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To: Members of the Executive Board

From: The Secretary

Subject: 1990 Staff Compensation Review - A Technical Note on
the Development of the "Comparatio" in the Fund and
the World Bank

There is attached for the information of the Executive Directors a background paper for the upcoming Executive Board discussion of the 1990 Staff Compensation Review.

Ms. D. Anderson (ext. 7257) is available to answer technical or factual questions relating to this technical note.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

A Technical Note on the Development of the "Comparatio" in the Fund and the World Bank

Prepared by the Administration Department

March 7, 1990

I. Introduction

A main feature of the new compensation system adopted in April 1989 by the Executive Boards of the World Bank (Bank) and the International Monetary Fund (Fund) is the way in which the salary structure and actual levels of salaries are related to the comparator market. The midpoints of each grade of the Bank's and the Fund's salary structures are now set in relation to the selected percentile in the comparator market, and salary administration practices (i.e., the way in which salary increases are decided and distributed) are aimed at maintaining average salaries within grades close to the midpoints of those grades. ^{1/} The relationship between average salary and midpoint for an individual, for a given grade, or for the entire salary structure, is referred to as the comparatio. The overall comparatio is also used, as in 1989, to calculate the average salary increase required to bring average salaries into line with salary structure midpoints. For example, if average salaries were equal to midpoints, the comparatio would be 100. If the overall comparatio were 96, the average salary increase required to raise the comparatio to 100 would be 4.2 percent ($100/96 = 1.04167$).

In April 1989, when the Fund and Bank adopted new salary structures with identical salary midpoints, the two organizations had different comparatios resulting from earlier differences in the two salary structures and in average salaries in the two organizations. Consequently, the overall salary increases required to align salary levels within the new structure differed for the Fund and the Bank (8.8 percent in the Fund and 11.1 percent in the Bank). During

^{1/} The salary structures of the Fund and the Bank consist of 19 grades. In the Fund, these are numbered A1-A8 for support staff, A9 to A15 for professional staff and B1 to B5 for Division Chief and above. Grade A15 and grade B1 share the same salary range. In the Bank, the grades are numbered 11-17 for support staff, 18 to 29 for professional and senior staff. The Bank also maintains a separate grade 30 (for Senior Vice Presidents) that does not have a midpoint. The midpoints of the two salary structures are the same, and at most grades so are the maximum and minimum. But the Bank has a lower minimum and higher maximum at grades 13 to 17 and 23 and 24.

Executive Board discussions of this issue, several Executive Directors expressed the concern that different staff demographics and personnel practices in the two organizations might result in significantly different salary increases year after year, and perhaps consistently in favor of one organization.

The Joint Bank/Fund Committee of Executive Directors on Staff Compensation (JCC) had anticipated the possibility of different Bank and Fund salary increases when they made their recommendations. Chapter VIII of the JCC Report (Operation of the Revised Compensation System) states:

".... The Joint Committee recommended that the comparatio in each organization should be maintained as close to 100 as practicable. The average comparatio used for this purpose should be weighted by the number of staff at each grade level within each institution."

" The Committee noted that annual pay adjustment was the means by which the institutions kept their pay practices in line with pay policy as reflected in the salary structure. The overall increase to be awarded within each organization may differ...."

In the course of Executive Board discussions in the Fund, the Chairman of the JCC confirmed that the JCC expected that there might be small differences in future salary increases between the two organizations owing to differences in staff demographics and recruitment, promotion, and separation patterns in the Bank and Fund. Nevertheless, he also expressed concern that the differences might continue to be significant and always in favor of one organization. The Managing Director of the Fund and the President of the Bank made commitments to their respective Boards to study the effects of demographic, promotion, and turnover patterns on the comparatio movement in the two organizations and to report the findings of the study to the Executive Boards before presentation of the results of the 1990 Compensation Review.

In compliance with these commitments, this technical note reviews the similarities and differences between the Fund and Bank staff demographics and the effect of staff movements (appointments, terminations, promotions, and other adjustments) on the comparatio.

The tables contained in the main body of the paper show aggregated data by grade groupings and for each organization as a whole; disaggregated data by individual grades are shown in Attachment I. The presentation of the grade groupings is designed to show the effects on the comparatio separately for support, professional and senior staff. However, some modification had to be made to reflect

different practices in the Fund and the Bank. Support and professional staff have been broken down into three grade groups to reflect the fact that "support staff" are defined differently by the Fund and the Bank (Grades A1 to A8 at the Fund; Grades 11 to 17 at the Bank); Grade A8 (Bank Grade 18) is, therefore, shown separately to reflect its function as a link grade in the salary structures. Professional staff are grouped Grades A9-B2 in the Fund and 19-26 in the Bank. Senior staff Grades B3-B5 (Bank Grades 27-29) are also shown separately; in accordance with the JCC's recommendation, the salary ranges for these grades have been developed through interpolation, rather than by reference to the comparator market. The review of the development of the comparatio covers the period May through December, 1989, except as explained in Section III where the detailed analysis incorporates estimates of future promotions for the Fund. 1/

Consultations were held with the Bank on the content and format of this paper, the data have been analyzed jointly by the Compensation staff of the two organizations, and there is agreement on the main conclusions reached. The Bank is providing a similar paper to its Executive Board.

