



Office Memorandum

To: All Staff and Employees

January 19, 2001

From: Mary J. Murphy, Ombudsperson

Subject: **Twenty-first Annual Report of the Ombudsperson
October 1, 1999 - September 30, 2000**

1. This is the twenty-first annual report of the Ombudsperson and my first. During the year from October 1, 1999 to September 30, 2000, I opened 234 cases addressing issues raised by 204 individuals (8.7% of staff; 7.2% of employees, including contractuales), a substantial increase over the 164 cases reported for the prior year. Compared to last year a somewhat higher percentage of men and a slightly higher number of older staff consulted me, but overall the profile of inquirers is very similar to prior years and generally relates to the profile of employees in the Fund. The exception is that economists (40% of employees) have continued to be less likely to consult the Ombudsperson (27% of inquirers) than other employees. Table 1 attached details the profile of inquirers.
2. More than one in four of the cases I dealt with involved career development and performance matters, and a further 9% of cases concerned management style and work relationships. Issues relating to staff conduct, benefits, concerns of contractual employees and separation of staff from the Fund also constituted a significant portion of my first year workload. Table 2 attached shows the distribution of cases by type of issue.
3. Negative stress from excessive workload and also from poor management practices was the main underlying systemic issue observed in the course of my work. My experience this year leads me to emphasize the need for augmented efforts to improve management skills and performance management and to increase accountability for human resource management.
4. There has also been significant progress towards improving human resource management. The implementation of Subordinate Assessments, the review of stress and the resultant work plan, a 401(K) retirement savings plan for contractuales, approval for the implementation of the Categories of Employment policy, the Compressed Work Schedule pilot, the appointment of an Ethics Officer, expansion of Medical Benefits Plan eligibility and the Employee Self-Service site are but some of the achievements of which the Fund and the Human Resources Department (HRD) can be justifiably proud. I would also underline the important contribution of the Staff Association Committee to this progress, as well as their ongoing commitment to improving the situation of Fund staff.
5. Half of the 234 cases I dealt with in 1999-2000 have been resolved or closed, and 10% remained active past the year end. October and May were the busiest months, accounting for almost 30% of new cases. In slightly more than two-thirds of the cases, the inquirer wished to

consult in confidence, and, having reviewed the situation and obtained information on options, rights or courses of action, chose to deal with the matter on his/her own. In such situations, unless the person chooses to reveal it, no one will ever know that they consulted the Ombudsperson. In the remaining one-third of cases and with the express permission of the inquirer, I intervened with their management, HRD or others to seek a solution, further action or information or to facilitate communication. Most inquirers have been able to come to some sort of resolution for their issue, and many indicate that they were glad they came. A few cases, mostly related to denial of benefits, went on to grievance.

6. Individuals at all levels and from virtually all departments consulted me. Support department employees remain most likely to consult the Ombudsperson (10.3% of their employees have come to see me), the main issues being concerns about the impact of the restructuring of certain functions and about contractual employment. About 6% of the staff from functional departments came, while area department staff were least likely to consult the Ombudsperson (4.2%). Often the reason a person comes to see me does not relate directly to their current department, and one cannot conclude that because a large number of staff consult the Ombudsperson, there is a problem with a particular department. Indeed, the opposite might be true; a low number coming from a particular department might mean that the staff are reluctant to raise issues.

7. Negative work-related stress has been the dominant employment-related systemic issue observed in the course of my first year's work as Ombudsperson. While the positive intellectual challenge of the work of the Fund remains a potent motivator for staff, who appear eager to contribute and willing to work very hard, frustration over excessive workload and poor managerial practices is real. I dealt with 20 cases where poor management or difficult work relationships with others were the only issues raised, as well as more than 10 cases involving work related illness. Workload pressures and frequent travel were also involved in staff failure to meet reporting and application requirements for benefits. Stress was a contributory factor in staff seeking mobility or early retirement and, in a few instances, deciding to resign from the Fund.

8. Based on what staff tell me, Fund culture may exacerbate the situation. Like other knowledge-based organizations requiring a highly qualified workforce, the Fund work environment is intellectually intense and very competitive; the dominant management style comes across as control oriented and hierarchical. The Fund, like many career organizations where staff have little outside work experience, can be inward looking and conservative on internal management issues. There are also strong pressures to conform to the Fund way of doing things, and mid-career new hires, in particular, remark on this. While the work culture has many positive aspects and has resulted in an impressive institutional capacity to produce quality work and respond to crises, it can also lead to an over-estimation of the ability to effectively respond over time. There are limits on both organizational and individual capacity within a given set of resources and time frames, and exceeding these limits for extended periods is considered by many staff to be the primary cause of their negative stress.

