

OFFICE OF MEDIATION ANNUAL REPORT

2017



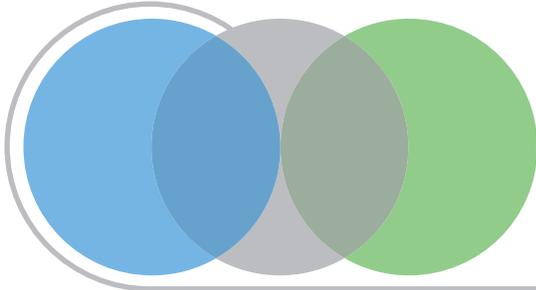
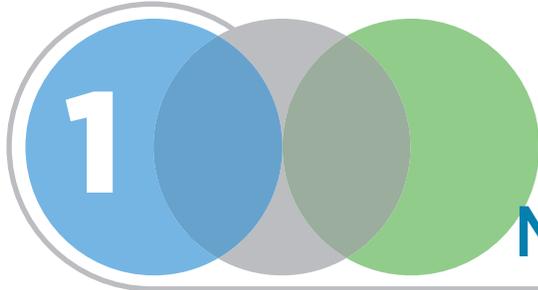


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Letter from the Mediation Secretary

I am pleased to present the **fifth annual report of the Inter-American Development Group's Office of Mediation (MDN)**.¹ Mediation was introduced in 2013 as an additional tool to strengthen the system for reviewing grievances and for addressing labor disputes at the Bank at an early stage. **The process is designed to offer the parties in conflict an opportunity to discuss and resolve their differences with the help of a mediator.** In this context, the objective of the Office is to **provide IDB Group employees² with impartial and confidential support and assistance in the resolution of labor issues and grievances.**



Since opening in 2013, the Office has generated a lot of interest among IDB Group employees and has become an important catalyst within the Bank's Conflict Resolution System. In fact, among all users of mediation services since 2013, **88% have indicated that they were satisfied with the mediation process, 89% said they would use mediation again, and 89% said they would recommend mediation to their colleagues.**

Both the large number of users of the mediation process (668) and the high percentage of agreements reached (74% of the cases) attest to the **willingness**

¹ The IDB Group includes the Inter-American Development Bank (IDB), IDB Invest, and the Multilateral Investment Fund (MIF).

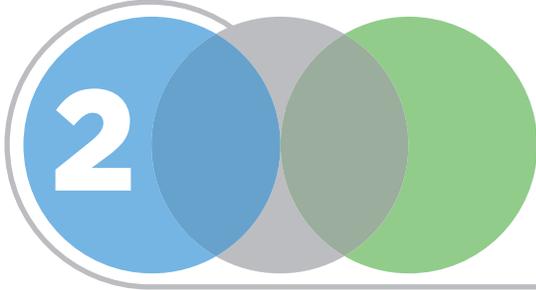
² The term "employees" is used in this document to refer to staff and contractual employees of the IDB Group.

of the parties to listen, to respect each other, and to do their best to reach common ground. I must emphasize the **transformation that I have been able to witness in labor relations among the majority of those who participate in these processes** and the **trust that is generated when they participate in an impartial and confidential process**. Mediation has allowed us to be able to provide a **safe space for proposing creative solutions and for addressing conflicts in a more direct and constructive manner**.

As we begin our sixth year of operation, our challenge is to support management and employees of the IDB Group with the goal of having them continue to use **mediation as a participatory and inclusive means of conflict resolution**, both in **preventing and in addressing conflicts at an early stage**, thus **reducing emotional and financial costs for the parties**, and contributing to a **positive work environment**.

Claudia de Colstoun,
Mediation Secretary

<http://mediation.iadb.org>



Executive Summary

This report presents the activities that were carried out by the Office of Mediation during 2017 as well as the main trends we have observed during the five years since the Office was founded. It should be noted that the report includes data corresponding to the services provided to the **IDB Group** in its entirety, including IDB Invest. Section 6 of the report covers IDB Invest in more detail.

In 2017 a total of 59 cases were handled, including consultations and formal and informal mediation processes. These cases involved a **total of 78 users**. **Agreements were reached in all mediation processes that concluded during the year.**³

In terms of types of conflict handled by the Office of Mediation, the main categories in 2017 were: *Compensation and Benefits*, accounting for 22% of all users, *Performance Evaluation* accounting for 19%, and *Termination/Non-renewal of Employment Contracts*, accounting for 14% of all users.

In terms of user satisfaction with these processes, **93% of users reported being very satisfied with the mediation process, 93% said they would use mediation again, and 93% said they would recommend mediation to their colleagues.**

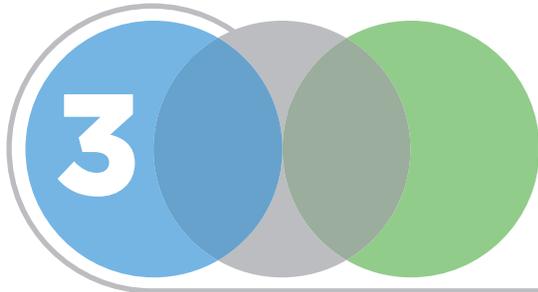
In terms of outreach efforts, in 2017 **the Office of Mediation gave in-person presentations to 509 IDB Group employees**, including **visits to three Country**

³ Included here are all the cases that were concluded in 2017, including three mediation processes that were started in 2016 and that concluded in 2017 (8 participants) and four mediation processes that started and concluded in 2017 (12 participants).

Offices, to publicize mediation services and the relevant rules and regulations. As part these presentations, we engaged in a dialogue with employees about the Bank's Integrated System for Conflict Resolution and Ethics and the role of the offices that make up that system: Office of the Ombudsperson, Office of Mediation, Human Resources Department, and the Office of Ethics.

In 2017 the Office of Mediation exceeded the goals set out in the Bank's results-based budgeting (RBB) process. As of the end of 2017, the Office of Mediation had provided services to **2.3% of all employees of the IDB Group**, exceeding the goal of 2%. Of those employees who received services from the Office of Mediation, **93% expressed their satisfaction with these services**, exceeding the goal of 75%.

During this period, the Office of Mediation **provided services to 21 employees of IDB Invest through a total of 17 cases. All these cases were with employees based at Bank headquarters and all cases concluded having reached agreements.** In terms of satisfaction of the IDB Invest users, **100% said they were satisfied with the mediation process, 75% were satisfied with the results, 100% indicated they would use mediation again, and 100% said they would recommend mediation to their colleagues.**



Services Offered by the Office of Mediation

Mediation is a **confidential conflict resolution process** in which an **impartial** third party (the Mediator) helps two or more participants better understand their issues, interests, and needs, thus enabling them to overcome their differences through **voluntary agreements**.

The use of mediation **empowers participants to successfully resolve conflicts, helps avoid the escalation** of conflict to the level of a legal dispute, and **significantly reduces the financial and emotional costs** for all parties involved. At the same time, mediation is an **effective communication tool** that contributes to **strengthening labor relations**.

