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To: Members of the Executive Board
From: The Secretary
Subject: Recruitment Policies and Practices

The attached paper provides background information for the Executive Board discussion on Wednesday, July 31, 1991, of the Fund's personnel policies and objectives (EBAP/91/46, 3/1/91).

Prior to the Board discussion, Mr. Goltz (ext. 7387) or Mr. Gollé (ext. 7389) is available to answer technical or factual questions relating to this paper and to EBAP/91/46.

Att: (1)

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Department Heads

INTERNATIONAL MONETARY FUND

Recruitment Policies and Practices

Prepared by the Administration Department

July 11, 1991

I. Introduction

This paper provides additional information on recruitment policies and practices at the Fund, as requested by several Directors at EBM/91/61 on April 23, 1991 during the Board's discussion on the 1991 Staff Compensation Review (EBAP/91/70 and Supplement 1).

The paper focuses on the recruitment of staff at Grades A9 and above, particularly the economist staff, during the 1980s. ^{1/} Section II provides an overview of recruitment policies and practices, Section III reviews the Fund's recruitment experience and addresses several specific questions raised by Executive Directors during the recent Board discussion, and Section IV deals with current and future initiatives aimed at responding to the recruitment challenges facing the Fund.

II. Overview of Recruitment Policies and Practices During the 1980s

1. Policy Objectives

The Articles of Agreement mandate that: "In appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible."

Over the years, the underlying objective of the Fund's recruitment policy has been to maintain a cadre of international officers who are pursuing a long-term career in the service of the Fund and who form the basic core of the staff. This approach provides continuity on most country

^{1/} This paper does not deal with the issue of contractual employment, which was the subject of a separate review by the Executive Board (EBAP/89/101, 4/13/89).

and functional activities, and secures a staff that is committed to achieving the objectives of the Fund. Therefore, recruitment efforts have been geared toward attracting candidates with excellent qualifications and promising potential who are likely, in due course, to make a long-term career commitment to the Fund.

In addition, the Fund has sought to ensure an infusion of fresh ideas and perspectives through hiring a number of staff in mid-career, who may or may not stay in the Fund until retirement. One important group is hired on secondment from member government institutions. These staff members, recruited mainly from central banks and finance ministries, bring with them relevant work experience and, at the end of their assignments, take back to their home country a knowledge of Fund policies and procedures.

2. Recruitment Practices

To fulfill these recruitment goals, the Fund has hired a combination of young recruits with advanced academic qualifications but little experience, and well-trained mid-career staff with prior work experience in areas relevant to Fund work. In the case of the former, the Fund has sought candidates who, after a short period of intensive on-the-job training, can become fully productive and who demonstrate long-term potential for successful careers in the institution. For the latter, the Fund expects the new staff members to be fully functional within a very short time on the basis of their experience. Irrespective of their experience level, and subject to necessary limits in the case of more specialized career streams, candidates for the career staff must be able to demonstrate the versatility to undertake a broad range of assignments over time. Candidates are sought who, in addition to having strong technical skills, possess leadership, diplomatic, language, and negotiating skills and the capacity to work well in an international environment.

a. Selection Process

The Recruitment Division of the Administration Department, in collaboration with other departments, seeks to identify and screen potential external candidates for Fund-wide employment. The initial screening of external candidates is carried out by six personnel officers, of which four deal exclusively with candidates for positions in Grades A9 and above. Over 7,000 job applications were received by the Fund in 1990, close to two thirds of which were for professional positions. Many staff members in other departments participate in the selection of candidates through participation in individual or panel interviews, and review of written work. In 1990, some 20 countries were visited for the specific purpose of recruitment, at which time close to 600 interviews of candidates for professional positions were arranged. These interviews alone accounted for the equivalent of a full manyear of staff time.

Although the process of identifying potential candidates is largely centralized under the direction of the Recruitment Division, the internal process of selecting those to be offered jobs relies on the market-oriented premise that the employing departments know best which prospective candidates best meet their needs. Therefore, hiring decisions are made by individual departments, except in the case of candidates for the Economist Program (EP) where they are made by a committee. Departmental selections at Grades A14 and above are subject to endorsement by Fund-wide review committees and final approval by management. Selections for director level positions at Grades B4-B5 are made exclusively by management.

An individual department can fill economist vacancies either by internal transfers of staff through the mobility scheme (which shift vacancies to other departments) or by direct external recruitment. This procedure ensures that the best qualified candidates are selected for vacancies, leads to competition between internal candidates (EPs and mid-career staff alike), and provides staffing flexibility to departments.

In the case of noneconomist vacancies, departments fill these by first considering internal candidates through the vacancy list process. ^{1/} If no internal candidates meet the position requirements, departments are then free to recruit externally. This process allows qualified internal candidates to be considered before external ones, and thereby provides career opportunities in occupational groups where such opportunities may be few.

As described further below, vacancies at the B Grades are filled primarily through internal promotions and, to a limited degree, through external appointments.

b. Recruitment Programs

An important vehicle for recruiting economist career staff has been the Economist Program. The Program, which is administered by a Committee comprising one senior-level representative from each economic department, has provided about one half of the Fund's economist career staff in the 1980s. The Program was established in 1970 to bring greater consistency to Fund-wide recruitment standards for economists. Participants, who must be under the age of 33, typically possess advanced academic credentials but little or no work experience. They are offered a two-year fixed-term appointment during which they spend two one-year periods in different departments, leading in most cases to an offer of regular employment. Each year, approximately 500 candidates are given consideration for the Program.

