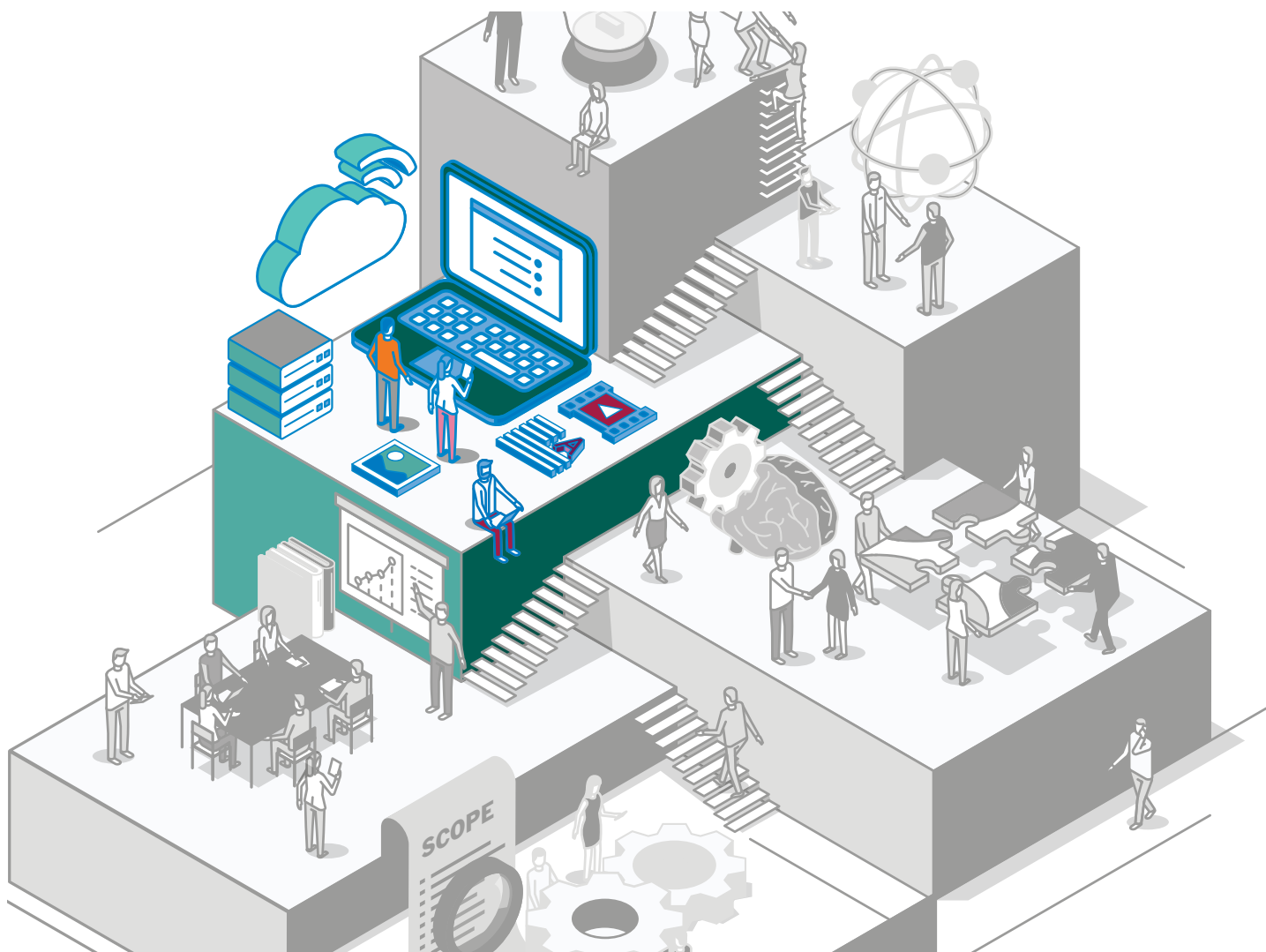


SPECIAL STUDY: TECHNICAL PAPER 4

LEARNING AND KNOWLEDGE MANAGEMENT AT THE EBRD: THE EBRD'S CULTURE, LEADERSHIP AND INCENTIVES

OCTOBER 2021

EBRD Evaluation Department | Corporate | EvD ID: SS20-161



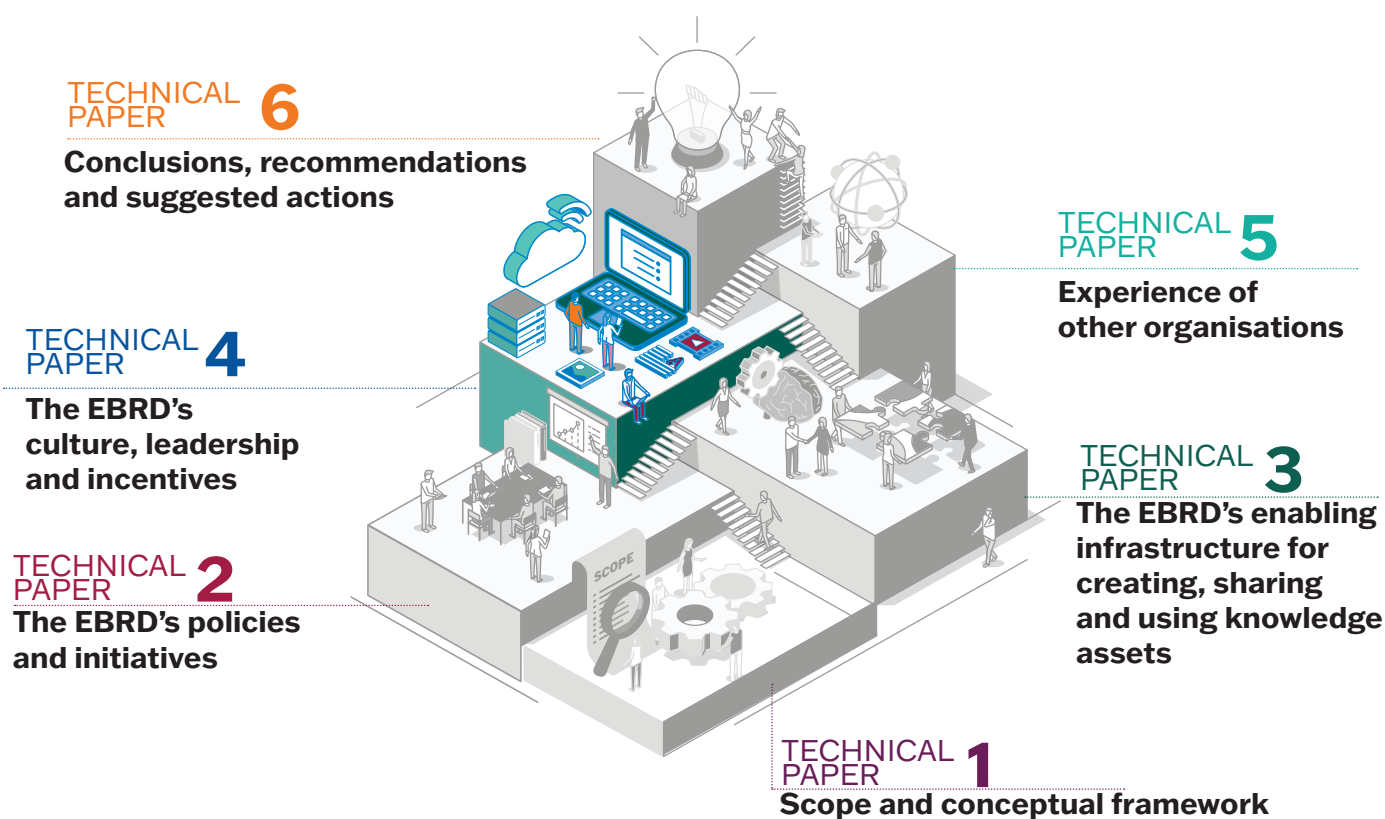
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EvD's Special Studies review and evaluate Bank activities at a thematic or sector level. They seek to provide an objective assessment of performance, often over time and across multiple operations, and to extract insights from experience that can contribute to improved operational outcomes and institutional performance.

