Compensation, Diversity and Inclusion at The World Bank Group

JISHNU DAS (DEVELOPMENT RESEARCH GROUP)
CLEMENT JOUBERT (DEVELOPMENT RESEARCH GROUP)
SANDER FLORIAN TORDOIR (DIVERSITY AND INCLUSION)

THE PRESENTATION AND REPORT ARE BASED ON A COLLABORATION BETWEEN DECRG, GENDER CCSA AND HR
Project Genesis and Timeline

Work responds to requests from Gender CCSA, President’s office and D&I group to analyze Diversity and Inclusion issues among World Bank Group (WBG) staff

◦ Study noted as a commitment in the WBG gender strategy

Technical work led by DEC in collaboration with Gender CCSA, D&I and HR (special thanks to Emmet Cunningham)

3 Advisory committee meetings to guide and comment on work, starting in February 2016

Presentations to Executive Council of Staff Association, DEC management, SMT, HR Executive Committee and VP, Corporate Strategy and Resources, IFC

Policy Research Talk followed by publication of working paper (end of March, 2017)
Project Aims

Build on previous work by Filmer et al. 2005, who showed large differences in favor of Part 1 males but did not have access to data on employees over time.

Creation of a dataset containing employment information on all staff from 1987 onwards

- Fully “expandable”: Easy to add new years for the same variables or additional variables as they become available. Allows for a data-based approach to HR and staff development at the WBG.

Use these data to document pay gaps across men and women and across Part 1 and Part 2 staff.

Develop a novel framework that decomposes the sources of these pay gaps and apply the framework to document and analyze trends in the WBG over time.
The need for a new method

Three types of issues being raised (we use “male/female” but the same issues are relevant for “Part 1/Part 2” differences)

◦ Example #1: “The average women in the institution receives only XY% of the salaries of the average man”
◦ Example #2: “There are very few GH women in my GP”
◦ Example #3: “Men are being promoted at a faster rate relative to women”

Need approach that addresses both aggregate institutional concerns of average salary differences and career concerns of differential salary growth starting from the same grade

Define **Aggregate Gap**: “Salary difference of average male and female staff at the WBG”

Define **Career Gap**: “Salary difference for men and women starting in the same grade over time”
Grade composition affects aggregate gap

Example 1: “The average women receives only XY% of the salaries of the average man”

Average male salary is $2.6 but average female salary is $2. There is an aggregate gap even though there is no difference in salaries when men and women do the same job. In this example the gap comes purely from job composition.
Pipelines affect the aggregate gap

Example 2: “There are very few women GH in my GP”

Year 1: 8 GF
- Year 2: 4 GF
- Year 2: 2 GG
- Year 2: 4 GH

Year 1: 4 GF
- Year 2: 2 GF
- Year 2: 1 GG
- Year 2: 1 GH

The proportion of men and women promoted each year may be identical but there may still be fewer women GH because the pipeline was smaller. Historical hiring affects grade composition today.
Promotion rates affect the career gap

Example 3: “Men are being promoted at a faster rate than women”

Starting in the same grade and in the same year, one year later there were fewer women GH. Men and women may have different career paths.
Incorporating multiple channels into pay gaps

There were two keys to incorporating composition, pipeline and promotion effects to emerge at the salary distribution today

Shift from *cross-sectional* (at a point in time) data to *panel data* (data on the same staff followed through the years)

Treat the *entry grade* as the key marker and follow people hired into the same grade in the same year over time (essentially creating *grade-cohorts*)

For instance: 53% of all staff in grades GE+ at the WBG today entered the WBG as a GF staff member
## Panel versus Cross-sectional data

