example, not a single woman was included in a recent list of potential candidates for the position of Divisional Director. However, I was able to intervene to add the name of a good female candidate to the list.

Why do we need a diversity policy?

DNB is convinced that diversity among its staff will lead to better results. In view of the tighter labour market, DNB is keen to use female potential. Finally, as a guardian of financial stability, DNB has an important social role. In keeping with our social responsibility, we wish to pursue a diversity policy that ensures that our workforce is a good reflection of our society. This means that diversity within DNB embraces more than just the gender aspect, which I am focusing on today. Cases in point are employees with different cultural backgrounds, an occupational handicap or different sexual preferences. I'm glad to tell you that DNB has its own network for homosexual and lesbian employees and that, for the third time, DNB will participate with its own boat in the Canal Parade as part of the Amsterdam Gay Pride celebration.

The Talent to the Top Charter

Let me tell you about an interesting Dutch initiative, launched in 2007 by the government, corporate sector and women's representatives: the Talent to the Top Charter. The idea behind the Charter is to bring more talented women to the top and help keep them there. The Netherlands was lagging behind internationally in respect of the number of women in top

management positions. In 2008, the signatories reported that the number of women in top functions at their organisations was 16.7%. Their aim is to bring this figure up to 24.6%. The Talent to the Top Charter has since been signed by almost 170 organisations, including DNB in 2008.

Commitment by DNB

By signing the Charter, we committed ourselves to realising and preserving a continuous smooth flow of women into top positions. Here is an overview of the exact percentages at DNB over the past few years. A commission will monitor whether we actually honour our commitment as a signatory. Starting from the year 2009, when women were underrepresented at 28%, DNB has set itself a target that women will fill 32% of its management positions in 2012. It's important to note that at that moment – in 2009 – there were not many women whose potential talent had been recognised and who were being groomed for a managerial position.

So what is DNB's vision and policy to meet the challenge of increasing gender diversity. What measures have been taken to realise this vision? I'd like to share our experiences and the lessons we have learnt in the process.

DNB's vision and objectives

In the context of our commitment to the Talent to the Top Charter, we have set some target figures for 2012. These clear and measurable targets show where we are heading, but are not an end in themselves. The slide shows the situation in 2004, where we are now, and our target for 2012.

The target for divisional directors is set at 25%, for department heads at 30% and for section heads at 40%. DNB's Governing Board has expressly committed itself to these targets and the Supervisory Board is given an annual update on progress towards them. DNB has translated this vision into several diversity targets. Within DNB, we promote that:

- more women enter the organisation as professionals and later move on to management positions,
- more women participate in training and mentoring programmes,
- more women are nominated for management vacancies and are appointed and
- more women with valuable capacities are seen and stimulated to put themselves forward and to present themselves as management candidates.

We deploy a range of instruments to realise these diversity targets. Let's take a look at some specific instruments.

Instruments

1) *Entrants*

We made our recruitment and selection process diversity-proof by enhancing the awareness of gender aspects among our recruitment and selection staff. In addition, the HR advisors who interview candidates are trained to operate from a broader gender perspective. Moreover, we try to always include a woman in the selection commission, which generally consists of an HR advisor, line manager and sometimes a team member.

2) *Development – VLOT and questions*

DNB has its own year-long training programme to develop management potential. Within DNB, this management development programme is important for employees' chances of securing a management position. Formerly, candidates applied to join the programme themselves. Now, the divisional directors have been asked to nominate candidates and to ensure that at least half of the nominees are female. If the ratio falls short, our management commission will discuss the nominations with the divisional director. Women should make up at least 40 percent of the group that is eventually admitted to the management development programme.

To create a sufficient pool of high-potential women, DNB launched a personal development course for young promising staff a few years ago. At least 40 percent of the entrants to this group, too, should be women.

3) *Appointments to management positions*

DNB uses an open application procedure for management vacancies. Management development staff regularly discuss gender diversity with the persons involved in selecting and interviewing candidates. The name of the preferred candidate is passed on to a management commission, consisting of four divisional directors, which then puts the proposed nomination before the DNB Governing Board.

An important success factor in recognising female management potential is that women make up 50 percent of this management commission. After all, people are more inclined to appreciate gender-specific aspects in a candidate of their own sex.

Another important success factor is that Management Development staff actively encourage female colleagues to apply for a management position. Women still appear to need such encouragement. Finally, I notice that divisional directors are becoming more keen to appoint a female candidate to enhance diversity in their team.

