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To: Members of the Executive Board

From: The Secretary

Subject: Career Streams Exercise - Report of Deputy Managing Director

There is attached for the information of Executive Directors a report from the Deputy Managing Director on the Career Streams Exercise. The Deputy Managing Director intends to provide a briefing for all interested Executive Directors on an early date to be announced. Copies of this report will also be circulated among the staff.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Career Streams Exercise

Report by Richard D. Erb, Deputy Managing Director

November 2, 1984

Summary of Deputy Managing Director

One of the responsibilities that I assumed on taking the position of Deputy Managing Director was the Chairmanship of the Senior Staff Committee on Career Streams. The importance of that Committee's deliberations was heightened considerably by the decision of the Executive Board to attach a portion of the 1984 salary increase to the outcome of the career streams exercise. During the Executive Board discussion concerning the 1984 compensation review (EBM/84/107 and EBM/84/108, July 16, 1984 and EBM/84/109, July 18, 1984), I undertook to report back to Executive Directors on the progress, nature, and scope of the current exercise. It, therefore, seemed important to undertake a complete review of the career streams exercise in an effort to ensure its timely completion and fully credible results. It is the purpose of this paper to outline the results of that stock-taking.

At the outset of this report, I would like to make some general observations. The origins of the current career streams exercise, which began in early 1983, can be traced back to at least as early as 1976. As the brief historical review presented in this report reveals, a number of compensation and personnel issues have motivated efforts to identify and differentiate between career streams (or occupational groupings of jobs) in the Fund. One conclusion I draw is that it is difficult to address those issues unless there is adequate information on Fund jobs and the relationships among Fund jobs.

Thus, while some preliminary thinking can be done at this stage on several important compensation and personnel issues, priority needs to be given to first developing a comprehensive job information base that is useful and credible. Ultimately, this job information base will include job descriptions and job evaluations for every job in the Fund. The bulk of this work will need to be completed by early 1985 if an adequate basis is to exist for addressing and resolving compensation and related personnel issues before the 1985 salary review.

A related conclusion I draw from my review is that the basic unit of information should be individual jobs and not preconceived career streams or other groupings of jobs such as core and noncore. To be sure, there are applications for which it will be desirable to group jobs into career streams, but the identification of career streams and the assignment of jobs to a particular career stream should properly occur only after the complete matrix of defined and evaluated jobs in the Fund has been developed. Such an approach would also include an assessment of the linkages among jobs in different career streams. The latter dimension will be particularly important

when addressing issues concerning mobility and career opportunities in the Fund across as well as within career streams.

While the basic unit of analysis should be individual jobs, an analytical framework or methodology needs to be used for developing descriptions and evaluations of job content for all jobs in the Fund and for making judgments about the relative positions of jobs based on the evaluation of job content. The methodology that was chosen in the early stage of this exercise is the Hay Job Evaluation Technique. This particular system was chosen because of Fund experience with the Hay methodology in connection with compensation and the importance given to applying an approach that would develop information that would be useful in dealing with other personnel issues. The Hay methodology also is being used by the World Bank in a similar exercise.

While the Hay methodology provides an established, analytical framework for systematically evaluating jobs and for assigning relative values among jobs, I would like to emphasize that it is not a mechanical system. Judgments are required when making job evaluations and judgments will be required when applying the results of the evaluations to different personnel and compensation issues. In addition, judgments will need to be made in the light of other relevant information as well as the evaluations based on the Hay methodology.

The experience to date in the Fund, as well as the experience of the World Bank during its current job evaluation exercise, suggests that the effort to develop a comprehensive set of job evaluations in the Fund will require adjustments and modifications over time. As the evaluation process is completed, important applications will need to be addressed, in particular in the areas of compensation as well as career mobility and career development. In this connection, it is my strong belief that while it will be necessary to address various compensation and personnel issues separately, it will be important to take into account the ways in which the issues are interdependent.