II. Staff Demographics and Comparatios

1. The comparator market

As noted above, pay practices in the Bank and Fund are now aimed at maintaining average salaries close to the grade midpoints that are set in relation to the comparator market. It is important to recognize that the new compensation system has "built-in" the effects of all the influences on the levels of compensation in the comparator markets, including turnover, promotions, and the various forms of salary adjustments. The compensation data obtained by the consultants for each Bank/Fund grade reflects pay for similar job content and includes the effect of the normal factors that influence salary levels, including comparator staff moving in or out of the grade, receiving a merit increase, being promoted, etc. The system, therefore, captures the actual comparator salary movements affected by these factors and provides the net change from the effective date of the prior year's survey. In order to maintain the agreed relationship, the Fund and Bank will (i) recommend adjustments to the

1/ The possibility of examining historical data to predict comparatio movement was considered. However, the effects of implementing new job grading systems in the Bank and the Fund, combined with the effects of the Bank's reorganization and the implementation of a new compensation system in 1989, provided an unreliable basis for estimating future trends.

salary structure midpoints in line with current comparator compensation and (ii) recommend average salary increases for staff to raise average salaries in each institution to the level of the new midpoints. The salary increase required for this purpose will depend on the relationship between average pay and the midpoint (comparatio) at each grade, and the overall average for each institution at the time of the annual review. The salary increase may be higher than the increase in the salary structure as a result of factors (separations, promotions, and new appointments) similar to those affecting comparator pay throughout the year.

2. Bank and Fund demographics and comparatios

At the time Executive Directors endorsed the new compensation system, several Directors emphasized the importance of reviewing staff demographics, of tracking the comparatios, and measuring the different effects of appointments, separations and promotions in the two institutions. An overview of demographics and comparatios following implementation of the new compensation system on May 1, 1989 is set out in Table 1. This table has been used as a starting point for the Bank and Fund to measure the effects of appointments, promotions, separations, and other salary actions from May 1, 1989 through December 31, 1989.

It will be noted from Table 1 that there are some differences by grade group. For example, the Fund has a higher average comparatio for support staff; this reflects past practices, in particular the fact that the Fund's support staff salary structure was approximately 4 percent higher than the Bank's. At the same time, the Bank has a higher proportion of professional staff and a slightly higher average comparatio, which reflects, to some extent, the emphasis given in the Bank to recruiting professional staff in mid-career. Mid-career recruitment can contribute to staff reaching career ceilings more quickly and it is at these grades that comparatios typically exceed 100. This mid-career recruitment pattern is also observed in the average age of Bank professional staff; the average age is two years more than Fund professional staff, while average service is one year less than in the Fund. Nevertheless, despite these factors, the overall distribution of staff and the demographic and comparatio patterns do not differ significantly in the two organizations.

3. Major factors affecting comparatio movement

There are three major factors that will raise or lower comparatios during the one-year interval between salary structure

Table 1. Demographics and Average Comparatios:
Fund and Bank May 1, 1989

Grade Group	Number	Percent	Average Age	Average Service	Average Comparatio <u>1/</u>
<u>Fund</u>					
A1-A7	550	32.47	42	11	101.42
A8	68	4.01	45	16	102.59
A9-B2	974	57.50	43	11	99.04
B3-B5	102	6.02	52	18	100.01
Total A1-B2	1,592	93.98	43	11	100.01
Total A1-B5	1,694	100.00	43	12	100.02
<u>Bank</u>					
11-17	2,173	35.44	41	9	99.32
18	178	2.90	40	11	95.00
19-26	3,624	59.10	45	10	100.12
27-29	157	2.56	52	16	101.20
Total 11-26	5,975	97.44	43	9	99.87
Total 11-29	6,132	100.00	44	10	99.93

1/ In their salary administration, the Bank and Fund use slightly different means of calculating comparatios when several grade levels are combined. This is reflected in the data presented in the following section, but is inconsequential; for the Bank the effects of different factors on the comparatios generally do not exceed 0.03 under the two methods, with no systematic bias in the direction of the difference. The total comparatio decline for the Bank, for example, is identical under the two methods.

adjustments. ^{1/} There are also a few other factors that will each influence the comparatios to a relatively minor extent.

(a) Appointments

Appointments of new recruits typically lower the average comparatio because new staff are normally paid below the midpoint of the salary range. There were exceptions to this general rule in the Fund and Bank under the earlier compensation system because the midpoints of the salary structure had not fully kept pace with salary movements in the comparator market. The new salary structure has enabled both organizations to keep entry salaries, with very few exceptions, below the midpoints of the salary ranges. The average comparatio for staff hired during the eight-month period under review was the same for the Bank and Fund at 90.3, i.e., about 10 percent below the midpoints.

(b) Separations

Separations from the organizations also affect the average comparatio; if the staff leaving the organization are paid above the midpoint of their salary range, their departure will lower the average comparatio, and if they are paid below midpoint, their leaving will increase the comparatio. If most separations involve long-service staff near the top of their career ladders, there will be a strong tendency to lower the average comparatio. This occurred in 1987/88 when the Bank reorganization resulted in the separation of many long-service staff with salaries in the upper levels of their ranges. During the more normal period since May 1, 1989, staff leaving the organizations were close to average age and average salary. The average comparatio for staff separating was 95.9 for the Fund and 95.8 for the Bank. Thus, the overall effect of separations was to raise, very slightly, the average comparatio in both organizations.

