

APPEALS HEARINGS UNDER WAY

Interviews with Appeals Committee Chairman Jerome Ross and Staff Consultant David Knudsen

JEROME ROSS. For the past 23 years, in fact for his entire professional career, Jerome Ross has worked in labor relations. He left law school in 1963, working for General Electric in personnel and industrial relations and then joining the Federal Mediation and Conciliation Service, where for ten years he mediated labor disputes. In 1977 he was appointed Chairman of the Federal Prevailing Rate Advisory Committee, which sets pay policy for about half a million U.S. federal blue-collar employees. He has been in private labor arbitration since 1981, working for the coal, steel, and airline industries, as well as for Metro and the Foreign Service Grievance Board at the U.S. State Department. Here he discusses the nature of labor arbitration and some aspects of his role in the Fund's appeals procedure.



Most of my work prior to private labor arbitration concerned disputes over the terms and conditions to be included in labor contracts. Now I deal with the interpretation of contract provisions, mainly through employee grievances.

In the United States the labor relations system is designed to have labor and management communicate with each other and resolve problems mutually. Also built into the system, however, is a provision for a third party if a dispute cannot be resolved. I enter as a neutral to these disputes—either to settle grievances or, where employees do not have the right to strike, to decide the terms and conditions of employment.

How is an arbitrator chosen?

In some cases an organization and its union might want a permanent arbitrator, in which case one person or a few people are kept on retainer. In other cases where parties do not have permanent

arbitrators, they would go to the Federal Mediation and Conciliation Service or to the American Arbitration Association. Those two organizations, in response to a request, send a list of five or seven arbitrators. The parties involved in the grievance then take the list and alternately strike names. Whoever's name is left arbitrates that case. Here at the Fund, management and the Staff Association jointly interviewed several people for the Chairman's position, and I was selected.

Can you outline the arbitration process?

At least in the United States, the arbitration process is mainly used to resolve grievance disputes. One of the key provisions in a labor agreement is the grievance and arbitration procedure. Both parties bind themselves to go to arbitration to resolve disputes. Not only do they bind themselves to go,

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they also bind themselves to the decision, whatever that may be. In the Fund, management and the Staff Association agreed to accept advisory arbitration—as opposed to binding arbitration. Under this advisory arbitration the Managing Director would receive the recommendation of the Appeals Committee and then render a final decision.

While strict rules of evidence are not adhered to in arbitration, evidence is received in a systematic way and all that is relevant is brought in through an orderly presentation. That is in contrast with a court of law, which is strictly concerned with what a jury should, or should not, hear. An arbitration proceeding functions on the assumption that the arbitrator has an understanding of what is relevant and material. In the Fund's appeals process, the panels will determine whether the testimony of witnesses or documentary evidence is relevant.

The hearing provides parties with the opportunity to state their arguments and to present evidence. Many times post-hearing briefs are filed, especially if lawyers are involved. In the end the arbitrator considers the entire record and writes a decision and an award, which, in binding arbitration, is final.

Do you have the right, as the arbitrator, to request more information?

Yes, but arbitrators go two ways on this. Some believe their role is to listen while the parties develop the record. Arbitrators consider whatever arguments and evidence are presented and address whatever issues are raised by the parties. Other arbitrators, however, feel their role includes asking questions if they believe relevant information can be elicited.

I tend to be somewhere in the middle. I tend to sit back and let the parties develop the record, but if I feel something is really critical, I will ask. Normally what I ask isn't critical, though, because the parties know their situation a lot better than I do. I'm not coming in like Perry Mason, looking to ask the one question that's going to resolve the whole dispute. I usually ask questions if I don't understand something.

How different is it to arbitrate for an international organization?

It really doesn't make any difference to me, although another arbitrator might answer differently. Basically you are concerned with issues of the workplace. There are really no external laws, for instance, when you talk about job classification. Much of job classification is based on common sense, but many of the disputes in the workplace have

become overly technical and legalistic, which is really a disservice to the employee. If the employees don't understand what's going on, the policies and procedures are ineffective.

An international organization should not be more difficult than any other. The personalities and the value systems may be different, but you find that in the coal mines of eastern Kentucky and in the oil fields of Texas. As to the particular subject matter, whether it is classification or employee discipline, there are no applicable external laws. The issues involve interpreting and applying the provisions of a labor contract or, in the job grading here in the Fund, a Position Description Questionnaire.

This job classification process seems a very complex undertaking, as do the appeals procedures growing out of it. What is your impression of the process and your role in it?

The Fund's job classification process is fairly complex. Any restructuring of a grading system is complex and when you are talking about 1500 to 2000 people, it is complex, but the appeals procedure here is similar to the typical grievance procedure in private companies or government agencies.

From my perspective the appeals process is really a series of individual cases. We look at each case on its merits and fit it into the system. If you look at it that way, it's somewhat less complex. We're not making a decision on the whole grading system. That system is in place. Individual decisions will be made on the basis of where those staff who appealed fit into the system. My job will be to work with the other Committee members, in panels of three, to come up with an objective decision on each appeal.

You are normally the sole arbitrator in a case. How different is it to work with a committee?

THE APPEALS COMMITTEE

Chairman
Panelists

Jerome Ross
Sally Dyson-Simmons*
Russell Kincaid
Shuja Nawaz*
Kevin O'Connor
Alan Tait*
Muhammad Yaqub
Linda Seal*
Peter Heller

*Appointed by the Managing Director

Initially my work with the Appeals Committee here has involved establishing procedures. A lot of discussion went into establishing the procedures that supplement GAO 31A. With the exception of a very few policy questions that may have to be decided in the future, our work now will involve the panels of the Committee considering individual job grading appeals.

