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To: Members of the Committee on Administrative Policies
From: The Committee Secretary
Subject: Developmental Learning

There is attached for the consideration of the Committee on Administrative Policies a paper on developmental learning. A proposed decision appears on page 4. This subject will be taken up at a meeting of the Committee to be held on a date to be determined.

Mr. Gollé (ext. 7389) is available to answer technical or factual questions relating to this paper prior to the Committee meeting.

Att: (1)

Other Distribution:
Members of the Executive Board

INTERNATIONAL MONETARY FUND

Developmental Learning

Prepared by the Administration Department

Approved by Graeme Rea

March 14, 1990

This paper reviews the Fund's policy regarding developmental learning, and proposes an extension of support for such learning by facilitating access to graduate level study under Individual Study Program III (ISP III).

Individual Study Program III was established in 1969 on the basis of a proposal set out in EBAP/68/167 (10/21/68) and modified by EBAP 68/208 (12/19/68). At that time, Executive Directors strongly endorsed the programs with the general view that it would benefit the Fund and staff equally and would increase the quality of the staff. ^{1/} The program, as set out in General Administrative Order No.7, Revision 1, Annex III, supports undergraduate level study outside working hours in the main areas of Fund work or in the field in which the staff member is working, as well as graduate level study directly relevant to the work the staff member is already performing in the Fund or may be expected to perform within a reasonable period of time. The program has not been revised since its inception.

I. Background

Learning that benefits staff and their employers can be divided into three broad categories which, while conceptually distinct, sometimes overlap in practice: (i) training in areas directly related to the present job of the individual; (ii) education to prepare the individual for a different assignment for which the staff member has either already been earmarked or to which the staff member can reasonably aspire; and (iii) development of the individual through the broadening of general knowledge; this type of learning is not directly related to the individual's current job nor for a specific position for which the staff member has been earmarked. Many organizations support

^{1/} All regular and fixed-term staff members, and assistants to the Executive Directors, who have at least six months' service with the Fund and have demonstrated satisfactory performance in their present position, are eligible to participate in the program.

these various approaches to enhancing employees' skills and general knowledge base as a means of encouraging career development, opening up wider opportunities to staff, and strengthening the human resource base of the organization. A survey of the policies of some private and public organizations in this area was undertaken and the results are provided in Attachment I.

The Fund currently supports the three types of learning to varying degrees through the following programs: external training, in-service training (i.e., training received within the Fund during working hours), part-time study outside working hours, study leave at full pay, study leave at half pay, and study leave without pay. 1/ While the Fund's policies have primarily focused on training and education, they have also provided some support for developmental learning by reimbursing 75 percent of the tuition of all courses completed successfully as part of an undergraduate degree program where the main field of study has been in an area of the Fund's work (ISP III). 2/ ISP III also covers education at the graduate level, but only if the course or program of study is related to the work that the staff member is already performing in the Fund, or may be expected to perform within a reasonable period of time.

Over the last five years, the primary participants in ISP III have been staff members in Grades A1 through A8 (Attachment II). Participation has varied from about 80 to 100 staff members per year and the annual cost to the Fund has fluctuated in the range of \$80,000 - \$110,000. For the period FY 1985-89, the main areas of study in this program have included (in order of participation) economics, business, and data processing.

A number of factors make it desirable to provide greater support for developmental learning. Such learning enables staff members to attain a broader perspective and enhances their problem-solving capabilities. It will also provide them with the opportunity to develop knowledge useful to the institution in the longer term. As a result, developmental learning broadens mobility opportunities for staff within the Fund and, in some cases, externally. In an environment of slow organizational growth, it is particularly important that opportunities be made available to qualified staff to increase their professional versatility and sustain their motivation. The importance of the above factors was recently recognized by an interdepartmental working group

1/ These programs are described in General Administrative Order No.7; recent trends in training expenditures are summarized in EBAP/89/86; 3/31/89 (page 42).

2/ Eligible areas include economics, statistics, mathematics, computer sciences, accounting, management sciences, business, public and personnel administration, and languages used in the Fund.

which recommended enhancing the Fund's policies in support of developmental training.

There are some potential disadvantages associated with expanding developmental learning opportunities. Staff members might form unrealistic expectations that the institution would automatically provide them a job in a new career track for which they had undertaken studies. This risk can, however, be minimized with proper career counseling to emphasize that opportunities for career changes within the Fund would be made available to qualified staff only on a competitive basis and as the staffing situation permits. There are also cost implications, but liberalized access to developmental learning could be set up in such a way as to appropriately share the cost between the organization and the staff.

II. Enhancement to Policies Governing Developmental Learning

In order to enhance the incentives for developmental learning, it is proposed to expand access to part-time study outside working hours under ISP III to include support for developmental learning through course work at the graduate level in the main areas of work in the Fund.