(c) Promotions

Promotions usually have the effect of lowering average comparatios. The general rule is the same as that applicable to appointments and separations. If an individual's comparatio is higher than the average comparatio following the promotion, it will increase the average comparatio; if it is below the average, it will lower the comparatio. In practice, however, it is rare for an individual being promoted to have a higher comparatio after the promotion than before the promotion; this would require a salary increase greater than the percentage difference between the two midpoints. In the Bank and

^{1/} Detailed analysis comparing the effects of each factor on Bank and Fund comparatios is presented in Section III.

Fund, an increase of more than 12 percent would be required to place an individual's salary at a higher point in the salary range. The more typical case in most organizations, and in the Fund and Bank, is that the great majority of staff promoted are placed at lower salaries in relation to midpoints in their new grades than they were in their old grades. The average new comparatio for staff promoted during the study period was 90.6 for the Fund and 91.4 for the Bank. The average comparatio for staff who are promoted is very similar to the average comparatio for staff who are newly appointed.

(d) In addition to the three main factors explained above, there are a number of other personnel actions that affect comparatios, including salary adjustments outside the normal merit review cycle, e.g., increases in salary when an appointment is confirmed after a probationary period (confirmation increases); demotions (which means the person's salary is administered at the lower grade after a "grand-fathering" period); and movements of staff from an ungraded to a graded position. Such personnel actions, in combination, had the effect of raising the Bank comparatio by 0.20 percent, mainly due to the Bank's granting of confirmation increases, and partly also to demotions in the Bank. The Fund does not grant confirmation increases and had no demotions; the Fund's comparatio rose by 0.04 percent as a result of other, relatively minor personnel actions. During the period under review, the Bank had an exceptional situation involving 30 staff whose demotions were due primarily to the expiration of two-year grandfathering periods for staff assigned to lower level positions during the reorganization.

(e) It is important to note the interrelationships of Appointments, Separations, and Promotions. If an organization is growing, the rate of appointment will be greater than the rate of separation, and the opportunities for promotion will generally be increased. This combination of factors can lower comparatios, and strong differences in growth rates in the Fund and the Bank would be one way in which systematic differences in the comparatios of the two organizations might emerge. The most marked difference would emerge if one organization was growing strongly while the other was keeping firm control over staffing levels; not only would the comparatio of the expanding organization be reduced more by new appointments, but the greater opportunities for promotion would also be having a similar effect.

III. Analysis of Comparatio Movements

This section describes in more detail the influence on the average comparatios of the Fund and Bank of the factors described in II--appointments, separations, promotions, and other personnel actions.

1. Appointments

As noted above, appointments can generally be expected to lower the comparatios. This was the case over the eight-month study period for the Fund and Bank, as presented in Table 2, which shows that:

- (a) appointments acted to reduce comparatios in both institutions and at all grade groupings within the institutions; and
- (b) the effect of appointments on the comparatio was slightly more pronounced at the Fund (-.38 at the Bank and -.51 at the Fund).

The difference in outcome is largely attributable to the difference in the overall rate of new appointments (5.5 percent in the Fund compared with 4.8 percent in the Bank). At professional levels, the difference was more marked--6.5 percent in the Fund and 4.6 percent in the Bank. Neither organization is experiencing a significant growth pattern, and the difference in hiring rates would appear to be a reflection of the vacancy rate at the beginning of the period and the rate of separations during the eight-month period.

2. Separations

As explained above, if separations predominantly involve longer-serving staff, the comparatio will fall. This was not the case during the period under review. The effect of separations on the comparatios of the Fund and the Bank is shown in Table 3, and the following conclusions may be drawn from that Table.

- (a) The overall effect of separations of all levels of staff was to increase the comparatios slightly in both organizations (0.16 in the Bank and 0.13 in the Fund). This shows that, on average, separations involved staff with salaries below the midpoints. The rate of separation over the eight-month period was similar (3.6 percent in the Bank and 3.3 percent in the Fund) and departing staff were--on average--about the same age, 43 and 44.
- (b) For group levels A1-A7 (Bank 11-17), separations of staff increased comparatios at the Bank but not at the Fund. This was due partly to the higher separation rate at the Bank (3.6 percent compared with 2.3 percent Fund) and partly to the lower comparatio of staff leaving the Bank (92.2 compared with 100.5 at the Fund).
- (c) For levels A9-B2 (Bank 19-26), separations had a greater effect on comparatios at the Fund than at the Bank. Separation rates were somewhat higher at the Fund (4.1 percent compared with 3.3 percent at the Bank) and the majority of those leaving the Fund tended to be in lower

Table 2. Effect of Appointments on the Fund and Bank Comparatio
(May through December 1989)

Grade Group	May 1, 1989			Appointments			Effect on Average Comparatio 1/	
	Number of Staff	Average Age	Average Comparatio	Number	Percent of Staff	Average Age		Average Comparatio
<u>Fund</u>								
A1-A7	550	42	101.42	28	5.0	33	92.10	-0.45
A8	68	45	102.59	1	1.5	29	82.80	-0.29
A9-B2	974	43	99.05	64	6.5	35	89.58	-0.59
B3-B5	102	52	100.01	1	1.0	51	94.86	-0.05
Total								
A1-B2	1,592	43	100.01	93	5.6	34	90.27	-0.50
Total								
A1-B5	1,694	43	100.02	94	5.5	34	90.32	-0.51
<u>Bank</u>								
11-17	2,173	41	99.32	120	5.5	35	91.04	-0.36
18	178	40	95.00	4	2.4	33	83.41	-0.25
19-26	3,624	45	100.12	169	4.6	39	90.02	-0.40
27-29	157	5	101.20	4	2.6	47	95.37	-0.15
Total								
11-26	5,975	43	99.87	293	4.9	37	90.15	-0.39
Total								
11-29	6,132	44	99.93	297	4.8	37	90.32	-0.38

1/ The effect on the comparatio for each group of staff is not cumulative for all groups but is recalculated each time groups are combined to take account of the different weight of each group.