The Office of Mediation provides **four types of services: consultation, informal mediation, formal mediation, and training in mediation and conflict resolution**. All mediation processes are conducted in accordance with the stipulations outlined in the respective Staff Rules: [PE-323/PN-1.03](#) Labor Relations and Conflict Resolution Mechanisms, *PE-323-2 / PN-1.03-2 for Informal Mediation and PE-323-3/PN-1.03-3 for Internal Grievance Review and Formal Mediation*. In the case of IDB Invest, the rules are outlined in the [Conflict Resolution System](#).

A *consultation* is when one or both parties meet with the Mediation Secretary to explain their situation and to learn more about how mediation could help them resolve their dispute. Based on this information, the user can choose which process to follow. In some cases, a consultation leads to a specific mediation process, while in others the process may end with the consultation. A case may also be referred, with the consent of the user, to another area of the Bank.⁴

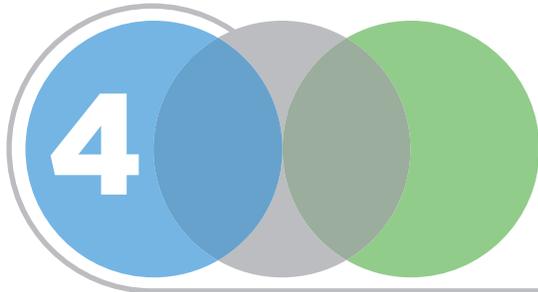
⁴ Areas of the Bank that the Office of Mediation can make referrals to include the Human Resources Department, the Office of the Ombudsperson, and the Office of Ethics.

Informal mediation processes are designed to address cases involving labor issues in general. Their range of application is very broad, including behavior issues between colleagues all the way to discussions around issues which potentially violate an employee's terms and conditions of employment with the IDB Group. These processes can be conducted by internal or external mediators, depending on the preference of the participants. If the parties decide to use the services of an external mediator, the Office of Mediation provides the parties involved with the CVs of several mediators from which they can choose.⁵

Formal mediation processes are used exclusively to address labor grievances related to breach of contract of employment with the Bank, or of the terms and conditions of employment, that could not be resolved through the process of Internal Grievance Review. In other words, to initiate a formal mediation process the involved party must have first gone through their immediate supervisor, or their next-in-line supervisor, and through the Human Resources Department's Manager in the case of the IDB, or in the case of IDB Invest of the Division Chief, Controllership. In addition, formal mediation must be exhausted before a Bank employee can access the services of the IDB Group's Administrative Tribunal. Unlike informal mediation processes, these formal mediation processes can only be performed by external mediators.

The Office of Mediation also provides services for the design and implementation of *Training Programs in Mediation and Conflict Resolution*. These services are offered to any Department or Office of the IDB Group that requests them, with a view toward strengthening understanding and expanding skills among Bank employees in areas such as conflict management, communication techniques, and mediation skills.

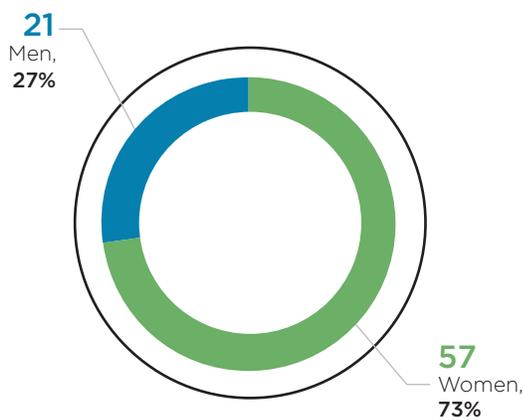
⁵ The Office of Mediation has a roster of eight External Mediators hired to perform formal and informal mediation services. These professionals have been selected based on their training and experience in mediation and their language skills, among other criteria.



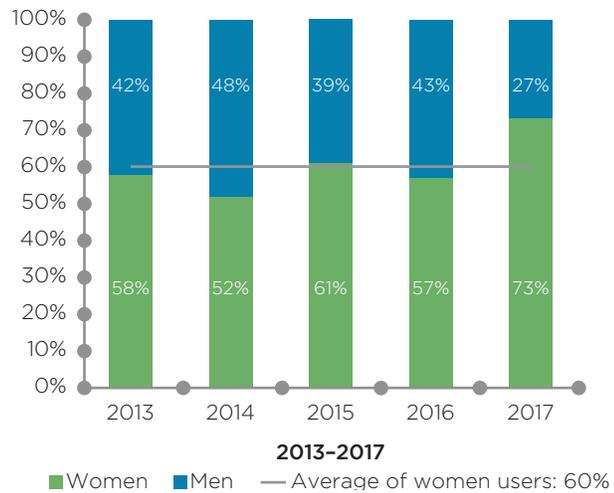
Demographic Data

In 2017, the Office of Mediation managed a total of 59 new cases involving 78 users, as follows:

Figure 1 > Users by Gender



2017

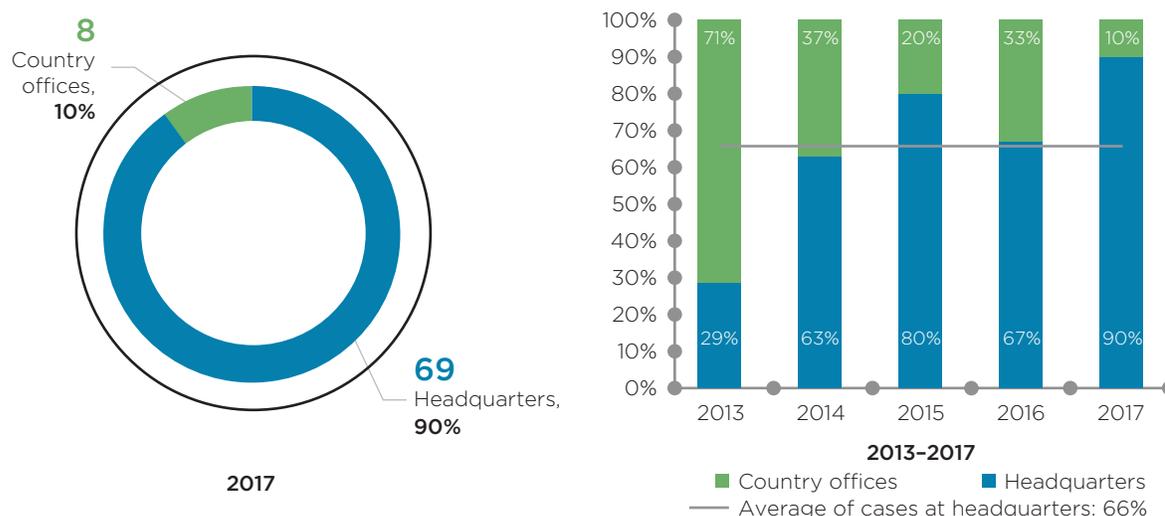


In terms of the percentage of women who have used the services of the Office of Mediation, it is worth highlighting the 28% increase experienced in 2017. In 2016, 57% of all users were women, while in 2017 that figure rose to 73%.

Between 2013 and 2017, the top three most frequent types of conflict reported by women users of the Office of Mediation were: Equity of Treatment (32%),

Compensation and Benefits (12%), and Respect in the Workplace (10%). These results were reviewed with upper management and with the Human Resources Department (HRD). HRD has developed several high impact initiatives aimed at addressing these issues as well as gender equity issues in general.⁶ The Office of Mediation will continue to analyze and report on these trends.

