

EBAP/13/63

Correction 1

August 23, 2013

To: Members of the Executive Board

From: The Secretary

Subject: **FY 2013 Diversity and Inclusion Annual Report**

The attached corrections to EBAP/13/63 (6/17/13) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

Page 3, 4th bullet, line 6: for "to 50 percent of Fund professional appointments in FY 2013"
read "to 50 percent of Fund mid-career appointments in FY 2013"

Page 4, 1st bullet, line 2: for "Across the three categories of underrepresentation that are measured"
read "Across the four categories of underrepresentation that are measured"

Page 4, Box, line 3: for "As a result, the 2011 report covered an 18 month period (CY 2011 to end of FY2012). The current report covers FY 201.".
read "As a result, the 2011 report covered a 16-month period (CY 2011 to end of FY 2012). The current report covers FY 2013."

Page 13, Table E: replaced with new Table E, to correct data error.

Page 14, Table F: updated to correct column label "Total Appointments; Men; Percent" to "Total Appointments; Men; No."

Typographical Error

Page 3, 2nd bullet, line 3: for "Middle Eastern staff, although in the case of the latter"
read "Middle Eastern staff, and in the case of the latter"

Questions may be referred to Ms. Paul, HRD (ext. 36309).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (4)

Other Distribution:
Department Heads

EXECUTIVE SUMMARY

- **The Fund has been focused on becoming more diverse and inclusive in recent years.** The share of staff from underrepresented regions² in senior positions and the representation of women in the professional and managerial grades have increased. In addition, measures have been taken to help foster a work environment that is inclusive (i.e., hospitable and supportive of all staff), in which different perspectives can be shared and given a fair hearing. Even so, there is much left to be done and a sustained effort to strengthen diversity and inclusion remains necessary.
- **Progress has been made on most of the diversity benchmarks, though uneven.** The benchmark for Transition Countries in the professional grades has been surpassed and the share of East Asian staff is closing in on its 2014 benchmark. More limited advances have been made for African and Middle Eastern staff, ~~although and~~ in the case of the latter, the B-level benchmark has been exceeded for the first time this year. The current share of women at the B-level is still below the 2014 benchmark though higher than in 2003, when the Fund's diversity indicators and benchmarks were initially established. For B-level women economists, the distance to the minimum benchmark is quite narrow, whereas the gap is more substantial for Specialized Career Stream (SCS) women staff.
- **Not all the diversity benchmarks are likely to be met by CY2014, per the established timeline.** Accordingly, a detailed analysis is needed to better understand the reasons why many of the benchmarks will likely be missed, as well as a determination of which benchmarks remain relevant within the current context. To this end, the Diversity Council intends to reconstitute a working group that would propose new benchmarks and make recommendations for continuing to effectively diversify the Fund.
- **Fund-wide, the diversity composition of new staff in FY 2013 is encouraging.** While changes to the stock are taking place slowly, the flow is increasing at a faster pace. The share of new hires from underrepresented regions (43 percent) remained within the range of new hires for recent years. At the B-level, four of the seven new hires were from underrepresented regions, and two of the seven were women. Mid-career appointments are also an important channel for increasing diversity. Former contractual employees made up close to 50 percent of Fund ~~professional mid-career~~ appointments in FY 2013 and of these, 38.6 percent were women and one-fifth were from underrepresented regions, both sharp increases from FY 2012. In addition, the Economist Program continues to be an important source of diversity for entry-level economists, with the gender and nationality diversity of the 2013 EP cohort among the highest in recent years.

² Underrepresented regions are: Africa, East Asia, Middle East and Transition Countries. Underrepresented Groups are: underrepresented regions and women.

- **Managing diversity is an area of accountability for all department directors** and is measured in the new Accountability Framework. Across the ~~four~~three categories of underrepresentation that are measured in the Diversity Scorecard under Goal 1, which is part of the Accountability Framework, the Fund reached 84 percent of its overall target for FY 2013, on average.³ This is compared to the average 80 percent of the target reached at the end of FY 2012. Additionally, Goal 4⁴ will be added to the Accountability Framework beginning in June 2013 using findings from the Inclusion Index in the 2013 staff survey, which will hold departments accountable in fostering an inclusive environment.
- **Fund staff represent a rich and varied multicultural set of experiences** that are not always fully captured in the “standard” diversity statistics used for assessing changes relative to the diversity benchmarks. Accordingly, and reflecting interest expressed by Executive Directors during the discussion of last year’s report, this paper includes information on multiple nationalities and staff’s educational backgrounds.

In 2012, the reporting period for the Diversity Annual Report was changed from a calendar year to a financial year to better align with other major reports produced in HRD. As a result, the 2011 report covered a ~~an 168--~~month period (CY 2011 to end of FY 2012). The current report covers FY 2013.

³ Stock benchmarks: A9-B5 underrepresented regions, B-level underrepresented regions, and B-level women.

⁴ Goal 4 is “foster an inclusive work environment in which everyone is aware of the benefits of diversity”

15. The Economist Program continues to be an important source of diversity for entry-level economists. The gender and nationality diversity of the 2013 EP cohort is among the highest in recent years (see Annex Table XII). Among the 30 accepted offers, 57 percent are women, and two thirds are from underrepresented regions—seven percent are from Africa, 33 percent from East Asia, seven percent from the Middle East and 20 percent from transitioning countries (Table D). With regards to educational diversity, just over half the new EP hires are from non-U.S. universities.

