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To: Members of the Executive Board  
From: The Acting Secretary  
Subject: The Fund's Personnel Policies and Objectives

The attached memorandum by the Acting Managing Director on the Fund's personnel policies and objectives provides background information for the Executive Board discussion of the budgetary outlook in the medium term (EBAP/92/167, 12/24/92) tentatively scheduled for Friday, January 15, 1993.

Mr. Goltz (ext. 37387) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

Att: (1)

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To: Members of the Executive Board

January 4, 1993

From: The Acting Managing Director

Subject: The Fund's Personnel Policies and Objectives

In March 1991, a paper on the Fund's personnel policies and objectives (EBAP/91/46) was issued as background for the Board discussion of the Medium-Term Budgetary Outlook. It was discussed by the Board in July, 1991. This paper provides an update to the 1991 paper, as background for the Board discussion of the latest budgetary outlook in the medium term. Its purpose is to highlight the principal objectives of the Fund's personnel policies, and to describe recent initiatives designed to strengthen the Fund's recruitment and retention capabilities and to enhance the productivity of staff, as well as to relieve excessive work load pressures where this is practicable. The paper also emphasizes that the success of these initiatives depends upon significant progress in redressing the imbalance between work load and available staff resources that was described in the 1991 paper.

Part I outlines the objectives guiding personnel policies and strategies, and reviews a range of measures taken before 1991 in pursuit of these objectives. Part II updates the information on the work environment and reviews current measures aimed at ameliorating some of the adverse effects of the continuing human resource imbalance. Part III summarizes other recent and planned personnel initiatives, and relates them to some of the results of the recent survey of staff views.

#### I. Summary of Personnel Objectives and Initiatives

The 1991 paper on Personnel Policies and Objectives noted that in recent years there have been significant changes within the Fund and in its external environment. The institution has been called upon to respond to a wide range of new demands which increased the scale, complexity and focus of its operations and activities. At the same time, changes have been taking place in the underlying values and goals of the institution's staff. Perceptions have shifted about the appropriate balance between work and personal lives. Opportunities to learn and to develop new skills, information sharing and communication with staff, flexibility of internal regulations, greater transparency in the implementation of personnel policies, and increased staff interest in participating in the decision-making process have become increasingly important new elements which need to be seriously considered to attract and retain a multinational staff of the highest standard of efficiency and technical competence.

In this context of greater work demands and changing external conditions, the Fund's personnel policies and practices need to be directed towards three main objectives:

- (1) maintaining and strengthening the ability of staff to handle complex assignments and encouraging them to develop their fullest potential, through continuing education and training and internal/external mobility programs;
- (2) sustaining the motivation of staff through (i) challenging assignments, (ii) an overall compensation package that is sufficiently competitive to attract and retain high caliber staff from a broad nationality distribution, (iii) a working environment that is stable and secure while encouraging the separation of staff whose performance did not meet Fund standards, and (iv) opportunities for career progression and growth; and
- (3) encouraging and enhancing managerial skills so that managers at all levels are better able to maximize staff productivity, and to develop and motivate staff to meet the demands on the Fund.

Over the past decade, a variety of measures have been adopted to help promote these personnel objectives. During the 1980s, recruitment policies were strengthened and efforts were made to broaden the nationality and gender distribution of the staff by increasing recruitment contacts throughout the world. The Economist Program, which is the principal vehicle for recruiting career economists, was enlarged. The policy of initial appointment of all professional staff on a fixed-term basis was introduced in order to allow the institution to carefully evaluate the appointees over an extended period on the job before a decision is taken on conversion to regular staff status.

