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PERSONNEL MANAGEMENT COMMITTEE

Meeting of December 4, 1979 - 2.00 p.m.

I. Compensation Matters

a) Supplementary payment by member governments to their nationals on Bank Group staff (Attached draft of November 29, 1979 refers.)

NOTE: Mr. Nurick will attend Item I a).

b) Status of Kafka follow-up Work Program (see attachment).

c) Tax reimbursement issues (Documents to be distributed).

(i) Average Deduction System proposals.
(ii) Change in Bank's By-Laws.

NOTE: Mr. R.A. Clarke will attend Items I b)and c).

II. Personnel Management Matters

General Topics

a) Suggested modifications in Travel Policy. (Attached statement of November 28, 1979 refers.)

b) Proposed new approach (outline) to Senior Position Planning (Attached statement of November 28,1979 refers.)

c) Discussion of policy regarding staff contacts with media.

- What should be the policy regarding staff exposure to media and what actions should the institution take in case of irresponsible statements. (Administrative Circular giving present arrangements is attached.)

NOTE: This item was postponed from September 11 and November 6 meetings.

d) Suggested principles for "Managing People in the World Bank Group" (Attached statement of November 28, 1979 refers.)

NOTE: OPD's work program will be put on PMC's agenda for the January 1980 meeting.

DRAFT
AVorkink:LNurick:ldb
November 29, 1979

PAYMENT OF SUPPLEMENTAL AMOUNTS BY MEMBER COUNTRIES TO BANK STAFF MEMBERS

1. The question has recently been raised whether payment of supplemental amounts by member governments to Bank staff members is permissible. This memorandum describes the statutory provisions which have been enacted by several member governments providing for such payments and the action which has been taken concerning them in the IMF and the UN. It also makes proposals for action by the Bank.[1/]

2. As far as the Bank is aware, three member countries have enacted some form of law or regulation to make payments to their nationals working for international organizations. Summaries of these provisions follow.

German Guidelines

3. On April 1, 1979 the German Parliament put into effect guidelines for supplemental compensation of German employees of international organizations. These guidelines permit German nationals from either the public or private sectors working at international organizations, including the Bank, to apply to the German government for a supplement to their organizational salary equal to 80% of the difference between their organizational salary and a comparable German civil service salary paid by the nearest Germany Embassy. The German staff member must apply at the German Embassy for the supplement

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1/ This memorandum does not deal with pension payments received by staff from governments for prior government service. The Bank has no objection to such payments.

and submit information as to his organizational position, salary and benefits so that the German government can determine his eligibility and the amount of his supplement. The supplements can be paid for a maximum of five or eight years, depending upon the rank of the recipient.

4. The payment of a supplement is not automatic but depends on whether the Government has a "special interest" in paying it. This "special interest" exists if, among other things,

(a) the Government for foreign policy reasons wants to maintain or improve its staff representation in the international organization, particularly in key positions, and

(b) both the international organization and the Government especially benefit from having the German citizen in the position involved because of his experience and capabilities.

[We understand that the German Embassy has distributed to Bank staff applications for payments under these guidelines, and that many Bank staff have filed the applications but that no payments have yet been made.]

Japanese Law

5. A 1970 Japanese law permits a Japanese civil servant released to work for an international organization to continue to receive between 70% and 100% of his former civil service salary and benefits while working for the international organization. The 70% amount is paid automatically unless in special circumstances the Government determines the payment would hinder the appointment of the Japanese civil servant to the international organization, in which case the Government can make no payment. In addition, the law permits the civil servant to receive more than 70%, but not over 100%, of his former salary if the Government determines the remuneration from the

international organization is low. Unlike the German guidelines, the Japanese payments are made only to released Japanese civil servants. The released civil servants maintain their official status and organization titles with the Japanese civil service. Unlike the German guidelines, the Japanese law is silent as to the reason for making these supplemental payments.

United States Law

6. A U.S. law, enacted originally in 1958, authorized a federal employee transferred to an international organization for up to three years to retain coverage and benefits under U.S. federal retirement, health benefits and group life insurance plans by continuing to make payments to such plans during his absence and to retain re-employment rights to his former federal position. The stated purpose of the law was to provide improved means of making federal specialist personnel available to international organizations for temporary periods of service. It was also felt that increasing the availability of federal employees would assist in raising the percentage of well-qualified Americans at these organizations, while broadening the experience of federal employees.

7. An amendment to the U.S. law was passed in 1969 which made several modifications, including adding a salary equalization feature under which a federal employee transferred to an international organization with the consent of the U.S. becomes entitled to a lump sum payment but only if he returns to his federal position, amounting to any difference between the U.S. salary and allowances, including any overseas allowances he would have received if he had been transferred to the same location while in the U.S. civil service, and his international organization salary and allowances. Such payment, to be made only after rejoining the Government, is a matter of right to any federal employee transferred with U.S. approval to an international organization. [We are

not aware of any U.S. staff member who is eligible to receive these payments.]

The United Nations

8. At the UN the German guidelines and the Japanese law have been discussed within the Secretariat. The UN Charter provides that staff must "refrain from any action which might reflect on their position as international officials responsible only to the Organization." (Article 100(1)) Another UN Charter provision requires all member countries "to respect the exclusively international character of the responsibilities of the .... staff and not to seek to influence them in the discharge of their responsibilities." (Article 100(2)) A UN staff regulation (No. 1.6) states that "no staff member shall accept any honour, decoration, gift or remuneration from any Government excepting for war service; nor shall a staff member accept any honour, decoration, favour, gift or remuneration from any source external to the Organization, without first obtaining the approval of the Secretary-General. Approval shall be granted only in exceptional cases" and where such acceptance is not incompatible with the terms of other staff regulations and with the individual's status as an international civil servant. The language of the rule indicates that the UN General Assembly has refused to give the Secretary-General authority to permit governments to pay remuneration to staff even under exceptional circumstances while the Secretary-General is given discretionary authority to permit receipt of gifts and remuneration from non-governmental sources.

9. In May 1979, the UN staff organization requested that the UN Secretary-General urge member countries to cease providing supplemental payments to staff. In response, the Secretary-General indicated that he shared the concern of the

staff and in August he issued a circular to all staff members and permanent missions to the UN reminding them of the contents of the UN rule on acceptance of remuneration from external sources and of the necessity to adhere strictly to this rule. The circular did not mention any member countries by name. In October, the German permanent mission to the UN wrote to the UN in response to the circular stating that in the opinion of the German government the German payments are not prohibited remuneration under the UN Charter or staff rules.

The Fund

10. The Articles of Agreement of the Fund contain a provision identical to the Bank's Article V, Section 5(c) (see para. 16 below). Conflict of interest rules at the Fund are part of the Fund's N Rules, which since 1946 have had provisions prohibiting all staff members from accepting honours, gifts or bonuses from any government or other party for services rendered during their service with the Fund, but permitting retention of re-employment or pension rights.

11. As part of a general review the Fund amended its N Rules in June 1979. In connection with such review the issue of supplementary payments was raised in the Board. In a memorandum dated April 2, 1979, the Legal Department of the Fund stated a position to the Board regarding, among other things, the legality of the acceptance by the staff of such supplementary payments. The memorandum informs the Board of a legal opinion furnished previously within the Fund that receipt by a staff member of such payments would create room for a divided loyalty and would be inconsistent with the Fund's staff regulations.

12. On June 22, 1979 the Fund's Board adopted the new N Rules, including Rule N-10, which is identical to the former Rule N-9 on honors, gifts and

favors. The former rule on re-employment and pension rights was modified slightly and renumbered from N-7 to N-9. These two provisions, as presently in effect, are as follows:

> "N-9. Persons on the staff of the Fund may retain re-employment rights or pension rights acquired in the service of another public or a private organization.
>
> "N-10. No person on the staff may accept any honor, decoration, favor, gift or bonus from any government, or from any other authority or person external to the Fund, for services rendered during the period of his appointment or service with the Fund."

13. At the time of action of the Fund Board in June to adopt the modified N Rules, the Board discussed the German and Japanese supplementary salary plans. The Managing Director proposed that the rule on accepting gifts or bonuses from governments remain in effect as it had been understood and that it be considered in one year. In the meantime, he proposed that the Executive Board accord a waiver to Japanese authorities for their supplemental payments on the grounds that such payments were already in operation, they only apply to seconded government officials and the payments are not discretionary. After discussion, during which both the German and Japanese payments plans were discussed, it was decided to maintain the rule on outside gifts and bonuses, to consider the rule in one year and until such reconsideration to grant a waiver in application of the rule "to any Japanese staff member who is on leave from a Civil Service position for a limited period of time and who receives payments from the Japanese Government under laws which have been in effect and which are nondiscretionary."[1/] No waiver was accorded for the German plan.

[1/ It should be noted that there are discretionary elements in the Japanese law governing the payments (see para. 5 above).]

14. By circular dated July 25, 1979 the Managing Director informed the staff that the Executive Board had decided that acceptance by staff of payments from member governments "is inconsistent with rule N-10" but that until the rule is reconsidered in one year, the Board decided to grant a waiver in respect of payments that have been, and are being, made by one member (not specified but meant to be Japan) because of the special circumstances involved.

The Bank

15. The issues raised by these payments involve both legal and policy considerations.

16. As far as the legal issues are concerned, consideration must be given to both the Articles of Agreement and to the Bank's Personnel rules. The provision of most relevance in the Articles is Article V, Section 5(c) which provides as follows:

> "(c) The President, officers and staff of the Bank, in the discharge of their offices, owe their duty entirely to the Bank and to no other authority. Each member of the Bank shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties."

As noted, the same provision is in the Articles of Agreement of the Fund and a somewhat similar provision is in the UN Charter (see para. 8 above).

