



Office Memorandum

To: All Staff and Employees

From: Lyn Blatch, Ombudsperson

December 10, 1998

Subject: **Nineteenth Annual Report of the Ombudsperson**
October 1, 1997 - September 30, 1998

Summary

This is the nineteenth annual report of the Ombudsperson and my fourth. I received 185 inquiries this year, down 10 percent from last year. Although some minor trends are noted, the overall data remain remarkably consistent from year to year, reflecting the fact that a broad cross-section of Fund employees regularly seek assistance from the Ombudsperson on a variety of employment-related issues.

Systemic Issues. The most serious employment-related problem at the Fund is stress -- both from the increasingly heavy workload and from the more insular and intractable aspects of Fund culture. Staff and employees at all levels have become noticeably more impatient and irritable. Many are exhibiting physical symptoms of stress-related illnesses. Employees need more control over their lives, and need to recover the enthusiasm they once felt for their work. Fundamental changes in priorities and resources are needed, but the feedback I receive also indicates that changes in the Fund's culture could help alleviate the problem. Staff members complain about being left out of the planning and decision-making process, about the poor organizational skills of managers that create false emergencies for them, and about multiple levels of review of routine documents. A more rewarding and less stressful work environment could be developed if this "culture of control" gave way to a more participatory style.

The culture of control is reinforced by the gap in accountability of department heads on personnel management issues. Staff and employees tell me that Management rarely holds department heads accountable for inappropriate personnel practices. Both my predecessor and I have observed the same phenomena. The wide variation in personnel management practices among departments has also been cited by departing economists as a factor in prompting them to leave the Fund. The gap in accountability for department heads can be closed through effective use of written performance reports and specific criteria, with appropriate incentives for good management practices.

The insular nature of Fund culture is intensified by the practice of appointing B-level economists -- with no prior experience or training in relevant fields -- as department heads, deputies, or other Front Office positions in noneconomist departments. Employees

wait while problems fester and grow worse because those in authority need to educate themselves on rudimentary issues. Lack of experience also causes obvious issues to be overlooked at the planning stage, creating time-consuming problems later on. Capable lower level staff with relevant professional experience are underutilized because the Front Office does not recognize what they can contribute. As suggested by the Articles of Agreement, paramount importance should be given to securing the highest standards of efficiency and technical competence -- in the relevant field.

The arbitrary and unfair treatment of contractual and vendor employees should be addressed. If litigation ensues, the potential liability of the Fund could be substantial. It is inappropriate for an international organization to hide behind its immunity and engage in employment practices that would not be tolerated in member countries.

Strong support from Management is needed to maximize use of existing policies that improve quality of life, such as adequate use of annual leave, compensatory leave for headquarters staff, working at home, part-time work, and alternative work schedules.

Status of Previous Recommendations. The Fund is to be commended for the impressive progress made this year on the ethics program, transparency in job grading, Review Committee List procedures, the overall increase in transparency, and a 401(k) savings/retirement plan for contractual employees. Also, a decision has been taken to provide the Ombudsperson with most of the requested PeopleSoft information. Although an improvement over last year, access is not yet fully consistent with the Ombudsperson's Terms of Reference, and the formation of a staff committee is recommended to advise Management on access issues generally, and to ensure that the Terms of Reference are consistent with actual practice. Table 6 gives the status of all previous recommendations.

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Inquiries and Interventions, Issues, Profile.

Inquiries. The total number of inquiries received this year was 185, down from 206 -- a drop of 10 percent. Nonetheless, the number of inquiries relative to the total number of staff and employees remains fairly high -- 8 percent of staff, or 7 percent of all employees (see Table 1). Although exact comparative data is not available, a rate of 3.5 percent is considered fairly high. Thus, the Office of the Ombudsperson at the Fund continues to be utilized at a very high rate (see also, Table 2). After four years at the Fund, I continue to be struck by how much it helps to have an Ombudsperson available to assist employees. Many individuals obtain a better understanding of how things work at the Fund through discussions with the Ombudsperson. Some who are new to the Fund or from non-Western cultures find such consultations particularly helpful. Others need someone to make inquiries on their behalf. Errors or omissions have been corrected in many cases with goodwill on the part of everyone. In other instances, serious mistakes are avoided when, after receiving information and exploring options, individuals chose another approach to a particular problem, thus avoiding long-term harm to their career at the Fund.

