From 9 a.m. on, there would meetings with sector staff doing projects in the region, with CDs or country managers who were in the HQ, with human resources people on the regional strategic assignments, with bilateral donors, and with NGOs. In some regions, government officials from donor as well as client countries can demand meetings and briefings. RVPs also spend time with EDs, especially those representing the countries in the region, outside the Board meetings to exchange information and build trust. Sometimes they have lunch with other VPs. 'It is hard for you, as a VP, to understand what other VPs are doing in other places' unless special efforts are made. It is easy to be enclosed in silos. When the president does not take the lead, some VPs informally meet to exchange information, discuss common concerns, and plan for strategic deployments.

The Staff and Their Organizational Culture

In one sense, the Bank is an institution where 'ideas are freely and fiercely debated.' 'Yes-men do not climb high in this hierarchical institution,' neither would they be respected by their colleagues (Zhang 2006:244). In another sense, "speaking truth to power" is as serious an issue for the Bank staff as for domestic civil servants. Staff are delegated considerable trust and discretion, but they are under constant criticism and scrutiny by their peers and supervisors, described once as "slash and burn" to reflect the cut and parry of internal criticism (Marshall 2008:82).

Trust and Discretion

"The World Bank, for all its flaws, was the product of the best minds in development," commented Mallaby (2004:171). The best way to allow these minds their maximum potential, the management recognizes, is to follow the principle of "trust them, rely on them and mobilise them" (Zhang 2006:80). The Bank could not be run hierarchically even though it has a hierarchical structure. Its operation remains quite flat, with constant interaction between the staff and senior management.

Compared with other international organizations, the Bank offers broad scope for its staff to take initiatives. People with new ideas can share and discuss them with their colleagues and supervisors and are expected to "sell" their ideas to the directors or VPs. Their ideas can

be picked up by the president or the management and then become formal policies. Many at the Bank comment, 'We are encouraged to come up with ideas and have the freedom to sell our dreams.' Good managers, from the president to the VPs or the directors, know how to channel their energy and the intellectual curiosity of their staff. 'The president handed me a check of $500 million and said, fix it and come up with some ideas.' This is even true with the staff at the lower level of the bureaucratic ladder: 'This is your envelope and your budget; try to find the best way to do it.' Idiosyncrasy is not seen as a problem. This description contradicts the popular image of a common set of policies pushed from the president to the management to the Bank staff, from the research to operations and where opposition is not tolerated.

'When I graduated from the YP program,' one director recalled, 'I was assigned to MENA and I had a great boss, who asked me to be the team manager for a $150 million project in Tunisia. "We will train you," he said, and this was how I learned.' A senior official remembered the days when they wanted China to join the Bank: "In 1979, there were indications that China was exploring the possibilities of "joining" the Bretton Woods institutions. Those of us in the Bank working then on Vietnam were finding excuses to make stopovers in Beijing" (Lim 2005:101). Another director in East Asian added,

> Then China offered us 60 visas, and it wanted "money" people and wanted to know how the Bank worked. We went to China for a month and conducted it like a normal Bank mission. We discussed many concepts that had not been used or known in China. This happened even before McNamara knew it, and it eventually led to the invitation from the Chinese government for McNamara to visit China in April 1980.

In a large and complex institution like the Bank, delegation, formal or informal, of authority signifies the trust the management has in its staff. It is not merely a matter of management style. Shengman used to joke about how "I worked my way up, not to come up to work" (Zhang 2006:223); he delegated responsibilities to VPs so that he could handle the issues he thought strategic for the Bank. As one former VP explained, 'We were supposed to meet once a week. If there was nothing to alarm him, I would just go in and crack a joke and leave in 3 minutes. He let us manage the regional programs and everything coming with them.' Paradoxically, many senior people argued that 'Shengman is an effective operator and a hands-on manager.' Many we interviewed regarded these as the criteria for a good boss—one who delegates but can also be a hands-on manager. One CD described his time at a sensitive place:

> He (the VP) let me alone, which is what I like in a boss. He was very supportive, but he let me run the show, even though it was quite a sensitive post and so inevitably attracted various kinds of flack, particularly when you spoke very much in public, and I did a lot of that. He came to my country a number of times, but he did basically what you would want from a boss: first of all, he was somebody I could go to with something I needed doing; he would be very thoughtful and quite often disagreed with me, which was usually the reason I was uncertain about how I should handle it. He did not otherwise interfere unless he was really worried that I was doing something that was not smart, and a couple of times his advice was really good on this.

