

INTELLECTUAL CAPITAL REPORT 2007

Knowledge for Stability



The *Intellectual Capital Report* is a review of the OeNB's intellectual capital and its use in the OeNB's business processes and services. The report highlights the interaction between human, relational, structural and innovation capital within the OeNB and reveals the influence of underlying factors. The integrated view of this stock-taking exercise serves to assess the consistency of the OeNB's intellectual capital with its knowledge-based strategic orientation.

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Foreword

Along with the Annual Report and the Environmental Statement, the Intellectual Capital Report constitutes the Oesterreichische Nationalbank's Sustainability Report, which serves to periodically provide information on the OeNB in a structured and transparent manner. With this communications concept, the OeNB acknowledges that information, communication and transparency are key to maintaining credibility as a central bank. Reflecting the importance of knowledge as an asset for central banks, the Intellectual Capital Report outlines the knowledge goals of the OeNB, its knowledge-based capital, its business processes as well as its products and services.

A cornerstone of the OeNB's overall strategy for the period 2007 to 2010 is to strengthen the central bank's position as a knowledge-based service provider. Among other things, it takes an integrated knowledge management to rise to the challenge of maintaining price stability in the euro area, to which the OeNB contributes as an integral part of the Eurosystem. Beyond this core task, the national authorities conferred new banking supervisory tasks on the OeNB at the beginning of 2008, with the objective of tapping synergies and using the OeNB's first-hand expertise. In the run-up, that is to say until the end of 2007, the OeNB took all the necessary steps to guarantee that it would succeed in providing the best possible expertise for the Austrian financial market the moment it assumed those supervisory responsibilities.

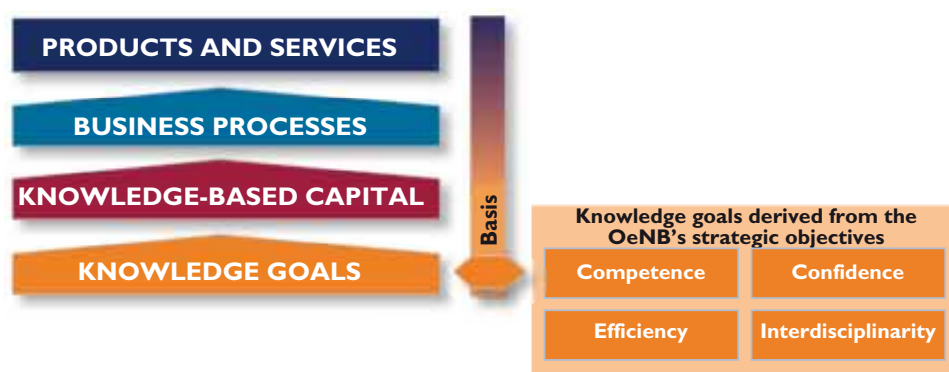
This is the fifth Intellectual Capital Report that the OeNB has published. The experience gained thus far with this knowledge management instrument and especially the compilation of indicators over an extended period enable the OeNB to give readers an understanding of the development of its intellectual capital over time. The positive feedback on past issues of this report from Austria and abroad has vindicated our endeavors.

We have set ourselves the goal of steadily improving the Intellectual Capital Report. In reviewing our activities in 2007, we have thus refocused the Intellectual Capital Report 2007 to place a greater emphasis on knowledge processes and knowledge-based services. Furthermore, we have adjusted some indicators to make them more meaningful and to ensure that we are able to derive clear-cut, unambiguous goals for managing our intellectual capital.

*Klaus Liebscher
Governor of the Oesterreichische Nationalbank*



Goals for the OeNB as a Knowledge-Based Bank



The statutory mandate of the Oesterreichische Nationalbank is to maintain price stability, safeguard financial stability and support general economic policy. The OeNB must apply its knowledge-based capital to fulfill this mandate and to handle numerous other responsibilities. The OeNB's four knowledge goals – competence, confidence, interdisciplinarity and efficiency – are consistent with this strategic principle. These goals in turn represent the framework for the use of human, relational, structural and innovation capital in all business processes.

Measures to Strengthen the OeNB's Knowledge Base

While knowledge-based capital has been important for the OeNB since its foundation, the modernization of banking and technological change during the past decades has made systematic knowledge management imperative. Innovations in financial markets – in particular the development of increasingly complex financial products and the rapid changes in the IT field – are evidence that sustainable knowledge management and knowledge networking are becoming increasingly important. Managing knowledge-intensive processes and producing high-quality products and services calls for effective and efficient knowledge management. If central banks are to deliver greater efficiency, a lasting improvement in the quality of products and services requires more productive knowledge work. Hence, the hallmark of a knowledge-based central bank is that it has a productive approach to knowledge management.

To develop the OeNB into a truly knowledge-based bank in line with the strategic objective, a multistage knowledge management project has been initiated for the period from 2007 to 2010. The first stage, which calls for the establishment of a knowledge management concept for the OeNB, started in 2007. The objective of the project is to establish a secure knowledge base and to facilitate a high-quality exchange of knowledge, thus contributing to raising productivity at the OeNB. The establishment of an optimum environment for knowledge management is the way to higher productivity. In order to manage acquired knowledge effectively, staff must be able to use a set of well-developed techniques and must have a broad range of training opportunities.

International trends show that while the technical component of knowledge management remains critical, globalization tendencies and the need to remain competitive require knowledge management to be increasingly strategically oriented. The OeNB believes that for a central bank to live up to the challenge of being knowledge-based, it is not enough to simply provide a snapshot of the current level of knowledge; rather, it is important to also develop a knowledge management strategy for the future. The OeNB's knowledge management project takes this component into account as well.

