MJP

staff news

INTERNATIONAL MONETARY FUND

May 1991

Spring Meetings Notable for Their Tranquility, Absence of Surprises

This year's spring meetings went off very smoothly. Commenting on April 25 on the Interim Committee's agenda, Managing Director Michel Camdessus caught the spirit of the whole event when he predicted that "you will not have surprises." And indeed, there were few. As a result, for many seasoned observers the five-day affair was notable for what did not, rather than for what did, happen.

There was, for example, no major confrontation this time around between the industrial and developing countries on international debt issues; occasional sharp words there were, but in the end there was also very little disagreement among the Group of Seven countries on fundamental economic and financial policy matters.

Last September's concerns about the potential for spiraling oil prices seemed to have vanished without a trace; virtual unanimity reigned on the primacy of obtaining an IMF quota increase; and there were no demonstrations by outside groups on behalf of particular countries or issues. And, despite intense concerns earlier this year, even security issues evoked no obvious anxieties, although a heightened security presence could clearly be felt in the Fund.

But this apparent outbreak of tranquility—amidst troubled times—should in itself be a major piece of news. After all, it isn't as if all the global problems had miraculously resolved themselves between April 26 and April 30, 1991. Far from it. The lesson to be derived from this

***Above**, media coverage before the afternoon session of the Interim Committee and Deputy Managing Director Richard Erb consults with Alhaji Abubakar Alhaji, the incoming Vice Chairman, Group of 24.*

***Managing Director Michel Camdessus** confers with Michael Wilson (center), outgoing Chairman of the Interim Committee, and Leo Van Houtven, Director of the Secretary's Department.*

experience, then, is that serious and controversial issues can be addressed without becoming engulfed in the language of crisis and confrontation. Two fundamental reasons explain why these meetings came off, seemingly without a hitch: consensus on the issues themselves and, as usual, superb preparation by the Fund's staff.

On matters of policy, there were to be sure differences—as for example between the Group of 24 and the Group of Seven countries on the management of external debt and assistance to Eastern Europe. And for the first time, the contentious matter of high military spending in the developing world was included in the final communiqué of the Development Committee. Likewise within the Group of Seven, there were spirited exchanges between the United States and other industrial countries over U.S. Treasury Secretary Nicholas Brady's proposal to reduce global interest rates.

In retrospect, however, these differences must be seen within a larger framework of consensus on the guiding principles for managing the world economy, involving support of pluralism, democracy and the market economy—"economic mantras," as the *Financial Times* labeled them in a post-meeting commentary. As usual, that consensus was undergirded by strong expressions of support for sound monetary and fiscal policies. As the Group of Seven stated, only through such an emphasis could a basis be provided "for lower real interest rates and a sustained global economic recovery with price stability."

Consensus, however, does not effortlessly emerge—even in the best of circumstances. Prospects for global recovery and growth remain uncertain; calls for an early breakthrough in the Uruguay Round drew strong support, as did the need for increased global savings to meet the new demands of Eastern Europe and the Middle East as well as those in the developing world.

But the existence of problems need not result in unbridgeable disagreement, particularly when occasions such as the spring meetings present themselves.

***A busy press room** for members of the Information Division: In the foreground (left to right) are Kathleen White, Ahmed Abushadi, and Nora Korc-Baum. In background (left to right) are Hernan Puentes, Mary Markopoulos, Paul Falcone, and Jacqueline Pentz-Greene.*

There is another, rather frequently overlooked, reason why such high-level discussions can take place without dramatic face-offs. These events provide valuable opportunities for informal side discussions—or, if you will, an opportunity to let off steam. Thanks to such informal meetings, a number of seemingly intractable difficulties could be addressed away from the glare of publicity.

An active, enthusiastic, and highly effective staff operation also helped make this two-day meeting a success. As it usually does, publication of the *World Economic Outlook* (WEO) a few days before the Interim Committee meeting created a good deal of press and media interest which was reflected in subsequent coverage, prominently including ten separate interviews that the Managing Director gave.

And so it went. Appropriately enough, few IMF staffers are interested in reminiscing about the events of a few days ago. Perhaps that's because they are already devoting their efforts to the forthcoming IMF-World Bank Annual Meeting in Bangkok. It would be nice, perhaps, to rest on one's laurels; but in this business, there are no laurels to rest on.

John Starrels

Interim Committee, Executive Board Pay Tribute to L. A. Whittome

On April 29 the Interim Committee issued a resolution of appreciation paying high tribute to L.A. Whittome, who retired from the Fund on March 31. The Executive Board followed suit in early May. Together their resolutions commended a career that spanned 27 years in this institution.

After a prestigious career with the Bank of England, L.A. Whittome came to the Fund in 1964 to serve as Director of the European Department. He subsequently also served as Counsellor of the Fund, Director of Exchange and Trade Relations, and, most recently, as Special Counsellor to the Managing Director, during which time he headed the Study of the Economy of the U.S.S.R., commissioned by the Houston summit.

The Interim Committee paid particular tribute to L.A. Whittome's skills as a negotiator, noting that "he displayed great sensitivity in enhancing the responsiveness of the Fund to the needs of its member countries. The strength of Fund surveillance today remains rooted in the close collaboration with policy makers in member countries that he did much to achieve."

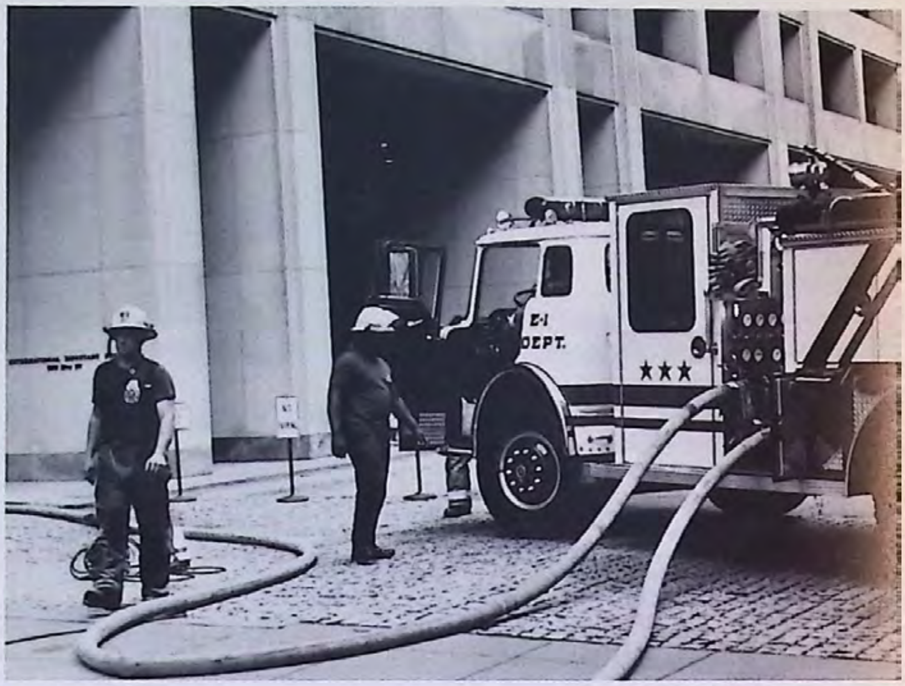
In singling out his contributions at the helm of the Soviet task force, the Interim Committee also noted that the study "typifies the sound advice he has given to an entire generation of public officials."

