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Institutional Section

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TWELFTH ITEM ON THE AGENDA

Report of the Director-General

Second Supplementary Report: Progress on the internal reform

Purpose of the document

Report on progress made in respect of the implementation of the internal reform agenda.

Relevant strategic objective: Cross-cutting.

Policy implications: More effective use of human and financial resources to serve the needs of Members.

Legal implications: The usual application of ILO rules and regulations in the process of implementing the reform.

Financial implications: None.

Follow-up action required: None.

Author unit: Office of the Deputy Director-General, Management and Reform (DDG/MR).

Related documents: ILO Declaration on Social Justice for a Fair Globalization, and accompanying resolution on strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization, International Labour Conference, 97th Session, Geneva, 2008.

Introduction

1. The Director-General began working on his commitment to reform immediately upon taking office. This commitment was translated into an Office-wide reform plan with the following goals:
 - (a) **technical excellence and quality policy advice**, through the reinforcement of the ILO's statistical, research and analytical capacities;
 - (b) **efficiency, transparency and fairness**, by ensuring cost consciousness and value for money, enhancing human resource management and streamlining administrative systems;
 - (c) **quality service delivery**, through efficient and highly relevant technical cooperation;
 - (d) **Delivering as One ILO**, by having responsive in-country operations supported by an effective field structure, in interaction with headquarters;
 - (e) **increased influence in the multilateral system**, through strategic partnerships and policy dialogue;
 - (f) **improved internal communication.**
2. The priorities identified for stage 1 of the reforms follow, with a brief status report.

Senior management teams

3. The Transition Senior Management Team (TSMT) was established on 1 October 2012 and was composed of the Director-General, the two Deputy Directors-General and the Executive Directors of the four technical sectors, with the Director of CABINET acting as Secretary. Other senior managers participated, as required, depending on the agenda. Meetings with the participation of the Regional Directors were organized when all were present in Geneva.
4. With the announcement of the Office restructuring on 12 February 2013, the Director-General established a Senior Management Team (SMT) composed of the Director-General, Deputy Directors-General and the Assistant Director-General, with the Director of CABINET as Secretary.
5. The Global Management Team (GMT) was also established, comprising the SMT members and the Regional Directors and the Director of the International Training Centre of the ILO, Turin (Turin Centre).
6. The SMT and GMT members will provide advice to the Director-General on the process and proposals for reform and will be collectively and individually responsible for its effective implementation. They will play a key role in teambuilding across the Office and, with a sharp focus on management and organizational issues, will be a key mechanism for securing efficiency, consistency and coherence Office-wide.

Management and Reform portfolio structure

7. A multidisciplinary project team was formed, composed of staff at the GS and P levels, with functional experience across the Office, including service in the field. The team worked with a network of focal points from units across existing headquarters structures, the regions and the Turin Centre. This team had the task of identifying options and developing proposals for structural change with a view to a reorganization of services relevant to the Management and Reform portfolio based on functional groupings and relationships; addressing identified inefficiencies in managing the functions; and enhancing administrative efficiency.
8. During the period in which the work was performed, consultations were held with staff members and the Staff Union. The consultations had the dual purpose of gathering inputs and providing information on the progress of the project team.
9. Working with the outputs of the Director-General's Transition Team and information gathered through the focal point network and other consultations, the team analysed the available data and mapped the work performed in the portfolio into functional groupings. Proposals were made to the Director-General, who announced his decisions on the new organizational structure on 12 February. The decisions were informed by the organizational structures of other UN agencies and may be subject to some modification as a result of further reform initiatives.
10. The new structure of the Management and Reform portfolio comprises six major departments reporting to the Deputy Director-General for Management and Reform (DDG/MR). The building renovation project, the Joint Advisory Appeals Board (through its Secretariat) and the Mediator will also report to the DDG/MR. Pending the outcome of the communications review, internal and external communications (DCOMM) will report to the DDG/MR. In addition, pending decisions of the International Labour Conference in June 2013 regarding Myanmar, the ILO Liaison Office will also report directly to the DDG/MR.
11. The six departments in the portfolio are:
 - Internal Services
 - Information and Communications Technology and Management
 - Strategic Programming and Management
 - Financial Management
 - Human Resources Development
 - Official Meetings, Documentation and Relations

Policy portfolio structure

12. A multidisciplinary project team was formed with functional experience across policy-related structures, including service in the field. The team worked with a network of focal points representing experience across policy units, the regions and the Turin Centre. This team developed proposals for structural changes needed to ensure a solid foundation for achieving the technical excellence, policy coherence and constituent support that the ILO seeks to provide.

- 13.** During the period in which the work was performed, consultations were held with staff members and the Staff Union. The consultations had the dual purpose of gathering inputs and providing information on the progress of the project team.
- 14.** Working with the outputs of the Director-General's Transition Team and information gathered through the focal point network and other consultations, the team identified overlapping or similar functional responsibilities, along with areas of fragmentation between units, opportunities for synergies and areas for potential reallocation of functional responsibilities. On this basis, areas of core competence were identified which could form the basis of organizational units and the major technical linkages between them. Important findings also related to improvements in management practices and methods of work. Proposals were made to the Director-General, who announced his decisions on the new organizational structure on 12 February.
- 15.** The Policy portfolio is headed by the Deputy Director-General for Policy (DDG/P), supported by the Assistant Director-General for Policy (ADG/P), and comprises six major technical departments and the International Labour Standards Department. In line with the plan of action to implement the reform commitment, work continues in respect of the statistical, research and knowledge functions of the Office.
- 16.** The six technical departments in the portfolio are:
- Employment Policy
 - Enterprises
 - Sectoral Activities
 - Governance and Tripartism
 - Conditions of Work and Equality
 - Social Protection

Field Operations and Partnerships portfolio structure

- 17.** Arising out of consideration of the work of the project teams on the portfolio reviews, the Director-General announced the establishment of a third portfolio, to be headed by a Deputy Director-General for Field Operations and Partnerships (DDG/FO). The portfolio will cover management of relations and cooperation with regions and field programmes, and multilateral organizations. It will also be the primary interface with the Turin Centre. The portfolio will comprise a Department for Partnerships and Field Support and a Department for Multilateral Cooperation.