The Knowledge Goals of the Oesterreichische Nationalbank

Competence through Specialized Knowledge

The OeNB is an active player in the Eurosystem and has established itself as a recognized center of competence in the fields of stability policy, risk management and payment media. To fill such a position, the OeNB must reinforce its analysis activities and intensify its networking activities, in particular with Central, Eastern and Southeastern Europe (CESEE).¹ Moreover, OeNB staff in all business areas must have highly specialized knowledge and must show top-level ability to perform well, a distinctive willingness to learn and great flexibility. Versatile personnel management instruments and targeted training and education measures are crucial factors supporting and promoting this requirement.

Confidence through Knowledge Transfer

Public confidence is every central bank's most important asset and therefore plays a key role in the OeNB's quest to attain excellence in central banking, meaning that it strives to assert itself as a top European central bank. To this end, the OeNB pursues an active information policy: the proactive transfer of knowledge is targeted at increasing the public's understanding of how a central bank works and thus contributes to ensuring public confidence.

Active communication with its customers enables the OeNB to continually improve its products and services and to adapt them to market requirements.

Interdisciplinarity through International Orientation and Cooperation

The OeNB aims at ensuring price stability and financial stability in Austria and at actively contributing to the smooth functioning of the Eurosystem by establishing strong links between the OeNB's various business areas and national as well as international partners, and through close cooperation within the OeNB group itself. Financial stability in Austrian banks' target markets is ultimately also in the OeNB's interest.

To fulfill these stability-related tasks in the best possible way, the OeNB seeks out cooperation with numerous partners, e.g. Eurosystem counterparts, commercial banks, public authorities and scientific institutions.

Efficiency through Modern Management Tools

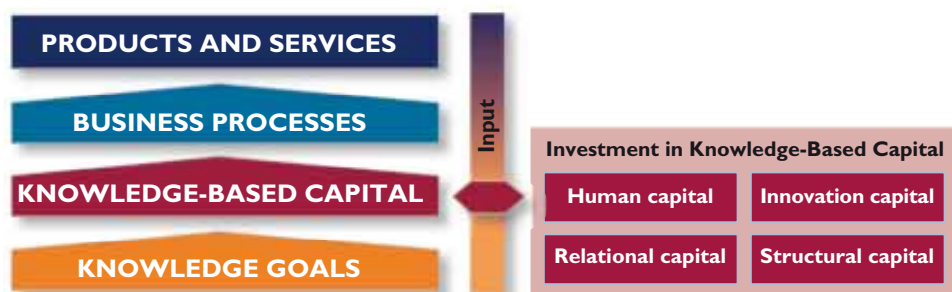
The OeNB strives to constantly improve its business processes as well as its products and services. Improvements relate both to efficiency aspects (i.e. the efficient performance of tasks within the entire OeNB group) and to operations management (i.e. the provision of reliable and high-quality services). Special emphasis is placed on the management of operational risks.

The OeNB aims at achieving the highest possible level of efficiency by enhancing its operational expertise, using innovative methods and techniques as well as investing in a secure infrastructure. The OeNB's operations management is committed to measurable goals that are continuously monitored.



¹ Apart from EU Member States, this region includes Southeastern European countries outside the EU and selected CIS and Asian countries.

Investment in Knowledge-Based Capital



Investment in knowledge-based capital is crucial to maintain the efficiency and effectiveness of work processes in the future and to prepare staff for new and increasingly complex requirements. Such investments have been made in staff training and education, in network management and maintaining relationships with the OeNB's various partners, as well as in infrastructure innovation. Only by making investments can the OeNB properly fulfill its tasks as Austria's central bank and as part of the Eurosystem.

The OeNB – An Attractive Employer

Flexible work arrangements such as part-time work, teleworking and sabbaticals meet with great interest. In 2007, as many as 7.8% of OeNB staff were on the part-time model, and 4.8% worked at home part of the time. This new working arrangement calls for a considerable degree of personal responsibility and motivation as well as clearly defined and agreed work objectives. The experience gained in recent years with the teleworking scheme were very positive both for the OeNB as an employer and for participating staff.

Equal opportunities are the key to making the most of human resources and staff potential for the benefit of the company. OeNB management considers this an indispensable sign of quality of a sustainable human resources policy and therefore strives for an equitable gender distribution in management positions and on the specialist career path. In the review year, a project team was charged with developing a concept to implement equal opportunities for men and women employed at the OeNB.

At the end of 2007, the number of staff employed came to 917.5.² In line with the international trend, the number of staff employed was continuously reduced in recent years. With the operational involvement of the OeNB in financial supervision having been strengthened in the new supervisory regime effective January 1, 2008, the OeNB has started to recruit staff in this area. Consequently, the number of staff employed will rise again in the future. The further increase in the share of university graduates signals that the OeNB's tasks have become more complex yet again in the review year. Staff loyalty is pronounced at the OeNB; the fluctuation rate has remained very low.

² Number of staff employed (expressed in full-time equivalents) including part-time staff as at December 31, 2007.

Indicators of Investment in Knowledge-Based Capital

Indicator	Unit	Value 2005	Value 2006	Value 2007	Target direction ³ until 2010
Staff structure					
Full-time equivalent staff ⁴	number	947.5	931.7	917.5	↗
Fluctuation rate	%	0.9	0.6	1.2	→
University graduates	%	32.4	34.3	35.6	↗
Diversity management					
Women	%	39.2	38.5	39.0	
Women on the expert career path	%	19.6	22.9	24.2	
Women in management positions	%	17.9	20.4	16.5	
Flexible working arrangements					
Part-time employees	%	7.3	7.1	7.8	
Staff in teleworking scheme	%	4.0	4.5	4.8	→
Staff on sabbatical	number	9	4	5	→
Knowledge acquisition					
Interns from technical colleges	number		28	26	
Training days per employee (annual average) ⁵	days	3.9	4.2	4.1	→
Training participation rate ⁵	%	58.3	57.2	61.3	→
Cost of training and education per employee ⁴	EUR	2,157	2,298	2,330	→
Completed and certified training courses per year (in-service)	number	18	13	9	→
Internal job rotations	number	38	41	44	↗
Job rotations to national and international organizations	number	25	29	26	↗
Innovations					
Research visits	number	1	1	2	↗
Internal R&D expenditure	EUR 1,000	3,967	3,693	3,682	→
Staff utilized for innovative projects (core business areas + IT) ⁵	%	8.2	6.2	7.5	
Staff suggestions for improvements	number	123	48	182	



³ A target direction is provided for indicators that the OeNB can actively influence.