It's evident to me that the Committee members are going to consider the appeals as objectively as possible. They are not coming in as partisans, even though half of the Committee members were nominated by management and half by the Staff Association. My role will be to manage the process and to hear evidence. But the critical element in deciding appeals will be the dialogue among the three panel members. This exchange of views is going to improve the quality of the Committee's recommendations.

Because three people will be involved in drafting every recommendation, it will take longer than if one person were to do it. Time for discussion must be provided. A draft decision must be written, and the three panel members must discuss it. Then a redraft must be done, if necessary. This process should result in a better final product than if a single individual were to render the decision. At the Foreign Service Grievance Board of the State Department we also use three panel members to hear grievances. One is a professional arbitrator and the others are retired foreign service officers who function as arbitrators. I may understand the principles of contract interpretation and the taking of evidence but they have a good understanding of the policies and procedures of the organization. We are using the same concept here in the Fund.

Are some cases being referred to the Grievance Committee rather than the Appeals Committee? What is the basis for that referral?

Issues involving job grading are within the jurisdiction of the Appeals Committee. All other grievable issues are within the jurisdiction of the Grievance Committee. There may be cases that involve an issue of job grading as well as another issue. Although no final decision has been made, the processing procedures for these "mixed cases" will probably be made on a case-by-case basis by the two committees.

Will there be a pattern as to how the appeals will be considered?

No, basically we are logging them in, and with a few exceptions where the parties agree to group their appeals or where more information on the

appeal is needed, we are trying to do appeals on a first in, first out basis. When we receive an appeal we send it to Administration for a reply. When we get Administration's reply, we send a copy of it to the staff member and schedule a hearing.

Do you anticipate any scheduling problems with panel members being on mission?

Yes, that's why we increased the size of the Committee from six to eight. If someone is away, we'll change the composition of the panel designated to hear an appeal. We have already done that several times. There are two considerations: availability of panel members and a concern for equalizing the workload among all the panel members. Within those two considerations, there is a random assignment of one management-nominated committee member and one SAC-nominated committee member.

The person appealing may challenge the membership of the panel...

Yes. But before we even get to that, a panel member who feels there is an actual or apparent conflict of interest can remove himself or herself from a particular appeal. In addition a staff member has the right to challenge a panel member for any reason. They can, in fact, challenge the replacement but the rule of reasonableness will enter in here. There are only four appointees each from management and the Staff Association. The staff member must accept one from each group.

Will a transcript be kept?

No, my notes will serve as the official record of the proceedings. I think that after the Managing Director has acted on a Committee's recommendation, everything in the staff member's appeal file other than the written recommendation itself is going to be destroyed.

There may be as many as 196 appeals. Do you have a sense yet of how long it might take to hear these appeals? At what rate will you be able to hear the appeals? Roughly one a day?

Initially we will be doing one a day, two days a week. I hope there will be some periods where we can hold hearings four or five days a week. Also, after we get comfortable hearing one appeal a day, we may want to do two a day. I expect the pace to accelerate in the future, but since the panels haven't worked together, I think it's better to start a little

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more slowly. Depending on the caseload, it could be a year or so before all the appeals can be heard.

How soon will individuals know the results?

I've already contacted Administration and said that to ensure the credibility of the system the Managing Director should act on the Committee's recommendation promptly. Administration and the appellant will have 14 days to request the Managing Director to reconsider the Committee's recommendation, if either disagrees with the recommendation. The Managing Director should act on the recommendation at the end of the 14-day period.

Will Administration and the appellant be informed of the recommendation simultaneously?

Yes. They will each receive a copy of the recommendation that goes to the Managing Director. The mailing list includes the Managing Director, the Deputy Managing Director, the appellant, Administration, all of the committee members, and the consultant.

The Managing Director's decision will then be final and binding?

Yes.

DAVID KNUDSEN has been in the personnel management field since 1967. After 12 years in the U.S. Federal Government (with the Department of Agriculture and the former Department of Health, Education, and Welfare), he worked with the major federal employees union, the American Federation of Government Employees. Since 1980 he has been a private consultant to employee organizations and to attorneys representing federal employees in matters involving personnel procedures. Throughout his career, David Knudsen has been interested in, and worked on, personnel staffing and job classification issues. Here he discusses his work as a consultant to Fund staff who are appealing their job grading.

Are there substantive differences in working with an international agency rather than a federal or private agency?

The job classification appeals system in the federal government is different in that no hearings are involved. All the appeals are on a written basis and are decided unilaterally by management in the Office of Personnel Management, which is a government agency. Here in the Fund, some cases will be based solely on written submissions, but most will be heard in person. In a broad sense the biggest substantive difference is that there seem to be no legal restrictions on the power of management in this organization and, I presume, in other international organizations as well. In the federal government you are very accustomed to working within a checks-and-balances system. You take it for granted that staff with problems have several avenues of redress: the Equal Employment Opportunity Commission, the Merit Systems Protection Board, the union grievance process, their



elected representative, and so forth. Here if you don't find relief within these four walls, you are not going to find it.

Given these differences, do you feel any added responsibilities here?

Yes. The differences certainly make the work here much more challenging. There are few guidelines. As a matter of fact, this is precisely one of the elements used in the Hay system to decide the worth of a job—the number and the type of guidelines available to tell you how to take the next step. In the job grading appeals process at the Fund, there is only one guideline, GAO 31A. Everything that is decided upon by the three interested parties—the staff, management, and Mr. Ross—has to be based on this GAO. There are no other parameters that I see. Each of the three parties has to have a clear

understanding of what his or her role is and what the other two roles are, and work together within that framework. That's not very precise, but there simply are no guidelines, other than the GAO, to refer to to justify what we say or do.

Could you discuss your role in the appeals proceedings?

I am an advocate for the individual staff members. I will be representing the staff member in the majority of the cases. My role will vary from case to case. At the very least I would expect to give an opening statement to the panel setting out what we intend to prove in the hearing. Normally the appellant will then be the principal witness on his or her own behalf. Whether the proof is elicited from the appellant through a question-and-answer format or whether the appellant has a written statement or speaks from notes will really be up to the individual and the circumstances of the case.