Board members honored L.A. Whittome's "total personal commitment to the ideals encompassed in the Articles of Agreement" and his "exceptional understanding of the art of the possible." They specifically acknowledged the unfailing "clarity, imagination, and thoroughness" with which he assisted member countries.

The Executive Board placed on record "their keen appreciation of Mr. Whittome's intellectual and personal attributes, their gratefulness for his long and eminent service, [and] their regret at his departure."

Both resolutions extended L.A. Whittome their best wishes for a rewarding continuation of an exceptional career.

***Two D.C. Fire Department companies** responding to the fire were on the scene for well over an hour.*



Fire!

An evening alarm drew firefighters and roused quite a few staff members from their offices

When the fire alarm suddenly blared just before 7 p.m. on May 2, it chased a surprisingly diverse group of people from the Fund. At the new wing exit a collection of bewildered looking cleaning ladies, a few refugees from the Fitness Center, and a small knot of economists, in formation officers, and administrative personnel gathered to speculate on the nature of the problem. A group like this was bound, of course, to come up with several novel explanations.

"They're just checking on who's working late before they make a final decision on performance ratings," someone groaned. "No, it's the Board. A very heated discussion at the Board," grinned another.

The mild spring air and the clear evening sky started to whittle away at the good intentions we had to return to work. Still, when the shrill alarm ceased, most poked their heads back in the building to see whether they could go back upstairs. Only a few of us headed home, turning toward 19th Street. It was only as we did so that we saw a fire truck screeching westward (the wrong way) down H Street and turning toward the Fund.

It wasn't until we reached the corner of 19th and H that we realized it was not the first. 19th Street was littered with fire fighting apparatus and the road was partially blocked to traffic. With an ambulance, a fire chief's car, and a special mobile unit in attendance, in addition to two fire trucks in front of the Fund and three more along G Street, it looked like something was happening. But what?

The largish crowd that sprawled over the half-moon driveway and leaned against the stone planters in front of the Fund watched the proceedings with no apparent sense of alarm. They stepped aside briefly to allow the firemen to hook up a fat parchment-colored hose. They milled around, curious and calm, as other firemen entered the building, one after another, carrying large, battered red fans.

With no one apparently perturbed by the very relaxed tangle of equipment, firemen, and onlookers, the crowd on the front portico swelled. A sizable contingent from Western Hemisphere, led by its director, gathered in front of the azaleas. Mike Smith's photography class clustered under the overhang, one of the students busily distributing film for next week's assignment. Off to the side, t-shirted members of the Fund-Bank Fishing Club deliberated over whether to adjourn for the evening.

The initial report passed among the crowd was that there had been an electrical fire on the Blue Level. This was indeed the case, said one woman, who sounded so convincing that she was immediately deemed a knowledgeable source on the matter. "And," she added, looking quite grave, "there's smoke pouring from the corner of the building."

As this news spread, staff members drifted over to the southeast corner to investigate. Sure enough, a steady stream of pale yellow smoke gushed from the vent. "Smells like licorice," someone observed.

In truth, it smelled more like a licorice factory on fire. Sweet but acrid, the smoke left you feeling headachy and queasy after a minute or two. "Not too good for you," one of the firemen said quietly, seemingly content to have people discover this bit of information on their own.

One of the fire trucks had run a ladder up the south side of the building, and this intrigued us all. "Planning to rescue anybody," we asked, thinking this might still be the stuff of which television movies are made. "Oh no," a young fireman answered. "We use this to get up on the roof and open the vents."

We looked up and rather casually mentioned that the ladder barely made it to the tenth floor. "Yeah, that's as far as it will go," the fireman said rather matter of factly. "We'd break a window and go up from there, if we had to. I think one of the trucks in the front might have a longer ladder."

Without the prospect of someone being rescued, it didn't seem terribly exciting to us but the firemen in Engine Company 1 seemed impressed. They were actually rather enamored of this particular ladder. "Hey lady, hey lady," one of them said to me, "are you going to take a picture of that ladder? Send us a copy. This is the first time we've had it up."

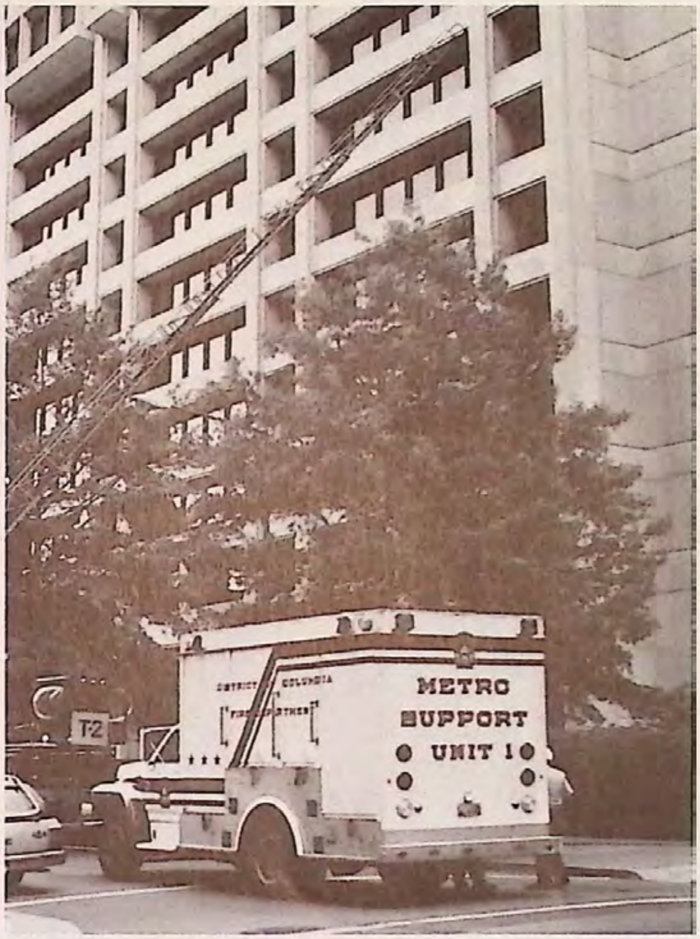
By 8 p.m. things seemed well in hand. The crowd had dwindled, save for a large cluster of cleaning people who were waiting patiently for word to return to the building and individuals who hoped to be able to retrieve their cars from the garage.

Handfuls of firemen were beginning to emerge from the garage entrance on G Street. An electrical substation on the Blue Level had indeed overloaded and caught fire, we were told, and this had filled the Blue Level with smoke so thick you could barely see six inches in front of your face.

