



## Governing Body

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Institutional Section

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FOURTEENTH ITEM ON THE AGENDA

## Report of the Director-General

### First Supplementary Report: Update 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 for 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; GB.317/INS/12/2; GB.319/INS/14/2; GB.319/PFA/5/2.



## Introduction

1. Since the first progress report submitted to the Governing Body,<sup>1</sup> the Director-General and the Senior Management Team (SMT) have focused on sustaining the momentum of the reform process and on adhering to the timeline of the Plan for Action on implementing the reform commitment.<sup>2</sup> Multidisciplinary reform project teams, comprising staff from both headquarters and the regions have continued to play a central role in reviewing the Office's structures and working methods and preparing recommendations for consideration by the SMT.
2. The Director-General has reiterated the message that the reform process as a whole – from review to implementation – would continue to be guided by principles of transparency, consultation and inclusion. He has also emphasized that management practices across the Office should foster cohesion, consistent with the goal of working as “one ILO”. In this framework, particular efforts have been made to engage constructively with the Staff Union.
3. The information below broadly follows the format of the first progress report which presents developments on items within each workplan area.<sup>3</sup>

## Portfolio structures

4. The review of portfolio structures moved into the implementation phase with the publication on 21 June 2013 of the Director-General's announcement on departmental structures.
5. The next step was the determination of individual assignments within these structures. This process called for extensive discussions with staff members involved, consistent with the principles of the reform. Discussions are continuing with staff and the Staff Union, when appropriate, in situations where an official needs to be reassigned.
6. In the Policy Portfolio, major concerns were to strike the right balance in determining staff assignments to the Research Department while maintaining the necessary analytical capacity at the departmental level and to bear in mind how the arrangements would work within headquarters and with regional structures.
7. Adjustments to the Field Operations and Partnerships Portfolio will be driven by the work currently being undertaken by the Field Review Team.
8. In all portfolios the effort to promote synergy and collaboration has been supported by the establishment of portfolio senior management teams, comprising directors of the departments and chaired by the Deputy Directors-General.

<sup>1</sup> GB.317/INS/12/2.

<sup>2</sup> The Plan for Action was made available as a room document at the November 2012 session of the Governing Body.

<sup>3</sup> No further information is provided on an area of action identified in the first progress report as “Senior Management Teams” since the Senior Management Team and the Global Management Team have been established as reported and are now operational.

9. On 11 September 2013, a further announcement was published identifying deputy directors, branch chiefs and interim reporting arrangements within the departments.
10. Following a review of the communications function, it was decided that the Department of Communication and Public Information (DCOMM) would remain in the Management and Reform Portfolio, reporting to the Deputy Director-General.
11. In the Policy Portfolio, the creation of start-up task teams for each area of critical importance (ACI), chaired by a member of the SMT and led or co-led by department directors, with membership covering each region, each policy department, the Employers' and Workers' Bureaux, the Turin Centre and other relevant departments, is supporting a new approach to multidisciplinary technical work and to field/headquarters partnership.
12. The Task Team on Research, Statistics and Publications completed its work at the end of March. Based on consideration of that work, the Director-General decided to establish a knowledge resource centre, which includes a Central Research Department and a new and reinforced Statistical Department. The issues involved, including the future of the International Institute for Labour Studies, are addressed in greater detail in GB.319/INS/14/2. Proposals for improvement in the area of publications and knowledge management are being reviewed in this context.
13. Since the last report, the Field Review has been launched. On 16 April 2013, the Director-General announced the establishment and composition of the core team that would lead this exercise. The aim is to build an effective and efficient model for the delivery of services to ILO constituents based on close cooperation between headquarters and field offices and, in so doing, to lay the foundation for acting as "one ILO". While addressing field operations, the review is a collective responsibility of the Organization as a whole, including in Geneva.
14. Work started in May 2013 with a target of delivering recommendations to the Director-General and the Senior Management Team by mid-December 2013. Technical cooperation and resource mobilization issues are fully integrated into the review exercise.
15. The Review Team has adopted an inclusive approach to the process of identifying possible organizational, structural, managerial and capacity improvements that could yield a better delivery model. Consultations have been organized with the tripartite constituents, ILO managers and staff at headquarters and in the field, as well as with key ILO partners including those in the donor community and UN agencies. A constituents' survey and a staff survey were launched and by the end of August more than 1,400 constituents and more than 500 ILO staff including staff union representatives, from more than 30 field offices and headquarters' departments had been consulted through different means (for example face-to-face meetings, focus group discussions, online surveys and telephone interviews).
16. These consultations have generated a considerable volume of information on constituents' views, as well as staff insights in respect of ILO field operations and services. They are already helping the team to identify key issues and to develop possible responses.