⁴ OeNB staff numbers are set to increase as a result of the change in the supervisory regime in effect from January 1, 2008, and the assumption of new tasks by the OeNB in this area.

⁵ These indicators were redefined (see list of indicators, page 22–23) and backcast for the preceding years.



Gaining Experience and Enlarging Professional Horizons

Staff mobility is an important human resources development concern and an instrumental tool for knowledge transfer. For example, climbing the expert career ladder requires the completion of a job rotation. The increased willingness of staff to seek training in the OeNB's job mobility scheme is evident in the rise in participating staff by 11% against the preceding year. New staff, especially, was able to benefit from the experience gained during stays in other OeNB divisions and the OeNB's representative offices in Brussels, New York and Paris. In the framework of the job rotation program, a total of 44 employees worked in an organizational unit other than their own for an extended period during the review year.

Job Rotations

	<i>Number of staff on job rotation in 2007</i>
Internal job rotations	44
Divisions at the OeNB's head office in Vienna	37
OeNB representative and branch offices	7
Job rotations to national and international organizations	26
European Central Bank (ECB) and other central banks	13
European Commission	6
National organizations, in particular ministries	7

Intensifying staff exchanges in the European System of Central Banks (ESCB) is explicitly laid down in the mission statement of the Eurosystem and its organizational principles. The External Working Experience (EWE) program, a human resources program to promote international mobility at the ESCB level, was established in 2007. The EWE program gives staff the opportunity to complete a three- to six-month job rotation to gain professional and cultural experience at other central banks. In organizational terms, this staff exchange program was formalized on the basis of uniform ESCB-wide EWE guidelines.

The OeNB underlined its commitment to international mobility e.g. by organizing a "Meet OeNB" event in September 2007. The purpose of this event was to provide participants with information about EWE positions in various areas (including economics, financial system supervision, statistics and accounting) and to give them an opportunity to establish first contacts. 24 participants from 13 ESCB central banks took advantage of this networking opportunity.

Attractive Training and Lifelong Learning Program Raises Knowledge Levels at the OeNB

To keep its staff's qualification levels high, the OeNB continued to provide a broad range of training and lifelong learning opportunities in 2007. Staff responded very well to the program, as evidenced by the average attendance of 4.1 days of training per employee and a training participation rate of 61.3%. Taking into account strategic objectives and engaging the active cooperation of executive staff, the training program was evaluated and redesigned in the course of 2007, i.e. updated and adapted to new requirements e.g. of the specialist career track.

Both regular and executive staff are to benefit from a clearly structured and comprehensive range of training and lifelong learning opportunities in the program developed for 2008 and 2009. Apart from the link established between the program and defined key skills, the hallmarks of the new program are the criteria goal orientation, orientation on requirements and high quality. Moreover, line managers' role in staff development has been reinforced to allow them to identify, manage and make the most of their staff's innovative potential.

But the OeNB not only consistently promotes its own staff's skills, it also considers itself an important partner in external knowledge transfer. In this vein, the OeNB provides internships in its specialist divisions for technical/vocational college students; in 2007, a total of 26 interns completed their mandatory internship at the OeNB.

The OeNB Supports Processes and Measures to Promote Innovation

The OeNB has promoted innovative employees for years and benefits from their creative potential, above all in project settings. The interdisciplinary approach to problem-solving in projects encourages staff to participate and ensures the optimum use of their expertise for innovations. Some 7.5% of all staff participated in projects at the formalized project level (projects subject to reporting requirements).

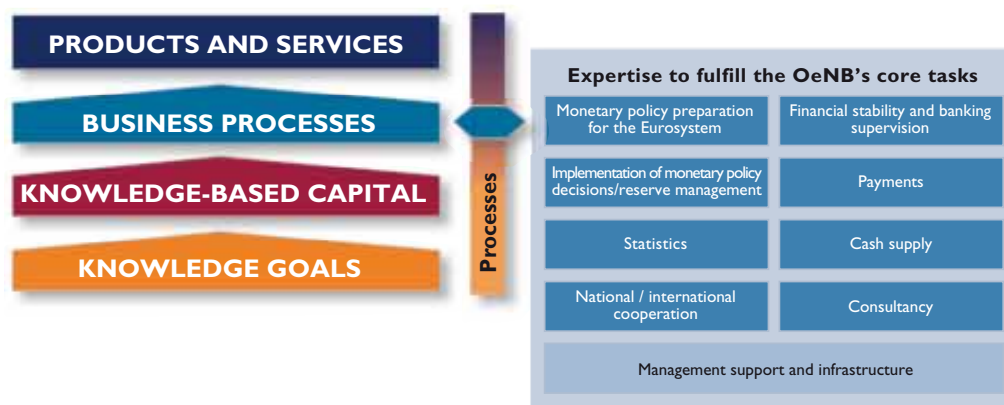
The example of the OeNB's STEP2 access to the Pan-European Automated Clearing House STEP2, which has been operating effectively for years, patently showed how joining forces and pooling efforts can help optimize interbank payment settlement within the EU. The OeNB has now been applying this successful model to payments within Austria since mid-2007 by expanding the STEP2 concept by a national clearing service, STEP.AT, thus improving payment efficiency and security also at the national level.

Apart from large-scale projects, the OeNB also implements many regular organization and process analyses. In line with the organizational development approach, new ideas and solutions are developed together with the staff involved in the respective operations. The advantage of this approach is that expertise and organizational knowledge are optimally utilized; moreover, staff is acquainted with and thus identifies better with new working procedures. This crucial factor in successful implementation results in productivity boosts in the areas analyzed.