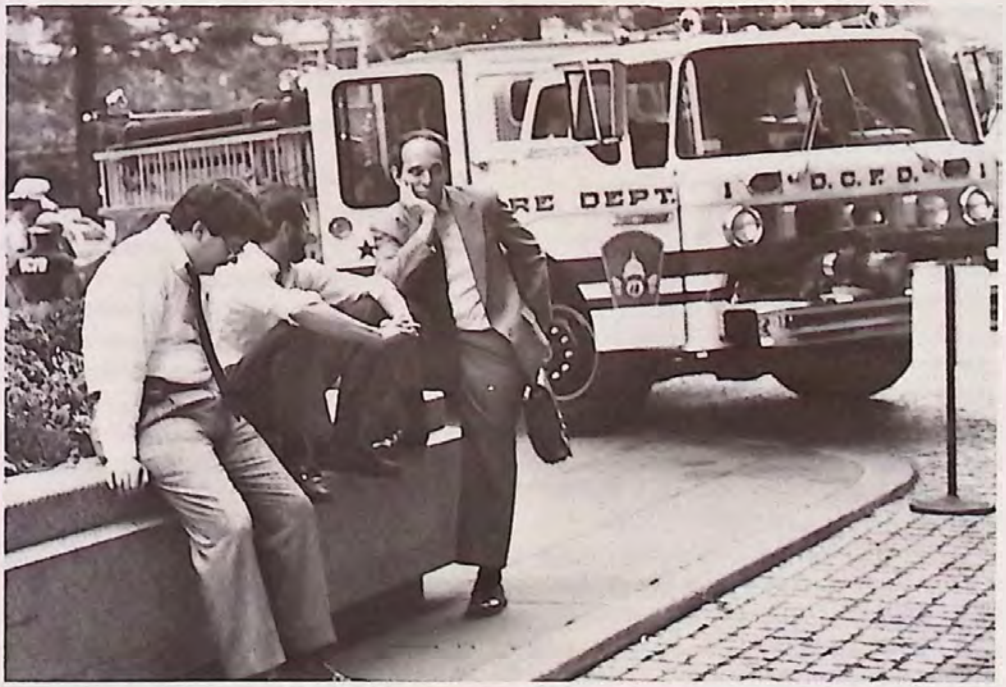
Building engineers had located the source of the fire fairly quickly and had worked to transfer power from it. Firemen fought the blaze with chemicals and did succeed in temporarily putting out the flames. The fire had been so intensely hot, however, that the unit glowed a menacing red and soon burst into flames again. It wasn't until the substation could be turned off and cooled (by dousing it with water), that the fire was subdued.

The problem of smoke remained, though, and the floors below ground level were still closed, leaving quite a few staff members unable to go to their cars.

"I was on my way to the garage and had already reached the C level, when the alarm went off," Robert Franklin said mournfully. "My car's on the Blue Level. It's probably incinerated." [Actually although the substation was extensively damaged and will have to be rebuilt, it was the only casualty. Fortunately no one had been hurt in the fire, and there were no reports of damaged vehicles.]



***The ladder** from Engine Company 1 was, if nothing else, a conversation piece. It was never used.*



***A long wait.** Most staff members could not retrieve their cars until 9 p.m.*

A concerned Lorraine Collier paced along G Street, peering down the garage ramp. She, like many of those stranded, had decided to call home and arrange other means of transportation.

The sun was setting rapidly now, and everyone seemed ready to go home. Jacques Chriqui, a member of Mike Smith's Photography Class, had graciously lent his camera to *Staff News*, but he was now anxious to depart. I returned his camera and headed toward Pennsylvania Avenue. "Hey lady, hey lady," a ruddy faced fireman yelled after me. "Don't forget that photograph, ok?"

Sheila Meehan

***Lorraine Collier** checks on when the garage might be reopened.*

New Manuals, Drills Prepare for the Next 'Real Thing'

When we were kids in school, fire alarms were something we looked forward to gleefully; when we were in college, we prayed and made offerings for them to happen during exams. When we came to the Fund, though, these alarms drove us round the bend.

When the alarm sounded on May 2, it caught those in the building by surprise. No one expected to hear that ear-splitting sound after normal working hours. Most thought "Oh, another false alarm." Those still working or at the Fitness Center or club meeting wondered "should I or shouldn't I?" But they began to trickle into the stairwells and spill onto the pavement. Few guessed it at the time, but this alarm turned out to be the real thing. One of the electrical substations on the Blue Level had caught fire and was furiously belching smoke.

The fire, had it been during working hours, would have been the first opportunity to put into practice the instructions collected in the new *Fire Prevention and Emergency Evacuation Manual*, which had just been distributed that afternoon. For those who were beginning to doubt whether the Fund has an organized emergency program, the manual will put those doubts to rest. For the many frustrated fire wardens, the manual describes the position's responsibilities and gives detailed procedures of evacuation and chain of command. It even promises organized drills and post-drill surveys to identify procedures that did and did not work.

The current manual is much more informative than the one issued in 1975. Its seven chapters give a comprehensive description of the program and the various groups and their responsibilities in an emergency. A welcome addition to the manual is the detailed floor plans; each floor plan indicates the five different fire zones for that floor and the location of each fire warden and alternate; fire alarm pull stations and fire extinguishers are also indicated.

The manual, which has been issued to all fire wardens, provides lists of the fire wardens and their alternates, as well as the members of the Building Emergency Response Team (BERT). Geoffrey Vaughan, Senior Projects Officer and Safety Officer in Administration, says that the new manual is the result of six years' work. The program it details combines regular building inspections, modern building systems, personnel specially trained in emergency procedures, and, eventually, an entirely new smoke alarm and loudspeaker system. The program also makes emergency practices for headquarters the same as those for International Square.

Regularly scheduled evacuation drills are a part of this new program. To date the Fund can only estimate the time it takes to evacuate the building. By having regular drills, the Fund will know the evacuation time; emergency teams will be able to recognize breaks in the chain of communication and evacuation; and staff will become accustomed to leaving the building quickly and calmly.

The first drill should take place before this issue hits your desks. Please cooperate with your fire warden, who dons a red hat with "Fire Warden" written across the front. The fire warden cannot leave the floor until all offices in his or her assigned zone are vacant. The drills should not disrupt your work for more than 20 minutes. Alarm will ring for four minutes and then shut off automatically (to cool down for five minutes), it will then start up again or other instructions will be issued over the loudspeaker system.

Juanita Roushdy

Wanting to Get It Right

An interview with Dorothea Anderson, chief of the Fund's Compensation Policy Division, on salary and job grading issues

After a career in the private sector that included experience with finance, personnel, and compensation matters, Dorothea Anderson came to the Fund in 1980. Hired as a compensation specialist charged with implementing the recommendations of the Kafka Committee, she was initially with Administration's Staff Benefits Division.

In 1990 she became chief of the newly formed Compensation Policy Division, which holds broad policy responsibilities for compensation and job grading. She speaks here about these two areas.

To staff it seems our compensation system is designed to have the U.S. market provide the principal basis for our pay line. Is this how it works?