Field structure and operations Technical cooperation delivery Funding partnerships

- 18.** These three areas of reform are ongoing and are being closely coordinated to ensure proper consideration of the many interdependencies. Because these review projects are very closely related, the terms of reference of each project team were developed in an integrated

manner to eliminate gaps and overlaps between them. Discussions were held with staff at headquarters and in the field to identify the most significant issues to prioritize for review.

19. Project teams have been created and are composed of GS and P staff with broad experience in field operations at various levels, including technical cooperation. The team reviewing the field structure is composed only of staff who have served at both headquarters and in the field.
20. The teams began working in February.

Research, statistics and publications

21. A project team started its work in January to propose measures to substantially enhance the ILO's capacities in the interrelated areas of research, statistics, knowledge management and publications.
22. The team has mapped the current research and statistical activities and skills across the Office, including the field, and identified areas of weakness, overlap, fragmentation and potential synergies. A strategic review of the ILO's publications was carried out.
23. The outcome of this review will be presented to the Director-General in April.

External relationships and strategic partnerships

24. The terms of reference for the project team undertaking the review of these areas have been prepared and the team has started its work. The team will review the ILO's current external relationships and strategic partnerships and develop a coherent vision and plan for this area to ensure maximum benefits to the ILO and the best possible use of resources. The review will coordinate closely with the reviews covering the field structure and funding partnerships, and is expected to finish its work in April.

Human resources

25. Reform in the area of human resources is centred on seven priority areas, with some variation in process depending upon the current status of the issue in the ongoing work of the Human Resources Development Department (HRD).
26. **Contracts policy:** HRD has held consultations with the aim of developing a management proposal for a new contracts policy, including related areas such as the mandatory age of retirement, tenure, separation procedures and related entitlements. A review of the contracts policy will have financial and legal implications requiring a thorough examination of the existing regulatory framework for which a task team will have to be established.

- 27. Workforce planning:** Recommendations have been made in the External Auditor's report for 2012 and by the Independent Oversight Advisory Committee¹ that define a clear direction for moving forward in this area. A senior management project team will be established to review the practical aspects of the progressive implementation of the recommendations throughout 2013–14.
- 28. Recruitment and selection:** This matter has been under discussion in the Joint Negotiating Committee, with the assistance of an outside mediator since 2011. The areas of agreement will be finalized taking into consideration the guidance provided by the Governing Body and the implications of other areas of the reform on recruitment and selection policies.²
- 29. Mobility policy:** A project team began working in January with the objective of developing practical and cost-effective proposals for both geographical and functional staff mobility. The proposals will be developed for implementation in conjunction with ongoing discussions on recruitment and selection in conformity with common system conditions of employment and taking into account best practices of other international organizations.
- 30. Staff development:** A project team will be formed to review current staff development initiatives and to develop proposals for improvement in the use of funds. An area of emphasis will be the effectiveness of management and leadership development training.
- 31. Performance management:** A major reform effort has already been made in this area through the development of the Performance Management Framework. However, support is needed to define mechanisms to ensure accountability and compliance. Recognition and rewards is also an area that remains in need of reform, including through negotiations with the Staff Union, as indicated in the Human Resources Strategy for 2010–15. A project team began the review of these two aspects of performance management in January.
- 32. Grievance procedures:** The current system for the resolution of grievances approved by the Governing Body in 2004³ is functioning well, with the only area requiring attention being the development of a procedure for the investigation of harassment claims (other than sexual harassment, which is already addressed). HRD is currently working to address this issue.

Communications

- 33.** In view of the need for specialized expert advice in this area, an external consultant has been appointed through a competitive bidding process to undertake the communications review. Working under the guidance of the Deputy Directors-General, the consultant is reviewing the ILO's current external communications strategy, and developing an internal communications strategy and proposals for positioning the communications function in the organizational structure.
- 34.** An internal project team will be formed for the implementation of the Director-General's decision on changes resulting from the review.

¹ GB.313/PFA/6/1(Rev.).

² GB.317/PFA/10.

³ GB.289/PFA/18; GB.289/PV, p. VI/10.

Administrative services

- 35.** Consultations are currently being held with staff across the Office to identify the highest priorities for reviews of administrative services. To date, a project team has been formed to review the next steps in the roll-out of IRIS to the field.

Conclusion

- 36.** Work has progressed in line with the timetable presented in the document “Implementing the reform commitment: A plan for action” issued in October 2012 by the Director-General. This has been done while paying full attention to the need to ensure sound delivery on existing commitments. Emphasis has been placed on consultative processes and teamwork that facilitate the involvement of staff across unit boundaries, timely information-sharing and engagement with the Staff Union. A task force on change management involving staff from a range of ILO services is now supporting the implementation process so that change can take place as smoothly as possible, not least by ensuring that the human dimension is effectively taken into account and addressed. Drawing on lessons learned from the first stages of reform, the pace will be sustained, as will the consultative and participatory approach that has characterized the exercise to date.