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THE WORLD BANK

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President Wolfensohn - Briefings Books for Presidents Meetings - Meeting Material
Vice President Meeting with Mr Sven Sandstrom - September 4, 1996

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A. CLASSIFICATION

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- ☐ Press Clippings/Photos

- ☐ JDW Transcripts
- ☐ Social Events
- ☐ Other

B. SUBJECT: Vice Presidents' Meeting with Mr. Sandstrom includes memorandum (ref. INT 2174) to Vice Presidents from Gerry Rice - agenda

DATE: 09/04/96

Issues Discussed:

-- Alternative Work Schedule (draft as of August 2) - three additional notes attached:

summary of "issues and concerns" prepared by HSD; memorandum from Jules Muis to Mr. Sandstrom, Aug. 19; memorandum from Praful Patel to Ms. Berry, Aug 27.

--Local Staff Retirement Plan (memo from Dorothy Berry of August 5 and slide presentation attached)

--Memorandum from Orsalia Kalantzopoulis to VPs (August 2) - attachment: DRAFT Alternative Work Schedules

C. VPU

Corporate

- ☒ CTR
- ☐ EXT
- ☐ LEG
- ☐ MPS
- ☐ OED
- ☐ SEC/Board
- ☐ TRE

Regional

- ☐ AFR
- ☐ EAP
- ☐ ECA
- ☐ LAC
- ☐ MNA
- ☐ SAS

Central

- ☐ CFS
- ☐ DEC
- ☐ ESD
- ☐ FPD
- ☐ FPR
- ☒ HRO

Affiliates

- ☐ GEF
- ☐ ICSID
- ☐ IFC
- ☐ Inspection Panel
- ☐ Kennedy Center
- ☐ MIGA

D. EXTERNAL PARTNER

- ☐ IMF
- ☐ UN
- ☐ MDB/Other IO
- ☐ NGO
- ☐ Private Sector

- ☐ Part I
- ☐ Part II
- ☐ Other

E. COMMENTS:

File Location ☒ EXC ☐ IISC ☒ Archives	Cleared By Josie Bassinette	Date: 09/15/96
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The World Bank
Washington, D.C. 20433
U.S.A.

Office of the Managing Director
Corporate Planning & Resource Management

August 30, 1996

To: Vice Presidents

Vice Presidents' Meeting with Mr. Sandström
Wednesday, September 4 at 2:30 p.m. in D10-100
Items for Discussion

JOW
not attending

Following on the previous notice on this meeting which was sent on August 2, please note that there will be two items on the agenda:

- **Alternative Work Schedules** (the draft paper was distributed on August 2 and is attached again here for your convenience); and
- **The Local Staff Retirement Plan** (memo from Dorothy Berry of August 5 and slide presentation is attached).

To help facilitate discussion of the Alternative Work Schedules paper, three further notes are also attached:

- i) A Summary of "Issues and Concerns" prepared by HSD (Annex I);
- ii) A memo from Jules Muis to Mr. Sandström, dated August 19 (Annex II); and
- iii) a memo from Praful Patel to Ms. Berry, dated August 27 (Annex III).

The Location of Work paper (referred to in the previous notice on this meeting) will be discussed at a future date.


Gerry Rice

Attachments

cc: Messrs./Mme. Wolfensohn, Einhorn, Frank, Kaji, Koch-Weser, Sandström
Messrs./Mme. Iida, Lindbaek, Bam, Bowyer, Calderisi, Henriod, Karp, Liese, Lynn,
Mashayekhi Beschloss, Okonjo-Iweala, San Jose, Rice

DRAFT

ALTERNATIVE WORK SCHEDULES

RECOMMENDATION

1. It is recommended that Alternative Work Schedules (AWS) be available to managers for implementation in their work units, under two critical parameters:

- Getting the work done. Staff on flexible work schedules accept that the flexibility is always conditional on the needs of the work program.
- All aspects of implementation of flexible work arrangements are at the discretion of management.

2. The consideration of Alternative Work Schedules should be part of the Bank's response to the increased complexity and stress of work and family life, and the availability of new technology which supports workplace flexibility.

3. The main components of the program would be:

- A day off in every ten normal work days. The chosen day-off for each work unit and/or individual will be at the discretion of the work unit manager.
- A minimum of 80 hours of work in the nine days worked.
- Department Directors (or their equivalent) will have the authority to implement alternative work schedules for individual work units, based on recommendations by Division Chiefs (or their equivalent).
- Full work load coverage will be provided with an identified back-up system.