^{1/} All vacancies of noneconomist positions in the A Grades are advertised internally through the vacancy list, which is published fortnightly. This ensures that interested staff members are made aware of career opportunities, and that their candidacy is considered in filling vacancies.

Of these, about 100 are invited to panel interviews with senior staff members, with final selections numbering about 30 participants.

In addition to the Economist Program, the Fund administers two other special recruitment programs, which are not specifically aimed at economists. These are the Special Appointee and Summer Intern Programs. The Special Appointee Program aims at providing on-the-job training to a few member country officials. One of its objectives is to ensure that individuals from countries where it has proven particularly difficult to recruit candidates for staff positions obtain some exposure to the Fund.

The Summer Intern Program (SIP) attracts well-qualified students who have completed a substantial part of their graduate work in economics. Summer internships are normally of three months' duration and give interns the opportunity to familiarize themselves with the operations of the Fund. Throughout the years, an increasing number of former summer interns have joined the Fund after completing their studies.

c. Appointment Terms

Initial appointments have increasingly been made for a fixed duration. In the case of professional staff who are not hired through the EP, the Fund's practice until a few years ago was to recruit them directly into permanent or "regular" appointments, subject to an initial one-year probationary period. In the early 1980s, however, it became increasingly apparent that the one-year probation did not adequately test an individual's suitability for long-term employment, and the practice of offering employment initially on a two- or three-year fixed-term basis gradually developed. This practice has proved successful in giving greater staffing flexibility to the Fund, and by the mid-1980s had become the policy applicable to the recruitment of all staff in Grades A9 and above.

Throughout the 1980s, efforts were intensified to increase the recruitment on a fixed-term basis of candidates from public-sector agencies in member countries. It was felt that such recruitment would provide a flow of fresh perspectives and ideas to the institution, as well as contribute to improving the nationality distribution of the staff.

In examining the distribution of the Fund's staff as between short-term and longer-term employees, a distinction has to be made between convertible and nonconvertible fixed-term appointments. A convertible fixed-term appointment is probationary in nature, and can be converted to a regular appointment if performance is judged to be fully satisfactory. A nonconvertible fixed-term appointment applies to those secondments of government officials who are expected to return to their home country at the end of the term. This latter provision is of particular importance to those countries where the supply of highly-trained personnel is limited.

Since the mid-1980s, recruitment of noneconomists at Grades A9 and above has been almost exclusively through convertible fixed-term appointments, complemented with a few nonconvertible fixed-term secondments from member country institutions. Additional personnel needs in these administrative and support areas, particularly where technical requirements tend to change rapidly, have been increasingly met through employing individuals under contracts, who do not have the status of staff and whose association with the Fund is not seen as long term.

The recruitment of staff economists and noneconomists has been concentrated in the lower and middle levels of the professional grades. Participants in the Economist Program are recruited at Grade A11, and are promoted to Grade A12 on successful graduation from the Program. Experienced economist candidates have typically been recruited at Grades A13, with only a few at Grade A14 (Senior Economist level). The practice of limiting the direct recruitment at Grade A14 is intended to avoid the bunching of staff at this level and to test external candidates in relation to current staff prior to placing them at the higher level.

3. Nationality Distribution

Achieving a broad nationality distribution has always been an objective of the Fund's recruitment policy, though secondary to achieving a high quality staff. Throughout the 1980s, efforts were made to broaden geographical representation through more frequent recruitment missions to universities and government agencies in a wider range of member countries and also through a broader array of recruitment contacts. The increased reliance on fixed-term appointments has permitted the Fund to recruit nationals of countries from which it would otherwise prove very difficult to attract strong candidates. The centralized approach to the recruitment of EPs has also allowed the Fund to lay the basis for a broader nationality of staff in a more effective way than could be achieved through the selection of mid-career staff by individual departments. The Special Appointee and Summer Intern Programs have also been administered so as to help address nationality concerns.

III. Recruitment Experience During the 1980s

This section reviews the general recruitment context faced by the Fund in the 1980s, the broad recruitment trends and demographics, and the nationality distribution of new recruits. It also provides some specific information on several questions about recruitment that have been raised by Executive Directors.

1. The Recruitment Context

During the first half of the 1980s, the Fund did not encounter significant difficulties in its search for suitably qualified staff for the economist and noneconomist streams. However, in recent years the market for economists has become increasingly more competitive and, as a result, the Fund has had difficulty in meeting its recruitment goals. One indicator of the competitiveness of the market is the rate of rejections of appointment offers made for the Economist Program. This rate was broadly stable at just under 20 percent in the period 1980-84. The proportion of EP offers rejected rose to 33 percent in the period 1985-89, and reached 36 percent in 1990 and 50 percent so far in 1991. ^{1/}

A number of factors contributed to making the employment market for economists more competitive in the late 1980s and early 1990s. In the United States, there was an upturn in the demand for macroeconomists by universities and especially by business schools to fill faculty positions. In several European countries, financial deregulation and the move toward economic integration and, more recently, the transformation of Eastern European economies, have increased the demand for macroeconomists. Even as the demand has thus increased, the supply has tended to remain fairly constant in most countries.