Table 1. Inquiries and Interventions

	Year 1	Year 2	Year 3	Year 4
Inquiries	122	220	206	185
As a percent of staff	5	10	9	8
As a percent all employees ¹	5	9	8	7
Interventions ² as percent of inquiries	33	34	31	35
Percent of new/old inquiries	100	81/19	70/30	74/26

¹ As used here, the term "employees" refers to all fixed-term and regular staff, plus all contractual employees.

² Intervention refers to those instances when, with the consent of the inquirer, I discuss the matter with his/her supervisor, the Administration Department, or another agreed-upon person at the Fund. In all other cases, complete confidentiality is maintained. No one knows the individual has sought assistance from the Ombudsperson unless the individual chooses to disclose that information.

Interventions. Interventions as a percent of inquiries remains consistent, hovering around the one-third mark¹ (see Table 1). The silent or invisible role of the Ombudsperson in cases where there is no intervention is perhaps the most effective. By obtaining information and

¹ Interventions have been slightly higher because the Discrimination Review is winding down and a number of individuals sought assistance in obtaining closure or clarification of the outcome in their case. This required contact with Administration. In previous years, my participation in Discrimination Review cases was generally limited to providing information and assistance to the inquirer and did not usually involve intervention.

exploring options in the privacy of the Ombudsperson's office, employees are often able to deal with career issues more effectively themselves, thus preserving goodwill and promoting mutually satisfactory outcomes. And because complete confidentiality is maintained, no one knows the staff member or employee has visited the Ombudsperson unless the staff member or employee chooses to disclose this. In my discussions with managers, it is clear that they do not realize how many of those they supervise have been to see the Ombudsperson -- good evidence the process is working as it should.

	Year 1	Year 2	Year 3	Year 4	Year 5
Lyn Blatch (1994-99)	122	220	206	185	--
As percent of staff/employees	5/5	10/9	9/8	8/7	--
Gene Herbert (1989-94)	144	156	165	189	194
As percent of staff	8	7	8	8	--
Robert Harris (1984-89)	107	92	114	90	120
Frank Dugan (1979-84)	75	126	103	77	74

Inquiries as Adjusted. For the past few years of my term, there have been three atypical issues that have given rise to a significant number of inquiries: the Discrimination Review, the arrest and imprisonment of Mr. Hong, and the proposed transfer of certain BCS teams to user departments. Table 3 shows the number of inquiries as a percent of all staff, and as a percent of all employees, less inquiries in each of these three categories

	Year 1	Year 2	Year 3	Year 4
All inquiries	5/5	10/9	9/8	8/7
Less Discrimination Review Cases	--	9/8	8/7	7/6
Less Staff Safety (Mr. Hong) Cases	--	8/7	--	--
Less BCS Team Transfer Cases	--	--	8/7	--

Issues. Benefit issues provided the largest number of cases this year due to an increasing number of retirement-related inquiries with regard to such issues as disability pensions, lump sum payment for contractuels, and so forth. A new category for recruitment issues has been added, though the number may be low because this issue began to be tracked after the beginning of my fourth year. Recruitment issues are also more difficult to characterize accurately because they tend to overlap with other issues. For example, benefit issues for contractuels are sometimes a recruitment issue and sometimes a benefit issue.

Table 4. Issues¹
(As a percent of inquiries)

	Year 1	Year 2	Year 3	Year 4
Benefits	18	9	13	16 ²
Promotions/job grading/career progression ³	14	21	20	14
Discrimination/sexual harassment ⁴	7	15	12	14
Other ⁵	16	19	18	13
Separation ⁶	11	12	12	12
Performance ³	4	11	9	12
Management style ¹	15	6	6	8
Ethics/misconduct/other harassment	6	4	6	5
Mobility	9	3	4	3
Recruitment ⁷	--	--	--	3

¹ Issues are identified from the perspective of staff members and employees, except that "management style" is used only when no other issue is involved. For example, if a staff member complains about his or her manager, but is also having a performance problem, the inquiry is counted as a performance case.

² In year four, almost 3 percent of this category, or 4 percent of all cases, related to retirement issues such as disability pensions, lump sum payments for contractuels, and so forth.