17. The relevant provisions of the Bank's Personnel rules (Personnel Manual Statement No. 1.00) are as follows:

> Paragraph 6: "... It is important that individual staff members maintain high standards of honesty, integrity and impartiality. They must be constantly aware of the need to avoid situations which might result in either actual or apparent conflicts of interest and to conduct themselves in their official and personal relationships in a manner which commands respect and confidence."

Paragraph 12: "Staff members should feel free, generally, to conduct their personal financial affairs as they think fit. Those affairs are of concern to the World Bank only to the extent that they might reflect unfavorably on the World Bank or result in real or apparent conflicts with the conduct of the World Bank's business or with the staff member's independence of judgment and action. ..."

Paragraph 13: "A staff member should avoid the receipt of benefits, favors, gifts and excessive entertainment from anyone outside the World Bank with whom he/she has relations by virtue of employment in the World Bank. ..."

18. While the Bank's Personnel rules are not so clear on the point as the rules of the Fund or the UN, they do require Bank staff to avoid "actual or apparent conflicts of interest" and the "receipt of benefits ... from anyone outside the World Bank with whom he/she has relations by virtue of employment in the World Bank". In the view of the Vice President and General Counsel, the provisions of Article V, Section 5(c) of the Articles of Agreement and of the Bank's Personnel rules are clearly designed to assure the maintenance of an independent international staff, both in fact and in appearance, and the making by governments and receipt by staff of supplementary payments should be assessed in the light of that standard, as discussed below.

19. While the laws described above vary considerably, it would be possible to put them into different classes. In one class would be a law providing for the automatic continuation of employee benefits (pension, insurance, etc.) to be paid after the return to government service, e.g., the pension and insurance benefits payable under U.S. law (para. 6 above). In that case, it could be maintained that the payments would neither affect the staff member in the performance of his duties nor reasonably appear to do so and that, therefore,

the payments would not be inconsistent with the Articles and the rules. For essentially the same reasons there seems to be no reason for prohibiting these payments or benefits as a matter of policy. Accordingly, it is recommended that they be permitted.

20. The second class of cases would comprise the laws providing for supplemental amounts to be paid (i) either while the staff member is in the service of the Bank (the German and Japanese laws) or upon his return to government service (the lump sum salary feature of the U.S. law); and (ii) either in the discretion of the government (the German law), automatically (the U.S. law) or automatically with certain elements of discretion (the Japanese law). It might be possible, simply as a matter of interpretation of the Articles and Personnel rules, to make distinctions among these laws based on a finding as to the extent to which they would appear to or would tend to create conflicts of interest. For example, it would be difficult to reconcile with the Articles and the Personnel rules a law (such as the German law) under which payments are discretionary and where an element to be taken into account in the exercise of discretion is the interest of the payor government. However, when payments are completely automatic and made after the staff member's return to government service (the salary feature of the U.S. law) they would be less objectionable, again simply as a matter of interpretation of the Articles and Personnel rules.

21. But regardless of the legal distinctions which might be made, there are policy reasons for prohibiting all such payments in the second class of cases. If staff is permitted to receive supplemental payments, it seems likely they will spread and interject a divisive element into personnel management.

The concern of permitting some of these plans is that it will become difficult to prevent supplemental payments which have no other purpose that to influence the staff in favoring the home country. Further, even those plans which are automatic and are applied with no intent to influence the staff receiving them create an atmosphere of inequality within the staff as a whole which may be detrimental to the Bank's overall approach to personnel matters. This policy view is reflected in the Report of the Joint Committee on Staff Compensation Issues which stated in Paragraph 3.14:

> "3.14. We understand, however, that, because of perceived recruitment difficulties on the part of the Bank and Fund, there is a possibility that some of the highest-paying countries may be considering subsidizing the salaries of their nationals working in the institutions. This would be very regrettable. To allow any general move toward subsidization of Bank and Fund salaries by Member Governments to develop would run the risk of destroying the integrity of the staffs as independent units, of increasing feelings of divisiveness as between different groups within the two institutions, and of undermining the sense of loyalty which the staffs feel to the organizations."

22. If the policy view expressed above is accepted, it would be desirable to amend the Personnel rules to make this clear to the staff and to member governments. It should also be made clear that the same restrictions would apply to similar payments made by non-governmental entities.

KAFKA RELATED WORK PROGRAM (Revised as of 11/30/79)

Further Studies

	Draft Report	VP Comments	Consultations IMF	Consultations S/A	Recommendations to VP/PC	To Board
Education Benefits			Changes implemented			
Housing Loans			Changes implemented			
Tax Reimbursement - technical problems	Done	Done	Continuing	November	End November	Early December
Social Security 1/ (Joint study with IMF)	Nov. 30	Dec. 7	Mid-December to Mid-January		January 24	End January
Language Allowance for Support Staff	Dec.14 3/	Dec.17	Jan. 3 - 11		January 16	--
Performance Appraisal - YMR matrix	------------------- published ---------------------------					
Pensions - Intended to form Task Force with IMF, Legal, Controller, PMI and PAB	Main items of probable coverage: Pension base; Accrual rate; Withdrawal benefits; Indexation; Initial value of pensions; Funding arrangements		Agreed terms of reference end November 1979. Study by consultants 3-6 months depending upon scope, say March 1980. Consultations with IMF and S/A one month. Recommendations ready for Board earliest by May 1980.			
Administrative Tribunal						
Issues Paper	Issued to Executive Directors and Legal Conference					
Discussions with EDs	Ongoing					
Supplementary Compensation						
Preliminary paper	June 15	June 19	----		June 25	
Policy paper	July 27	July 28	----		Nov. 30	
Staff Survey	December	December	January 2/		January (Results)	

1/ Actuaries report delayed by technical problems.
2/ Conduct of Survey.
3/ Staff Association response delayed by four weeks.

Note: (1) Review of internal relativities deferred pending 1980 comprehensive survey.
(2) Study of home leave allowance suggested by IMF Board not presently included in our Work Program.

Compensation Department
RAClarke:ean
Revised as of November 30, 1979

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Outline for an Improved
Senior Position Planning System

1. This paper outlines a proposal for improving senior position planning in the Bank and IFC. The problems with the existing system which give rise to this proposal have been:

a) A strong tendency to link position decisions to incumbents or prospective appointees;

b) The absence of a planning horizon beyond one year and little relevance of senior position planning to the Bank's longer term business outlook;

c) As a result of the above, confusion and wasted energy among those involved in senior position planning; and

d) IFC senior positions have not been part of the system nor regularly reviewed.

If the basic concepts set forth in this proposal are acceptable, PMD will consult with COM, PAB and OPD on details and implementation to start with the forthcoming FY81 Review.

2. The proposal rests on a basic premise, namely to split senior positions into two groups--management positions (levels M-Q) and senior staff specialist positions (levels N-P). The essential idea is that:

(i) The managerial grade profile is a function of the Bank's organization structure and rules relating the growth in managerial positions to growth in staff, taking into account span of supervision and the complexity/sensitivity of the work supervised; and

(ii) Senior staff specialist positions, on the other hand, are created because the Bank needs advice and technical expertise based on well-grounded and wide experience. The number of specialist positions is a function of the Bank's business plan, and the level of compensation should in large measure be dictated by market factors.

3. The grade profile of managers should be carefully monitored to conform with organizational policies. The profile of senior staff specialists, however, is not of particular interest in itself--what is of interest is the continued justification for these positions after some years, in light of:

- changes in the Bank's business experience and plan; and

- changes in the market conditions for different specialties.

We thus propose to separate these two groups of positions and establish different rules for their administration.

4. For managerial positions, specifically, we propose that:

(i) OPD review the existing rules in the Operational complex (the only area where such rules exist) for creation of new managerial positions and develop new rules of thumb for other major organization complexes, such as DPS;

(ii) these rules be coordinated with PAB's proposals for modifying the budgeting procedures for Management and Administration (MAA)-- see Budget Approach Paper prepared by PAB "Management and Administration Proposed Policy"; and

(iii) as an interim measure for the FY81 Senior Position Review, the managerial position grade profile should not increase above the FY80 level, as a proportion of total J-Q authorized positions (this constraint should be made known to Vice Presidents at the outset of the Senior Position Review in January).

5. For senior staff specialist positions (levels N and above) we propose to:

a) Introduce "sunset" rules to ensure that once established, the justification for these positions against the Bank's business program and priorities is periodically reconfirmed, if the specialist positions are to continue. For existing specialist positions, we would conduct this review when the positions became vacant before seeking a replacement; for newly authorized positions, we would set a known "sunset" date of three years on the position, after which we will reassess the justification for its continuation. Staff selected for these positions will know of these conditions in advance and be protected by "safety net" provisions (explained below). Greater use of fixed term appointment for technical advisor positions may be one outcome of such an approach.

b) Consider grading these positions "U" and administering the salaries of incumbents in relation to external market factors principally. Such a classification would allow Senior Advisors of equivalent internal stature to be compensated relative to the market value of their respective disciplines and also facilitate transfers between advisor functions and line operational staff assignments in the regions (a current problem). An exception to this proposal might be senior staff positions tied to the organization's structure, such as Senior Economists in Programs and Projects Front Offices and Regional Chief Economists.

6. Introduce "Safety Net" provisions to protect staff. Where staff on regular appointment under this system find themselves in a situation where their position is to be eliminated or downgraded, or where they are asked to step aside, we should be able to respond sensitively and flexibly. Rules which would provide a "safety net" are:

a) Staff whose position has been eliminated would be offered the option of termination with abolition of office severance pay.

b) Staff who wish to remain would be given top priority in filling vacancies at an equivalent rank for which they are qualified.

c) Where staff cannot be placed in a position of equivalent rank, they would be offered an assignment in a lower level position for which they qualify. For the duration of their assignment, their salary would be administered within the range applicable to the rank of their previous position. Upon subsequent transfer, however, their salary would be administered within the range applicable to the rank of their next position.

d) On a temporary basis, staff may be assigned to the "Senior Staff Program" where they would be given special short term assignments anywhere in the Bank appropriate to their skills, knowledge, and Bank needs. This Program will be administered by PMD and consist of a number of positions possibly also graded "U". All assignments to the Senior Staff Program would be decided by the Personnel Management Committee. A separate paper on this Program is under preparation.