BACKGROUND:

4. The 1992 Staff Attitude Survey results indicated a need to explore better ways of balancing work and family life. To address this, a working group led by the Health Services Department including the Staff Association and WBVS was formed. They found Bank work scheduling practices to be rigid and conservative compared with practices in a large number of comparator institutions. One consequence of this was a high level of stress. A major recommendation of this group was to explore the use of more flexible work arrangements. In addition to flex time (which the Bank implemented successfully in the late '70s) managers were given the discretion to approve part-time work, job sharing and alternative work schedules. This last item however was introduced only on a pilot basis, prior to coming to a final decision.

5. A number of key principles accompanied the introduction of the pilot:
 - Alternative work arrangements were not an entitlement. Managers had full discretion to permit staff this flexibility or to require them to work a regular schedule.
 - Full workload coverage had to be provided, with identified back ups.
 - Some key staff would not be allowed to participate (e.g. those in critical jobs with a single incumbent).
6. The pilot program began in late 1993 and was introduced gradually in 17 departments with 1,000 staff. A few departments (e.g. CTR) terminated the pilot for a variety of reasons. Currently there are 762 staff in 12 departments working on this schedule, since the pilot was never discontinued. Several units/managers have voiced interest in joining the pilot. The pilot entailed compressing 80 hours of work into nine work days, allowing one Friday off every other week (if workload permitted).

MARKET PRACTICE

7. Most external data come from North America and Canada. The Bank conducted a survey of 38 organizations. The review of these comparator organizations (in both the public and private sectors) shows that alternative work arrangements are slowly, but very definitely gaining ground in medium and large US Corporations.
8. The most recent surveys conducted externally (Towers Perrin and Work Family Directions - both in 1995) show that about half the surveyed companies offer alternative work arrangements. In the financial service industries this includes the larger commercial banks - Citicorp, Bank of America, J.P. Morgan, NationsBank, Wells Fargo. In addition, many investment firms also use such arrangements (e.g. Merrill Lynch, Goldman-Sachs, Morgan Stanley, American Express and Cigna).
9. Bechtel and Chevron pioneered these alternatives and have been using them for a number of years. A brief summary of their programs follows.
 - **Bechtel:** Diversified engineering. HQ in San Francisco. 21,000 non-manual employees. 87% of domestic staff and management participate. Company-wide system: 80 hours of work in 9 days with alternating Fridays off. The Legal Unit at Bechtel does not participate in the program. They have no flex time.
 - **Chevron:** Oil and petroleum products. 36,000 employees domestic. 50,000 world-wide. 18 different companies. HQ in San Francisco. Corporate policy permits 80 hours of work in 9 days with alternating Fridays off at the discretion of management. Some flex time permitted. Major users include:

Legal, Production, HQ for International Operations, Finance/Accounting and Information. Over half the managers do not participate regularly.

10. U.S. Government Agencies have much more experience in all forms of alternative work arrangements and have used them for the past 18 years. They offer two versions of alternative work arrangements (units which work 10 hour work days of 4 days per week with the 5th day off; and units which compress 80 hours over 9 days and provide the 10th day off).

11. All organizations made use of surveys and evaluative techniques to determine the impact of flexible working arrangements. Main findings indicate:

- A general sense that morale improves overall with flexible work arrangements.
- No decline in productivity and improved quality of life.
- Improved environment for teamwork.
- Less use of sick leave, temporary staff and overtime.
- Voice mail is both a plus and minus in ensuring coverage. Back-ups are significantly better.
- Staff recognize that scheduled days off are an option, not a right.

12. Currently no other development organizations offer this work option. European corporations use compressed work weeks for 24-hour operational work (e.g. automobile assembly plants). Asian corporations are just beginning to explore flexible work arrangements.

EXPERIENCE WITH BANK PILOT

13. An interim evaluation was conducted in 1994 to assess the impact of the pilot. The survey compared the traditional work week to the alternative work arrangements from the following focus points: as an employee, as a supplier of services and as a member of the work group unit. The survey captured attitudes of all staff (those on the alternative work schedules and those who were not) in the pilot departments. For staff in CWS pilot departments,

- Morale improved by 24%
- Stress was reduced by 26%
- Sick leave was reduced by 12%.

There was no adverse impact on overall unit performance and/or client relations.

14. The survey also compared the perceptions of staff on the alternative work arrangements with staff on a traditional work week. On all indicators, without exception, rankings were considerably more favorable for staff on alternative work schedules compared with their counterparts. The result was striking in its consistency. A review of sick leave utilization and overtime showed favorable results - similar to comparator organizations that have implemented alternative work schedules.

15. Overall 75% of the managers surveyed were fully satisfied with the alternative work arrangements. Only 8% were dissatisfied. Managers' dissatisfaction with work group stress dropped from 25% to 11%. Managers also reported much more time to concentrate on work tasks (15% increase). They also noted greater cooperation among co-workers.