I have established a separate committee which will dedicate itself to the task of job evaluation. To advise on matters not only related to the development of the job information base but also on options and proposals concerning various applications in the areas of personnel and compensation, I will convert the existing Career Streams Senior Staff Committee into an advisory group which I will continue to chair. The membership will include representatives of all Departments and Bureaus and a representative from the SAC. This approach is consistent with my desire to keep the entire process as open and as explicit as possible.

During the course of this work, I will keep the Managing Director informed and seek his guidance and decisions as required. At all levels, there will also be close collaboration with the World Bank. Executive Directors, including the members of the proposed Joint Fund/Bank Committee

of Executive Directors on Staff Remuneration, will be periodically apprised of progress under this exercise in order that all concerned will have timely information relevant for decision making in the months to come.

In sum, I do not underestimate the difficulty and magnitude of the task ahead. The development of an adequate job information base is a major task let alone the effort that will be necessary to interpret and apply that information in an effort to resolve compensation and personnel issues.

The first section of this paper includes a brief review of the background of the career streams exercise since its beginnings in 1976. This is followed in Section II by a more detailed discussion of the job information base and how it will be developed. Section III identifies, in addition to compensation issues, other personnel applications to which the output of the exercise will be applied. Comprehensive papers on these applications will be developed over time with priority to be given to the need to resolve the compensation issues raised during the 1984 compensation review. In Section IV, I indicate my intention to convert the former Career Streams Senior Staff Committee into a broader advisory group.

I. Background

In connection with the 1976 review of staff compensation, the Managing Director informed the Executive Directors (EB/CAP/76/6, 3/8/76) of his intention to initiate a comprehensive study of the Fund's salary structure and policies. A Committee on Salary Structure and policies was established, chaired by the Director of Administration, which in 1976 produced a report including recommendations for a study of career streams in the Fund. These recommendations were limited to procedures for conducting the study, principal among them being:

"(a) The management would appoint an advisory committee of senior staff and a representative of the SAC, assisted by expert consultants.

(b) The committee, with the advice of the consultants, would establish objectives, principles, and rules for developing career streams and ceilings in the Fund. This material would include the basis on which external comparisons should be made and the techniques to be used in making internal comparisons. Such factors as the special needs of the Fund and internal equity should be given weight, but the primary considerations should be relative rates of remuneration outside the Fund and the ability to recruit and retain suitably qualified staff. A general principle which should be observed, to the extent possible, is that career streams should normally offer opportunities for advancement through at least two salary ranges.

(c) The major occupational groups within the Fund for which separate career streams might be established would be identified, together with the senior-most positions and any typical benchmark positions for each group. Position descriptions would be written in cooperation with the departments concerned, and any special criteria which should be applied in comparing occupational groups and responsibility levels would be identified."1/

Although in its report the Committee did not explicitly state why the career streams groupings were needed, the reason seems to have been a perception that major occupational groups were not necessarily correctly related on the salary scale. In its opening remarks on this subject the Committee reported:

"The salary scale recommended by the Committee has been worked out on the basis of the present career structure for secretaries, economists, and senior staff because these are the core occupational categories in the Fund and are the main ones used for comparing Fund salaries with those paid elsewhere. The Committee considered that it would be beyond its scope to work out appropriate salary structures for the various other occupational groups and to indicate how they should be fitted into the general salary scale. The task of doing this, and of developing criteria for rates of progression for all of the occupational groups, is complex and will require considerable expertise and time" 2/

Initiation of the follow-up study was delayed pending the deliberations of the Joint Committee on Staff Compensation (The Kafka Committee). The Joint Committee's recommendations were considered by the Executive Board in the Spring of 1979 (EBM/79/80 and EBM/79/81, 5/22/79), and among them was again included mention of the need for a separate study to develop criteria for rates of salary progression for all the different occupational groups in the Fund and to establish internal relativity among the various positions. More specifically, the following recommendation was included in the final report:

"A job evaluation exercise should be undertaken to check the appropriateness of present internal salary relationships and to determine whether certain occupational groups in the Bank and the Fund should continue to be overgraded or undergraded against the job matches in the comparator organization; ..."