³ If promotions and performance cases are combined, the totals would be 18 percent for year one, 33 percent for year two, 29 percent for year three, and 26 percent for year four.

⁴ Inquiries relating to the Discrimination Review are included in this figure. If calculated separately, inquiries relating to the Review would constitute 11 percent of all inquiries in year two, 10 percent of all inquiries in year three, and 13 percent of all inquiries in year four.

⁵ For year two, this category includes inquiries relating to security of staff on mission (Mr. Hong) which, if calculated separately would comprise 6 percent of all inquiries. In year three, this category includes inquiries relating to the proposed transfer of certain BCS teams to other departments that, if calculated separately, would comprise 6 percent of all inquiries for that year.

⁶ This category includes redundancy, fixed-term conversion, contract renewal, and Separation Benefit Fund issues.

⁷ This is a new category begun during year four.

Profile of Inquirers. As in previous years, more females than males, more noneconomists than economists, and more at the A8 and below level sought assistance from the Ombudsperson. This is consistent with the higher level of discontent among noneconomists. However, the percentage of economists seeking assistance is growing. The proportion of inquiries from functional departments has increased during the past four years, while the proportion of inquiries from information/liaison/support departments has gone down. Overall, the data remain remarkably consistent from year to year, reflecting the fact that a broad cross-section of Fund staff and employees seek assistance from the Ombudsperson on a variety of issues (see Table 5).

Table 5. Profile of Inquirers

Profile of Inquirers	Year 1	Year 2	Year 3	Year 4	Percent of Staff	Percent of Employees¹
Gender						
Female	60	57	57	59	46	47
Male	40	43	43	41	54	53
Nationality Groups						
United States	34	35	29	29	26	29
Other English Speaking	20	12	15	10	13	12
European	15	16	15	19	21	20
African/Caribbean	7	7	7	7	9	9
Asian/Middle Eastern	9	13	16	19	19	19
Latin American	13	16	14	16	12	11
Unknown	2	1	4	0	--	--
Age						
31 to 40	21	23	18	23	33	33
41 to 50	34	37	38	40	35	34
51 to 60	31	31	30	30	24	23
Under 30, Over 60, & Unknown	14	9	14	7	8	10
Years of Service						
5 or Less	25	24	21	21	28	38
5 to 15	30	33	36	39	37	33
15 to 25	33	28	23	39	24	20
25 or More & Unknown	12	15	20	24	11	9
Type of Appointment						
Regular Staff	70	78	79	74	85	71
Fixed Term Staff	11	7	6	9	15	12
Contractual	12	11	9	13	--	17
Others	7	4	6	4	--	--
Economists & Noneconomists						
Economists	22	24	22	28	47	40
Noneconomists A9 and above	34	34	38	30	22	34
Noneconomists A8 and below	43	41	38	40	31	26
Other	1	1	2	2	--	--
Type of Department						
Area	19	17	19	21	34	29
Functional	29	39	31	35	39	38
Info/Liaison/Support	50	43	48	42	27	33
Other	2	1	2	2	--	--
Grade Levels²						
A1 -- A5	16	11	12	17	11	--
A6 -- A8	28	29	27	24	21	--
A9 -- A10	12	13	10	12	7	--
A11 -- A12	12	15	12	6	15	--
A13 -- A15	23	26	30	32	32	--
B Levels	7	5	7	7	14	--
Others	2	1	2	2	--	--

¹ As used here, the term "employees" refers to all fixed term and regular staff, plus all contractual employees.

² Grade levels were assigned to contractual and some vendor employees based upon their title and/or salary. Approximately 57 percent of contractual employees are at the professional level. Comparable data is not available for vendor employees.

Systemic Issues

Workload Crisis. As I begin my fifth and final year as Ombudsperson, there is no doubt that the most serious employment-related issue at the Fund is stress -- both from the excessive workload and from the more insular and intractable characteristics of Fund culture. In my second annual report, issued in 1996, I identified stress from heavy workload as the most pervasive underlying problem for Fund staff and employees. Since then, the crises in Asia, Russia, and Latin America, as well as other indicators of global turmoil have created an even heavier workload and stretched staff resources beyond endurance. And there is every expectation that staff and employees will be asked to do more in the future, not less. As the Staff Association Committee (SAC) has pointed out, this is not a cyclical problem.² Management has made efforts to realign priorities, but the scope of the problem is still overwhelming. Fundamental changes in priorities and resources are needed to address the workload issue.