Table 3. Effect of Separations on the Fund and Bank Comparatio
(May through December 1989)

Grade Group	May 1, 1989			Separations				Effect on Average Comparatio <u>1/</u>
	Number of Staff	Average Age	Average Comparatio	Number	Percent of Staff	Average Age	Average Comparatio	
<u>Fund</u>								
A1-A7	550	42	101.42	13	2.3	46	100.47	+0.01
A8	68	45	102.59	1	1.5	40	96.29	+0.09
A9-B2	974	43	99.05	40	4.1	42	94.31	+0.21
B3-B5	102	52	100.01	2	2.0	50	96.70	+0.07
Total								
A1-B2	1,592	43	100.01	54	3.4	43	95.84	+0.13
Total								
A1-B5	1,694	43	100.02	56	3.3	43	95.87	+0.13
<u>Bank</u>								
11-17	2,173	41	99.32	78	3.6	38	92.21	+0.25
18	178	40	95.00	9	5.4	43	84.53	+0.56
19-26	3,624	45	100.12	122	3.3	48	97.04	+0.11
27-29	157	52	101.20	13	8.5	54	96.25	+0.45
Total								
11-26	5,975	43	99.87	209	3.5	43	95.73	+0.14
Total								
11-29	6,132	44	99.93	222	3.6	44	95.80	+0.16

1/ The effect on the comparatio for each group of staff is not cumulative for all groups but is recalculated each time groups are combined to take account of the different weight of each group.

professional grades, slightly younger and with lower comparatios (average comparatio 94.3 for the Fund and 97.0 for the Bank).

3. Promotions

As noted earlier, promotions tend to lower average comparatios, and this occurred in both the Bank and the Fund (Table 4). Because the Fund and the Bank have different procedural timetables for granting promotions, the comparison presented in Table 4 required a number of adjustments to Fund promotion data to provide a meaningful comparison. For the eight-month period ending December 31, 1989, the Bank promoted approximately 13 percent of staff. For the same period, the Fund promoted approximately 3 percent of staff. However, projections for the full year, from May 1989 through April 1990, indicate that the period May through December 1989 reflects 69 percent of the total of promotions the Bank expects to make for the full twelve-month period, but only 18 percent of total promotions expected in the Fund. Therefore, to permit meaningful comparisons, the Fund data presented in Table 4 have been adjusted to similarly reflect 69 percent of the anticipated annual Fund promotions.

The comparison of the effect of Bank and Fund promotions, using the adjusted data for Fund promotions, shows that the effect on the comparatio is almost exactly the same in the Fund and Bank. Even if actual rates of promotion and comparatios differ between January 1, 1990 and May 1, 1990, the net difference is likely to be very small, probably less than 0.1 percent.

The overall impact of promotions on the comparatios is the result of two factors: the rate of promotion and the salary consequences. Thus, although the overall result is almost exactly the same, there are small differences in the rate of promotion between the Bank and the Fund and in the average salary increase granted to staff promoted in the two organizations, and these differences tend to offset one another when the overall effect on the comparatio is calculated. The estimated annualized rate of promotions is 18.4 percent at the Bank ^{1/} compared with about 15.9 percent at the Fund. One might expect, therefore, that the impact of Bank promotions on the comparatio would be somewhat greater than the impact in the Fund. However, this effect is offset by existing procedures for granting salary increases for promoted staff; the Fund has been granting promotion increases of 2 percent (Grades A9 and above) and 3 percent (Grades A1-A8), while the Bank grants promotion increases of 5 percent. This means that if two staff members (1 Bank and

^{1/} The annualized promotion percentage is not necessarily indicative of the Bank's expected FY 1990 promotion rate because it includes a significant number of promotions from May and June of FY 1989.

Table 4. Effect of Promotions on the Fund and Bank Comparatio
(May through December 1989)

Grade Group	May 1, 1989			Promotions 1/				Effect on Average Comparatio 2/ 3/
	Number of Staff	Average Age	Average Comparatio	Number	Percent of Staff	Average Age	Average Comparatio	
<u>Fund</u>								
A1-A7	550	42	101.42	46	8.4	38	88.96	-0.58
A8	68	45	102.59	4	5.9	37	84.67	-0.99
A9-B2	974	43	99.05	126	12.8	40	90.93	-0.69
B3-B5	102	52	100.01	4	3.9	50	104.50	-0.38
Total								
A1-B2	1,592	43	100.01	76	11.0	40	90.59	-0.73
Total								
A1-B5	1,694	43	100.02	180	10.5	41	90.59	-0.73
<u>Bank</u>								
11-17	2,173	41	99.32	320	14.6	39	92.36	-0.87
18	178	40	95.00	28	16.7	39	89.47	-1.06
19-26	3,624	45	100.12	434	11.8	40	91.03	-0.71
27-29	157	52	101.20	9	5.9	45	95.03	-0.38
Total								
11-26	5,975	43	99.87	782	12.7	40	91.30	-0.74
Total								
11-29	6,132	44	99.93	791	12.8	40	91.39	-0.72

1/ Adjusted for the Fund to take into account of the estimated effect of 69 percent of total promotions for the year ended May 1, 1990.