16. The pilot clearly indicated that alternative work schedules were popular with staff and most managers who experimented with it. The indication was that staff continued to do what was required to get the work done. Productivity did not suffer, and morale seemed to get a boost.

SUCCESS FACTORS

17. Alternative work schedules must be accompanied by clear guidelines and appropriate education on its administration. Literature and experience also highlight other factors for success:

- Senior Management must "buy in" and trust staff to do what is needed to get the work done, and that alternative work schedules do not reduce hours of work or lower productivity.
- Line management must show creativity in designing alternative work arrangements that maximize individual productivity by helping them balance business needs with personal/family requirements.
- Staff must work as self-motivated teams that are flexible and able to cover for each other.
- Staff must understand that days-off are options to be exercised as work allows. This is not an entitlement.
- Work teams must be cohesive, sharing a common service and quality focus.

- Effective planning, communication and administration by managers and staff are essential.

CONSIDERATIONS SUPPORTING AWS:

18. A decision to introduce flexible work arrangements would/could have the following impact on this organization.

- With the increasing value placed on family issues and balance in life, the Bank would be seen as keeping pace with the changing culture, as well as pioneering flexible work arrangements in the international development community.
- The momentum and pace of change at the Bank today is causing stress through anxiety and increased demands at work. Introduction of flexible work arrangements would be a tangible and responsive action which will be appreciated by staff and managers.
- We emphasize that we value results over physical presence. Permitting flexible work arrangements would be a concrete action that supports this value.
- With the evolution of technology many traditional work patterns have changed, with no resulting loss in productivity. Literature and experience indicate that technology supports flexible work arrangements (including telecommuting). Many of our staff are already linked to the Bank from home through the E-mail system. This permits them to participate in a work day (if needed) from home even on a day off.
- We already have a cadre of managers and staff who have experienced the logistical and administrative issues with introducing alternative work schedules. They can serve as in-house trainers to ensure the smooth introduction of the system.
- We already have staff who are deemed "essential service staff." They have to report to work even when the Bank closes for adverse weather. Therefore a distinction already exists in the manner in which staff holding some critical jobs are treated. Introduction of alternative work schedules will not set a precedent in creating such distinctions.
- The pilot was tested in Regional Departments and the central VPUs. There were no complaints from our borrowers or stakeholders who interacted with these units. It is therefore a safe assumption that, with the appropriate coverage in place, alternative work schedules can be implemented without a negative impact externally.

- The Bank's staff are dedicated and committed. The introduction of this flexible work system will not change the caliber of the staff or their dedication to getting the work done. As noted in the results of the pilot, staff did what was needed to accomplish the work - but did so with less stress and increased morale.
- During the peak summer months and at Christmas time, substantive numbers of staff are on leave. However, the work gets accomplished with relatively few complaints. It is likely therefore with the mainstreaming of flexible work schedules that similar work habits and patterns will emerge.

THE WORLD BANK GROUP

ROUTING SLIP		DATE: July 31, 1996	
NAME			ROOM. NO.
Ms. Dorothy Hamachi Berry			E 3-071
☐	URGENT	☐	PER YOUR REQUEST
☐	FOR COMMENT	☐	PER OUR CONVERSATION
☐	FOR ACTION	☐	NOTE AND FILE
☒	FOR APPROVAL/CLEARANCE	☐	FOR INFORMATION
☐	FOR SIGNATURE	☐	PREPARE REPLY
☐	NOTE AND CIRCULATE	☐	NOTE AND RETURN
RE: Local Staff Retirement Plan - Note to VPs			
REMARKS: Dorothy, If you're comfortable with the attached, I think this would be the best way the keep this ball moving. You may want to check with Gary Perlin if he is okay with the reference to TRE. Also, I have assumed the agenda you suggested for the VP meeting is approved. As discussed, Brian and I will contact each RVP (plus Chris Bam) for a follow up discussion in August. We won't contact the other VPs unless they specifically request a meeting. Mark			
FROM Mark Bowyer <i>Mark</i>		ROOM NO. O 4001	EXTENSION 80170



Record Removal Notice



File Title President Wolfensohn - Briefing Book for President's Meetings - Meeting Material - Vice President Meeting with Mr Sven Sandstrom - September 4, 1996		Barcode No. 30485694		
Document Date August 5, 1996	Document Type Memorandum			
Correspondents / Participants To: Distribution - list of Vice Presidents From: Dorothy Hamachi Berry, Vice President, HRS				
Subject / Title Local Staff Retirement Plan				
Exception(s) Corporate Administrative Matters				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Diego Hernández</td><td>Date March 26, 2025</td></tr></table>	Withdrawn by Diego Hernández	Date March 26, 2025
Withdrawn by Diego Hernández	Date March 26, 2025			

ALTERNATIVE WORK SCHEDULE

Issues and concerns

The major benefits of AWS, experience with the pilot, comparator practice, and a set of recommendations, is contained in the draft report "Alternative Work Schedule" circulated on August 2. To facilitate discussion and to give a broader context, summarized below are the major concerns which tend to surround this topic. They fall into four categories:

1. Entitlement (Staff will abuse it.)

This has been raised for all levels of staff, but especially for 11-17 staff who are paid overtime if they are asked to work on a day they would normally have off.