7. Introduce a longer term planning horizon into the Senior Position Planning System which will tie more closely into the Bank's lending and operations planning and become a component of management development and succession planning. Earlier attempts at forward senior position planning suffered difficulties and the approach was dropped in the FY78 Review. The problems were that managers tended to overstate their near term requirements and understate their longer term ones (which reflected the lack of a meaningful relationship to the Bank's business planning), and a tendency for managers to treat acceptance of their longer term "plans" as a commitment, when in fact we did not evaluate rigorously the validity of the senior position changes they indicated were needed. The desirability of making a fresh attempt at longer term planning seems self evident. We propose to ask each Vice President to submit not only requests and justification for senior position changes in the fiscal year of the review, but also to identify known, likely or desired changes in the status of individual senior positions for several years ahead. For these contemplated changes, we would ask for a written rationale which would touch on the budgetary, organizational, classification and personnel issues involved. The results of this planning activity would provide a backdrop for decisions on requested senior position changes, enter the management succession planning system as information on the demand for senior staff, and stimulate follow-up studies where appropriate, for example on organization design. The longer term staffing plans would be reviewed and revised after the completion of the Senior Position Review and related follow-up studies.

8. Bring IFC into the Senior Position Planning System. IFC has never been subject to the annual Senior Position Planning Review process. Recently however, IFC has made an effort to review senior positions systematically. One can argue that the rationale for determining an acceptable grade profile and assessing the number and growth of senior positions in IFC should be separated from the larger Bank context because IFC operates as an autonomous entity, and has the capabilities to set up and administer an orderly senior position decision-making process on its own without involving the rest of the Bank. However, reasons for reviewing IFC in parallel with the Bank are to:

(i) establish a convenient review procedure where the attention of top management in the Bank and IFC is drawn to senior position issues through a single process and schedule of events; and

(ii) convey a signal that the Bank and IFC in fact, are part of the same larger organization and not, as many presume, drifting apart.

9. In order to involve IFC in the Senior Position system in a way which would be responsive both to the need for effective central control and to maintain the appropriate degree of autonomy in the management of the Bank and IFC, we propose to:

a) Require senior position schedules to be prepared and updated periodically for both organizations using the same format.

b) Discuss trends in senior position statistics for both IFC and the Bank before the initiation of the Senior Position Review. (Separate guidelines can be set to govern decisions on individual senior position changes in the two organizations.)

c) Have the IFC annual Senior Position Review conducted concurrently with that of the Bank, with appropriate involvement of the IFC Finance and Management Department, PMD, COM, PAB and OPD in the review process.

10. Adopt a new approach for Administration of M level positions. Managerial positions graded M, such as a number of Division Chief positions in the Specialized Departments, should be included in the managerial position profile discussed above. Grading a Division Chief position at level M or N is a classification issue, but the planning and budgeting for these positions should fall under the Senior Position Planning Review. Non-managerial M level positions fall into two broad groups--those where professional growth promotion to the M level is based on the performance of staff alone (Operations and Legal in both the Bank and IFC) and those where such promotions, even where warranted, are constrained by a limitation on the number of staff who can work at the M level in the unit or functional specialty. We propose that the control over growth in non-managerial M level staff be disassociated from the Senior Position Review. The PMC should review the statistical trends and set overall guidelines, for which recommendations would be provided by the VP, AOP. The administration of the individual non-managerial M level positions should also be handled by the VP, AOP.

11. Statistics. Attachment I provides senior position statistics for managerial and senior staff specialist positions separately. It is clear that the managerial profile has been slimming down steadily while the senior staff specialist profile has increased steadily. As proportions of total J-Q positions, level N and above managers declined from 11.6% in FY75 to 10.2% in FY80, while senior staff specialists increased from 4.0% to 4.7%. Concurrently, the total number of M level staff has been rising, reaching 22% in FY80 compared with 17% in FY75. These trends confirm the widespread perceptions that:

- promotion opportunities to management positions have diminished (the ratio of level N and above management positions to M level staff declined from .69 in FY75 to .47 in FY80); and

- advisor positions, especially in CPS, have been increasing significantly (as a proportion of managerial positions, senior staff specialists have increased from 30% to 39% since FY75).

PMD
November 28, 1979

Attachment I

Bank Managerial and Senior Staff Specialist Profiles

FY75 - FY80

I. Number of Positions	FY75	FY77	FY79	Initial FY80
1. Managerial				
Q	14	14	16	16
P	48	51	48	48
O	35	39	40	~~41~~
N	133	148	159	156
N and above	230	252	263	261
M	35	43	39	41
Total Managerial	265	295	302	302
2. Senior Staff Specialists				
P	2	3	2	2
O	18	20	21	25
N	60	70	79	92
N and above	80	93	102	119
3. Total M Level Staff 1/	335	432	542	560 2/
4. Authorized Positions				
J-Q	1,975	2,246	2,441	2,546
A-Q	3,974	4,577	4,959	5,224
II. Ratio Analysis				
1. As Percent of J-Q Positions				
-N and above Managerial Positions	11.6	11.2	10.8	10.2
-All Managerial Positions	13.4	13.1	12.4	11.9
-Senior Staff Specialist Positions	4.0	4.1	4.2	4.7
-All N and above Senior Positions	15.7	15.4	15.0	14.9
-Total M Level Staff	17.0	19.2	22.2	22.0
2. As Percent of A-Q Positions				
-N and above Managerial Positions	5.8	5.5	5.3	5.0
-All Managerial Positions	6.7	6.4	6.1	5.8
-Senior Staff Specialist Positions	2.0	2.0	2.1	2.3
-All N and above Senior Positions	7.8	7.5	7.4	7.3
3. Ratio of Senior Staff Specialists to Managers	.30	.31	.34	.39
4. Ratio of N and above Managerial Positions to M Level Staff	.69	.58	.48	.47

1/ Total level M includes, in addition to encumbered restricted M level positions, the number of M level staff on board in the Regions, COPD's, and Legal Department, as well as ad hominem M level staff in other departments.

2/ As of October 31, 1979.

PMD
November 27, 1979

The World Bank Manual Circular

Date: February 6, 1978

Circular No.: Admin./1/78

Manual: Administrative

Filing Instructions: Org. Units Only - with AMS 1.02. Replaces Admin./1/77 dated 3/18/77

Subject Conversations with Representatives of the News Media; Requests by Media to Visit Projects; Submission of Letters, to the Editor

The Bank welcomes opportunities to explain its work to the rest of the world and, accordingly, seeks to ensure that staff members are sufficiently informed to be effective disseminators of information. The nature of the Bank's work as an intergovernmental institution, however, requires that care be taken in providing information to the general public, particularly to the information media, so that the interests of our members countries are fully taken into account. As a general rule, staff should not discuss Bank policies, procedures, and other activities with media representatives, or submit articles or provide data for publication, without first seeking the advice of the Information and Public Affairs Department or, in matters relating to IFC, of IFC's Office of Information.

Before responding to media inquiries or requests for interviews, staff members are requested to get in touch, as appropriate, with the Information and Public Affairs Department (Chief of the Public Affairs Division, ext. 61625; or Chief of the Division's News Unit, ext. 73918) or IFC's Office of Information, ext. 75763. These offices are responsible for issuing information to the media on all aspects of Bank policy, procedures and operations; and will be pleased to give appropriate guidance and help provide responses. If it is not possible to consult in advance, staff members are asked to provide a prompt report to the appropriate information staff of any encounters with the media. The same procedures should be followed by field office staff and by Washington-based staff during mission travel.

Media visits to projects

In addition, journalists who approach field offices to visit Bank-financed projects should be referred to the appropriate government authorities. The field office should advise the Information Department (Chief of Public Affairs) or IFC's Office of Information by telex of the request. Field office staff are urged not to support such requests with a formal recommendation to the Government without first consulting the appropriate information staff.

Letters to the Editor

Please note that procedures for publication of letter in the press are the same as for other statements to the media as described above. Accordingly, members of the staff should inform the Information and Public Affairs Department (or, for IFC staff, IFC's Office of Information) of their intention to submit a letter for publication on matters relating to the World Bank or to the governments and countries with which it deals. These procedures are not intended to discourage publication of letters within prudent bounds, but to avoid any statements or inaccurate information that would not serve the intended purpose.

Distribution: (1) Organization Unit Manual Holders (Circular is punched for filing in Unit's Manual) ☒
(2) Staff Members Holding Manuals (Circular is punched for filing in Manual) ☐
(3) All Staff Members ☒ Executive Directors ☒ (Circular is for information only -- not punched for filing in Manuals)

It is also hoped that proper co-ordination will ensure that the most effective and comprehensive letters are submitted to the Press.

* * * * *

In recent years headquarters and field office staff have worked effectively with the Information staff within the guidelines described in this circular in informing the media on development issue. Most difficulties have arisen when consultation has been lacking.

William Clark
Vice President
External Relations

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Record of Sixth Meeting of

PERSONNEL MANAGEMENT COMMITTEE

1. Mr. McNamara convened a meeting on December 4, 1979. Present were:

Messrs.	Cargill	
	Stern	
	Qureshi	
	Paijmans	
	Sommers	(Absent for Items IIa), II b) and II f))
	Pollan	
	Chaufournier	(Absent for Item II f))
	Damry	(Absent for Item II f))
	Koch-Weser	(Absent for Item II f))
	Clarke	(Present for Items I a), I c) and II e))
	Nurick	(Present for Items I a), I c) and II e))

Note: Not all agenda items were addressed, nor in the order of the agenda. Those that were, follow the agenda's sequence in this record. Item I b) was not addressed. Items II a), b) and f) were, in fact, postponed to a follow-up meeting on December 5, 1979 which is also recorded in this note. Items II c) and d) were postponed to a PMC meeting on December 18, 1979.