But the feedback I receive from staff and employees indicates that it is not just the workload that contributes to the high stress levels -- it is also the way things are done at the Fund. Fund staff is immensely talented and very diverse, but the Fund is a somewhat insular environment. It is not unlike a small town, where everyone knows everything about everyone, and departures from the norm are suspect. Old ways change slowly. Some should be preserved -- loyalty, hard work, technical competence -- but others tend to unnecessarily increase stress levels and decrease productivity. A willingness to take the time to look at newer ways of doing things and adopt less restrictive practices could reduce stress and permit staff and employees to focus their energy in more positive directions. It may be tempting to say that the workload is too heavy to pursue changes in the Fund culture at this juncture, but it is precisely because the workload is so heavy that change must be pursued.

Hierarchical or Control Culture. The Fund is sometimes referred to as a hierarchical culture, or a culture in which total control over subordinates is maintained. The assumption seems to be that the Fund must maintain this type of culture in order to respond quickly to emergencies. But the staff tells me that control is carried to extremes. Control can be retained in some areas and relinquished or delegated in others, as appropriate. Other financial institutions can and do respond quickly and effectively, while maintaining a less authoritarian management style. I am often told how frustrating it is to spend time ushering a relatively routine or ministerial document through multiple levels of review, or to have an idea that would increase efficiency rejected because those in authority have been at the Fund

² See the November 16, 1998, memorandum of the Staff Association Committee (SAC) to the Managing Director on "Excessive Workload at the Fund," for an excellent discussion of the scope of the problem and some possible solutions. To access the memorandum, go the Fund's internal web page ⇨ Bulletin Board ⇨ Staff Association ⇨ SAC Communications ⇨ SAC Memos to Management. See also, the SAC News of November 20, 1998, also accessible on the SAC web site.

so long that they are not comfortable doing things any other way. The old adage, "There's no reason, it's just our policy" comes to mind.

A more participatory style encourages creative problem-solving. It gives employees more control over their work and provides creative outlets for their skills. There has been some concern over the rate at which talented economists are leaving the Fund. A number of outstanding economists have indicated that one of the major reasons for leaving is that they feel they are not being fully utilized. Staff and employees in all job streams want to feel that they make a difference -- they want to be more than robots following orders. They want to be included in meetings at which decisions are made, they want to be part of the planning process, and they want to be given tasks commensurate with their skill levels.

They are prepared to give their all when circumstances dictate, but they resent the arbitrary use of authority. Staff complain of mission chiefs who create false emergencies because they plan poorly and lack organizational skills. This leads to unnecessary and abusive sleep deprivation. Problems persist with other managers as well, as evidenced by the significant number of inquiries I receive each year where the only complaint is "management style." Yet, as I have pointed out in each of my previous reports, poor managers who enjoy the support of their department head seem to be untouchable. When I ask what action is being taken to improve the situation, the answer given is to wait until they retire.

The Report of the Focus Group on "Job Satisfaction and Work Responsibilities of Economists at the Fund," dated October 21, 1998, discusses this issue, pointing out that improved training for new managers has not solved the problem because many managers were appointed before the new training requirements, and there is little incentive for managers to improve managerial skills.³ The feedback I receive indicates these concerns apply to noneconomist managers as well. The Group's recommendation to incorporate a mandatory Subordinate Appraisal of Supervisors into the annual performance review deserves prompt consideration.

Written Performance Reports for Department Heads. The culture of control is reinforced by the gap in accountability of department heads on personnel management issues. Presumably, serious mistakes in the substantive work of economist departments are addressed. But staff and employees tell me that Management rarely holds department heads accountable for inappropriate personnel practices and feel that they serve at the mercy of these powerful department heads. Both my predecessor and I have also commented upon this phenomenon. Indeed, other department heads and SPMs sometimes tell me in confidence that they too are annoyed that the inappropriate behavior of some of their peers is not addressed.

³ To access this Report, go to the Fund's internal web site ⇨ Departmental Bulletin Board ⇨ Administration Department ⇨ Current HR Issues.