"Entitlement thinking" is a real issue, particularly for government organizations with civil service mentality. However, no organization we have surveyed has found it unmanageable. There has been little misuse of AWS in the Bank although in one unit problems of "entitlement thinking" had to be carefully managed and some individual cases have been noted.

2. Equity (AWS is inequitable because it cannot be used by all staff.)

It is often said that staff who are ineligible to use AWS will also work more than eight hours per day but without the benefit of having the tenth day off. This generally applies to whole work groups which are ineligible, rather than to individuals.

Within the Bank, the pilot has shown that there are work groups which are definitely not suited to AWS. Service departments with peak workloads on Mondays and Fridays, special project units or small specialized groups with no backup fall into this category. Two departments, HSD and CTR, terminated the pilot because Friday coverage could not be maintained. Others temporarily suspended AWS during peak work periods. Terminating AWS for these reasons has caused no major complaints or morale problems. Experience in comparator organizations is consistent. There are always groups who are not suited to AWS and managers in the Bank will have the flexibility to use their judgment in this regard.

3. Productivity

Managers often feel that the additional hours worked on nine days do not equal the output achieved in a full day.

While the logic of this argument seems compelling, in reality the experience of nearly all comparator organizations shows that output remains constant or indeed

increases using AWS. The use of sick days -- a frequently used measure of productivity -- normally decreases. The explanation for this paradox lies in professional attitudes-- professionals work by task not by hour. They normally do whatever it requires to finish a particular task and they value autonomy.

4. Image

Concern has been raised that the adoption of AWS could work against the Bank, particularly on Capitol Hill and in the media. The Bank would be the first international organization to adopt AWS and could be singled out for the usual criticism (overpaid bureaucrats taking it easy).

-- While there is no experience with regard to other international organizations, AWS has been part of the U.S. federal government policies for nearly two decades and flexibility normally receives positive press. Also, the data on work ethics in the Bank show compellingly the commitment of staff.

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

AUG 20 1996

DATE: August 19, 1996

TO: Mr. Sven Sandström, Managing Director

FROM: Jules W. Muis, CTRVP

EXTENSION: 81674

SUBJECT: **Alternative Work Schedules**

1. Since I am not sure whether I will be able to attend your meeting in September with the Vice Presidents to discuss the draft paper on the above subject, this is to give you my comments in advance of that meeting.
2. As written, the draft strikes me as an advocacy paper (although the identity of the advocate is not clear), in that it gives a one-sided view and does not present any of the downside of the proposed nine-day fortnight. Para. 6 glosses over the Bank's negative experience with the pilot: "A few departments (e.g. CTR) terminated the pilot for a variety of reasons." Those reasons should be discussed in the paper, in order to give a more complete picture. For example, the last evaluation by all Bank units participating in the pilot, while favorable in most aspects, flagged that satisfaction with work coverage on Fridays deteriorated during the pilot by 9% according to staff and by 20% according to managers. Non-participating managers were significantly more dissatisfied than participating managers; 43% of non-participating managers were very dissatisfied, as compared with only 9% of participating managers. This is not surprising, since it is the non-participants who directly experience the inconvenience caused by unavailability of certain staff, but reap none of the benefit of the "day off" themselves. If, as alleged in the final bullet of para. 18 of the draft paper, the Bank's output is unaffected by significantly reduced numbers of staff in August and between Christmas and New Year's, then we are significantly overstaffed!
3. CTR's evaluation of the pilot was generally favorable due to its positive effects on morale, although many managers and staff would have preferred more flexibility in which day of the week to take off (i.e., not restricted to Fridays). However, I have some major concerns about the nine-day fortnight from the standpoint of productivity and client service. Under some circumstances -- and the nine-day fortnight is one, in my view -- the sum of the parts is effectively less than the whole; i.e., there is a cost to fragmentation, loss of continuity. In other words, we should not evaluate a proposal for a nine-day fortnight on the basis that 80 hours of work would be performed as they are now, just with one less day in a two-week period. One extra hour per day over the course of nine days -- whether added early or late in the day -- is not the equivalent, in terms of productivity, to one full work day, particularly when our interlocutors in the rest of the