A study of this kind, restricted in scope to positions at Ranges A-E/F, was undertaken by an Advisory Committee (initially chaired by the

1/ Report of the Committee on Salary Structure and Policies, December 1976, p. 4.

2/ Report of the Committee on Salary Structure and Policies, December 1976, p. 4.

Director of Administration), including members of the Staff Association Committee (SAC) and assisted by outside consultants. The Committee was asked to evaluate all positions at Ranges A-E/F in order to develop career streams ceilings for the various occupational groupings in the Fund. The Committee's report issued in January 1981 met with considerable criticism, particularly on methodological grounds, and its recommendations were never implemented.

While the efforts initiated in 1979 did not meet with success, the need for a study designed to develop appropriate relationships between occupational groupings in the Fund, pointed to in 1976 and again in 1979, remained. In fact, with the new emphasis on mobility, the ongoing refinement of the performance appraisal system (the long-term appraisals), and the market comparison of salary levels based on job content, the need for establishing clear and consistent criteria to recognize differences in levels of duties and responsibilities and to establish equitable relationships among all positions within and across career streams in the Fund was greater than ever.

With this in mind, a new series of career streams studies encompassing positions at Ranges A-I was initiated in early 1983 (Staff Bulletin 83/3, February 10, 1983). The objectives outlined in the Staff Bulletin are the following:

- "1. define career streams or occupational groupings of positions;
2. develop standards for classifying positions and describing the levels within each career stream;
3. identify possible lines of career progression; and
4. relate or align positions in each career stream to positions in other career streams in the Fund".

"Classification standards, properly developed which describe the factors to be used to differentiate levels within career streams, will provide the basis for:

- a. developing career possibilities within and across career streams;
- b. providing information to assist staff members in preparing themselves to assume different or greater responsibilities;
- c. relating Fund positions to similar positions outside the Fund; and
- d. determining correct salary ranges for new staff members."

The initial career streams, selected over two years ago to cover jobs in Ranges F to I and later expanded to cover jobs in Ranges A to I, were tentative groupings of jobs of similar occupations designed to permit the work of developing representative benchmarks to proceed in a sensible fashion.

The A to I career stream project was designed as a highly participatory undertaking whereby members of individual occupational groups were asked to develop and rank jobs which represent the most important levels in their occupational areas (i.e., benchmarks). In this way, it was envisaged that all Fund jobs at Ranges A to I could be reviewed and grouped so that benchmarks fairly representing all could be developed and evaluated.

Nine individual career stream committees were initially established and each position at levels A through I was assigned to one of them. Subsequently, three additional career streams committees were established to represent occupational groups not easily accommodated by the original nine. The twelve career streams were:

Accounting & Auditing	Human Resources
Administrative Services	Language Services
Computing Services	Legal Services
Economics	Library & Documentation Serv.
External Relations	Office Support
Graphics Art & Production	Writing & Editing

With the exception of the Office Support career stream which encompasses all secretarial-type jobs, the individual committees were made up of staff, including senior staff, knowledgeable in the career stream. Most staff whose jobs had been assigned to one of these career streams received a Position Description Questionnaire (sampling techniques were applied in a few areas where large numbers of similar jobs exist) which helped the incumbent focus on those aspects of the job that are important for evaluation purposes. Following approval by the supervisor, the completed questionnaires became the basic data from which the consultants and each committee worked. These questionnaires were supplemented in a large number of cases by desk audits and discussions with the supervisor conducted by a consultant.

Following analysis of the information about all jobs thus collected, the individual career stream committees were responsible for clustering positions that are clearly distinguishable according to level of difficulty and preparing a detailed description of each level--a benchmark description. These, provisionally ranked according to level of difficulty, are being completed. The benchmarks thus developed are intended to represent most jobs at Ranges A-I.