Several nonmonetary factors have contributed to the Fund's recruitment difficulties. First, there has been a steady rise in the proportion of candidates who have working spouses. Limitations on employment opportunities for spouses on G(iv) visas have increasingly deterred a number of suitable candidates from considering a career move or accepting offers of appointment to the Fund. The Washington, D.C. area has also become less attractive as a place in which to relocate because of the publicity regarding crime rates and the high housing costs, particularly in relation to potential employment in academia.

Other factors include the attractiveness of academic employment where candidates are often offered generous facilities for individual research in an unpressured environment and the opportunity for consulting assignments. The strong interest of some candidates to know early in the recruitment process their precise departmental assignment, a request which has been difficult to meet for assignments in the EP, has also contributed to making a Fund offer less attractive.

^{1/} Although this paper does not address the competitiveness of the Fund's compensation policies, it is noteworthy that compensation played a major role in some 38 percent of EP offers rejected in 1990-91 and appears to have played at least some role in another 18 percent of rejections in the period. The issue of competitiveness has been reviewed in other reports to the Executive Board and, most recently, in EBAP/91/70 (3/26/91) and Supplement 1.

A number of recent candidates have expressed concern at their perception that work pressures are very high in the Fund, with frequent travel resulting in difficulties for the families, and that career advancement in the Fund is slower than with several other potential employers. The Fund provides a structured environment for career progression. Guidelines are used to regulate the pace of career advancement, given criteria which include the level of performance of the individual and his potential to assume increased responsibilities, as well as the complexity of assigned duties. While appropriate for the Fund, this environment is seen as unattractive to candidates who seek a quick pace of career advancement, in particular as obtainable in the private financial sector. Finally, a few mid-career recruits have been concerned that the Fund's preference for recruiting at a level below the senior officer grades (A14 and A15) has meant that their appointment grade did not fully reflect their level of seniority in prior employment.

The recruitment of noneconomist staff, on the other hand, continues without significant problems with the exception of some positions in the Legal Department. Constraints regarding short-term promotion have tended to hamper the Fund's efforts to recruit highly trained professionals in the field of international and financial law. Many young lawyers with substantial work experience anticipate partnership opportunities or equivalent responsibilities in the near future, which cannot be matched in the Fund.

2. Demographics

During the 1980s, the Fund recruited about 70 new staff per year in Grades A9-B5 (Table 1). About three fourths were economists and one fourth noneconomists. Approximately 16 percent were females (9 percent among economists, 40 percent among noneconomists). On average, the new recruit was 34 years of age on appointment, with nine years of prior work experience.

Some 40 percent of the economist recruits in the 1980s were EPs, with the remainder mostly consisting of mid-career candidates. In the second half of the 1980s, the economist career staff (i.e., staff holding regular positions) was drawn almost equally from former EPs and from other recruits. Of all the regular appointments in the period, some 45 percent were graduates of the EP, 50 percent were initially brought in under other fixed-term appointments, and 5 percent were former staff members with strong performance records or regular staff from the World Bank transferring to the Fund, who were recruited directly into regular staff positions.

Typically, departments select external candidates to fill economist vacancies who combine a strong foundation in economic training with relevant work experience and the ability to apply their training/experience to the analysis and resolution of practical policy issues. While the training component is often met by candidates who have completed PhD studies, a PhD is not a specific requirement. Of all economists recruited in the 1980s in Grades A9-A15, 51 percent had PhDs, with this proportion being higher for EPs and lower for mid-career appointees (Tables 2 and 3).

a. Economist Program

Table 2 provides detailed information on the profiles of EPs recruited in the 1980s. The proportion of nationals from developing countries joining the EP remained stable in the 1980s at about 36 percent (slightly below the sum of the Fund quotas of these countries) with a significant improvement in 1990 when it reached 44 percent. Three fourths of the participants received their highest degree in "Anglo-American" countries which include the U.S., U.K., and a few English-speaking countries with similar educational backgrounds. About two thirds of the participants in the Program joined with a completed PhD. On average, candidates were 28 years of age when they joined, and had two to three years of prior work experience.

b. Other Economists

Table 3 provides detailed information on the external appointments of other mid-career economists at Grades A9-A15 (i.e., economists not recruited under the Economist Program). One third of such appointments were of nationals from developing countries. Just under two thirds of these appointments were of staff whose highest degree was obtained in the U.S., U.K., and countries with similar education systems. On average, they joined the Fund at age 35 with about 11 years of prior experience. Just over one half of mid-career economist recruits had prior experience in the public sector and had pursued studies up to the equivalent of the master's level.

c. Noneconomists

Table 4 provides information on external appointments of noneconomists at Grades A9-A15. These appointments are much fewer than those of economists. About one quarter came from developing countries. On average, they were 35 years of age and had 12 years of prior work experience.

d. Appointments to the Senior Staff

The Fund has for many years pursued a policy of filling vacancies at the B Grades with internal candidates. This policy leads to the selection for senior positions of well-qualified candidates and encourages the Fund's most able staff to remain at the Fund for a career. Nevertheless, the Fund does fill about one fourth of senior level vacancies through external appointments (Table 5). External appointments at these levels often bring valuable specialized skills not available internally among the staff or extensive experience which can contribute new ideas and perspectives at senior levels of the organization. About one quarter of external appointments in the late 1980s have been of nationals from developing countries. About one third of all external recruits over the past decade filled positions at Grades B4-B5 (the department director and deputy director level).