The wide variation in personnel management practices among departments has also been cited by departing economists as a factor prompting them to leave the Fund for positions in the private sector. No one questions differences in management practices linked to legitimate differences in the work of a particular department. But staff and employees should not need to adjust to wide variations among departments simply because of the personal styles or idiosyncrasies of senior managers. The gap in accountability for department heads can be closed through effective use of written performance reports and specific criteria, with appropriate incentives for good management practices.

Economists as Senior Managers of Noneconomist Departments. The insular nature of Fund culture is intensified by the practice of appointing B-level economists -- with no prior experience or training in relevant fields -- as department heads, deputies, or other Front Office positions in noneconomist departments. The problem is compounded when neither the department head nor the deputy has professional skills in the relevant areas, and when the work of the department requires an entirely different type of expertise.⁴ The rationale usually offered is that the Fund has such a unique culture that only those with extensive Fund experience can operate effectively at senior levels. But the ability to write a Board paper or maintain good rapport with other economists are not the only skills needed in noneconomist departments. Employees wait while problems fester and grow worse because those in authority need to educate themselves on rudimentary issues before making a decision. In other instances, obvious issues were overlooked at the planning stage, creating time-consuming problems later on. The effectiveness of capable lower level staff who do have relevant professional experience is reduced. Their managers do not always know when to ask for input, and when they do, often lack the experience needed to recognize and implement more productive methodologies. The Articles of Agreement indicate that in appointing staff, paramount importance should be given to securing the highest standards of efficiency and technical competence. Better decisions are made, and made faster, when those making the decisions have the appropriate depth of experience and training in the relevant field.

Contractual and Vendor Employees. Each of my previous reports has identified the arbitrary and unfair treatment of contractual and vendor employees as a major systemic problem at the Fund, and stressed how inappropriate it is for an international organization to hide behind its immunity and engage in employment practices that would not be tolerated in member countries. Both contractual employees and regular staff are frustrated by the lack of rational policies. A paper on Categories of Employment was forwarded to the Executive Board on December 4, 1998, and is scheduled for discussion in January. It addresses important issues of fairness, equity, and costs. Although the time frame for resolving issues

⁴ Of course, at the Fund, as well as at other organizations, some individuals make a decision earlier in their careers to change their field. These cross-over economists who have a demonstrated commitment to a new field may bring valuable insights to their chosen noneconomist department.

is rather long, it does propose a framework for revised policies that will go a long way toward resolving the problems associated with the different employment categories at the Fund. I recommend that it be given prompt consideration.

It is in the Fund's best interest to act promptly on this issue. In a recent case involving a long-term contractual employee of the Asian Development Bank, the Administrative Tribunal of the ADB held that a contractual employee who worked under a series of contracts and extensions for 14 years was a de facto member of the regular staff, and ordered the Bank to pay certain pension and other benefits with retroactive effect. Decision No. 24, January 6, 1997. In particular, the Tribunal notes, at paragraph 27:

"The Tribunal holds that recourse to successive short-term or temporary contractual appointments to jobs which are essentially of a permanent nature is not a fair employment practice, particularly if such appointments can be shown to have been made only to deny employees security of tenure or other conditions and benefits of service. Such appointments are permissible only if they have a clear functional justification and rationale in the exigencies of management and the nature of the job in question, and are subject to limitations based on norms of good administration."

A number of vendor employees may also meet the criteria of de facto employees.⁵ In one particularly vivid case, where a vendor employee was clearly a de facto employee of the Fund and was summarily dismissed, the circumstances represented a denial of even minimum due process. There were serious management problems, including a violation of Fund ethics provisions and allegations of salacious misconduct, that made it an appealing case from a plaintiff's perspective. Fortunately for the Fund, this particular vendor employee did not litigate or publicize the matter, but it is difficult to predict what could happen in the future.

Overqualified Employees. Another source of simmering discontent at the Fund is the large number of noneconomist contractual employees and regular staff employees who are overqualified for the positions they hold. Contractual employees, eager to gain a foothold in the Fund, may accept positions far below their experience and qualifications. Many are eventually converted to staff and are promoted one or two grades. Ultimately, however, they become bitter and disillusioned when they realize that there is little likelihood of ever achieving a position commensurate with their qualifications. With regard to regular staff, many noneconomists have obtained graduate level degrees through the ISP III program. The criteria for approval is that the program of study "... must be directly related to work that the

⁵ See Paragraphs 30-33 of Decision 24 for a discussion of the criteria applied by that Tribunal to determine employee status. Under U.S. common law, an individual who performs services for an organization is an employee if the organization can control what will be done and how it will be done. See IRS Publication 15A for further information.

staff member is already performing in the Fund *or may be expected to perform within a reasonable period of time.*" [Emphasis added] See GAO 7, Annex III, Section 3.03.2. Yet, after years of hard work and expense obtaining these advanced degrees, most never get promoted to a position permitting them to make use of the skills acquired with their advanced degree. I recommend that the Fund review this issue and give some thought to formulating policies that have a more productive outcome.