Several VPs are known to delegate as well as for being hands-on management. One of them described his relationship with the RVP when he was a CD some years earlier: 'My VP had a certain amount of trust and respect for what I was doing, so he gave me a lot of freedom and there were situations in which I would need to ask him for his views when things were difficult.' This repeated message highlighted one key feature of the Bank culture: trust/discretion and responsibility/accountability come together.

Wolfowitz, according to everyone we interviewed, did not trust anyone except his two 'attack dogs.' He would send them to the field to find out what the people were doing without informing either the RVP or the CDs: 'I knew his assistant told this person in one of my countries what to do when bypassing me,' recalled one CD. 'I then picked up the phone and called him. I told him I did not care what they told him, but he should keep me informed in what he was doing in the field.' Lack of trust created further suspicion and animosity. When trust is lacking, confidence in management collapses.

Institutional Memory

The institutional memory is lodged with the staff. They know what was done in the past, what worked, and what did not. An incoming president, always new to the Bank, relies on experience. VPs, new to a region or a sector, may know little of the countries in the region or the different aspects of the network. They rely on long-serving staff for information and knowledge. The Board has even higher dependence on the staff when EDs rotate every two years or so. That is the continuing nature of bureaucracy: aware of the past, conscious of the present, and hopeful for the future. Institutional memory relates to both knowledge and connections. The international staff will move regularly; internal rules require that postings are for three to five years and, very occasionally, seven. Most senior staff have long memories and experience; they will have worked across more than one region and in more than one area of responsibility. They bring knowledge of what was done elsewhere, knowledge that is one of the Bank's principal comparative advantages.

A second reservoir of institutional memory stores connections in client governments, on who is most inclined to work with the Bank. Often locally employed staff will act the conduits of memory and serve as a vital connecting link (see Chapter 5).

Of course institutional continuity and memory can create problems too. Bitter experience produces cynicism and skepticism, an unwillingness to consider new methods, and a conservatism that sees new proposals as a challenge to past competence and credibility. Standard operating procedures can outlast their usefulness; there were complaints that a 'loan mentality' continued after the emphases had moved to more flexible approaches. Presidents may seek to introduce new blood to shake up the attitudes, but they will have to deal with a phalanx of staff who will explain why new methods will not work. The long service of locally recruited staff can occasionally make it difficult for some CDs.

Further, institutional memory may be easily hollowed out. If the 1970s were the years of the engineers who developed roads, dams, and electricity networks, the 1980s was the decade of the economists. By the end of the 1990s, many of the engineers had gone. In about five years (1998–2003), the infrastructure network suffered serious declines in staff (30 percent) as well as skills (HR 2004). When the Bank wanted to revive lending in infrastructure, it found that much of its institutional memory had been lost. High turnover led to a loss of experience. A review noted that 30 percent of the task team leaders had less that three years experience in the Bank (Task Force 2005:8).

Institutional memory and established procedures, whether beneficial or constraining, must always be taken into account in assessing opportunities for staff. Tradition is invariably contested, but still provides a firm basis from which to start a debate.

Frank and Fearless

'Speaking truth to power' is a difficult issue for all civil servants, domestic or international. In the earlier years, the Bank staff, still relatively small, had a collegial environment. As the institution expanded, it gained the characteristics of all bureaucracies. While the Bank staff have 'tremendous freedom' to argue the case with their supervisors and colleagues, they are expected to follow the rules, procedures, and norms. Open opposition to Bank policies outside its walls is not welcomed. They joined an institution, argued a VP. When criticism of the Bank, or rather the IMF and the Bank (critics often do not distinguish between them), over structural adjustment programs in the 1980s and the 1990s attracted public attention, some Bank staff shared the views. How to deal with internal opposition was the question. In 2001, for example, two Bank staff were sent on leave without pay, charged with publishing opinion pieces without permission. As a consequence, the Staff Association held an extensive discussion on the issue of internal opposition or, as some put it, of 'mixing truth and power' and 'thought policy.' Such public cases are still exceptional.