One indicator of staff innovative potential that is published by many banks, insurance companies and industrial corporations is the indicator "staff suggestions for improvements." In 2007 a special campaign succeeded in motivating very many employees to submit their ideas on how to improve cost-effectiveness and economic efficiency. A total of 182 proposals were submitted. The proposals that were implemented allowed the OeNB to boost the efficiency of various processes, to save costs and energy and to improve security and environmental performance.



Use of Knowledge-Based Capital in the OeNB's Business Processes



The OeNB is obligated to fulfill a wide range of tasks. Its core central banking tasks cover a broad range comprising monetary policy preparation for the Eurosystem, implementation of monetary policy decisions, contributing to financial stability and banking supervision, preparing statistics, providing payment services and cash supply, providing consultancy and expert opinions, and national as well as international cooperation. The OeNB applies substantial knowledge capital to individual business processes to ensure that they function smoothly. Good management of the OeNB's knowledge-based capital ensures that all business processes can be conducted with the proper degree of expertise.

Emphasis on Steady Improvement of Products and Quality

The number of product and process managers stayed roughly unchanged. 2007 saw product and process innovations, for instance in the area of financial system crisis management and in the maintenance and development of the ESCB Tender Operation System.⁶ The technical environment – the OeNB maintains over 200 different IT applications – reflects the multitude of tasks. The declining number of OeNB help desk queries indicates the high degree of IT system reliability. The number of internal service level agreements (57), certified business areas (12) and quality auditors (13) reflect the substantial emphasis that the OeNB places on quality.⁷ Moreover, the number of standard purchase orders, which provide for efficient procurement and economy-of-scale benefits, is on the rise. Finally, the terminology database maintained by OeNB language services has been made accessible to staff members through an Intranet add-on and is used on a widespread basis. This database has grown to encompass nearly 20,000 technical and non-technical terms (mainly in German and in English).

⁶ IT application for ESCB open market tender operations.

⁷ See the complete list of indicators for definitions of "internal IT service level agreements," "certified business areas" and "quality auditors" (see page 22–23).

Indicators of Knowledge-Based Processes at the OeNB

Indicator	Unit	Value 2005	Value 2006	Value 2007	Target direction ⁸ until 2010
Management structure and processes					
Staff-to-manager ratio	number	7.5	7.5	7.0	→
Product managers	number	75	79	81	↘
Process managers	number		43	42	↘
Technical infrastructure and processes					
IT services for the ESCB/Eurosystem	number	1	2	2	↗
IT applications	number	202	205	208	
OeNB help desk queries (including status logs)	number	23,301	19,707	18,804	↘
Internal service level agreements	number		53	57	
Quality auditors	number	18	16	13	→
ISO-certified areas	number		11	12	→
Entries in the OeNB's terminology database	number	17,911	18,472	19,359	↗
Standard purchase orders as a percentage of total orders	%	38.26	38.50	41.65	↗
Processed supervisory and monetary statistics data	number (million)		22.83	21.45	
Timely publication of supervisory and monetary statistics	%		95	96	→
Availability of the ARTIS (now HOAM.AT) payment system	%	99.95	99.80	99.85	→
Error-free payment transactions	%	99.99	99.99	99.87	→
Opinions prepared on projects submitted for research promotion	number	554	571	466	→
Research cooperation projects with external partners	number	42	44	44	→
Decentralized structure					
OeNB representative and branch offices	number	7	7	7	
OeNB subsidiaries offering payment systems services	number	6	5	5	



⁸ A target direction is provided for indicators that the OeNB can actively influence.

Rapid processing of banking data, high-quality data evaluation and long-term data availability play an important role in banking statistics reports. Over 21 million supervisory and monetary statistics data were processed in the review year. The introduction of a risk-oriented reporting system in connection with the implementation of Basel II requirements increased the volume of supervisory data reported to the OeNB while at the same time reducing reporting frequency. The new framework enhanced the potential for knowledge generation at the OeNB in view of the changes to be monitored in Austrian banks' business activities while keeping the reporting burden of implementing the change low for reporting banks.

Total Quality Management in Supervisory and Monetary Statistics

Regular bank surveys on supervisory and monetary statistics reporting are targeted at identifying any potential for improvement. Such a survey was conducted in the fourth quarter of 2007. Questions covered technical reporting aspects as well as "soft facts" like service quality, customer satisfaction and staff expertise. Banks gave the OeNB very high grades in the survey, demonstrating particular enthusiasm for the quality and clarity of reporting specifications, but also for the expertise that OeNB staff showed in answering queries.

Customer surveys are part of the total quality management (TQM) concept applied by the OeNB's supervisory and monetary statistics units, a comprehensive framework designed to ensure quality and to provide for continuous improvement. The TQM policy extends to four areas:

- customer orientation (e.g. provision of professional customer services, customer satisfaction performance tests)
- product quality (e.g. international comparability – benchmarking)
- process quality (e.g. use of meaningful indicators)
- organizational quality (e.g. promoting staff satisfaction and professional development options)

New Supervisory Regime in Austria Squarely Based on Experience and Expertise

The OeNB has developed a solid reputation in the financial markets when it comes to the maintenance of financial stability and banking analysis and has acquired comprehensive expertise in on-site and off-site inspections of the 870 banks in Austria over the years. The OeNB's track record was one reason new responsibilities in banking supervision were transferred to it.

When the responsibilities for financial supervision were reassigned on January 1, 2008, the OeNB's role was enlarged considerably, among other things by the transfer of the entire responsibility for the off-site surveillance of banks from the Financial Market Authority (FMA). This change was implemented without any transition periods, meaning that structures suited to implementing the transition smoothly had to be established well before the change.

