

*executive committee of
the directing council*



PAN AMERICAN
SANITARY
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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Topic 4: PROPOSED NEW CONDITIONS OF EMPLOYMENT

The Directing Council of the Pan American Sanitary Organization at its IX Meeting (Antigua 1956), resolved inter alia in Resolution XVII:

"1. To recommend to the Executive Board of the World Health Organization that in the event the United Nations fail to authorize a more favorable and a single system of salaries, allowances, and benefits for all staff in all programs, it invoke its authority under Staff Regulation 3.2 so as to permit 'any deviations from the United Nations scales of salaries and allowances which may be necessary for the requirements of the World Health Organization.'

2. To authorize the Executive Committee at its 30th Meeting to appoint a subcommittee of three members who, in collaboration with the Director of the Bureau, will review the action taken by the United Nations Assembly; to authorize the subcommittee, in the event the United Nations fail to authorize a single system of salaries, allowances, and benefits for all staff in all programs, and the World Health Organization Executive Board does not authorize such a system of employment, to take such steps as are necessary to effect a single set of conditions of employment for both regular and project staff."

The adoption early in 1957 of a number of changes in the Staff Rules, as approved by the United Nations General Assembly and the Executive Board of the World Health Organization, resulted in reconciliation of the conditions of employment for regular and project staff in the field but, as applied, resulted in some new differences between headquarters and field stations. Additional problems still existing in the Western Hemisphere were brought to the attention of the Tenth World Health Assembly (1957), which approved Resolution WHA10.49 as follows:

"Considering,

- (1) that since 1949 the Pan American Sanitary Organization has adopted essentially the staff regulations relating to salaries, allowances and benefits of the World Health Organization, in order to assure uniformity of conditions of employment for the combined staffs of the Pan American Sanitary Bureau/World Health Organization;
- (2) that full realization of efforts to establish uniform and equitable conditions of appointment for the staff of World Health Organization/Pan American Sanitary Bureau has not been achieved;
- (3) that the present complicated system of multiple allowances presents a very difficult administrative problem;
- (4) that although the complicated group of allowances may, in certain cases, provide adequate remuneration, these allowances fail to attract to the Organization the young public health officer who should become the career officer of the Organization in the future;
- (5) that the base remuneration for positions requiring a high degree of technical training and proficiency renders more difficult the recruitment of medical public health workers; and
- (6) that the Directing Council of the Pan American Sanitary Organization (which serves as Regional Committee of the World Health Organization for the Americas) at its session in 1956 adopted a resolution which provides, inter alia, that 'in the event the United Nations fail to authorize a single system of salaries, allowances, and benefits for all staff in all programs, and the World Health Organization Executive Board does not authorize such a system of employment, to take such steps as are necessary to effect a single set of conditions of employment for both regular and project staff';
 1. RESOLVES that the question of salaries, allowances and benefits for the staff of the Region of the Americas be referred to the Executive Board, with authority to make recommendations to the World Health Assembly with respect to the means of correcting the outstanding difficulties cited; and
 2. REQUESTS that the Executive Board consult with the Directing Council of the Pan American Sanitary Organization regarding suitable staff regulations on salaries and allowances adapted to the needs of international health organizations."

The Director has the honor to present the following report on this matter for consideration by the Executive Committee,

Background

During the last eight and a half years in which the Pan American Sanitary Bureau has served as the Regional Office of the World Health Organization in the Americas, much progress has been made in defining the roles of an international health agency. Organizational relationships have been clarified and a degree of stability has been reached with respect to plans, budgets, and major programs of both agencies. Programs of consultation and assistance which were initiated in certain fields on a trial basis have proven their value and are now accepted as a continuing responsibility of these organizations.

The present system of personnel administration in the Pan American Sanitary Bureau came into being in 1949, following the signature of the Agreement between the Pan American Sanitary Organization and the World Health Organization, under which the Pan American Sanitary Bureau serves as the Regional Office of the World Health Organization. This personnel system was officially adopted by the Directing Council of the Pan American Sanitary Organization at its III Meeting in 1949. The Staff Rules have been amended periodically to maintain general conformity with those of the World Health Organization. As early as 1953 major difficulties developed when a number of different entitlements and allowances were adopted for project personnel, following the decisions of the United Nations Technical Assistance Board.

These allowances were originally designed to offset the advantages of a long-term appointment (pension fund participation, repatriation grant, transportation of household effects, etc.) with certain allowances and benefits (project service allowance, dependents' allowance, and field equipment allowance) payable to the short-term project staff. In the rapidly expanding programs of the Pan American Sanitary Bureau/World Health Organization, however, it became necessary to assign regular staff to projects. The receipt by such staff of the rights and privileges of both regular and project staff resulted in a series of disparities in conditions of employment.

First, those regular staff members assigned to projects, in the same locality as regular PASB/WHO staff assigned to established offices, were receiving an average of \$1,500 more per year for jobs graded at the same level.