9. Quality of life issues are of considerable importance to those who consult me. Many indicate that meeting basic personal obligations, while at the same time coping with excessive work demands, results in continual stress, and that unanticipated problems in either area can be overwhelming. The line between challenging and overwhelming an individual can be very narrow, and without standards or objective criteria as to acceptable demands, staff are understandably reluctant to admit they are overworked, even to the point of compromising their health and personal relationships. Staff are also sensitive to the fact that their colleagues and managers are often in the same situation. The actions announced in the Statement by Management on Stress (BUFF/00/61) are promising; only time will reveal their effectiveness. The HRD initiative to undertake periodic surveys of stress will provide one important source of monitoring information, and the decision to publish these data is commendable.

10. One positive development, for those who have been able to take advantage of it, has been the Compressed Work Schedule, currently being piloted. I have had positive feedback from staff on the impact of this measure in increasing their well-being and overall effectiveness. Other arrangements, such as work at home and part-time work, seem to be used to good effect in some areas of the Fund, but not in other areas. The equity of access to the use of such policies should be monitored by HRD and addressed with departments. More needs to be done to provide flexibility and support for staff to help them maintain some balance in their lives. Particularly for those in two-career families or with small children, greater flexibility in the use of leave without pay might help the Fund in retaining staff who might otherwise be forced to resign. I would also suggest that, as the Fund workforce ages, there is an increasing need for policies and procedures which would support the reintegration into the workplace of staff who have experienced major illness. Currently managers have little support or resources to accommodate part-time or other gradual approaches to reintegration, and staff themselves may try, or feel forced, to do too much too soon. Finally, while it may be unrealistic to expect major decreases in workload demands, anything that can be done to give individuals at all levels of the organization some measure of predictability concerning their time and workload would go some way to reducing negative stress.

11. The Fund has long been seen as a leader among international institutions in terms of its human resource policies and programs, and rightly so. However, as internal studies and previous reports of Ombudspersons indicate, there has been variation in their implementation and a concern that, in the day-to-day activities of the Fund, there is not sufficient accountability for human resource management. Establishment of the Human Resources Department in 1999 was strong evidence of the Fund's commitment to improving the way in which it manages its people. The new Department faces high staff expectations and an ambitious work agenda, but it continues to operate in a highly decentralized human resource management framework, where individual departments retain considerable autonomy. In this context, the initiative to establish departmental HR plans and review them at the senior management level has the potential to be an effective accountability mechanism.

12. Among other steps being undertaken to increase accountability for human resource management is the project to establish clear standards and expectations for managers and a mission code of conduct. These will need to take account of the realities of the working

environment, because standards which cannot be effectively monitored and enforced will only add to the perception that human resource management is not a genuine priority. Based on incidents brought to my attention over the past year, the Fund needs to concentrate on reinforcing basic managerial obligations for which data and standards already exist, such as timely completion of APRs and leave management. Accountability would also be enhanced if departmental compliance data were shared and published.

13. In addition, there is a need for greater incentives to manage people well. My caseload suggests that, given the competing pressures for their time, more than a few Fund managers and supervisors fail to give adequate time and attention to people management. Organizational incentives provide greater impetus, positive and negative, for attention to the work output, however achieved, than for human resource management. I have met a number of managers, who work hard to do the right things, but who do not feel they will gain much recognition for this aspect of their work. Much of what I have seen written about management in the Fund focuses on dealing with poor managers, but there is also need to identify, recognize and reward the good managers.

14. Initiatives such as the Subordinate Assessments and Competency-Based Assessments for development and promotion, as well as training and coaching programs, provide substantive tools for diagnosing and improving managerial competencies, but they will be fully accepted only when it is clear that good managerial skills are indeed essential for a Fund career at senior levels. The role of the Review and Senior Review Committees in this regard is important and worthy of full support. I would note, however, that some staff have expressed concerns about the reliability and fairness of the information used by these Committees. This underlines the importance of a full formal feedback discussion with unsuccessful candidates, including recommendations and support to address identified deficiencies. More could also be done by departments and HRD to identify and address individual management competency gaps prior to making a recommendation for promotion.