To support a smooth reorganization process, the OeNB and the FMA initiated a joint supervisory integration project in the fall of 2007. At the beginning, many project stages had to be planned under highly tentative conditions, as many elements of the future statutory changes were not clear yet. The large number of tasks with varying deadlines and implementation periods represented a complex challenge. For example, smooth fulfillment of all supervisory responsibilities and availability of all related documentation from January 1, 2008, had to be ensured. To provide for timely implementation of the statutory requirements, the OeNB's IT experts implemented a joint OeNB-FMA database equipped with high-security features such as access rights and firewalls.



Additionally, numerous flows had to be reorganized within the supervisory process to achieve synergies between off-site and on-site inspections and to ensure an efficient and quick information transfer between the FMA and the OeNB. The aim of the joint supervisory integration project consists in first, establishing a clearly structured, smooth process that must be as efficient as possible for supervised banks, and second, in introducing a sophisticated system that allows supervisors to recognize problems in the banking system early. Hence, high-quality supervision requires highly qualified staff with substantial expertise. To meet this need in time, recruitment of new banking supervision staff was started early. Temporary bottlenecks were avoided through staff reassignments within the OeNB made possible by staff flexibility. Training programs were run to rapidly integrate new staff and to familiarize them with the comprehensive supervisory reporting rules and the complex analysis tools. The infrastructure was also adapted quickly. For example, office space plans were adapted to accommodate new staff.

Smooth Processes in the Eurosystem

The Eurosystem devotes particular attention to process development, focusing on boosting the efficiency of work processes and improving service quality in line with the organizational principles governing the Eurosystem. A Eurosystem-wide structure of all central banking tasks was already defined several years ago. Applying this standardized structure, Eurosystem committees and working groups are entrusted with performing analyses and making proposals for improvements. During the reporting year, such proposals were elaborated in the areas statistics, monetary policy implementation and IT projects. The OeNB actively contributes to this process, in line with its objective of promoting European integration. In this vein, the Ad hoc Committee on Cost Methodology (COMCO) commissioned with establishing a uniform cost accounting method for the Eurosystem is chaired by the vice governor of the OeNB. Based on its common experience, the Eurosystem is intent on exploiting synergies. The division of responsibilities within the Eurosystem represents one such aspect. The prerequisite for successful synergies is that future service providers are chosen according to an objective selection procedure, which was, for instance, successfully applied to the introduction of a Eurosystem Procurement Coordination Office (EPCO).

Technical Infrastructure Enables a Smooth Transfer of Knowledge

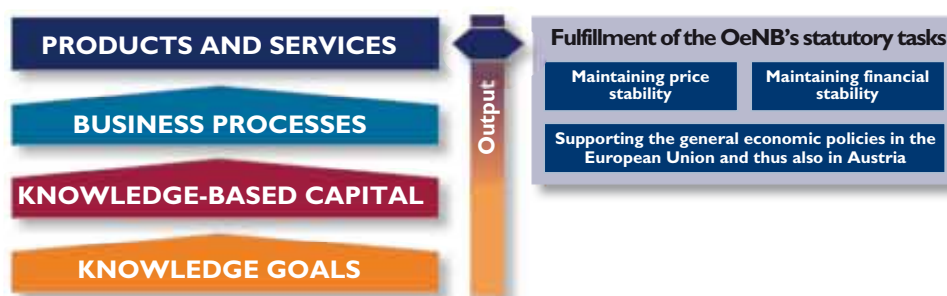
In an internationally networked enterprise with close to 1,000 employees, successful knowledge management requires forward-looking technical communication solutions to ensure quick and effective communications. The OeNB's corporate culture provides for the dissemination of knowledge through a wide variety of communication media. 2007 marked the pilot phase of the new document management system DARWIN,⁹ for example; the OeNB is the first Eurosystem test user of this system. DARWIN represents a new quality level in intra-Eurosystem communications, above all in communications with the ECB.

The OeNB relaunched its Intranet, a cornerstone in internal communications, in 2007. The new Intranet is organized by themes, as the objective was to provide access to information as intuitively as possible rather than arranging information according to the organizational structure of the OeNB. Suggestions on the relaunch from staff throughout the OeNB were collected through a targeted survey. The innovations include information feeds to which users may subscribe as well as a dedicated section for projects and sophisticated tools for project documentation and knowledge sharing, such as blogs and calendar feeds.

⁹ Documents And Records Web-based Information Network.



Knowledge Transfer: A Cornerstone of the OeNB's Products and Services



The quality of the OeNB's products and services is determined to a great extent by the economically sound deployment of its knowledge-based capital. Entertaining a range of products and services as broad as that of the OeNB requires a high degree of professionalism and forward-looking thinking. Only then can price stability and financial stability be maintained in a sustainable manner.

Networks are Indispensable for Sustainable Knowledge Sharing

Handling complex tasks in an international environment requires effective, timely coordination among the OeNB and its partners. Since the start of Austria's EU membership and of the OeNB's participation in Stage Three of Economic and Monetary Union (EMU), the OeNB has been firmly integrated in an international network. At the end of 2007, the OeNB was represented in 103 national and 227 international bodies. Compared to 2006, e.g. the Eurosystem IT Steering Committee (EISC) ranked among the new bodies. The EISC's responsibilities relate in particular to ESCB IT governance, ESCB IT project planning and prioritization, the division of IT tasks among the ECB and the national central banks (NCBs), and the development and maintenance of policies for IT architecture and security.

The OeNB's international networking takes place primarily through the various Eurosystem and ESCB bodies. A special focus of the OeNB's networking activities is on sharing knowledge with Austria's Eastern European neighbors, with whom the OeNB has entertained regular exchanges at the technical level since these countries have joined the EU. 2007 saw the first "neighborhood meeting" institutionalizing an exchange of ideas among the NCB governors of the region.