With the proposed change, the program would be administered as follows. A staff member who pursues graduate-level training in a field related to his or her job would continue to be eligible for reimbursement at the 75 percent rate, as currently provided for under ISP III. However, a staff member who pursues graduate-level training in a field not related to his or her job but related to the main areas of Fund work as defined above, would henceforth qualify for reimbursement at a rate of only 50 percent. 1/ To contain further the cost of the proposed enhancement in developmental training, it is recommended that no more than six courses in a given calendar year be approved per staff member. It is also proposed that all staff members on part-time employment would be eligible for reimbursement on a prorated basis related to the number of hours worked. 2/

Given the proposed reimbursement rate, and assuming a one-third increase in staff participation in ISP III as a result of this

1/ It should be noted, however, that reimbursement at any level is contingent on having the courses approved in advance and having successfully completed the course(s).

2/ At present, a staff member working half-time is eligible for reimbursement under ISP III at the rate of 37.5 percent of tuition cost. Under the proposed enhancement to developmental training, such a staff member would be eligible for reimbursement at the rate of 25 percent of tuition costs.

proposal, the annual cost of ISP III is estimated to increase by approximately \$20,000, or about 2 percent of the Fund's total training budget. 1/ No supplementary budgetary allocation for FY 1990 is requested to accommodate the proposed change.

III. Proposed Decision

Accordingly, the following draft decision is proposed for adoption by the Executive Board:

"The "Individual Study Program III" policy is expanded to include support for developmental learning through courses or programs at the graduate level in the main areas of work in the Fund. The Fund will reimburse one half of the tuition and laboratory fees for the approved courses that are successfully completed and that have been approved by the Fund in advance."

Attachments

1/ From the sample data of those who have participated in ISP III in the past, it is projected that, if ISP III were expanded to include developmental learning for graduate courses in non-job-related areas, the participants would primarily remain the same and would include largely noneconomist staff in Grades A1 to A15.

Tuition Reimbursement in Other Institutions

This attachment summarizes policies and practices regarding developmental learning in selected organizations. In most institutions surveyed where developmental learning is supported, the learning takes place outside of working hours. The only exception among surveyed organizations is the National Bank of Belgium, which provides developmental support during working hours by allowing a certain amount of leave to pursue study. Institutions surveyed which support tuition reimbursement for developmental learning both at the undergraduate and graduate level include the National Bank of Belgium, the Central Bank of the Netherlands, the General Electric Company, and IBM.

a. The World Bank - No developmental learning is approved in principle but exceptions may be made for study for undergraduate and graduate degrees if required to match a clearly identifiable skills need or support a change in the staff member's job requirements or a move from one career stream to another. The World Bank's training program is decentralized and the policy is administered at the discretion of the manager. Tuition reimbursement is 100 percent.

b. Federal Reserve Board - The Federal Reserve Board (FRB) supports developmental training at the undergraduate level which is relevant to the job and/or the work of the organization; however at the graduate level all training must be relevant to the job, which is the same policy as that of the Fund at present. Approved courses are reimbursed at 100 percent.

c. The National Bank of Belgium - The National Bank of Belgium has for some time subsidized work-related courses for support staff that are taken after work hours. In addition, two years ago the Bank expanded the policy to professional staff. The tuition reimbursement is now 100 percent if the course is related to the staff member's current job, and 50 percent otherwise. For approved courses, up to ten supplemental days of annual leave for studying and exams can be approved for professional staff. For support staff, up to 33 days per year of leave can be approved for undergraduate studies.

d. The Central Bank of the Netherlands - This institution provides tuition reimbursement at 100 percent for courses that are relevant to the Bank, but not necessarily related to the staff member's current job, pays for university fees and books, and provides time off for exams.

e. The General Electric Company and IBM - Both organizations support all courses taken by professional and support staff at an accredited university outside working hours. Reimbursement is at 100 percent. The courses do not need to be job-related or related to the work of the organization.

Individual Study Program III (FY 1985-89)

| | 1985 | 1986 | 1987 | 1988 | 1989 |
|-----------------------------------|---------------------------------------|----------|----------|----------|----------|
| | <u>(In number of staff)</u> | | | | |
| Staff in Grades A1-A8 | 65 | 65 (64%) | 55 (61%) | 54 (63%) | 51 (66%) |
| Regular staff | | (59) | (49) | (46) | (44) |
| Sec. Assts. to Exec. Directors | | (6) | (6) | (8) | (7) |
| Staff in Grades A9 and above | 37 | 37 (36%) | 44 (39%) | 32 (37%) | 26 (34%) |
| Economists | (6) | (4) | (10) | (9) | (7) |
| Research Assistants/Officers | (5) | (9) | (8) | (5) | (4) |
| Non Economists | (20) | (22) | (22) | (16) | (12) |
| Assistants to Executive Directors | (6) | (7) | (4) | (2) | (3) |
| Total | 102 | 107 | 99 | 86 | 77 |
| | <u>(In course work participation)</u> | | | | |
| Number of courses | 281 | 266 | 282 | 224 | 185 |
| Main area of study: | | | | | |
| Economics | (28%) | (36%) | (31%) | (3%) | (n/a) |
| Business | (15%) | (13%) | (18%) | (11%) | (n/a) |
| Data Processing | (14%) | (8%) | (8%) | (9%) | (n/a) |
| Other | (43%) | (43%) | (43%) | (44%) | (n/a) |
| | <u>(In U.S. dollars)</u> | | | | |
| Actual expenditure | 98,000 | 86,000 | 103,000 | 111,000 | 90,000 |