I would then expect to provide the panel with an analysis of the grading decision as it was made, as it should have been made, and as it has been defended by Administration. This analysis would get into the more technical aspects of the Hay system. I would hope there would be a division of responsibility between the appellant and me, with the appellant responsible for the content of his or her job, and perhaps other jobs that he or she is aware of. I would be responsible for the analysis of the Hay system as it applies to that case.

There may, of course, be questions from Administration about what we have said. We also may call witnesses if there is a factual dispute. There are no general constraints on who may be called. The witnesses would also be subject to questions from Administration. When those questions are through, the panel members will ask questions; they can, of course, interrupt at any time if they don't understand something.

That would be the presentation of our case. The Administration representative would provide a similar exposition of its defense of the original grading decision, following roughly the same format. We would then have the opportunity to question Administration. There would be rebuttal and surrebuttal until the panel felt they had sufficient information. At that point I expect Mr. Ross to cut off discussion and ask for a brief closing statement from the appellant and Administration. Then Mr. Ross and the panel would go into conference and draft a recommendation.

This is not compulsory arbitration. Mr. Ross does not have final authority. It is advisory arbitration. Mr. Ross will advise the Managing Director of the recommendation of the Appeals Committee. We are

all very much aware that the final authority rests with the Managing Director. From the point of view of the credibility of the process, it would seem to be in the interests of both staff and management for the Managing Director to accept the recommendations of the Appeals Committee, as I believe has been the case with the recommendations of the Grievance Committee here.

When a recommendation goes to the Managing Director, the appellant still has the opportunity to provide a supplementary statement if he or she is unhappy with the recommendation. Will you assist with this?

I would expect to work with an appellant right through to the end of the process.

Do you feel you have resolved the broader issues of the appeals process and now can get on to the specifics of individual cases?

That remains to be seen. One big advantage is Mr. Ross's experience with exactly this type of problem—that is, bringing together two parties who are adversarial by their roles and working out cooperative understandings. He's very good at this and very experienced. His background and the way he goes about solving these problems are assets to both sides.

Are there problems or issues that you can foresee?

There may be some differences of opinion on how elements other than Hay pointing should be dealt with. Time-in-grade is one; performance is another. These are examples of issues that have a bearing on job grading and I think each will have to be dealt with individually. There are probably others that I simply have not recognized yet.

What are the personal rewards and satisfactions of the sort of work you do?

They are hard to describe. I like to play a part in analyzing problems that initially seem insoluble but do, in fact, have a solution. Of course my principal interest is in seeing that the appellant is benefited by the solution. That is the chief reward. Being able to take a case from beginning to end—starting with discussions with an appellant who is extremely discouraged and pessimistic about the outcome, and then hopefully seeing that individual better off—is a great reward. It is the individual victories that, I think, are more important to me than the overall sense of accomplishment, but it is hard to separate the two.

DEEP CONCERN, BUT NO WALK OUT

The mood was different this time. Last year, stung by the unexpected Executive Board denial of management's proposal for a general salary increase, the mood at the 1986 open staff meeting had quickly escalated from unfocused anger and volatility to a spontaneous decision to strike. This year the crowd that poured into the atrium on May 7 knew a half-day strike was a possibility. They seemed a quieter, more reflective, more deliberate assembly. The question in everyone's mind seemed to be whether this job action was the most appropriate response to the Executive Board decision to fix the 1987 general salary increase at 3 percent rather than at 5 percent, as indicated by the comparator system.

Julian Berengaut, head of the Staff Association, opened the meeting, reviewing the background of the Board's decision and the pros and cons of a strike. Berengaut first cited why a strike might not be the best course: the small (3 percent) but positive increase; the need to keep a sense of proportion (particularly if stronger action were needed later); the reportedly scant Board support for the full increase; the possibility a strike might lack broad support from the staff; and the absence of any action by the World Bank staff on the same salary issue.

Before opening the meeting up for comments, Berengaut also reviewed the factors favoring a strike: the principle at stake (the fact that there was little or no discussion of the recognized comparator system raised serious questions about the objective application of any future system); the potential effectiveness of a well-supported work action in helping forestall the need for future actions; and the likelihood that the limited action (a half-day strike) might be the most effective way of conveying the depth of staff feeling on the subject.

The first staff member to speak from the floor cautioned that this was not the time to strike or to infer a lack of confidence in the new management. Others then proposed, and seconded, a deletion of the work stoppage proposal from the SAC resolution. Later speakers echoed these sentiments, voicing concern about the delicateness of the current situation and the importance of keeping staff response measured and appropriate. Longer-range concerns seemed to weigh heavily in many minds.

Some frustration, however, surfaced as well. One speaker criticized the current situation which allowed the Board to take action without reporting to the staff or management on its reasons for doing so. Others suggested the importance of expressing staff dissatisfaction effectively, citing what they felt was little progress made over many years.

Others queried SAC. What had happened to the work on the long-term strategy promised at the 1986



Julian Berengaut addresses staff at the open meeting.

meeting? One speaker felt no such strategy had been proposed and staff were still adrift, still unprepared. Still others, disturbed by what they felt was a violation of principle, railed bitterly against that violation being taken too lightly.

Staff frustration was evident and real, but the choice of action less certain. Julian Berengaut called for a show of hands from the staff, which now spilled out from the stage to the steps and the far rim of the atrium.

Who favored an amendment to the SAC resolution replacing the call to strike with a request to the Board that they explain their actions? SAC members stood on the podium to count the hands. 150.

Who favored the original language, and a strike action? With staff spread throughout the atrium, and the sun's glare bleaching out the edges of the crowd, the count was approximate: 120-130. Many of the assembled staff had not cast a vote, but there would be no strike.

