## INTERNATIONAL MONETARY FUND

# The Role of Diversity in the Fund's Human Resource Strategy 

Prepared by the Human Resources Department (In consultation with other departments)

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## I. Introduction

1. The purpose of this paper is to describe the role of diversity in the Fund's human resource strategy as background for an informal discussion by the Executive Board. Diversity reflects the broad range of characteristics of Fund staff, including nationality, race, culture, ethnic background, gender, religion, native language, education, and profession. However, for reasons of data availability, this paper focuses more narrowly on trends in nationality and gender diversity. The paper describes what has been achieved so far-both in terms of putting in place a framework for promoting diversity and the numerical results in changing the geographical and gender composition of staff (Appendix I). It also describes some measures that could be implemented in the next several years ("Enhanced Action Plan") building on, and reinforcing, existing initiatives.
2. To meet the Fund's institutional objectives, the organization must ensure that it has an experienced career staff of the highest quality and professionalism, which has the ability to respond to the changing needs of member countries. It needs to continue to recruit and retain staff with first-rate training in economics and other fields and experience in formulating and implementing economic policy.
3. A diverse staff with a range of perspectives and experiences helps the Fund to meet the differing needs of its $\mathbf{1 8 4}$ member countries. It helps to provide the best possible analysis and advice to the members by contributing to the organization's understanding of countries' differing economic circumstances and social, cultural, and institutional settings. A strong and publicly recognized commitment to diversity and to providing women and men from all member countries with equal opportunities to succeed in the institution can help the Fund attract talent from a larger pool of candidates as well as retain the best staff.
4. The Articles of Agreement and By-Laws and the Rules and Regulations of the Fund provide a mandate for incorporating diversity into its human resource strategy. Article XII, Section 4(d) and Rule N-1 requires that "in appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible." Rule $\mathrm{N}-2$ further requires that ". . . the employment, classification, promotion and assignment of persons on the staff of the Fund shall be made without discriminating against any person because of sex, race, creed, or nationality."

## II. Framework for Managing Diversity ${ }^{1}$

5. The current framework for promoting and managing diversity reflects a number of specific actions taken over the past decade. ${ }^{2}$

- A Special Advisor on Diversity was appointed in 1995 to help promote an understanding of the value of diversity and promote diversity management in the Fund. Diversity initiatives and developments in the geographic and gender composition of staff are monitored and reported in the Diversity Advisor's annual reports.
- An Action Plan to Promote Staff Diversity and Address Discrimination was issued in 1996 setting out the Fund's diversity objectives (Appendix II). It confirmed management's commitment to "... preventing discrimination, providing equality of opportunity for all and promoting diversity, while at the same time continuing to recruit, develop, and retain staff of the highest caliber, as required by the Fund's Articles of Agreement."
- HRD integrated diversity into new and existing human resource policies and practices, as well as training and development programs, e.g., mentoring and diversity training.
- Standards of conduct, based on the N-Rules and GAOs, provide an institutional framework for staff behavior. In 1998, these rules and regulations were brought together in the Code of Conduct for the purpose of articulating the Fund's standards on ethical and respectful behavior.
- Formal and informal dispute resolution mechanisms were strengthened to ensure implementation of the standards established by the Fund, including those relating to fair and respectful treatment regardless of cultural background. Advisors against Harassment were appointed in 1993 and the Ethics Office was established in 2000. The Fund's dispute resolution system (Ombudsperson, Administrative Review,

[^0]Grievance Committee, and Administrative Tribunal) was reviewed by an external panel in 2001-2002 (EBAP/02/51), and its recommendations are being implemented.

- From 1996, each department was required to prepare an annual diversity action plan; this was integrated into an annual human resource plan in 2000.
- A "Discrimination Policy" will be issued shortly. This policy will reaffirm the Fund's commitment to treat all employees equitably and strengthen awareness of what constitutes discrimination in the context of the Fund.


## 6. Several human resource policies and instruments have been put in place to

 facilitate the career development of staff (Appendix III). These policies and instruments are designed to level the playing field for all staff. In addition, several targeted initiatives have been developed to help staff understand the culture of the Fund and develop the skills necessary to meet Fund standards, thereby improving their chances for success. These initiatives include orientation for new staff, Fundwide and departmental mentoring, management and diversity training for managers, written communication skills training, and English language training.
## III. COMPOSITION OF StaFF

## A. Geographical Distribution of Staff

## 7. The composition of Fund staff mirrors the Fund's broad membership.

 Currently, staff comprise 141 nationalities across the main regions (Table 1). Fund staff is more diverse than reflected in the current database, which includes only one nationality for each staff member; staff with dual nationalities holding U.S. passports, for example, are automatically recorded as U.S. citizens, which overestimates the share of U.S. nationals. ${ }^{3}$[^1]Table 1. Staff Composition, Grades A9-B5 ${ }^{4}$

| Region | 1996 |  | 2002 |  | Financial Quota |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | A9-A15 | B level | A9-A15 | B-level |  |
|  | (In percent) |  |  |  |  |
| Africa | 5.6 | 3.7 | 5.8 | 3.7 | 4.2 |
| Asia and Pacific | 15.2 | 14.0 | 16.1 | 13.8 | 18.0 |
| Of which developing countries | (10.6) | (7.7) | (12.2) | (9.0) | (9.8) |
| Europe | 30.7 | 40.8 | 33.8 | 37.6 | 41.3 |
| Of which developing and transition countries | (4.0) | (1.3) | (6.2) | (1.7) | (8.6) |
| Middle East | 5.4 | 5.0 | 4.5 | 6.5 | 8.5 |
| Western Hemisphere | 43.1 | 36.4 | 39.9 | 38.5 | 28.0 |
| Of which developing countries | (12.3) | (8.7) | (11.8) | (10.1) | (7.5) |
| Industrial countries | 62.0 | 73.6 | 59.6 | 69.1 | 61.5 |
| Developing and transition countries | 38.0 | 26.4 | 40.4 | 30.9 | 38.5 |

Source: See Appendix I, Table 1.
Since 1996, some progress has been made in increasing the geographical diversity of staff (Table 1). The share of staff from developing and transition countries has increased for both the A9-A15 grade levels as well as for the B-level. ${ }^{5}$ Indeed, for the A9-A15 grade levels, their share ( 40.4 percent) exceeds those countries' combined financial quota ( 38.5 percent), although at the B-level ( 30.9 percent), it remains below their quota share. The developments in the stock of staff reflect both recruitment patterns and staff that have left the Fund through resignation or retirement. In terms of recruitment, since 1996, developing and transition economies have accounted for a higher share than their financial quotas, particularly for the Economist Program and specialized career streams (Table 2 and Appendix I, Table 2).

By region, the distribution is as follows:

- Africa: During 1996-2002, Africa's representation remained broadly unchanged at both the A9-A15 and the B1-B5 levels, and it was slightly below Africa's combined financial quota share at the B level. The pipeline of African staff in the grades just below the B level (A14-A15) is above current B-level representation (Figure 1). Since

[^2]1996, appointments of African nationals as both experienced economists and specialized career streams (SCS) staff have been above their financial quotas. But representation in the Economist Program has been less, i.e., on average one candidate a year or 3.2 percent. This is because of the limited supply of Ph .D. candidates from Africa in universities where EP candidates are sourced and in the market in general (Appendices IV and V).