2/ The projected effect on the average comparatio can only be considered to be an estimate. While numbers of promotions can be estimated, it is impossible to estimate the average comparatio for those promoted.

3/ The effect on the comparatio for each group of staff is not cumulative for all groups but is recalculated each time groups are combined to take account of the different weights of each group.

1 Fund) who have the same comparatio are promoted, the comparatio in the new grade for the Bank staff member will be somewhat higher (reflecting 5 percent increases) than the comparatio in the new grade for the Fund staff member. In the circumstances, Fund promotions

have exerted more downward influence on the average comparatio. As noted, these two differences effectively offset one another at this time. The Fund is in the process of changing the promotion policy to allow most staff to receive 5 percent promotion increases. ^{1/} With this difference removed, the rate of promotions will be the major cause of future differences in comparatios resulting from promotions. It remains to be seen whether the somewhat higher (lower) rate of promotions in the Bank (Fund) are factors that will persist and will systematically affect the comparatios. In any event, the effect is unlikely to be large, probably no more than 0.2 percent.

4. Other adjustments

Table 5 shows the effect on the comparatio for the other types of personnel actions described in Section II. These include confirmation increases in salaries and demotions, which can be expected to raise the overall comparatio, and movements into the population on which the comparatio is calculated (as when an occupied, but ungraded, position is graded), which either lowers or raises the comparatio, depending on the circumstances.

These personnel actions raised comparatios for the Bank by a small amount (by 0.20); for the Fund, they had virtually no impact (0.04). This was due to a much larger number of such actions at the Bank (affecting 4.2 percent of staff compared with only 1.1 percent at the Fund).

5. Summary of comparatio movement

The overall effects of appointments, separations, promotions, and other personnel actions on the comparatios of the Fund and the Bank for the period May 1, 1989 to December 31, 1989 are shown in Table 6.

Overall, the effects of various factors that change the comparatio were very similar for the Fund and the Bank. For the period

^{1/} The 5 percent increase will replace the 2 percent and 3 percent increases currently in effect. However, the 5 percent will apply only to the extent it does not raise an individual's salary above the midpoint of the new grade in which case the increase will be the amount necessary for the salary to be raised to the midpoint or 2 percent, whichever is larger.

Table 5. Effect of Other Adjustments on the Fund and Bank Comparatio
(May through December 1989)

Grade Group	May 1, 1989			Other Adjustments				Effect on Average Comparatio <u>1/</u>
	Number of Staff	Average Age	Average Comparatio	Number	Percent of Staff	Average Age	Average Comparatio	
<u>Fund</u>								
A1-A7	550	42	101.42	13	2.3	44	109.49	+0.08
A8	68	45	102.59	0	0.0	--	0.00	0.00
A9-B2	974	43	99.05	5	0.5	38	100.33	+0.01
B3-B5	102	52	100.01	0	0.0	--	0.00	0.00
Total								
A1-B2	1,592	43	100.01	18	1.1	42	107.33	+0.04
Total								
A1-B5	1,694	43	100.02	18	1.1	42	107.33	+0.04
<u>Bank</u>								
11-17	2,173	41	99.32	100	4.6	39	103.21	+0.25
18	178	40	95.00	7	4.2	39	94.39	+0.23
19-26	3,624	45	100.12	152	4.1	44	97.56	+0.19
27-29	157	52	101.20	3	2.0	50	98.03	+0.02
Total								
11-26	5,975	43	99.87	262	4.2	42	98.57	+0.20
Total								
11-29	6,132	44	99.93	262	4.2	42	98.57	+0.20

1/ The effect on the comparatio for each group of staff is not cumulative for all groups but is recalculated each time groups are combined to take account of the different weights of each group.

Table 6. Summary of Comparatio Movement

Grade Group	5/1/89 Comparatio	Appt	Sep	Prom <u>1/</u>	Other	12/31/89 Comparatio	Net Effect on Comparatio <u>2/</u>
<u>Fund</u>							
A1-A7	101.42	-0.45	+0.01	-0.58	+0.08	100.48	-0.94
A8	102.59	-0.29	+0.09	-0.99	0	101.40	-1.19
A9-B2	99.04	-0.59	+0.21	-0.69	+0.01	97.98	-1.06
B3-B5	100.01	-0.05	+0.07	-0.38	0	99.65	-0.36
Total							
A1-B2	100.01	-0.50	+0.13	-0.73	+0.04	98.95	-1.06
Total							
A1-B5	100.02	-0.51	+0.13	-0.73	+0.04	98.98	-1.07
<u>Bank</u>							
11-17	99.32	-0.36	+0.25	-0.87	+0.25	98.59	-0.73
18	95.00	-0.25	+0.56	-1.06	+0.23	94.48	-0.52
19-26	100.12	-0.40	+0.11	-0.71	+0.19	99.31	-0.81
27-29	101.20	-0.15	+0.45	-0.38	+0.02	101.14	-0.06
Total							
11-26	99.87	-0.39	+0.14	-0.74	+0.20	99.08	-0.79
Total							
11-29	99.93	-0.38	+0.16	-0.72	+0.20	99.19	-0.74

1/ The promotion figures for the Fund are not actual figures for the study period, but are adjusted to reflect a percentage of expected annual promotions comparable to that of the Bank's data. Because of this, as well as the fact that the effects from various actions are not quite additive, the total comparatio impacts are approximate.