Yes. The 75th percentile of the U.S. market is definitely the starting point for setting Fund pay, but we have to see whether the U.S. pay line contains a sufficient margin of international competitiveness over France and Germany. If the U.S. pay line is at least 10 percent on average over the French and German pay line, we would set our pay based on the U.S. market. The U.S. market has been one of the highest paying in the world and typically has had a sufficient margin over Europe. But changes in exchange rates can mess up that relationship significantly, and we have not been able to simply follow the U.S. pay line since the system has been in place.

In 1989 the Executive Board agreed to an upward adjustment of the U.S. line by almost 10 percent, and this provided a 12 percent average margin over France and Germany. Then the dollar strengthened between 1989 and 1990, and last year we only needed to adjust the U.S. line by about 6 percent to achieve the same 12 percent margin over France and Germany. This year things have gone the other way, with the dollar weakening significantly. The average margin over France and Germany is now about 4.5 percent, where it has been 12 percent for the past two years. The hope is that with exchange rate movements over the next year, or with next year's increase, we will not be below the 10 percent margin for any length of time. The most competitive place to be, of course, is back in the 10 to 20 percent range again.

What have we learned from the first three years' experience with the new system?

Our surveys have found very different pay practices in the United States and Europe. People move very quickly through the lower grades in the U.S. market, and average salaries don't tend to push up. But toward the top of the grades, people receive bonuses. There is a lot of incentive compensation built in at the more senior grades. And people stay in positions longer.

In France and Germany, for a number of reasons, including marginal tax rates, the pay between the lowest and the highest professional levels isn't nearly as differentiated as it is in the U.S. In the U.S., the entry level grade might be $35,000 and the highest is $200,000, whereas in France and Germany, you'll find $40,000 at the bottom and maybe $75,000 at the top.

Since the slope of Europe's pay line isn't nearly as steep as it is in the United States, this creates a problem. Essentially you have to tilt the pay line. You take the U.S. 75 percentile and raise it at the bottom and sometimes lower it at the top. You wind up changing the shape of the U.S. pay line at the 75 percentile, because no matter what exchange rates do, U.S. pay will almost never have a 10 percent margin above France and Germany at the lowest grades and almost always have more than a 10 percent margin above France and Germany at the highest grades because the absolute differential is so great.

What the Executive Board has agreed, since 1989, is to tilt the U.S. 75 percentile. We very carefully look at the comparison between the U.S. and France and Germany and at the slope of the pay line and which grades have a sufficient margin and which do not. We then adjust the U.S. pay line grade by grade to make sure we have a sufficient margin over France and Germany. Typically this has meant we drop a bit below the U.S. 75th percentile at the higher grades and the lower grades are pushed up.

How is the pay scale for support staff devised?

The Joint Committee recommended we use a local market very much like the survey we use for the higher level staff, but Hay doesn't have such a database. While we were developing our own, the Joint Committee suggested we provide the same adjustment as the professional staff or use downward extrapolation, which means taking the slope of the pay line at the midpoints from A9 to B2 and applying the same progression backward.

That is the way the Board agreed we should do it in 1989, 1990, and 1991. We've checked the results against a survey we did of the Washington market, and it's compared very closely to the Washington private secretarial market at about the 90 percentile. Downward extrapolation has worked, and it's produced reasonable results.

Over the same period, we've also been building a pretty good database for the Washington market. We now have some 25 organizations in the survey, including four more law firms we've added in the past couple years in response to requests from support staff. Hay tested it this past year against the broader support staff survey they do for Washington, and we actually have more jobs and a better representative sample in our database.

Are linguistic requirements factored in?

The comparisons are based on the job evaluation points assigned to the jobs. Our jobs, because of languages, missions, and heavier requirements, tend to have more points, and that point differential automatically places them at a higher level vis-à-vis the market.

To what extent do you look at recruitment data?

When we are looking at the margin against France and Germany, the system requires that we look at exchange rates, recruitment, and retention data. We know, for example, what the rejection rate is for the economist program, and we hear from the recruitment people on the sore spots—the problems we have getting the right people. But it's very difficult to pin down the problems to money, because even with a 35 percent rejection rate for the economist program, there are only a handful whom you could really say have rejected an offer purely for salary reasons. There just isn't a one-to-one link between the salary structure and whether or not people accept offers.

Of course, pushing up starting salaries can help, and I think the upward movement in 1989 did help. Obviously, we could increase the salary structure by some big jump—50 percent, say—and I bet we would get many more candidates from Europe. But the Fund and Bank cannot overpay the large majority of staff to step up recruitment on the margin. Some balance has to be struck.

Experienced young economists complain that new recruits are being paid more than they are...

Most, if not all, of those salary anomalies have been cleared up in the past few years through special adjustments in the merit exercise. It was a major problem with the 1989 change in compensation system, because when the midpoint structure was aligned with the market, it meant that some midpoints went up 5 or 6 percent, and others went up 20 percent. When new economists came in, their starting salaries were some 20 percent higher; it takes a couple of years to iron out those relativities.

If we're not there yet, then this year's round of salary administration should clean up the few remaining problems. It may not restore relativities to everybody's liking, but it should have people who have been doing the job for a couple of years sufficiently above those who have just come in. The Economist Committee has become involved; they have paid a lot of attention to relativities.

What is the theory behind quartiles?

Under the old system, we looked at the movement of pay in the market and tried to move by the same rate. But we would move salary ranges by something less. We were doing things backward. Eventually everybody was paid at the top of their salary range and couldn't get anymore. The new system sets the salary structure first; its midpoints are related to the market, not actual pay.

So, with the midpoints of salary ranges set on the market, the salary administration objective, then, is to maintain the average pay roughly in line with the midpoints of the salary ranges, which indirectly says we're going to maintain average pay roughly in line with the market. But we use the salary structure as a kind of middleman, and by doing that, our structure always moves up in line with actual pay in the market, which means that the pay even in the top quartile also can move up by the entire market movement. But with the aim being to bring average salaries to the midpoint, the higher quartiles should move a bit less and the lower quartiles a bit more than the movement in the structure.

Why assume that those in the lower quartiles should be moving more quickly?

Because they're moving toward what is the established good, solid, 100 percent pay for the job—the midpoint. It's a 25 percent movement from the minimum to the midpoint, so if someone comes in at the minimum and the midpoint is a moving target, they have to move over time by 25 percent more than the midpoint increases to get to midpoint.

Once you get there, if you continue to do a good solid job, your salary ought to stay somewhere in the range of the midpoint, probably edging up into the third quartile. If you get into the fourth quartile and continue to walk on water, you ought to receive more than the structure increase until you get all the way to the maximum. In practice, if you are such a superb performer, you'd probably have been promoted before that. But for people who get up into the third and fourth quartile and don't keep doing the job in an outstanding way, it is also possible for their salary to fall back toward the midpoint.

Isn't it a hurry-up-and-wait system, though, for an institution where promotion is relatively difficult and a "good solid performer" may typically progress no more than two grades in the course of a career here?

The pay of a good solid performer ought to move to what is considered good solid pay as soon as you can get them there. Once they have hit the midpoint, they ought to maintain good solid pay. Good solid performers who are paid around the midpoint should never get less than the structure increase. That is the guts of the system.