The new job grading system introduced in 1986 sought to rationalize the grading of positions Fund-wide in response to the concern highlighted by the Kafka Committee (1979) that some jobs were not appropriately aligned either internally with other jobs or externally in relation to the market. As recommended by the Kafka Committee a similar grading system was put in place by the World Bank. The new grading system has helped to establish a more systematic structure of job and grade standards; in particular it has provided a more explicit framework for making judgments on the establishment of new jobs, the redeployment of existing jobs, and promotions at all levels. Of course, rapid changes in the Fund and in responsibilities of many staff members imply that the system must continue to evolve in a flexible manner.

The job grading system also helped provide the basis for a new compensation system introduced in 1989. The system, which was simultaneously adopted by the World Bank, provides a more effective means of setting and maintaining the competitive position of the Fund and Bank externally. The new system also provides for greater differentiation of individual pay adjustments linked to performance. In addition, the Fund and the Bank decided to review staff benefits every four years to ensure that their value is kept broadly in line with comparable public and private

sector organizations. A comprehensive revision of the Staff Retirement Plan was also undertaken and completed in 1990.

Considerable efforts were made to strengthen the performance appraisal process. The format of the annual reviews were changed to provide staff with more precise information regarding performance and potential, to improve the information available to those taking decisions on Fund-wide promotions and reassignments, and to bring about a closer link between performance and merit pay. In addition, a system of four- and eight-year performance appraisals was introduced to review an individual's performance, development and career potential over a longer time period. In order to improve communications between staff and supervisors and to provide feedback to supervisors on the way they perform their managerial functions, a voluntary procedure for the appraisal of supervisors by their subordinates was introduced in late 1990.

The procedures governing the work of the Review and Senior Review Committees, which consider proposals for promotions to and external appointments at Grades A14 to B4, were strengthened. In particular, both Committees began to more explicitly evaluate candidates against specific assessment factors. While continuing to pay due regard to technical skills, both Committees are also now expected to place greater emphasis on versatility, managerial and diplomatic skills, and overall leadership qualities. Detailed terms of reference for these committees which describe the promotions criteria and factors to be considered by the committees were developed, and formally issued in May 1992.

Measures were adopted to improve the overall quality and versatility of the staff. Particular emphasis was given to training in the EDP area in support of Fund-wide automation efforts. A Career Development and Learning Center was established to help staff strengthen or acquire new skills. A new Management Development Program was introduced in 1986 to strengthen the managerial skills of supervisors. Efforts were intensified to encourage and facilitate staff mobility, including at senior staff levels, both as a career development tool and to increase staff flexibility and versatility. The value of continuing education and mobility has been particularly apparent in recent years when, in response to a significant expansion in the scale and diversity of the workload, it became necessary to redeploy existing staff resources on a significant scale.

Initiatives aimed at improving the quality of the staff were accompanied by measures to identify less productive staff and, if performance could not be strengthened to a satisfactory level, to facilitate their separation, in some cases with the provision of appropriate financial and outplacement assistance.

## II. Review of Progress in Redressing the Human Resource Imbalance

### 1. Review of current situation

As noted earlier, the paper on the Fund's Personnel Policies and Objectives issued early in 1991 discussed some of the main issues confronting the Fund at that time, including the fragile state of staff morale. It pointed out that, over the previous three or four years, a significant imbalance had developed between the demands placed on the Fund and the staff resources available to meet these demands. This was reflected in such indicators as per capital mission load, deferred and lost annual leave, excessive uncompensated overtime, insufficient staff time allocated to continuing education and training, and insufficient time being given by managers at all levels to the critical tasks of supervising, guiding, training and developing their staff. While noting the steps taken to improve personnel policies and procedures, the paper warned that staff motivation and productivity could not be sustained unless meaningful steps were taken to redress the human resource imbalance.

This objective has become a central feature of the management's medium-term budget strategy. On the supply side, there has been a significant increase in the past two years in the number of budgetary positions, particularly those allocated to the front-line economist departments, and a major recruitment drive has been undertaken to fill these positions. There was a net increase of 98 staff during FY 1992 and of 142 during the first semester of FY 1993, for a total net increase of 240 staff members in one and a half years. At the end of the first semester of FY 1993, the number of unfilled vacancies at all grades was about 100 (roughly 5 percent of total staff), or slightly above the rate that has prevailed in the past. In the second half of FY 1993, it is estimated that there will be a net increase of 45 staff, that will lead to a total net increase of about 285 staff since the beginning of FY 1992.