Early in 1983 when the Hay Group was retained to provide technical advice in this project, they argued strongly that the study could not be

adequately conducted unless senior jobs were also included. Their argument was based upon the need to review the whole structure and relationship among jobs in order to value individual jobs. Therefore, in August 1983, it was decided that a representative sample of jobs at Ranges J-M should be evaluated. Since the decision to include jobs at Ranges J and above in the exercise was taken only late in the process, it was decided that a somewhat truncated approach to the collection of descriptions should be followed. Hay Consultants interviewed a selection of about 40 senior staff at Ranges J-M and prepared job descriptions which were cleared by incumbents only.

Meanwhile, a Senior Staff Committee 1/ was established under the Chairmanship of the then Deputy Managing Director (Mr. Dale), to undertake the evaluation of jobs. It was also decided that the methodology employed to accomplish the task would be the Hay Job Evaluation System. This particular system was chosen by the Fund and the Bank because of experience with the Hay methodology in connection with compensation and the importance given to applying an approach that would be useful in dealing with market comparisons as well as with other applications in the field of personnel management.

The Committee began effective work in May 1984, when it commenced evaluating selected positions at the J-K level, using the job descriptions prepared as described above. Over the course of the next three months, the Committee was able to make preliminary evaluations of only fourteen positions at Ranges J and K. Progress was slow for a number of reasons. It was found in a number of cases that Department Heads did not entirely agree with aspects of position descriptions prepared by senior staff in their own departments. Thus, it was necessary to obtain supplementary information in order to make a meaningful evaluation. In addition, Committee Members often found job descriptions so unstructured as to be difficult to analyze and evaluate. Correcting these deficiencies not only was time consuming but raised an issue concerning the validity and applicability of the results of the exercise.

The Committee also found it necessary to allot considerable time and effort to understanding and then adapting the Hay methodology to the kinds of work and work relationships typical of the Fund. This made it clear that--at least in this first Fund effort in applying the Hay methodology for job evaluations--it was important to have continuity and cohesiveness in the evaluation process. The evaluation of each job proved extremely time consuming; a period of from 2-3 hours was common. It, therefore, became evident that using this large Committee on a part-time basis would take too long to complete the task.

1/ The Senior Staff Committee is composed of: Mr. Habermeyer (Vice-Chairman), Mrs. John, Messrs. Beith, Beveridge, Chabrier, Lang, Minami, Narvekar, Rea, and Struckmeyer (Members), Mr. Kincaid (SAC Observer), and Mr. Cole (Secretary).

Other potential problems surfaced during this review period. For example, the predesignation of career streams created concerns among many members of the staff that they would be locked into a particular career stream. In some career stream committees, progress toward identifying benchmark jobs was slowed because of questions about the nature of the career stream itself. In some cases, job descriptions reflected a desire to be clearly identified with one career stream and not another.

More generally, there exist concerns about the implications of this effort for pay and promotion. Some of these concerns can be dealt with by making a clearer distinction between the process of evaluating jobs and the applications of those evaluations. For example, the identification of career streams should be an outcome and not a constraint on job evaluations. Many concerns will remain, however, and this is understandable, given the important issues at stake. This is all the more reason why it is necessary to develop a base of information on jobs that will be both credible and useful. The next section outlines the steps that will be followed to develop such a base.

II. Developing the Job Information Base

As currently planned, the job information base will eventually include:

1. Job descriptions (questionnaires and job audit information) of all jobs at Ranges A-M.
2. Descriptions of a number of benchmark jobs which are representative of groups of jobs at Ranges A-I and, where appropriate, at Ranges J-M.
3. A numerical evaluation of each job evaluated, using the Hay point system described below, which expresses the value attached to a particular job relative to all other jobs.
4. An "Evaluation Summary" of each job evaluated, which is a concise qualitative statement of the basis for the numerical evaluation.