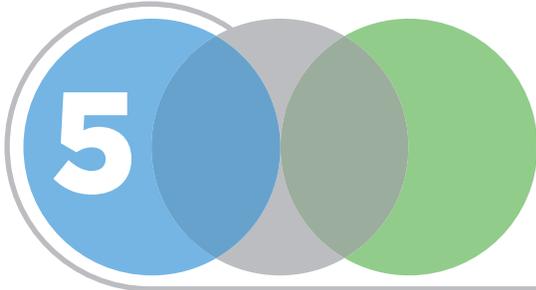
Figure 2 > **Users by Location^a**



^a These figures correspond to 657 of the 668 users who received services in conjunction with the 251 cases that took place between 2013 and 2017. There were 11 users in the category of “other” (for example, retired employees).

In terms of the analysis of the cases and the location of the users (Headquarters or Country Offices), between 2013 and 2017 the average was 66% of the cases at Headquarters and 35% in the Country Offices, which is roughly proportionate to the overall distribution of all IDB Group employees. For 2015, the percentage of users located at Headquarters increased significantly, which can be explained in part by the restructuring of the private sector windows that mainly involved employees who were based at Bank Headquarters. In 2017, the percentage of users at Headquarters was 90%, while at the Country Offices it was 10%. These results highlight the need for the Office of Mediation to improve our outreach to the Country Offices in 2018, which is something we have included among our priorities for the coming year.

⁶ Among these, it is worth highlighting the Leadership Training Program, the Emerging Women Leaders Program, and the Mentoring Program.



Results

In this section we present the main results of our work in terms of users by type of service, users by type of issue, and agreements reached.

In terms of the type of service used, it is worth mentioning that Formal Mediation was used extensively when the Office first opened in 2013, and it rose sharply again as a percentage of overall services in 2016, the year when the restructuring of the private sector windows was implemented.

Figure 3 > Users by Type of Service

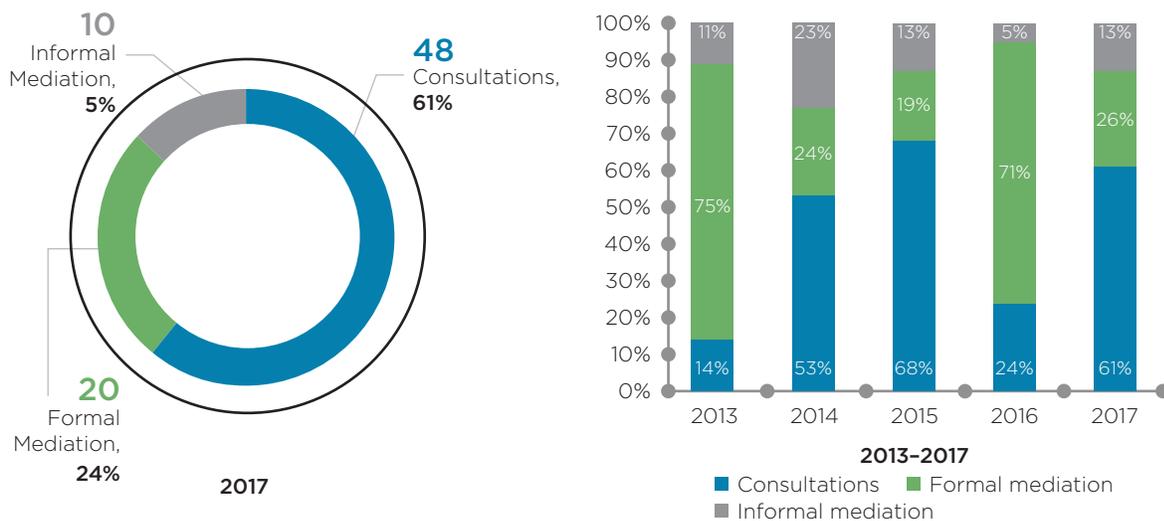
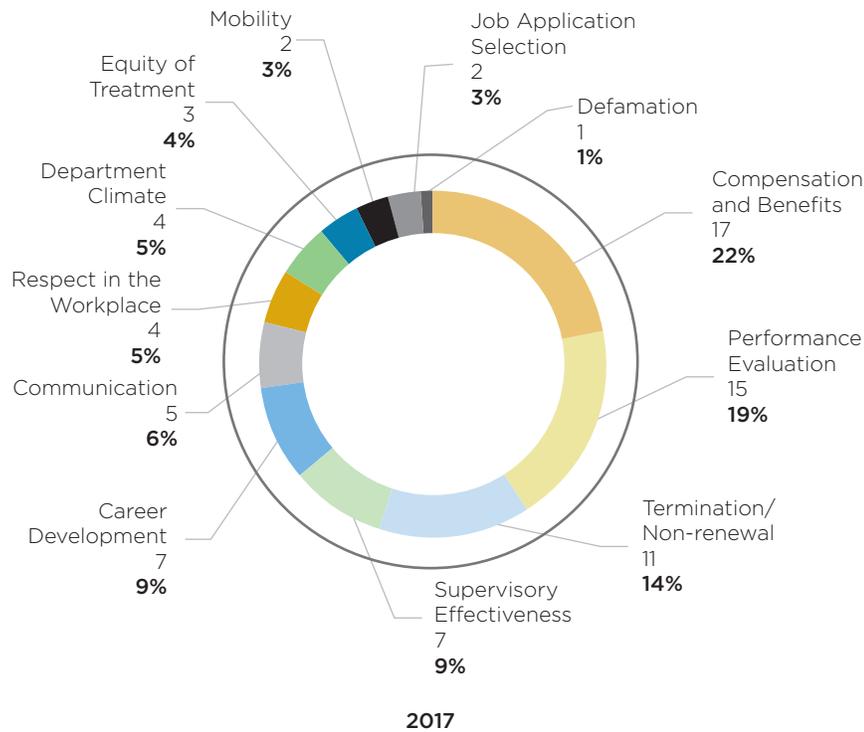


Figure 4 > Users by Type of Issue

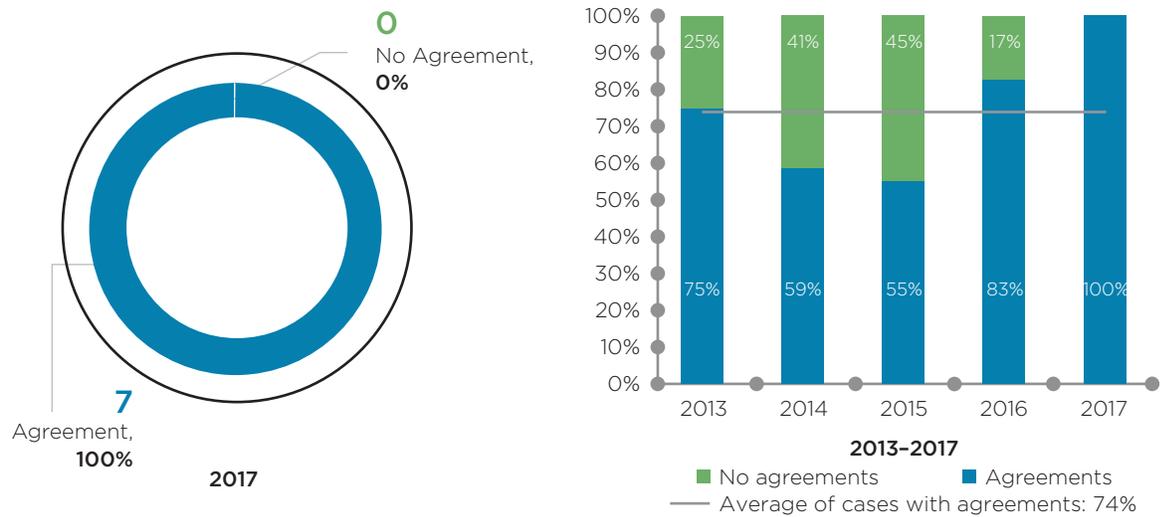


In 2017, the three types of issues with the largest number of users were: Compensation and Benefits with 17 users (22%), Performance Evaluation with 15 users (19%) and Termination/Non-renewal with 11 users (14%).