Table 2. Economist and Specialized Career Stream Appointments, 1996-2002

|  | Financial Quota | 1996-2002 Share |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Experienced Economists | Economist Program | Specialized Career Streams |
|  | (In percent) |  |  |  |
| Africa | 4.2 | 8.9 | 3.2 | 6.6 |
| Asia | 18.0 | 18.1 | 16.5 | 19.3 |
| Europe | 41.3 | 38.3 | 55.8 | 28.9 |
| Middle East | 8.5 | 3.4 | 4.0 | 4.4 |
| Western Hemisphere | 28.0 | 31.2 | 20.5 | 40.8 |
| Industrial countries | 61.5 | 61.5 | 55.0 | 44.3 |
| Developing and Transition countries | 38.5 | 38.5 | 45.0 | 55.7 |
| Women | -- | 22.2 | 30.2 | 45.6 |
| Men | -- | 77.8 | 69.8 | 54.4 |
|  |  |  | umbers) |  |
| Total number of appointments | -- | 436 | 278 | 228 |

Source: See Appendix I, Table 2.

- Asia: At end-2002, Asia's representation was slightly below its financial quota of 18 percent. Staff at the B level remained broadly unchanged at 14 percent from 1996 to 2002, but increased slightly at the A9-A15 levels. This masks significant differences between countries. Some countries remain severely underrepresented, e.g., China, Japan, and Indonesia. While progress has been made in attracting candidates from China, less success has been achieved in hiring staff from Japan and Indonesia.
- Europe: At end-2002, the share of staff from Europe was below the financial quota of 41.3 percent- 33.8 percent at the A9-A15 levels and 37.6 percent at the B level. Several European countries (both industrial and transition countries) are among the 20 most underrepresented countries (Box 1). The share of European nationals among new recruits of both economists and SCS staff has generally increased since 1996 (Appendix I, Table 2).

Figure 1. Selected Pipelines (end-2002), Grades A11-B05 (In number and percent of total staff in each grade)




Source: PeopleSoft and OLAP.

## Box 1. The 20 Most Underrepresented Countries

| Developing and Transition | Industrial |
| :--- | :--- |
|  |  |
| Saudi Arabia | Japan |
| Russia | Switzerland |
| Venezuela | Germany |
| Indonesia | Netherlands |
| China | Italy |
| Kuwait | Belgium |
| Nigeria | France |
| Libya | Austria |
| Mexico |  |
| Israel |  |
| Ukraine |  |
| Algeria |  |

Transition economies in Central and Eastern Europe and the CIS countries remain underrepresented, particularly at the B level. This is partly because these countries are relatively recent members of the Fund, and partly because the supply of economists with a background in market economics has been rather limited, although it is clearly on the rise. As shown in Figure 1, the pipeline of staff in Grades A14-A15 is still well below the financial quota share of those countries.

- Middle East: This region's share of staff in grades A9-A15 dropped from 5.4 percent in 1996 to 4.5 percent in 2002, only half of its financial quota share of 8.5 percent. However, representation at the B level increased from 5.0 to 6.5 percent. Recruitment of Middle Eastern nationals at all levels has been very low. The pipeline, which is weak in the grades just below the B level, will need to be replenished to prevent a reduction in the share of Middle East staff at the B level in the future (Figure 1). However, the supply of nationals from the Middle East, especially from the Gulf countries, is limited. There is anecdotal evidence that students from the Middle East tend to prefer an education in business and finance rather than macroeconomics. The salaries in the Gulf countries also tend to be higher than what the Fund can offer (Appendix V). Finally, the current geo-political situation and visa restrictions may make it more difficult to attract Middle Eastern candidates to the United States.
- Western Hemisphere: This region has the highest representation vis-à-vis its financial quota, both at the A9-A15 grades and the B level. This reflects above-quota representation for U.S. nationals (see paragraph 7), as well as for several countries in South America. However, two Western Hemisphere countries (Venezuela and Mexico) are among the 20 most underrepresented countries. During 1996-2002, the Western Hemisphere accounted for less than its financial quota share for new
economist recruitment, but significantly above that share for recruitment of specialized career stream staff (Table 2).


## B. Gender Composition

8. Since 1996, significant progress has been made in increasing the share of women at the B level (from 9 percent to 15.2 percent in 2002) (Table 3). There is, however, a significant difference between the economist stream and the specialized career streams with a much stronger pipeline of women for specialized career streams than for economists (Figure 2). The pipeline for economists is particularly weak at Grades A14 and A15, pointing to the need to strengthen significantly this pipeline to ensure that women are appropriately represented at the B levels in the future. Women accounted for 30.2 percent of EP candidates and 22.2 percent of experienced economists recruited during 1996-2002. Women typically account for a smaller proportion of experienced economists than EP candidates hired from universities because women in the past accounted for a smaller proportion of economists graduating from universities. They are also more difficult to attract due to the difficulties in moving families and strong competition from other employers. By contrast, women accounted for almost half of SCS recruits since 1996.

Table 3. Women by Grade Group and Career Stream in 1996 and 2002

|  | In percent of <br> total staff |  |
| :--- | :---: | :---: |
|  | 1996 | 2002 |
| B-Level | 6.1 | 11.8 |
| Economists | 22.2 | 29.0 |
| Specialized Career Streams | $\mathbf{9 . 0}$ | $\mathbf{1 5 . 2}$ |
| Total B-Level |  |  |
|  |  |  |
| A-Level | 17.9 | 22.9 |
| Economists (A11-A15) | 58.7 | 54.2 |
| Specialized Career Streams (A9-A15) | $\mathbf{3 2 . 2}$ | $\mathbf{3 4 . 8}$ |
| Total A-Level |  |  |

Figure 2. Women Pipeline (end-2002), Grades A11-B05 (In number and percent of total staff in each grade)




[^3]9. Differences between the share of women at the B-level in the Fund and the share of women in managerial positions in some other international organizations reflect in part differences in professional specializations. In the World Bank, for example, women account for 23 percent and in the UN Secretariat for 25 percent of such positions. ${ }^{6}$ The lower number of women at the B level in the economist stream in the Fund ( 12 percent) reflects the fact that the Fund targets candidates with advanced degrees in macroeconomics where the share of women traditionally has been smaller than in other fields of economics. The World Bank and the U.N. Secretariat also recruit more women with professional specializations other than economics.
10. The supply of women finishing a Ph.D. in economics has risen in both the United States and Europe. During the period 1999-2002, it has increased to an average of 30 percent in the United States; in 2002, the share was 25 percent of all Ph.D. candidates from the top 20 universities in the United States where the Fund typically recruits the majority of its EP staff. In Europe, in recent years, women accounted for 35-40 percent of those completing a Ph.D. in economics from the top universities from which the Fund recruits (Appendix VI). These figures, however, overstate the availability of women candidates for the Fund because they include all graduates in economics, not only macroeconomics.

## IV. Actions to Strengthen Diversity

11. As discussed, significant progress has been made in developing and putting in place a framework for promoting diversity. Some progress has also been made on the numerical front in terms of recruiting staff from underrepresented countries and regions. But in some areas, notably representation of staff from Africa, European transition economies, and the Middle East, progress in numerical terms has been slow. Further efforts are also needed to increase the share of women in B-level positions.