Greater Utilization of Existing Policies. A number of Fund programs could enhance the quality of life for employees and reduce stress but are underutilized. Strong support from Management is needed to increase utilization, and performance reports for department heads should address progress, or lack thereof, in these areas.

- **Annual Leave.** Staff and employees at all levels need to be encouraged to make adequate use of their annual leave, notwithstanding the heavy workload.
- **Compensatory Leave for Headquarters Staff.** GAO 13 authorizes compensatory leave for prolonged periods of intensive overtime at headquarters, yet some departments refuse to authorize compensatory leave unless the overtime is accumulated on mission. The global financial crisis has greatly intensified the workload for headquarters staff as well as those on mission. It is pointless and discriminatory to provide compensatory leave to one and not the other. Compensatory time should be allocated, as authorized by GAO 13, to all staff who put in intensive overtime.
- **Working at Home.** GAO 15 authorizes working at home, yet staff members at all levels are reluctant to request permission. I am told that face-time is everything at the Fund. This is a very counter-productive attitude. Working at home is particularly suitable for tasks that require intense concentration. In fact, senior staff may find it especially productive to work at home, away from the interruptions of the office. It is generally more productive for some tasks, and should be viewed with favor, rather than discouraged.
- **Part-time Work.** Studies show that part-time workers are more productive than full-time workers in all types of jobs, including professional positions. Part-time workers increase productivity and should be viewed as part of the solution to the workload issue, not as a problem to be avoided.
- **Alternative Work Schedules.** The Fund should experiment with alternative work schedules that suit the Fund. If the concern is that people will not be available when you need them, "core time" periods can be arranged to ensure availability. Flextime has been widely implemented in many environments in the U.S. government and the World Bank. The Fund environment is simply not that different; it should be implemented at the Fund.

Status of Previous Recommendations

Commendations. In spite of the heavy workload, a great deal has been accomplished in the past year. Special commendations are in order for the following:

- **Fund Ethics Program.** The Code of Conduct, issued in July 1998, achieves a good balance between giving general principles and providing specific advice and examples. The new ethics web site is excellent,⁶ and efforts are underway to implement a system of financial certification and disclosure. Further ethics training is needed, particularly for managers, since they set the standards and have authority to answer employee questions.
- **Job Grading.** In my last report, I noted the high level of frustration on the part of both managers and staff regarding job grading; in particular, the frustration caused by the lack of transparency. The new web page of the Compensation Division is excellent and is a valuable resource for staff and managers alike. As a result, I have had fewer complaints on job grading issues, and those that I have had focus on the merits of the issues, rather than reflect the anger and frustration that used to accompany the lack of transparency.
- **Improvements in Review Committee List Procedures.** In my second Annual Report, I recommended that review committee procedures be made more transparent and objective. The perception was that success or failure before the Review Committee turned on gossip and/or personal friendships rather than on objective evaluations. Review Committee List procedures have been improved. The new process keeps the focus of Committee deliberations on objective factors and specific behaviors. While evaluations of promotion potential to senior level positions always involve some subjective judgment, particularly when the group of candidates is so closely competitive, the changes have definitely imposed greater objectivity on the process. Similar procedures should be implemented for the other Review Committee procedures, and all procedures should be posted on the Fund's intranet.
- **Overall Increase in Transparency; ASAP.** The most dramatic improvement in the four years of my term has been the increase in transparency regarding personnel policies and practices, thanks largely to increased use of the Fund's intranet. The addition of the new Automated System of Administrative Procedures (ASAP) is particularly appealing with its links to other web sites. There have also been improvements in the clarity of the language used. While the use of unexplained and/or open-ended qualifiers such as "generally" or "normally" has not been

⁶ To access the ethics web site, go the Fund's internal web page ⇨ Bulletin Board ⇨ Staff Information, Ethics and Staff Conduct.

eliminated, such qualifiers are used less frequently. Remaining goals are to fill in the gaps in coverage,⁷ finish updating the GAOs, increase the clarity and modernize the format of GAOs, and allow nothing to become effective until it has been published to staff.