In spite of the increase in staff resources, and serious efforts throughout the institution to improve efficiency, the resource imbalance has not improved, but rather has become more pronounced. This is particularly evident in the area and functional departments, but it also carries over into many support areas which have received little or no increments of manpower in recent years while having to cope with materially higher demands. The problem is reflected in the specific indicators described in the next section of this paper. This evidence is reinforced by the results of the comprehensive survey of staff views conducted towards the end of 1992, which was participated in by a very high percentage of staff. As many as 55 percent of all respondents thought that their work load was excessive, while two-thirds felt the work load adversely affected their personal health and private lives. Close to 60 percent of respondents were dissatisfied with the Fund's effort to help staff achieve an appropriate balance between professional and private lives. Among economists through the division chief level, three-quarters expressed dissatisfaction about the Fund's efforts in this area.

Of course, the survey reflects staff views on the current and past environment. As current vacancies are filled, newly recruited staff are trained and the large number of redeployed staff become fully conversant with their new duties, the full effects of the staff increases approved to date will become more evident. Improved work planning at all levels in the Fund, and enhanced coordination among departments, were also seen by many of the survey respondents as offering the potential to relieve some of the excessive work pressures. Efforts are also continuing in the institution to streamline managerial practices, to curtail lower-priority activities, to redeploy available resources to areas of the greatest pressure and to make the most effective use of these resources.

Some Executive Directors have asked whether the Fund has sufficient flexibility to reduce its staffing levels in the future, if the heavy and imperative demands that are driving the present increase should fall away. The answer is that both the Fund's appointment policies and its staff demographics would allow it to adjust to a lower staff complement quite smoothly and quickly should this prove warranted. It is estimated that, as a result of normal attrition through retirements, resignations and the expiration of non-renewable fixed-term appointments, some 110-130 staff members will separate from the Fund each year for the next few years. In addition, all new staff are appointed on an initial two or three year fixed-term basis, that would allow the Fund to separate staff in the event budgetary positions were to be scaled back below the level that could be accommodated by normal attrition. Guidelines have also been adopted recently for the conversion of fixed-term appointments to regular status, which explicitly take into account the staffing needs of the Fund as one key factor in the decision on whether or not to convert--as well, of course, as the staff member's performance and his or her potential for a successful Fund career.

## 2. Current measures to redress the resource imbalance

In an effort to reduce the adverse effects of the resource imbalance on individual staff members, a number of specific indicators of excessive work pressure have been selected, and a system has been set up for monitoring these indicators. The recent introduction of a detailed Budget Reporting System throughout the Fund has facilitated the establishment of this monitoring process. The Administration Department has begun to provide each department with a periodic report which tracks the status of and changes in the indicators as they apply to the department's own staff. Departmental managers will have the responsibility to examine the causes of excessive pressures, as revealed by the indicators, and individually or collectively will be expected to take appropriate corrective measures, as far as it is practicable for them to do so. These measures may include changes in management practices, allocating priorities to different activities which may result in some being deferred, reduced or eliminated altogether, and redeploying available resources. The Administration Department, the Office of Budget and Planning and, as necessary, the Deputy Managing Director will assist departmental managers in their efforts. For the present, attention

is focussing on five specific indicators, which are described in the following paragraphs.

a. Time allocated to supervisory/management functions

(i) Current situation

It has become increasingly clear that success of the Fund's efforts to enhance further the efficiency and productivity of its staff, and material improvement in the morale and well-being of the staff members themselves, depend critically upon improving both the quality of personnel management throughout the Fund, and the priority given to supervisory and managerial tasks. Fund managers are very effective at seeing that high-quality work is produced within tight deadlines, but too often this is achieved only at an unduly heavy cost to the staff who are contributing to that product. Under severe pressure themselves to meet the demands of operational and policy work, many managers do not and often cannot give sufficient time to trying to organize and allocate the work in the most efficient and balanced way, to communicating with their staff, to creating a positive work environment, and to motivating, training and developing the individuals under their command. This is one of the messages that came through clearly from the recent staff survey, and it is one which must be taken very seriously, since it affects the basic health of the organization.