Through the process of job evaluation positions in the Fund will be ranked both horizontally and vertically and a clear description of job content, skill requirements, and the reasons for the judgments made will become a matter of record. These evaluations do not involve an assessment of performance, rather they evaluate the importance of job outputs and the skills needed to accomplish them. Finally, the nature of the job information base--job descriptions and evaluations--will need to be responsive to change. As the functions of the organization change, so too will jobs.

Being composed of job descriptions and evaluations, the job information base will be modified to reflect changes in jobs and job relationships and the development of new organizational roles and objectives.

Questions of methodology and process are matters of critical importance because they will determine the quality of job evaluations. Thus, a considerable amount of time has been devoted, including by the Senior Staff Committee, to reviewing various methodological and procedural questions with a view to:

- a. enhancing the quality, comprehensiveness, and credibility of the information base;
- b. assuring that the results meet the needs of the institution and will be recognized as reasonable by the staff and the Executive Board;
- c. assuring in the process that considerations of cost effectiveness are included in the design of the methodology and process; and
- d. assuring that the content of the information base is adequate for the various applications that are likely to result from it.

A. Methodology

In line with these objectives there are two areas where methodological changes have been made as a result of this review.

1. Job descriptions

For the evaluation process to be meaningful, the inputs to it--job descriptions--must be made as accurate and complete as is possible. Since the recent review of the exercise to date revealed major weaknesses in the job descriptions prepared for jobs in Ranges J-M, steps are being taken to improve descriptions in these ranges. The consultants have prepared a general guideline and questionnaire for writing job descriptions. These papers have been circulated to incumbents at levels J through M. Completed questionnaires, initially prepared by the incumbents, will be cleared by the respective Department Heads. The resulting responses, developed through an iterative process between the incumbent, Department Head, and if necessary a Hay Consultant, will form the basic description for senior positions to be used by the Job Evaluation Committee.

A more systematic approach was followed for developing job descriptions in the A-I Ranges. The existing benchmark descriptions derived therefrom provide a useful starting point for carrying out the current job evaluation exercise. It will be necessary at a later stage to update all A-I descriptions through another questionnaire to complete the slotting exercise described under B.3 below.

2. Job evaluation

The second building block of the job information base is the evaluation of each job using the Hay Job Evaluation System. Job evaluation is focused solely on job content, and takes no account of salaries or grades, personal qualifications or performance of incumbents. The Hay system is designed to provide information and structured judgments about job relationships that can be used for a variety of purposes.

The evaluation of jobs is based upon an analysis of content in terms of three factors:

Know-How - The sum total of all knowledge and skills, however acquired, needed for acceptable job performance, distinguishing between practical/technical knowledge, administrative/managerial scope, and human relations skills.

Problem-Solving - The degree and intensity of original thinking required by the job to identify, define, and resolve problems. This factor requires an analysis of the environment in which thinking takes place and the kind of thinking required to solve problems.

Accountability - The effect of the job on its objectives or end results, having regard to the degree to which procedures or policies guide or control the job, the direct or indirect nature of the job's impact on the end result, and the importance of the job relative to the work of the organization as a whole.

Job content is weighed in terms of these three factors and numeric values are derived using a range of numbers developed as a result of experience by the Hay Group. The numeric values added together produce a total "Hay Point" score for the position. A variety of jobs in different occupations can therefore be related through the Hay Points, which are measures of factors common in some degree to all positions.

A note of caution is necessary at this juncture. A statement of methodology has the appearance of technique which tends to make job evaluation appear almost mechanistic. The evaluation of a job requires a series of judgments about the value of job content to the Fund. The methodology only systematizes that judgmental process, putting the valuations in a form that allows for comparison both internally and with outside comparators.

B. Process

1. Establishment and Role of Evaluation Committee

As mentioned earlier, the evaluations were originally envisaged to be conducted by the Senior Staff Committee, working on a part-time

basis. Two factors have led me to appoint a committee that would work full time for a period of about two months. First, a committee working only part time would not be able to accomplish this task within a reasonable period of time. Second, since this is the first attempt at evaluation of positions in the Fund across the board, and using the Hay methodology, the consistency and cohesiveness of the results will be enhanced with a committee fully dedicated to the exercise.