Second, when it became necessary to reassign some of the regular staff on projects to posts in established offices, they, quite naturally, objected to taking an average loss of \$1,500 per year.

Third, project personnel who held only project staff appointments felt they were being discriminated against, as they were not granted the benefits and allowances (pension fund participation, transportation of household effects, repatriation grant, etc.) held by regular staff on projects.

The injustice of double allowances to some but not all of the field staff inevitably led to a severe degeneration of morale, reduced the flexibility of staff by impeding movement between project and established posts, and complicated administration of pay and other personnel actions.

While negotiations with the World Health Organization on conditions of employment of project and regular staff members were in process, it became obvious to the officials of the Pan American Sanitary Bureau that many other elements of the personnel system were in need of improvement and simplification. It was hoped that the United Nations Salary Review Committee, which had been authorized to examine the entire United Nations system of salaries, allowances, and benefits would produce a major revision and simplification of the system. Accordingly, in November 1955, the Director of the Pan American Sanitary Bureau presented to the Director-General of the World Health Organization a complete evaluation of the existing conditions of employment, with detailed recommendations for a major revision of the system. The most important suggestions made were: establishment of a career service, reconciliation of conditions of employment, increase in salary, and simplification of the entire system.

Although the report of the Review Committee and the final action of the United Nations and World Health Organization governing bodies produced a number of changes in the personnel system and some improvements, the result was far short of the Director's concept of what is required as an effective personnel system for an international health organization.

The personnel system for any organization must serve the particular mission of that organization. Experience has shown that a single personnel system rigidly adhered to cannot serve equally well the needs of widely differing international agencies. The policy of the World Health Organization (Staff Regulation 3.2) very wisely provides for variations, when necessary, from the common system. A similar principle was stated by the Salary Review Committee of 1956, when it declared that the common system "need not be applied with such rigid uniformity that an organization can never deviate from it, even if there is no other solution to its own particular staffing problems."

In 1956, deviations from the common system by the specialized agencies of the United Nations ranged from completely separate systems, on the part of the World Bank and the International Monetary Fund, to a multitude of variations by one or more agencies on such matters as grade structure, staff assessment plans, dependents' allowances, education grants, leave, installation allowances, cost-of-living adjustments, etc.

It is essential that any reappraisal of the conditions of employment must consider the fact that an international health agency has needs which are different from those of other international agencies. On the basis of eight years of experience in operation under the United Nations common system of conditions of employment, the Pan American Sanitary Bureau is convinced that a new system of personnel administration is required for international health agencies carrying on continuing programs of professional consultation to governments and scientific investigations.

1. Recruitment and Tenure

A major weakness in the staffing of Pan American Sanitary Bureau and World Health Organization programs at the present time is the practice of making many appointments, particularly in the field, on a limited-term basis. This results in excessive turnover and unduly costly training programs for new employees.

The Director believes that the Pan American Sanitary Bureau/World Health Organization has reached a degree of development and maturity that justifies the establishment of a permanent core staff for basic headquarters and field operations. This permanent staff, while providing the backbone of continuing program operations, would be supplemented by senior professional and scientific specialists seconded from governmental health services, universities, and research institutions.

The World Health Organization has recently begun the granting of career service appointments to certain of its professional staff. The Pan American Sanitary Bureau has for many years had a policy of making career appointments, which has enabled it to establish a permanent core staff for those activities financed by Pan American Sanitary Organization funds. By establishing a career service, the Organization would provide to its employees a measure of security and tenure which would be of immeasurable value in the recruitment and retention of well-qualified physicians, engineers, nurses, and other professionals who would be attracted to a career in international public health. It would eliminate the present discriminatory system of classing most project workers as temporary employees. Field activity is not a temporary appendage to the work of the international health agencies; it is the principal activity of the Pan American Sanitary Bureau and World Health Organization.

A substantial body of career service employees would have the advantage of providing a greater degree of flexibility. This would facilitate the easy interchange of staff between field operations and established stations of the Organization. Staff members would no longer think of their employment as an assignment to only one project, but would expect over a period of time to serve on a variety of projects as well as in some of the established offices. This variety of experience for each staff member would also represent opportunity for growth, development, and a broader understanding of the work and problems of the Organization.

2. Inadequacy of Basic Salaries

The most important contribution of international health agencies is the competence and experience of its professional and scientific consultants who are responsible for advising and assisting governments in the development of their health services. In order to fulfill this primary responsibility, the international health agencies must be able to employ the highest competence available in the world. There is abundant evidence that salary rates in international health agencies are no longer adequate for recruitment of professional and technical specialists of high competence.

From 1950 to date, there has been a significant increase in salaries paid public health workers in most of the countries in the Western Hemisphere. The United States International Cooperation Administration is currently recruiting public health physicians for international assignments at salaries which, at most posts in Latin America, average over \$4,000 more than those offered by the Pan American Sanitary Bureau/World Health Organization for comparable positions.^{1/}

It is most imperative that there be a realistic reappraisal of the basic salary scale in the Pan American Sanitary Bureau/World Health Organization to make possible the recruitment of professional health workers of the required high competence.