The data from the Budget Reporting System for the first semester of FY 1993 indicated that the amount of time spent by B-grade staff on supervisory and personnel management functions was just over 11 percent of their total working time (Table 1). Time spent on those functions was only 9.3 percent of total activity for B-grade staff in area departments, and 7.0 percent for those in FAD, MAE, and PDR as a group. In other functional departments and in support departments, the comparable figures were 9.2 and 23.7 percent, respectively. While the Budget Reporting System is not a precise or perfect measure of the time allocated by B-level staff to supervisory/personnel management activities, all the available evidence points clearly to the conclusion that the amount of time currently being devoted to these activities is unduly low.

(ii) Initiatives and objectives

The additional staff resources proposed in the recent paper on the Budgetary Outlook in the Medium Term (EBAP/92/167), including those at the B-Grades, will gradually permit more time to be devoted to supervisory and managerial responsibilities. Although it is neither practical nor desirable to specify a precise amount of time that each senior staff member should devote to these functions, it is clear that most need to allocate substantially more time than they do at present, because of the positive impact this is likely to have on the more effective use of the Fund's resources and productivity in general. A doubling of the average time to at least 20 percent--equivalent to one day a week--would seem to be a justifiable institutional objective. The data that will be transmitted to departments



will include the time allocated by staff in B-Grades to these responsibilities. Departments will be expected to make efforts to increase the time spent by staff in B-Grades in guiding and developing their staff and to pay more attention to the effectiveness with which managerial functions are carried out.

b. Annual leave

(i) Current situation

The proportion of leave credited which was actually used by staff fell from 90 percent in 1986 to 87 percent in 1991, with only 84 percent for area departments and 80 percent for FAD, MAE, and PDR as a group (Table 2). Although there was a modest increase in overall leave utilization in 1991, the ratios for all departmental groupings remained significantly below those that prevailed in 1988-89.

As these figures indicate, the phenomenon of staff using significantly less annual leave than they are entitled to under Fund policies is widespread, especially at the B-levels, and is particularly marked in some departments. To a very large extent, this situation results from heavy work pressures that do not allow staff to take adequate amounts of leave.

Under Fund policies, a limit--normally 60 days--is placed on the amount of accrued annual leave that can be carried over from one year to the next. Annual leave in excess of the limit is lost. Reflecting the pattern of leave described above, accumulated excess annual leave (i.e., that portion of annual leave that cannot be carried over to the following year) rose from the equivalent of 7.5 staff years in CY 1990 to 9.7 staff years in CY 1991. Preliminary data for the first 11 months of CY 1992 suggest that the excess leave situation has deteriorated further.

(ii) Initiatives and objectives

The additional staff resources proposed in the medium-term budgetary outlook paper will, over time, help ease the workload pressures and permit supervisors to better plan their work and the work of their staff. Staff will have more opportunity to take reasonable amounts of their accrued annual leave, and the periodic reporting of annual leave balances will remind supervisors of the need to anticipate leave requirements when preparing their mission schedules. This, in turn, should gradually facilitate the reduction or elimination of excess leave balances. In monitoring progress in this area, the Administration Department will identify and make contact with individual staff members who are consistently under-utilizing their leave entitlement, as well as their supervisors, to determine the reasons for this, and the need, if any, for institutional intervention.

c. Official travel

(i) Current situation

Overall, the number of staff in Grades A9-B5 who traveled on Fund business in excess of 50 working days during a calendar year rose from an annual average of 114 in 1985-88 to 171 in 1990, before falling back to 153 in 1991 (Table 3). Of the 1991 total, 26 staff members traveled for 75 days or more. In the area departments, 86 staff members in Grades A9-B5 traveled in excess of 50 days (23 percent of area department staff in these grades), and 56 in FAD, MAE, and PDR as a group (26 percent of A9-B5 staff of this group). Preliminary data as of the beginning of December 1992 does not show any material improvement during 1992.