I. Compensation Matters

a) Supplemental Payments by National Governments

2. There is a dilemma in that German legislation provides for supplemental payments to German nationals on the staff. The Bank is opposed to such payments. Neither the Bank nor the Germans want a confrontation on this issue.

3. Kurt (German ED) has indicated, however, that the problem may be de minimis since the matches established by the German authorities between German civil service and Bank grades have been deflated so that few, if any, Germans on the staff would qualify for supplemental payments. On the other hand, it was pointed out that:

(i) grade matches established in this way could prove embarrassing for the compensation review which would survey, inter alia, posts in the German civil service; and

(ii) even if the outcome today were as Kurt indicated this would not necessarily be true if the mark were to appreciate significantly against the dollar.

4. It was nevertheless agreed to offer Kurt the option between:

(i) seeking a Board decision on the propriety of supplemental payments generally on the basis of a revised paper which would be shown to him; or

(ii) coming clean on the basis and implications of the Bank/civil service grade matches established by the German authorities.

b) Tax Reimbursement

5. By-Laws. The IMF had already sent to its Board for consideration on December 5 a proposed by-law change to permit the introduction of an average deductions system of tax allowances.

6. There was considerable discussion as to whether the Bank should amend its By-Law:

(i) in the same way as the IMF, which would permit but not require adoption of the Bank safeguard; or

(ii) in the same way as the IMF but with the addition of a proviso to the effect that existing staff should continue to be treated under the present By-Law, which would give "statutory" backing (and hence greater assurance to the staff) to the proposed safeguard.

7. The need for differences in the By-Law provisions would be difficult to explain to member governments. It was therefore decided to adopt the same By-Law change as the IMF coupled with a formal binding assurance by the Executive Directors that the proposed safeguard would apply to existing staff so long as they remain in Bank service.

8. McNamara requested a quickly prepared Board paper along the above lines to be considered by the Bank on December 11. (Note: It was subsequently decided to incorporate the proposed By-Law change in the Board paper setting out proposals for the implementation of the average deductions system.)

9. Adjusted vs. Unadjusted Deductions. PMC had earlier favored deductions adjusted both for interest deductions and actual state taxes whereas IMF had favored published IRS deductions unadjusted in any way. IMF now favored deductions adjusted only for actual state taxes ("Metro" taxes in the Washington area).

10. It was agreed to adopt the IMF approach in the interests of parallelism and since the adjustment for state taxes is defensible and factual rather than judgmental.

11. Spouse Income. The IMF favored continuing to take account of all spouse income, whether earned or unearned, as being strictly in line with the Kafka Committee recommendations. It was agreed to adopt the IMF approach in the interests of parallelism.

12. McNamara wished to be recorded as excluding himself from participation in this decision on grounds of potential conflict of interest.

13. Safeguard. The IMF continued to favor a safeguard which would be a permanent feature of the system but confined to lower paid staff. Both IMF Management and Staff Association were opposed to the proposed Bank safeguard presumably because, in their view, it must be accompanied by a recapture provision. The IMF paper scheduled for Board decision on December 21 will propose this narrow safeguard.

14. It was reaffirmed, primarily for legal considerations, that the Bank should propose the broader safeguard for staff at all levels but for existing staff only and with no recapture provision. The difference with the IMF would thus be brought into the Board arena.

15. McNamara instructed that a comprehensive paper on the average deductions system be prepared by December 7 for Board consideration on January 3, 1980. Since the Staff Association was not yet ready, their views would have to be submitted separately to the EDs prior to consideration of the management paper on January 3, 1980.

II Personnel Management Matters

a) Travel Policy

16. There was considerable discussion about:

(i) how to handle the needed inhouse consultation on any proposal, both through the management structure and with the staff, especially since staff are quite aware that a review of the Bank's travel policy had been promised last year;

(ii) whether any change ought to occur in the policy at this stage given the possibility that any new policy may not be more beneficial or harmful than what we have. Perceptions of outside governments and of our staff were relevant on this score;

(iii) whether and how many rest stops were needed and how staff would exercise the options, i.e. the trade-in of rest stops for first class travel. The preferred "option 3" seemed generous to some.

17. In the end, AOP was invited to refine "option 3" and to suggest an approach to the consultation process. The matter will again be discussed in PMC.

b) <u>New Approach to Senior Position Planning</u>

18. The meeting recognized that:

(i) there would be an advantage to split managerial and advisory streams, irrespective of the basis and the procedures covering the respective streams' salaries, questions which still need to be dealt with;

(ii) staff now in advisory positions would not be subjected to the proposed "sunset" reviews but new advisory staff would,

(iii) the Bank should get a better handle on its managerial structure.

19. McNamara decided to omit IFC from the proposal which AOP was requested to elaborate.

Record Removal Notice

File Title	Barcode No.
Personnel Management Committee Meetings - Minutes 02 President's papers - Robert S. McNamara	1770856

Document Date	Document Type
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Document Date	Document Type
Dec 10, 1979	Minutes

Correspondents / Participants
Personnel Management Committee

Subject / Title
Record of Seventh Meeting

Exception No(s).

☑ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 A-C ☐ 10 D ☐ Prerogative to Restrict

Reason for Removal
Personal Information

Additional Comments

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Withdrawn by	Date
Chandra Kumar	Sep 20, 2013

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Memorandum for the Record

DATE: December 11, 1979

FROM: R. A. Clarke, Director, COM

SUBJECT: Staff Compensation Survey - Choice of Consultants

1. Record of meeting in Mr. McNamara's office at noon on Monday December 10, 1979 to discuss the choice of consulting firm to undertake the survey of staff compensation.

Present:	Messrs.	McNamara	de Larosière
		Paijmans	Dale
		Clarke	Kaul

2. Emphasizing the critical importance of ensuring an adequate number of job matches for IMF economists based on their work and responsibilities even if not necessarily performed by exactly the same type of people, Mr. de Larosière stated that in his view:

(a) since the Hay approach was geared to a system of points they would not be able to provide the job matches required;

(b) staff would not be able to participate fully in the process as he and the Board required.

3. Mr. McNamara noted TPFC were weaker in Europe, on benefits evaluation and envisaged a longer timetable than did Hay, the largest firm in the field. Moreover, TPFC had not produced a convincing explanation of how they would approach job matching.

4. Both accepted the desirability of using the same consulting firm. It was, therefore, tentatively agreed that:

(a) Hay should be retained by both institutions to conduct the survey for A-I level staff where the problem of adequate job matches did not arise;

(b) subject to the Managing-Director satisfying himself in discussion with Hay as to their competence and the degree of staff involvement, the survey for IMF economists should be conducted by Hay on the basis of straightforward job matching with the IMF having the right to exclude from the survey jobs where the staff did not agree to the match. The same approach could also be used for Bank economists. The Bank would for other positions at least use Hay along the lines of their proposal (i.e. using points evaluation);

(c) if, after meeting Hay, the Managing-Director did not feel they met his requirements, IMF would retain TPFC for the professional survey and the Bank would retain Hay. However, in order to provide the necessary linkage, each institution would include the other as a comparator.

cc: Messrs. McNamara
Paijmans
Trott

RAClarke:ean

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Members of the PMC

DATE: December 13, 1979

FROM: Martijn J.W.M. Paijmans

SUBJECT: Personnel Management Committee Meeting - December 18, 1979

The following topics are suggested for the Agenda of the December 18 meeting at 2.00 p.m.

Personnel Management Matters

General Topics

a) Suggested principles for "Managing People in the World Bank Group" (Statement of November 28, 1979 was attached to agenda for PMC meeting on December 4.)

b) Suggested modifications in Travel Policy. (Attached December 12 memorandum from Mr. Paijmans refers. It is supplementary to the statement of November 28,1979 attached to the agenda for the PMC meeting on December 4.)

c) Discussion of policy regarding staff contacts with media.

- What should be the policy regarding staff exposure to media and what actions should the institution take in case of irresponsible statements. (Administrative Circular giving present arrangements was attached to agenda for PMC meeting on December 4.)

NOTE: This item was postponed from September 11, November 6 and December 4 meetings.

OFFICE MEMORANDUM

TO: Members of the PMC

DATE: December 12, 1979

FROM: Martijn J.W.M. Paijmans

SUBJECT: Operational Travel Policy Review

1. Following our discussions on December 5 on operational travel policy, we have, in line with the sentiments expressed, examined a modified Option 3 which would, in a sense, increase the "price" in terms of the rest stops to be surrendered on a total round trip.

2. In view of the fact that there was some mention during the discussions of trips providing an entitlement of six rest stops, I wish to emphasize that the maximum number of rest stops currently permitted on any round trip is four. The proposed modified Option 3 would provide that a staff member travelling to the long zone and exercising the option of first class travel would need to surrender 50 percent of the rest stop entitlement, i.e. one rest stop on a two-rest stop trip and two rest stops on a four-rest stop trip. The comparison of this modified Option 3 along with the other options that had been presented in the paper circulated earlier to the PMC are set out below. I would add that the modified Option 3 has been costed out without a change in assumptions as to what proportion of travellers would exercise the first class option. Under Option 3, as originally presented and which envisaged the relinquishing of one rest stop on the entire trip, the assumption was that 66 percent of travellers would exercise the option on two rest stop trips and 88 percent of travellers would exercise the option on four rest stop trips. If the price of the option is increased we could assume that to the extent the increase in the price (as compared to the original Option 3) would only apply to travellers going on the four rest stops trip, we might expect to see a reduction in the number of travellers exercising the first class option on such trips. Modified Option 3 has therefore been costed out on an assumption of a reduced percentage of staff exercising the option and is presented below. I would in particular like to draw attention to the various cost lines under the various options.