In terms of the period from 2013 through 2017 (668 users), the three conflicts with the highest number of users were: Equity of Treatment with 235 users (35%), Compensation and Benefits with 89 users (13%) and Respect in the Workplace with 71 users (10%).

“The mediator was fantastic. He was quick to understand the issues and I felt like he was invested in reaching a fair settlement—but also one that responded to my interests.”

Figure 5 > Agreements by Cases



“The final result was not the outcome I expected at the beginning of the process, but the agreement was a decent middle point between the parties. More than the result, I was very impressed about how much the process helped me reflect and learn about me, my job, unwritten rules and the institution.”

The **total number of mediation processes concluded during 2017** was 7 cases⁷ (20 users), of which **100% ended with agreements**. It is worth mentioning that starting in 2014 the Office of Mediation has seen a continuing increase in the percentage of mediation processes that have ended with an agreement between the parties. **In 2015 the percentage of cases that ended with agreements was 55%, in 2016 it increased to 83%, and in 2017 it reached 100%. On average, since 2013 a total of 74% of all cases ended with agreements.** Factors contributing to this increase include better awareness among users regarding the mediation process and its benefits, as well as a greater commitment of the users to reaching voluntary agreements to resolve their differences.

5.1. Evaluation of Mediation Services

After each mediation process we ask the users to evaluate the quality of the services they received. With this

⁷ Included here are all cases concluded in 2017, including three mediation processes that were started in 2016 and concluded in 2017 (8 participants) and four mediation processes that were started and that concluded in 2017 (12 participants).

evaluation we seek to better understand the opinions and perceptions of the users based on their experience with the mediation process, the performance of the Office, and the performance of the mediator. With these evaluations the Office also wants to hear directly from its users about areas for improvement as well as things we can consider in the future regarding the development and management of mediation processes.

5.1.1. Assessment of Mediation Processes

During 2017, assessments were conducted on 10 mediation processes, of which 15 user evaluation forms were received and analyzed, accounting for 65% of all users.⁸

The assessment tool for services offered used the following five-point scale: Excellent (5), Good (4), Average (3), Below Average (2), and Poor (1). Options also included “No Opinion” and, for the closed-answer questions: “Yes,” or “No.”

5.1.1.1. Extent of Knowledge of the Users Regarding the Mediation Process

In terms of knowledge among users about the mediation process, the average at the beginning of the process was 3.6, with a significant increase to 4.8 by the end of the process.

5.1.1.2. Quality of Services Offered by the Office of Mediation

This section of the assessment gathered information about five aspects of the quality of the services offered by the Office of

“At first, I was somewhat skeptical about what to expect. It was a very satisfying experience. I received tremendous support from the start, all delivered in a professional and caring way. Mediation helped me to critically reflect on the issues I face and to explore practicable, workable options for redress. Mediation helped me to develop a plan of action amenable to the other party that re-established protocols for handling challenges.”

Table 1 > Knowledge of the Parties About the Mediation Process

	Beginning of Process	End of Process
Total Average	3.6	4.8

⁸ This includes processes that concluded in 2016 for which the evaluations were received in 2017.

Mediation. Users gave the Office an average 4.9 out of 5 for communications and responding to inquiries in a timely manner. In terms of the quality of the content of responses received from the Office, the score received was 4.7. For keeping to timelines during the mediation process, the score was also 4.7. For facilities, the score given was 4.8.

Table 2 shows the improvement over time of the quality of services offered by the Office of Mediation since its opening in 2013.

Table 2 > **Quality of Services Provided by the Office of Mediation 2013–2017**

	2013	2014	2015	2016	2017	2013–2017
	Total average					Trend
Responded to inquiries in an appropriate manner	4.5	4.6	4.9	4.4	4.9	↗
Quality of content in the responses	4.3	4.6	4.8	4.4	4.7	↗
Responded to inquiries in a timely manner	4.5	4.6	4.5	4.5	4.9	↗
Met timelines established for development of the process	4.5	4.5	4.9	4.1	4.7	↗
Offered comfortable and adequate meeting venues	4.4	4.9	4.7	4.6	4.8	↗

“The willingness of the Human Resources Department to try to find a negotiated solution to this issue is very much appreciated, and I am very glad that with the help of the Mediator’s efforts we have indeed found a formula which all parties consider fair and reasonable.”

5.1.1.3. Mediator Skills and Abilities

In this section we report on information obtained regarding the skills and abilities of the internal and external mediators used by the Office of Mediation.

Below are the average scores obtained in each of the assessment categories in this section.

In terms of ongoing improvements in the Mediators’ skills and abilities, it is worth noting the high score received on the categories of “demonstrated impartiality during the process” and “respect for the decision-making power of the participants”. On the other hand, the category “support parties in the generation and analysis of options for agreements” got the lowest score. Based on this data, Mediators are provided with feedback on an annual basis.

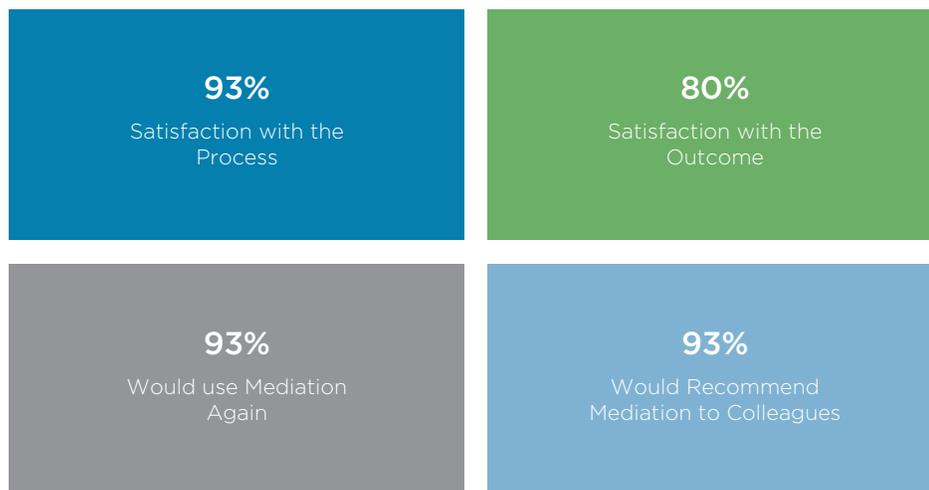
Table 3 Mediator Skills and Abilities, 2013–2017