(ii) Initiatives and objectives

It is expected that the increased staffing levels proposed will, over time, facilitate the reduction in per capita official travel. To assist departments in monitoring travel, each department is being provided with periodic reports showing the accumulated official travel in excess of 50 days a year for each staff member, and drawing attention to cases where the amount of travel has become, or is likely to become, excessive. The need to monitor travel activities is reinforced by the results of the survey of staff views, which show that close to 60 percent of respondents consider a limit on the number of mission days away from headquarters helpful in reducing work pressures. Approximately 75 percent of the respondents in Grades A9-B5 regard three or four missions a year as acceptable.

d. Time spent on training

(i) Current situation

The average number of staff days spent in training rose from 3.7 in FY 1991 to 4.1 in FY 1992 for the staff at large, and from 2.1 to 2.2 for Grades B1-B5 staff (Table 4). The increase was mainly in the area of technology resulting from new office automation. The average number of staff days spent on training in FY 1992 was 4.9 in area departments, 4.4 for FAD, MAE, and PDR as a group, 3.3 in the other functional departments, and 3.9 in support departments. In almost all departments, increases in technology and language training offset declines in the non-technology and management areas. For an institution that depends as heavily as the Fund on up-to-date professional expertise, these numbers seem disturbingly low. It should also be noted that the average time spent in management training, which was only 0.3 staff days in FY 1991, fell to an even lower 0.2 staff days in FY 1992.

(ii) Initiatives and objectives

It is expected that the expansion in staff resources will, over time, permit staff to participate more fully in continuing education and

training programs. The reporting system being established will inform departments periodically about the numbers of staff and days spent in the various categories of training. These statistics will be updated on a semi-annual basis and distributed to all departments. It will, therefore, be possible to measure progress made to meet the objective set of providing each staff member with an average of seven days of training by FY 1994.

e. Overtime

(i) Current situation

For the first semester of FY 1993, uncompensated overtime as a proportion of regular working hours averaged 13.1 percent for staff in Grades A9-B5 on a Fund-wide basis (12.0 percent in Grades A9-A15 and 19 percent for staff in the B-Grades). These Fund-wide figures, obtained from the Budget Reporting System which covers only a six-month period, mask some exceptionally high overtime levels recorded by individual staff in certain departments. Staff in area departments accounted for 46.4 percent of the overtime, while FAD, MAE and PDR as a group accounted for another 22.9 percent.

(ii) Initiatives and objectives

It is expected that the further increase of staff will permit some reduction of uncompensated overtime, particularly in those departments with excessively high levels. The Budget Reporting System will allow quarterly data on overtime to be reported and inter-departmental comparisons to be made. Over the medium term, the target will be to try to reduce the average level of uncompensated overtime to 15 percent in those departments which currently exceed this level. However, the main effort will be to utilize the monitoring system to identify individuals who are recording exceptionally high overtime levels and these cases will be brought to the attention of the departments concerned. Together with excessive travel, the issue of excessive uncompensated overtime is of major concern in terms of the burden placed on many staff and their families.