- **401(k) Retirement/Savings Plan for Contractual Employees.** In my last report, I recommended that a 401(k) plan be established for contractual employees as soon as possible. ADM responded promptly and, although some technical issues have been encountered, is moving forward and hopes to have a plan in place for both U.S. nationals and non-U.S. nationals sometime in the first half of 1999. This is prompt action on an important issue.

Access to Records -- PeopleSoft. In my last Annual Report, I informed staff and employees that I was being denied access to 11 PeopleSoft modules⁸ in violation of the Ombudsperson's Terms of Reference and under circumstances that limited my ability to assist staff and employees in the resolution of employment-related disputes. I am pleased to report that access to 6 of those 11 modules has been provided,⁹ and most of the information in the remaining 5 modules is to be provided early in the new year.¹⁰ There are some

⁷ In particular, an up-to-date version of the contractual employment manual should be put on the web.

⁸ These 11 modules were: (1) Home Leave, (2) Loan System (i.e. salary advances) (3) Tax Equivalency Allowance, (4) Resident Representative Data, (5) Technical Assistant Experts, (6) Active Participant System, and (7) Retired Participant System, (8) Payroll Data, (9) Payroll Time Reporting, (10) Paysheets, and (11) Tax Allowance. The first seven modules are shared by ADM and TRE. The last four are controlled by TRE.

⁹ Access to modules (1) through (7) listed above was provided on or about April 3, 1998. However, on July 16, while attempting to research several retirement issues, I discovered that access to the Retired Participant module had been removed, without notice or discussion. As a result, I now have access only to modules (1) through (6).

¹⁰ Management's decision was announced to staff in the Administrative Circular dated October 27, 1998. The Administrative Circular alludes to "cost efficiency." This refers to the fact that, rather than having access to the actual PeopleSoft database, a separate database will be established for the Ombudsperson. BCS advised that it would be less expensive to establish a new database than it would to make the necessary modifications to the original PeopleSoft database. Management's decision further advises that information that is not to be disclosed to the Ombudsperson will show as a zero entry or a blank on the actual screen; that the Ombudsperson will have access to all screens that show final information, but not to temporary worksheets,

(continued...)

underlying issues to be pursued, but it is good to have closure on the difficult and time-consuming access issue. Although Management's decision on PeopleSoft access is an improvement over last year, it is not yet fully consistent with the Terms of Reference.¹¹ Accordingly, SAC and Management may want to revisit the Terms of Reference to ensure that it is consistent with actual practice.

During the years this issue has been under discussion, two things have become clear. First, staff and employees are far more worried about the extent to which others at the Fund have access to information in PeopleSoft than they are about access by the Ombudsperson. I have received hundreds of comments to this effect, and some requests to investigate allegations of inappropriate access.¹² Secondly, informed judgments cannot be made without some familiarity with the database itself. Accordingly, it would make sense to provide for input from the staff on access issues, rather than rely on unilateral decisions by Management. One way of doing this would be to form an employee committee, as I have

¹⁰(...continued)

that the separate database will be updated weekly; and that ADM, LEG, and TRE will determine the actual fields and records that will be excluded.

¹¹ Management's decision states that information "such as" deductions from salary for mortgages, car payments, alimony and child support will not be provided to the Ombudsperson. This information, like any deduction from an employee's paycheck, is uniformly recognized as employment-related, and therefore included within the scope of the Terms of Reference. Actually, this way of characterizing the issue is somewhat misplaced. The demonstrations and explanations provided by TRE revealed that there is no information in PeopleSoft referring to mortgages, car payments, alimony or child support. The screens show only the identity of the outside institutions and the amount, for example, "allotment to credit union\$200." There is no reference to what the allotment is for, e.g., mortgages or car payments.

The use of the qualifier "such as" should also be noted. I was told this term was illustrative rather than exhaustive, the inference being that other information will also be withheld. To date, I have not been advised as to the nature of these other items.