<table>
<thead>
<tr>
<th>ID</th>
<th>Year</th>
<th>Salary</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2015</td>
<td>130</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>2015</td>
<td>120</td>
<td>Male</td>
</tr>
<tr>
<td>3</td>
<td>2015</td>
<td>234</td>
<td>Female</td>
</tr>
<tr>
<td>4</td>
<td>2015</td>
<td>124</td>
<td>Male</td>
</tr>
<tr>
<td>5</td>
<td>2015</td>
<td>105</td>
<td>Female</td>
</tr>
<tr>
<td>6</td>
<td>2015</td>
<td>145</td>
<td>Female</td>
</tr>
<tr>
<td>7</td>
<td>2015</td>
<td>123</td>
<td>Female</td>
</tr>
<tr>
<td>8</td>
<td>2015</td>
<td>113</td>
<td>Male</td>
</tr>
<tr>
<td>9</td>
<td>2015</td>
<td>245</td>
<td>Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ID</th>
<th>Year</th>
<th>Salary</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2013</td>
<td>95</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>2014</td>
<td>97</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>2015</td>
<td>130</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>2014</td>
<td>115</td>
<td>Male</td>
</tr>
<tr>
<td>2</td>
<td>2015</td>
<td>120</td>
<td>Male</td>
</tr>
<tr>
<td>10</td>
<td>2013</td>
<td>245</td>
<td>Female</td>
</tr>
<tr>
<td>10</td>
<td>2014</td>
<td>256</td>
<td>Female</td>
</tr>
<tr>
<td>4</td>
<td>2015</td>
<td>124</td>
<td>Male</td>
</tr>
<tr>
<td>15</td>
<td>2013</td>
<td>165</td>
<td>Female</td>
</tr>
</tbody>
</table>
Solving the problem

With panel data and fixing on the *entry grade* as the key staff tracker, we devised a novel decomposition methodology.

New methodology decomposes *aggregate and career gap* as arising from *4 different components*:

- **Composition**: Men and women hired in different numbers in different grades (only aggregate gap)

- **Salary at entry**: Entry salaries different for men and women hired in the same grade

- **Salary growth**: Salary growth different for men and women hired in the same grade

- **Attrition**: Relative salaries of stayers versus leavers differ by subgroup
Main messages

**Aggregate Gaps**

**Message 1:** Composition effects—men were (and are) hired in higher grades—account for 76% of the aggregate gap of $27,400 in the salaries of male and female staff at the WBG. Similarly, 60% the aggregate gap of $14,800 between Part 1 and Part 2 staff is due to composition effects.

**Career Gaps**

**Message 2:** For staff who entered as GF there is a 3-4% difference in salaries of females and Part 2 staff relative to male Part 1 staff after 15 years of employment. Differences in salary growth account for the bulk of this difference.

**Message 3:** For staff who entered in grade GE and GG, salary gaps are smaller (GG) or reversed (GE) after 15 years of service.

**Pay and Performance**

**Message 4:** Modest career gaps are not a consequence of a “flat” composition system where everyone receives the same salary: In fact, the compensation system rewards performance as measured by performance ratings.
Outline

The Human Resource Longitudinal Database

Context: Staffing and salary evolutions at the WBG 1987-2015

Evidence on the sources of pay gaps
- A. Composition of hires
- B. Salaries at entry
- C. Salary growth
- D. Exits

Decomposition of the pay gaps: a dynamic accounting framework

Rewarding performance while minimizing pay gaps
The Human Resource Longitudinal Database

Analysis based on the new “Human Resource Longitudinal Database”. This dataset builds on previous attempts in 2008 and

- Covers all employees from 1987 to 2015
- This is one of the longest panels that have been established in any large firm and certainly at the WBG or other multilateral institutions
- The data are for The World Bank Group (IFC, MIGA, GEF and the WBG)
- Incorporates work across multiple data systems as prior data were not in PeopleSoft (for instance, conversion of grades from narrow to broad-bands)
- “Plug and play”: Easy to add new variables or new years for the same variables. Can be used for a variety of policy purposes within institution
Sample restrictions

Results only for WBG staff on the U.S. Salary Admin Plan
- Typically staff recruited internationally and based in HQ or in CO as IRS
  Over time, CO appointments increased from 7% to 35%
  • As these staff are currently left out of the analysis, this is a limitation of the current scope of the report
Other restrictions eliminate <1% staff
Context: Staffing and salary evolution at the WBG 1987-2015

Context provides a broad look at changes within the WBG in staffing and salaries with two aims:

Examine whether the WBG is in steady state—that is, there is churn but overall staffing and salary patterns have remained the same.