Table D. Economist Program (EP): Class year 2013
Regional Diversity by Nationality and University

| Region | Nationality | | University | |
|----------------------------------|-------------|------------|------------|------------|
| | No. | Percent | No. | Percent |
| Total Appointments | 30 | 100 | 30 | 100 |
| Underrepresented Regions (Total) | 22 | 73.3 | 4 | 13.3 |
| Africa | 4 | 13.3 | 0 | 0.0 |
| East Asia | 9 | 30.0 | 1 | 3.3 |
| European Transition Countries | 7 | 23.3 | 3 | 10.0 |
| Middle East | 2 | 6.7 | 0 | 0.0 |
| All Other Regions | 8 | 26.7 | 26 | 86.7 |
| Asia | 2 | 6.7 | 0 | 0.0 |
| Europe | 6 | 20.0 | 11 | 36.7 |
| <i>Of which U.K.</i> | 0 | 0.0 | 8 | 26.7 |
| U.S. & Canada | 1 | 3.3 | 14 | 46.7 |

Source: HRD.

16. Mid-career appointments are also an important channel for increasing diversity.

Contractual employees are a significant source for such hires. Former contractuels made up close to 50 percent of Fund professional appointments in FY 2013 (Table E and Table F). Of the 44 staff appointed who were previously contractuels, 17 (38.6 percent) were women, a sharp increase from

Table E. Mid-Career Staff Appointments
(In Percent, Grades A9-B5) 1/ 2/
FY 2013

| | |
|---|------|
| Fund staff appointments: Previous Contractuels 3/ | 47.1 |
| Underrepresented Regions 4/ | 32.1 |
| Other Regions 4/ | 67.9 |
| Women 4/ | 39.3 |
| Men 4/ | 60.7 |

Source: PeopleSoft, Report: EMP_INFO.

1/ Excludes EP hires. Excludes OED and independent offices.

2/ Captures the percent of mid-career staff appointments resulting from conversions from contractual to staff.

3/ In percent of staff appointments.

4/ In percent of staff appointments of contractuels.

FY 2012 when only 28.6 percent of such changes in appointments were women. In addition, about one-fifth of these staff were from underrepresented regions, again a significant increase on FY 2012 (9.5) percent. As noted in the Recruitment and Retention paper, the mid-career economist pipeline of tested candidates has played an important role in establishing a robust pool of diverse, ready-to-hire candidates, representing all regions including underrepresented and developing countries.¹³

¹³ *Staff Recruitment and Retention Experience in CY 2012*, EBAP/13/29, March 26, 2013.

Table F. Mid-Career Staff Appointments (Grades A9-B5) 1/
FY 2013

| Region | Total Appointments | | | | Previous Contractuals 2/ | | | |
|---------------------------------|--------------------|-----------|------------|--------------|--------------------------|-----------|-----------|--------------|
| | Women | Men | Total | | Women | Men | Total | |
| | No. | No. | No. | Percent | No. | No. | No. | Percent |
| Africa | 2 | 5 | 7 | 5.9 | 1 | 2 | 3 | 5.4 |
| Asia | 9 | 16 | 25 | 21.0 | 5 | 7 | 12 | 21.4 |
| East Asia | 8 | 14 | 22 | 18.5 | 5 | 6 | 11 | 19.6 |
| Europe (excl. Trans. Countries) | 15 | 11 | 26 | 21.8 | 7 | 7 | 14 | 25.0 |
| European Transition Countries | 5 | 3 | 8 | 6.7 | 0 | 1 | 1 | 1.8 |
| Middle East | 1 | 6 | 7 | 5.9 | 1 | 2 | 3 | 5.4 |
| Other Western Hem | 1 | 6 | 7 | 5.9 | 1 | 4 | 5 | 8.9 |
| US/Canada | 6 | 11 | 17 | 14.3 | 2 | 5 | 7 | 12.5 |
| Total | 47 | 72 | 119 | 100.0 | 22 | 34 | 56 | 100.0 |

Source: PeopleSoft, Report: EMP_INFO.

1/ Excludes EP hires. Excludes OED and independent offices.

2/ Refers to the number of mid-career staff appointments resulting from conversions from contractual to staff.

3/ In percent of staff appointments.

4/ In percent of staff appointments of contractuales.

17. Contractual employees are not reflected in the diversity benchmarks but have increased as a share of Fund employees. The intent of the benchmarks is to permanently change the demographics of the Fund by moving to a more balanced representation of staff from member countries. Contractual employees are, by definition, a temporary resource; therefore including them in the count for the benchmarks would undermine their intent. In addition, since contractual periods vary, particularly among economists, separation rates are not systematic and thus the share of individual groups can shift markedly from year to year. In FY 2013, for example, the share of contractual economists from Transition Countries was 18.8 percent, essentially double their share in the previous year; by contrast, the share of contractual economists from East Asia fell sharply, to 6.3 percent in FY 2013 compared to 14.3 percent in FY 2012. The shares of contractual economists from Africa and the Middle East showed little or no change. For some time, this category of employees—contractual economists—has been overwhelmingly male, and it remains so, but the number of women more than doubled in FY 2013, raising their share to 21.9 percent (compared to 14.3 percent a year earlier). While the number of contractual Specialized Career Stream employees at the professional level also rose, the distribution by diversity categories was not markedly different, although with regard to gender it shifted further toward men.

18. Monitoring and reporting on promotion rates is important because promotions are a useful indicator of trends and pipeline strength. Transparency in this area is an issue raised by some staff, both among those groups who are concerned that they may be overlooked, as well as by those