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The Business Rationale for Retiree Consultants:Retirees' Perspectives

More than 300 members have written or called the 1818 Society to comment on management's announced restrictions on the use of retirees as short-term consultants. From among the wide range of issues and reactions expressed in these messages, we have selected some that deal with one particular point: the business advantages to the Bank of retirees serving as consultants. It is important that management reflect on these advantages before implementing the planned one year prohibition on employing most existing and all potential retiree consultants.

The comments are arranged around four main themes: retirees' special expertise, the cost-effectiveness of using short-term- consultants; better ways to encourage succession planning, and managers' accountability for delivering results.

➤ Special expertise

- “It is ironic that I, a retiree STC, am functioning as Acting Operations Adviser in [a Country] Office because the Bank after three rounds of advertising and formal interview/selection process has not been able to find a qualified/experienced candidate! The person who performs this role for [another] CMU is also a Bank retiree.”
- “The new policy eliminates a very valuable resource for TMs in carrying out their assigned tasks. As a TM, I used a number of retiree STCs and found them better than almost all other consultants. They usually know the country, the Bank and what the Bank wants better than normal consultants, and they also come with the status of “grey hair” and work for the Bank, which is often highly regarded by counterparts. These aspects are not something that can be replaced.”
- “The Bank has many relatively new staff, especially in the country offices, who are expected to be TTLs quickly. As senior Bank staff are overstretched, the mentoring and guidance that was routinely provided to new staff in the past is seriously lacking - Retirees are well placed to provide such mentoring by being part of task teams led by relatively new, country office based national staff. In fact Managers and such TTLs regularly engage Retiree STCs to provide such hands on mentoring, in addition to making technical contributions.”
- “Retired Bank operational staff often have technical skills, knowledge about a country and strong in-country relationships that have been gleaned over many years. Such knowledge and relationships can often be very useful to new/replacement staff in the country, especially directly after the retirement of a senior Bank staff member, not a year or even six months later.”

- “I retired in... 2009 and six months later I was invited to come back due to my experience in Records management. Since then I've been working at [a] Region including country offices taking care of the Regional records, and participating in the transition from paper to electronic environment. The reason that I came back is due to the lack and shortage of Archives Specialist.”

➤ Cost-effectiveness and flexibility

- “The Bank needs (and has always used) a contingency work force to leverage its staff, with the contingency force providing on-demand expertise that the Bank needs. Retirees bring a special value added to the STC pool, as they have had hands on experience in the Bank, and therefore can hit the ground running.”
- “Bank staff are unable to meet the needs of multiple units that need their expertise, as cross-support arrangements have not been effective. Retirees are well placed to provide the limited specialized support that is often requested from them by multiple Bank units during a given fiscal year.”
- “It seems unfortunate that Bank staff will no longer be able to get a second opinion or a short note on particular issues.”
- “As STCs, operational retirees are often very cost-effective. Their pay rate is often less than the full cost to the Bank of similarly qualified Bank staff, or outside consultants who in general would not be as useful as retired Bank staff. Moreover, operational retirees as STCs can devote their full, undivided attention to a task, unlike most Bank operational staff whose attention is usually very much divided between many different Bank requirements and responsibilities.”
- “[It] will cost the Bank at least twice as much to hire fixed-term/regular staff or consultants through third -party firms, on account of benefits and overheads for the same position/grade. Where will this extra budget come from? Given the knowledge and experience, retirees produce the same volume of work faster and better, and therefore cheaper. Who will substitute for the skills and experience we bring to the job? Some people don't realize how specialized our business is even in technical fields.”
- “In a budget constrained environment, retirees cost less than half what staff does. As with all STCs, retirees are hired by managers because they meet specific needs. The retiree STC contract can be terminated at a day's notice if the retiree fails to meet expectations.”
- “Institutional know-how can be a major asset for those responsible in putting together investment operations with increasingly fewer Bank Budget dollars and more requirements, such as ORAF, and over shorter preparation times. Making use of retiree familiarity with the particular nature of the World Bank can make a great deal of difference in terms of implementation as well. In sum, with fewer resources to support operations, this is not the time to eliminate available experienced talent.”