There would be a newly reworded resolution deploring the Board's disregard for the established system and requesting an explanation for its reasons for departing from the accepted comparator system. The resolution also instructed SAC to develop a longer-term strategy to demonstrate the depth of the staff resentment at having its "salaries repeatedly held hostage to political exigencies."

To date SAC is still awaiting a response to its request. The Staff Association, however, has formed a working group, to be coordinated by Ted Saunders, to explore the longer-term options open to the staff. The working group will be interested in keeping staff informed on what is happening on the compensation issue and in finding out what support there might be for the various options. Staff who have comments or suggestions should get in touch with Ted Saunders (at X 7909) or the SAC Office. "There is obviously at great deal of dissatisfaction," SAC member Caroline Atkinson notes. "What we now have to find out from the staff is what should be done about it."

SENIOR STAFF APPOINTMENTS

As we noted in last month's Staff News, two Counsellors and Directors of Departments, David Finch and Walter O. Habermeyer, recently retired after distinguished careers in the Fund. Their successors as Department Heads have recently been named: L.A. Whittome as Counsellor and Director of Exchange and Trade Relations and Gerhard Laske as Treasurer. Other appointments and promotions include Eduardo Wiesner as Special Trade Representative of the Fund and Director of the Fund's Office in Europe and Sterie T. Beza, who will succeed Eduardo Wiesner as Director of the Western Hemisphere Department. Massimo Russo returns to the Fund to succeed L.A. Whittome as Director of the European Department. Both Alassane Ouattara and Leo Van Houtven will serve now as Counsellors as well as Directors of their respective departments (African and Secretary's). We include here a brief note on their backgrounds.

L.A. Whittome, previously Counsellor and Director of the European Department, has been appointed Counsellor and Director of the Exchange and Trade Relations Department. Educated at Cambridge University, he served at the Bank of England and was its Deputy Chief Cashier when he was appointed Director of the Fund's European Department in 1964.

Gerhard Laske, recently appointed Treasurer, is a citizen of the Federal Republic of Germany. He worked in the Deutsche Bundesbank and served as Consul and Financial Attaché in the German Consulate General in New York before becoming Germany's Alternate Executive Director, and then its Executive Director, in the IMF from 1975 through 1984.



Eduardo Wiesner, currently Director, Western Hemisphere Department, has been appointed Special Trade Representative for the Fund, effective July 1, and Director of the Office in Geneva, effective October 15. A Colombian national educated at the University of the Andes and Stanford, he held numerous posts with the Colombian Government and also worked for the OAS and the IDB before becoming Director of the Western Hemisphere Department in 1982.

Sterie T. Beza, formerly Associate Director Western Hemisphere, has been appointed Director of the Western Hemisphere Department, effective July 1. A U.S. national and educated at Harvard University, he taught at Princeton before joining the Fund staff in 1961.

He has held various positions with the Western Hemisphere Department in his career at the Fund.

Massimo Russo has been appointed Director of the European Department, effective in June. An Italian national, he joined the Fund staff in 1964, later serving as Assistant Director of the African Department and as Deputy Director of Administration. He resigned from the Fund staff in 1983 and has served since then as Director General, Financial and Economic Affairs Commission of the European Communities.



Alassane D. Ouattara, previously Director, African Department, has been appointed Counsellor and Director, African Department. A national of Burkino Faso, he was educated at Drexel Institute of Technology and the University of Pennsylvania. He joined the Fund staff in 1968, resigning in 1973 to spend 11 years with the Central Bank of West African States (BCEAO). He became the Director of the Fund's African Department in 1984.

Leo Van Houtven, previously Secretary, has been appointed Counsellor and Secretary, Secretary's Department. A Belgian national, he joined the Fund staff in 1958. He served in various capacities, including Division Chief and Assistant Director, in the European Department and was Director of the Fund's Office in Europe before being appointed Secretary of the Fund in 1977.



Iolanthe (Tiajuana Rountree), Strephon (Robert Clement-Jones), and Phyllis (Beth Dorran) try to find a solution that will make everyone happy by the final curtain of the annual spring concert of the Bank-Fund Choral Society.

"UP IN THE AIR, SKY-HIGH, SKY-HIGH"

"I took her for the proprietor of a Ladies' Seminary," said a very surprised Lord Chancellor when he was suddenly accosted by a stately dame cloaked in a Union Jack and accompanied by a full chorus of fancifully attired attendants.

You might have been as surprised as the Lord Chancellor had you chanced unawares on the annual spring concert of the Bank-Fund Choral Society and Orchestra, which was given on May 19 and 20. Eschewing the familiar choral concert format of serried ranks of stationary, soberly clothed SATBs (sopranos, altos, tenors, and baritones), Music Director Neville Ottley and Stage Director Catherine Huntress-Reeve instead chose to present a semi-staged, semi-costumed production of Gilbert and Sullivan's fairy comic opera, *Iolanthe*. And for an hour or so, a talented cast of principal players and a full chorus of imaginatively costumed fairies and British Representative Peers, ably accompanied by Shirley Scribner and a small orchestra, filled the atrium with unaccustomed song and dance.

The story of the opera (helpfully outlined in the program, which also contained a welcome libretto) pits eminently practical Victorian fairies (the Fairy Queen has considerable political clout, for example, having "a few boroughs at her disposal") against a

distinctly foggy clutch of Peers of the Realm. These unlikely combatants move easily between Westminster and Arcadia, obeying an unimpeachable logic that has become known almost universally as "Gilbertian." Sullivan's evocative score—which includes one of the more spectacular entrances for male chorus—the March of the Peers—spoofs everything operatic from Handel to Verdi to Wagner.