3. Finally, as regards the question of the consultation process, I would suggest that if the Committee feels we should proceed further, the paper be made available on a strictly personal and confidential basis to the entire President's Council for discussion in January without Acting persons participating. Following such discussion and provided that the general view is to proceed further, it would be desirable that at least the preferred option along with the existing policy be discussed with the line managers and staff on one hand and with the Staff Association on the other, to ensure that there is a broad understanding of, and desire for, the preferred option. Ideally it would be even better if the preferred option plus the second ranking option along with the existing policy could be made the subject of a genuine consultation with departmental managers and the staff.

	Class of Travel	Current Policy %	Option 1 %	Option 2 %	Option 3[1/] %	Modified Option 3: Assumption[2/] Constant %	Modified Option 3: Assumption[3] Modified %
	Economy	69.5	63.0	44.9	54.2	54.2	59.7
	First	30.5	37.0	55.1	45.8	45.8	40.3
Total Operational Travel:		100.0	100.0	100.0	100.0	100.0	100.0
Total Costs ($)		10,333,272	11,014,845	11,853,398	10,968,220	10,680,900	10,482,145
Increase in costs over current policy (rounded $)			681,580	1,520,140	634,950	347,630	148,870
			+ 6.6	+ 14.7	+ 6.1	+ 3.4	+ 1.4

1/ Under option 3 it is assumed that:
66 percent of staff would surrender 1 of 2 rest stops;
88 percent of staff would surrender 1 of 4 rest stops.

2/ Under Modified Option 3 with constant assumption it is assumed that:
66 percent of staff would surrender 1 of 2 rest stops;
88 percent of staff would surrender 2 of 4 rest stops.

3/ Under Modified Option 3 with modified assumption it is assumed that:
66 percent of staff would surrender 1 of 2 rest stops;
66 percent of staff would surrender 2 of 4 rest stops.

D: File!

STRICTLY CONFIDENTIAL

Record of Eighth Meeting of

PERSONNEL MANAGEMENT COMMITTEE

1. Mr. McNamara convened a meeting on December 14, 1979. Present were:

Messrs. Stern
Paijmans
Qureshi
Sommers
Pollan

Damry
Nurick
Golsong
Koch-Weser

Messrs. Cargill and Chaufournier were unable to attend.

2. The PMC discussed a draft statute and an explanatory memorandum on the proposed Administrative Tribunal.

Draft Statutes

3. Jurisdiction. The draft statutes followed largely those of the UN Administrative Tribunal. McNamara enquired about the impact of the proposed statutes on the Bank's personnel procedures and the Bank's contractual arrangements with the staff. One question that preoccupied him was the consequence resulting from any reimbursement of US taxes not exactly in line with an individual staff member's employment contract. The answer was that the Tribunal would be competent to deal with the complaint, but that the Bank would not be violating the contract if there were a "safeguard" in the By-Law.

4. McNamara recalled that we would not wish the Tribunal to address acquired rights in an abstract manner. Its focus should only be provisions of the employment contract. Golsong explained that in the Bank the contractual element was much stronger than the statutory one. He recalled that the letter of appointment given to staff indicated that we could change our employment regulations and policies "from time to time". The Tribunal whatever were its powers in abstract terms, would have to take this into account.

5. Some concern was expressed that the new Tribunal could claim jurisdiction in some extra-contractual areas. (This was apparently provoked by the OAS situation, whose administrative tribunal has claimed to have jurisdiction going considerably beyond OAS staff's employment contracts.)

6. It was finally agreed that it would be a good idea to cover our intentions concerning the Tribunal's jurisdiction extensively in the "legislative history". We should thus spell out our intentions in full in the report of the EDs to the Board of Governors. The "legislative history" is of legal significance and no doubt should be left as to what we had in mind with regard to the confines of our Tribunal's jurisdiction.

7, Retroactivity. Currently there were about 700 appeals pending on tax reimbursement and about 450 on compensation. These were before the Bank's own Appeals Committee.

8. It was decided that cases relating to events having occurred after January 1, 1979 could be considered by the Administrative Tribunal once established.

*

9. There were questions as to whether employment contracts the Bank has with consultants ought to be included in the Tribunal's purview. It was decided not to do this at first but eventually such coverage might materialize.

Explanatory Memorandum

10. It will be made clear that the Bank dces not wish local or national courts to take jurisdiction in Bank employment matters. Furthermore, the explanatory memorandum will include no comparison of provisions between the Bank's proposed and other organizations' statutes for Administrative Tribunals. (This aspect could be handled in a separate information note.)

**

11. The Staff Association should be consulted, but only with regard to the draft statutes. The explanatory memorandum was a matter for the Management alone. Consultation with the Staff Association should proceed speedily and resulting issues ought to be presented to the PMC.

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

CONFIDENTIAL

TO: Members of the Personnel Management Committee

DATE: December 17, 1979

FROM: Martijn J.W.M. Paijmans, V.P., AOP

SUBJECT: Lease of 801 19th Street Building

Attached is an additional item for discussion at tomorrow's Personnel Management Committee meeting at 2:00 p.m.

Attachments

CONFIDENTIAL

Mr. R. McNamara

December 14, 1979

Martijn J.W.M. Paijmans

Lease of 801 19th Street Building

1. In the context of our discussion on the proposed leasing of the above building you had asked for some updated comparative cost data on our options. Given that our manpower projections (attachment I) already indicate that we will fully utilize within one year's time the total capacity available at the GW building, the only real option is the continuation of leases available in 1850 K, 1775 Pennsylvania Avenue and 1901 Pennsylvania. A comparison is set out in Attachment II to this memorandum which shows that while in the short run, to the extent we have continuing leases on these other buildings, these would be cheaper than leasing 801 19th Street in the longer run the new leases which would have to be negotiated past June 1982 would prove more expensive than the terms negotiated for 801. This is in addition to the unquantified advantages of having consolidated space as opposed to one dispersed over three buildings.

2. In the meantime we have--although going as slowly as we could--reached the point at which we have to decide on our lease of 801. Details on this are presented in Mr. Twining's memorandum of December 12 attached. I do not think that we can drag our feet on this matter any longer and feel we should settle now. My recommendation is that we accept the ten-year leasing arrangement as worked out.

3. Could we have your approval please.

Attachments

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

ANNEX A

OFFICE MEMORANDUM

TO: Mr. Martijn J.W.M. Paijmans, VP AOP

DATE: December 13, 1979

FROM: J. E. Twining, Jr., Director, ADM

SUBJECT: Leasing Proposal - 801 Nineteenth Street Building

1. You are aware that for the past 24 months we have been negotiating with the owners of the 801 Nineteenth Street building in an attempt to retain control of that building for office occupancy by the Bank. We have occupied the building on a lease basis on various occasions for the past 20 years and continuously since August 1971.

2. From a short and medium-term perspective the Bank needs space in the building as indicated in Attachment I and over the longer term, in view especially of the location of the building, it is in our interest to own the property or otherwise control it.

3. We began exploring ownership prospects beginning in November 1977, following a suggestion by Mr. McNamara that we might develop a plan which would have us go to the Board with a recommendation for the purchase of both the 801 Nineteenth Street building and the GWU property. The latter of course has been delayed due to zoning difficulties and more recently by differences of opinion as to the purchase/repurchase arrangements.*

4. From the beginning the owners of 801 Nineteenth Street were reluctant to sell. However, given the desirability of this acquisition by the Bank and the uncertainty in the timing of the GWU project we continued negotiations for a protracted period of time.

5. In September 1979 the partners owning two-thirds of the shares offered to sell their shares to the Bank. Our most serious concern over the prospect of purchasing an undivided two-thirds interest in 801 Nineteenth Street was the attitude expressed by the one-third partner (Coyne) and the prospect of major difficulties in the resulting coownership arrangements. While we were in the process of discussing this option it was eliminated when Mr. Coyne purchased his partners' shares and became sole owner of the building.

6. It remains in the Bank's interest, however, to "control" this building and to continue to occupy it. We therefore turned to the leasing alternative and the negotiations toward this end have recently been concluded. The 10-year lease beginning January 1, 1980 would provide for three 5-year renewal options with the right to sublet. Escalation provisions would be limited to annual increases in operating expenses and real estate taxes plus 25 percent of CPI increases. This is normal for nearly all commercial office building leases. The owner would make renovations of electrical and energy systems in the building within six months after the lease is signed. As shown in Attachment III the rental of this property at $12.875 per square foot, under the conditions as negotiated,

* I expect that ongoing discussions with GWU will bring us, during the course of January, to the point where we can come to you with a firm proposal and if it is agreeable to you, we can go to the Board in late January or early February.

is very reasonable as compared with the current asking price for the properties in which the Bank also has leased space. Our Real Estate Adviser has confirmed that the lease terms are favorable to the Bank and consistent with current market conditions. The 801 Nineteenth Street property was appraised in April 1979 at $12.75 per square foot.

7. As indicated in the note from Mr. de Silva dated December 6, 1979, attached, we recommend that we enter into a 10-year lease. Since we are now on a month-to-month lease basis and thus still vulnerable to eviction with short notice we would like to enter into the new lease on January 1, 1980 and your approval is requested.

Attachments

JET:dw

ANNEX B

December 6, 1979

Re: Office Space Requirements

Attachment I demonstrates the need for the 801-19th St. property, in addition to the George Washington University building in terms of projected office space requirements.

Attachment II contains the information relevant to our negotiations with 801-19th St. Since your request, we have reached agreement with the owner (subject to senior management approval) on rental terms which, in our judgment, compare favorably with the market rents that are currently applicable for alternate space. The terms of this agreement are incorporated in the information outlined in Attachment II.