Provide direction on what may affect aggregate and career gaps by sex and nationality.
The declining proportion of GA-GD staff

Largest change in staffing patterns at WBG is a consistent decline of GA-GD staff

Decline in GA-GD level staff made-up for in proportions by increases in GE-GH non-managerial staff
Exit rates from WBG

On average 8.86% of staff leave WBG each year

Exit rates fluctuate between 6-12%

Every 7-9 years, around 50% of original hires exit?

Why do exit rates cycle?
Exit rates from WBG

On average 8.86% of staff leave WBG each year.

Exit rates fluctuate between 6-12%.

Every 7-9 years, around 50% of original hires exit?

Why do exit rates cycle?

Some effects of overall U.S. economy, as we would expect.
Exit rates from WBG

On average 8.86% of staff leave WBG each year

Exit rates fluctuate between 6-12%

Every 7-9 years, around 50% of original hires exit?

Why do exit rates cycle?

Some effects of overall U.S. economy, as we would expect

Some evidence of presidential terms and reform
Consider mean salary of a staff member in different grades in 1987 dollars (normalize all salaries to 100 in 1987)

Mean (real) salaries increased annually between 1987 and 2014
- By 3/10\textsuperscript{th} of 1% among GB-GD staff
Consider the mean salary of a staff member in different grades in 1987 dollars (so whatever their salary is in 1987, we normalize it to 100)

Mean (real) salaries increased annually between 1987 and 2014 by
- $3/10$th of 1% among GB-GD staff
- $3/10$th of 1% among GF-GG staff
- $7/10$th of 1% for GE staff
- $7/10$th of 1% for GH staff
Consider the mean salary of a staff member in different grades in 1987 dollars (so whatever their salary is in 1987, we normalize it to 100)

Mean (real) salaries increased annually between 1987 and 2014 by
- 3/10th of 1% among GB-GD staff
- 3/10th of 1% among GF-GG staff
- 7/10th of 1% for GE staff
- 7/10th of 1% for GH staff
- 1.1 to 1.6% for GI-GK level staff

Consistent with labor theories of productivity and seniority

For most salary movements were similar
Aggregate Gaps at the WBG: 1987-2015

For every $ earned by men

- Women earned 52 cents in 1987 and 77 cents in 2015
- Part 2 employees earned 84 cents in 1987 and 87 cents in 2015
Aggregate and Career Gaps: Sources
90% of new hires in 1988 were women.

These graphs show the proportion of women (respectively Part 2 employees) among employees hired at each given grade over time. Gender equity has improved significantly as the fractions of men and women hired at each grade have converged over time. However, women are still hired into lower grades, for instance, 78.1% of GA-GD hires are female whereas 62.3% of GG hires are male. Hires at GE and above are only 40.4% Part 2 employees, while hires at GA-GD are 62.5% Part 2. There is no pattern of convergence toward parity over time in the shares of Part 1 and Part 2 hired at different grades.
Composition of entry grades in numbers

Composition at entry grades GA-GD all look like this

Composition at entry grades GH+ all look like this
In contrast, larger number of staff hired in every subgroup in each year for entry Grades GF and GG.
Exits from The WBG after 15 years

- One-third of male Part 1 staff and 35-40% female Part 1 staff remain among GA-GD entrants
- 50-55% of male Part 2 staff and 55-60% of female Part 2 staff remain among GA-GD entrants
- 40-50% of male and female Part 1 staff remain among GE-GG entrants
- 50-60% of male and female Part 2 staff remain among GE-GG entrants

In all grades except GE-GG entrants, the number still at WBG after 15 years is too small for meaningful subgroup analysis.
Salaries: Construction of Figures

Salary profiles may look like this, but gaps are harder to compute visually.

We therefore “standardize” Part 1 Male salaries in each year and show how other subgroups perform.
Salaries at entry

For Grades GA-GD, GE and GF there has never been a large entry salary gap at WBG.