If there is a problem, it might be a communications problem. If people doing an outstanding job know they can move to the maximum of their range, which essentially puts them 40 percent above the market, they might accept that in the bottom half of the range their pay might move at a rate 3 or 4 percent more than the structure increase and then in the top half of the range, it might slow down to 2, or even 1, percent more than the structure.

How do you deal with, or how would you want the staff to deal with, the fact that to a certain point the salary process is a formula and to a certain extent it's political?

Well, I deal with it by not saying "political"; I deal with it by saying "judgmental." The system was designed to set some pretty clear guideposts but still give management some flexibility in making proposals and the Board some flexibility in dealing with them. Board members weren't about to surrender their prerogative to set our salary structure by locking it into a very precise formula. The Joint Committee's recommendations included enough factors that require judgment—such as the recruitment and exchange rates—that management's hands wouldn't be tied.

We do a lot better than the private sector. If the private sector is not making the money and not paying dividends, it feels perfectly comfortable in telling its employees—even with a formula in place—that there will be a pay freeze this year.

We have a responsibility to our shareholders, too, and to the system. This year people might say that having a 4 or 4.5 percent margin over France and Germany is not within the system, but if they read the Joint Committee's report, they will see that it is.

In addition to compensation what responsibilities does your division have?

The division covers three main functions: compensation, job grading, and personnel records.

We deal with pay and benefits as a compensation package and the policies we need to follow to meet recruitment and retention objectives. In both compensation and benefits we collect market data, look at the relationship between our practices and policies, and explore the needs of an international organization.

Personnel records and the personnel information system are part of our division for two reasons: we work with them a lot, and they provide an ongoing resource as we accumulate information internally, on compensation and benefits, and externally, for survey information. We want to be able to build up a personnel information system that has external information in it, and covers a number of benefits plans and compensation practices by function and by sector.

The other big user of personnel systems is job grading. Job grading is in this division because it is somewhat separate and independent, and there is something inherently separate about this division: we tend to stand back a little bit, and look at policies and practices without becoming involved in the administration of the detail. We are able to look at the broader picture and ask how things work in relation to one another.

With regard to job grading and salary, where do your division's responsibilities end and those of Staff Development's begin?

Compensation Policy is concerned with the overall competitiveness and equity of the salary and benefits package. Staff Development is involved with how people move within that framework. Staff Development is more micro. Its emphasis has to be on people, on individuals. It works with people in their career development and with departments in planning long-term salary and staff movements. It also administers performance appraisals and works with departments on performance appraisal.

Staff Development creates the salary matrix. When we audit jobs, we look at duties and functions. We can only look at the work being done. Staff Development has the last word in promotions and assignments. They are responsible for the person in the job.

You are very involved, then, in updating job standards?

We normally audit 120 jobs a year; we have two people who examine positions to see whether or not the job grade should be changed. Typically, very few jobs change once they are graded. A manual will be issued in about a month or so. It will have standards for all of the

Fund's career streams. A working group devoted the entire past summer to sifting through the information gathered over the last few years from job audits, from people noting major changes on their performance evaluations, and from other sources. Armed with this information we have gone back into the standards and refined, and in some cases totally rewritten, the standards.

Was that done in conjunction with the departments?

Definitely. The deputy directors responsible for personnel matters usually look across their departments at the different standards that apply. They may or may not call in their division chiefs. What we can do is every few years look at one or two career streams and incorporate this data along with job audits and other information we collect for future revisions of the job standards.

Why does the Fund use Hay points; what makes it the best choice for an institution like this?

It's a matter of choice. Almost every organization has a job evaluation system. It's a tool for ranking jobs internally. It doesn't matter if you have Hay or other points. When you get an internal committee in an organization to sit down with a set of criteria, apply them consistently to as many jobs as possible, and come up with a rough internal ranking of jobs, then you have a job grading system. It will never be perfect, but there it is, and it's in place.

We don't even use Hay points for individual jobs anymore. Hay points were the tool we used to develop the grade structure. Now that we have a grade structure, and have established internal relativities, the Hay system falls into the background.

It's easy here to dislike Hay, because you can say, well, they did it to us, they downgraded people. We probably would have disliked whatever system was used by a committee of senior managers as a yardstick applied to every single job in the Fund. One useful aspect of Hay, however, is that once we have it in place, we can go to the Hay database and pull out thousands of jobs in a similar grade structure and look at how they're paid and what benefits they receive. Otherwise we have to do salary surveys in the old way, which is to select 20 or 30 of our jobs and visit ten companies and try to find identical jobs, which was a real can of worms.

Can the job grading system be made more transparent?

The standards should help. Getting the job grading manual out will help. One objective of the system was to tie in staff development, job grading, and pay, and make them all work together. If you put in a job grading system and then put it off someplace in the closet, and nobody ever hears about it unless someone wants to be promoted, it's useless.

Again, it's a matter of communication. Perhaps if more staff knew what the standards were for the jobs and what skills were required for this and that career stream, it would all make more sense.

How critical a factor is the staff's belief in that system? How important is it that the system be perceived as fair and clear?

It is all critical, but it's also something that you can't do overnight. You can't tell somebody, 'we're putting in this system now, trust me; it will all be fair; it will all work out fine.' They have to see it in action for some period of time. I may be quite wrong, but I think I've noticed a change in staff attitude in this past year or so.

The consistent application of the system over the past couple of years and the greater involvement of committees has helped. The Economist Committee, for instance, has been involved, and we now have a committee looking at the movement of secretaries from A6 to A7. It has been useful to have groups outside the Administration Department involved, so that Administration doesn't appear to be doing this in a black box somewhere.

The wounds of downgradings aren't closed yet, but for the past six to nine months I've noticed there doesn't seem to be as much pain around as there had been. We have resumed a normal progression of staff, and that will help to make the system more acceptable.

How did you get into compensation work?

Everybody gets into compensation accidentally. There was never a kid who said 'I want to be in salary administration when I grow up.' It's nothing people aspire to. It was a combination of being in the right place at the right time, I guess. I had been in the Treasurer's Department with Celanese Corporation, worrying more about bank accounts and transfers of funds, and wanted something different. I applied for a job in personnel research and worked on a variety of personnel matters, including analysis of turnover and attitude surveys. Then Celanese had a huge cutback, and let almost half of their corporate staff go, including the entire personnel research function. They decided that I should stay, and I moved into compensation.

After 12 years with Celanese, I came to the Fund. I've had a really good time and the people have been great. I'm glad that I didn't have a rigid background in personnel and compensation that would have made me think there was only one way of doing something. Having a very general background helped. I was always able to see the possibilities.

Compensation has been very satisfying for me. It combines the things that I like—problem solving and analysis—with the need to develop systems that I believe are fair and equitable. I try to avoid the political end of it. I stand back—perhaps in too literal a sense now that we may have to move to International Square—and say, well, this is the way it should be done. I want to get it right.

How Does Economist Mobility Work?