There is always the issue of truth and power. The operation staff, at whatever level, have multiple 'masters'—they are accountable to their supervisors as well as the client countries. The question is, to what extent should the Bank staff, especially RVPs or CDs, take the interests of their client countries as seriously as those of the Bank president or the management, especially when the president's beliefs clash with what VPs/CDs see as the interests of the region/country? When there is trust between the president and the senior management or between the VPs and the directors, 'speaking truth to power' does not seem to be a problem.

For many, who their bosses are determines how they react. 'Our VP is very open and transparent,' people in one region commented. 'She is strategic in thinking and wants to know what we can contribute, and we can always argue with her so long as it is for the benefit of the institution and our client countries.' 'By the way,' another veteran of the Bank asked us, 'did you ask him (RVP) about his argument with a CD? The CD was so courageous in dealing with the RVP, telling him the truth without putting glosses on it for the glory of the Bank or whatever.' Fortunately this RVP was a reasonable person and indeed appreciated the directness of the CD. There were other more nervous accounts. Not all managers are reasonable or take criticism graciously. "'You could never say anything different to (Ernest) Stern or even McNamara if you wanted to keep your job at the Bank,' said one. 'Only those without spine got into the senior position under Wolfensohn,' said another. Perspectives varied.

Bank staff are protected by an open-ended contract system and the Staff Association. They can work until retirement, which is mandatory at 62. They cannot be fired unless they have committed some offence. The system is designed to protect good staff from political pressures and from unfair management. It does have its downsides. It is hard for the Bank to remove even the few who are incompetent. This clearly shapes the incentive structure for people to speak truth to power.

Initially, some presidents had "difficulty accepting the Bank's Staff Association as a representative body" (Kraske 1996:241). Now most agree the management needs staff support for smooth operation and, to forestall problems, should work closely with it. Before the 1997 reorganization, for instance, Shengman met the staff association almost every weekend to secure its support (Zhang 2006:63). In the ten years under Wolfensohn, the Staff Association gained 'a seat at the table'; an environment of mutual trust emerged. At times its support was welcomed. When Wolfensohn expressed his determination to eradicate corruption within the Bank, the Staff Association threw its support behind him, declaring that they were proud of the staff's high standards and that any instance of corruption was a cancer that undermined the health of the institution (Chronology 7–15–98; 1–16–98). It bargained with the management over salary benefits and working conditions and sought to protect staff rights and employment. After coming to the Bank, Wolfowitz broke off effective relations with the Staff Association. It became a leading critic and Wolfowitz's chief nemesis, particularly over the salary rises and promotions for his partner and his advisers.

However, the factors that discourage the staff from speaking up are sometimes more indirect, even insidious. For many the Bank is a career. They can spend 20 or 30 years there and do not want to jeopardize their prospects by speaking out too vociferously. Few individual cases are sufficiently important to persist after the first ideas are rejected. Further, 'G-4 visas [allowing Bank staff to live in the United States] are a big trap, and people fear being tossed out, so they shut up.' Their children have gone to school in the United States, their spouse may have a job there, and they have built a life over the years. If they lose Bank employment, their G-4 visa status requires them to leave the country within two months. Those that have been there 15 years or more may apply for residence, but that takes time. Leaving the Bank disrupts their life.

Does that make them timid? Some worry that people from some developing countries might be too willing to become 'yes' men. 'It does not matter that much whether I would be here in Washington, D.C., Paris at OECD, or London for the British Department of International Development (DFID),' one put it bluntly. 'It makes a world of difference if somebody has to go back to some poverty-stricken war-torn country. How can we expect them to speak to power the way we would do?' The statement may represent the view of only some. It is symptomatic of the concerns that the formal rules may protect staff, but other factors may make them less willing to push their case.