The entry salaries of Male-Part 1 employees is de-trended and shown as the flat blue line to facilitate comparison with other groups.
Salary at entry

For Grade GG, there has been a persistent gap of $2000 to $4000

For Grade GH+ there has been catchup over time
Salary Growth

For Grades entry grades GC, GE and GG no evidence of an increasing differential with tenure.
Salary Growth

For entry grades GB and GF there is evidence of increasing differentials with tenure.
Salary differentials after 15 years

The salary gaps after 15-years vary by entry grade

- Favor Part 1 males for GB, GF and GG entrants (mixed for GC)
- Favor Part 2 and Part 1 females for GE entrants

Combined with the number of staff that remain after 15 years, only entry grade with sufficient sample AND evidence of pay gaps that develop over time in favor of Part 1 males is GF

GF entrants account for 53% of all GE+ staff at the WBG today
The experience of the GF cohort (1988-1996)

Five years after joining the WBG, 16-27% of staff leave
- Exits higher among Part 1 and among men
- Exit rates climb steadily to reach 60-65% by 20 years
- At this stage, women are more likely to have left

But, we do not find differences in mean salaries or salary distributions among those who choose to stay versus those who choose to leave
### Promotions among the GF cohort (1988-1996)

Story varies by what time period we focus on, but in general promotions appear to be faster among men:

- After 10 years, 23% of Part 2 men have been promoted to GH compared to 17% of Part 2 or Part 1 women.
- After 15 years, 6% of Part 1 men have been promoted to GI+, compared to 1% of Part 2 women.

<table>
<thead>
<tr>
<th>Duration</th>
<th>Type</th>
<th>Remain</th>
<th>GF</th>
<th>GG</th>
<th>GH</th>
<th>GI+</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-years</td>
<td>Men P1</td>
<td>73</td>
<td>15</td>
<td>55</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>5-years</td>
<td>Men P2</td>
<td>82</td>
<td>21</td>
<td>59</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>5-years</td>
<td>Female P1</td>
<td>78</td>
<td>19</td>
<td>58</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>5-years</td>
<td>Female P2</td>
<td>84</td>
<td>31</td>
<td>52</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>10-years</td>
<td>Men P1</td>
<td>58</td>
<td>7</td>
<td>31</td>
<td>19</td>
<td>1</td>
</tr>
<tr>
<td>10-years</td>
<td>Men P2</td>
<td>66</td>
<td>6</td>
<td>38</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>10-years</td>
<td>Female P1</td>
<td>57</td>
<td>4</td>
<td>35</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>10-years</td>
<td>Female P2</td>
<td>64</td>
<td>10</td>
<td>36</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>15-years</td>
<td>Men P1</td>
<td>54</td>
<td>3</td>
<td>18</td>
<td>26</td>
<td>6</td>
</tr>
<tr>
<td>15-years</td>
<td>Men P2</td>
<td>56</td>
<td>3</td>
<td>18</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>15-years</td>
<td>Female P1</td>
<td>45</td>
<td>2</td>
<td>20</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>15-years</td>
<td>Female P2</td>
<td>48</td>
<td>2</td>
<td>16</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>20-years</td>
<td>Men P1</td>
<td>41</td>
<td>1</td>
<td>10</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>20-years</td>
<td>Men P2</td>
<td>44</td>
<td>1</td>
<td>10</td>
<td>27</td>
<td>7</td>
</tr>
<tr>
<td>20-years</td>
<td>Female P1</td>
<td>35</td>
<td>1</td>
<td>10</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>20-years</td>
<td>Female P2</td>
<td>36</td>
<td>1</td>
<td>8</td>
<td>21</td>
<td>7</td>
</tr>
</tbody>
</table>
A dynamic decomposition framework

We have shown historical differences between groups in terms of:
- Hiring
- Salary growth
- Exits

Next questions:
- how important is each factor to explain the aggregate pay gaps?
- how important is each factor to explain the career pay gaps?

We developed a decomposition tool for panel data, using simulations that incorporates:
- impact of exits,
- time trends,
- dynamic interactions between hiring, salary growth, and exits.
Decomposing salary distributions

Salaries in 2015 = Salaries in 2014 * Raises in 2014
Decomposing salary distributions

Salaries in 2015 = Salaries in 2014 * Raises in 2014

+ New hires in 2014
Decomposing salary distributions

\[
\text{Salaries in 2015} = \text{Salaries in 2014} * \text{New hires in 2014} + \text{Raises in 2014} - \text{Exits in 2014}
\]
Decomposing salary distributions

Salaries in 2015 = Salaries in 2014 * Raises in 2014

+ New hires in 2014

- Exits in 2014

Can iterate backwards until first period of data (1987)
Decomposing salary distributions


In words: Salaries today are a function of salaries in 1987, hiring decisions since 1987, salary growth since 1987 and Exits since 1987.