working world (both inside and outside of the Bank) are open for business. CTR interacts with borrowers, field offices, and Bankwide HQ clients and partners, on a daily basis. Our HQ clients and partners include the other finance VPUs, LEG, ITS, the Regions, and the CAO/PC community across all VPUs. And of course, we are interacting amongst ourselves, within CTR. We are usually dealing with specific individuals on a given matter that is not easily dealt with by a back-up person on an off-Friday. The reality is that the work must be postponed until the following Monday, as I found when looking for members of my own staff on Fridays. I therefore concluded that the nine-day fortnight compromised our ability to discharge our institutional responsibilities with the highest quality and efficiency.

4. If the Bank nonetheless chooses to go forward with a nine-day fortnight on a unit-by-unit basis Bankwide, I believe there needs to be some guidance as to what work unit circumstances are not conducive to such an alternative work schedule, or where tremendous flexibility in its implementation on an ongoing basis is essential. Based on our experience in CTR:

- (a) Units with cycle-driven work programs: In the Accounting Department, much of the work load timing is driven by the end of a fiscal year quarter. We cannot produce our mandated financial reporting outputs on a timely basis if we are not fully staffed at the consistently critical times dictated by the calendar. PBD (part of CTR at the time of the pilot) and the cyclical production of its Board documents is another case in point. They in fact would suspend the nine-day fortnight at certain pressure times of the year. In units with cycle-driven work programs, this flexibility to move on and off the nine-day fortnight as the institutional cycle of their workload demands would be imperative under an alternative work schedule arrangement.
- (b) Special task units: A compressed work schedule is not appropriate for a work unit whose sole responsibility is execution of an intensive, time-bound, special task -- as was the case with the development of the Loan Department's new Loan Administration System (LAS). We had a team of consultants dedicated to this task on a full-time basis. They worked many long hours to ensure that LAS could "go live" on schedule in mid-October 1995. Had they been taking off from work on alternate Fridays, the project would have been delayed by that many additional days. After participating very briefly in the Compressed Work Schedule pilot in 1993, this unit in the Loan Department withdrew from the pilot.
- (c) Critical mass for back-up purposes: Even adding flexibility for which day of the week to "take off," the nine-day fortnight does not work for small units because back-up arrangements are difficult without incurring additional costs for temporary support. The last bullet in para. 3 of the draft paper should specify that a back-up system must be at no incremental cost to the unit

concerned. There should be a minimum work unit size specified for eligibility.

- (d) De facto entitlement when overtime pay involved: Whatever the statements made to the effect that the "day off" at the end of the fortnight is not an entitlement (ref. the fourth bullet in para. 17 of the draft paper), it nonetheless essentially becomes an entitlement for level 11-17 staff, by virtue of the fact that they are paid overtime if they are asked to come to the office on that day. Are they obligated to come to the office if asked to do so on what would otherwise have been their "day off" -- unlike overtime on weekends or in evenings when, presumably, they would have the option of declining due to personal commitments? I appreciate that they would have already put in the requisite 80 hours for the fortnight period, but the "day off" is most certainly considered an entitlement, whatever Bank policy may say to the contrary. This situation only contributes to a "timeclock" mentality among level 11-17 staff, when in my view we should be moving in exactly the opposite direction, especially considering how their pay scale is out of line with (i.e., inflated relative to) that of the local market. Until we address the issue of inflated pay scales for level 11-17 staff, one way to mitigate the situation would be to eliminate overtime for level 11-17 staff, at least for those working on a nine-day fortnight schedule.

5. Despite the adverse effect on my ratings in the popularity polls at the time, I discontinued the alternative work schedule in CTR as of March 1, 1996 (the beginning of the current "leave and attendance" year). In addition to the above problems, I felt pilots should be for a finite timeframe, and if the institution was not going to impose one, then unit managers should.

6. The draft paper proposes that a unit's participation in a nine-day fortnight work schedule should be at the discretion of the Department Director (or the equivalent), based on recommendations by their Division Chiefs (or their equivalent). I think the Managing Directors and in turn the Vice Presidents should have this prerogative, and Directors should have it only if their Vice President and Managing Director do not veto adoption of a nine-day fortnight by work units within their respective VPUs. For example, as you know, Jessica Einhorn is opposed to the nine-day fortnight. If she so wishes, she should be able to decide that none of the Departments in the VPUs reporting to her may adopt an alternative work schedule. Similarly, I should have the same discretion vis à vis CTR.