¹² Restrictions have been placed on the Ombudsperson's ability to investigate allegations of inappropriate access. I have been told that the Ombudsperson must first obtain the permission of the department that controls the module (TRE, ADM, or both), or of Fund Management, before BCS is authorized to respond to questions about the access of others to PeopleSoft. These restrictions are also inconsistent with the Terms of Reference, which specify that individuals are to cooperate with the Ombudsperson and make all information available, and that the Ombudsperson may make contact with those involved "at any stage." See, in particular, paragraphs 3 through 5.

suggested to SAC and Management, to acquaint themselves with the database generally, and the access granted to the Ombudsperson and others at the Fund. The committee could then make informed recommendations to Management on access to PeopleSoft by others at the Fund, as well as access by the Ombudsperson and proposed revisions to the Terms of Reference. In this way, informed decisions can be made based upon a consensus of those most affected -- staff and employees.

Previous Recommendations. Table 6 summarizes the progress, or lack thereof, on issues and recommendations in prior reports. Though much remains to be done, it is gratifying to see significant progress over the past four years.

Table 6. Status of Previous Recommendations

Issues and Recommendations	Status/Comments
Management Style/High Level of Anger and Distrust, Reports 16-19	Number of cases down from year-one levels, but still remarkably high considering that this category includes only cases where there is no other issue.
Lack of Transparency with Regard to Personnel Policies and Practices, Reports 16-19	Dramatic improvement since 1994 (see comments in this Report).
Contractual and Vendor Employees: Need for Fair and Equitable Policies, Reports 16-19	Problem continues (see comments in this Report).
Contractual Employees: Need for Retirement Plan, Reports 18 and 19	Good progress (see comments in this Report).
Direct Mobility, Reports 16 and 17	Some progress on mobility, but new approaches needed for A4-A6 assistants.
Need for Written Performance Reports for Department Heads, Reports 16-19	Gap in accountability continues (see comments in this Report).
Change the Fund's Smoking Policy, Reports 16-18	Implemented; new policy became effective on August 18, 1997.
Security of Staff on Mission (Mr. Hong), Reports 17 and 18	Staff has greater awareness of their vulnerability, but there have been no changes made in requirements imposed on member countries. Mr. Hong is still in jail.
Lack of Consistency across Divisions and Departments in Annual Performance Reports, Reports 17 and 18	Good progress. Reduction in number of complaints suggests that problems discussed in Seventeenth Annual Report and Semi-Annual Synopsis of May 9, 1996 have abated.
Stress from Heavy Workload: Strategic Planning Needed; Improve Usefulness and Reliability of BRS Data; Monitor Leave, Travel, Training, Reports 17-19	Efforts are being made, but fundamental changes are still needed (see comments in this Report). No improvement in the usefulness or reliability of BRS data. Greater Management support is needed to fully implement other stress-reducing policies.
Improve Review Committee Procedures, Reports 18-19	Very good progress with regard to Review Committee List procedures (see comments in this Report).

Issues and Recommendations	Status/Comments
Issue Rules on How To File A Pension Case with the Administrative Tribunal, Reports 17 and 18	Rules are still in the drafting stage -- six years after the Administrative Tribunal was established in 1992.
Name Interim Ethics Advisor, Reports 17 and 19	Fully implemented, click on "Questions" on the ethics web site (see comments in this Report).
Transfer of BCS Teams, Report 18	Effective solutions agreed upon in 1997. Awaiting final outcome on May 1, 1999.
Discrimination Review, Report 18	Review near completion. Awaiting Management's final report to staff and employees.
Need for Fund Ethics Program, Reports 18 and 19	Excellent progress (see comments in this Report).
Issue Written Procedures for Handling Harassment Complaints. Report 18	Recommendation accepted and will be implemented.
Access to Records -- PeopleSoft, Reports 18 and 19	Management's decision provides access to most of the information requested but the formation of an employee committee is recommended to ensure that the Terms of Reference conform to actual practice, and to make recommendations on access issues generally (see comments in this Report).
Blaming the Victim, Report 18	Awareness increased, but tendency is still deeply embedded in Fund culture.
Job Grading -- Improve Transparency, Reports 18 and 19	Excellent progress (see comments in this Report).
Eliminate Preference for Supervisory Staff in Separation Benefit Fund Criteria, Report 18	Recommendation rejected by ADM.