3. Nationality Distribution

Some success has been achieved in recent years in further diversifying the nationality distribution of the staff. Although somewhat arbitrary and simplistic, one commonly used rule of thumb for assessing the adequacy of the nationality distribution of staff is to compare it to the share of country quotas. At Grades A9-B5, there has been some increase in the representation ^{1/} of nationals of Africa (from 3.8 percent in 1980 to 5.8 percent in 1990) and Asia (from 12.3 percent in 1980 to 12.7 percent in 1990). The percentage of staff members from these regions is now closely in line with their aggregate share of Fund quotas (Table 6). Nevertheless, among the larger members both China and Japan remain significantly underrepresented.

The representation of Middle East nationals remains significantly below quota, reflecting a scarcity of applicants from almost all countries in the region, while Latin America's representation has risen above quota. The representation of U.S. nationals has steadily declined, especially at the senior levels, but still remains above quota.

The representation of European nationals has decreased throughout the 1980s to around five percentage points below quota among both economists and noneconomists. The underrepresentation is marked in noneconomist positions at Grades A9-A15. Within the region, the representation of German and Italian nationals remains below quota, while that of U.K. nationals, although declining over the period, remains above quota.

The representation of nationals from developing countries has improved in Grades A9-A15 in the 1980s. Notwithstanding improvements in the representation of nationals of Africa, Latin America, and the Middle East among senior staff occupying Grade B positions during the 1980s, the overall representation of developing country nationals in the B Grades has deteriorated in recent years. The improvement in the A Grades should, however, be reflected in the B Grades in due course because of the policy of emphasizing internal promotions.

The broadening in the nationality distribution of staff in the 1980s has been concentrated in the economist staff. The U.S. is significantly overrepresented among noneconomists, a situation which has been exacerbated in recent years by the conversion to regular status of contractual positions, held mostly by U.S. nationals. This issue is under review, with the objective of developing ways of achieving a more balanced nationality distribution among noneconomists.

^{1/} The term "representation" is used here to refer to the nationality of staff. It is not meant to suggest that staff "represent" the political views of their national authorities. Indeed, all staff sign an affirmation on entry on duty in which they affirm that they will accept no instruction with regard to the performance of their duties from any government.

4. Questions Raised by Executive Directors

During the Board discussion on the 1991 Staff Compensation Review (EBM/91/61 (4/23/91), several Executive Directors raised questions about the Fund's recruitment practices. These questions are addressed in the following paragraphs.

a. Academic Qualifications

One question relates to the Fund's emphasis on academic qualifications. It has been suggested that the Fund tends to hire more economists with PhDs than are needed for the proper performance of its functions, and that its recruitment difficulties could be diminished if it hired a greater proportion of its staff with lesser qualifications. Of the economists recruited in the 1980s, some 51 percent had PhDs.

As indicated above, having a PhD has never been a recruitment requirement for economist positions. For the Economist Program, the institution looks for recruits with strong technical skills and proven analytical discipline of the type developed during PhD studies; this explains the high proportion of PhDs among EPs. The proportion of PhDs is lower for mid-career candidates, who need to possess a combination of strong technical skills and relevant work experience in economic analysis and policy. For them, the quality of their prior experience and the training and maturity of judgment acquired on the job are more relevant for their suitability to Fund employment than the formal training they received, on average, some 10 years earlier.

Management and senior departmental supervisors consider it necessary that a large proportion of staff economists be trained at the PhD level given the mandate of the Fund, the advanced training possessed by many country officials with whom Fund staff interact, the increasing sophistication of economic analysis, and the need for the organization to be at the forefront of contemporary thinking on macroeconomic issues. Past experience has shown that having a PhD gives a candidate a competitive edge in the skills required by departments to discharge their responsibilities toward the membership. Senior staff in economic departments warn that diluting the recruitment standards by seeking less-qualified staff would jeopardize the effectiveness of the Fund and erode its credibility. Potentially, it could result in the establishment of two tracks for economists, which would be divisive and, over the longer term, unworkable.

The above notwithstanding, it should be acknowledged that not all of the tasks performed by Fund economic departments require advanced economic training. This is one reason why Fund departments employ research assistants to assist economists in statistical analysis, the management of data bases, and for other information functions. In 1990, there were 75 research assistants (equivalent to 10 percent of economist staff) compared with only 33 in 1980 (equivalent to 6 percent of economist staff). In the context of the annual budget preparation, departments are encouraged each

year to carefully consider whether there are not existing (or newly requested) economist positions that could be more effectively carried out at the research assistant level. While these efforts will continue, it should be recognized that there is only limited scope for shifting functions from economists to research assistants as economists need to be fully acquainted with the database which they are using if their analyses are to be meaningful and effective.

b. Country of Training

Some Executive Directors have also expressed concern at the high proportion of economist staff whose highest degree was obtained in so-called "Anglo-American" countries (68 percent in the 1980s), suggesting that this may reflect some nationality bias in the Fund's recruitment practices.

Several factors have accounted for the high proportion of staff trained in these countries. First, it reflects the fact that universities in these countries have been particularly successful in producing economists with the qualifications the Fund needs, including proficiency in the English language, and that, at least until the late 1970s-early 1980s, opportunities for advanced quality training in macroeconomics/international finance were heavily concentrated in such universities. Because of their quality and reputation, these universities have attracted outstanding students on a broad international basis.