III. Summary of Other Recent Personnel Initiatives and Future Plans

The results of the recent survey of staff views confirmed that the Fund staff are generally satisfied with job security, compensation and benefits, and the challenge and stimulation of the work itself. However, it also showed that concerns--in addition to excessive work pressures--were expressed by staff about the way personnel policies are implemented, weaknesses in current communication practices, and inadequate opportunities for reassignments. All Fund staff are currently participating in discussions on the survey results aimed at making recommendations for departmental and Fund-wide action that respond to the concerns raised in the survey. These recommendations for Fund-wide actions will over the course of the next several months be carefully considered by a specially constituted Task Force

that will make recommendations to the Managing Director and Deputy Managing Director. In addition, a number of measures had already been initiated prior to the survey which will help address a number of the concerns expressed in the survey and further promote the personnel objectives described above. These measures are not meant to be exclusive of more comprehensive ones that could be forthcoming from the Task Force.

1. Responsibility for implementation of personnel policies within departments

To help strengthen the implementation of personnel policies, a decision in mid-1991 was made to formally designate a Senior Personnel Manager (SPM), generally at the Deputy Director level, in each department to oversee and coordinate all personnel and related activities within that department, including recruitment and placement, performance and merit pay exercises, training and development, two-way communications and representation on the various Fund-wide personnel committees. Each Senior Personnel Manager acts under the overall guidance of the Department Director.

The main objectives are to help ensure greater consistency across departments in the implementation of personnel policies, to provide a central contact point in each department for discussions on personnel matters with the Administration Department and to oversee the implementation of personnel policies and procedures at all levels of the department. This approach also provides a central contact point in each department, in addition to the immediate supervisor, for staff members who wish to discuss personnel matters.

At the same time, a Personnel Committee (PC) comprising each department's SPM and chaired by the Director of Administration was established. The purpose of this Committee is to serve as a forum for the exchange of views on important personnel matters, to advise the Director of Administration and, in turn, the Managing Director and the Deputy Managing Director on new or modified personnel policies and practices, and to serve as an important channel of two-way communications between department staff and senior Fund managers. In June 1992, the PC established a Standing Committee in order to help determine the agenda for the PC and to examine in greater depth the papers or recommendations to be presented to the entire PC.

The items that have recently been addressed or will shortly be considered by the PC include a review of merit pay and performance appraisal policies; extension and diversification of training activities; departmental communications; role of departments in resource imbalance monitoring system; management development strategy; criteria for conversion of fixed-term appointees; treatment of unused annual leave; and review of the five-year term limit for research assistant appointments.

The Staff Association Committee (SAC) has expressed concern that the establishment of the Senior Personnel Manager function and of the Personnel Committee may have the effect of limiting rather than expanding communications about personnel policies and practices, as well as staff participation in decision making in the administrative and personnel areas. It is important that this must not be allowed to occur: indeed, one of the main messages of the recent staff survey is the need to spend more time and effort in developing communications with staff in all departments of the Fund. In particular, it needs to be emphasized that the establishment of the SPM function and the Personnel Committee does not substitute for contacts and consultations between the Administration Department and the SAC.

2. Expansion in access to education and training

The results of the recent survey of staff views indicate general satisfaction Fund-wide with the relevance and quality of the Fund's training programs. Two thirds of staff in all the grade groupings had favorable views on basic training policies, the eligibility criteria for internal programs, the relevance of training, and the quality of instruction in internal courses.

A number of improvements have, indeed, been made in recent years. The Orientation Program for new staff has been expanded and redesigned. The primary objective of this revised version is to familiarize participants with a range of key topics related to the Fund's role, operations, policies and services, to prepare them for Fund work, and to facilitate their smooth transition to the Fund environment.

The language training program has continued to expand in response to the increasing demands for Eastern European languages. In FY 1992-93, language training is expected to account for 34 percent of the overall training budget. An average of eight staff days per participant was spent in the language program for both FYs 1991 and 1992. However, the average amount of time spent by Grades A9-A15 is on the decline due to workload pressure.

Since May 1992, a new program of internal courses developed in the IMF Institute is beginning to offer Fund economists the opportunity to strengthen their knowledge of current thinking in macroeconomics as well as their quantitative skills.