The aim of the OeNB's commitment to expand its expertise on Central, Eastern and Southeastern Europe (CESEE) is to support in particular Southeastern European countries' Eurosystem integration efforts. Against this background, the OeNB participated in an EU-financed program to provide technical assistance to the Central Bank of Bosnia and Herzegovina. The program was coordinated by the ECB, and technical expertise was provided by eight NCBs, with the OeNB providing assistance in the area of statistics. The project aimed at taking stock and developing a multistep plan in order to operationally advance preparations for accession to the ESCB.

Indicators for Knowledge-Based Output

Indicator	Unit	Value 2005	Value 2006	Value 2007	Target direction until 2010 ¹⁰
Cooperation and networks					
National bodies with OeNB representatives	number	96	99	103	
International bodies with OeNB representatives (ESCB, etc.)	number	203	218	227	
Technical assistance activities ¹¹	days	553	561	603	→
Information visits to the OeNB	number	126	150	131	→
Persons attending courses at the Joint Vienna Institute (JVI)	number	1,525	1,479	1,426	↗
OeNB-hosted events	days	279	264	218	→
OeNB-hosted international events	days	111	106	85	→
Employees with external teaching assignments	number	22	18	33	↗
(Co)supervised master's theses/dissertations	number		17	20	→
Lectures delivered	number	608	711	643	→
Cash expertise					
Visitors to the Money Museum	number	11,200	12,358	12,522	→
Cash authentication training courses	number	282	308	393	↗
Communication and information					
Queries to OeNB hotlines	number	33,535	38,153	38,516	↗
Page impressions on the OeNB's website (daily average)	number	56,748	56,448	64,595	↗
Visits to the OeNB's website (daily average)	number	5,949	8,288	11,133	↗
Newsletter subscriptions	number	12,834	14,953	14,985	↗
Press conferences	number	27	25	23	
Press releases	number	162	157	147	
Publication					
OeNB publications	number	67	64	63	→
Papers published in specialist journals by OeNB staff ¹²	number	137	112	94	→
Scientific papers by OeNB staff published in refereed journals ¹²	number	49	87	69	→
Confidence and image					
Confidence index in the fourth quarter of 2007	%	76	79	70	↗
Image index in the fourth quarter of 2007 (values between 5.50 and 10.00 signal success)	value range	7.23	7.23	6.98	↗



¹⁰ A target direction is provided for indicators that the OeNB can actively influence.

¹¹ This indicator was redefined (see list of indicators, page 22–23) and backcast for the preceding years.

¹² Indicators for 2006 were partly revised.

A prime example of sustainable knowledge sharing is the Joint Vienna Institute, which the OeNB operates together with the International Monetary Fund (IMF) and the Austrian Federal Ministry of Finance. The JVI has asserted itself as a noted training center for central bank and government employees from CESEE and CIS countries. Many of these countries are important markets for Austrian banks. In 2007, 1,426 participants attended JVI seminars, for which OeNB experts held 117 lectures, also using the platform for networking and the development of long-term working relationships. Since its foundation in 1992, the JVI has provided training for nearly 22,000 persons.

In the review year, the OeNB organized a total of 218 events attracting some 9,500 participants. In addition to the big, prestigious events – the annual Economics Conference and the Conference on European Economic Integration – the OeNB also hosted 19 high-level lectures and workshops. The aim of these events addressing an expert audience is to maintain and develop international knowledge transfers at the technical level in a formalized setting. The topics covered ranged from IMF reform to aspects of the growth effects of globalization from the theoretical, empirical and institutional perspectives.

Close Cooperation on Advancing Cashless Payment Solutions

The start of TARGET2¹³ on November 19, 2007, marked the completion of many years of preparatory work with intensive OeNB involvement. In a project of this dimension, ensuring a smooth and seamless exchange of knowledge is a key concern. The OeNB benefited from the experience it had gained with other large-scale projects, e.g. the cash changeover from the Austrian schilling to the euro or the development of a new reporting system for balance of payments statistics.

At the European level, OeNB balance of payments experts represented Austrian users' interests in the various bodies and in meetings with the so-called 3CB.¹⁴ Within the framework of the national migration team, the OeNB cooperated closely with Austrian banks at as many as 14 meetings in 2007. Common positions were elaborated at the national migration team's meetings, which was also attended by a representative of the Trade Association of the Banking Industry. The TARGET Working Group, a working group of the European banking industry provided an additional communication channel to the ESCB bodies. The OeNB is in charge of overall coordination for Austria of the future development of TARGET2; it also remains Austrian banks' main contact for euro payment issues.

The OeNB Practices a Transparent Information Policy by Offering a Broad Range of Publications

Publications play an important role among the OeNB's external communications tools. The OeNB provides quarterly, semiannual and annual analyses on economic and monetary policy, financial market developments and European integration in a large variety of publications. Working Papers, dedicated workshop issues, conference proceedings and reports, statistical publications, guidelines, folders on specific topics and school information kits complete the range of publications. Last but not least, the Sustainability Report (Annual Report, Intellectual Capital Report and Environmental Statement) presents information about the OeNB itself.¹⁵



¹³ TARGET2 is a Eurosystem real-time gross settlement system predominantly for settling large-value euro-denominated interbank payments.

¹⁴ The three Eurosystem central banks referred to as the 3CB are the Banca d'Italia, the Banque de France and the Deutsche Bundesbank. These NCBs together provide the technical infrastructure for TARGET2 and run the system on behalf of the Eurosystem.

¹⁵ The media and publications section of the OeNB's website at www.oenb.at provides a comprehensive overview of all periodical and occasional publications for various OeNB business areas.



A Case Study in Quality Management: The OeNB's Quarterly Monetary Policy & the Economy

A study published in one of the quarterly issues of this series passes through the following stages:

Call for papers, submission of an outline, selection of contributions by the editorial board, drafting, presentation in the economic experts forum of the OeNB, peer review and manuscript editing, integration of review and editing comments, copyediting, approval by the editor in chief and the editorial board, translation, in-house printing and production, publication online and in print.