## 12. In the past, the Fund's diversity efforts have encountered several external constraints:

- In recruiting highly qualified staff, the Fund taps a limited supply of highly qualified candidates from certain regions and countries.
- The supply of women from Africa, the Middle East, and certain parts of Asia is limited.

[^4]- The supply of women among experienced economists is lower than that from among new graduates from universities.
- $\quad$ Some qualified candidates (e.g., from Western Europe) are not interested in joining the Fund because of difficulties in obtaining a work permit for their spouses who have professions of their own.
- $\quad$ Some nationalities have recently experienced difficulties in obtaining a visa for Fund employment.


## In addition, weaknesses have also existed in the Fund's own efforts:

- In the past, recruitment missions have not taken sufficient account of the demand for staff in the specialized career streams.
- In periods of significant increases in Fund hiring, there has been a tendency to not focus sufficiently on the diversity aspect in recruiting new staff because of the need to quickly get candidates on board, although more recently some improvement has been made in this area.
- Fund managers have not had clear objectives for diversity in their recruitment efforts.
- Diversity initiatives such as special recruitment efforts and career development measures have been subject to budgetary constraints.

13. To make further progress in achieving the Fund's mandate to have a highly qualified diverse staff, consideration is being given to an Enhanced Action Plan. It would build on the ongoing efforts to promote diversity and incorporate recommendations of the internal Task Force on Diversity Benchmarks and the Working Group on Specialized Career Streams. The key objectives would be to: (i) increase the recruitment of qualified diverse candidates; (ii) develop the existing pipeline of diverse employees through the adoption of best practices in managing human resources; (iii) provide equal opportunities for underrepresented staff groups; and (iv) foster an inclusive and diversity-friendly work environment. Such a plan could also include the adoption of a set of indicators, against which progress in reaching diversity goals may be measured.

## A. Recruitment

14. Recruitment is the Fund's primary tool for increasing the geographic and gender diversity of staff. This is particularly important given the small numbers in the pipeline of underrepresented countries and women at A14 and A15 grades (Figures 1 and 2). Retention of staff from underrepresented groups has generally not been a problem and retention patterns of those groups have been similar to those of all staff.

The current recruitment practices for the Economist Program, experienced economists, and SCS staff, and modifications underway to support the diversity efforts are described below:

## Economist Program

15. Candidates are hired primarily from universities selected on the basis of their academic strength in the economics field, the number of graduates entering the job market, and their enrollment of international students (Appendix IV). Graduates from U.S. and European universities have accounted for most of the recruitment into this program. The Economist Program has been the best source of recruitment of developing and transition country nationals ( 45 percent) as well as of women (30.2 percent) during 1996-2002 (Appendix I, Table 2).
16. The intent would be to further diversify the sources used to locate suitable EP candidates. This would occur through recruitment from a broader base of universities than in the past, in close collaboration with Fund departments, Fund resident representatives, and Executive Directors. A program for providing scholarships for African students to increase the future pool of possible hires has been developed, but financing sources remain to be identified. ${ }^{7}$ Since the Summer Intern Program (SIP) serves as a pipeline into the Economist Program, efforts will be made to further diversify the source base of SIP hires. Moreover, HRD would look into the feasibility of expanding the SIP to cover other periods of the year to accommodate candidates with differing school calendars.

## Experienced economists

17. In 2000, a centralized process was put in place for the hiring of experienced economists. All macroeconomists, with the exception of specialists for FAD, ICM, MFD, and STA, undergo a panel interview. HRD and departments identify the candidates who are paneled, with departments making the final recruitment decision. In determining who gets paneled, consideration is given to qualified female and male candidates from underrepresented countries and regions. Since 1996, when the diversity initiatives were first launched, women have accounted for 22.2 percent and developing and transition country nationals for 38.5 percent of all experienced economist recruitment (Appendix I, Table 2).

## 18. A more targeted and strategic approach to planning recruitment missions is

 being introduced to strengthen the central pipeline of qualified candidates from underrepresented countries/regions from which departments would be able to recruit. It takes into account market strength, the level of underrepresentation of countries/regions, and vacancy requirements. More emphasis will be given to recruiting at regional annual[^5]economic conferences that draw experienced economists with advanced degrees from many countries. Conference-based recruitment will cover all regions each year. In all these efforts, more systematic collaboration with departments is planned.

## Specialized career stream staff

## 19. No centralized procedure exists for SCS staff, since SCS staff belong to a

 variety of different career streams (e.g., accountants, human resource officers, IT staff, and writers) (Appendix IV). Currently, sourcing is carried out by both HRD and departments. In planning for missions-both international and domestic-HRD is intensifying its collaboration with SCS departments to identify their particular recruitment needs. To support these efforts, HRD has redeployed additional staff to work on SCS recruitment.
## B. Developing an Internal Pipeline

20. Developing the Fund's junior staff is key to having a pipeline of qualified candidates with diverse backgrounds. Selected mechanisms have already been put in place, but need to be more fully implemented by departments.

- Career planning: Departments are expected to strengthen efforts to help their staff develop their careers. This will be done through providing career advice and candid and timely feedback, identifying appropriate assignments to develop their skills, and ensuring that equal opportunities are provided to develop their full potential. Career planning is ultimately the staff member's own responsibility, and a career development guide for economists-the Economist Development Guide (EDG)—was introduced in 2001 to provide a tool for economists to plan their careers. Similar guides will be prepared for specialized career streams.
- Mobility: Greater centralized efforts will be made by HRD, in partnership with departments, to assist interested staff in getting mobility for the purpose of broadening their experience and furthering their career. Acquiring a broad range of relevant work experiences enhances a staff member's competitiveness for future assignments or promotions. With zero growth in the Fund, the mobility opportunities will decline for all staff. Therefore, HRD will seek to facilitate more purposeful mobility and help those who need mobility but find it difficult to achieve on their own. It will be important to ensure that staff from certain regions be given the opportunity to work not only in the area departments representing them, but in other Fund departments, which, in turn, will benefit from diversity in background and thinking.
- English training: Since proficiency in written and oral English communication skills is crucial for performance and advancement in the Fund, required training supported by individual coaching for all employees requiring assistance will continue to be provided. Some departments already employ editors. Additional English editorial assistance at the department level will be sought.
- Management training: A management development curriculum, in which diversity is integrated, will be fully implemented. This will help managers develop the skills necessary to provide career guidance, feedback, and coaching to their staff.
- B-level promotions: The Review and Senior Review Committees will continue to exercise their oversight function to ensure that qualified candidates from underrepresented groups are not overlooked in the selection process.
- B-level appointments: HRD will be proactive in identifying promising candidates for B-level positions. The Review and Senior Review Committees will continue to make sure that departments do not overlook qualified underrepresented candidates.