2/ The effect on the comparatio for each group of staff is not cumulative for all groups but is recalculated each time groups are combined to take account of the different weights of each group.

May 1 through December 31, 1989, the factors discussed above lowered the average comparatio for Grades A1-B2 (Bank 11-26), (i.e., all but the most senior grades) by 1.06 in the Fund and 0.79 in the Bank: the overall changes, including the most senior grades, were 1.07 and 0.74, respectively. The study covered eight months of the year and probably represents some two thirds of the probable comparatio movement for a full year. If the comparatio changes are projected for the full 12 months, the projected fall in the Bank's comparatio would be approximately 1.2 while the fall in the Fund's would be about 1.6. The Fund started the year at a comparatio of 100.0 and the Bank started at 99.9; the estimated year-end comparatios are, therefore, 98.7 for the Bank and 98.5 for the Fund. ^{1/} In the unlikely event that there were to be no upward movement in salaries in the comparator market, and hence no basis for an upward shift in the midpoint of the salary structure, this projection would imply an overall average increase of about 1.3 percent in the Bank and 1.5 percent in the Fund. These increases would be larger to the extent that the common salary structure was moved up in line with the comparator market.

IV. Summary of Conclusions

The conclusions to be drawn from a study that covers only an eight-month period must be regarded as tentative and subject to further review after the Bank and Fund have had an opportunity to study developments in the comparatio for a couple of years under the new compensation system. However, at this time, the principal conclusion of the examination of comparatio developments is that the main influences on the comparatios of the Fund and the Bank are very similar in both pattern and magnitude. Although differences in these influences may occur from year to year as a result of temporary fluctuations in personnel practices, or of demographic patterns related to such practices (such as age of staff recruited or separated), there seems to be no reason to expect these to be consistently biased in favor of one institution or the other in the absence of significant differences in organizational growth. The only clear exception to this is the granting of salary increases to staff upon confirmation at the Bank but not at the Fund; this will tend to produce a slightly lower comparatio for the Fund at year-end, but the effects are relatively minor. As regards promotions, the Fund is moving to bring the Fund's practice on salary increases more into line with the Bank, and the differences that might emerge from

^{1/} Starting comparatio minus (eight-month effect divided by 68 percent) equal projected comparatio:

Fund	100.0 - (1.07/.68) = 98.5
Bank	99.9 - (.74/.68) = 98.7

promotions will be due almost entirely to different rates of promotions. There is some possibility, in the light of the promotion patterns of the last three years that the Bank's rate of promotion, especially at support levels, ^{1/} may continue to be greater than that of the Fund, and thus the effect of promotions on the Bank's comparatio may tend to be somewhat larger than the effect of promotions in the Fund. Both the Bank and the Fund maintain strict promotion policies (e.g., time-in-grade requirements, job content review, and committee reviews) designed to monitor types and numbers of promotions and to avoid "grade creep". In the circumstances, it is difficult to predict the future effects of promotions on comparatio movements, but it seems unlikely that the differences will be particularly significant.

^{1/} A large part of the difference in promotion rates for support staff stems from the different entry levels for secretaries. The Bank's entry level is grade 13 (Fund A3) and the Fund's entry level is grade A4 (Bank 14). The Bank tends to have a high rate of promotions between their grades 13 and 14 where secretaries typically spend only one to two years (see disaggregated data in Attachment I).