7. One of the draft paper's arguments in favor of the nine-day fortnight is that sick leave was reduced by 12% among the units participating in the Bank's pilot. It would be more informative to know the composition of that 12%, in terms of level 11-17 staff vs. level 18+ staff. The Bank's fundamental motive for adopting an alternative work schedule was to relieve stress. According to Attitude Survey results, the target group for this stress relief is operational staff -- presumably level 18+ staff who are frequently on

August 19, 1996

mission to our borrower countries and working long hours. I would therefore hope to see that the reduction in sick leave realized during the pilot was primarily attributable to level 18+ staff. If it in fact was just the opposite, however, then I suspect level 11-17 staff, for purposes of stress relief, essentially substituted the nine-day fortnight "day off" for "mental health" sick leave days, with no real change in stress level. Granted, the Bank realized savings from their reduced sick leave in that more hours were worked in aggregate. But if we cannot demonstrate that sick leave reduction pertained specifically to professional level staff with demanding operational travel schedules, then I question how meaningful sick leave reduction is as a success indicator for an alternative work schedule's impact on stress relief.

8. For Bank staff who travel to our borrower countries on a regular basis and therefore are presumably most in need of stress relief, an alternative work schedule such as that proposed in the draft paper might be appropriate. If an alternative work schedule is adopted in the Bank, I think it should be limited to this specific group of staff. But before taking any further action with regard to the alternative work schedule proposal now before us, it would be useful to know the extent to which the Bank's existing recuperative leave policy (designed specifically for the purpose of alleviating the stress caused by frequent operational travel) is used in relation to eligibility; and to the extent it is forgone, the reasons for this. Perhaps the real reason for adopting an alternative work schedule for operational staff at level 18 and above is to replace (in Operations) an underutilized and inequitably implemented recuperative leave policy with something more structured, less room for discretion at the individual level, hence more equitable.

cc: Messrs./Mmes. Einhorn, Berry, Choudhury, Joscelyne, Raghavan, Litan,
Williams, Bumstead, and Lystad

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: August 27, 1996

TO: Ms. Dorothy H. Berry, HRSVP

FROM:  Praful Patel, Acting Vice President, Africa Region

EXTENSION: 34250

SUBJECT: **Request for Compressed Work Schedule (CWS) for the Africa Region**

1. As you are aware, the Africa Region is implementing an ambitious Renewal Program to enhance productivity while delivering better quality services to our clients. A central principle underlying the entire Renewal process is trust in staff to take responsibility for their work--in essence moving from a culture of control to one of trust and support. As part of this process, we are looking at the experience--both Bank-wide and within the Region--of pilot efforts to develop alternative ways of scheduling work. In our eyes, adopting the Compressed Work Schedule (CWS) would be an unambiguous manifestation of management's commitment to achieve this cultural change.
2. An earlier request to extend CWS regionwide was not approved pending additional input on its efficiency--even though most VPs supported the extension. However, our own positive experience with CWS, plus the spirit underpinning our Renewal Program, argues for a review of that decision. **Thus, we would like your approval to give managers in the Africa Region, in consultation with their staff, the option to adopt CWS.**
3. The former Africa Country Department 5 (AF5) piloted CWS from 1993 until its suspension in July 1996. As we launched the pilot, we kept in mind concerns that had been raised about various problems--including inequitable burden-sharing among staff, and we resolved to monitor these carefully. However, the experience of AF5 has shown such concerns to be groundless. In two evaluations, managers and staff of AF5 were overwhelmingly pleased with the CWS experience: output quality and volume increased, work planning was improved, stress declined, and staff morale rose. Essentially:
 - CWS became a tool that allowed staff more control over their time allocation, thereby reducing stress and the negative impact on family life which have been constant negative features of our attitude surveys.
 - The absence of meetings on CWS Fridays allowed those staff working on Fridays to substantially increase their productivity. It has become common to hear people say "I get more done on Friday than I do the rest of the week."

The department handled management and administration of the CWS process without difficulties and developed effective back-up systems.

August 27, 1996

4. There continues to be a concern by some that CWS would be unfair to the departments whose working environments might make it difficult for them to adopt CWS--thus creating inequity among staff Bankwide an argument, which has been used to discourage the extension of CWS. In fact, however, the working environments across units in the Bank already varies widely, depending on business obligations. (For example, operational staff have frequent missions, whereas travel obligations of the Financial complex staff are very limited.) In our view, CWS does not increase this diversity--it simply allows staff to have more control over their work when business conditions allow. We are confident that those staff for whom CWS may not be an option would not wish to be used as an excuse for denying CWS to their colleagues working under different conditions.

cc: Messrs./Mme: Tama, Kaji, Sandstrom, Liese, Bowyer

w:bagarcha

Office of the Managing Director

August 2, 1996

To Vice Presidents

Vice Presidents Meeting: Items for Discussion

The attached paper on *Alternative Work Schedules* will be discussed at the next regular meeting of the Vice Presidents with Mr. Sandstrom.