## Human resources

17. Work is ongoing on all seven human resources priority areas identified in the reform Plan of Action: contracts policy, workforce planning, recruitment and selection, mobility, staff development, performance management and grievance procedures.

18. As reported in March 2013 to the 317th Session of the Governing Body, two project teams were set up in January 2013 to develop practical and cost-effective proposals on geographical and functional staff mobility and greater accountability and compliance in performance management, including incentive and recognition schemes. Both teams held Office-wide consultations through staff surveys and completed their tasks in March and May respectively. Their reports and recommendations have informed the development by management of detailed proposals to refocus policies and initiatives within the 2010–15 Human Resources Strategy.
19. Detailed proposals have also been prepared in the areas of contracts policy and management–staff relations within the Office, including through surveys conducted jointly with the Staff Union, in particular with regard to differences in terms and conditions of employment between those working on regular budget and on technical cooperation contracts. These two areas together with recruitment and selection, mobility and performance management were the focus of a retreat involving management and the Staff Union Committee, held on 29 and 30 August 2013. Its purpose was to identify areas of common ground as well as to explore other aspects of the human resources reform agenda on which further work would be required. This served as the basis for the establishment of a detailed workplan with a view to submitting a document on revised human resources policies and practices to the Governing Body in March 2014, as requested at its March 2013 session.

## Communications

20. The review of internal and external communications undertaken by external consultants has been completed and this component of the reform is moving into the implementation phase. Four objectives have been set:
  - (a) engaging staff through internal communications, with particular, short-term emphasis on communications associated with the reform agenda, ACIs and the building renovation project;
  - (b) developing an external communications strategy supporting the broader goal of a more influential ILO;
  - (c) integrating the communications function globally by clarifying communications roles and accountabilities across the Organization; building a communications capability throughout the ILO; and positioning DCOMM so that it is best placed to enable the strategy; and
  - (d) developing globally consistent and coordinated communications practices, for example, adopting a unified approach to agreeing and updating key messages and establishing a unified ILO calendar for coordinating internal and external communications engagements.
21. An internal communications strategy will be finalized in the coming months and the start of implementation is targeted for early 2014. It will aim to ensure that internal communications become part of the ILO's institutional culture at all levels.
22. Meanwhile steps have been taken to improve internal communications on specific issues – for example, a dedicated intranet page and internal communications plan have been developed for the reform initiatives themselves. Similar arrangements are envisaged for other issues, including the ACIs and the building renovation project. At the same time action has been initiated on a major overhaul of the intranet so that it becomes a much

more effective instrument of internal communication for the global ILO – and therefore a mechanism for forging “one ILO”.

23. It should be noted that findings of other areas of work under the reform action plan can also inform future communication efforts.

## **Administrative services**

24. The substantive work on administrative reform will begin once administrative and management systems have been updated to reflect the new structures. The timing of this part of the reform process is a result of the need for key administrative staff to be involved heavily in implementing the new structures, thus limiting their availability for other purposes. However, a number of improvements to administrative processes have already been implemented as part of ongoing changes.
25. Decisions have been taken on the next phase of the roll-out of IRIS functionality to external offices and work has begun on the design of the model, as reported in GB.319/PFA/5/2.

## **Conclusion**

26. The experience of the reform process since the last progress report to the March session of the Governing Body has demonstrated the paramount need to maintain the momentum of change and to adhere to announced timeframes. When delays have occurred they risked sapping the stamina and commitment of staff which are essential to the success of the process. Experience has also underlined the importance of living up to the commitment to transparency, participation and inclusiveness.
27. Particular effort has had to be devoted to ensuring that mandated programme delivery was maintained while the process of reform advanced. The key objectives of the reform process – providing value for money, achieving technical excellence, responsiveness to constituent needs and promoting teamwork within the “one ILO” framework – will continue to guide the reform process while the commitment to achieve savings and efficiencies is a permanent consideration in all areas of decision-making.