## C. Indicators

21. In 2002, an internal Task Force on Diversity Benchmarks was established to consider possible indicators or benchmarks to monitor progress in achieving geographic and gender diversity. The Task Force proposed a set of indicators to guide the central recruitment efforts of the Fund and hiring departments and to provide a monitoring device to measure progress over time and compared with other organizations in promoting geographical and gender balance (Box 2). The Task Force considered a number of indicators, but concluded that financial quotas were broadly suitable overall to determine the geographic representation of staff. The only exception was Africa, where the Task Force recommended a higher-than-quota share of representation of 8 percent. ${ }^{8}$

## 22. The recommendation for Africa's representation was based on the following

 considerations: First, under alternative indicators, Africa accounts for a much larger share than its quota share (Appendix I, Table 3). For example, Africa accounted for nearly 40 percent of all Fund arrangements during the past four years. One quarter of all countryspecific staff days of area and functional departments was spent on Africa in FY 2002. Second, the Task Force also considered it important to have staff familiar with the institutional and other factors at play in Africa to help the member countries in designing and implementing growth-oriented policies to reduce poverty. Finally, a critical mass of staff of sub-Saharan origin was also considered desirable. The offset to the above quota share for Africa was distributed broadly proportionately across the other regions (Appendix I, Table 1).23. For other underrepresented regions, such as the European transition economies and the Middle East, the Task Force recommended that indicators be set at $\mathbf{8}$ percent each, broadly in line with their financial quota shares.

[^6]24. To improve the representation of women at the $B$ level, indicators were also proposed for that group - about 20 percent of all B-level positions, with $15-20$ percent for economists and 35-40 percent for specialized career streams. ${ }^{9}$ These indicators took into account the present stock of women at the B level, the market supply of women, and the need to establish ambitious, yet realistic indicators.

## Box 2. Quantitative Indicators to Measure Progress in Diversity <br> Geographic Indicators <br> - Africa-8 percent <br> - MED-8 percent <br> - European Transition Economies-8 percent <br> - Developing Countries-40 percent

## Gender Indicators

Women at B level-20 percent

- Economists at B level-15-20 percent
- Specialized Career Streams at B level-35-40 percent

25. The choice of indicators rather than specific targets or quotas for nationality groups and gender representation was motivated by the need to achieve a diverse staff while maintaining a high quality staff, as required by the Articles of Agreement. Indicators help guide the institution's recruitment efforts but they are not binding for departments. Departments are expected to help the institution make progress toward achieving its diversity objectives where possible, e.g., the inflow of new staff. Departments will set objectives in the context of their annual human resource plans, as described below.
26. Any significant change in the composition of the stock of staff will be a challenge and might take some time. Although retirements are projected to increase somewhat in the coming years, reflecting demographic developments, the Fund is unlikely to

[^7]grow in the next few years. External recruitment will therefore be lower than in the recent past, which will reduce the scope for significantly changing the diversity profile of staff in the short term.

## D. Departmental Human Resource Plans

27. Departmental annual HR plans-incorporating both quantitative and qualitative elements-will continue to be the main vehicle for departments to set objectives to improve diversity, report on progress, and establish accountability. In monitoring progress at the department level, attention will be focused on actions under the control of departments, i.e., appointments to fill vacancies rather than the stock of existing staff. ${ }^{10}$ In addition, adoption of best practices in managing human resources will be monitored by HRD. Department heads will explain ex-post to management any problems encountered in achieving their goals and actions to address these problems.

## E. Work Environment

28. Efforts to make the work environment more diversity friendly, including support of the work-life balance, will continue. Measures already taken include flexible work arrangements, expanded family leave arrangements, a child care center, and an enhanced relocation program, which assists staff and their families with settling into the Washington area. Such measures are particularly important for an international organization where expatriate staff may have less community and family support structures.

## F. Budgetary Impact

29. The cost of existing diversity initiatives cannot be readily quantified because they are mostly integrated into overall human resources policies and programs. The measures proposed under the Enhanced Action Plan will be implemented within the existing budget for FY 2004. For FY 2005 and beyond, efforts will be made to contain any additional costs through efficiency savings and reprioritization.

## V. Conclusion and Issues for Discussion

30. This paper has discussed the progress in the past several years in laying a strong foundation of policies and programs to support and/or expand the diversity of the Fund's staffing. Meaningful progress has been made in establishing a framework for promoting diversity but the numerical results have not been of the magnitude that is desirable. Experience has shown that making significant changes in the mix of staff-by

[^8]gender and by regional and national representation-faces a number of difficulties, some of which are beyond the Fund's control. As pointed out earlier, for example, the Fund is drawing on a limited supply of highly qualified candidates with advanced degrees in macroeconomics. The Fund recruits diverse staff-including women and staff from certain developing and transition member countries-in strong competition with other employers.
31. To allow the Fund to make further progress in fulfilling its mandate to take diversity into account in staffing, management is considering the adoption of an Enhanced Action Plan, as described above. This would include strengthened efforts in both recruitment and implementation of career development programs to build stronger pipelines of staff from underrepresented regions and countries. It would also include the establishment of indicators for some underrepresented regions and women at senior levels. Progress towards a staffing composition consistent with these indicators would be evaluated in light of the experience with, and success of, new recruitment efforts and implementation of career development initiatives. It is a particular challenge to change the composition of staff if the Fund does not grow in the coming years.

## 32. In the Executive Board's informal discussion on diversity, Directors might want to focus on the following issues:

- What are the views of Directors on past developments in nationality and gender diversity of staff?
- Which measures were successful in achieving greater diversity in the past and what were the main obstacles?
- Do Directors agree that the Fund should strengthen its efforts to ensure that the Fund recruits and retains highly qualified staff from a diverse background?
- Do Directors agree with the suggested enhanced measures to achieve greater diversity in the Fund both in quantitative and qualitative terms?

Table 1. Diversity Indicators: Geographic Representation in Grades A01-B05

| Region ${ }^{1}$ | A1-A8 |  | A9-A15 |  | A09-B05 |  | B01-B05 |  | Total |  | Financial Quota | Proposed <br> Diversity Indicators ${ }^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1996 | 2002 | 1996 | 2002 | 1996 | 2002 | 1996 | 2002 | 1996 | 2002 |  |  |
|  | (In percent) |  |  |  |  |  |  |  |  |  |  |  |
| Africa | 5.8 | 9.0 | 5.6 | 5.8 | 5.2 | 5.4 | 3.7 | 3.7 | 5.4 | 6.4 | 4.2 | 8 |
| Asia | 19.6 | 19.5 | 15.2 | 16.1 | 15.0 | 15.6 | 14.0 | 13.8 | 16.5 | 16.7 | 18.0 | 17 |
| Of which: Developing Countries | 16.9 | 17.3 | 10.6 | 12.2 | 10.0 | 11.6 | 7.7 | 9.0 | 12.3 | 13.2 | 9.8 | 9 |
| Europe | 17.2 | 18.5 | 30.7 | 33.8 | 32.7 | 34.5 | 40.8 | 37.6 | 27.7 | 30.0 | 41.3 | 40 |
| Of which: Developing and Transition Countries | 1.6 | 5.0 | 4.0 | 6.2 | 3.5 | 5.4 | 1.3 | 1.7 | 2.8 | 5.3 | 8.6 | 8 |
| Middle East | 3.7 | 3.4 | 5.4 | 4.5 | 5.3 | 4.8 | 5.0 | 6.5 | 4.8 | 4.4 | 8.5 | 8 |
| Western Hemisphere | 53.7 | 49.6 | 43.1 | 39.9 | 41.8 | 39.6 | 36.4 | 38.5 | 45.6 | 42.4 | 28.0 | 27 |
| Of which: Developing Countries | 22.9 | 21.1 | 12.3 | 11.8 | 11.6 | 11.5 | 8.7 | 10.1 | 15.2 | 14.2 | 7.5 | 7 |
| Industrial Countries | 49.1 | 44.2 | 62.0 | 59.6 | 64.4 | 61.4 | 73.6 | 69.1 | 59.5 | 56.5 | 61.5 | 60 |
| Developing and Transition Countries ${ }^{3}$ | 50.8 | 55.8 | 38.0 | 40.4 | 35.6 | 38.6 | 26.4 | 30.9 | 40.5 | 43.5 | 38.5 | 40 |
| Women | 84.9 | 84.5 | 32.2 | 34.8 | 28.1 | 31.9 | 9.0 | 15.2 | 46.1 | 46.4 | ... | $20^{4}$ |
| Men | 15.1 | 15.5 | 67.8 | 65.2 | 71.9 | 68.1 | 91.0 | 84.8 | 53.9 | 53.6 | $\ldots$ | ... |
|  |  |  |  |  |  |  | bers) |  |  |  |  |  |
| Total | 704 | 763 | 1,176 | 1,562 | 1,475 | 1,918 | 299 | 356 | 2,179 | 2,681 | ... | ... |