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This is Technical paper 4, forming part of the suite of papers and annexes which together comprise the EvD Special Study on Learning and Knowledge Management at the EBRD. The structure of the full study is shown below:



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KEY FINDINGS OF TECHNICAL PAPER 4

- The EBRD encourages LKM as part of the culture and values proposition to staff. However, implementation and enforcement through individual performance matrices and departmental scorecards is patchy.
- The inclusion of LKM objectives in individual performance plans indicates that there is a business need for mapping departmental knowledge, arranging it in an accessible form and extracting value for planning future operations.
- There is a lack of senior leadership for LKM – most of the initiatives and policies are pushed by mid-level managers (MD and below) who recognise the need for this function in their business segment.
- Evidence from the interviews and Bank-wide documents suggests there are not many incentives to invest time in LKM activities – consequently, the value addition is much less, than it could be. Those incentives that do exist deliver limited results, rarely leading to integrating innovations into the core business processes.
- The Bank's culture while conducive to learning from positive experience, is not supportive of sharing failures openly. Reflection and learning are incomplete, focusing mostly on success and victories.
- Learning and development opportunities score consistently low in Bank-wide surveys, such as Culture Audit and Engagement Survey.
- Existing mobility programmes lack a centrally driven brand, promotion and resources. They fail to capture and demonstrate many successes from circulating tacit knowledge across the organisation. It means it remains under-resourced.

Context

As described in Technical Paper (“TP”) 1, the role of organisational culture is essential to being a learning organisation open to new knowledge with an ability to drive productivity and growth through developing innovative products and services in-house. The EBRD has its own organisational culture, but this is less favourable to LKM than that of peers, in part due to the sunset status present for the first two decades of its operation. Culture is shaped through formal and informal norms of behaviour, some of which are embedded in the organisation's competency framework; demonstrated in the behaviour of senior leadership leading by example; and reflected in the performance/incentives framework that encourages the creation and sharing of knowledge that in turn drives innovation through learning. The EBRD has some of these elements in place to varying degrees. However, with its focus being mostly on private sector investments with limited (although growing) exposure to national governments and national development stakeholders, its mandate does not specifically include delivery of new knowledge and learning to external partners (unlike that of some other organisations, like WBG).

To determine how conducive the EBRD's culture, leadership and incentives are in promoting organisational LKM the evaluation team reviewed corporate documents, Intranet and interviewed EBRD staff (Annex).

1. LKM as part of the Bank's culture

An organisation's competencies framework helps shape organisational culture by providing a 'common language' for communication about talent management, performance and behaviour of individuals and parts of the organisation; this to support the achievement of strategic goals and deliver value to shareholders and clients. There are various designs of skill profiles, attitudes and staff behaviours in organisations that are striving to innovate. Some of those are designed specifically for publicly funded organisations. For example, OECD developed core skills for public sector innovations, driven by calls from OECD and EU member states to promote and enable public sector innovations.¹ These are:

- | | | |
|-------------|-----------------|-------------------|
| • iteration | • data literacy | • user centricity |
| • curiosity | • storytelling | • insurgency |

This model was conceived jointly with the UK's leading innovation agency Nesta that developed its own competencies, skills and attitudes for public sector innovation.² Their three core skills required for enabling innovation in the public sector are:

- working together – engaging with citizens and stakeholders to create shared ownership of new solutions
- accelerating learning – exploring and iterating new ideas to inform and validate solutions
- leading change – mobilising resources and legitimacy to make change happen.

Nine key attitudes that are required for successful innovation process include being:

- | | | |
|---------------|-------------------|--------------------|
| • agile | • action-oriented | • curious |
| • reflective | • courageous | • outcomes-focused |
| • imaginative | • resilient | • empathetic |

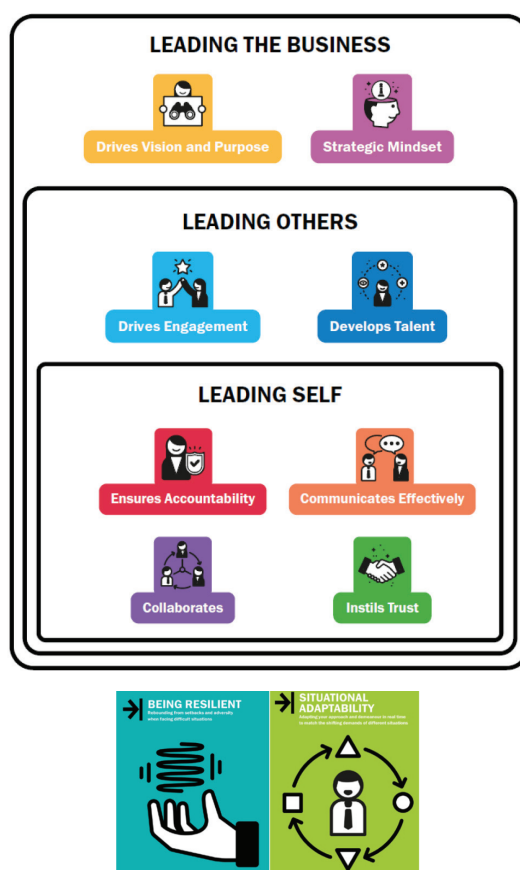
At the beginning of 2020, shortly before the pandemic crisis struck, the EBRD launched its revamped behavioural competencies framework *Leading the Way*, identifying **eight competencies** (presented in Figure 1). The global pandemic crisis has forced the EBRD, like many other organisations, to not only to reconsider the fundamentals of its operation model, but also the behaviour framework that can support staff in delivering the highest value under difficult circumstances. Additional to the eight competencies identified earlier, two more were added to the framework in September 2020. Elements of these two competencies in fact represent a significant share of recommended behaviours at individual, managerial and strategic level, that help organisations adapt and innovate in crisis situations. These two new competencies are **situational adaptability and being resilient**.³

The evaluation team analysed the framework and identified the behaviours most relevant for high-quality LKM with meaningful value for core operations. These behaviours are presented in Table 1, which shows that the EBRD says it values learning from mistakes, reflections and adaptability to dynamically changing external and internal environments. However, the evaluation team could not verify whether individual performance matrices and development plans incorporate the recommended competencies and behaviours. The analysis of departmental roles as defined in scorecards did not provide evidence that the behaviours are reflected at the group/department level. The evaluation team also acknowledges the widespread view that despite statements about recommended behaviours, other incentives, such as the so-called 'approval culture', may not support the expression of the desired behaviours.