As *Iolanthe* poked good-natured fun at the political foibles of its day (Great Britain in the 1880s), it is not surprising that this Bank-Fund production did not hesitate to aim a few lances at some of our own, more immediate concerns. The politically well-connected Fairy Queen thus had at her disposal "a few division chief positions" to dispense to promising candidates. The nimble-tongued Lord Chancellor, after describing in horrendous and graphic detail the effects of unrequited love in the famous "Nightmare Song," agrees to nerve himself to one last effort to win his lady love: "And if that fails, I will declare myself redundant and apply for an enhanced separation package!"

According to Robert Clement-Jones (Strephon in this production), who doubles as an economist in the



(From left to right) *The Fair Queen* (Margaret Whilden), flanked by members of her band, vows to democratize the House of Peers, as Lord Mountararat (Timothy John Mannion), Phyllis (Beth Dorran), and Lord Tolloller (Peter Pease), and the chorus of Peers react with dismay.

World Bank's Energy Department when he isn't portraying Arcadian shepherds of unorthodox parentage, the Bank-Fund Choral Society's quantum leap off the banked platforms of oratorio onto the boards of staged opera is part of an effort to expand the musical activities of the Choral Society and to add variety to its programs. The idea is to attract both larger audiences and more participants.

Mrs. Ottley and her associates are to be warmly

applauded for their ambitious efforts--from the point of view of both the singers and the audience, all of whom appeared to be enjoying themselves immensely. It is hoped that the promise of further imaginative ventures will swell the ranks of both parties, and that we can expect that, as the company sings in the finale of *Iolanthe*, "pleasures [will] come in endless series."

Sara Kane

THE ART SOCIETY'S ANNUAL PRIZE DRAWING



The Art Society's Annual Prize Drawing on Tuesday, April 28, drew over 200 members, relatives, and guests. Lucky prize winners received amounts ranging from \$100 to \$500 toward the purchase of selected artworks. This year's winners were Maria Steinbrecher (first prize: \$500); Paul Ross (second prize: \$350); Myriam Jimenez (third prize: \$225); Oystein Grimstad (fourth prize: \$200); Hajar Ataie (fifth prize: \$150); and Marie Louise Peery (sixth prize: \$100). In addition Michael Jacobs won a door prize of \$200.



(Above, left to right) *Mariko Fritz-Krockow*, daughter of Bernhard Fritz-Krockow (WHD), and *Julia Brau*, daughter of Eduard Brau (ETR), lent animated assistance to the evening's proceedings. (Left) Some of the winners gather with their selections: they are (left to right) *Maria Steinbrecher*, *Michael Jacobs*, *Myriam Jimenez*, *Hajar Ataie*, and *Mary Louise Peery*. *Maria Steinbrecher* chose a watercolor by *David Hunter*, and *Mary Louise Peery*, a watercolor by *J. Bryans*. *Michael Jacobs*, *Myriam Jimenez*, and *Hajar Ataie* all selected works by fellow staff member *Massoud Etemadi*.



THOSE [#@!*] NEW WING ELEVATORS!

The crowd swells, restive and grumbly. They stare at their breakfasts (lunches or snacks) growing tepid and sodden in their hands and fuss with briefcases and paperwork. Occasionally a long, wistful glance is cast around at the series of closed doors. Some sigh; others exchange knowing, exasperated looks. The wait continues. The fidgeting escalates. Even the most resigned begin to feel their nerves fray a bit around the edges. "These elevators," someone eventually growls, "these elevators...."

Few things in the Fund, in fact, occasion such continual amazement or such perpetual dismay as the quirky elevators in the new wing. In three and a half years of operation, this particular bank of elevators has clearly won a dubious reputation for itself on the basis of sheer perversity, and quite possibly malicious mechanical intent.

These elevators seem to move en masse: all up, or down, but invariably heading in the opposite direction from that needed. People swear, at times, that the same elevators can be seen going down twice without ever responding to a call to go up.

But then a clear signal up or down on the outside of a car, particularly on the first floor, is no guarantee of the elevator's true intent. Once inside, occupants

can be whisked away in the other direction. Cars have also been known to cancel all requested floors and zoom to the thirteenth floor. No one ever seems to be waiting on the thirteenth floor, when the doors open there, so the mystery has deepened.

Elevators, frankly, are not normally a high profile mode of transport. They rarely draw a comment, unless they wheeze ominously or trap their occupants between floors. But the new wing elevators are the source of considerable modern Fund folklore, something approaching the mystique that the Rolm phones enjoyed in their heyday.

Their quirks are the subject of constant speculation among frequent riders. Jim Kaiser, Chief of Administrative Services, was queried not too long ago by a fellow passenger. Mr. Kaiser launched into a fairly upbeat technical explanation, started to say something about safety regulations, and then departed, in mid-sentence, on the sixth floor. Eyes narrowed, mouths opened. The remaining occupants shared a moment of stunned silence. "Do you think there might be some logic to all this?"

Yes indeed. Elevators are programmed. But the bottom line, to borrow a favorite American phrase, is that in this instance there seem to be too few

elevators and too many people. Geoffrey Vaughan, Assistant Section Chief, Facilities, bravely offered to provide some insight into the inner workings of the new wing elevators.

"Too few elevators for the number of people using the elevators is half the problem," Geoffrey Vaughan insists. "The other half is the type of usage they have. In large measure the problem stems from the fact that the Phase II [new wing] elevators serve a high number of "people-intensive" activities, such as the Joint Library, the Snack Bar, the Fitness Center, and the Health Room in addition to the garage."

The elevators in the new wing are electronic (an upgraded version of the electro-mechanical model used in the original building) with an ideal response time considerably faster than the industry's standard. Downtime is minimal, and repairs and maintenance are carefully scheduled for evenings and weekends when the disruption they cause will be minimal. Newer, better equipment, however, has not seemed able to compensate for the greater demand being placed on too few cars. "There have been complaints since day one about the time it takes these elevators to respond to calls," Vaughan acknowledges.