Similarly, pay gaps compound pay gaps in 1987, gaps in hiring decisions since 1987, gaps in salary growth since 1987 and gaps in attrition.
Decomposing pay gaps

\[ \text{Salaries in 2015} = f\left( \text{Salaries in 1987}, \text{New hires 1987-2014}, \text{Raises 1987-2014}, \text{Exits 1987-2014} \right) \]
Decomposing pay gaps


Decomposing pay gaps


Decomposing pay gaps

\[
\text{Attrition} = f\left(\begin{array}{c}
\text{Salaries in 2015} \\
\text{Salaries in 1987} \\
\text{New hires 1987-2014} \\
\text{Rises 1987-2014} \\
\text{Exits 1987-2014}
\end{array}\right)
\]
Decomposing pay gaps
Decomposing pay gaps

Salaries in 2015

Attrition

Salary growth

Hiring

Pre-87 residual

Salaries in 1987

New hires 1987-2014

Raises 1987-2014

Exits 1987-2014
Simulations

• Start from 1987 salaries

• In each year 1988-2015:
  • Each simulated employee draws a percent salary growth
  • Simulate whether each employee stays or leaves
  • Draw salaries for new entrants

• Check 2015 simulated salaries with 2015 data
Data inputs

For each group (Male/Female, Part 1/Part 2), we estimate from the data the following building blocks:

1. Distribution of salaries in 1987
3. Probability of leaving the bank conditional on current salary (1987-2014)

We split the sample by entry grade which adds an extra factor:

“hiring” factor

“composition of hiring grades”

“entry salaries (conditional on grade)”
Aggregate Gender Gap ($27.4k)

Average WBG Male employee’s salary

Average WBG Female employee’s salary

Decomposition results
Decomposition results

Aggregate Gender Gap ($27.4k)

Average WBG Male employee’s salary

Same ATTRITION

Average WBG Female employee’s salary

1% (0.2k)
Aggregate **Gender** Gap ($27.4k)

**Average WBG Male** employee’s salary

**Same attrition and SALARY GROWTH**

**Same ATTRITION**

**Average WBG Female** employee’s salary

1% (0.2k) 5% (1.4k)

**Decomposition results**
Decomposition results

Aggregate Gender Gap ($27.4k)

Average WBG Male employee’s salary

Same attrition, salary growth and ENTRY SALARY

Same attrition and SALARY GROWTH

Same ATTRITION

Average WBG Female employee’s salary

1% (0.2k) 5% (1.4k) 7% (2.0k)
Decomposition results

Aggregate Gender Gap ($27.4k)

Average WBG Male employee’s salary

Same attrition, salary growth, entry salary and GRADE COMPOSITION

Same attrition, salary growth and ENTRY SALARY

Same attrition and SALARY GROWTH

Same ATTRITION

Average WBG Female employee’s salary

1% (0.2k)  5% (1.4k)  7% (2.0k)  76% (22.5k)  10% (2.8k)
Aggregate Gender Gaps

- Attrition
- Salary Growth
- Entry Salary
- Grade Composition
- Pre-1987
### Aggregate Part 1-2 Gaps

<table>
<thead>
<tr>
<th>Category</th>
<th>All staff (14.8k)</th>
<th>GE+ staff (7.5k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition</td>
<td>14.5</td>
<td>52</td>
</tr>
<tr>
<td>Salary Growth</td>
<td>6.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Entry Salary</td>
<td>10.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Grade Composition</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Pre-1987</td>
<td>60.7</td>
<td>16.9</td>
</tr>
</tbody>
</table>

**Legend:**
- Attrition
- Salary Growth
- Entry Salary
- Grade Composition
- Pre-1987

**Dates:**
- 3/16/2017

**Talk:**
- POLICY RESEARCH TALK: COMPENSATION, DIVERSITY AND INCLUSION AT THE WBG
Career gaps (staff hired at GF, after 15 years of tenure)

Male Part 1 vs. Female Part 1 (5.1k)

Male Part 1 vs. Male Part 2 (3.5k)