Attachment III compares the costs of renting 801-19th St. with alternative costs of surrendering the property and retaining the leases of buildings which we would otherwise vacate. As the analysis indicates, the benefits of renting 801-19th St. are superior in the short term if considerations other than cost are taken into account; over the long term the analysis favors the retention of 801-19th St, on grounds of costs consideration alone.

2. In the judgment of our real estate advisor and ourselves, the lease terms which the owner of 801-19th St. is prepared to accept are favorable to the Bank in the light of current market conditions and if "use value" as opposed to "fair market value" (i.e. the unique advantages to the Bank as opposed to some other tenant of the property) is taken into account, they are markedly so.

3. The owner has asked for a Bank commitment to the proposed 10-yr. lease as soon as possible. As we must also give notice to the owners of those leased properties that we propose to vacate, we would appreciate early approval of the proposed settlement.

1-7-80

D. A. de Silva
Deputy Director, ADM

I. Office Space Supply & Demand

(FY80 through FY85)

(Expressed in terms of numbers of staff needing accommodation)

Fiscal Year Ended:	1980	1981	1982	1983	1984
Space Demand					
H.Q. Population 1/	5600	5880	6175	6485	6810
Space Supply					
Owned					
MAIN COMPLEX 2/	3570	3650	3650	3650	3650
1850 EYE ST. 3/	1275	1350	1350	1350	1350
GEO. WASH. UNIV. BLDG. 4/	-			1100	1200
Leased					
801-19th ST. (lease expired 3/31/79)	500	500	500	500	500
1901 PA. AVE. (lease expires 6/30/81) Capacity 160	(to be vacated by Feb. 80)				
1850 K ST. (lease expires 6/30/82) Capacity 300	"				
1775 PA. AVE. (lease expires 6/30/82) Capacity 40	"				
1990 K ST. (lease expires 6/30/83)	200	200	200	(to be vacated)	
1800 G ST. (lease expires 2/29/84)	130	130	130	(to be vacated)	
To be Leased (Cumulative)		75 5/	350	(to be sublet)	
	5675	5905	6180	6600	6700
Surplus Space (including contingency requirements)	75	25	5	115	
Shortfall (requiring additional leases)					110

1/ Authorized Bank/IFC positions for FY80 plus non-budgeted positions (contractual staff, consultants, visiting negotiating/study teams) less Bank/IFC field staff. Demand projections (FY81-85) assume a 5 percent annual increase of staff.

2/ Maximum capacity: 3650. Move of IFC to 1850 Eye St. has permitted small pockets of temporarily vacant space to be established to accommodate part of FY81 growth requirements.

3/ Maximum capacity: 1350. FY80 occupancy below maximum capacity to allow for FY81 growth of occupants - mainly IFC.

4/ Earliest completion date June 30, 1982, but slippage likely. Adjusting for this and FY84 growth requirements, occupancy in FY83 planned for 92% of maximum capacity (1200).

5/ Need for space not expected until second half of FY81. Hence retention in part of leased space planned for evacuation in FY80 not economical.

ADM
December 5, 1979

801-19th St., N. W.

Attachment II

II. Status of Negotiations Summary

(i) Basic Data:

Total Rentable Square Footage:	154,530 1/
Total Staff Capacity:	500
Condition of Space:	Good (Promised renovations and relatively larger amount of exterior space offset age of building (60 yrs.)

(ii) Negotiating Parameters:

		Avg. Annual Rent Over 10 Yrs. 6/
Current Square Foot Rental:	\$ 10.66 2/	\$ 16.67
Base Rent proposed by owner:	\$ 13.50 3/	20.01
Base Rent proposed by Bank:	\$ 12.25 4/	15.21
Compromise Base Rent agreeable to owner and recommended by ADM:	\$ 12.875 5/	15.90

(iii)

Comparable Rentals	Condition of Space	Base Rent Payable by Bank under Current 5-Year Lease	Current Asking Rate for Base Rent	Average Annual Rent Over 10 Years Adjusted for:	Escalation Provisions as Currently Applicable
1850 K	V. Good	\$10.70	\$16.50	\$ 17.25	Proportionate increases in real estate taxes and operating expenses.
1775 PA	V. Good	\$ 9.99	\$16.00	\$ 16.70	As above.
1901 PA	Good	\$ 9.28	\$15.00	\$ 16.20	Full CPI increase, subject to 8% max.

1/ Excluding basement, which owner is prepared to retain. Area which is subject to confirmation by an independent survey will yield a small amount of additional facility space on ground floor currently not occupied by Bank

2/ Escalation provisions provide for annual increases based on full CPI increase. (Lease agreement expired March 31, 1979 but subsequent month-to-month tenancy arrangement provides for continuation of escalation provisions.)

3/ (a) Lease term for 10 years, effective Jan. 1, 1980, with two 5-year renewal options at market rates at time of exercise.

(b) Escalation provisions based on full CPI increase each year, plus actual increases in real estate taxes.

4/ (a) Lease term for 10 years, effective Jan. 1, 1980, with three 5-year renewal options and right to sublet.

(b) Escalation provisions to be limited to annual increases in operating expenses and real estate taxes, plus 25 percent of increases in the CPI.

(c) Renovations of electrical and energy systems by owner to bring them up to design standard to be completed within 6 months of signing of lease agreeement.

(d) Lease agreement to be conditional on owners right to "put" the property to the Bank anytime during his lifetime and the Bank's right to "call" the property 180 days after owner's death. Option price in each case to be net income in the year of exercise multiplied by 10.

5/ "Market rent" for property as appraised in April 1979 by leasing agent engaged by Bank was \$12.75 per sq. ft. Owner agreeable to conditions listed in Footnote 4, with exception of (d).

6/ Based on escalation provisions applicable in each case. CPI increases projected at an average of 8% per annum.

ADM
December 5, 1979

III. Costs of Retaining 801-19th St. vs. Costs of Surrendering the Property

Note: Under the surrender option, personnel from 801-19th St. (capacity 500) would be moved to 1850 K St. (capacity 300), 1900 PA. (capacity 160) and 1775 PA (capacity 40). If 801 is retained, space in these locations could be returned to owner before expiration of leases without penalty.1/

Cost Analysis (Jan. 1980 thru June 1982)

Cost of Retention		vs.	Cost of Surrender	
2-1/2 Years rent of 801-19th St.	$5,202,000 2/		2-1/2 Years rent of 1850 K	$2,357,000 } 3/
			2-1/2 Years rent of 1901 PA	1,422,000 } 3/
			2-1/2 Years rent of 1775 PA	310,000 } 3/
			Costs of moving staff from 801 & repartitioning expenses	390,000 4/
				$4,479,000

Conclusions:

(i) Short-term savings to Bank of approximately $700,000 under surrender option are more than offset by the benefits of retaining 801, i.e. consolidation in one building and resulting economies in support services, the smaller proportion of interior space in 801 and its closer proximity to the main complex.

(ii) If analysis is extended beyond June 1982, lease of 801 would be justified on cost considerations alone since rentals effective July 1, 1982 for alternate locations would be much higher than 801 rent in 1982 and subsequent years.

1/ The lease on 1950 K expires on 6/30/82, but owner has first refusal on a Bank sublet at current rates which he will certainly exercise. 1901 PA lease expires 6/30/81 and contains penalty provisions for early withdrawal which owner likely to waive in return for right to sublet on his own terms.

2/ Rent from 1/1/80 to 6/30/82 based on $12.875 per square foot rent and adjusted for escalation provisions.

3/ Rents from 1/1/80 to 6/30/82 computed in accordance with escalation provisions provided for in current lease in the case of 1850 K and 1775 PA. Base rent of 1901 PA for new lease term beginning 7/81 assumed to be $16 per square foot.

4/ Repartitioning expenses estimated at an average of $2 per square foot.

ADM
December 5, 1979

ADM: 801
19th St

Mr. Robert S. McNamara December 14, 1979

Martijn J.W.M. Paijmans

Lease of 801 19th Street Building

1. We have now reached the point--although we have been going as slowly as we could--where we have to decide on our lease of 801. Details on this are presented in Mr. Twining's memorandum of December 12 attached as Annex A. I do not think we can delay this matter any longer. My recommendation is that we accept the ten-year leasing arrangement as worked out because we undoubtedly need the space in the period ahead and this is the best option available.

2. In the context of our recent discussion on the proposed leasing of the above building you had asked for some updated comparative cost data on our options which are attached as Annex B. Given that our manpower projections (Attachment 1) already indicate that we will fully utilize within one year's time the total capacity available at the GW building, the only real option is the continuation of leases available in 1850 K, 1775 Pennsylvania Avenue and 1901 Pennsylvania Avenue. A comparison is set out in Attachment II to this memorandum which shows that while in the short run, to the extent we have continuing leases on these other buildings, these would be cheaper than leasing 801 19th Street, in the longer run the new leases which would have to be negotiated past June 1982, would prove more expensive than the terms negotiated for 801. This is in addition to the unquantified advantages of having consolidated space as opposed to one dispersed over three buildings.

3. Could we have your approval please.

Attachments

File

STRICTLY CONFIDENTIAL

Record of Ninth Meeting of

PERSONNEL MANAGEMENT COMMITTEE

1. Mr. McNamara convened a meeting on December 18, 1979. Present were:

Messrs. Stern
Paijmans
Qureshi
Pollan
Damry
Koch-Weser

Messrs. Cargill and Chaufournier could not attend.

I. Personnel Management Matters

a) "Managing People in the World Bank Group"

2. The meeting reviewed a draft statement which had originally been scheduled for discussion in the PMC meeting on December 4, 1979 (Item II d)) but had to be deferred.