1. OECD (2017) Core Skills for public sector innovation

2. Nesta (2017) Competencies for experimenting and public problem solving

3. Intranet post «How are you leading the way this year?» <https://intranet.ebrd.com/12909/how-are-you-leading-the-way-this-year>

Figure 1: EBRD Leadership Behavioural Competency Framework

Source: HROD, Leading the Way, The EBRD Leadership Behavioural Competencies

At the same time, interviews with Bank colleagues both in HQ and ROs, illustrated that there are very mixed perceptions and experiences of the Bank's approach to managing knowledge assets, learning and innovating.

Some noted that too often Bank colleagues are working in “old comfort zones”, where most initiatives and operations are unimaginative, as people prefer to use tried and tested methods due to low risk tolerance and a fear of failure. As nobody really pushes the innovation from above, any new ideas being proposed are frequently put aside, which discourages ideation and initiative. Others are challenging perceived (rather than real) limitations and pushing innovative solutions without waiting for top-level approval. *“I pioneered remote work for an HQ colleague in the RO that faced challenges in recruiting specific skills locally. It was unheard of, and the process took a while to agree with HR. Now the entire Bank is working remotely”.*

Staff members noted that there is not enough awareness of the needs of KM at higher levels, where managers are more knowledgeable but have established ways of doing business. This knowledge exposure is less prominent down the pyramid and especially challenging for newcomers in ROs. Due to imperfect onboarding processes (which have been updated at the time of this evaluation, but with no results to report on) the bottom of the pyramid suffers the most. Also, staff noted that there is no perception that HR has a set of relevant policies and activities in place for KM, and those that do exist don't seem to be actively promoted.

There are widely shared views that the EBRD is a consensus-oriented and risk-averse organisation where experimentation is very limited and is not incentivised, while confrontation is avoided. The cases of successful inter-departmental knowledge exchange and collaboration usually have high-level sponsors, at VP level or MD, without which there would be no traction.

Table 1: Selected EBRD competencies and behaviour relevant for LKM function*

Competency	Behaviour
Accountability	Takes responsibility for successes and failures in own work (Individual)
Develops talent	Shares own experience and expertise with others if asked and when necessary (Individual)
	Supports the developmental efforts of others (individual)
	Creates a culture that emphasises ongoing learning and development and reinforces its value to the organisation (Strategic)
Strategic mindset	Identifies which efforts will have the greatest strategic impact on the organisation (Individual)
	Considers future possibilities and scenarios that may affect the team/organisation (Individual)
	Leads the team to pursue possibilities that will create sustainable value (Managerial)
	Leverages the organisation's key differentiators to develop a viable long-term strategy (Strategic)
	Explores future scenarios and possibilities to help the organisation respond to change and shape the future (Strategic)
	Revisits and updates business strategies in response to evolving market dynamics and organisational needs (Strategic)
	Develops and integrates organisational strategies to achieve and sustain competitive advantage (Strategic)
	Articulates a compelling vision of the positive impact the organisation can make (Strategic)
	Conveys commitment to the organisation's purpose and vision despite resistance and hardship (Strategic)
Being resilient	(new, post-pandemic)
	Overcomes obstacles and learns from failures (individual)
	Helps organisation grow from hardship and difficult experiences (Strategic)
Situational adaptability	(new, post-pandemic)
	Recognises cues that suggest a change in approach or behaviour is needed (Individual)
	Adapts to changing needs, conditions, priorities or opportunities (Individual)
	Adapts of shifts priorities in response to the needs of clients, constituents or the organisation (Managerial)
	Brings an approach to flexibility that becomes ingrained in the organisation's structures, systems, and culture (Strategic)
	Guides the organisation to remain flexible in a changing, competitive environment by being a role model (Strategic)

*As per the framework above, each competency could be exerted at individual, managerial and strategic level, depending on whether or not the person has line management responsibilities, and whether they belong to the top leadership of the Bank

Source: HROD, Leading the Way, The EBRD Leadership Behavioural Competencies

Another good source of perceptions about the Bank's culture with regards to LKM is staff surveys and reviews. A Culture Review performed around 2019 identified the Bank's cultural strengths and challenges. One of two strengths is "Expertise and Capability"; while two out of four challenges, which in the opinion of this evaluation are most relevant for LKM, are "Learning and Development" and "Senior Management Capability" (ExCom and MD level). In this review, staff raised concerns regarding their opportunities for professional development as well as inconsistent practices among top managers in driving clarity, alignment and engagement. Unfortunately, the evaluation team has not been given access to this Culture Review document and had only vague features presented in one slide provided by HROD.

Engagement surveys, which are performed annually and the results of which are open to all staff members, provide some good insights into the status of culture relevant to nurturing learning and development. The most recent Engagement survey performed in 2019 according to Gallup methodology,

which is compatible with three previous annual surveys, identified improvements in *Learning and Growth* and in *Development Opportunities*. However, these remain lower than the overall engagement score (34 percentile for both components vs 39 percentile for overall engagement) and the EBRD scores below the industry mean. The survey also revealed that *Learning and Growth* has the widest gender gap, with EBRD female staff perceiving their opportunities much lower than male (two other “red zones” with the widest gender gaps are *Career Progression* and *Opinion being taken into Account*).⁴

Learning lessons from past achievements and mistakes

“Fail early, fail often” Ed Catmull, Pixar

The Bank celebrates its achievements, which are recognised by various international organisations and initiatives. Most recently, the Bank's Green Transition Bond was deemed the Transition Bond of the Year 2020 by the Climate Bonds Initiative⁵; the EBRD was acknowledged as the 2020 Global Trade Review (GTR) Leader in Trade⁶ for its contribution to sustainability via the Green Trade Facilitation Programme; it won the Gartner ‘Small Idea, Big Impact’ 2020 award⁷ for its Green Week campaign. EBRD projects have achieved several ‘Deal of the Year’ awards, most recently in 2020⁸. The Bank's digital achievements were also recognised – the opening video for 2019 Annual Meeting, ‘Opening Doors Across Three Continents’ won both the Cannes Corporate Media and TV Silver Dolphin Award⁹ and the AVA Digital Platinum prize¹⁰. An AVA Digital also awarded the EBRD the Gold prize¹¹ for the 2019 Annual Meeting virtual reality video about the motorway Corridor VC.

Internally, there are a range of EBRD awards that celebrate the best initiatives and project activities across a range of priorities. Awards are non-material, and mostly bring Bank-wide publicity and recognition of individuals and teams, including by top leadership. Box 1 presents some examples.

Box 1: Awards given by the EBRD

Policy movers and shakers¹² – launched in 2016 to recognise the efforts of staff supporting policy reforms in the countries of operation.

Sustainability Award¹³ – launched in 2008 to recognise outstanding achievements and commitment to sustainability by Bank clients.

Climate Action Award¹⁴ – launched in 2020 to stimulate and recognise outstanding individual achievements in climate action.