The high proportion of economists whose highest degree was obtained in these countries should not be misinterpreted as meaning that there is relatively little diversity in the formal background of Fund economists. Nearly all the non "Anglo-American" nationals whose highest degree was obtained in an "Anglo-American" country were trained in their home country at least through the undergraduate level, and often the master's level. The dual training track followed by these recruits reflects the diversity of their backgrounds and prepared them to work in an international environment.

While the above factors explain the recent recruitment experience, it is certainly desirable to continue efforts to diversify the sources of recruitment in the future. As discussed in the section below, the planned broadening of recruitment visits to more diverse countries and the shift toward more mid-career candidates will contribute to this process. In addition, the differences which existed a decade ago in the quality of economic training between different member countries are tending to diminish as other developed countries increasingly seek to emulate the standards of the major Anglo-American universities in the teaching of advanced economics.

c. Diplomatic/Negotiating Skills

Another concern expressed by some Executive Directors is that in recruiting staff the Fund needs to pay more attention to the importance of

diplomatic and negotiating skills and, by inference, that staff lack experience in and understanding of the practical constraints under which government officials must operate, and of the necessary compromises that must be made when formulating national economic policies. Indeed, one Executive Director has suggested that perhaps the recruitment emphasis on PhD training was at the expense of skills in diplomacy or negotiations. The response of senior managers in the economic departments is that Fund staff should possess both strong technical and strong diplomatic skills and that these skills cannot be seen as substitutes. Also, they point out that there is no evidence that mid-career recruits, including those recruited from government service, have stronger diplomatic or negotiating skills than staff of comparable maturity who were recruited at a younger age through the EP.

It is clear that staff members should possess a broad array of skills to be effective in their dealings with member countries. While it is not easy to prioritize specific skills, the Articles mandate that priority be given to technical competence, and the experience has shown that strong analytical skills in economics are necessary for economist positions. However, it is recognized that the ability to interact, communicate, and negotiate with national authorities, and an understanding of the "real world" context in which economic policies and programs must operate, are extremely important. Increasing attention is being paid to these personal qualities at the time of recruitment. Moreover, several aspects of the Fund's career development policies also aim at developing such skills in the staff, including training programs, internal mobility assignments dealing with countries in different regions, and external assignments as resident representative or secondments to national authorities.

IV. Recruitment Challenge Ahead

1. Nature of Challenge

The number of staff which the Fund needs to recruit is greater now than in the recent past. In the late 1980s, some 75 staff on average were recruited externally each year in Grades A9 and above, of which about 60 were needed to replace separating staff and about 15 to fill new positions. Based on the approved FY 1992 Administrative Budget, some 110 staff will need to be recruited in FY 1992, some 50 percent more than in recent years. The number of recruits in the period FY 1993-94 will depend on the number of new positions, if any, approved in subsequent budgets. Regardless of the size of future staffing increases, the recruitment need to replace separating staff will increase, because staff turnover is expected to increase slightly in the 1990s reflecting the current age distribution of staff.

In the years ahead, the Fund's recruitment will face significant challenges in attracting staff while maintaining the overall quality of the new recruits. Current indicators suggest that the expanded recruitment requirements will coincide with increasingly competitive markets. Candidates will have to be able to deal with increasingly complex issues, several of which extend beyond macroeconomics, such as understanding of structural/microeconomic issues, the socio-cultural context, negotiations, military expenditures, poverty and environment issues.

2. Recruitment Strategy

To meet these recruitment objectives, the Fund will have to strengthen its competitive advantage. The competitiveness of the Fund's compensation practices will continue to be closely monitored with the objective of achieving an appropriate margin of competitiveness over comparator markets. Recruitment policies and practices will aim at reaching qualified candidates from a broad range of backgrounds, and at minimizing the rejection rate to the Fund's offers of employment.

The institution will continue to rely largely on a career staff while at the same time recognizing the benefits of secondments. The current balance between EPs and mid-career recruits will have to swing, at least temporarily, toward the latter because of the need to fill the new economist positions which have recently been approved. Increased efforts will be needed to sustain and, where possible, broaden the nationality distribution of staff and their educational backgrounds. Efforts will also be made to increase the recruitment of women into the economist career stream. Even more than in previous periods, it will be important to recruit qualified candidates who possess the versatility to function effectively in different areas of the organization.

The Economist Program will continue to be an important component of the Fund's economist recruitment. In the 21 years of its operation, the EP has had a major impact in shaping personnel policies, particularly in promoting the benefits of mobility and communications between departments. In early 1991, a decision was taken to increase the yearly number of participants in the Program to 35, up from 25 only three years ago. The major challenge in the EP will, therefore, be to attract and retain a higher number of strong candidates in the face of increased competition from both the academic and private markets.

As the recruitment requirements increase in FY 1992, and perhaps beyond, the Fund will have to attract a relatively large number of mid-career appointees, most of whom will be drawn from public sector institutions of member countries, in an environment where well-qualified economists are in greater demand, especially in Asia and Europe.

3. Recruitment Measures

A series of measures will be implemented to reach more qualified candidates from a broad range of backgrounds and to minimize the rejection rate to the Fund's offers of employment.

The focus of recruitment missions will be broadened to identify mid-career candidates, and supported by increasing advertising in the media. The sources most likely to generate a significant number of candidates reasonably quickly will continue to be central banks, ministries of finance and research institutions. Therefore, the number of recruitment visits to such institutions will be increased, notably in the short-run. In addition, senior staff on Fund missions will be encouraged to spend one or two extra travel days to interview qualified candidates, when appropriate.