In light of these observations, I have established a new Job Evaluation Committee 1/ composed of seven persons with a broad knowledge of the Fund and assisted by two Hay Consultants who will participate in all evaluation meetings. Committee members will be assigned full time to the project, with the objective of completing a wide range of evaluations for submission to me by the end of the year. The Committee's mandate will be to enhance the quality, objectivity, and clarity of the evaluation process and the resulting evaluation summary. It has been given full discretion to interview incumbents, and to question departments and career streams committees in order to achieve sufficient understanding to complete its evaluation work. The Job Evaluation Committee will report to me and I intend using the Senior Staff Committee to advise me in reviewing the results.

The L and M jobs will be evaluated by the Managing Director and me, assisted by consultants.

2. Evaluation of Benchmark and Nonbenchmark Jobs

One approach to the evaluation process would be to evaluate every job individually at the outset. However, in a situation where a number of separate jobs are basically identical or very similar in all material respects, it is both feasible and less costly, in terms of time and money, to identify individual jobs which represent groups of jobs with similar content and evaluate those jobs. The useful work accomplished over the past two years by individual career streams committees has involved the clustering of jobs around representative benchmarks in the A-I Ranges. A large number of the benchmark jobs will be reviewed by the Job Evaluation Committee and then evaluated. Positions in the A-I Ranges that are not readily matched with a benchmark description will be evaluated subsequently. For this process to be accomplished, using accurate and up-to-date job information, new questionnaires will be circulated to A-I staff.

A similar approach will be followed at Ranges J and above. Since the career stream committees did not develop benchmark jobs for Ranges above I, one of the tasks of the Job Evaluation Committee will be to identify benchmarks where appropriate. Because many jobs at Ranges J and above are shaped more by immediate circumstances and the incumbent than by

1/ The Job Evaluation Committee is composed of: Mr. Palmer (Chairman), Mr. Mohammed (Vice-Chairman), Mmes John and Lavery, and Messrs. Beith, de Fontenay, and Rea (Members), and Mr. Cole (Secretary).

a set of functions to be performed, many jobs at the J and above Ranges will be evaluated separately. The number of evaluations that can be carried out by the Evaluation Committee in the time available is clearly limited; but the objective is to produce a matrix of evaluated jobs which will be sufficiently broad and deep to provide a framework against which all other jobs in the Fund can be ranked.

3. Slotting

At the completion of the evaluation phase of the exercise outlined above, a high proportion of the jobs at Ranges J through M will have been individually evaluated, with the remainder represented by benchmarks. At Ranges A through I, a relatively small portion of jobs will have been individually evaluated in the form of benchmarks, but these benchmarks will be broadly representative of the full range of A-I jobs. All the remaining jobs at Ranges A through M will then be evaluated using the Committee's evaluations as reference points. This step in the evaluation process--called slotting--will be conducted by a small group of Administration Department staff and a Hay consultant. Departmental representatives will be called in when jobs in a specific department are being discussed. This small group will examine the jobs that cluster around benchmarks on the basis of newly prepared description questionnaires. Evaluations will be prepared on the basis of the corresponding benchmark. If, based upon this review, it is determined that some jobs do not belong in their original cluster, the slotting group will need to consider whether the jobs would more appropriately be associated with a different benchmark or be evaluated separately.

4. Quality Control

It is important to note that each stage of the evaluation exercise would be subject to quality control procedures by the Hay Group. In addition to having a Hay consultant assist the Evaluation Committee on a daily basis, the evaluations are periodically examined also by experts at the Hay home office. This review is designed to check for consistency between the point values assigned to positions and the statements of actual job content. Where the examiner has questions or doubts concerning the consistency of results, those queries will be raised with the Evaluation Committee, which will need to consider whether to reverse the evaluations in question, or whether the original evaluation was justified by the particular circumstances of the Fund and should be maintained. This process provides a major safeguard of the Fund's application of the Hay methodology by ensuring consistency with applications in the Bank and other outside comparators.