- Attrition
- Salary Growth
- Entry Salary
- Grade Composition
- Pre-1987
Summary of results on pay gaps:

The aggregate gender gap is largely due to differences in the composition of hires:

- Hires at lower grades (GA-GD) are predominantly female
- Hires at higher grades (especially GG) are still predominantly male, despite significant catch-up

The aggregate Part 1-2 gap is also mostly due to differences in the composition of hires:

- Hires at lower grades (GA-GD) are predominantly Part 2
- Hires at higher grades (GF and above) are still predominantly Part 1, no catch-up

In terms of the career gap:

- We focus our analysis to staff entering as GF (large sample, sizeable gap)
- After 15 years, the gap between Part 1 Males and other staff is 3-4%
- Differences in salary growth (including promotion) explain most of the career gaps.
Promoting equity vs. rewarding performance

The WBG’s compensation methodology seeks to promote equity within grade by:

◦ Accelerating salary increases for those staff positioned below their grade’s midpoint salary
◦ Moderating salary increases for staff positioned above the midpoint

Other management practices could limit performance-related pay increases
◦ Example: No performance ratings of 5 in two successive years

Are career pay gaps reduced at the expense of rewarding performance?
Consecutive ratings of 5 are not uncommon

<table>
<thead>
<tr>
<th>Performance rating transitions: All staff</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI at t→</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRI at t-1</td>
<td>2</td>
<td>0.16</td>
<td>3.13</td>
<td>66.72</td>
<td>22.28</td>
<td>7.71</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0.01</td>
<td>0.46</td>
<td>71.6</td>
<td>22.48</td>
<td>5.45</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>0.03</td>
<td>44.41</td>
<td>38.39</td>
<td>17.18</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>34.01</td>
<td>42.35</td>
<td>23.64</td>
</tr>
<tr>
<td>Total</td>
<td>0.01</td>
<td>0.42</td>
<td>59.86</td>
<td>28.99</td>
<td>10.72</td>
<td>100</td>
</tr>
</tbody>
</table>

The table shows SRIs in consecutive years. Among staff who receive an SRI of 5 in a given year, 23.64% also receive an SRI of 5 in the next year.
Performance ratings have a strong impact on pay and promotion

- We follow GFs hired between 2000 and 2005 and group them according to their performance ratings over the first 10 years at the WBG
- Group 1 are the lowest performers, group 10 the highest

<table>
<thead>
<tr>
<th>Deciles of performance rating (average over first 10 years)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring salary (Decile 1 = 100)</td>
<td>100</td>
<td>98</td>
<td>99</td>
<td>99</td>
<td>98</td>
<td>99</td>
<td>98</td>
<td>98</td>
<td>101</td>
<td>99</td>
</tr>
<tr>
<td>Real salary growth after 10 years</td>
<td>26%</td>
<td>38%</td>
<td>45%</td>
<td>49%</td>
<td>55%</td>
<td>58%</td>
<td>65%</td>
<td>68%</td>
<td>69%</td>
<td>83%</td>
</tr>
<tr>
<td>Grade after 10 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% GF</td>
<td>37</td>
<td>22</td>
<td>9</td>
<td>13</td>
<td>15</td>
<td>8</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>% GG</td>
<td>60</td>
<td>74</td>
<td>78.9</td>
<td>71.1</td>
<td>59.2</td>
<td>63.2</td>
<td>60.5</td>
<td>58.4</td>
<td>62.8</td>
<td>45</td>
</tr>
<tr>
<td>% GH</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>16</td>
<td>26</td>
<td>29</td>
<td>33</td>
<td>38</td>
<td>37</td>
<td>53</td>
</tr>
<tr>
<td>% GI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>
Conclusions

The hiring and salary system at The WBG has three key features

◦ Part 1 men were historically hired at higher grades. This difference has decreased over time, but still persists
◦ These composition differences account for 50-77% of the aggregate gap
◦ Among staff who entered as GF, there is a 3-4% difference in salaries of females and Part 2 employees compared to Part 1 males. Most of this is due to differences in salary growth. For staff who entered as GE or GG, the gaps are smaller or reversed.

Two key areas for consideration are

◦ Hiring into the WBG: Are differences arising during the application or hiring process?
◦ What can be done to limit exits among high performing staff