15. "Appraising and Developing Staff" and "Motivating Performance" were generally given lower ratings both Fund-wide and by department in the recent Fund-wide Subordinate Assessment of Managers exercise. My experience as Ombudsperson would support a conclusion that this is a systemic issue, not just a matter of a few poor managers, and that enhancing performance management competencies would have a significant positive impact. Performance issues accounted for 14% of my cases this year, and including related issues of career development and separation from the Fund, fully 36% of my caseload involved performance or career management issues. Based on the staff who have come to see me about career development matters, my initial impression of the Fund's approach to career development is that it is somewhat mechanical, based on rules like time in grade, and somewhat impersonal, providing opportunities for development through programs such as TAP and study leave. There appears to be considerable reliance on self-identification by individuals of their needs. The career situation of staff in the specialized career streams, as well as other non-economist occupations, such as research officers and assistants and support staff, is a source of additional frustration given their limited opportunities for growth and advancement.

16. Quite a bit has been written about the problems and frustrations of the annual performance review (APR) exercise but, compared with other organizations with which I am familiar, this is not a particularly onerous system. However, because it is an annual event undertaken in a compressed time frame and is linked to pay, this is an intensive, stressful and potentially contentious exercise for all concerned. As such, APR related complaints have long been a significant part of the Ombudsperson workload. In the 19 complaints I received over the last cycle, problems arose both from the process and the substance of the APR.

17. The annual performance review, combined with the performance pay determination, is the main formal acknowledgement by the organization of the contribution of a staff member. If, as happened in a number of cases I saw, the APR is poorly prepared, late or not properly discussed, the benefit of the exercise in terms of recognition is significantly diminished. Staff also complain of surprises at APR time – issues that had not been raised with them during the year, indicating that there has been little ongoing discussion of performance. There is no doubt that preparing APRs for all staff at one time is a heavy workload, but if some managers cannot adequately meet this most basic of managerial obligations, there is need for individual and organizational reflection and corrective measures. And, the managers who, despite their heavy workloads, do an excellent job of preparing their APRs, should be recognized for this.

18. Among the more difficult cases I have encountered are those where the APR record for an individual is at odds with another, more negative, unwritten assessment conveyed informally to other hiring managers and sometimes to HRD. The staff member generally comes to the Ombudsperson as a result of an inability to get a promotion or mobility and is genuinely perplexed at the lack of success. What has happened to persons in this situation is inherently unfair. They have been denied the feedback necessary to address performance issues, as well as the right to challenge that assessment, if unfounded. When there is a significant discrepancy between the APR document and the word of mouth reputation of a staff member, it should be incumbent on the department, in consultation with HRD, to take remedial action to address the matter.

19. The sooner a performance issue is addressed, the less likely it is to become a major problem for either the staff member or the manager. HRD has developed an excellent Performance Management Handbook with options and approaches for dealing with a full array of performance problems, has courses and other assistance to develop feedback skills, and provides support to managers dealing with performance problems. It seems, however, that many managers are not aware of the Handbook nor do they use these services. Some managers are reluctant to confront performance problems, not wanting to undertake the associated workload, and others have indicated a fear of being accused of discrimination in certain situations. The cost to the organization of such avoidance is great. At a time when workload exceeds resources, not addressing poor performance puts an unnecessary additional strain on other staff.

20. In my case experience many problems were made worse by inadequate or ineffective communication. When management decisions are not adequately explained (or explained at

all), employees talk among themselves and draw their own conclusions. This was a factor in quite a few cases I dealt with where allegations of unfair treatment and favoritism resulted at least in part from lack of information. More seriously, many of the employees who come to the Ombudsperson still indicate that they are reluctant to speak up to their management about problems in the workplace, sometimes from fear of negative consequences, but often simply because they do not feel they will be heard. This is particularly true of support staff.

21. As further evidence that more needs to be done to create and support an open work environment, where communication is encouraged, I received a number of inquiries from staff seeking advice on dealing with what they perceived to be inappropriate remarks by others, often supervisors, concerning age, ethnicity, gender, etc. Some, but not all, of these remarks were inappropriate, and all were misunderstood. In a multi-cultural, international workplace such as the Fund, the potential for misunderstanding among individuals from different backgrounds is great, and it is important that these matters be openly and fairly addressed and not allowed to fester. There is considerable scope, in my view, for increasing the sensitivity of managers and supervisors to these issues and to augmenting their dispute resolution skills.

22. Issuance of the Code of Conduct, as well as the appointment of the Ethics Officer and the Compliance Officer for the financial certification and disclosure procedure has placed increased emphasis on staff conduct issues, and this was reflected in my caseload. Staff came to me seeking information on procedures and clarification of rights and obligations relating to misconduct investigations, outside employment and other conduct issues. Given the changes that have taken place, it would be timely to update and amplify the procedural instructions for investigation of misconduct in GAO 33 to take account of these developments and to address concerns and questions raised by individuals involved in such situations, including roles and responsibilities, the rights and obligations of all parties, time frames for various steps in the process and the need for consistency of treatment across the Fund.