In the field of management training, the number of staff days spent in in-service training showed a slight increase of 4 percent; most of this in-service training was in the one-week residential Management Development Program (MDP) and the Basic Supervision Skill Course. However, as the staff survey has shown, there is widespread dissatisfaction among the staff about the quality of personnel management in the Fund. A number of measures are being taken or considered to try to improve managerial skills. In particular: (i) it has been decided that henceforth participation in the

MDP will be mandatory for all staff within one year of being promoted or recruited to a B-level position; (ii) a comprehensive management training and development strategy based on evaluation of past experience and practices in other organizations is being developed; (iii) a management consultant is being employed to work on a one-to-one basis with a pilot sample of new Division Chiefs in their first year; (iv) the feasibility of using an assessment center for evaluating personnel management skills and aptitudes is being explored; (v) a handbook for managers setting out basic principles of sound personnel management has been prepared and will shortly be circulated to Fund managers; and (vi) the procedures for the voluntary Subordinate Appraisal of Supervisors (SAS) in which about 60 supervisors ranging from Unit Chief to Department Head have participated to date, are being strengthened. Further ideas and initiatives for improving the selection and training of managers in the Fund will be discussed as part of the follow-up to the staff survey.

### 3. Communications with staff

A Working Group on Communications with Staff established in 1991 found that, despite the progress made in a few areas, (i) there is no well defined or systematic approach to internal communications in the Fund, (ii) most staff felt, on the basis of a mini-survey conducted by the Working Group, that they are not adequately informed on administrative, managerial, and personnel matters--a view that has been confirmed by the results of the 1992 staff survey--and (iii) staff view the overall climate in the Fund, the heavy workload, and related stress as major obstacles to effective communications.

The Working Group made some recommendations aimed at improving the communications environment and practices. As a result of these recommendations, the recent survey of staff views was conducted; departments have been encouraged to further recognize and reward staff with demonstrated management skills, including communication skills; a new position has been established for an internal communications advisor who will help develop and implement an internal communications strategy; and the style and format of administrative documents have been strengthened whenever possible. In addition, each department has submitted an action plan aimed at improving intra-departmental communications. Again, this is an area of concern which will receive renewed attention in the course of following up on the staff survey.

### 4. Other personnel policies

An important effort has been undertaken to adapt the other major personnel policies to organizational changes in the areas of recruitment, compensation, benefits, and staff development.

a. Recruitment

Even as the Fund has engaged in what is probably the most extensive recruitment program in its history, efforts to diversify the nationality and gender distribution of staff while maintaining quality have intensified. The number of recruitment missions has been increased significantly, and recruiters have been instructed to make the achievement of greater diversity one of their key objectives.

b. Compensation and benefits

In the area of compensation, the number of organizations surveyed during the annual compensation review has been expanded, particularly in France and Germany. In the area of benefits, despite the additional work stemming from the staff growth in the Fund, the Staff Benefits Division was able to improve its communications with staff; this is reflected in the 12th annual report of the Ombudsman, which pointed to a substantial reduction in the number of complaints about benefits administration. The staff survey has also indicated a high level of satisfaction with the Fund's overall benefits program. Among the major achievements in the last two years were the completion of the Medical Benefits Plan (MBP) review, the introduction of enhanced family-supportive benefits and services to ease the integration of expatriate families into the Washington area, a completely revised and personalized benefits statement and MBP plan booklet, and a review of benefits policies and practices with a view towards simplification. The feasibility of establishing flexible benefits and saving plans will be studied. A quadrennial review of benefits values and practices of comparator organizations will be conducted in 1993.

c. Staff development

In the area of staff development, a number of initiatives have been taken in these past two years:

- To increase career development opportunities, particularly for non-economists, a new program of temporary assignments (TAP) was introduced in mid-1991. The program, which is open to all staff but with priority given to non-economists in Grades A1-A15, was designed to help staff members broaden their experience and explore career options in the Fund while assisting departments in meeting their temporary staffing needs.
- Efforts have been made to improve the management of the vacancy list through greater transparency in the selection process and better feedback to unsuccessful candidates.
- A Job Standards Manual covering 90 percent of the jobs in the Fund was issued to staff, describing the nature and level of work and general qualifications for successful performance of

the work; at the same time, efforts to simplify the processing of job reviews and audits are underway.