[^9]${ }^{2}$ See pages 16-17 for explanation.
${ }^{3}$ Transition countries (WEO definition) comprise 28 countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia \& Herzagovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, former Yugoslav Republic of, Moldova, Mongolia, Poland, Romania, Russia, Serbia and Montenegro, Slovak Republic, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.
${ }^{4}$ At the B level.

Table 2. Economist and Specialized Career Stream Appointments, 1996-2002

|  | Financia Quota | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 1996-200 <br> Share |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Experienced Economists | (In percent) |  |  |  |  |  |  |  |  |
| Africa | 4.2 | 8.8 | 5.6 | 7.9 | 14.9 | 7.0 | 10.3 | 7.3 | 8.9 |
| Asia | 18.0 | 17.7 | 17.0 | 22.2 | 11.9 | 17.4 | 19.2 | 21.8 | 18.1 |
| Europe | 41.3 | 32.4 | 34.0 | 36.5 | 43.3 | 46.5 | 37.2 | 30.9 | 38.3 |
| Middle East | 8.5 | 0.0 | 9.4 | 3.2 | 4.5 | 2.3 | 2.6 | 1.8 | 3.4 |
| Western Hemisphere | 28.0 | 41.2 | 34.0 | 30.2 | 25.4 | 26.7 | 30.8 | 38.2 | 31.2 |
| Industrial countries | 61.5 | 73.5 | 66.0 | 61.9 | 56.7 | 66.3 | 56.4 | 54.6 | 61.5 |
| Developing and Transition countries | 38.5 | 26.5 | 34.0 | 38.1 | 43.3 | 33.7 | 43.6 | 45.5 | 38.5 |
| Women | -- | 26.5 | 30.2 | 15.9 | 20.9 | 20.9 | 20.5 | 25.5 | 22.2 |
| Men | -- | 73.5 | 69.8 | 84.1 | 79.1 | 79.1 | 79.5 | 74.6 | 77.8 |
|  | (In numbers) |  |  |  |  |  |  |  |  |
| Total number of appointments | -- | 34 | 53 | 63 | 67 | 86 | 78 | 55 | 436 |
| Economist Program | (In percent) |  |  |  |  |  |  |  |  |
| Africa | 4.2 | -- | 9.7 | 7.3 | 2.7 | 2.1 | 0.0 | 2.0 | 3.2 |
| Asia | 18.0 | 14.7 | 12.9 | 14.6 | 18.9 | 14.6 | 24.3 | 16.0 | 16.5 |
| Europe | 41.3 | 47.1 | 58.1 | 61.0 | 56.8 | 52.1 | 59.5 | 56.0 | 55.8 |
| Middle East | 8.5 | 2.9 | 3.2 | 2.4 | 2.7 | 8.3 | 2.7 | 4.0 | 4.0 |
| Western Hemisphere | 28.0 | 35.3 | 16.1 | 14.6 | 18.9 | 22.9 | 13.5 | 22.0 | 20.5 |
| Industrial countries | 61.5 | 64.7 | 58.1 | 61.0 | 64.9 | 45.8 | 48.7 | 48.0 | 55.0 |
| Developing and Transition countries | 38.5 | 35.3 | 41.9 | 39.0 | 35.1 | 54.2 | 51.4 | 52.0 | 45.0 |
| Women | -- | 17.7 | 16.1 | 39.0 | 20.9 | 20.9 | 32.4 | 24.0 | 30.2 |
| Men | -- | 82.4 | 83.9 | 61.0 | 79.1 | 79.1 | 67.6 | 76.0 | 69.8 |
|  | (In numbers) |  |  |  |  |  |  |  |  |
| Total number of appointments | -- | 34 | 31 | 41 | 37 | 48 | 37 | 50 | 278 |
| Specialized Career Streams | (In percent) |  |  |  |  |  |  |  |  |
| Africa | 4.2 | 5.0 | 5.0 | 8.0 | 14.0 | 8.0 | 4.0 | 8.0 | 6.6 |
| Asia | 18.0 | 23.0 | 23.0 | 19.0 | 4.0 | 11.0 | 21.0 | 39.0 | 19.3 |
| Europe | 41.3 | 14.0 | 14.0 | 19.0 | 21.0 | 47.0 | 36.0 | 25.0 | 28.9 |
| Middle East | 8.5 | 5.0 | 5.0 | 15.0 | 0.0 | 3.0 | 0.0 | 0.0 | 4.4 |
| Western Hemisphere | 28.0 | 55.0 | 55.0 | 38.0 | 61.0 | 32.0 | 39.0 | 28.0 | 40.8 |
| Industrial countries | 61.5 | 32.0 | 32.0 | 69.0 | 18.0 | 18.0 | 64.0 | 53.0 | 44.3 |
| Developing and Transition countries | 38.5 | 68.0 | 68.0 | 31.0 | 82.0 | 82.0 | 36.0 | 47.0 | 55.7 |
| Women | -- | 36.0 | 36.0 | 50.0 | 36.0 | 42.0 | 57.0 | 53.0 | 45.6 |
| Men | -- | 64.0 | 64.0 | 50.0 | 64.0 | 58.0 | 43.0 | 47.0 | 54.4 |
|  | (In numbers) |  |  |  |  |  |  |  |  |
| Total number of appointments | -- | 22 | 26 | 28 | 38 | 28 | 36 | 50 | 228 |
| Source: Peoplesoft |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

Table 3. Regional Indicators

| Region | Quota end-2002 | Member | Program Countries ${ }^{3}$ |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Countries | Population end-2001 | Number | Staff days (FY 2002) ${ }^{4}$ |
|  | (In millions of SDRs) ${ }^{1}$ | Number | Estimates in millions ${ }^{2}$ | (average 1999-2002) | (In thousands) |
| AFR | 9,075 | 44 | 605 | 28 | 76 |
|  | 4.3 | 23.9 | 10.3 | 36.2 | 26.7 |
| APD | 38,295 | 33 | 3,194 | 7 | 50 |
|  | 18.0 | 17.4 | 54.2 | 8.7 | 17.5 |
| EUR | 87,803 | 50 | 826 | 22 | 80 |
|  | 41.3 | 27.2 | 14.0 | 27.8 | 28.1 |
| MED | 18,128 | 23 | 464 | 7 | 31 |
|  | 8.5 | 12.5 | 7.9 | 9.1 | 10.9 |
| WHD | 59,431 | 34 | 803 | 14 | 48 |
|  | 27.9 | 19.0 | 13.6 | 18.1 | 16.8 |
| Total <br> (In percent) | 212,731 | 184 | 5,892 | 77 | 285 |
|  | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: IMF, International Financial Statistics, Office of Budget \& Planning, and Policy Development \& Review Department.
${ }^{1}$ Data 2002 from the International Financial Statistics (IFS) database.
${ }^{2}$ Estimated data from the International Financial Statistics (IFS) database.
${ }^{3}$ Average number of unexpired arrangements active per year.
${ }^{4}$ Only about one-third of all staff days recorded in BRS are categorized by country or area department.