The process involves: the product manager or coordinator, editorial board members (including OeNB management representatives), external peer reviewers, OeNB manuscript editors, copyeditors, language services experts, editors-in-chief, OeNB Printing Division staff, Communications Division staff.

Every publication undergoes a customized quality management process. After passing through several approval stages at the OeNB, contributions are sent to peer reviewers for refereeing and are finally approved for publication by the editorial board of the respective publication. A fundamental objective in drawing up contributions for expert and other OeNB publications is to present expert knowledge accessibly. Comprehensive substance editing, copyediting and language editing ensure that contributions meet this standard. All publications are produced and published by the OeNB, most are available in German and in English.

Systematic Training Helps Maintain the High Quality of Banknotes in Circulation

Cash security is key to preserving public trust in a currency. For several years, the OeNB has targeted cash authentication training courses at bank tellers, cashiers in retail trade and police officers. 393 such courses were held in 2007 alone. Media campaigns to inform the public about banknote security features represent an additional focus of efforts to ensure banknote security.

The high quality of banknotes in circulation and successful familiarization of the public with the security features of banknotes make it especially hard for forgers to pass counterfeit money in Austria, as the low share of counterfeit banknotes detected in Austria in total euro area counterfeits demonstrates. At 1.4%, this share is far smaller than Austria's share of the euro area population and of euro area GDP.

The OeNB's Money Museum, which counted over 12,500 visitors in 2007, plays a special role in informing children and young people about cash.

Public Confidence in the OeNB Remains High; the OeNB's Image Remains Good

In the fourth quarter of 2007, the OeNB remained among the top-ranked Austrian institutions according to the confidence index in the survey compiled in November and December 2007 by an external polling institute. In absolute figures, the confidence index decreased from 2006. However, this deterioration is to be seen against the background of the turbulence in international financial markets and the clouding of the outlook coupled with quickening inflation in the euro area as a whole.



List of Indicators

Indicator	Unit	Knowledge goal				Category	Definition
		Competence	Confidence	Interdisciplinarity	Efficiency		
Full-time equivalent staff	Number	●			●	human capital	Staff employed at the OeNB at the end of the reporting year (in full-time equivalents), including part-time staff; also referred to as headcount <i>Data to meet the requirements of the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative:</i> <i>The remuneration scheme of the OeNB does not distinguish by gender – the remuneration standards for men and women are identical. Collective wage agreements apply to all employees; the OeNB fulfills all requirements providing for health and safety at work; performance reviews of staff are conducted on a regular basis.</i>
Fluctuation rate	%	●				human capital	Number of staff members who left the service of the OeNB (excluding retirements) relative to total number of staff
University graduates	%	●				human capital	Share of university graduates in headcount at year-end
Women	%	●				human capital	Share of women in headcount at year-end
Women on the expert career path	%	●				human capital	For highly specialized employees, the OeNB has created an expert career path focusing on technical expertise and coordination tasks rather than on a classical career in management. Indicator: Number of women on the expert career path relative to total number of expert career positions at year-end
Women in management positions	%	●				human capital	Number of women in management positions relative to total number of management positions at year-end
Part-time employees	%	●			●	human capital	Number of staff members with a part-time contract relative to total number of staff
Staff in teleworking scheme	%	●			●	human capital	Number of staff members with a teleworking contract relative to total number of staff
Staff on sabbatical	number	●			●	human capital	Staff members on sabbatical accept a pay cut for a specific period. In return, they take three or six months off (e.g. to pursue personal training and further education interests and the like) during that period
Interns from technical colleges	number	●	●	●		human capital	Number of interns from technical colleges at the OeNB during the reporting year
Training days per employee (annual average)	days	●	●			human capital	Number of days dedicated to training and education relative to average headcount
Training participation rate	%	●	●			human capital	Number of staff who took part in at least one internal or external training and education course in the reporting year relative to average headcount
Cost of training and education per employee	EUR	●				human capital	Expenses for training and education (including travel expenses) relative to average headcount
Completed and certified training courses (in-service)	number	●	●			human capital	Number of staff members who, on their own initiative and mostly outside working hours, completed doctoral programs, post-graduate programs or specialized courses in the reporting year
Internal job rotations	number	●			●	human capital	Number of staff members who worked in an organizational unit other than their own
Working visits to national and international organizations (external job rotations)	number	●	●			human capital	Number of staff members who worked at the ECB, other NCBs, EU institutions, the IMF, the OECD or with ministries or OeNB subsidiaries for at least one month
Research visits	number	●	●			innovation capital	Research visits of at least three months at other NCBs or scientific institutions, mainly for research purposes
Internal R&D expenditure	EUR 1,000	●			●	innovation capital	Research and development expenditure as defined by Statistics Austria
Staff resources utilized for innovative projects (core business areas + IT)	%	●			●	innovation capital	Staff utilized for innovative projects relative to total headcount
Staff suggestions for improvements	number	●	●	●		innovation capital	Suggestions submitted by staff to improve the efficiency and effectiveness of the organization as a whole
Staff-to-manager ratio	number				●	structural capital	Number of staff members relative to number of management staff at all levels
Product managers	number	●			●	structural capital	Number of product managers responsible for one or more OeNB products
Process managers	number	●			●	structural capital	Number of process managers responsible for one or more OeNB processes
IT services for the ESCB/Eurosystem	number	●	●	●	●	structural capital	Number of IT services the OeNB provides for the ESCB or the Eurosystem
IT applications	number				●	structural capital	Number of standard IT applications and in-house software solutions
OeNB help desk queries (including status logs)	number	●	●	●		structural capital	Number of queries processed by the OeNB's IT hotline
Internal service level agreements	number	●	●	●		structural capital	Number of internal service level agreements providing information about the content and provision of internal (mostly IT) services
Quality auditors	number				●	structural capital	Number of staff assessing the effectiveness of the OeNB's quality management system according to ISO 9001 standards
Certified areas	number	●	●	●	●	structural capital	Number of internal areas certified by a recognized certification authority
Entries in the OeNB's terminology database	number				●	structural capital	Terminology database maintained by the OeNB's language services and made available by to other staff through an Intranet add-on
Standard purchase orders as a percentage of total orders	%	●			●	structural capital	Number of orders automatically generated using the e-procurement catalogue relative to the total number of orders placed annually
Processed supervisory and monetary statistics data	number (million)	●			●	structural capital	Volume of processed supervisory and monetary statistics data in the review year