We also expect to bring up for discussion two additional items: *Location of Work* and *Local Staff Retirement Plan*. Background material on these two topics will be distributed to you around August 26.

As announced earlier, the next meeting will take place on Wednesday, September 4, at 2:30 p.m. in D-10-100.

Orsalia Kalantzopoulos

Attachment

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DRAFT

ALTERNATIVE WORK SCHEDULES

RECOMMENDATION

1. It is recommended that Alternative Work Schedules (AWS) be available to managers for implementation in their work units, under two critical parameters:

- Getting the work done. Staff on flexible work schedules accept that the flexibility is always conditional on the needs of the work program.
- All aspects of implementation of flexible work arrangements are at the discretion of management.

2. The consideration of Alternative Work Schedules should be part of the Bank's response to the increased complexity and stress of work and family life, and the availability of new technology which supports workplace flexibility.

3. The main components of the program would be:

- A day off in every ten normal work days. The chosen day-off for each work unit and/or individual will be at the discretion of the work unit manager.
- A minimum of 80 hours of work in the nine days worked.
- Department Directors (or their equivalent) will have the authority to implement alternative work schedules for individual work units, based on recommendations by Division Chiefs (or their equivalent).
- Full work load coverage will be provided with an identified back-up system.

BACKGROUND:

4. The 1992 Staff Attitude Survey results indicated a need to explore better ways of balancing work and family life. To address this, a working group led by the Health Services Department including the Staff Association and WBVS was formed. They found Bank work scheduling practices to be rigid and conservative compared with practices in a large number of comparator institutions. One consequence of this was a high level of stress. A major recommendation of this group was to explore the use of more flexible work arrangements. In addition to flex time (which the Bank implemented successfully in the late '70s) managers were given the discretion to approve part-time work, job sharing and alternative work schedules. This last item however was introduced only on a pilot basis, prior to coming to a final decision.

5. A number of key principles accompanied the introduction of the pilot:
 - Alternative work arrangements were not an entitlement. Managers had full discretion to permit staff this flexibility or to require them to work a regular schedule.
 - Full workload coverage had to be provided, with identified back ups.
 - Some key staff would not be allowed to participate (e.g. those in critical jobs with a single incumbent).
6. The pilot program began in late 1993 and was introduced gradually in 17 departments with 1,000 staff. A few departments (e.g. CTR) terminated the pilot for a variety of reasons. Currently there are 762 staff in 12 departments working on this schedule, since the pilot was never discontinued. Several units/managers have voiced interest in joining the pilot. The pilot entailed compressing 80 hours of work into nine work days, allowing one Friday off every other week (if workload permitted).

MARKET PRACTICE

7. Most external data come from North America and Canada. The Bank conducted a survey of 38 organizations. The review of these comparator organizations (in both the public and private sectors) shows that alternative work arrangements are slowly, but very definitely gaining ground in medium and large US Corporations.
8. The most recent surveys conducted externally (Towers Perrin and Work Family Directions - both in 1995) show that about half the surveyed companies offer alternative work arrangements. In the financial service industries this includes the larger commercial banks - Citicorp, Bank of America, J.P. Morgan, NationsBank, Wells Fargo. In addition, many investment firms also use such arrangements (e.g. Merrill Lynch, Goldman-Sachs, Morgan Stanley, American Express and Cigna).
9. Bechtel and Chevron pioneered these alternatives and have been using them for a number of years. A brief summary of their programs follows.
 - **Bechtel:** Diversified engineering. HQ in San Francisco. 21,000 non-manual employees. 87% of domestic staff and management participate. Company-wide system: 80 hours of work in 9 days with alternating Fridays off. The Legal Unit at Bechtel does not participate in the program. They have no flex time.
 - **Chevron:** Oil and petroleum products. 36,000 employees domestic. 50,000 world-wide. 18 different companies. HQ in San Francisco. Corporate policy permits 80 hours of work in 9 days with alternating Fridays off at the discretion of management. Some flex time permitted. Major users include:

Legal, Production, HQ for International Operations, Finance/Accounting and Information. Over half the managers do not participate regularly.

10. U.S. Government Agencies have much more experience in all forms of alternative work arrangements and have used them for the past 18 years. They offer two versions of alternative work arrangements (units which work 10 hour work days of 4 days per week with the 5th day off; and units which compress 80 hours over 9 days and provide the 10th day off).