## Managing Director's Statement to Staff on Measures to Promote Staff Diversity and Address Discrimination

Since the publication of the results of the Survey of Staff Views in 1992, a number of steps have been taken to help address discrimination and promote diversity among the Fund's staff. The Working Group on the Status of Women in the Fund was appointed in 1992 and issued its report in 1994. Last year, I announced the implementation of a number of the recommendations contained in that report and the appointment of Ms. Lahti-Kotilainen as Special Advisor on Staff Diversity. Although organizationally assigned to the Administration Department, the Diversity Advisor reports to me and to the Deputy Managing Directors, and we strongly support her efforts.

In late 1994, I appointed Mr. Azizali Mohammed, a former member of the Fund staff and the Executive Board, to conduct a thorough examination of the nature, extent, and causes of any forms of discrimination that may exist in the Fund on the basis of age, nationality, race, or religion, and he submitted his report to me at the end of last year. The Staff Association Committee and the Personnel Committee have carefully considered Mr. Mohammed's report and have provided their views on his recommendations.

This note sets out a plan of action that describes the measures we are implementing to promote diversity and to address discrimination based on those characteristics of individuals that are not relevant to their work or career, including age, gender, nationality, race, and religion. It integrates recommendations from Mr. Mohammed's report and from the work of the Diversity Advisor with measures already adopted in response to the Report of the Working Group on the Status of Women.

Central to our overall efforts are the departmental action plans. I have asked all departments, in consultation with the Diversity Advisor, to review the existing diversity of their staff, to set objectives for the future, and to establish plans of action to achieve them. Some departments have already established objectives for recruitment and have identified initiatives for developing the careers of existing staff. All departments should submit their action plans to me by December, and I have asked the Diversity Advisor to develop indicators to help us measure the progress being made at the departmental level. In parallel with these efforts, the Administration Department will undertake a systematic review of
cases where staff members have spent an exceptionally long time in grade or have had little or no opportunity for mobility.

Strategies for recruiting women and men from as broad a nationality base as possible are also central to the action plan, and-while more innovative approaches will be required-we are already making progress in achieving greater diversity through our recruitment efforts.

The Review and Senior Review Committees, which recommend the promotion of senior staff, are reviewing the stock of existing candidates and the "pipeline" of potential candidates over the next several years, so as to assess whether our diversity aims can be met. I am asking both Committees to work closely with departments to ensure that all identified candidates are given a fair opportunity to take on assignments that will allow them to develop and demonstrate their potential. Both Committees will also assess whether there are any areas where more emphasis needs to be placed on external recruitment.

A difficult question remains: cases where discrimination may have adversely affected the careers of Fund staff in the past. One message that has come through quite clearly from Mr. Mohammed's work is that there are some staff who consider that they have been discriminated against to the detriment of their careers. Questions of past discrimination must be addressed, and even where these staff could have availed themselves of the Fund's grievance procedures I believe the onus is on us. We are already looking into some identified cases and, as noted above, I have asked the Administration Department and the two Review Committees to look more broadly at individual staff member's career progress and opportunities. I also expect departments to help ensure that any cases where corrective action may be required are brought to Management's attention. We are determined to address this issue and believe that we can do so most quickly and effectively by acting decisively within the existing framework of our procedures.

The Deputy Managing Directors and I are firmly committed to meeting the objectives of preventing discrimination, providing equality of opportunity, and promoting diversity, while at the same time continuing to recruit, develop, and retain staff of the highest caliber, as required by the Fund's Articles of Agreement. With your help, I am confident that we will succeed.

## Attachment:

## Action Plan to Promote Diversity and Address Discrimination

## Michel Camdessus

## Action Plan to Promote Staff Diversity and Address Discrimination

This Action Plan contains a range of forward-looking measures aimed at addressing discrimination and promoting diversity in the Fund. I am also asking the Administration Department and the Review Committees to assist us in identifying possible cases of past discrimination based on age, gender, nationality, race or religion.

## Departmental action plans

Departments are currently reviewing their staffing patterns and each department will set its own objectives for staff diversity. The Diversity Advisor, together with ADM staff, is working closely with each department. In preparing their action plans, I have asked departments to consider the distribution of work assignments very carefully, to ensure that all staff are given equal opportunities for growth. I consider these action plans to be the centerpiece of our diversity efforts and I am asking departments to send me the outcome of their departmental reviews, and their internal action plans, by December.

## Code of conduct

We are establishing an Ethics Committee, which will be charged with the establishment of a code of conduct that provides guidelines for the behavior of Fund staff. I will ask the Ethics Committee to make it absolutely clear that staff need to treat all colleagues with consideration and respect and to avoid actions that can be interpreted as demeaning to their colleagues. This is indeed a must.

## Transparency of Fund policies

A compendium of Fund personnel policies will be issued beginning later this year to explain in clear language the policies and principles that guide our practices on such matters as promotions, performance appraisal, assignments, and mobility. Senior Personnel Managers should help ensure that their staff have a good understanding of these policies and principles.

## Career progression

I expect the two Review Committees to play an important role in helping to achieve a more diversified gender and nationality distribution among senior staff. In addition to looking at their own procedures to ensure that all potential candidates for promotion receive a careful review, I am asking the Committees to watch the pipeline of possible candidates for future promotion, to report to me on the prospects and issues regarding staff diversity, and to help ensure that staff are given an equal opportunity to take on assignments that develop and demonstrate their abilities. The Diversity Advisor is monitoring progress in diversifying at senior levels and will keep staff informed through her annual reports.

The Administration Department will undertake a Fundwide review of the careers and backgrounds of staff who meet certain criteria, e.g., much longer than average time-in-grade or little or no mobility. Based on this review, ADM will recommend action to the staff member's department, to the Review or Mobility Committees, or Management.

Further improvements in management and supervisory skills will assist in avoiding discrimination, as well as perceptions of discrimination. The Review Committees are giving substantial weight to these skills in considering internal and external candidates for senior-level positions. To further this objective, beginning in 1997, the evaluations of candidates for advancement to the B level by the Management Development Center will be made available to the Review Committees to provide indicators of managerial abilities.

I have asked departments and the Review Committees to use proficiency in languages other than English that are relevant to the Fund's work as a major factor in evaluating staff for assignments and promotions.

## Grade and salary equity

Studies are in hand to review what systemic or individual salary inequities might need to be addressed. These include:

- A review of procedures for determining starting grades and salaries. The objective is to ensure that the aim of consistent treatment of new staff in roughly comparable situations is, in fact, being achieved.
- Special studies, recommended by the Report of the Status of Women Working Group, of possible grade and pay inequities between men and women within the accounting, human resources, and writing and editing career streams.