As this year's mobility round approaches, we thought we would try to clarify several issues that are often raised by staff about this process. In the first of two articles on this topic (the second will deal exclusively with noneconomist mobility), we asked Michael DaCosta of the Staff Development Division, who works closely on the annual mobility round for economist staff in ranges A11–A15, to address some of these questions.

As an economist, why should I consider mobility?

Mobility broadens the professional experience and increases the versatility of economists in the Fund. It also provides exposure to the many aspects of the economic work of the institution and opportunities to work with various economists and supervisors on a range of issues.

An area department, for example, exposes you to a wide array of issues relevant to economic management in developing or industrial countries, while an assignment in a functional department affords you the opportunity to contribute to policy and technical assistance issues (fiscal, financial system, or debt) of interest to the broad membership of the Fund.

Because of its value to the institution and to the individual economist, the Fund places much importance on mobility as an integral part of the career development of economists.

When should I consider mobility?

There are no clear-cut guidelines on this issue, but an economist needs to spend at least three years in a department before he or she can fully benefit from an assignment. This generally means that mobility might best occur while a staff member is at Grade A13. Nevertheless, a number of economists have successfully done mobility in the Grade A14 range, and you are strongly encouraged to be mobile before you become a candidate for promotion to Grade A15.

I feel reasonably confident that I can arrange my own mobility. Is there anything to be gained by talking to someone in Staff Development about my plans?

Many economists arrange their own mobility through the personal contacts they have developed. We might be able to help you ensure that your have considered a broad range of options, though. It might be something you would like to explore even though you are very comfortable with your own arrangements.

I am happy where I am right now. Shouldn't I simply postpone mobility until I have to do it for promotion considerations?

If you are in Grades A12-A13 and are happy in your current assignment and are continuing to learn new skills and enjoy the challenge of your assignment, it is difficult to argue that you should undertake mobility merely for the sake of it. But in examining your current position, be careful not to interpret "happiness" as comfort. If you are very comfortable in your present department but feel that you are no longer challenged or motivated by your assignment, you should begin to consider either internal mobility within your department or interdepartmental mobility. And even if you continue to enjoy an element of challenge in your current department, you might want to consider whether you are as challenged as your peers in other departments.

Finally, you should note that mobility is not a requirement for promotion in the A grades, but is a factor considered by the Review Committee in examining proposals for promotion. Mobility is a requirement for promotion to the B grades.

I am in an area department now and considering mobility. Should I be thinking about broadening my experience by going to another type of department (FAD for example)? If I chose to go to another area department, will I be limiting my future career possibilities?

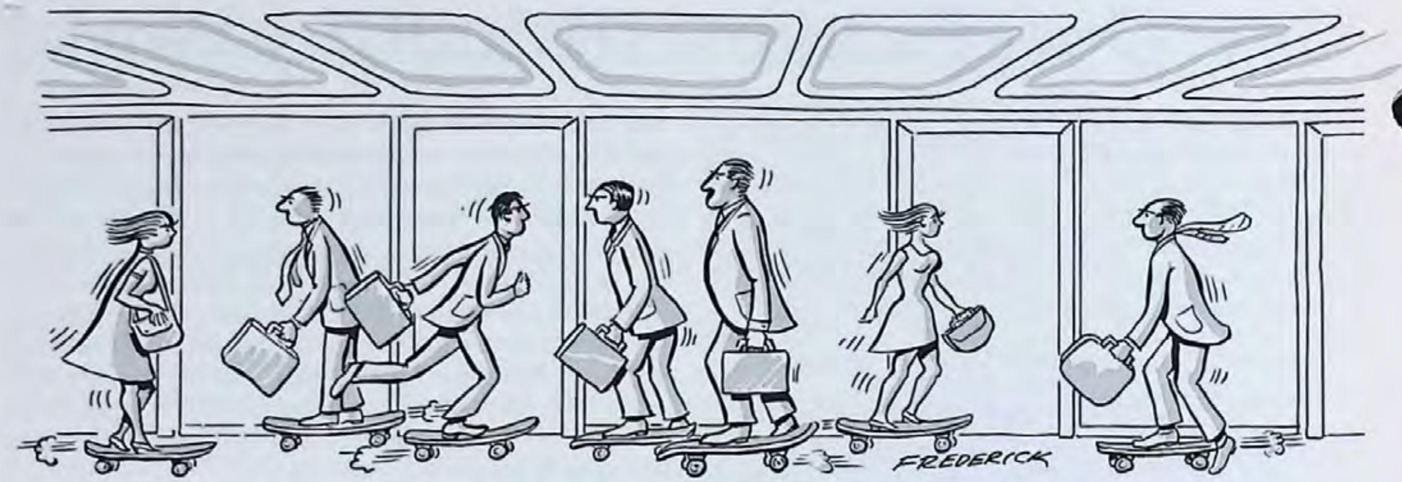
There are no predetermined paths to optimal career development of economists. For example, if you feel that your comparative advantage lies in area department work, there are no institutional obstacles to your career progression should you choose to remain in this area of Fund work. However, as you approach the B levels, it is advisable to broaden your experience as much as possible, either by shifting assignments within an area department (for example, from developing to industrial countries, or from nonprogram to program countries) or by taking up an assignment for a period of time in a non-area department.

How can I identify potential assignments?

Normally this is done, or at least initiated, in a very informal manner. You might want to talk to your immediate supervisor and discuss possible assignments with a personnel officer in Staff Development or with senior staff in departments in which you are interested.

I have requested mobility in the past and have not been successful, how can I improve my chances?

It would be important to get some feedback from the departments in which you are interested or from the Staff Development Division as to why previous efforts at mobility have not been successful. There could have been a shortage of vacancies in the departments in which you are interested or a large number of mobility applicants may



have applied for the position in which you were interested. In a few cases your candidacy may not be attractive to other departments because of your past performance, assignments, or training. If you know what the problem is, you will be in a much better position to address it.

In general, you can improve your chances by continuing to improve your performance, maintaining an already high level of performance, and increasing your exposure to other departments. For example, if you are in a non-area department and are interested in area department work, you can broaden your experience by seeking more mission assignments. Enhancing your anguage skills will also improve your chances. Staff Development would be happy to discuss these with you.

If I apply for mobility, will my department be informed of my request?

While initial inquiries would not usually come to the attention of your department, your department may eventually be informed of your request if another department wishes to pursue your candidacy. As a general guideline, it is advisable to discuss your interest in mobility with your own department first, so that you can ascertain whether the department has any problems with the timing of your mobility and so that the department canprepare for a smooth transition.

I'd like to go on mobility, but my department won't agree to my request. Why?

Given the very heavy workloads that many departments have experienced in recent years, departments are particularly concerned that excessive mobility could disrupt the smooth functioning of their work or damage continuity in country and policy operations. Departments are also understandably concerned about the quality of the staff member replacing you.

As a result, two guidelines are being discussed by the Economist Committee that would discourage departments from attracting staff who have not served at least three years in their current departments, and allow departments, at their discretion, to veto any mobility transfers of economists in a calendar year, in excess of 15 percent of the number of A11-A15 economists in their departments.

Can the mobility requirement be satisfied by a resident representative or other external assignment?