Indicator	Unit	Knowledge goal				Category	Definition
		Competence	Confidence	Interdisciplinarity	Efficiency		
Timely publication of supervisory and monetary statistics	%	●			●	structural capital	Percentage of supervisory and monetary statistics data published on time
Availability of the ARTIS (now HOAM.AT) payment system	%	●	●		●	structural capital	Operating time during which the ARTIS payment system was available
Error-free payment transactions	%	●	●		●	structural capital	Number of error-free payment transactions relative to total number of payment transactions
Opinions prepared on projects submitted for research promotion	number	●				innovation capital	Opinions prepared by OeNB staff on projects submitted to the OeNB's Anniversary Fund, on applications for loans under the European Recovery Program (ERP) and on applications for changes to ERP loans
Research cooperation projects with external partners	number	●		●		innovation capital	Research cooperation projects to study scientific issues; scientific institutions, universities and the research departments of other NCBs are typical partners for research cooperation projects
OeNB representative and branch offices	number	●	●		●	structural capital	Number of additional OeNB sites
OeNB subsidiaries offering payment systems services	number	●		●	●	structural capital	Number of companies providing cash or cashless services in which the OeNB holds shares (see also Annual Report)
National bodies with OeNB representatives	number	●		●		relational capital	Committees and working groups of national organizations whose meetings OeNB representatives attended
International bodies with OeNB representatives (ESCB, etc.)	number	●		●		relational capital	Committees, working groups and task forces of e.g. the ESCB/Eurosystem, EU, IMF, BIS, OECD or of other international organizations whose meetings OeNB representatives attended
Technical assistance activities	number	●	●	●		relational capital	Activities during which the OeNB provided expert technical assistance to other NCBs outside the Eurosystem
Information visits to the OeNB	number	●	●	●	●	relational capital	Visits to the OeNB aimed at exchanging experience with NCB experts
Persons attending courses at the Joint Vienna Institute (JVI)	number			●		relational capital	Persons attending a course at the JVI in the review year
OeNB-hosted events	days		●	●		relational capital	Days on which the OeNB organized and hosted events (meetings, conferences)
OeNB-hosted international events	days		●	●		relational capital	Days on which the OeNB organized and hosted events (meetings, conferences) with international participants
Staff with external teaching assignments	number	●	●	●		human capital	Staff members who had teaching assignments at universities, technical colleges and/or other academic institutions in the review year
(Co)supervised master's theses/dissertations	number	●		●		human capital	Master's theses/dissertations at Austrian and other universities and technical colleges (co)supervised by OeNB staff members
Lectures delivered	number	●	●	●		relational capital	Lectures delivered by OeNB staff for external audiences at in-house or external events
Visitors to the Money Museum	number	●	●			relational capital	Visitors to the OeNB Money Museum in the review year
Cash authentication training courses	number	●	●	●		relational capital	Number of cash authentication training courses held by OeNB staff for external audiences
Queries to OeNB hotlines	number	●	●		●	relational capital	Queries answered by OeNB hotlines (general hotline and statistics hotline)
Page impressions on the OeNB's website	number	●	●		●	relational capital	Web pages accessed exclusive of references to images, style sheets or script files
Visits to the OeNB's website	number	●	●		●	relational capital	Users who successfully accessed pages on the OeNB website during a specific period; users may access several pages during a visit
Newsletter subscriptions	number	●	●		●	relational capital	Subscriptions to OeNB newsletters (econ.newsletter and Basel II Newsletter)
Press conferences	number	●	●			relational capital	Events organized for media representatives
Press releases	number	●	●			relational capital	Press releases distributed to media representatives
OeNB publications	number	●	●			relational capital	Printed OeNB publications
Papers published in specialist journals by OeNB staff	number	●	●			relational capital	Nonrefereed contributions published by OeNB staff in specialist journals
Scientific papers by OeNB staff published in refereed journals	number	●	●			relational capital	Contributions published by OeNB staff (authors or coauthors) in scientific journals (e.g. Journal of Money, Credit and Banking) refereed by anonymous referees (peer reviewed journals) and in conference proceedings refereed by anonymous referees (refereed conference proceedings)
Confidence index	%		●			relational capital	Results of opinion polls on public confidence in a specific institution (results: fourth quarter of the reporting year); source: IFES, commissioned by the OeNB
Image index	%		●			relational capital	This indicator comprises three individual indices: relevance, confidence and efficiency indices, which are weighted and combined to form the image indicator; a value of between 5.50 and 10 signals success (results: fourth quarter of the reporting year).

Abbreviations

ARTIS	Austrian Real Time Interbank Settlement
CESEE	Central, Eastern and Southeastern Europe
CIS	Community of Independent States
DARWIN	Documents And Records Web-based Information Network
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EISC	Eurosystem IT Steering Committee
EMAS	Eco-Management and Audit Scheme
ESCB	European System of Central Banks
EU	European Union
EWE	External Working Experience
FMA	Financial Market Authority
HOAM.AT	Home Accounting Module Austria
IMF	International Monetary Fund
JVI	Joint Vienna Institute
NCB	national central bank
OeBS	Oesterreichische Banknoten- und Sicherheitsdruck GmbH
OECD	Organisation for Economic Co-operation and Development
OeNB	Oesterreichische Nationalbank
STEP2	Straight-Through Euro Processing
TARGET	Trans-European Automated Real-time Gross settlement Express Transfer
TQM	Total Quality Management

Our Mandate and Responsibilities