3. Adjusting Differences in Real Income

In order to maintain the principle of equal pay for equal work, it is necessary to maintain parity of real income of internationally recruited staff in accordance with the cost of living of the place of assignment. The United Nations Salary Review Committee of 1956 noted

^{1/} This statement is based on comparing entrance salary and allowances paid an ICA Grade 4 with a PASB P-4, assuming employee has wife and one child and adjusting for U.S. income tax.

certain difficulties of administration but recommended the continuation of the present United Nations cost-of-living adjustment system with a strengthening of the statistical staff to improve the speed and accuracy of the adjustments. It is believed that this is a sound recommendation which should be implemented as soon as possible. It becomes even more urgent with the expansion of coverage to include project personnel assigned to many stations not now covered by the post adjustment system.^{1/}

4. Family Allowances

The Director believes that the principle of equal pay for equal work should govern compensation paid professional staff of international health agencies. The present complicated system of allowances for dependents, for children, and for the education of children, including travel, defeats this basic principle, is productive of employee misunderstandings and grievances, and is time-consuming and burdensome to administer. These are responsibilities which should be assumed by individual staff members. It is the obligation of the Organization, however, to provide a salary sufficient to permit the staff member to discharge these responsibilities as head of a family.

In addition, the allowance system tends to confuse the real problem, which is the need for a salary scale sufficiently high to make possible the recruitment of staff of the highest competence from any country in the world. This principle was stated very effectively in 1949 in the report of the United Nations Committee of Experts on Salary, Allowances, and Leave Systems which referred to "...the basic principle of having a salary scale for international officials adequate in itself to attract and retain the best people available without the added doubtful inducement of various supplementary emoluments the net effect of which is to complicate and confuse."

Innumerable problems of definition and equitable application of rules occur in implementing any system of family allowances. Many sessions of expert committees have devoted much time to defining dependency and establishing standards for administering the education grant. The results still leave much to be desired both in terms of equity and administrative simplicity.

^{1/} The related problem of "minus post adjustments" was presented to the 31st Meeting of the Executive Committee, which authorized the Pan American Sanitary Bureau to continue the policy of non-implementation of such adjustments. The Director believes that reductions in post adjustments are practical and acceptable only when used to change plus adjustments previously made, but that the basic salary of the employee should not be permitted to fall below the established salary schedule levels for the appropriate grade and step.

5. Pensions

An organization which expects to carry on programs of strictly limited duration and employ temporary, fixed-term staff has relatively little need to emphasize adequate pensions for its staff members. On the other hand, an organization which conceives of its program as a continuing one requiring the stability of a permanent career staff requires a complete and adequate pension system as one of the essential elements in the recruitment and retention of permanent staff members. Aside from the need to provide adequately for retired staff members, such an organization cannot afford to be less liberal in the matter of pensions than the principal agencies and organizations with which it is competing for personnel.

The major deficiency in the United Nations pension system is the fact that annuities are based on net salary and not on total compensation received, as is the case in most other systems. This problem was recognized by the heads of the specialized agencies in their joint statement on the report of the Salary Review Committee and it was recommended that further consideration be given to improving the Joint Staff Pension system.

Principles

In view of the foregoing, the Director believes that a new system of personnel administration for the international health agencies is urgently needed. The following statement of principles is recommended as a guide for the development of a new set of staff rules.

1. Development of a true career service, with selection of staff on a merit basis and with security of tenure for permanent appointees to the core staff, subject only to satisfactory service.
2. Classification of all posts in accordance with responsibilities and duties.
3. Development of a compensation plan based on the principle of equal pay for equal work.
4. Elimination of non-pensionable, peripheral allowances.
5. Establishment of a pension system based on total compensation.
6. Development of an in-service training program to provide for educational and experience opportunities.
7. Development of a plan for rotation of senior staff members between the international agencies and governmental, academic, and research institutions.

In view of the foregoing, the Executive Committee may wish to consider the following resolution:

Proposed Resolution

The Executive Committee,

Considering that, in order to assure uniformity of conditions of employment, the Pan American Sanitary Bureau has, since 1949, adopted essentially the staff regulations of the World Health Organization;

Considering that full realization of efforts to establish uniform and equitable conditions of employment for staff of the international health agencies has not been achieved;

Considering that present conditions of employment fail to attract young health workers who should become career officers of the Organization;

Having studied the report of the Director on this matter, including the statement of basic principles for the development of improved conditions of employment for international public health workers (Document CE32/3),

RESOLVES:

1. To recommend to the Directing Council that it approve the statement of principles contained in Document CE32/3 as a guide to the development of an improved system of personnel administration for international health agencies.

2. To recommend to the Directing Council that it authorize the Executive Committee to negotiate with the Executive Board of the World Health Organization for the acceptance of these principles and their implementation through the adoption of revised Staff Regulations and Rules based thereon.