## Recruitment and retention

We are identifying new recruitment sources and procedures to further diversify and balance the gender and nationality distribution of the Fund's staff.

We are taking new initiatives to provide diversity and cross-cultural training to all staff who regularly participate in the interviews of external candidates for Fund employment as well as internal candidates under the vacancy list system.

To improve the Fund's ability to diversify by both nationality and gender, we aim to strengthen recent initiatives to support career counseling for spouses as well as other forms of support for family services. The cooperation of other international organizations in the employment of spouses is being sought.

Diverse working arrangements can also help us recruit and retain a diverse staff. There is considerable flexibility already available in starting and finishing times and in part-time work, and there are also possibilities for working at home. Consistent with work requirements, departments should take a sympathetic attitude to the use of these methods of reconciling the demands of work and family life. To aid this effort, a session on managing more flexible working arrangements is being added to our training program.

## Performance appraisal

Perceptions of discrimination readily arise when staff are not given adequate feedback on work performance. Greater attention must be paid by all supervisors and managers to providing (both orally and in writing) candid and constructive feedback, including concrete recommendations for career development. Senior Personnel Managers are being charged with a special role in helping to ensure that plans for career development are made and carried through.

A supervisory feedback exercise is currently being implemented, under which all senior staff will receive feedback on their performance from subordinates, peers, and supervisors. It is expected that this effort to provide candid and constructive feedback to supervisors will help to improve managerial skills and change behaviors that can be perceived as discriminatory.

## Training and mentoring

Although staff members must themselves take the primary responsibility for their career and professional development, training and mentoring can play an important role in leveling the playing field. Some departments are already experimenting with orientation and mentoring programs for new staff, as well as longer-serving staff in new positions, and I am encouraging other departments to follow their lead. Staff members are encouraged to serve as mentors at certain stages in their careers, and their supervisors should acknowledge these efforts in performance assessments. The Diversity Advisor stands ready to provide guidance in mentoring efforts at the departmental level.

We are adding the managerial aspects of diversity to the curriculum of existing management training programs, and the orientation program now includes a session on the implications of working with colleagues from diverse cultures. We are increasing the frequency of the seminars on diversity and crosscultural awareness, and all supervisory-level staff will be required to participate in these seminars over the next several years. We are also giving greater emphasis to management training for lower-level supervisors who manage a large number of staff.

Many staff, and in particular those whose native language is not English, feel they are at a disadvantage in an organization that places a high value on the ability to communicate effectively in English. To address this, the Fund will require all new staff whose English skills need further improvement to participate in a training course in oral and written English communications during their first two years in the Fund.

The employment of editors to help improve working drafts will remain at the discretion of departments, but departments who do not currently provide editorial assistance are encouraged to do so. Over time, efforts will be made to provide budgetary resources for this purpose.

## Career Development Initiatives

During the past few years, a number of best practice human resource initiatives have been introduced. Some of them, such as mentoring programs and diversity training, are known from experiences of other organizations to be particularly helpful in developing staff from different backgrounds. Others-while focusing on staff at large-incorporate elements to facilitate career development and management of staff from underrepresented groups. All the initiatives listed below foster an inclusive and productive work environment where all staff have access to resources and the opportunity to develop and leverage their diverse skills. The main initiatives were:

- Mentoring programs by the Diversity Advisor and by departments have helped new staff become acculturated to the Fund. A Fundwide program for mid-career hires has been piloted and will be implemented shortly. Mentoring programs are particularly helpful for staff from different cultural backgrounds to learn about the culture of an organization, standards of performance and both explicit and implicit norms of expected behavior, as well as for developing contacts with senior colleagues in the Fund. While the benefits of mentoring are well recognized, mentoring initiatives are not always utilized by the individuals who would gain the most from mentoring due to concerns about stigmatization or discomfort with the concept of mentoring.
- Diversity training courses were established. They have focused on increasing staff's awareness of how culture and gender can affect the work environment and have provided staff with the knowledge and skills to be able to work effectively in a diverse environment. An extensive redesign of the diversity training program is currently underway.
- Diversity pipeline reports are provided to departments for succession planning and career development purposes.
- The Annual Performance Review (APR) form was redesigned to focus on competencies required for positions. This has facilitated more standardized assessments as well as encouraged more forward-looking career and development planning. Studies showed that free-text assessments not linked to competencies or position requirements were often vague and tended to result in biased assessments.
- The form and guidelines for the monitoring of staff on fixed-term appointments were revised to ensure the setting of clear performance standards against which candid and structured feedback was to be provided. Given that staff are hired from different backgrounds, this initiative was considered critical to ensuring that new staff were made aware of performance standards and received feedback early in their career.
- Policies on promotions and appointments (senior and A level) were reviewed for clarity, transparency, and rationalization, and issued as Staff Bulletins (Staff Bulletin N ${ }^{\circ} 02 / 17$, 09/12/2002 and Staff Bulletin $\mathrm{N}^{\circ}$ 03/03, 2/11/2003).
- The management development curriculum has been expanded to ensure that supervisors are fully equipped to manage, develop, and leverage the potential of their diverse staff. New courses
include giving and receiving feedback, conflict management, and mission and division management. Coaching is provided to new managers and coaching skills training is provided to all staff in managerial roles to equip managers with this important skill.
- Instruments have been put into place to assess the effectiveness of managers on mission and at headquarters-the Subordinate Assessment of Managers, Senior Personnel Managers, and Directors, and post mission debriefings. In addition, the Online Feedback Exercise is used to provide objective feedback from multiple sources (boss, peers, subordinates) for staff in grades A14 and below who have formal or informal supervisory roles. All these instruments include questions relating to the respectful treatment of staff from different cultures and background.
- Another instrument, the Management Development Center (MDC), based on the assessment center methodology is used to assess competencies of potential managers by the Review Committee in its promotion decisions. Participants are provided feedback on strengths and development needs and supported in implementing their development plans.
- A career guide for economists, the Economist Development Guide, was issued in 2001. It sets out the requirements for progression to more senior positions, and the type of assignments and training that help economists build the portfolio of competencies necessary for success in the institution. Similar guides are planned for the specialized career streams.
- Programs such as the Short-Term External Assignment Program and the Temporary Assignment Program enable staff to acquire diverse experiences and skills that the institution needs and facilitate career development of staff.
- In 2001, HRD was reorganized to provide more support to departments through Business Advisor teams (senior HRD staff together with Human Resources Officers). In addition, the positions of Assistant to the Senior Personnel Manager and Office Managers were created in departments to provide HR support. The Human Resources Center provides a one-stop shop for staff to clarify questions on policy.
- Transparency of policies: Information about HR policies is now available electronically to all staff through Employee Self-Service. To ensure full knowledge and understanding among all staff, HRD is giving priority to improving the clarity and transparency of the Fund's human resources policies by issuing new guidelines, revised Staff Bulletins and GAOs, as well as completely overhauling its website this year.