3. The meeting recognized that there were lots of management problems in the house, including some of style. Managerial attributes did often not carry sufficient weight in managerial appointments. While the draft statement enunciates general principles which should apply to all managers from division chief up, these principles needed to be translated into specific guidance and criteria for managers (preparatory work was currently going forward in PMD).

4. McNamara was emphatic that Vice Presidents need to talk to each manager under their jurisdiction and to make sure that division chiefs and directors participate in setting up programs for policy and output formulation.

5. The draft statement was scheduled for consideration of the President's Council on January 7 (which has since occurred). One point to be stressed is the follow-up work on the topic because limiting attention to a manifest alone, purely setting forth principles, would not be sufficient.

b) Modification in Travel Policy

6. This was a follow-up item from the PMC meeting on December 4 (Item II a)).

7. Points were made, as at the December 4 meeting that staff was expecting some modification because one year earlier a review of the travel policy had been promised, and that raising the travel policy topic at this time would engender controversy inside and outside the house. The main theme was the question how the Bank as a leading public development agency in the world could afford to be the only one with a substantial number of staff flying first class to the long zone - irrespective of the rank of the traveller.

8. Outside, there would be a serious cost in public support at a time when the Bank Group was looking for an additional $12 billion in IDA replenishment and $42 million capital increase in the Bank. Within the Bank there would be dissatisfaction among the staff if any review of the travel policy resulted only in marginal changes. McNamara felt that before considering any of the options for change in the "Operational Travel Policy Review", more analysis was needed concerning who was travelling, over what period of time, and with what mode and class. He held the view that we should advise all concerned, inside and out that we had looked over the policy and that the Bank, cognizant of being a development organization in fact and in appearance, saw at this time no basis for a change in the present travel policy.

9. It was decided not to negotiate with the staff on this matter but that staff will be given the figures underlying the refined analysis. To that end, Paijmans would send the "figure table" (Appendix II of the paper) to the Chairman of the Staff Association. The topic is also to be discussed in the President's Council.

c) Staff Contact with Media (Administrative Circular 1/78 of February 6, 1978

10. There was agreement that the policy was fine but that enforcement and implementation was not. It was agreed that in light of that, McNamara would speak to Benjenk regarding needed improvements in enforcement and implementation, especially since IPA did not appear to monitor effectively whether it is being properly consulted in connection with all proposed media contacts.

II. Administrative Matters

a) Lease of 801 19th Street, N.W.

11. The main point made was that any lease to be signed at this time should not prejudice any Bank interest in erecting a new building at 19th and G Street, N.W. currently a George Washington University property. This latter topic could already come up in the Board in January 1980, when questions will likely be raised, whether the Bank plans to expand its operations, thus necessitating the construction of a building. If that were so, would the Bank need to maintain space in the "801 building"? Furthermore, a continued lease of 801 might involve the Bank in a sizeable real estate tax obligation.

12. In view of the interaction between the proposed GW property purchase and a continued lease of the "801 building" and because of the uncertainty surrounding the former, McNamara proposed that we, the Bank, tell the "801 building" owner that he should give us 90 days to think matters over during which time he would in any event receive rental income from the Bank.

13. McNamara also requested urgent preparation of a Baord paper on the proposed acquisition of the GWU property. Our analysis may indicate that a 3% staff growth at headquarters may make continued occupation of the "801 building" unnecessary after 1984. We should have bought the "801 building" at an earlier date, but we need now to make sure that we would not "lose the GWU site in the Board at any price" if we were to continue leasing the "801 building". A relevant factor is that a lease for 801 is highly saleable since it offered desirable commercial space which could be occupied quickly by interested parties. Therefore, the proposed lease should probably be presented - to the EDs - as a standby facility.

14. There was also general reference to the "anti-expansion" mood in the Board. The presentation to the EDs on the GWU purchase must therefore be carefully prepared pointing out the financial advantages to the Bank.

15. It was decided to concentrate first on preparing the Board papers for the GWU site purchase. To that end, it was important to assure a "right" purchase price for the site because the Bank, as a public interest institution, could not pay more than is generally regarded as reasonable. Not addressing the "801 building" lease immediately would not be of disadvantage to the Bank because the owner was unlikely to ask us to vacate now while we continued paying rent.

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File, PMC

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

CONFIDENTIAL

TO: President's Council

DATE: December 20, 1979

DECLASSIFIED
SEP 18 2013
WBG ARCHIVES

FROM: Martijn J.W.M. Paijmans, Vice President, AOP

SUBJECT: Managing People in the World Bank Group

1. The Personnel Management Department has embarked on a number of initiatives which when linked together would provide for a responsible and responsive framework within which your managers can be identified, trained, selected, rewarded and can participate in creating and reacting to the overall institutional environment. These individual activities which cover such issues as developing criteria for managerial effectiveness, management succession planning, etc., can only be articulated in the context of an overall set of management principles. These would provide the guidelines for managers as to what the institution expects of them. Such principles, however, cannot be established or introduced by fiat. These must be, and clearly recognized to be, a statement of senior management's values and beliefs which form the basis of managerial behavior. Thus, whatever set of principles is finally agreed upon must be fully accepted and not merely "cleared" by those senior managers whose decisions and actions establish the norms for the Bank's management of its staff. If such an explicit statement of management principles is published, it also involves an implied warranty that it will be used as the basis for establishing criteria governing the selection, promotion, and evaluation of Bank Group managers. That is the only way in which we can ensure that this statement of management principles becomes a major influence on the Bank Group's management style. If we fail to live by the management principles so enunciated, it would inevitably lead to a major increase in staff cynicism and disillusionment with the institution.

2. It is for these reasons that considerable discussion should take place within senior management leading to agreement on the content of each explicitly recognized principle. To initiate such a discussion, the Personnel Management Department has prepared what could be conceived as one suggestion of a set of management principles. In drawing up this suggested list, heavy reliance has been placed on guidelines of other institutions and corporations as well as on what has been informally gleaned as effective Bank Group managerial practices. What is important, however, is that we must derive a set of distinctive and responsive management principles which should be practised within the World Bank Group and this involves discussion of the value judgments underlying differing views on the content, tone and relative importance of each principle.

3. I therefore hope that you will read and carefully consider the attached statement keeping in mind that far from being definitive its essential purpose is to spark off thought and debate--in the first instance, in the P.C. exclusively--and further that it is an integral part of a number of related activities which, over time, as a package will address the overall issue of management in the Bank.

4. I hope to contact you in the coming months so that we can meet in small groups and discuss in depth the issues posed. It is my hope that through this process of discussion and with your active contributions we can distill a set of principles to which you not only subscribe but also to which you would expect your managers to measure up. To initiate this process it is the President's intention to discuss this subject in the P.C. of January 7.

MANAGING PEOPLE IN THE WORLD BANK GROUP

Guidelines for Managers

At every level, the environment within which we operate is becoming increasingly complex. Greater expertise and specialization are required of our staff to deal effectively with these developments. As a result, the task of our managers has become considerably more difficult. It requires increased attention to integrating each staff member's work with that of others, in order that all can contribute effectively to the goals of their institution. These guidelines are intended to assist Bank Group managers in enabling our highly professional, multinational staff to carry out the operations of this world development institution, in the limelight of international attention.

A. Performance and Cooperative Effort

1. Establishing Clear Objectives

(a) Because of the specialization resulting from the Bank's growth and from the increasing complexity of its tasks, staff members require their manager's assistance in visualizing how their function fits into the larger operational context. Where this help is not forthcoming, individuals' jobs are less intelligible to them, and their personal commitment to their work is undermined.

(b) In addition, the need for cooperation with other individuals or units to produce a useful end product will not be appreciated by staff who are unclear about the relationships between their work and that of others.

(c) It is not sufficient, therefore, to provide staff members with the instructions necessary to carry out their tasks. The manager is also responsible for encouraging cooperative effort and independent thinking, by clearly defining the connection between individual tasks and overall goals.

(d) Managers are also responsible for enabling staff members to accept personal responsibility for their work and to evaluate their own performance. Staff members can only do this when they know what is expected of them, and understand how it contributes to the Bank's objectives.

2. Delegating Responsibility

(a) Delegating total responsibility for the independent execution of tasks to staff members of demonstrated ability is preferable to the practice of issuing piecemeal instructions and correcting performance.

(b) For delegation to be effective, however, the staff member will need to understand clearly what results are expected; he will need access to the resources required to do the job, and he will need to appreciate any relationships between his tasks and those of others. It is the manager's job to provide this framework for delegation.

(c) Managers can most successfully direct their staff and tap each person's motivation by working cooperatively with them to set objectives, review progress and evaluate performance in the light of mutually agreed objectives.

(d) This in no way absolves managers from their overriding responsibility for their unit's output, but it does distribute the burden of substantive work. This in turn allows the manager to anticipate future developments, monitor progress, deal with problems and devote attention to staff development.

(e) At every level, subordinates entrusted with responsibility show a greater sense of commitment, acquire knowledge and skills more rapidly, and achieve a higher level of performance. Shared responsibility, moreover, is one of the best ways to prepare junior staff for advancement to higher-level or supervisory positions, while demonstrating who is most able to assume them.

3. Participation in Decision-Making

(a) In the face of specialization and increased professional demands, the Bank needs effective teamwork more than ever before. Managers should seek opportunities to plan tasks jointly with their staff, in addition to sharing responsibility for the execution of work.

(b) Joint planning sessions give managers a good opportunity to draw upon the knowledge and experience of their staff, to solicit their opinions and proposals, and possibly confront ideas and concepts diverging from their own. Increasingly often, staff members will have broader knowledge and longer experience in a particular field than their manager. Managers should therefore insure that all their staff, at every level, know that their constructive suggestions are actively invited and welcomed.