You can satisfy the mobility requirement by taking up a resident representative assignment. The exceptions to this general principle are resident representative assignments to countries in your own area department. These assignments are not classified as mobility because the range of issues you would be involved in is not likely to change significantly from your work in the area department. In addition, you would not benefit from exposure to different supervisors.

External assignments (by taking leave without pay) in appropriate institutions (for example, a central bank, a ministry of finance, or a regional development bank) in your home country or elsewhere and secondments to institutions such as the World Bank and the OECD can also be classified as mobility. But you should know that to be eligible to take leave without pay for an external assignment in the interest of the Fund, you must have served at least four years in the Fund.

Resident representative and other external assignments provide rich and unique opportunities for economists without such experience to see how policymaking is actually conducted in countries and how other institutions function. The Fund very much encourages these assignments.

More Questions?

For more information about mobility, training, or other career issues for economists in grades A11–A15, please contact Michael DaCosta at extension 7633.

Exercisers Race "Coast to Coast"

With its neatly laid out routes and its little numbered flags, the U.S. map in the Fitness Center suggested a courtly, elegant race. No way. This was about sweat and hard work, extra hours and intense competition. Nearly 40 staff members entered and 22 finished. And for the top ten, it was where they finished that mattered.

Under the race's rules, an exerciser was awarded 100 miles for every half hour of exercise. Cardiovascular exercise, such as aerobics, rowing, Stairmaster, or biking counted, as did running, if the run originated from the Fitness Center. Walleyball, racquetball, and squash activity were deemed ineligible, as was weight training.

June Lavin, keeping largely to her regular aerobic routine, took the early lead, but Bill Pfister, who started four days late, was not to be outdone. Facing knee surgery and hoping to lose weight, he plunged into exercising two or three times a day. "If it wasn't for June," he admits, "I would not have had the incentive to push hard. But she never slackened, so I couldn't either."

Competitors kept a watchful eye on the little flags as they worked their way west. Half-hour routines lengthened to 45 minutes or an hour. Everyone pushed a little harder. Crowds, particularly over the lunch hour, swelled in the exercise rooms.

Olivia Carolin and Secondo Giambi were locked in a tight race for third place, which Carolin won by staying late one night and coming in early the next morning to complete the last leg. Haroldo Suarez, who came in fifth, was a bit overwhelmed. "I completely underestimated the intensity of it," he said. "I wanted to do well and found myself in the last six days logging in one and a half hours in the morning, a half hour at lunch, and one and a half hours in the evening. Wow, was that challenging."

Of course, all that work was not without its rewards.

"When I'm working hard and exercise," Carolin says, "I feel good and sleep well. I am less stressed and more energetic. I go home a lot more chirpy now. When I started exercising, I was too shy to put on exercise clothes. Now I've lost a lot of weight and feel much better." Events like these, the Fitness Center finds, also increase motivation.

"I found myself saying, 'well, I can do 15 minutes more,'" Marian Rozak says. "I was thrilled to death to finish in the top ten. That's the first time I've done something like that. And I felt fabulous; I was more energetic, more productive, and had more stamina. I could compete within myself and get excited about it."

The event had many people pushing themselves. "I used to stay only 20 minutes," Giambi says. "Now I try to do 45 minutes or an hour, and I try to exercise every day." Pat Hanlon did not finish in the top ten, but wasn't in the least bit disappointed. "It gave me a good feeling for having challenged myself," she believes.

While the lunch crowd was pressed for space and time, the morning crew developed a genuine sense of camaraderie. "There was a lot of encouragement," Lavin says. "We'd say, 'do an hour with me.'" The morning group, FiFi Lin confirms, "really pulled together and helped each other."

Quite a few people lost weight (some went out and bought a new spring wardrobe), and almost everyone attested to increased stamina. Without the spark of competition, though, most exercise routines have now slid back to a more normal, and less rigorous, pace.

Not necessarily a bad thing. For as everyone finished, they took off from their West Coast destinations and planted their flags in Hawaii. It was time to relax.

***The finishers** (from left to right) are Marian Rozak, Bill Pfister, Pat Hanlon, Jane Godfrey, Basil Fulelhan, FiFi Lin, Secondo Giambi, Bill Broadfoot, Anita Catterton, Patric Martin, Adrian Nelson, Jennifer Rice, Maud Ljung-Lapychak, and Shiela Wright. Not shown, but also among the finishers, were Klaus Boese, Olivia Carolin, David Cook, June Lavin, P.R. Menon, James Munthali, Haroldo Suarez, and Peter Tillotson.*

Where Were You?

The weather was far from perfect, but the downtown 8K race was fun.

So what if it was cold and windy? A light drizzle never hurt anybody. And never mind that it was a Sunday morning and not yet 8:30 a.m. More than a dozen Fund staff members, and three spouses of staff members, were on hand to participate in the Second Annual World Bank-WETA 8K race on April 20.

Hard-core runners like Tim Cole (who kept his wife, Judy, company for her maiden race), Denio Zara, and David Naismith (all of the Administration Department) pronounced it "good running weather." Less ardent types demurred, calling it "good staying-in-bed weather," as Maud Ljung-Lapychack of the Nordic Office put it, but they were there too.

The sullen, chilly weather admittedly did take a toll. Although a record number (some 600 people) registered, a noticeably smaller crowd gathered outside the George Washington University library on H Street for the race. As the crowd stretched and strategized, many pondered what to wear. The serious had already pared down to lycra and to tank tops, while the rest of us were still deliberating over whether to shed our sweat shirts or not.

Along the starting line, though, some of the Fund's more eager runners pressed for position, some challenging the leaders. All the competitive runners were within a few feet of the front of the pack. The more relaxed, and realistic, runners selected a spot well back in the pack. This would be competition at its finest, we thought. Then, unfortunately, the race started.

Those who do this regularly cast an anxious eye at Alex Shakow, head of External Affairs for the Bank, who was to signal the start of the race. When Shakow lowered the flag, the competitive runners bolted, putting quick distance between themselves and those of us who usually aren't even up this early on a Sunday morning. In no more than a minute the bunched-up group had turned into a long, winding ribbon of runners heading down Pennsylvania Avenue toward the White House.

Experienced runners led the way, turning off Pennsylvania Avenue onto 17th Street. Then, given the configuration of the course (four quick turns), runners near the end caught sight of front-runners making their way up 18th Street and down 19th Street. Then it was up Virginia Avenue to 23rd Street, and onto H Street, where it all began, starting the second and final trip around.

To one unidentified runner, this half-way mark came as a somewhat unwelcome surprise. "You mean we have to go around TWICE?" he gasped. I broke the bad news.

But that was no crueler than what the runners at the back of the race had to endure. Just as the configuration allowed us to see the leaders early in the race, it also forced us to watch the first finishers, and we were early into our second lap.

***David Cutler** had a little help from his wife, Eudoxia.*

One of those early finishers was David Naismith. He came in first of the Fund's runners with a time of 29:53 (less than five minutes behind the men's overall winner), obviously taking the race seriously, which could have been difficult since this race was only five miles. That's not much compared to the race he ran the week before. The famous Boston Marathon, that is. All 26 miles.