	2013	2014	2015	2016	2017	2013–2017
	Total average					Trend
Demonstrated impartiality during the process	4.5	4.6	4.9	4.5	4.4	↓
Orientation for participants to understand the process	4.3	4.6	4.6	4.7	4.1	↓
Application of ground rules	4.3	4.6	4.8	4.6	4.3	↑
Contribution to improving communication between the participants	4.1	4.2	4.5	4.2	4.0	↓
Understanding of concerns and interests of participants	4.3	4.4	4.5	4.3	4.2	↓
Support parties in the analysis and generation of options for agreements	4.1	4.3	4.4	4.0	3.9	↓
Respected the decision-making authority of the participants	4.2	4.6	4.4	4.2	4.5	↑
Overall performance	4.3	4.5	4.6	4.4	4.2	↓

5.1.1.4. Other

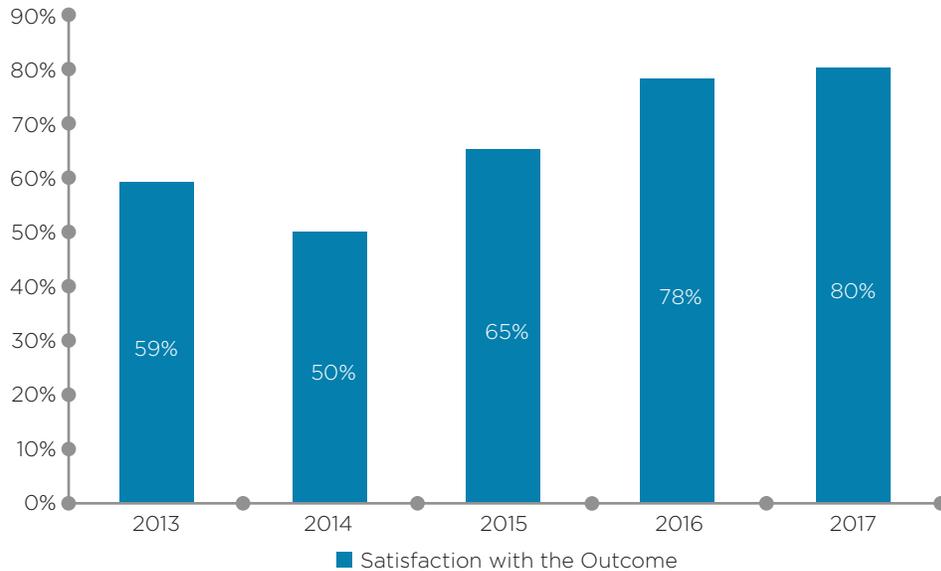
This section of the assessment tool gathered information from participants on issues such as: (1) previous experience with the mediation process; (2) satisfaction with the process; (3) satisfaction with the outcome; (4) future use of the mediation process; and, (5) recommendations to colleagues regarding the mediation process.

Figure 6 Level of Satisfaction and Use of Mediation, 2017



As can be noted in the following figure (Level of Satisfaction with the Outcome), the increase in the level of satisfaction with the result of the mediation process provides evidence of the positive impact that mediation has had as an instrument for conflict resolution at the IDB Group.

Figure 7 > **Level of Satisfaction with the Outcome, 2013-2017**



“The process was smooth and despite differences in opinions we were able to reach an agreement, attending to both the interests of the Bank and the employee. The mediator was very helpful and practical in his approach, which made the process easier.”

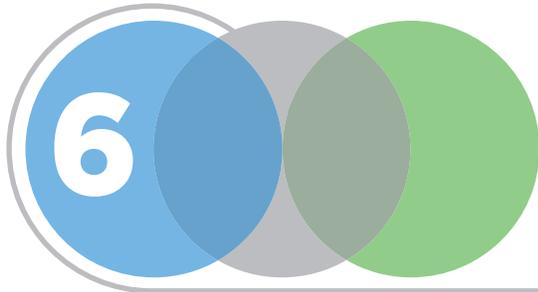
In conclusion, we can see that several factors have had a positive impact on the users' level of satisfaction with mediation processes: (i) the increase in the amount of knowledge about the mediation process among the parties, (ii) the improvements in the services offered by the Office, (iii) the quality of the mediators, and (iv) the significant improvement in the degree of satisfaction with the results obtained. Mediation has proven to be an effective mechanism through which parties can find a neutral place where conflict can be resolved.

5.1.2. Group Mediation

Group mediation is offered when there are several parties involved in a conflict. In these cases, with a view toward facilitating the efficiency and effectiveness of the process,

the Office requires participants to select one or more individuals to serve as representatives for each group.

As is the case in all mediation efforts, this process is carried out in strict compliance with the principles of neutrality, confidentiality, and voluntary participation. The only difference in the case of group mediation is that the parties participate in the process through their representatives, who act as the spokespersons for everyone in the group. During 2017, no new group mediations were requested, however a number of sessions were held for one group case, initiated in 2016, that involved 53 users. This case is set to conclude in early 2018.



Services Offered to IDB Invest in 2017

In the context of Resolution AG-9/15 and CII/ AG-2/15 adopted by the Board of Governors of the Bank and the Inter-American Investment Corporation (IIC) during the Bank's 2015 Annual Meeting held in Busan, Republic of Korea, an agreement was reached to carry out a reorganization of the private sector windows of the Bank and the IIC (IDB Invest), culminating in the creation of NewCo. This reorganization process led to the consolidation of non-sovereign guaranteed operations,⁹ an increase in capitalization of the IIC (IDB Invest), and the launching of a competitive process for the selection of new staff.

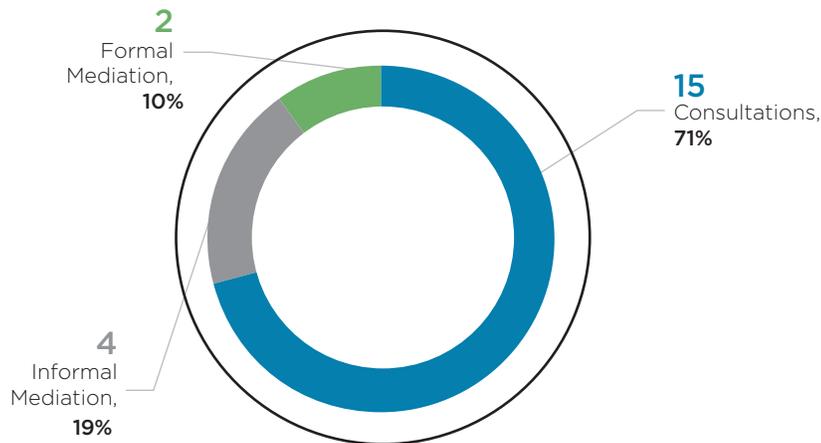
In early 2017, the Office of Mediation signed a *Service Level Agreement* (SLA) with the IIC (IDB Invest) which stipulates that the Office of Mediation will offer consultations, and formal and informal mediation services to IDB Invest employees (staff and contractual) under the auspices of its *Conflict Resolution System* and will design and implement training programs as requested.