(c) Whenever managers consult their staff, they incur certain obligations to them. First, they are warranting that the views which they solicit can still influence their decision; that is, they are not asking for their staff's opinions as a "pro forma" exercise after the decision is made. Second, they are undertaking to give staff members' proposals genuine consideration, whether or not they agree with them. Third, they are agreeing to explain afterwards to their staff what decision was taken, and why certain views did or did not prevail.

(d) People who have participated actively in decision-making tend naturally to have a proprietary feeling toward the decisions reached. They are both more willing and more able to implement them effectively.

4. Continuing Feedback on Performance

(a) All staff members have the right to know how their work and their approach to it are being appraised. As a matter of course, managers should solicit appraisals from those who have supervised their staff members on any significant tasks. This produces a richer picture of performance than any one manager can provide, and mitigates the inevitable influence of personal chemistry on appraisals of performance.

(b) In the event of an unfavorable appraisal of present performance, the staff member should be made aware of this and of possible consequences sooner rather than later.

(c) Managers who discuss work results with their staff, rather than simply evaluating the success of performance, create a climate in which staff members are encouraged to focus their attention on bringing about improved results in their future tasks.

(d) Even good work deserves discussion. No one, whatever their level, can perform as well without genuine approval as they can with it. Approval promotes self-confidence and is a spur to greater achievement. Equally important, the analysis of a task done well clarifies staff members' understanding of what constitutes high-quality work, providing a model for emulation.

(e) On the other hand, individuals should learn from their difficulties. Accordingly, letting staff members know when their work does not meet expectations and correcting inadequate performance are obligations which the manager must exercise. Criticism, like praise, is most effective when it is specific, and when it is given shortly after the event to which it refers.

(f) Given the chance, many people will acknowledge difficulties they have had in their work. Once the existence of a problem is accepted, the manager can then focus on what the staff member can do now to correct it, and/or what will be expected in future tasks.

(g) In every discussion of performance, staff members must be given the opportunity to express their views, and, where appropriate, their intentions in behaving as they did. Where managers have established clear performance expectations with staff members, they can ask them to give their own assessment of how well they are met, and what more needs to be done. By so doing, a manager reinforces the principle that staff members bear primary responsibility for their own performance.

(h) Performance in a working-level position is usually an unreliable indicator of supervisory or managerial potential. An excellent technician may make a poor supervisor; conversely, the most effective managers may not always be the best functional specialists. Staff members' potential for assignment to supervisory positions should, therefore, be considered quite separately from their performance in their present function.

5. Encouraging Cooperation

(a) In an organization as complex as the Bank, achievements of the lone genius are a rare phenomenon. The success of both individual staff members and of the Bank itself depend on the cooperative efforts of many individuals, often working in many different departments.

(b) Managers should initiate plans for cooperative action; defining tasks, assigning responsibilities and clarifying the linkages between them. In discussing projects and performance with their staff members, they should stress the importance of group as well as individual effort. Instances of effective cooperation deserve special attention.

(c) The treatment accorded to an individual will have consequential effects on other staff members--a fact that managers should always bear in mind. Otherwise, they can easily (albeit inadvertently) create confrontations between their staff and those of other units.

(d) Effective cooperation with other units--whatever their level, as well as with supervisors and with peers, is a key prerequisite for achieving the Bank's multiple objectives. The performance of managers in this respect serves as an example to their staff.

6. Exchanging Information

(a) The integration of the many activities needed to achieve the Bank's goals demands an active exchange of information between all managers and their staff. The free flow of information renews the commitment of individuals to their jobs, prevents the duplication of work and ensures that relevant facts are brought to bear on each task.

(b) It is essential that the manager communicates not only information bearing directly on staff members' work, but also information on issues facing the Bank, major Bank objectives and policies, organizational structure and operating procedures. In this way, staff members can develop insight into the Bank's position within the world economic and political environment, and an understanding of its functions as a multilateral economic development institution.

(c) The flow of information should not become a one-way conversation dominated by management. Staff-to-management pipelines should be kept open to provide ample opportunities for two-way communication, both formal and informal. Honest feedback is of particular value. Managers need to know what effects they are actually having on their staff, in order to assess how well they have put their intentions into practice.

B. STAFF AND CAREER DEVELOPMENT

7. Task Assignments: Tailor-made

Work assignments should be commensurate with the abilities and previously agreed expectations of the staff members responsible for their execution. This is critical for staff members' success and satisfaction in their work. In carrying their workload, most staff neither want to be consistently overburdened nor featherbedded. They know that the course of their career is closely linked to their job performance. Placing demands on them that are either too high or too low arrests their development and diminishes the willingness to put forward their best efforts.

8. Frankness in Assessing Potential

(a) From time to time at the manager's initiative, and whenever staff members so request, the manager must provide an opportunity for staff members to share their aspirations, seek the manager's views on their feasibility, and jointly explore ways in which their present position can provide opportunities to move towards their career objectives.

(b) Managers should encourage all interested staff members to assess their own strengths, work preferences, development needs, short-term/intermediate career objectives, and long-term goals. Managers should also consider their staff members' strengths and development needs, so that they can share their views on these points with each staff member if asked to do so. In addition, managers should familiarize themselves with Bank-wide procedures and opportunities, consulting as needed with the Personnel Management function.

(c) The manager should make clear to staff that the primary responsibility for clarifying their development objectives, and taking steps to bring their performance into line with them, rests with staff members themselves. During discussions of staff members' aspirations, the manager should support their initiatives in exploring career opportunities, set realistic expectations for the discussion, and help staff members to translate their ideas into specific plans for development. Managers should also make clear when they are offering a personal opinion, and when they are speaking on the Bank's behalf.

9. <u>Training: On and Off the Job</u>

(a) Maintaining the high level of performance which the Bank requires of all its staff calls for an understanding of the Bank's work and operational procedures, the ability to work cooperatively with others, to communicate effectively in oral and written English (and frequently in other languages), as well as periodic updating in new technical developments within a staff member's functional specialty. In addition, the Bank's managers require an understanding of their supervisory responsibilities and possession of the skills necessary to discharge them effectively.

(b) The Bank's internal and external training and education programs must be designed to meet these needs, and adjusted as needs change. Their effective utilization, however, requires the cooperation of managers; first, by helping their staff to appraise their training needs, and then by supporting their staff members' initiatives to improve their performance through training. This support can be facilitated by working with interested staff members to draw up year-long individual training plans. In this way, the manager can avoid many of the conflicts which would otherwise arise between the demands of the work program and worthwhile training activities.

(c) One of the most effective means of training promising staff members for future responsibilities is through the design of tasks to test their abilities to work independently, to lead others effectively, or to coordinate complex tasks. Where Bank missions are available, they can serve as an ideal on-the-job training experience. Task forces and special projects can also serve this purpose while achieving their substantive objectives. Whether proposed by staff members or their managers, well chosen on-the-job training projects can provide both parties with objective demonstrations of "potential". Projects such as these can also have a rejuvenating effect on staff members working in routine jobs.

10. Staff Development Through Reassignment

(a) Staff members' capabilities should evolve not only in their own fields of responsibility, but within the larger framework of the Bank as well. Parochial attitudes are damaging to both the staff member's and the Bank's interests. A well-designed program of reassignments across departmental lines can broaden the experience of both support and specialist staff at all levels, increasing their understanding of the Bank's work, and thus their value to the institution.

(b) In addition, systematically planned reassignments for Bank Group Managers can help to ensure that they appreciate the interdependence of regional departments, central staffs and support departments, and the need for close cooperation between them.

(c) If a staff member seeks and finds a reassignment to enhance his professional development, he should be released as soon as possible.

11. Salary Geared to Performance

(a) The determination of a salary geared to performance should be based on an assessment of the nature and complexity of the work being done. Such work assessments will determine the salary level to which the staff member is assigned. Academic and professional qualifications, as well as experience, are recognized and compensated only to the extent that they are required for the staff member's work. For this reason, task assignments should correspond closely with qualifications.

(b) Differences in performance between staff members engaged in the same type of work should be recognized and compensated for during the yearly merit review process. Staff members should know that superior performance in relation to that of peers will be rewarded.

C. SOCIAL RESPONSIBILITIES

12. Institutional Assistance

The Bank has a social responsibility to its staff members. This should be reflected in managers' dealings with their staff. The Bank provides settling in and education allowances, home leave, sick leave, compensatory leave and emergency travel, in addition to legal assistance, medical and other benefits. These are designed mainly to ease the burdens on those staff members living outside their home country, and to assist all staff in coping with the difficulties they face in the event of illness or legal problems. Immediate Bank assistance is provided to staff members who find themselves in exigent circumstances while carrying out the Bank's work, and help is given to those requiring moral or tangible support in other difficulties of a personal nature. The prime purpose of such assistance is to benefit staff members whose circumstances warrant special consideration. Managers should insure that their staff are aware of these resources, and if necessary, should contact the appropriate service on their behalf.

13. Work Demands on Staff

Job demands should be determined in the light of staff members' age, experience and personal circumstances, so as not to place excessive burdens on any individual. New recruits and young staff members deserve their manager's especially close attention and guidance. His job is to bring about their integration into the Bank and the unit, through a carefully structured program of initial experiences. To new staff members, their manager is the Bank, with a major influence on their initial relationship with this institution. He can help to ensure that the Bank is seen as people providing needed support, rather than as an uninterested and impersonal entity.

14. Institutional Climate

The management style and social awareness demonstrated by the day-to-day behavior of Bank Group managers strongly influences the Bank's institutional climate, its reputation in member countries and its broader public image. In addition, managers' readiness to deal with their staff firmly, honestly, cooperatively and with understanding will greatly facilitate the maintenance of good management-staff relations throughout the Bank.

15. <u>Expressions of Views</u>

The exercise of managerial responsibilities presupposes a strong degree of commitment to the Bank and its goals. It calls equally for the free expression of personal convictions within the institutional framework, whenever objective considerations or staff interests demand it.

PMD
November 27, 1979