"The Joint Library and the Health Room were not part of the original plans for the new wing and the current Fitness Center was intended only as an adjunct to the Exercise Room and Sauna which, at the time, were located on the Concourse Level. We put in as many elevators as we could. Another elevator could have been added only at the expense of offices and at the time office space was at a premium because the intention was to bring everyone back into the main building."

One apparent problem, in addition to those caused by changes in how the below-ground space was used, is that the new wing elevators seem to be used by staff who have their offices elsewhere in the building. Geoffrey Vaughan concurs. "We suspect that people come in the H Street entrance and if their office is in the 9-100 corridor, for instance, they will tend to use the new wing elevators anyway. Neither the first nor second floor provides easy access to the other side of the building. There is just no motivation to move horizontally and then vertically. The opposite occurs downstairs. While there is no parking in Phase II, people tend to walk across the garage and use those elevators. We've had a decrease in usage in Phase I [the original part of the building] and an increase in Phase II usage over and above the population that works here."

Everyone seems to agree that there is excessive demand relative to capacity. But solutions seem less readily apparent. "If we added another wing to the building," Vaughan speculates, "we could create

another elevator bank—perhaps on the far corner [H and 19th Streets] where the mini-park is. We would have the benefit of this experience and would probably put a few additional elevators on to accommodate more than the 600-700 people who could have offices there."

Short-term and realistic solutions are less encouraging, he admits. "We can't add another elevator bank. The only thing we can do in the short run is ensure that the ones we have are maintained and operated well." The elevator system is demand programmed. It has a memory and will establish a response pattern based on calls received.

The Administration Department will look at patterns of use in June. They have commissioned an Elmon (Elevator Monitoring) test, which will entail hooking up a small portable computer to the controller that decides where an elevator is going. The computer will record demand and the time taken to respond to calls. Results are expected in a month's time. The test will confirm whether the control and drive mechanisms are performing properly. "If it's simply too many people using the elevators," Vaughan cautions, "we have absolutely no control over that."

But what can be corrected, Administration is anxious to correct. "We are dependent on staff telling us when they have a problem. We need timely feedback in order to do something about it. Call us," Geoffrey Vaughan urges, "tell us precisely what is being experienced. It's the only way we can correct problems."

WHAT FLOOR IS IT?

One of the younger, and more perceptive, visitors to the Fund recently reached above her head and fingered the raised metalwork beside the elevator car buttons. "Do you have blind people working here?" she queried her mother. "All that braille must be there for at least one person," her mother assured her.

Not necessarily. Building codes now require elevators to be fitted with bells, to signal each floor, or braille indicators beside elevator buttons and entrances. The Fund found the bells more confusing than helpful, particularly since several floors are below street level, and opted instead to install the braille metalwork beside the buttons. It has also just placed large floor numbers (in numerals and in braille) on either side of the elevator entrances, making it easier for both the sighted and the blind to recognize which floor they are on.

WHAT YOU ALWAYS WANTED TO KNOW, BUT WERE AFRAID TO ASK, ABOUT THE NEW WING ELEVATORS

A roundtable of Charles Hanko, Chief Electrician; Tom Knapper, Building Chief Engineer; John Parsons, Assistant Chief Building Engineer; Andrew McCombe, Assistant Buildings Systems Unit Chief, and Gene Dwyer, Westinghouse's service representative at the Fund, offered some explanations for the new wing elevators' strange behavior at times.



The elevators are programmed to respond to demand. Are they programmed in other ways?

When not in demand, one of the three new wing elevators will return to the first floor; another to the "high zone" (floors 7-13, normally returning to the seventh floor). The elevators are not equipped with microprocessors, so they can not be programmed to return to different floors at certain times of the day.

Why do cars apparently change direction: initially indicate they are going up, for instance, and then suddenly go down?

The elevators respond to calls in the order in which they are received. If they receive a call from a lower floor before one is registered from the first floor, they will go down. In theory, any of the Fund elevators will do this. In practice, though, you see this happen in the new wing more often simply because greater demand is being placed on fewer elevators.

Why, as so often seems the case on the first floor, are all the cars going down when crowds of people have been waiting several minutes to go up?

Normally the cars going down are not empty. They have responded to calls and are taking people to the lower levels. One car is not automatically sent up if two cars are going down.

Cars have been seen going down twice without ever responding to an up call. How could that happen?

If the car is loaded to approximately 70 percent of capacity, it will not stop to take on additional passengers. If it has simply not responded to a call, then it is a malfunction. The Elmon test will indicate, among other things, whether cars are responding properly to calls.

Why would a car obliterate all requested floors and go to the thirteenth floor?

If that's happened recently, we want to know about it. An electrical problem was causing certain new wing elevators to lose their signals and go to the thirteenth floor. That has been corrected.

What can be done to improve response time on the new wing elevators?

The Elmon test will give us a better idea of how the elevators are functioning and how quickly they are responding to calls. We can change the programming so that more elevators return to the first floor, for instance. But if you improve service on the upper floors, service on the lower floors will suffer. The fact remains that there are too few elevators for the demand.

Staff can help by resisting the urge to press the up and down buttons while they are waiting. It doesn't improve response time; it simply increases demand on the elevators. If other elevator banks could be used, whenever possible, that might ease some of the traffic on the new wing elevators. Also, if it is just a matter of a floor or two, consider walking.

REPORT PROBLEMS!

If there are problems, the Administration Department would like to hear about them. If you have difficulty with an elevator, call Building Engineers (X 6900) and provide them with, if possible, the time the problem occurred, the number of the car, and the nature of the difficulty. Do call. Many of the quirks of the new wing elevators, we discovered, went unreported.