Environmental and Social Awards¹⁵ – launched in 1993 to recognise *EBRD colleagues who demonstrate commitment and action beyond business as usual in the areas of environment, health and safety, stakeholder consultation, gender or social issues.*

Community Initiative Award¹⁶ – launched in 2019 to recognise the fundraising efforts of EBRD staff for their charity of choice in countries of operation.

4. Full details of EBRD results are available in Gallup presentation “Driving performance through a focus on employee engagement 2019”, internal document available on intranet

5. [Climate Bonds Initiative](#)

6. [Global Trade Review](#)

7. [Gartner Communications Award](#)

8. [The Banker Deal of the Year](#)

9. [Cannes Corporate Media & TV Awards](#)

10. [AVA Digital Awards](#)

11. [AVA Digital Awards](#)

12. [Movers & Shakers Policy Awards](#)

13. [Sustainability Awards 2020 results](#)

14. [Launching the Climate Action Award](#)

15. [ESD Awards](#)

16. [Community Initiative Awards](#)

Mistakes and failures are equally, if not even more important than success, for learning and innovation. This is a well-established postulate which is embedded in the Bank's own behavioural competencies. The entrepreneur Richard Branson is a strong advocate for learning more from failure than from success. However not all cultures welcome failures or are open for discussing what went wrong and why, and what can be done to avoid the mistakes in the future. This sort of reflection is very useful, particularly immediately after the event via an 'after-action review', or during the project/activity, to modify it and design new ways of delivering what is needed in a negative/antagonistic environment. This process is known as adaptive management, which is part of tools such as 'problem driven iterative approach' for resolving complex problems that don't have a simple solution and 'rapid results' that harnesses the power of teams to produce impactful results in a short timeframe.¹⁷

The EBRD has relatively weak manifestations of open discussion of mistakes and failures. These discussions do happen, but most often behind closed doors in specific teams or committees. One interviewee noted that *"Top leadership's country visits always have final debriefs where they discuss what works or not in a particular country"*. However, these discussions are not systemic - institution-wide conversations and codification of mistakes is less visible. *"It would be useful to display what did not work, for example during regular "best banking projects" events. However, the Board directors can listen to these presentations, and it restrains banking colleagues from being frank, as they don't want to publicise their mistakes"*. There is good potential at the EBRD to learn from failures or less successful experiences but perceptions, incentives and enabling technologies are not supportive of this type of reflection.

The EBRD does encourage LKM as part of its culture and values proposition to its staff. However, it is fair to say that the implementation and enforcement is patchy, and that perceptions of staff about the openness of the organisation to learning from both mistakes and achievements are mixed. The evaluation team did not have access to aggregate staff performance assessment data, including against behaviour competencies and development objectives. But interviews conducted with staff in HQ and ROs provided anecdotal evidence of reflections and discussions on improvements happening behind closed doors, and staff lacking motivation to open up about mistakes even if they provide a valuable source of learning. A significant number of interviewees noted the existence of a risk-averse culture in the Bank and lack of "post-op" reviews to enable effective learning and integrating lessons into future operations that is not limited to a single unit or department. **Silos continue to inhibit a culture of Bank-wide sharing and trust, which is a necessary condition for a thriving LKM ecosystem.**

2. Leadership of LKM

The KM Initiative, the most prominent Bank-wide initiative that has been recently implemented, has a sponsor at the level of Managing Director for Economics, Policy and Governance.¹⁸ The KM team is part of the Client Services Group and has the most prominent LKM roles and objectives in the Bank. The analysis of documents and interviews confirmed that there was no Executive Committee (ExCom) or Strategy and Policy Committee (SPCom) level sponsorship of this initiative. Moreover, interviews with many EPG colleagues revealed this unit has no mandate or authority to effect change in the core business areas – namely banking and legal function. Initiatives and actions conceived in EPG (under Vice Presidency for Policy and Partnership) have little traction with core business units and their initiatives are only "recommended" rather than "demanded" – they lack effective monitoring and enforcement mechanisms.

With the degree of internal transformations required to make LKM a competitive differentiator and substantial contributor to the Bank's assets, sponsorship at the ExCom level is essential. The assessment of most recent Bank-wide transformative initiatives, both by management and by the

17. Problem Driven Iterative Adaptation (PDIA), is a step-by-step approach which helps you break down your problems into its root causes, identify entry points, search for possible solutions, take action, reflect upon what you have learned, adapt and then act again. It is a dynamic process with tight feedback loops that allows you to build your own solution to your problem that fits your local context – more information available [here](#). Rapid Results is a different way of doing development, of doing government, and of doing philanthropy. We believe impact at scale can happen when people closest to our societal problems are connected to their peers, and when their confidence is restored in their own abilities to find solutions to these problems. This capacity can be unleashed and system change inspired when committed front-line teams own and pursue short-term goals, and leaders support these teams in new ways – more information [here](#).

18. Although the originator of the idea has left the Bank and an acting MD is now leading the initiative

Internal Audit department (IAD), confirms that strong top-level championship of any change programme is essential for its success and for reducing internal resistance.¹⁹ High level sponsorship of LKM may be realised before too long as the Bank's President, elected in 2020, considers KM an important element of her mandate for transforming the Bank into organisation that is responding to modern challenges and demands, as evidenced by its inclusion in her election manifesto.

While it is essential to have the Bank-wide sponsorship and leadership, it is equally important to have a clear picture of the initiatives driven by MDs of various functions. This evaluation used the mapping exercise performed by the EPG team as part of the KM Working Group activities, and enhanced it with its own analysis. As TP2 demonstrates, there is a rich ecosystem of LKM initiatives and activities across the bank, one that is functioning quite effectively and delivering solutions to the most pertinent "pain points". Also, TP3 presents the mapping of KM resources and knowledge hubs across the Bank based on Intranet content analysis. Most of these initiatives, according to the interviewees, are initiated and supported by the MDs. There is therefore a substantial group of MDs who are driving LKM within their areas of responsibility. However, the visibility of this commitment, which often comes with dedicated full-time staff, is limited. As noted in TP1, while this 'thousand flowers blooming' approach that largely operates 'below the radar' may be an entirely appropriate way to develop and test a variety of LKM approaches and so demonstrate 'proof of concept', there comes a time when a 'whole of Bank' approach is needed to achieve synergies, efficiencies, greater impact and value-added and to ensure sustainability – the latter particularly through reducing the reliance on donor funding.

The evaluation team concludes that for LKM to be elevated to the next level, the collective commitment of sector MDs should be made more visible, their actions should be connected and opportunities for collaborations and scaling up across functions should be exploited. The starting point could be the revamp of the KM WG, with creation of a dedicated forum for MDs. This forum's most valuable contribution could be in articulating clear business needs, defining the most-pressing priorities for LKM improvement and the value they bring to delivering the Bank's mandate. With these essential elements being clearly defined, the supportive role of the KM hub would be better targeted and thus better understood among the wider group of stakeholders, who until now struggle to see its value beyond being a "cost centre" that runs some "non-essential activities."