"I'm going to follow you all," he told a group of staff runners inside the headquarters building prior to the start. Everybody laughed, and nobody believed him.

Several other staff members fell into that serious-runner category. Getting a better time, perhaps their best time, is their reason for running in any race. Like James Blalock of Treasurer's and John Huddleston of Administration. David Cutler, Administration, would have had a hard time with a race like this a year ago. "Oh, I couldn't even run a mile then," he said before the start. With a finishing time of 37:50, about seven and a half minutes a mile, he now considers himself a serious runner too.

Ana Stevens came in with a time of just over 41 minutes, not her best. "I was a little disappointed," she admitted. "I ran faster in this race last year." Stevens runs on average 35 miles a week and was hoping to get her time down near 36 minutes. "I don't know if the weather had anything to do with it, but last year it was a very nice day," she said.

And then there's Joan Powers of the Legal Department, who runs for the enjoyment of it. She's a "dedicated" runner, as she describes herself. "I run three and a half miles a day to work," she said at the finish line in front of the World Bank. "I've been doing it for ten years. I wasn't running for time today because of an injury, but I still enjoyed the course."

Jenaro Simpson, External Relations, ran a time of 34:52—not his personal best. He runs, on average, six times a week, about 25 miles. "I've run better times than this, but I haven't been training too seriously lately."

The Western Hemisphere Department was represented well in the race. Along with Stevens, Aida Brana and John Thornton participated. Brana took the race as seriously as anyone, and was happy to finish. "It made me feel good when I saw some of the other people stopping and walking," said Brana, who did neither.

"Everybody starts running for the exercise," said Henri Ghesquiere (39:18) after the race. "But then you start setting goals and try to bring your time down." Ghesquiere, Middle East Department, belongs to both groups—those who want faster times and those who run for enjoyment. "What is great about a race like this is you can enjoy the run or try to get a better time. I did both."

There was an additional benefit that Ghesquiere picked up on that might have slipped by some of the other staff members. "After spending a full week inside this building," he said, "it was nice to be able to run around it on a Sunday morning." Gustavo Weikert, Edwin Monsma, and Phil Thomas couldn't claim that benefit, though. They are staff members' husbands, and always do their running—of whatever variety—outside the Fund.

As for me, I clocked in nine-minute miles, and I'm happy. At that pace running might more accurately be termed jogging, but jogging is also a great way to lose weight, which I'm in the process of doing right now.

Also with that in mind was Ljung-Lapychak, the Nordic office runner who participated in her first race ever. "I just want to get to the goal line," she said during the race. She either had her sports mixed up, or she was absolutely right. This wasn't a football game, but a lot of goals were met. And everybody won. ***Patric Martin***

Patric Martin *chugs toward the finish line.*

STAFF NOTES

March 1–April 30, 1991

THIRTY YEAR STAFF

Bonnie Etherton

TWENTY FIVE YEAR STAFF

Anne-Marie Reolon

TWENTY YEAR STAFF

Marie-Jose Bauer

RESIGNATIONS

Zarela D. Ercilla
Georges Serre

RETIREES

Jean West

DEATH OF RETIREE

Georgette M. Bruneau
April 9, 1991

MARRIAGE

W. Edward Henson (ADM) to Tessa C. Sapaula (TRE) on May 11, 1991.

BIRTH

To **Ala'a Al-Yousuf** (WHD) and his wife, Heather, a daughter, Hannah, on April 13, 1991.

TRANSFERS

Jean Philippe Briffaux to AFR from Support Group, Resident Representatives (Guinea)

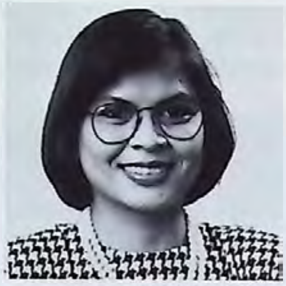
Ildefonso Guajardo to external assignment (Mexico) from WHD

Edouard Maciejewski to Support Group, Resident Representatives (Romania) from MED

Luis Valdivieso to external assignment (Peru) from WHD

Roxana Kop to EUR from ETR

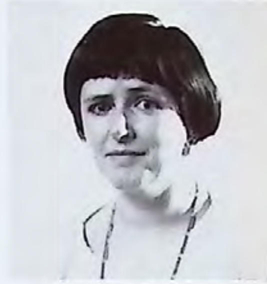
NEW STAFF



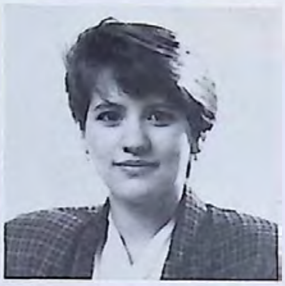
Ira R. Anwar
Indonesian, is a Staff Assistant, TRE. Educated at Washington Business School, she was previously secretary to the Ambassador of Brunei. Her interests include cooking, bowling, and traveling.

Veronica I. Canadas
Salvadoran, is an Accounts Assistant, TRE. Previously an accounts clerk, she studied law at El Salvador University and enjoys languages, reading, and traveling.

Juan J. Fernandez-Ansola
Argentine, is an Economist, WHD. Educated at Boston, Yale, and del Salvador universities, he was an Senior Economist, DRI/McGraw Hill, and Economist, Federal Investment Council, Argentina.



Jocelyne Gibert
French, is a Staff Assistant with AFR. Previously with International Agency for Research on Cancer and the Council of Europe, her interests include reading, classical music, and jogging.



Elana Akkerman Gold
a U.S. national, is a Staff Assistant, TRE. Educated at Emory and Sorbonne, and an MPA candidate at George Washington, she was a research assistant and translator for the Carter Presidential Center.

Elva N. Harris
Trinidadian, is a Staff Assistant, STA. Previously an Administrative Assistant with the World Bank, her interests include reading, films, and cooking.

Saeed M. Mahyoub
Yemeni, is a Research Assistant, STA. Previously a marketing representative for an insurance firm, he holds an MBA and BS (economics) and enjoys racquetball, music and dancing.

Claire L. Pate
a U.S. national, is a Staff Assistant, OED. Educated at Dean Junior College, she has worked with the U.S. Departments of Treasury and Defense. She enjoys theater, aerobics, and bowling.

Mark P. Taylor
a U.K. national, is an Economist, RES. Educated at Oxford and London, he was Professor, City University Business School, and consultant, Bank of England. He enjoys saxophone and soccer coaching.

Kenichiro Watanabe
Japanese, is an Economist, ETR. Educated at Nagoya University, he was previously an economist with the Bank of Japan. His interests include skiing and mystery novels.

Photo credits: Denio Zara (pages 1-3, 7 , 13–16); Padraic Hughes-Reid (pages 1-2, 16); and Sheila Meehan, with a generous assist from Jacques Chriqui, who lent us his camera (page 4–6).

staff news

Editor: Sheila Meehan
Published by the
Editorial Division of the
External Relations Department
International Monetary Fund
Washington, D.C. 20431