During 2017, the **Office of Mediation managed a total of 17 new cases**, including consultations and formal and informal mediation processes. These cases involved a **total of 21 participants representing 6% of the total workforce at IDB Invest**.¹⁰

⁹ IIC (IDB Invest), Structured and Corporate Financing Department (SFC), Opportunities for the Majority (OMJ), and Legal Department/Non-Sovereign Guaranteed Operations Division (LEG/NSG).

¹⁰ According to data from the Human Resources Department, the current number of IDB Invest employees (as of December 2017) was 384 (staff and contractual employees).

Figure 8 IDB Invest Users by Type of Service



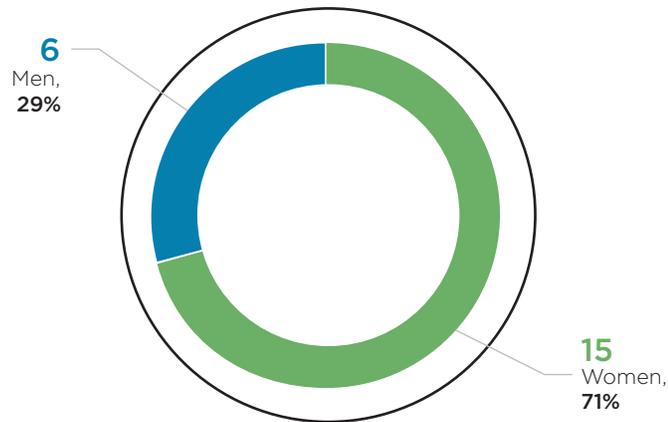
Of the 21 users of services offered by the Office, 71% participated in consultations, 19% participated in informal mediation processes, and 10% participated in formal mediation processes.

During 2017, **100% of the users were IDB Invest employees located at headquarters.**

It is also worth noting that **71% of these users were women and 29% were men.** For women users, the types of conflict most frequently reported were: Termination/Non-renewal of Contract (33%), Career Development (20%), and Respect in the workplace (13%). These results were analyzed by the Office of Mediation in conjunction with IDB Invest's upper management, which, as a first step to address these issues is seeking an *Edge Certification* as well as working on implementing an Action Plan for inclusion and diversity, and gender.¹¹ The Office of Mediation will continue to analyze and report on these findings going forward.

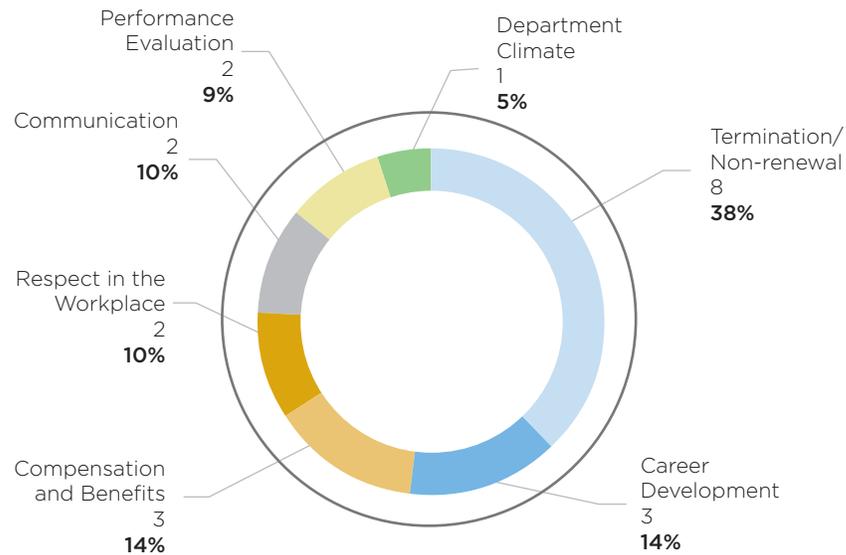
¹¹ EDGE Certification is an assessment methodology and business certification standard for gender equality in organizations that relies on independent third-party analysis confirmed by independent auditors. For an organization to earn "EDGE Assess" certification it must have a public commitment to maintain gender equality through the talent pipeline, proactive administration of gender equity in salaries, effective gender equality policies and practices, and promote an inclusive workplace culture with high levels of commitment from employees of both genders.

Figure 9 IDB Invest Type of Users



The types of conflict most frequently seen among all users at IDB Invest were: **Termination / Non-renewal of Employment Contract (38%)**, **Career Development (14%)**, **Compensation and Benefits (14%)**, **Respect in the workplace (10%)**, and **Communication (10%)**.

Figure 10 IDB Invest Users by Type of Issue



The parties were able to reach agreements in **100%** of the mediation processes that concluded during 2017.

In terms of user satisfaction with the services received, **100% of users said they were satisfied with the mediation process, 75% were satisfied with the outcome, 100% said they would use mediation again, and 100% said they would recommend mediation to their colleagues.** These results come from the evaluations filled out by users at the end of each mediation process.

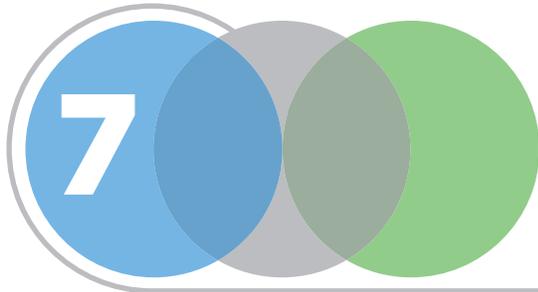
Figure 11 > IDB Invest Users Level of Satisfaction and Use of Mediation



The *Service Level Agreement* (SLA) stipulates the use of two indicators to measure the results obtained through services offered by the Office of Mediation. **The first indicator sets the goal that 2% of all IDB Invest employees will use Mediation services. The second goal is that 75% of all IDB Invest users of mediation services will be satisfied with the services offered.** The Office of Mediation exceeded both goals, since **6% of all IDB Invest employees used the services offered by the Office and 100% of users said they were satisfied with the services offered.**

Under the terms of the SLA, several **additional support activities** were carried out, including: (i) monthly operational meetings; (ii) quarterly reports on activities and results; (iii) updating of regulations; (iv) production of information packets about the mediation process and updating of the Office's web page; (v) participation in IDB Invest Town Halls and Knowledge Week; and, (vi) delivery of in person presentations about the Office and the Conflict Resolution System to **178 IDB Invest employees.**

For 2018 the Office has established the following goals: (i) increase dissemination of mediation services offered among all IDB Invest employees, with special attention given to Country Offices and to new IDB Invest Hubs; (ii) keep up to date on IDB Invest strategic plans and programs; (iii) support IDB Invest in its efforts aimed at prevention of labor conflicts; (iv) offer training programs on communication and conflict resolution techniques.



Other Activities with the IDB Group

7.1. Consolidation of the Roster of External Mediators

In 2017 the Office of Mediation brought on one additional expert to expand the roster of available external mediators. Currently the Office can call on the professional services of eight external mediators to carry out formal and informal mediation processes. These mediators have received training and have been provided with all relevant information regarding the context, regulations, and the internal procedures of the IDB Group.