3. Staff incentives for learning and contributing to the Bank's knowledge assets & innovation

There is zero recognition from senior management for the work on knowledge management. It requires one to be super enthusiastic and have a lot of perseverance. This should not be like this." (Head of department)

As with the absence of explicit organisation-wide LKM objectives, with a few exceptions, there are no stimuli for staff members to take time to reflect on their experiences, prepare useful knowledge products, share, and communicate their messages in a meaningful way that reaches the right audiences. According to interviewees (rather than a review of aggregate individual performance assessments, to which EvD did not have access) even high-value learning activities that benefit specific teams, are rarely reflected in personal performance matrices and development plans. Interviews revealed that short-term secondments and rotations (under six months) often are not reflected in individual performance and line managers of receiving and sending departments rarely communicate about the performance of the seconded staff member and the value their growth brings to the team and organisation. Similarly, the guest auditor programme launched in 2020 is yet to be formally integrated into HR's processes and procedures, where the new skills and knowledge obtained are properly reflected in a person's individual performance 'digital path'.

The inclusion of LKM objectives in individual performance plans indicates that there is a business need for mapping departmental knowledge, arranging it in an accessible form and extracting value for planning future operations. For example, in ESD there is a personal objective to oversee all knowledge materials produced by staff, particularly with respect to trainings (for ESD staff, bankers, clients and consultants). It was prompted by the need for streamlining diverse and often 'dirty data'²⁰ (data

19. OE&E Self-assessment by management and IAD Audit of Monarch project.

20. Dirty data is the data that is inaccurate, incomplete, inconsistent or duplicate

that is inaccurate, incomplete, inconsistent, or duplicative) produced by individual experts delivering trainings. An Excel spreadsheet was used for collating core data points of each learning product, tagging them by theme, and ensuring there is a direct link to the primary source of information. The overall goal was enhancing the quality and accessibility of training materials.

Similar personal objectives exist in OCCO, where the need for enhancing the standards of client investigations performed by bankers and streamlining data from integrity questionnaires for capture and analysis resulted in the creation of a dedicated function (with the allocation of 0.75 fulltime staff equivalent). Extraction of tacit knowledge from colleagues and its codification, integration in the explicit and accessible knowledge products, such as guidance notes, was another objective. This approach reduces the risk of key person loss, and democratises access to highly specialist information. Similar roles already exist or are emerging in DCF, the Risk department, and E2C2. Also, a very new role has recently been created in the Equity banking department to strategically manage the EBRD's nominee directors' network, where managing knowledge assets related to this distinctive activity is part of the department's core function.²¹

EvD has only anecdotal evidence of LKM related personal objectives. It had no access to data about how many staff members have LKM objectives in their plans. Such data could be used for mapping of LKM needs, (as will be recommended by this evaluation). Interviews provide a lot of questions but not many answers about who should be responsible for knowledge curation and enabling information flow inside the Bank. Most often LKM activities are voluntary in addition to full-time jobs. For example, champions of CoPs; leaders of Policy Academy module production; the coordinator of the presently discontinued Innovation Hub; head of EPG's Knowledge team; participants in the gender champions' network all have fulltime jobs that do not include the LKM activity in their work plan.

Even when LKM is included in the personal annual objectives (which does not happen universally), the value assigned for delivering on these objectives is significantly lower than the value assigned for delivering on core business objectives. Incentives are lacking, time is scarce and opportunities for high-quality LKM work that requires time-consuming reflection, iteration, and experimentation are sporadic and non-systemic. *"Promoting LKM requires rewards and incentives. LKM people cannot be at the margins – they need to be in the centre."* Their products should be accessible for leadership of the organisation and their use by decision makers should be tracked and valued.

To date, poor incentives have delivered limited results, which rarely lead to integrating innovations into the core business processes. Dedicated roles with appropriate skills and funding, driven by specific business needs, need to be established formally and should be made more visible at the corporate level to leverage the ongoing process and product enhancements and innovations. The quality of delivered projects and services to clients and stakeholders should be incentivised on a par with the volume.

4. Mobility programmes

"Mobility is essential for individual and organisational learning: people should be required to move more regularly to get a broader experience. Ideally the Bank should have a rule of maximum five years job posting for everybody" (Senior banker)

The EBRD traditionally had discrete programmes/initiatives aimed at enabling the exchange of skills and experiences among various departments. The most established and well-known rotation programme is between Risk and Banking departments (see below). Other initiatives are ad-hoc and individually driven. After the launch of the One Bank policy in 2013, the HR department tried to ensure staff mobility between departments and geographical locations.²² A Mobility Policy²³ was launched with guiding principles and key characteristics of temporary assignments. These efforts however didn't lead to the establishment of a centrally-managed, centrally-funded and visible mobility programme – up until now it has only limited

21. CS/FO/21-17 Enhanced Equity Approach 2021, May 2021, internal document

22. One Bank Update, internal document, 5 May 2015, SGS15-126

23. <https://intranet.ebrd.com/staff-guide/mobility>

features of a strategically-placed instrument facilitating exchange of knowledge and innovations. To EvD's knowledge there is no effort by HROD to systemically collect feedback from participants to refine its objectives, operation, and results.

The evaluation team performed its own analysis of the effectiveness and efficiency of the programme. HROD kindly provided a database of staff who were on short-term secondment/rotation over the period 2016-2020, although this was limited to the secondments/rotations between different geographical locations. There is no dataset of staff who went on short-term assignments within the same location (HQ or 6-9 months specific RO). Additionally, the evaluation team was given a dataset by the Risk department on its rotation and secondments programme (for bankers only). By combining the two datasets, EvD constructed a representative sample and interviewed 40 staff members (27 bankers and 13 other specialist staff) about their experience of rotation/secondment and the impact it had on their professional development and career progression. Figure 2 presents highlights of the interviews, while Annex 1 includes details of the methodology, sample, and aggregated results. The key findings are:

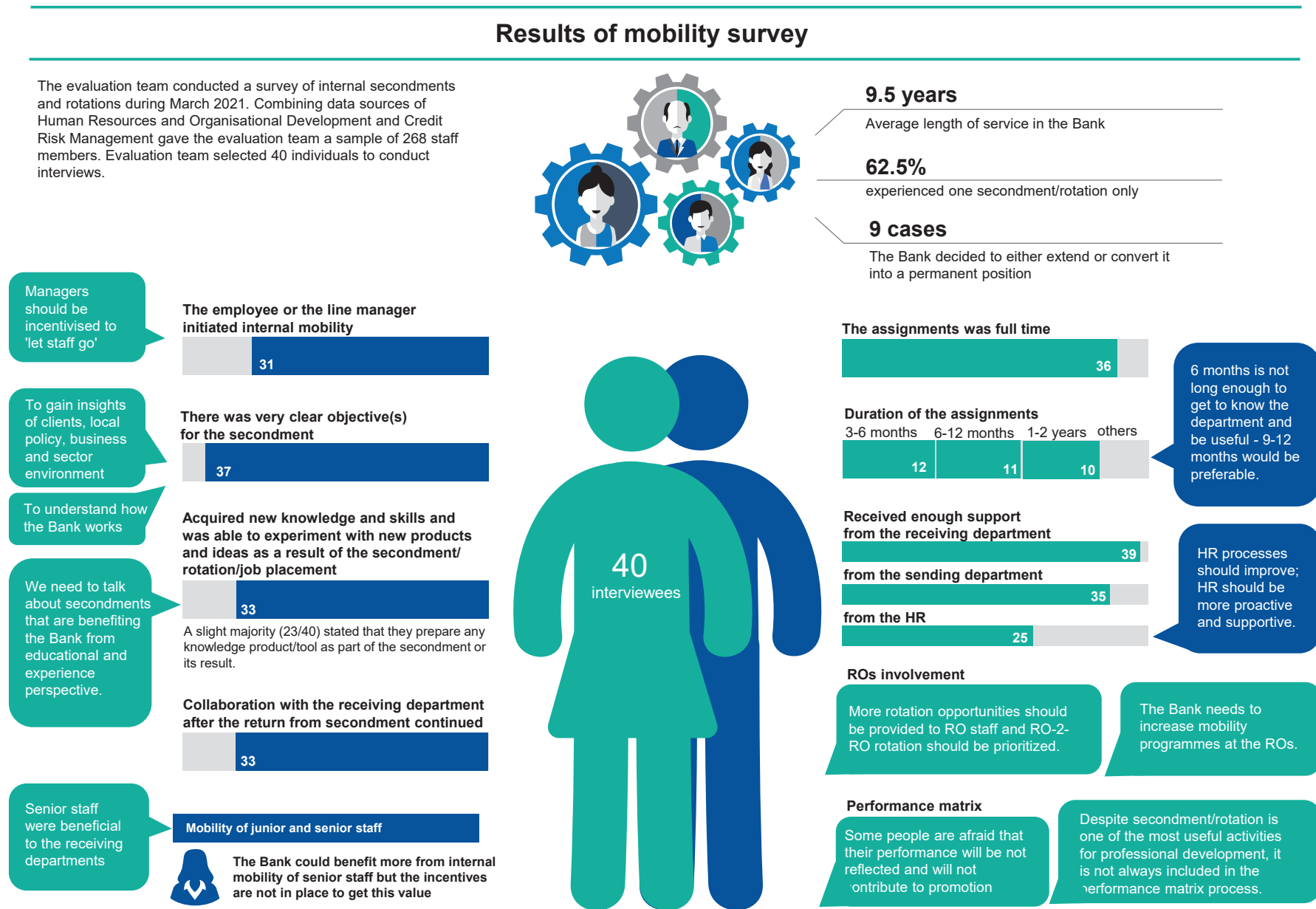
- **Availability and visibility:** The employee or the line manager initiated internal mobility in most cases (31 out of 40). Interviewees did not mention HR in open-ended responses. The Bank-wide mobility programme is not visible and is not perceived as a centrally managed initiative. There is little awareness of its opportunities, including among RO staff. Participants mostly became aware of the programme via peer-to-peer communication. Some noted *"this [access to rotation] should not depend on personal relations between staff, receiving and sending department line managers – there should be centrally-enabled procedure and system, that would record achievements."* Only rotation to the Risk department has its own brand, communication channels, visibility, and recognition. It is thus very popular among bankers, with a competitive selection procedure and a long waiting list.
- **Culture:** in many instances interviewees noted that secondments/rotations enable the diffusion of different cultures across the Bank – including a 'risk culture' or 'equity culture'. In other words, short-term exchanges enable mainstreaming of some fundamental principles and elements of the Bank's operations into other parts of the organisation. Among comments were: *"I had the opportunity for networking and learning about the local business culture"* and *"I increased my cultural awareness."*
- **Purpose and achievement:** most interviewees (37 out of 40) had a clear objective for their secondment/rotation. Examples include to enhance understanding of clients' needs and improve interactions with them; support/expand policy work on the ground; support partner governments; get better understanding how certain sectors work or the local context of a specific region/country; improve understanding of the Bank's internal policies, processes and procedures; gain greater exposure to credit department and support units (non-banking teams). Also 33 out of 40 stated that they acquired new knowledge and skills and were able to experiment with new products and ideas because of their secondment/ rotation/ job placement.
- **Support and guidance:** almost unanimously, the interviewees believe that they had enough support from the receiving department (39/40) and close to 90% believe that they had enough support from the sending department (35/40). Those colleagues who were seconded to the Risk department universally report a high level of support from the receiving department, including mentorship and detailed guidance, as well as support from line managers – risk-related knowledge and skills are highly valued by bankers. In other cases, there was mixed support from sending departments, and mostly in the form of non-resistance. Opinions about HR support are diverse: Sixty-two and a half per cent of interviewees (25/40) believe that they had sufficient support from HR, while a third perceived it as not responsive to individual needs (family situation), help being delayed and inefficient. Some noted: *"HR's support is not individually tailored and one-size-fits-all approach does not always work (i.e. family with young children)."*
- **Performance and promotion:** the majority of staff were on a rotation of 6 to 9 months - they considered the ideal duration of the programme should be 9-12 months, reflecting a full annual performance cycle. Except rotation to Risk, where mentoring and systemic feedback is integrated into the programme, participants did not always have their secondment experience reflected fully and accurately in their annual performance assessment. Therefore, they are not sure it is properly reflected in their career path in the Bank. Some noted: *"absence "from the base" might have negative effect on promotion chances. It holds back some high-potential candidates, and is not healthy"*

for organisation.” Many reported a significant increase in knowledge/understanding of the Bank's institutional matters, expanded country/sector knowledge and closer relations built on mutual trust and understanding, while many interviewees were promoted shortly after their return to the original department, and others became permanent staff in the receiving department.

- **Resourcing:** there is no central financial pool and all resources had to be identified by the teams on a bilateral basis. Releasing staff is not easy for many departments and often the whole initiative is conditional on the availability of a swap – if there is no substitution capacity then staff can't go on secondment, or must go part-time, in reality doing two jobs at the same time. A lot depends on individual line managers, some of whom are more inclined to allow staff mobility, even if it means a stretched team capacity for a period of time. Longer periods of absence require more structural decisions. After financial restrictions imposed by OE&E programme since 2017 the administrative budget for mobility has been reduced and its management was transferred from HR to banking departments. There is universal feedback on the inadequacy of support, compensation and benefits for staff on secondments/rotations, particularly those requiring relocation to a different country.
- **Knowledge creation and exchange:** the great majority of interviewees said that they acquired new skills/ knowledge and were able to experiment with new ideas and products, because of their secondment/ rotation. A slight majority (23/40) stated that they have prepared a knowledge product from the experience – either independently, or in collaboration with other colleagues. Examples included market studies, guidance notes, training materials etc.
- **Impact of pandemic:** there was some feedback related to the impact of remote working on staff mobility. On the one hand, it increases the opportunity for mobility, as staff can join any team from any location remotely, without the need to relocate themselves and their families. It increases access for staff with families and more senior colleagues. Also, short-term imbalances in workload were successfully leveraged through HR's Skills Sharing initiative launched in 2020 (for up to three months full time or part-time work in another department) On the other hand, interest is declining among some younger colleagues, who prefer the experience of a complete rotation, including relocation to another country, immersing themselves in the new context, and in some cases, getting better benefits (this is mostly relevant for RO staff moving to HQ).