Table 7 provides information on the list of recruitment missions in 1990-91. For recruitment missions to succeed, it will be important to coordinate recruiting initiatives with offices of Executive Directors, area departments, the Fund's overseas offices, and resident representatives. In this context, the Recruitment Division will be represented at the Annual Meetings in Bangkok to discuss with interested delegations and candidates employment opportunities at the Fund. The Division will also develop closer contacts with recruiting departments to monitor on a more frequent basis their recruitment needs and results. However, efforts undertaken to attract mid-career recruits will be fruitful only to the extent that member country authorities are prepared to release to the Fund some of their best-qualified staff for a few years.

Efforts will be made to expand sources of nontraditional recruitment in the years to come. Attempts have been made in the past to recruit candidates with a solid grounding in economics but whose major field of training and/or experience have been in other areas such as international relations and journalism. Within the Economist Program, only a few such "special" EPs have been able to pass the screening process, but those selected have successfully completed the Program and are performing well. Potential sources include the leading business schools and major research institutions; visits to such institutions are being intensified. Other sources which will be exploited more systematically are the annual meetings of the American and European Economic Associations. In addition, information will be sought on potential recruits from former staff members and summer interns, recent Fund recruits, candidates who, in the past, rejected offers of employment, and visiting scholars with ties to universities or research institutions.

Consideration might be given to recruiting qualified candidates who are not yet able to fully function in the English language. Past experience has shown that some mid-career candidates have the technical qualifications and the interest to work at the Fund, but would need a limited upgrading of their oral and written communication skills in the English language. Such candidates could be provided with intensive language training upon entry on duty, if it is considered that they can rapidly become fully proficient and

not require an inordinate amount of supervision thereafter. The medium-term budget outlook will examine such a possibility.

The public relations aspects of recruitment will be enhanced. In the last few years, the Fund has made arrangements for prospective candidates to meet at headquarters with staff of the same nationality or who studied at the same academic institution. This has proved useful in providing candidates with information about job content, institutional arrangements, family matters, and other considerations regarding the work environment at the Fund. In addition, management will continue to work together with other U.S.-based international organizations to reduce the employment restrictions on staff members' dependents holding G(iv) visas.

Several other measures will aim at lowering the rejection rate of Fund's offers of employment. To the extent that more mid-career candidates are required to fill vacancies, greater flexibility may need to be applied to recruit staff at higher levels in the A Grades. For example, it is likely that there will be more recruitment at the senior economist level when this is appropriate given the background of the candidate and the assigned responsibilities. Whenever possible, efforts will be made to give early indications to prospective candidates about their expected assignment, both in terms of department and specific duties. Efforts to assist candidates' spouses subject to G(iv) visa employment restrictions in identifying employment opportunities in the United States will be continued and further strengthened. Last but not least, the Fund's compensation policy will need to provide an adequate level of competitiveness and, within this policy and the approved salary scale, a somewhat greater degree of flexibility might be applied in setting entry level salaries within a given grade to attract qualified staff.

In conclusion, it is considered that existing recruitment policies have served the Fund well. In the short term, the recruitment of economists will shift toward more mid-career candidates to cope with immediate recruitment needs. No major change is envisaged in recruitment standards, but efforts will be made to broaden the sources of recruitment and the nationality distribution of staff, including of nationals from developing countries in the B Grades. This approach will also apply to the recruitment of noneconomists, where particular efforts will be made to broaden their nationality distribution. Noneconomist recruitment patterns may also be affected by technological changes, as well as the vendorization of some positions if such a policy is to be pursued in the future. More generally, the competitiveness of Fund employment must continue to be closely monitored to ensure that the Fund has the means of acquiring and retaining a staff of the quality needed to serve the membership.

Attachments

Table 1. Summary Information on External Appointments
at Grades A9-B5, 1980-90

(Annual averages)

	1980-84	1985-89	1990
Total	70	72	86
Economists	56	54	58
EPs	(22)	(22)	(25)
Others	(34)	(32)	(33)
Noneconomists	14	18	28
Proportion of economists (in percent)	(80)	(75)	(67)
<u>Appointment status:</u>			
Regular	22	5	3
Fixed-term	48	67	83
EPs	(22)	(22)	(25)
Other convertible	(13)	(30)	(51)
Nonconvertible	(13)	(15)	(7)
Proportion of fixed-term (in percent)	(68)	(93)	(96)
Male	61	59	74
Female	9	13	12
Nationality:			
Developed countries	46	50	53
Developing countries	24	22	33
Country where highest degree obtained: <u>1/</u>			
US, UK, Australia, New Zealand	40	35	46
Other countries	16	19	12
Average age at appointment:	33	34	34
Average years of experience:	8	10	9

1/ Economists only.