In sum, it is difficult to identify a single Bank with uniform behavior. A former senior Bank official provided a succinct description of the organizational culture of the Bank:

> Bank staff tend to complain, and exuberant, unqualified support for any person or policy is rare... [yet] the World Bank staff is made up of many remarkable people—professional, dedicated, diverse, demanding of themselves and others, hardworking, and above all to the mission of working for "a world free of poverty" (Marshall 2008:83).

Conclusions

The Bank's formal structure conceals a more complex reality. EDs do not dominate; they influence and can sometimes push the Bank toward new initiatives. Presidents have great power if they have the vision, the management skills, and the reputation to mobilize and motivate the staff. RVPs have the discretion to shape their regional strategies. The discretion granted to them depends in part on the president's interest and priorities, in part on their own bureaucratic skills. Initiatives can come from anywhere, from the management and from the staff. We cannot assume that the obvious hierarchy always works like one. That will depend on the way that the staff seize opportunities to shape the agenda. How the organization of the Bank provides those opportunities is the subject of the next four chapters.

We end with an illustration of how innovative staff members can work with a president to give shape and content to a vague idea, an illustration of the belief in the Bank, if you are creative and persistent, you can make it happen. Sam Carlson, lead education specialist, now back in the Bank, tells the story:

> *To improve education in poor countries, my wife, Linda McGinnis (who was also Bank staff), and I came up with an idea to link schools in developing countries with those in developed countries through the Internet, a kind of virtual exchange. We presented the idea to our boss at World Bank Institute (WBI). Two months earlier, President Wolfensohn had come up with a similar idea to connect a school in Wyoming to schools in Uganda. This was in 1996 when the Bank was under siege by NGOs, and Congress was threatening to cut funding for IDA. It was important for the Bank to come up with new ideas to help people in developed countries to identify with people in developing countries. Wolfensohn had asked for a briefing on his idea of linking schools between developing and developed countries, but nothing had been done. So he gave responsibility for developing his idea to WBI where, quite coincidentally, we had just proposed to our management this virtual exchange program. So, this became a 'global idea'—the World Links for Development program took off. It was exciting because we had to transform this idea into a reality with no road map, inventing and improvising to make it work. There was no conventional wisdom or research on the issue, and no manager had a view on it. We just knew Wolfensohn supported the idea. Within two years, we connected several hundred schools in 20 developing countries, in Africa, Latin America, and Asia. In fact, with support from the World Bank and trust funds from Canada, Finland, and Japan, we established the first school connectivity in Uganda, Senegal, Zimbabwe, Mauritania, Rwanda, and several other countries. This even included broadband, satellite-based school connectivity for remote Ugandan schools located far from any phone line, where our recurring problem was monkeys who kept urinating on the satellite hardware, eroding the wiring (cages around the satellite dishes finally stopped them).*
>
> *In August 1998, we briefed Wolfensohn in Wyoming, who said our program was too small, not ambitious enough. How could we scale it up? We started talking to the private sector. This was at a time when dot-com start-ups and the IPO market were at their peak. We proposed to approach venture capitalists who would offer pre-IPO stock from start-up companies to World Links, which we could sell after the IPO and convert into dollars. This was being done successfully in Silicon Valley. In other words, this was not a conventional Bank project. So we proposed to Wolfensohn that we spin off the program from the Bank and create a nonprofit organization, World Links. Our funding and work exploded; although the doc-com market crashed, and our innovative idea did not pan out, we did raise a lot of support from corporate foundations and individuals, in addition to bilateral funding. For two years I remained as Bank staff in WBI, but also headed this nonprofit organization, World Links, as its executive director, which meant I had line responsibility within WBI as a G-level staff and reported to the board of directors of World Links. This became*

increasingly untenable as the organization expanded, as if I were straddling two horses whose trajectories were diverging. I left the Bank in 2000 for three years through the Bank's Staff Exchange Program to run World Links full time.

Over the next three years the organization expanded quickly to 35 countries, covering 3,000 schools, a network of 22,000 teachers, and over one million kids. World Links was selected by the World Economic Forum as the number one program in the world, bridging the global digital divide, which increased our support from the private sector and enabled us to recruit high-value board members.

The World Bank is an institution where people can take initiatives. Do not take 'no' for an answer, at least not the first time. You ask why not and then persist if you believe in the cause.