Overall, internal mobility of staff enables quicker and more direct flow of tacit knowledge (not captured in processes and documents), contributes to spreading certain elements of culture (inclusion, risk), building trust and mutual understanding among departments that usually work closely together on operations, but might have different perspectives. HQ-located staff mostly appreciate greater insights into client relations, negotiations, country context, building partnership with local government stakeholders, while RO staff mostly values deeper understanding of the Bank's corporate policies and processes, its international outreach and culture, and inter-connectedness among various functions. Given the rapid growth of the EBRD's staff numbers, with proportionally more based in countries of operation, these insights are important for designing future policies and programmes. **There is universal support for the mobility programme. However, it has to be centrally-governed and properly resourced to allow greater flexibility in responding to the needs of different teams and individuals.**

Figure 2: Results of Mobility Survey



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ANNEX - MOBILITY

INTERVIEWS - METHODOLOGY, SAMPLE, & AGGREGATED RESULTS

The evaluation team conducted a survey of internal secondments and rotations during March 2021. The purpose of this survey was to shed some light on the role of various degrees of interpersonal contacts in shaping the flow of tacit knowledge within the Bank. To this end, the evaluation team reached out to a sample of EBRD staff who have participated in such programmes and administered structured interviews through phone or Webex calls.

As a first step, the evaluation team got in touch with Human Resources and Organisational Development (HROD) and Credit Risk Management. This is because (i) HROD oversees the Bank's mobility programmes²⁴ and (ii) Credit Risk Management has a flagship rotation programme. The evaluation team initially planned the analysis to focus on both the Bank's local and international mobility programmes. However, this was not possible due to data availability. HROD kindly provided access to a dataset consisting of international mobility assignments. A similar dataset for local mobility assignments is currently not available.

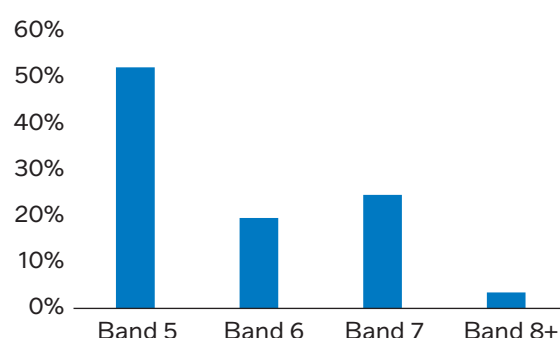
The HROD international mobility dataset consists of 406 assignments with 265 unique staff members. These include short (less than 24 months) and long-term assignments. Sixty-five per cent of all assignments in the dataset are short-term. Most notably, all of the assignments since 2018 are short-term and there are very few long-term assignments in recent years. Therefore, the evaluation team focused on the sample of short-term assignments in the HROD dataset.

Credit Risk Management offers its rotation programme on a competitive basis. The standard duration is six months - January-June and July-December each year. The typical candidate has sufficient experience and skills to contribute to credit analysis of projects undertaken by Risk Management teams. In addition to on-the-job training, Credit Risk Management provides formal classroom instruction at the start of rotations. Candidates require their line manager's recommendation and approval by the Risk Officers responsible for rotations in respective Risk Management teams. The number of staff participating in the rotation programme in the last five years is 57.

Combining both data sources gave the evaluation team a sample of 268 staff members. This pool has a median assignment start date of September 2017 and end date of May 2019. The median days between end and start days are 346. The distribution of staff members is heavily concentrated on Band 5, which constitutes more than majority. Forty per cent are female and gender composition varies minimally across the years.

The evaluation team selected 43 individuals from this sample via simple randomisation. Resource availability determined the total number selected, i.e. 43. In terms of its observed characteristics, the selected group is very close to the sample: The median seniority of the selected group was Band 5. Thirty-six per cent consists of women. The median start and end dates are July 2017 and October 2018 and the median days between end and start days are 351. However, of these 43, the evaluation team later excluded three

Figure 1: Participation in mobility by seniority



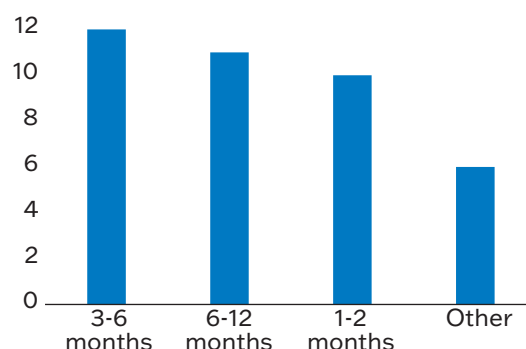
24. <https://intranet.ebrd.com/staff-guide/mobility>

individuals because one was on long-term sick leave and two were on long-term mobility programmes. Consequently, the evaluation team interviewed 40 individuals.

The questionnaire used during the interviews had 17 questions and touched upon four dimensions: (i) motivation to participate in a mobility programme; (ii) role and objective during the mobility programme; (iii) institutional support that facilitates mobility and (iv) whether or not it helps flow of tacit knowledge across the Bank. The evaluation team conducted each survey roughly within 10 to 15 minutes.

- Below is a summary of basic descriptive information from these interviews:
- Average length of service in the Bank is 9.5 years.
- 62.5% (of 40) has only one secondment/rotation. The rest has more than one. The number of secondments/rotations appears to be associated with the length of service.
- 90% of the secondments/rotations were full time. The rest were part time.
- The vast majority (90+%) did not have a change in their job title. Although, the exact figure is hard to establish. In several cases, interviewees reported their job title ambiguously.
- The duration of the assignments were mostly less than one year. In, at least, nine cases the Bank decided to either extend the duration of the assignment or convert it into a permanent position.

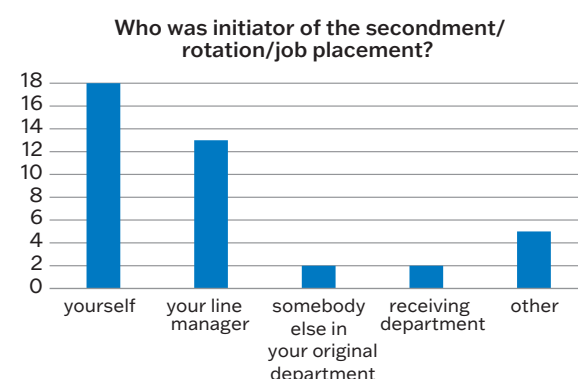
Figure 2: The duration of the assignments



At times, the interviews revealed observations that were not surprising. However, on other occasions, interviewees' remarks were interesting:

The role of line manager

The employee or the line manager initiated internal mobility in the majority of the cases (31 out of 40). Interviewees did not mention HR in open-ended responses.



Objective of the secondment

37 out of 40 agree or strongly agree with the following statement: "There were very clear objective(s) for the secondment". For the majority of interviewees the main objective of the mobility was either gaining familiarity with the clients, policy context, business and sector conditions on the ground or the internal processes of the Bank. The following are some commonly stated objectives:

Clients, local policy, business and sector environment

- To gain client/business familiarity.
- To get better understanding how to interact with clients. This experience is difficult to gain while based in HQ.
- To get better understanding of [sector], other regions/countries.
- To support the policy work on the ground.
- To expand and deepen policy dialogue in the [region].
- To support business development in the [region]. Clients in that culture trust you more face to face.
- To be closer to business and support the team on the ground.
- To support the [] government in modernising the [].
- To be within the proximity of the clients.
- To support Banking in their activities and projects on the field.

Understanding how the Bank works

- To learn more about internal processes.
- To gain knowledge on how risk process work.
- To be close to portfolio management and support units in HQ.
- To increase the knowledge of the Bank and its people.
- To improve credit risk assessment skills.
- To oversee the Board processes and ensure internal coordination.