Table 2. External Appointments to Economist Program, 1980-90

(Annual averages)

	1980-84	1985-89	1990
EPs Appointed	22	22	25
Sex			
Male	20	19	22
Female	2	3	3
Nationality			
Developed Countries	14	14	12
United States	(3)	(4)	(2)
Europe	(9)	(9)	(8)
Others	(2)	(1)	(2)
Developing Countries	8	8	13
Africa	(3)	(2)	(1)
Asia	(2)	(2)	(3)
Europe	(-)	(-)	(2)
Middle East	(1)	(-)	(2)
Western Hemisphere	(2)	(4)	(5)
Country where highest degree obtained			
US, UK, Australia, New Zealand	17	16	23
Other	5	6	2
Education			
Ph.D.	14	14	13
Less than Ph.D.	8	8	12
Average age	28	29	29
Years of prior experience	2	3	1

Table 3. External Appointments of Non-EP Economists at Grades A9-A15;
1980-90

(Annual averages)

	1980-84	1985-89	1990
Total	31	28	30
Sex			
Male	29	26	30
Female	2	2	-
Nationality			
Developed Countries	21	18	17
United States	(5)	(4)	(3)
Europe	(13)	(12)	(10)
Others	(3)	(2)	(4)
Developing Countries	10	10	13
Africa	(3)	(3)	(6)
Asia	(1)	(2)	(1)
Europe	(-)	(1)	(1)
Middle East	(1)	(1)	(1)
Western Hemisphere	(5)	(3)	(4)
Country where highest degree obtained			
US, UK, Australia, New Zealand	21	17	20
Other	10	11	10
Education			
Ph.D.	13	12	13
Less than Ph.D.	18	16	17
Type of Appointment			
Regular	13	4	3
Fixed-term	18	24	27
Average age	34	35	37
Years of prior experience	10	11	12
Prior Employer (in percent)			
Academia	18	11	10
Public sector	65	54	60
International organizations	9	19	17
Private sector	8	16	13

Table 4. External Appointments of Non-Economists at Grades A9-A15;
1980-90

(Annual averages)

	1980-84	1985-89	1990
Total	13	17	25
Sex			
Male	8	9	16
Female	5	8	9
Nationality			
Developed Countries	9	14	18
United States	(5)	(10)	(10)
Europe	(3)	(2)	(6)
Others	(1)	(1)	(3)
Developing Countries	4	3	7
Africa	(-)	(1)	(2)
Asia	(1)	(1)	(1)
Europe	(-)	(-)	(-)
Middle East	(2)	(-)	(1)
Western Hemisphere	(1)	(2)	(2)
Type of Appointment			
Regular	8	1	-
Fixed-term	5	16	25
Average age	35	35	35
Years of prior experience	11	13	10
Prior employer (in percent)			
Academia	4	4	8
Public sector	41	22	12
International organizations	17	26	16
Private sector	38	48	64

Table 5. External Appointments to Senior Staff (B Grades); 1980-90
(Annual averages)

	1980-84	1985-89	1990
Recruitment from Outside <u>1/</u>	3.8	5.0	6.0
Sex			
Male	3.4	4.8	6.0
Female	0.4	-	-
Nationality			
Developed Countries	2.4	3.6	6.0
United States	(0.8)	(0.6)	(2.0)
Europe	(1.2)	(2.2)	(2.0)
Others	(0.4)	(0.8)	(2.0)
Developing Countries	1.4	1.2	-
Africa	(0.4)	(0.4)	(-)
Asia	(-)	(0.4)	(-)
Europe	(-)	(-)	(-)
Middle East	(0.4)	(-)	(-)
Western Hemisphere	(0.6)	(0.4)	(-)
Average Age at Appointment	45.6	47.6	49.3
<u>Memorandum item</u>			
Promotions from within Fund <u>2/</u>	15.2	13.2	11.0

1/ External appointments at Grades B1-B5.

2/ Internal promotions to Grade B1.