### Fostering better succession planning

- “If special experience has been created in the WBG, it should be transferred to the next generation while these specially experienced people are still working in the WBG. And that is exactly what very often did not happen [in IFC]: I had a number of very experienced specialists and managers whom I told specifically well ahead of their retirement to make a special effort to surround themselves with young talent to pass on the experience. Some of them did, others did not, and it was the latter groups which after retirement were promoted by some senior managers to be hired as consultants. I steadfastly refused to do this, and the IFC still survived reasonably well.”
- “The Bank should also have incentives for being good mentors - a bonus for those nearing retirement - call it a boost to the 3-year salary average used as basis for our pensions....In the early days (referring to early 70s) we all were mentored and our careers were developed by well-meaning managers who transferred their knowledge to us in the main interest of having a World Bank that served the world. The staff now should have lessons on how to be a multilateral civil servant - working at the WB and its sister institutions to make a better world instead of nurturing this self-serving idea of the revolving door. Transfer of knowledge is very important and that is the challenge not only to the managers at all levels but to each and every staff member.”
- “If the idea behind the new policy is that managers should ensure overlap time between retiring and new staff, that will require increased operational budget for a given task, which I understand is not currently contemplated under the new rule. And overlapping old and new staff would in general be substantially more expensive for the Bank than simply using STC retirees for the same purpose.”
- “[A] stated reason for the decision is that managers don't plan for transition creating a "revolving door". My suggestion: highlight this factor in the manager's OPEs instead; to get it done properly (if it is a problem) and/or institute what I understand is the policy at IFC that contracting of a retiree requires approval by a Director.”
- “If the concern is...to encourage proper succession planning, it would be enough to institute a 6 month period for new retirees that applied to their last work unit or Vice-Presidency.”
- “The number of cases where staff is hired as an STC in retirement to do her former structured job (instead of the position being filled by staff through good succession planning) is probably extremely limited. It would be much easier to address such abuses through simple HR rules prohibiting such practice. A cooling off period for all retirees to address such issues appears to be unnecessary overkill.”

- “The ‘revolving door’ concept (in the US at least) usually refers to people who leave the government to take a higher paying job outside based on their government experience. That is not the case with Bank retirees. Most retirees I have known work as STCs simply to help the TM and/or the Bank. The standard revolving door concept does not fit in the case of Bank retiree STCs.”

➤ Managers’ accountability for delivering results

- “Sector, country managers, and task team leaders should be given discretion in deciding to or not to hire, a retiree, taking into account a World Bank management policy in favor of reducing the number of retirees over time, to make room for others.”
- “As the workload will not change as a result of this decision, the Bank will need the same number of people to deliver this program. Eliminating some retired staff from providing the necessary support will require task managers to find other consultants....Is the objective to replace retired bank staff, whose knowledge, experience and commitment is well known to the task manger, by a set of other consultants that task managers did not chose in the first place?”
- “Management [under the proposed policy] is telling TMs (and TTLs) who they can and cannot hire, rather than leaving that decision to the TMs based on what skills and experience they think are needed to complete the task efficiently. This makes management responsible for the performance of the TMs in completing their assigned tasks, which seems to violate one of the cardinal accountability principles of good management. It also is a roadblock for efficient task management by TMs, a roadblock put in place by Bank management itself.”
- “The policy penalizes managers who implemented the Fixed Cost Ratio and reduced their staff. There are certain skills that are completely internal to the Bank and take years to master -- the current policy has completely blindsided managers in how they will deliver without this pool of staff who cannot easily be replaced.”
- “If the core problem is that junior staff are employing STC retirees to do their work, that is a management problem and should be addressed at the management level, not by an action which makes it more difficult for operational staff to carry out their tasks and which may affect the Bank’s performance adversely.”
- “My manager has told me that if I am forced to leave, the function I perform would be abolished because she does not have the resources to continue the work I do. I suspect other managers are facing the same challenge.”