- Efforts have been made to strengthen the effectiveness of performance appraisal by enhancing the quality of instructions issued to departments and staff, establishing a data base to track and monitor weaker performers, and emphasizing the need of a more accurate evaluation of managerial skills.
- A career development guide that will help staff reflect upon and explore career development opportunities will be distributed to all staff at the beginning of CY 1993.
- An outplacement guide is being drafted and outplacement guidelines are being reviewed.

Notwithstanding these initiatives, the results of the recent staff survey point to a number of significant concerns in the "career" area, including the procedures governing promotions, merit pay adjustments, job grading, job reassignments, and performance appraisal. These concerns will be a major area of focus for the Task Force which will be recommending follow-up action on the survey, and further initiatives will be required to strengthen personnel policies and their implementation.

Attachments (4)



Table 1. Management Activity for Staff in Grades B1-B5  
for the First Semester of FY 1993  
(In manweeks)

Department	Time Spent on Mgt. Activities	Total Activity	Percent of Total Activity
Total	939	8,440	11.1
Area departments	330	3,564	9.3
FAD, MAE, PDR	110	1,580	7.0
Other functional departments	178	1,943	9.2
Information, liaison, and support depts	321	1,353	23.7

Table 2. Annual Leave Used as a Percentage of Annual Leave Credited  
1986, and 1988-1991  
(Comparison of all Fund Staff/B1-B5 Staff)

	1986		1988		1989		1990		1991	
	All	B1-B5	All	B1-B5	All	B1-B5	All	B1-B5	All	B1-B5
Fund	90.0	90.8	89.6	93.5	88.3	90.0	86.0	87.4	86.6	89.6
Area departments	85.9	85.1	87.1	94.0	85.0	84.1	80.3	81.5	83.8	85.9
FAD, MAE, PDR	88.7	88.6	85.1	90.5	83.8	89.6	78.7	84.8	79.5	88.7
Other functional departmnts	89.7	91.5	88.5	89.0	90.8	91.5	90.9	83.6	89.2	91.8
Support, information, and liaison departments	95.3	97.0	95.8	99.2	91.9	94.5	91.0	98.6	91.1	91.7

Table 3. Number of Staff Taveling 50 Days of More  
A9-B5 Staff

Department	1984	1985	1986	1987	1988	1989	1990	1991
AFR	28	29	45	36	34	44	33	33
Asian	6	10	9	8	20	18	17	
CTA								6
SEA								11
European	6	6	4	4	4	11	11	
EUR I								6
EUR II								6
MED	5	12	4	10	7	9	14	8
WHD	16	21	6	7	13	20	26	16
MAE	4	4	2	3	2	8	7	12
PDR	15	18	22	17	15	17	27	13
FAD	14	22	20	13	19	36	33	31
INS	--	--	--	--	--	--	--	6
RES	--	--	--	--	--	--	--	2
STA	<u>5</u>	<u>6</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>
Total	99	128	114	100	116	165	171	153

Table 4. Average Number of Mandays in Training

	<u>Language</u>		<u>Management</u>		<u>Technical</u>		<u>Nontechnical</u>	
	FY 91	FY 92	FY 91	FY 92	FY 91	FY 92	FY 91	FY 92
All Staff	1.3	1.4	0.3	0.2	1.3	1.8	0.8	0.7
B1-B5	1.0	0.7	0.2	0.3	0.3	0.5	0.6	0.3