Table 6. Nationality Distribution by Region

	1970			1980			1990			Fund
	Econ.	Non-econ.	Total	Econ.	Non-econ.	Total	Econ.	Non-econ.	Total	Quota
<u>Grades A9-B5</u>										
Africa	3.5	--	2.0	5.6	1.2	3.8	7.2	3.4	5.8	5.2
Asia	13.1	9.0	11.4	13.4	10.7	12.3	13.4	11.3	12.7	14.2
Japan	(2.9)	(0.4)	(1.8)	(2.4)	(--)	(1.4)	(2.8)	(0.5)	(1.9)	(4.6)
Other Asia	(10.2)	(8.6)	(9.6)	(11.0)	(10.7)	(10.9)	(10.6)	(10.8)	(10.8)	(9.6)
Europe	46.2	31.9	40.1	44.5	32.2	39.5	40.5	25.6	35.1	40.1
France	(5.5)	(7.9)	(6.5)	(5.4)	(9.2)	(6.9)	(4.8)	(6.5)	(5.5)	(4.9)
Germany	(5.2)	(1.6)	(3.7)	(4.8)	(2.1)	(3.7)	(5.4)	(2.4)	(4.3)	(5.9)
U.K.	(8.4)	(9.1)	(8.7)	(8.4)	(8.0)	(8.2)	(8.7)	(6.8)	(8.0)	(6.8)
Other Europe	(27.1)	(13.3)	(21.2)	(25.9)	(12.9)	(20.7)	(21.6)	(9.9)	(17.3)	(22.5)
Middle East	7.3	2.8	5.4	6.6	3.6	5.4	5.8	4.8	5.5	8.5
Western Hemisphere	29.9	56.3	41.2	30.1	52.4	39.1	33.2	54.8	41.0	32.0
U.S.	(17.7)	(44.5)	(29.1)	(17.5)	(38.4)	(25.9)	(18.1)	(39.6)	(25.9)	(19.7)
Canada	(1.7)	(5.5)	(3.3)	(2.0)	(3.6)	(2.6)	(2.6)	(3.1)	(2.8)	(3.2)
Other Western Hemisphere	(10.5)	(6.3)	(8.8)	(10.6)	(10.4)	(10.6)	(12.5)	(12.1)	(12.3)	(9.1)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<u>Grades A9-A15</u>										
Africa	3.8	--	2.2	5.5	1.5	3.8	7.8	3.6	6.1	5.2
Asia	14.6	7.9	11.8	13.9	10.4	12.4	13.7	11.9	13.0	14.2
Japan	(3.9)	(--)	(2.2)	(2.9)	(--)	(1.7)	(2.4)	(0.3)	(1.6)	(4.6)
Other Asia	(10.7)	(7.9)	(9.6)	(11.0)	(10.4)	(10.7)	(11.3)	(11.6)	(11.4)	(9.6)
Europe	45.7	30.5	39.3	42.1	27.0	35.8	39.8	22.1	32.7	40.1
France	(6.2)	(9.5)	(7.6)	(5.0)	(8.9)	(6.6)	(5.0)	(5.8)	(5.3)	(4.9)
Germany	(5.4)	(0.5)	(3.3)	(4.2)	(0.7)	(2.8)	(5.4)	(2.2)	(4.1)	(5.9)
U.K.	(6.5)	(9.0)	(7.6)	(7.1)	(7.0)	(7.1)	(8.2)	(5.5)	(7.1)	(6.8)
Other Europe	(27.6)	(11.5)	(20.8)	(25.8)	(10.4)	(19.3)	(21.2)	(8.6)	(16.2)	(22.5)
Middle East	7.7	2.1	5.3	6.8	3.3	5.4	5.8	5.0	5.4	8.5
Western Hemisphere	28.1	59.5	41.3	31.6	58.0	42.5	33.0	57.4	42.8	32.0
U.S.	(15.4)	(45.8)	(28.2)	(17.4)	(41.0)	(27.2)	(16.9)	(40.3)	(26.3)	(19.7)
Canada	(1.9)	(5.8)	(3.6)	(2.4)	(4.4)	(3.2)	(2.4)	(3.6)	(2.9)	(3.2)
Other Western Hemisphere	(10.8)	(7.9)	(9.5)	(11.8)	(12.6)	(12.1)	(13.7)	(13.5)	(13.6)	(9.1)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 6. Nationality Distribution by Region (Continued)

	1970			1980			1990			Fund
	Econ.	Non-econ.	Total	Econ.	Non-econ.	Total	Econ.	Non-econ.	Total	Quota
<u>Grades B1-B5</u>										
Africa	2.4	--	1.4	5.7	--	3.7	5.4	1.9	4.6	5.2
Asia	8.3	12.5	10.2	11.5	12.3	11.7	12.5	7.7	11.4	14.2
Japan	(--)	(1.6)	(0.7)	(0.8)	(--)	(0.5)	(3.8)	(1.9)	(3.4)	(4.6)
Other Asia	(8.3)	(10.9)	(9.5)	(10.7)	(12.3)	(11.2)	(8.7)	(5.8)	(8.0)	(9.6)
Europe	47.6	36.0	42.6	51.7	53.9	52.4	42.4	50.0	44.0	40.1
France	(3.6)	(3.1)	(3.4)	(6.6)	(10.8)	(8.0)	(4.4)	(11.5)	(5.9)	(4.9)
Germany	(4.8)	(4.7)	(4.7)	(6.6)	(7.7)	(7.0)	(5.4)	(3.9)	(5.1)	(5.9)
U.K.	(14.3)	(9.4)	(12.2)	(12.3)	(12.3)	(12.3)	(10.3)	(15.4)	(11.4)	(6.8)
Other Europe	(24.9)	(18.8)	(22.3)	(26.2)	(23.1)	(25.1)	(22.3)	(19.2)	(21.6)	(22.5)
Middle East	6.0	4.7	5.4	5.7	4.6	5.3	6.0	3.9	5.5	8.5
Western Hemisphere	35.7	46.9	40.6	25.4	29.2	26.7	33.7	36.5	34.3	32.0
U.S.	(25.0)	(40.6)	(31.8)	(18.0)	(27.7)	(21.4)	(21.7)	(34.6)	(24.6)	(19.7)
Canada	(1.2)	(4.7)	(2.7)	(0.8)	(--)	(0.5)	(3.3)	(--)	(2.5)	(3.2)
Other Western Hemisphere	(9.5)	(1.6)	(6.1)	(6.6)	(1.5)	(4.8)	(8.7)	1.9	(7.2)	(9.1)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 7. Recruitment Visits (Excluding Canadian and U.S. Universities)

Africa	Europe	Australasia	Middle East
<u>1990</u>			
Ethiopia	Belgium	Australia	Egypt
Kenya	France	China	Jordan
Madagascar	Germany	New Zealand	Pakistan
	Italy		
	Portugal		
	Spain		
	Switzerland		
	(Grad. Inst. Geneva)		
	United Kingdom		
<u>1991 1/</u>			
Europe	Asia	Western Hemisphere	
Austria	Indonesia	Canada	
Belgium	Japan	Several countries in	
Denmark	Malaysia	Latin America (to	
Finland	Thailand	be decided)	
France			
Germany			
Ireland			
Israel			
Netherlands			
Norway			
Sweden			
United Kingdom			

1/ Provisional.