ANIMATED DISCUSSION MARKS SEMINAR ON ISLAMIC BANKING

"I was surprised that we drew such a diverse group," Zubair Iqbal observed of the audience that attended the seminar on Islamic banking that he and Abbas Mirakhor presented on May 5. "There were journalists, businessmen, local community people, and others from USAID and the World Bank. The subject is so dry, so narrowly defined that you worry it wouldn't attract outsiders."

But the topic drew over 50 people to the IMF Visitors' Center for the Iqbal-Mirakhor seminar, which A. Shakour Shaalan, Director of the Middle East Department, chaired. Many in the audience were apparently already familiar with IMF Occasional Paper No. 49, the basis for the presentation, which reviewed the main characteristics of Islamic banking, and examined experience with its implementation in the Islamic Republic of Iran and Pakistan.

An Islamic financial system allocates financial resources by replacing the rate of interest with the rate of return on real activities. The system prohibits interest, but encourages profit sharing and, in theory, should not reduce the effectiveness of monetary policy or of central banks in the performance of their traditional roles. In principle, the Islamic banking system is compatible with a close correspondence between financial and real rates of return and, thus, promotes efficient allocation of resources. Both in their paper and in their presentations, Iqbal and Mirakhor stressed that an efficient operation of this system required a well-developed financial infrastructure, including properly organized primary and secondary financial markets.

The implementation of Islamic banking in the Islamic Republic of Iran and Pakistan has not, Iqbal and Mirakhor concluded, disrupted the efficient operation of the banking systems. Nor has it adversely affected the effectiveness of monetary policy, which has been facilitated by a number of non-interest-based instruments that have provided a smooth transition away from fixed and predetermined interest rates. Deposits have continued to increase and their rates of return have risen.

Some difficulties have been encountered, however, in the effective implementation of the new system. These include concentration on short-term assets, slower acceptance of instruments based on the principle of profit-and-loss sharing rather than on a fixed rate of return, possible disintermediation for

small-scale business, and difficulties in devising appropriate non-interest-based instruments for financing the government budget.

Iqbal and Mirakhor felt that the resolution of these problems would be time consuming and would require the speedy buildup of the financial infrastructure (in particular, the primary and secondary markets), a strengthening of the fiscal position, the creation of new financing instruments, and the resolution of potential contradictions between the legal framework and banking practices.

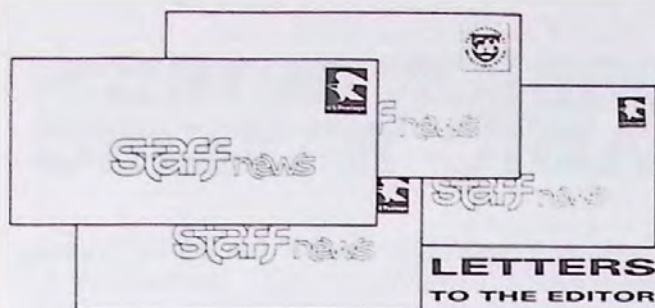
Their presentations were followed by an hour of animated discussion. Many who attended, particularly the businessmen, were already aware of the system and wanted to know how it worked in practice. Questions quickly linked theory to practice in individual countries—in Turkey and Saudi Arabia as well as in Pakistan and the Islamic Republic of Iran.

Questions also focused on the mechanism of interaction between the Islamic non-interest-based system and the traditional banking system prevailing in the rest of the world, on how government finance could be handled, and on the status of Islamic banks in countries with interest-based banking.

"The purpose of these seminars is to provide a scientific basis for analyzing experience," Zubair Iqbal noted. "It was very satisfying to be able to bring people around to analyzing this topic on a scientific rather than a theological basis. I was impressed by the speed with which people moved away from dogma to a very frank scientific discussion. That, for me, was the most rewarding aspect of the seminar."

The seminar was videotaped—a process that did present some minor technical problems and occasioned some discomfort for the speakers. The fixed cameras taped the presentations and the speakers' responses to questions, but could not photograph those asking the questions. A more substantive concern, Iqbal believed, was the constraint the speakers themselves felt. "Cameras tend to make you very conscious of the taping process and very cautious about what you say."

"Perhaps the most important point about the seminar," Iqbal concluded, "was that it represented a breakthrough. This had been a taboo topic. The seminar proved that it could be discussed frankly and scientifically."



Parked Cars or Storage?

The most recent circular announcing higher parking fees reminds me that about a year ago the Staff Association received a letter from a staff member pointing out that some of the parking spaces in the garages were filled with furniture. The explanation given was extraordinary pressure on the Fund's storage spaces, combined with peak activity in the furniture replacement business. Hopes were high, though, for an early improvement in the situation.

One year later, however, there still seem to be quite a number of parking spaces on all levels but the Red occupied by noncar items. The opportunity cost has increased, while staff still languish on the waiting list. Anyone venturing into the bowels of the Fund emerges convinced that we have a real problem with storage and that a great deal of imaginative talent is being demonstrated in solving it; ceilings are lowered, helixes are narrowed, and entrances absorbed to make room for other uses. An explanation of why the furniture cannot be moved out faster, and why it has to be stored in the garages, would help us bear the inconvenience.

Joslin Landell-Mills

James Kaiser, Chief of the Administrative Services Division, responds:

Various areas in the garage are designated as temporary holding areas for furniture that is worn out, damaged, or otherwise surplus. Those designated areas do not encroach on parking spaces (spaces which are set out by lines painted on the garage floor), but rather are in nooks and crannies and along the 20th Street ramp. Normally furniture is held there until it can be transported to the basement of the Concordia Apartments, where it is held and displayed for potential buyers to bid for it. Sales of surplus furniture are held several times each year, depending on the volume.