IMPACT OF PERSONNEL ACTIONS ON FUND COMPARATIOS - MAY-DECEMBER 1989

Grade	May 1, 1989					Personnel Actions Processed Between May 1 - December 31, 1989																December 31, 1989							
	No. of Staff	% of				Appointments				Separations				Promotions				Other				No. of Staff	% of						
		Total Staff	Avg Age	Avg Serv	CR	Avg No.	Avg Age	CR	Impact	Avg No.	Avg Age	Avg Serv	CR	Impact	Avg No.	Avg Age	Avg Serv	CR	Impact	Avg No.	Avg Age		Avg Serv	CR	Impact	Total Staff	Avg Age	Avg Serv	CR
A1	9	0.53	37	8	112.5	0	-	-	-	1	37	4	95.7	2.10	0	-	-	-	-	-	-	-	-	-	7	0.40	37	9	114.1
A2	4	0.24	43	9	105.8	0	-	-	-	0	-	-	-	-	0	-	-	-	-6.14	-	-	-	-	-	2	0.12	36	3	99.7
A3	13	0.77	35	5	96.7	2	27	94.0	-0.37	0	-	-	-	-	2	49	14	103.0	0.83	-	-	-	-	-	17	0.98	36	6	97.2
A4	72	4.25	36	4	92.4	15	33	93.4	0.02	1	32	0.5	93.6	-0.02	0	-	-	-	-0.13	-	-	-	-	-	84	4.84	36	4	92.6
A5	154	9.09	42	10	99.5	4	33	87.2	-0.31	5	45	13	103.0	-0.12	2	42	1	89.4	0.20	-	-	-	-	-	150	8.65	42	10	99.6
A6	175	10.33	44	13	104.3	2	27	82.3	-0.25	3	47	15	95.5	0.15	6	36	5	83.7	-0.62	-	-	-	-	-	177	10.21	43	12	103.8
A7	<u>123</u>	<u>7.26</u>	<u>43</u>	<u>14</u>	<u>104.5</u>	<u>5</u>	<u>35</u>	<u>95.4</u>	<u>-0.36</u>	<u>3</u>	<u>62</u>	<u>16</u>	<u>111.8</u>	<u>-0.17</u>	<u>2</u>	<u>34</u>	<u>4</u>	<u>90.3</u>	<u>-0.13</u>	-	-	-	-	-	<u>127</u>	<u>7.32</u>	<u>43</u>	<u>13</u>	<u>103.9</u>
	550	32.47	42	11	101.4	28	33	92.1	-0.45	13	46	12	100.5	-0.01	12	38	6	89.0	-0.15	13	44	-	109.5	0.08	564	32.53	41	11	100.9
A8	68	4.01	45	16	102.6	1	28	82.8	-0.29	1	40	9	96.3	0.09	1	27	6	84.7	-0.26	-	-	-	-	-	69	3.98	44	16	102.1
A9	63	3.72	43	14	99.0	6	32	91.8	-0.62	1	65	23	96.0	0.05	0	-	-	-	0.08	-	-	-	-	-	65	3.75	42	13	98.5
A10	71	4.19	46	14	99.9	3	37	93.8	-0.25	2	35	2	90.8	0.26	3	35	8	88.7	-0.34	-	-	-	-	-	75	4.33	45	14	99.4
A11	94	5.55	38	7	94.9	25	31	88.6	-1.34	4	41	4	96.6	-0.08	1	38	7	83.1	0.71	-	-	-	-	-	102	5.88	38	7	93.6
A12	129	7.62	38	8	92.0	16	36	88.5	-0.39	13	38	5	90.6	0.15	15	32	2	82.2	-1.02	-	-	-	-	-	147	8.48	38	7	90.8
A13	215	12.69	42	9	96.2	13	39	90.2	-0.34	8	40	3	88.8	0.29	0	-	-	-	-0.05	-	-	-	-	-	219	12.63	42	9	96.1
A14	216	12.75	46	13	103.8	1	47	97.6	-0.03	8	48	13	96.9	0.15	1	43	9	96.2	-0.03	-	-	-	-	-	212	12.23	46	13	103.9
B1/A15	103	6.08	46	15	104.4	0	-	-	-	4	48	18	111.5	-0.21	10	42	12	103.8	-0.24	-	-	-	-	-	96	5.54	46	14	103.9
B2	<u>83</u>	<u>4.90</u>	<u>49</u>	<u>17</u>	<u>103.2</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>45</u>	<u>14</u>	<u>94.9</u>	<u>-0.51</u>	-	-	-	-	-	<u>84</u>	<u>4.84</u>	<u>49</u>	<u>16</u>	<u>102.7</u>
	974	57.50	43	11	99.1	64	35	89.6	-0.59	40	42	7	94.3	0.21	33	37	7	90.9	-0.18	5	38	-	100.3	0.01	1,000	57.67	43	11	98.4
B3	39	2.30	48	17	100.3	0	-	-	-	1	54	14	101.8	-0.04	0	-	-	-	-	-	-	-	-	-	38	2.19	48	17	100.3
B4	46	2.72	53	19	99.7	1	51	94.9	-0.10	1	46	17	91.6	0.18	0	-	-	-	-0.30	-	-	-	-	-	46	2.65	53	19	99.8
B5	<u>17</u>	<u>1.00</u>	<u>57</u>	<u>15</u>	<u>100.1</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>60</u>	<u>28</u>	<u>104.5</u>	<u>0.20</u>	-	-	-	-	-	<u>17</u>	<u>0.98</u>	<u>57</u>	<u>15</u>	<u>100.1</u>
	102	6.02	52	18	100.0	1	51	94.9	-0.05	2	50	16	96.7	0.07	1	60	28	104.5	-0.10	-	-	-	-	-	101	5.82	52	18	100.0
Total	<u>1,694</u>	<u>100.00</u>	<u>43</u>	<u>12</u>	<u>100.0</u>	<u>94</u>	<u>34</u>	<u>90.3</u>	<u>-0.51</u>	<u>56</u>	<u>43</u>	<u>9</u>	<u>95.9</u>	<u>0.13</u>	<u>47</u>	<u>33</u>	<u>7</u>	<u>90.6</u>	<u>-0.16</u>	<u>18</u>	<u>42</u>	<u>0</u>	<u>107.3</u>	<u>0.04</u>	<u>1,734</u>	<u>100.00</u>	<u>43</u>	<u>12</u>	<u>99.5</u>

CPD (ss:CRBDPER1)