In terms of the quality of services provided by these mediators, the evaluations received during 2017 showed that they achieved an average **score of 4.2 out of 5 (with 4 corresponding to good, and 5 to excellent)**.

7.2. Case Management System

The Office of Mediation, as well as the Office of Ethics, the Office of Institutional Integrity, the Sanctions Office, and the Independent Consultation and Investigation Mechanism, all use the *GoPro* case and document management software program, which runs on an external server. This system meets or exceeds existing standards designed to safeguard the principles of confidentiality and data protection throughout the mediation process.

As in the past, the Office of Mediation carried out an annual update of the case management system in order to guarantee optimum functioning, security, and utility. In addition, with support from the Information Technology

Department, this Office evaluated the feasibility of switching to a different case management system. We plan to implement this change during 2018.

7.3. Communication Strategy

To strengthen the role of mediation as a resource for employees of the IDB Group in the management and resolution of conflicts, the Office of Mediation has a strategic communications plan. The plan is reviewed and updated annually to incorporate new actions and initiatives that can meet the information needs of our users as well as the promotional needs regarding services offered by the Office of Mediation.

In this context, during 2017 the Office continued to carry out informational and outreach activities in order to: i) **consolidate the Office's brand identity** as an open space for communication, collaboration, and the resolution of conflicts; ii) **position the web page** as a go-to source of information about the Office, relevant regulations, services, and results; and, iii) **promote increased knowledge among employees of the IDB Group regarding the services offered** through the Office by giving presentations regarding our work, services, results, content, and application of the following regulations: PE-323, 323-2, 323-3 and PN-1.03, 1.03-2, 1.03-3 and the Conflict Resolution System (IDB Invest).

7.4. Work with the Country Offices

During 2017, representatives from the Office of Mediation **visited three Country Offices where we gave presentations to 97 employees**. The goal of these presentations was to provide general information about the Office, our services, and relevant regulations, and to explain how the services offered work, as well as the results obtained, specifically in the context of the Country Offices. During these visits, we also offered one-on-one consultations to Country Office staff.

7.5. Inter- and Intra-Institutional Collaboration

7.5.1. Collaboration within the IDB Group

The Office of Mediation continued the practice of participating in meetings held periodically by the Coordinating Group led by the Bank's Vice Presidency

for Finance and Administration (VPF). Similarly, the Office collaborated on all initiatives identified during this period aimed at promoting conflict resolution services and strengthening of the Bank's organizational values. It is worth mentioning that the Office participated in working groups related to: (i) domestic violence and respect in the workplace, and (ii) seminars on diversity and inclusion.

During 2017, the Office of Mediation implemented new communication strategies with the Staff Association ("AE") to identify areas for collaboration between the two offices. In this context: (i) the Office participated in a conflict resolution seminar for contractual employees organized by the AE, (ii) it set up a regular communications channel with the AE's area of human resources policies and legal affairs, and (iii) it continued to submit a quarterly report on the results obtained from the services it offers.

7.5.2. Collaboration with other Multilateral Organizations and Conflict Resolution Professional Associations

The Office of Mediation maintains working relationships with counterparts at other multilateral organizations, including the World Bank, the International Monetary Fund, the Asian Development Bank, and the Pan American Health Organization, as well as with several conflict resolution professional associations, including the *Association for Conflict Resolution* (ACR), the *International Mediation Institute - Brazil* (IMI), the specialized center *Collaborative Decision Resources* (CDR), and the *American Bar Association (Dispute Resolution Section)*. This has allowed the Office to share lessons learned, as well as achievements and challenges, and to learn from the experiences of other specialists in the field of conflict resolution. In addition, these opportunities allowed the Office to promote the work of the IDB Group in this area and to publicize our efforts to create an integrated system for conflict resolution.

7.6. Participation in Training and Conferences

In late 2017, the Office of Mediation participated in a seminar organized by *The Conference Board on Mindfulness in the Workplace*. At this event, representatives from organizations including *IBM, Google, Aetna, the Bill and Melinda Gates Foundation, and Inova Health Services* described the process they each used for implementing Mindfulness programs and the benefits these programs have brought to their staff and their organizations as a whole.

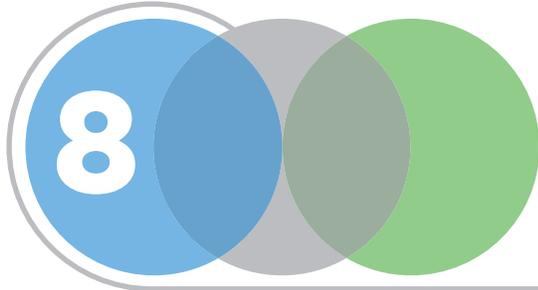
These organizations designed their programs with clear goals and metrics to measure their results, and they described having obtained very positive results starting in the second year of implementation.¹² In most of these organizations, the consolidation of these Mindfulness programs took, on average, between one and three years. In all cases, **the main results included improvements in the health of employees, increases in productivity, improvements in the ability of employees to concentrate and in the amount of collaboration among them, as well as significant healthcare cost savings.**¹³

During 2018, the Office of Mediation will analyze the merits of implementing a pilot program on Mindfulness for the IDB Group.¹⁴

¹² The director of the Mindfulness program at the **Bill and Melinda Gates Foundation** reported that the level of engagement of their employees on the job increased by 41%, confidence to take risks increased by 50%, and working proactively instead of reactively increased by 65%. The director of the Mindfulness Department at **Aetna** reported: an increase of 44 minutes per week in employees' productive time, 28% of participants saw a reduction in their stress levels, 20% saw improvements in the quality of their sleep at night, and 19% felt a reduction in pain.

¹³ The Director of Leadership at **IBM** reported the following: at its office in Brazil, the ability to concentrate on any given project increased by 90%, while at its office in Poland, productivity and engagement increased by 88%.

¹⁴ See Section VII, Challenges and Projections.



Challenges and Projections

The IDB Group's Update to the Institutional Strategy (UIS)¹⁵ identifies five action items for implementation. Among these is updating the Human Capital Strategy to introduce incentives aimed at better aligning staff with the “what” and the “how” of the UIS. The implementation of these action items is necessary to ensure that the IDB Group can offer a more proactive, focused, flexible, and efficient response that allows it to confront the different development needs of the client countries, achieve greater impact, and help them reach their specific development goals.

Likewise, the **Human Capital Strategy (2011–2015)¹⁶ and its Update (–2020)¹⁷** are organized around three central pillars: (i) talent optimization, (ii) high performance organization, and (iii) management and leadership capacity building, as well as four cross-cutting themes: diversity and inclusion, workforce engagement, organizational learning, and knowledge management.

Within the second pillar, high performance organization, strengthening the system for conflict management and conflict resolution at the IDB Group is mentioned as a key, high impact, initiative. The prevention of conflicts and conflict management at the earliest stages are thus viewed as key components in achieving a larger commitment and improved collaboration and productivity in the organization.

In the five years since its founding, the Office of Mediation has managed to create a safe space for the resolution of conflicts, one where impartial

¹⁵ AG-8/15.

¹⁶ GN-2606-5.