Over the course of the past two years, however, the Concordia has been undergoing extensive renovation and its basement has had to be used for materials involved in the renovation. It has therefore been unavailable to store surplus furniture. As a consequence, areas in the Fund garage have had to be used more intensively and on a more sustained

basis than was originally planned. Moreover, the burgeoning exchange of traditional office furniture for "office automation" furniture over the same period has created a larger volume of surplus furniture. Even the exercise of "imaginative talent," such as Mrs. Landell-Mills describes, could not cope with this situation. We had to weigh the costs, the inconveniences, and the other consequences of encroaching on parking spaces on a temporary basis against the costs and other factors involved in leasing, or otherwise acquiring, warehouse space during the same period of acute need. The outcome of that analysis is obvious; the cost of securing outside space and the transshipments involved could not be justified in comparison to the internal solution.

At this writing I am happy to report that the Concordia basement is once again available for its traditional use, and since end-April, a major effort has been under way to clear all the parking spaces of furniture and also to remove all but a few pieces of furniture from the temporary holding areas. My staff and I expect that this condition can be sustained.

Hours and Opportunity

I was startled to read in a modest box in the last issue of *Staff News* that the Joint Library, citing the perennial excuse of budgetary exigencies, has decided to suspend its evening and weekend hours. I feel it is a poor rationale to state that a "study of staff use" had indicated that the facility was least used in these periods. That should come as no surprise. I suspect that, even though the Joint Library may be relatively little used during these periods, the marginal rate of return from such use is very high.

The decision comes as a heavy blow to all those staff members who, in an attempt to improve their skills and their career prospects, are taking or are planning to take academic courses in economics under the Fund's external training programs. The Library is unrivaled in the Washington area as a source of information on monetary and development economics. If it is closed during evenings and weekends, staff members will either be deprived of access to its materials for academic study or compelled to do such study during working hours. Neither is a desirable alternative.

Moreover this restriction on access to the Library runs counter to current policies, which encourage job diversification and career development. I would appeal to the Library at least to consider extending its hours for part of the evening, with limited services, until the budgetary situation improves.

Ian McDonald

Michael Gehringer, Head of the Joint Library, replies:

As the announcement of the new Joint Library hours in Administrative Circular 87/26 explained, a reduction in staff necessitated a revision in the library's hours of operation. We took this decision only after a review of a wide range of alternatives, including the suspension or reduction of auxiliary library services, such as the routing of periodicals and newspapers or the library's interlibrary loan operation. We are aware and appreciative of the value staff place on library services, and we realize any change in services will work to the disadvantage of some group of library users. Since a change could not be avoided, we did what we could to limit its impact and to moderate any harm done.

While our staff stands ready to help library users overcome any problems caused by the revised hours, we cannot accommodate Mr. McDonald's request for limited evening service. Limited service was all that we could provide in the past, and any evening or weekend service would entail overtime, or extra staff, that we simply do not have in our budget.

Regarding Mr. McDonald's concern for the impact that reduced hours of operation will have on staff

engaged in external training programs, we realize the library provided a convenient place to study and we regret the loss of convenience this change entails. We are fortunate, however, to be located in a metropolitan area where the university libraries provide not only excellent collections but also extended hours of operation and professional reference services to support the work expected of their evening students.

Staff engaged in external training are also, as always, welcome to borrow materials from the library for use in their offices in the evening and on weekends. Taken together, these alternatives provide what we hope will be an acceptable level of library support for those staff studying under the Fund's external training program.

VANPOOL DIRECTORY

For information on new and existing vanpools, consult the directory posted on the Concourse Level bulletin board. The directory is updated regularly.

STAFF NOTES

(As of April 30, 1987)

TWENTY-FIVE YEAR STAFF

Auriol M. Sahyoun of RES
Selma H. Symons of ETR

TWENTY YEAR STAFF

Samuel J. Stephens of WHD
Mary Casella of ADM
Stephen A. Silard of LEG
Judith J. Crillo of ADM

RETIREEES

Abdulhay Kayoumy
Hans O. Roden

RESIGNATIONS

H. Alaoui-Abdallaoui (to IBRD)
Joaquin De La Herran
Brigitte Duces (to IBRD)
Richard Fox
Susumu Kohsaka
Hassanali Mehran
Petronella Ness

Cristian A. Salinas
Martin C. Williamson

TRANSFERS

Christian Brachet to Secretary's Department
from Exchange and Trade Relations
Elizabeth A. Milne to Asian Department from
Research
Maria Socorro J. Obias to External Relations
from the Bureau of Statistics
Ichiro Otani to Research from Asian
Department

MARRIAGES

Aida V. Brana (WHD) to Joaquin P. Pujol
(WHD) on May 2.
Maritza Torres-Chardón (FAD) to Michael R.
Frenkel (ETR) on April 18.

DEATHS (RETIREEES)

San Lin
Died April 22, 1987; retired June 1, 1981

NEW STAFF



B. Andrianifahanana from Madagascar, is a Clerical Assistant in OED. Educated at Hiram College, She is married, has two children, and enjoys coin collecting.



Richard Comotto from the UK, is an Assistant, OED. Educated at University College of Wales and the University of Reading, he worked previously at the Bank of England.



Karen H. Flood from New Zealand, is a Secretarial Assistant in OED. From 1974 through 1982, she worked in FAD and OED.



Manmohan Singh Kumar a U.K. national, is an Economist, RES. Educated at the London School of Economics and at Cambridge, he taught at Cambridge before joining the Fund staff.



Lawrence D. Picha a U.S. national, is a Clerk/Typist with BUR. Educated at Georgetown, he speaks Spanish and French, and enjoys bicycling and swimming.



Stephen C. Reeves from the United Kingdom, is a Clerk with the Communications/Board Room (SEC). He enjoys golf, soccer, and music.



Hiroshi Tokumaru from Japan, is an Economist, ASD. A graduate of the International University of Japan, he previously worked with the Bank of Japan. His hobby is karate.

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**Staff
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