Learning and innovation

Many felt that mobility was an important source for learning and gaining skills. Some went on and used these newly gained skills to introduce new products. Thirty-three out of 40 agree or strongly agree with the following statement: “You acquired new knowledge and skills and were able to experiment with new products and ideas as a result of your secondment/rotation/job placement”. The following are some commonly stated examples:

- Learned how to deal with clients; local context and interactions.
- Developing the capacity to understand the clients and authorities was the biggest learning.
- Learned a lot about a much larger geography, different contexts, investment and policy settings.
- Had the opportunity for networking and learning about the local business culture.
- Increased my cultural awareness.
- Learned about new regions, sectors and processes, which are relevant to original role.
- I have learned how to manage product development.
- Expanded a number of products I know about.

Mobility of junior and senior staff

However, several interviewees were unsure when responding to the following question: “What useful knowledge do you think the receiving department got from you?”

- I hope they did. When you are junior, it is entirely for your benefit; but you are an additional asset.
- Advantage was mostly mine. Seasoned sector bankers did not have much to learn from me.
- This is difficult to answer.
- I was not a source of knowledge, but rather a free resource.
- Over the years, I can observe that secondments of junior staff do not make a lot of sense. These are not cost effective - juniors are more like tourists.

There are also a few cases where the interviewees claimed that the Bank could benefit more from internal mobility of senior staff but the incentives are not in place to get this value.

- Accommodation allowance is not sufficient to support the move of a family with [] children. The Bank needs to adjust accommodation allowance taking into account this factor.
- Nobody can drop off his or her families for six months.
- Remote working instigated by Covid provides more opportunities for senior people and people with families to apply for secondments/rotations. At the same time demand from younger colleagues is going down – they prefer physical relocation, experience of living in another country, as well as associated benefits (RO staff particularly).

However, whenever staff that are more senior became mobile they thought that they were beneficial to the receiving departments, some quotes:

- I have brought the [] skills. I brought a different perspective. Knowledge transfer happened in practice while working together.
- The receiving team learned a lot from me about the political situation in my country (of origin). I helped to address language barriers. I am an experienced investment banker and could share that experience with the team.
- Being an experienced [], I had a chance to provide RO colleagues with the insights into internal processes. It was especially useful for junior bankers who have never been in HQ. I was able to explain the internal rules, the processes, and the different committees of the EBRD.

Institutional support that facilitates mobility

Almost unanimously, the interviewees believe that they had enough support from the receiving department (39/40) and close to 90% believe that they had enough support from the sending department (35/40). However, this is not the case for support from the HR. Sixty-two and a half per cent of interviewees (25/40) believe that they had enough support from the HR. Some common aspects of concern were as follows:

- HR needs to be more proactive, respond to questions quicker.
- HR was not very flexible.
- The whole career structure and management is not present in the Bank (comparing to similar private sector institutions).
- HR adjusted things only when managers pushed.
- Difficult to know what to expect from HR.
- HR procedures were not clear.
- HR's support is not individually tailored and one-size-fits-all approach does not always work (i.e. family with young children).
- The support provided by HR was not adequate at all.

Flow of tacit knowledge across the Bank

Over 80% (33/40) agree or strongly agree with the following statement: "Collaboration with the receiving department after the return from secondment continued". Many believe that this is the case because internal mobility adds to the social capital of the Bank:

- My relations with credit improved a lot - they know you, they trust you.
- Know whom to ask if I have specific question.
- They knew me better so trusted me more.
- I know more people now.
- I have new friends in the HQ and this facilitates further collaboration.

A slight majority (23/40) stated that they prepared a knowledge product/tool as part of the secondment or its result. Some of those who did not prepare such products stated that informally they share their own learning and experience gained during the internal mobility.

Recommendations from the interviewees

Recommendations are rich and diverse. Below is an attempt to classify some prominent themes:

Credit rotation programme

- Credit programme is very well structured - it is functioning very well. It could be different.
- Credit rotation programme needs to be part of the career path.
- I wanted to participate in credit rotation, but it is traditionally over-subscribed.
- Expertise of the Bank is concentrated in a number of units such as Credit. However, places are limited.

The condition of swap and support from line managers

- Swap is a condition. This blocks internal mobility.
- Some people's managers were not happy to let people go, so negative experience.
- Managers should be incentivised to 'let staff go'
- We should look into swap arrangements due to resource constraints

Performance

- Despite the fact that secondment/rotation is one of the most useful activities for professional development, it is not always included in the performance matrix process. It is especially true for 6-9 month periods (not full year cycle objectives), when there is no well-established connection between receiving and sending departments.

- Often performance in receiving department is not taken on board by line manager in sending department.
- Some people, that are close to being promoted, hesitate to apply for rotation/secondment, as afraid that their performance will be not reflected and will not contribute to promotion.
- Moreover, absence “from the base” might have negative effect on promotion chances. It holds back some high-potential candidates, and is not healthy for the organisation.
- Part-time secondments might be particularly challenging to manage and integrate into “performance story line”, especially if the staff member is doing it without great support from line manager. Sometimes the effect could be opposite – reduced work delivery in the sending department might have negative consequences for overall performance assessment.
- This should not depend on personal relations between staff, receiving and sending department line managers – there should be a centrally-enabled procedure and system, that would record achievements.

RO

- More rotation opportunities should be provided to RO staff and RO-2-RO rotation should be prioritised.
- The Bank needs to increase mobility programmes at the ROs.
- We need more cross-country mobility.
- ROs do not have the same mobility opportunities as HQ.

Governance of internal mobility, transparency

- We need to talk about secondments that are benefiting the Bank from educational and experience perspective. Young people should have these opportunities – balance between individual's interests and organisations. Some people's expectations are unrealistic. Structured approach and better information awareness are required.
- More planning might be good.
- No clear guidance or conflicting guidance.
- It would be good to have more info about opportunities.
- Rules and regulations are not clear.
- There needs to be more structure. There should be a secondment follow-up plan.

HR-related aspects

- HR processes should improve; HR should be more proactive and supportive.
- Admin support could be improved, especially accommodation.
- HR is not really there to support you.
- HR needs to provide more bespoke support and ensure a transparent approach.
- HR should play an executive role and should not leave the decision to the line manager.
- HR was not prepared to give advice and support staff in a new place such as [].

Duration

- Six months is not long enough to get to know the department and be useful - 9-12 months would be preferable.
- Secondments to RO needs to be at least 12 months.
- Most rotations/secondments are too short.

About EvD

The independent Evaluation Department (EvD) evaluates the performance of the EBRD's completed projects and programmes relative to objectives.

It systematically analyses the results of both individual projects and wider themes defined in the EBRD's policies.

The core objective of evaluation is to contribute to the EBRD's legitimacy, relevance and to superior institutional performance. To achieve its core objective, the Evaluation Department fulfills two primary functions:

- It provides a critical instrument of accountability through objective, evidence based performance assessment of outputs and outcomes relative to targets; and
- It contributes to institutional learning for future operations by presenting operationally useful findings.

Read evaluation reports at EvD's website at <https://www.ebrd.com/what-we-do/evaluation-reports.html>

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