¹⁷ GN-2606-14; CII/GN-345.

support and the principle of confidentiality have allowed for the search for creative and realistic solutions, where the participants are themselves part of these solutions. The principle of mediation as a voluntary process has also helped to generate confidence where both sides can contribute to reaching solutions. Participation in these processes also has a catalytic effect, since the parties involved learn new techniques for conflict resolution, for effective communication, and for collaboration.

Among the challenges the institution faces in this regard would be **advancing towards a more dynamic and collaborative model**, one focused on an approach that seeks to prevent conflicts from occurring, and when they do, confronting them at the earliest possible stage. At the same time, we should **hire and develop employees and leaders who have outstanding skills and abilities for engaging and resolving conflicts**. In this regard, better support for leadership training programs is essential. Among others, the system for **evaluating the performance of leaders should measure the ability to manage and resolve conflicts and reward those employees and leaders who excel in this area**. Modern, solid, dynamic organizations increasingly look for and promote these qualities in their employees and leaders.

The IDB Group continues to consolidate an **Integrated Conflict Resolution System** where, on the one hand there is close collaboration among the internal mechanisms for conflict resolution, and on the other where each employee feels like they are part of the solution. This takes the form of each leader at the organization viewing the management and resolution of conflicts as a priority and demonstrating as much with their actions. This is an essential element in the institutional transformation towards a healthy organizational culture and reinforcement of the pillars of the Human Capital Strategy.

From the Office of Mediation, an additional item that we hope to implement in 2018 is the **development and implementation of a Mindfulness pilot project as a tool for the prevention of conflicts and for institutional strengthening**. Organizations that have implemented and measured the results of Mindfulness programs have reported increased productivity, collaboration, and innovation. Implementing a program like this will require us to collaborate with other offices and departments at the Bank as well as for all to be open to new ideas.

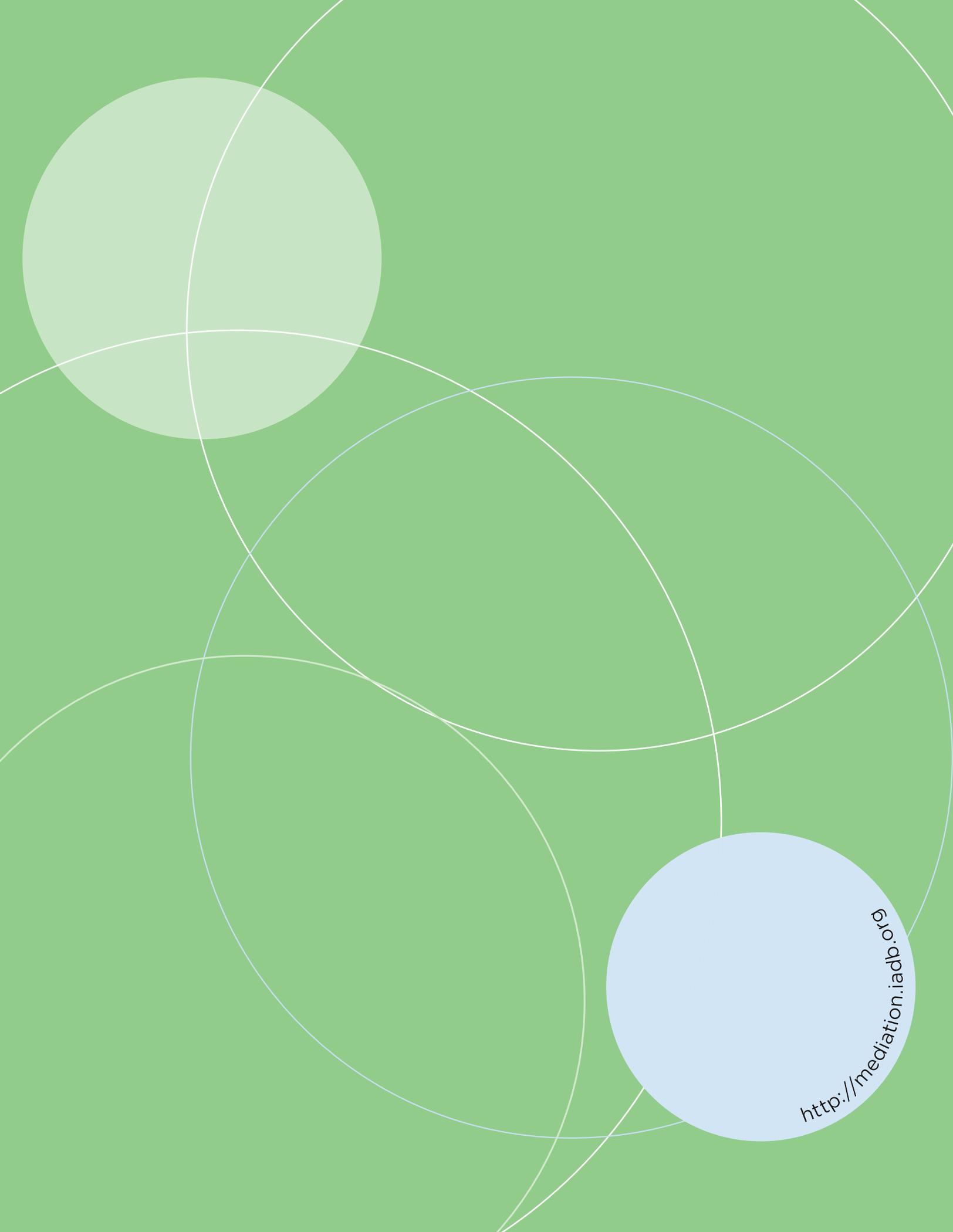
In addition, during 2018 the Office of Mediation proposes to continue with our efforts aimed at:

- ▶ Increasing our **support of Country Offices**. Due to issues like geographical distance and organizational structure, staff at Country Offices sometimes

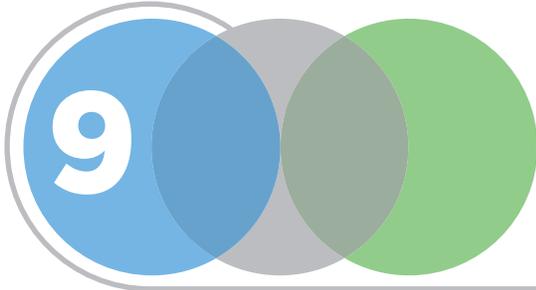
feel like conflict resolution mechanisms are less accessible to them. To overcome this, we will expand the use of videoconferencing, we will visit Country Offices more often, and we will explore the possibility of short-term stays at IDB Invest hubs.

- ▶ Promoting **mediation as a space for communication, learning, and mutual growth**, with the goal of having mediation seen as a **transformative process** in terms of change and development for the parties in conflict.

We invite you to visit us on the web at: <http://mediation.iadb.org>.



<http://mediation.iadb.org>



Appendices

1. **Office of Mediation Information Packet**
2. **Staff rules on Labor Relations and Conflict Resolution Mechanisms of the Inter-American Development Bank**
3. **Conflict Resolution System of the Inter-American Investment Corporation (IIC/IDBInvest)**
4. **Integrated System for Conflict Resolution & Ethics of the IDB Group**
5. **Profiles of Internal and External Mediators**

English Spanish