## Profile of Fund Economists

## Hiring Mechanism

- Hired as EPs- 39 percent
- Hired as experienced economists-61 percent


## Academic Background

- Doctorate-62 percent
- Master's level degree-36 percent
- Advanced degree in a field other than economics- 14 percent
- Advanced degree in political sciences-1 percent
- Highest degree received from North America-59 percent
- Highest degree received from Europe- 36 percent (of which 14 percent from U.K.)
- Highest degree received from Africa, Asia, Latin America, and Middle East-4 percent


## Work Experience of Experienced Recruits

## Type of Experience

- Public sector (central banks and ministries)-43 percent
- Academia-19 percent
- Other international organizations-18 percent
- Private financial sector- 10 percent
- Other sectors-8 percent


## Region of Prior Work Experience

- North America-44 percent
- Europe-28 percent (of which 7 percent worked in the U.K.)
- Asia-9 percent (of which 2 percent worked in Japan)
- Africa-5 percent
- Middle-East-3 percent


## Profile of Fund Specialized Career Streams

## Hiring Mechanism

- Hired as entry-level professionals (with less than three years of experience)- 16 percent
- Hired as experienced professionals (with three years of experience or more)- 84 percent


## Academic Background

- Doctorate-10 percent
- Master's level degree-57 percent
- Bachelor's level degree- 28 percent
- Associate's or High School-2 percent
- $\quad$ Specialized training- 3 percent
- Highest degree received from North America-68 percent
- Highest degree received from Europe-19 percent
- Highest degree received from Africa, Asia, Latin America, and Middle East-13 percent


## Region of Prior Work Experience

- $\quad$ North America-74 percent
- Other Western Hemisphere-4 percent
- Europe- 14 percent (of which 4 percent worked in the U.K.)
- Asia-5 percent
- Africa-1 percent
- The Middle-East-1 percent
- Information not available-1 percent


## Recruitment of African, European Transition, and Middle Eastern Economists

## Africa

- The intake of Africans under the Economist Program has yielded an average of one hire per year in the seven-year period from 1996 to 2002. The pool of Africans graduating from economics programs relevant to the Fund from U.S. universities is extremely limited, in part because of lack of donor financing for scholarships in areas relevant to the Fund. Over half of the African nationals appointed into the EP during the past seven years have graduated from European Universities.
- $\quad$ Since 2000 (after the introduction of panel interviews), 8 percent of all mid-career economists hired have been from Africa.
- Potential issues in hiring mid-career staff include the salary. For example, the central banks of CFA franc zone countries pay higher salaries than the Fund.


## Middle East

- The intake of staff under the Economist Program has yielded about one hire per year during the last seven years ending in 2002, with the highest yields in 2000 with four appointments and 2002 with two appointments.
- Only 2 percent of all mid-career economists hired have been from the Middle East after the introduction of panel interviews in 2000. Altogether, 4 of 8 candidates who passed the panel interview were hired (of which 2 were women).
- The availability of candidates varies by country. Relatively more economists are available from Egypt, Jordan, and Lebanon but very few are available from the Gulf countries. The supply of women is limited.


## Transition economies in Europe

- The intake of staff under the Economist Program has yielded about one hire per year during the last seven years ending in 2002, with the highest yields in 2000 with four appointments and 2002 with two appointments.
- In 2001-2002, at the top universities in the United States from where the Fund recruits EPs, 5 percent of the total supply of Ph.D. candidates were from transition economies (mainly from Russia, Ukraine, and Eastern European countries).
- About 2 percent of all mid-career economists appointed since 2000 have come from transition countries in Europe (including the CIS countries), i.e., Bulgaria, Estonia, and Georgia.


## The Supply of Women Economists

The share of women in total economists finishing a Ph.D. has risen in both the United States, where the Fund recruits about half of its staff for the Economist Program, and in Europe.

In the United States, the most comprehensive statistics are compiled by the Committee on the Status of Women in the Economics Profession (CSWEP), which has been charged with this task by the American Economics Association. According to CSWEP, which collects information from 120 Ph.D.-granting economics departments in the United States, the share of women with a Ph.D. in economics has risen from 24 percent in 1993 to an average of 30 percent during 1999-2002. The Fund's recruitment effort is typically concentrated on the top 22 universities in the United States and two in Canada. In 2002, 25 percent of all Ph.D. candidates from the top 20 universities in the United States were women.

In Europe, there is no single source of information on the share of women among Ph.D. candidates. Based on information collected from four of the universities from which the Fund recruits EPs (Cambridge, London School of Economics, Sorbonne, and Warwick), women accounted for 35-40 percent of the students who finished a Ph.D. during the past few years.

The Economist Program has been highly successful in recruiting women. During the last three years (2000-2002), women accounted for 33 percent of all EP hires, compared to 28 percent during 1996-1999.

The share of women among experienced economists hired has been 22 percent since the changes in recruitment procedures in 2000, about the same share as during 1996-1999.


[^0]:    ${ }^{1}$ Managing diversity refers to planning, developing, and managing a diverse staff in all aspects of human resource policies taking into account the requirements of the individual staff members.
    ${ }^{2}$ Several major Fund studies were conducted, including Status of Women (1994), the Report of the Consultant on Discrimination (1996), and Discrimination Procedures for Review of Individual Cases (1997).

[^1]:    ${ }^{3}$ An informal survey of three Fund departments conducted in 2002 showed that 12-19 percent of staff held, or had previously held, another nationality. Two thirds to three quarters of staff with dual nationality were U.S. citizens; these staff members came mainly from developing countries. Currently, there is no Fundwide database providing such information. Working with the Staff Association Committee, HRD intends to collect on a systematic basis information on dual nationalities and in addition-through regular staff surveys (starting this year)—other information on the staff's ethnic and cultural background that would better capture the diversity picture of Fund staff. Such information collected by outside consultants will be kept strictly confidential.

[^2]:    ${ }^{4}$ The regions in this paper are defined by the countries in the area departments in the Fund. For a definition of country groups, see footnote 3 in Appendix I, Table 1. This paper focuses on staff in Grades A9 and above. A1-A8 staff are normally recruited locally except in special situations (e.g., language skill requirements). However, within the local market, efforts are made to recruit as diverse a staff as possible. Contractual employees and vendors are not included in the figures.
    ${ }^{5}$ Developments in geographical diversity have traditionally been measured in relation to the financial quotas of members (e.g., in the Annual Reports of the Diversity Advisor).

[^3]:    Source: PeopleSoft and OLAP.

[^4]:    ${ }^{6}$ See 2002 Diversity Annual Report, Table 1, on Gender Profile of Staff in International Organizations.

[^5]:    ${ }^{7}$ The Africa Scholarship Program proposes the placement of eight highly qualified African graduate students per year in a Ph.D. program in universities in Europe and North America for a period of 5 years (maximum of 40 scholars in this program). Full tuition and appropriate living allowances would be provided for a period of up to five years.

[^6]:    ${ }^{8}$ The World Bank targets a 10 percent staff share for sub-Saharan African and Caribbean nationals (proxy for staff of sub-Saharan African origin).

[^7]:    ${ }^{9}$ In 1997, the UN Commission on the Status of Women proposed that international financial institutions adopt the goal of having a critical mass of women in decision-making and management..." and proposed a level of $30-35$ percent. The World Bank has adopted a target of 30 percent for women in managerial positions and 45 percent for the pipeline of women.

[^8]:    ${ }^{10}$ Except recruitment guided by the Fund's centralized efforts, such as the Economist Program.

[^9]:    Source: PeopleSoft
    ${ }^{1}$ The countries in each continent are based on the area department groupings.