22-Feb-90

ATTACHMENT 1A

IMPACT OF PERSONNEL ACTIONS ON BANK COMPARATIOS - MAY-DECEMBER 1989

Level	May 1, 1989					Personnel Actions Processed Between May 1 - December 31, 1989															December 31, 1989								
	% of					Appointments				Separations				Promotions				Other				% of							
	No. of Staff	Total Staff	Avg Age	Avg Serv	CR	No.	Age	CR	Impact	No.	Age	Serv	CR	Impact	No.	Age	Serv	CR	Impact	No.	Age	Serv	CR	Impact	No. of Staff	Total Staff	Avg Age	Avg Serv	CR a/
11	19	0.31	43	6	110.22	0	0	0.00	0.00	1	51	9	-104.38	0.32	0	0	0	0.00	0.16	0	0	0	0.00	0.00	14	0.22	44	7	110.70
12	8	0.13	40	6	107.30	1	23	81.48	-2.87	1	22	1	-89.08	2.60	0	0	0	0.00	1.00	0	0	0	0.00	0.00	7	0.11	41	7	108.04
13	226	3.69	36	3	96.53	93	34	91.99	-1.32	12	31	2	-90.52	0.34	5	38	5	92.20	0.34	43	34	1	98.08	0.86	239	3.84	36	3	96.75
14	408	6.65	40	6	95.45	18	39	93.46	-0.08	24	36	5	-89.29	0.38	74	36	2	91.52	-0.47	16	40	3	93.49	0.22	379	6.09	41	6	95.49
15	776	12.65	41	9	99.13	6	33	79.82	-0.15	21	41	9	-93.95	0.14	98	38	5	88.68	-1.61	25	45	14	113.09	0.51	794	12.76	42	10	98.03
16	460	7.50	42	11	101.53	0	0	0.00	0.00	15	42	10	-93.85	0.26	85	39	9	95.18	-1.05	7	40	9	106.58	0.05	456	7.33	42	12	100.79
17	276	4.50	43	13	101.46	2	31	76.92	-0.18	4	50	10	-94.00	0.11	58	43	10	94.39	-0.83	9	43	11	106.85	-0.21	308	4.95	44	13	100.36
	2173	35.44	41	9	99.32	120	35	91.04	-0.36	78	38	7	-92.21	0.25	320	39	6	92.36	-0.87	100	39	6	103.21	0.25	2197	35.30	41	9	98.59
18	178	2.90	40	11	95.00	4	33	83.41	-0.25	9	43	11	-84.53	0.56	28	40	10	89.47	-1.06	7	39	9	94.39	0.23	158	2.54	41	11	94.47
19	277	4.52	42	11	93.15	8	34	83.72	-0.26	12	39	10	-88.17	0.23	39	39	10	90.11	-0.54	3	44	4	92.56	0.07	271	4.35	42	11	92.64
20	171	2.79	42	11	91.47	6	35	86.97	-0.15	5	42	11	-87.07	0.13	40	42	10	88.01	-0.52	5	41	9	96.42	0.25	193	3.10	43	12	91.18
21	184	3.00	38	7	89.37	41	31	85.36	-0.73	5	44	13	-82.91	0.18	22	37	8	84.96	0.09	11	34	5	96.22	0.56	182	2.92	38	8	89.47
22	310	5.06	39	7	90.77	22	35	86.22	-0.30	9	40	4	-83.27	0.22	59	34	3	83.22	-1.58	33	37	2	91.22	0.39	312	5.01	38	7	89.50
23	840	13.70	44	7	97.23	68	42	92.54	-0.35	33	48	7	-95.37	0.08	75	37	6	86.49	-1.59	52	44	2	96.05	0.25	799	12.84	43	7	95.61
24	1092	17.81	47	10	104.46	22	48	92.62	-0.23	36	49	9	-99.29	0.18	149	44	7	93.62	-1.40	32	48	5	102.32	0.10	1208	19.41	48	10	103.10
25	396	6.46	49	12	105.01	2	51	104.56	0.00	15	56	13	-107.91	-0.11	28	46	9	101.43	-0.26	10	50	13	109.89	0.31	394	6.33	49	13	104.94
26	354	5.77	48	14	102.43	0	0	0.00	0.00	7	59	16	-100.11	0.05	22	44	11	96.57	-0.31	6	71	21	93.45	-0.02	359	5.77	49	15	102.15
	3624	59.10	45	10	100.12	169	39	90.02	-0.40	122	48	9	-97.04	0.11	434	40	7	91.03	-0.71	152	44	4	97.56	0.19	3718	59.75	45	10	99.30
27	60	0.98	52	15	102.77	1	51	92.24	-0.17	5	53	16	-96.94	0.53	3	40	6	91.78	-0.65	0	0	0	0.00	-0.04	54	0.87	52	15	102.44
28	80	1.30	51	17	100.42	2	43	95.57	-0.12	5	53	16	-99.48	0.06	6	47	16	96.50	-0.27	3	50	1	98.03	0.09	83	1.33	51	17	100.18
29	17	0.28	53	16	100.03	1	50	97.52	-0.14	3	56	7	-90.51	2.04	0	0	0	0.00	0.08	0	0	0	0.00	0.00	13	0.21	52	18	102.02
	157	2.56	52	16	101.20	4	47	95.37	-0.15	13	54	14	-96.25	0.45	9	45	13	95.03	-0.38	3	50	1	98.03	0.02	150	2.41	51	16	101.14
Total	6132	100.00	44	10	99.93	297	37	90.32	-0.38	222	44	9	-95.79	0.16	791	40	7	91.39	-0.72	262	42	5	98.57	0.20	6223	100.00	44	10	99.19
30	6		59	14	97.68	0	0	0.00	0.00	0	0	0	0.00	0.00	2	55	16	93.85	-0.96	1	58	1	88.70	-0.23	8		58	15	96.49

a/ The December comparatio was calculated by adding the comparatio impacts of each personnel action to the starting comparatio at May 1.

PERPD (ss:impact1)

22-Feb-90