4) *Discovering female talent*

Within DNB, too, women tend to wait until the organisation notices their management potential. The Human Resources department hence engages in active dialogue with DNB's female staff. In this way HR officers detect management potential and gain an overall impression of women's professional desires and ambitions and the obstacles facing them in their career. Our terms of employment are already conducive to female participation thanks to the opportunity for a 36-hour working week over four days and partially paid parental leave. Moreover, working times at DNB are flexible.

We aim to support talented women with the ambition to become managers. Through our "Empower yourself" workshops and mentoring, women with valuable capacities can be identified and encouraged to profile themselves as management candidates. As our mentoring system had proved itself in practice as an effective development tool, we decided to radically expand it in 2009. Part of the success of mentoring is that it is an easy and quick way for adults to learn.

5) *Management targets*

The success of these diversity measures hinges on management commitment. When we introduced this diversity policy we made managers aware of the prejudices against women, but also of the benefits they bring to the workplace. Diversity, in a broader sense too, was highlighted through workshops and seminars.

All managers at DNB are required to set personal performance targets for promoting diversity. The point is not to meet a specific target figure but to give an undertaking to actively support more diversity.

Role models are also important within DNB. Role models make employees aware of the effect of their own behaviour and create support for the envisaged changes.

A women's network at DNB organises a wide range of activities for all DNB staff. As of 2007, a man or woman who acts as a role model for others is chosen from a shortlist. A person who makes a significant contribution to shifting the boundaries within DNB is awarded an annual trophy. I am honoured to say that the trophy bears my name because, thanks to my position, I can act as a role model for many female colleagues.

I'm sure you are wondering whether our measures have worked. Fortunately, the answer is unmistakably yes. We are on track, and it now looks as if women will fill 32% of management positions at DNB in 2012. Finally, I'd like to share a key insight: recruiting talented women takes a woman's touch.

Number of women in management since 2004

| | 2004 | 2005 | 2006 | 2007 | 2009 | 2010 |
|----------------------|----------|----------|----------|----------|----------|----------|
| Management | 98 | 98 | 96 | 91 | 95 | 95 |
| M | 77 | 76 | 73 | 65 | 72 | 74 |
| V | 21 (21%) | 22 (22%) | 23 (24%) | 26 (29%) | 23 (24%) | 21 (22%) |
| Governing Board | 5 | 5 | 5 | 5 | 4 | 4 |
| M | 5 | 5 | 5 | 5 | 3 | 3 |
| V | 0 | 0 | 0 | 1 (20%) | 1 (25%) | 1 (25%) |
| Divisional directors | 15 | 15 | 14 | 13 | 12 | 12 |
| M | 11 | 10 | 9 | 9 | 10 | 9 |
| V | 4 (27%) | 5 (33%) | 5 (36%) | 4 (31%) | 2 (16%) | 3 (25%) |
| Department heads | 57 | 57 | 55 | 57 | 55 | 55 |
| M | 49 | 49 | 46 | 45 | 46 | 47 |
| V | 8 (14%) | 8 (14%) | 9 (16%) | 12 (21%) | 9 (16%) | 8 (15%) |
| Section heads | 26 | 26 | 27 | 21 | 24 | 24 |
| M | 17 | 17 | 18 | 12 | 13 | 15 |
| V | 9 (35%) | 9 (35%) | 9 (33%) | 9 (43%) | 11 (45%) | 9 (41%) |

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Targets for the number of women in management in 2012

| | 2004 | 2010 | Today | Target 2012 |
|----------------------|----------|----------|----------|-------------|
| Management | 98 | 95 | 95 | |
| M | 77 | 74 | 71 | |
| V | 21 (21%) | 21 (22%) | 24 (25%) | (32%) |
| Governing Board | 5 | 4 | 4 | |
| M | 5 | 3 | 3 | |
| V | 0 | 1 (25%) | 1 (25%) | (25%) |
| Divisional directors | 15 | 12 | 13 | |
| M | 111 | 9 | 9 | |
| V | 4 (27%) | 3 (25%) | 4 (31%) | (25%) |
| Department heads | 57 | 55 | 59 | |
| M | 49 | 47 | 47 | |
| V | 8 (14%) | 8 (15%) | 12 (20%) | (30%) |
| Section heads | 26 | 24 | 19 | |
| M | 17 | 15 | 12 | |
| V | 9 (35%) | 9 (41%) | 7 (37%) | (40%) |

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