5. Disclosure

It is clear that developing the information base outlined above will involve participation at different stages and in different

degrees by large numbers of staff at all levels. In addition to review by the Senior Staff Committee, job evaluation summaries will be provided to departments for review. Individual staff members will also be given an opportunity to review and comment on the job evaluation summaries applicable to their particular jobs. It must be clearly understood however that in the final analysis the evaluation of a specific job is a matter which must be reserved for conclusive decision by management. Certainly, the more open the process by which these decisions are arrived at, the more effective and responsive the decisions themselves are likely to be. A clear understanding of the basis on which the decisions are made should also go a long way towards dispelling suspicion and avoiding potential discontent among the staff.

6. Maintenance and Evolution

Once the information base has been established, procedures will need to be developed for keeping the information current and complete and for adapting it to the changing functions of the organization. As new jobs come into existence, an appropriate job description will need to be formulated and an evaluation made either by reference to an existing benchmark or on an individual basis. Regular periodic reviews would need to be made of all job descriptions and evaluations, to ensure that these remain accurate and appropriate: this could be done under the supervision of a small standing committee with specialist expertise, in consultation with the departments concerned. In addition, the Administration Department or the department concerned could call for a review and, if necessary, a re-evaluation of a particular job. It would also seem appropriate to allow individual staff members to request an audit of their job if they consider that changes in the job content have occurred justifying a revision of the job description or a re-evaluation of the job. In this connection, it is perhaps important to add a caveat. Although job descriptions and evaluations will need to be updated and reviewed periodically, it is worth pointing out that the evaluation system is not so precise or highly calibrated that every change in job content will likely result in a change in job evaluation.

7. Collaboration with the World Bank

The World Bank is undergoing a similar job evaluation exercise, also applying the Hay Methodology. In reviewing the job evaluation project in the Fund, the need to achieve results that are understandable and acceptable by both institutions has been an important consideration. Formal lines of communications have been established whereby all aspects of the two studies are discussed at the working level, and I maintain regular contact with a senior official in the Bank to ensure that adequate coordination is maintained. As mentioned under Section 4 above, the use by both institutions of the Hay evaluation system and the Hay Quality Control function is a critical aspect to these collaborative efforts. At various stages in the job evaluation project, results are submitted for audit by Hay Consultants specializing in this activity in an effort to ensure that

the methodology is being applied in each organization in a manner that will ensure that the results can be compared with the outside market.

III. Applications

A number of compensation and personnel issues will need to be examined and decided on in the coming months. The outcome of the 1984 salary review underscored the necessity, as foreseen in the recommendations of the Kafka Committee, of conducting "a job evaluation exercise" in order "to check the appropriateness of present internal salary relationships." The job evaluations which are being developed, along with other relevant information, will be used to make judgments about the need for adjustments in the structure of Fund salaries. At this stage of the exercise, however, it is not possible to prejudge the extent and magnitude of such adjustments or the modalities of any such adjustments.

In addition to a re-evaluation of the Fund's salary structure, other personnel applications will need to be addressed in the future:

- (a) The development and definition of career paths or lines of career progression.
- (b) The initiation of systematic individual career planning along defined paths.
- (c) The design of specific training or development measures to help staff members realize their potential for future promotion.
- (d) The matching of people's abilities with job requirements for purposes of selection, transfer, or promotion.
- (e) Performance definition and evaluation.

The development of Fund-wide job evaluations would contribute to a more systematic approach when addressing these issues.

IV. Modification and Role of the Senior Staff Committee

In order to enable management to obtain advice from a broad spectrum of the Fund, I have decided to expand the membership of the Senior Staff Committee to include all Department and Bureau Heads, or their representatives, and a SAC observer. This enlarged Senior Staff Committee, which I will continue to chair, will advise on matters not only related to the development of the information base but also on options and proposals concerning the various applications in the areas of personnel and compensation.