11. All organizations made use of surveys and evaluative techniques to determine the impact of flexible working arrangements. Main findings indicate:

- A general sense that morale improves overall with flexible work arrangements.
- No decline in productivity and improved quality of life.
- Improved environment for teamwork.
- Less use of sick leave, temporary staff and overtime.
- Voice mail is both a plus and minus in ensuring coverage. Back-ups are significantly better.
- Staff recognize that scheduled days off are an option, not a right.

12. Currently no other development organizations offer this work option. European corporations use compressed work weeks for 24-hour operational work (e.g. automobile assembly plants). Asian corporations are just beginning to explore flexible work arrangements.

EXPERIENCE WITH BANK PILOT

13. An interim evaluation was conducted in 1994 to assess the impact of the pilot. The survey compared the traditional work week to the alternative work arrangements from the following focus points: as an employee, as a supplier of services and as a member of the work group unit. The survey captured attitudes of all staff (those on the alternative work schedules and those who were not) in the pilot departments. For staff in CWS pilot departments,

- Morale improved by 24%
- Stress was reduced by 26%
- Sick leave was reduced by 12%.

There was no adverse impact on overall unit performance and/or client relations.

14. The survey also compared the perceptions of staff on the alternative work arrangements with staff on a traditional work week. On all indicators, without exception, rankings were considerably more favorable for staff on alternative work schedules compared with their counterparts. The result was striking in its consistency. A review of sick leave utilization and overtime showed favorable results - similar to comparator organizations that have implemented alternative work schedules.

15. Overall 75% of the managers surveyed were fully satisfied with the alternative work arrangements. Only 8% were dissatisfied. Managers' dissatisfaction with work group stress dropped from 25% to 11%. Managers also reported much more time to concentrate on work tasks (15% increase). They also noted greater cooperation among co-workers.

16. The pilot clearly indicated that alternative work schedules were popular with staff and most managers who experimented with it. The indication was that staff continued to do what was required to get the work done. Productivity did not suffer, and morale seemed to get a boost.

SUCCESS FACTORS

17. Alternative work schedules must be accompanied by clear guidelines and appropriate education on its administration. Literature and experience also highlight other factors for success:

- Senior Management must "buy in" and trust staff to do what is needed to get the work done, and that alternative work schedules do not reduce hours of work or lower productivity.
- Line management must show creativity in designing alternative work arrangements that maximize individual productivity by helping them balance business needs with personal/family requirements.
- Staff must work as self-motivated teams that are flexible and able to cover for each other.
- Staff must understand that days-off are options to be exercised as work allows. This is not an entitlement.
- Work teams must be cohesive, sharing a common service and quality focus.

- Effective planning, communication and administration by managers and staff are essential.

CONSIDERATIONS SUPPORTING AWS:

18. A decision to introduce flexible work arrangements would/could have the following impact on this organization.

- With the increasing value placed on family issues and balance in life, the Bank would be seen as keeping apace with the changing culture, as well as pioneering flexible work arrangements in the international development community.
- The momentum and pace of change at the Bank today is causing stress through anxiety and increased demands at work. Introduction of flexible work arrangements would be a tangible and responsive action which will be appreciated by staff and managers.
- We emphasize that we value results over physical presence. Permitting flexible work arrangements would be a concrete action that supports this value.
- With the evolution of technology many traditional work patterns have changed, with no resulting loss in productivity. Literature and experience indicate that technology supports flexible work arrangements (including telecommuting). Many of our staff are already linked to the Bank from home through the E-mail system. This permits them to participate in a work day (if needed) from home even on a day off.
- We already have a cadre of managers and staff who have experienced the logistical and administrative issues with introducing alternative work schedules. They can serve as in-house trainers to ensure the smooth introduction of the system.
- We already have staff who are deemed "essential service staff." They have to report to work even when the Bank closes for adverse weather. Therefore a distinction already exists in the manner in which staff holding some critical jobs are treated. Introduction of alternative work schedules will not set a precedent in creating such distinctions.
- The pilot was tested in Regional Departments and the central VPUs. There were no complaints from our borrowers or stakeholders who interacted with these units. It is therefore a safe assumption that, with the appropriate coverage in place, alternative work schedules can be implemented without a negative impact externally.

- The Bank's staff are dedicated and committed. The introduction of this flexible work system will not change the caliber of the staff or their dedication to getting the work done. As noted in the results of the pilot, staff did what was needed to accomplish the work - but did so with less stress and increased morale.
- During the peak summer months and at Christmas time, substantive numbers of staff are on leave. However, the work gets accomplished with relatively few complaints. It is likely therefore with the mainstreaming of flexible work schedules that similar work habits and patterns will emerge.