23. Contractual employment issues have been the subject of observations by previous Ombudspersons, and the approval of the Categories of Employment policy and the subsequent implementation plan marked a major step towards addressing the inequities which resulted from using contractual employees and vendor staff for work which should be done by regular staff. Implementation of the decision to convert many contractual positions to staff, while welcome, has not been without difficulty and controversy, and a further review of positions for conversion is required for areas not included in the initial implementation plan, such that a number of contractuales and vendor staff must wait still longer for resolution of their situation. Much has been done, but this issue will continue to require attention in the next few years.

24. In reading through the reports of previous Ombudspersons, I am struck by how much progress has been made in addressing issues important to staff. The institutional support for the Ombudsperson function over 21 years is unique among international organizations to my knowledge. I have certainly found openness and a willingness to address issues, both individual and general, at all levels of the organization, and I have had full access to the information I have required. The staff and employees I have met are dedicated to their work and to the Fund, even when frustrated by problems. I have been impressed by their talent,

enthusiasm and tolerance. Addressing their issues of negative stress, accountability and performance management is an essential investment in the continuing effectiveness of the Fund. No one expects that these fundamental issues will be solved immediately, but clear and continuing progress is essential to staff morale.

25. In closing, I note the retirement at the end of October, 2000 of Sydney Bridges, assistant to three Ombudspersons over the past 10 years. Those who met her know of her discretion, tact and ability to put anyone at ease. She was extraordinarily helpful to me in my first months as Ombudsperson and is much missed.

Table 1: Profile of Inquirers, October 1, 1999 to September 30, 2000

	Number	Percent	Percent of Fund Employees
Gender			
Female	115	56%	47%
Male	89	44%	33%
	204	100%	100%
Age			
Under 30	7	3%	8%
31 - 44	50	25%	31%
41 - 50	67	33%	34%
51 - 60	60	29%	24%
Over 60	15	7%	3%
Unknown	5	2%	
	204	100%	100%
Nationality Group			
United States	69	34%	27%
Other English Speaking	22	11%	12%
European (excluding GBr)	35	17%	23%
Latin America	26	13%	11%
Asia (excl Aust. and NZ)	22	11%	14%
African/Caribbean	19	9%	2%
Middle Eastern	9	4%	5%
Unknown	2	1%	
	204	100%	100%
Type of Department			
Support	93	47%	32%
Functional	68	35%	39%
Area	35	18%	29%
Not employee	8	4%	
	204	100%	100%
Type of Appointment			
Regular staff	144	71%	67%
Fixed term	25	12%	15%
Contractual	27	13%	18%
Not employee	8	4%	
	204	100%	100%
Career Stream			
Economists	53	26%	40%
Specialized A9 and above	81	40%	36%
Specialized A8 and below	62	30%	24%
Not employee	8	4%	
	204	100%	100%

Table 1: Profile of Inquirers (continued)

	Number	Percent	Percent of Fund Employees
Grade Levels			
A1 - A5	31	15%	7%
A6 - A8	39	19%	17%
A9 - A10	17	8%	5%
A11 - A12	17	8%	13%
A13 - A14	41	20%	26%
B Levels	24	12%	12%
Professional Contracts	12	6%	11%
Support Contracts	15	7%	7%
Not employee	8	4%	
	204	100%	100%
Years of Service			
5 or less	57	28%	42%
6 to 15	66	32%	33%
16 to 25	50	25%	16%
26 and over	31	15%	9%
	204	100%	100%

Table 2: Cases by Issue, October 1, 1999 to September 30, 2000

	Number	Percent	Percent of Total Cases
Conduct			
Discrimination	13	33%	
Misconduct	12	31%	
Ethics	6	15%	
Harassment	5	13%	
Outside Employment	3	8%	
	39	100%	21%
Benefits			
Leave (home & other)	11	30%	
Medical /Worker's Comp.	7	19%	
Other individual issues	19	51%	
	37	100%	20%
Performance			
APR	19	58%	
Of self	7	21%	
Of others	7	21%	
	33	100%	18%
Career Development			
Promotion	15	48%	
Fixed-term Conversion	6	19%	
Job Grading	6	19%	
Mobility	4	13%	
	31	100%	17%
Contractual Issues			
Renewal	12	46%	
Conversion to Staff	9	35%	
Other	5	19%	
	26	100%	14%
Separation			
Disability/Fitness for Duty	7	35%	
Seeking SBF	9	45%	
Other	4	20%	
	20	100%	11%
Restructuring	15		8%
Management Style	13		7%
Work Relationships	7		4%
Other	7		4%
Did not pursue	6		3%
Total	234		100%