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Programme, Financial and Administrative Section
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ELEVENTH ITEM ON THE AGENDA

Update concerning the Human Resources Strategy and reform

Purpose of the document

To report on progress made in implementing the Human Resources Strategy for 2010–15 and the Director-General's human resources reform, and to outline human resources priorities for the 2016–17 biennium (see draft decision in paragraph 30).

Relevant strategic objective: Governance, support and management.

Financial implications: None.

Decision required: Subject to guidance of the Governing Body.

Follow-up action required: The Office will be required to take action based on the Governing Body's guidance.

Author unit: Human Resources Development Department (HRD)

Related documents: GB.326/PFA/INF/6.

Introduction

1. The Governing Body adopted the Human Resources Strategy (HR Strategy) for the period 2010–15 in November 2009. The HR Strategy focused on: enhanced talent and leadership; improved work quality and responsiveness through increased accountability; improved staff effectiveness and efficiency through teamwork and collaboration; and increased staff satisfaction and performance through an enabling working environment. Details regarding the targets, milestones and results achieved can be found in the programme implementation reports for 2010–11, 2012–13 and 2014–15 at www.ilo.org/program.
2. In March 2014, the Governing Body was presented with proposals arising from the Director-General's reform plan of action in the area of human resources management. These proposals were designed to improve a range of key human resources management policies and procedures building on the HR Strategy.¹ The Governing Body received a subsequent update in November 2014² and in March 2015 approved some further proposals required to implement the HR Strategy and reform agenda.³
3. This paper draws on the achievements of and lessons learned from implementing the HR Strategy and reform agenda. It presents the Office's human resources (HR) priorities for the transitional period of 2016–17 leading up to the design of the new strategic plan for 2018–21.

Achievements

4. Over the 2010–15 period, and more specifically during the 2014–15 biennium, the Office has made concerted efforts to enhance key HR policies, processes and procedures with a view to improving efficiency and achieving the four interlinked outcomes of the HR Strategy.

Outcome 1: Enhanced talent and leadership

5. One of the most significant changes has been in the area of enhanced recruitment and selection, with the introduction of improved procedures based on a new collective agreement. These procedures established the Recruitment, Assignment and Mobility Committee (RAMC), which became effective in early 2015. The RAMC serves as a platform to integrate workforce planning into the recruitment and selection process. It is of key importance in facilitating staff mobility, as well as promoting diversity and gender balance in the Office. Furthermore, the Office enhanced the recruitment and selection system for senior management positions, through calls for expression of interest to capture a wider pool of potential candidates for such appointments.
6. These changes in recruitment and selection procedures were coupled with significant improvements in the key information technology tools supporting the talent management cycle. The fully integrated ILO People e-Talent Management Suite – comprising

¹ GB.320/PFA/13.

² GB.322/PFA/9.

³ GB.323/PFA/10.

information technology (IT) modules on Learning Management, Performance Management and the Employee Profile – provides an additional vehicle for improved talent management. The Employee Profile module is used as a workforce planning tool, capturing information on staff members' skills and experience as well as their professional aspirations. The RAMC uses this information to promote mobility and career development for serving staff.

7. The Learning Management module of ILO People facilitates access to training, including a number of new offerings resulting from increased collaboration between the Human Resources Development Department (HRD) and the International Training Centre of the ILO. These include the e-induction programme, which welcomes new staff and helps them to integrate into the ILO, and the Executive Leadership and Strategic Management Programme, which aims to better equip managers, both present and future, with the knowledge and skills required to be more effective leaders.

Outcome 2: Improved work quality and responsiveness through increased accountability

8. Performance management processes have been modernized and are now incorporated into the ILO People system. The new Performance Management Framework provides a forward-looking, comprehensive, continuous and flexible approach to the management of individual performance and involves the planning, monitoring and assessment of work, with an emphasis on dialogue and feedback. To better deliver as “One ILO”, within a framework of results-based management, individual workplans link each staff member's goals and performance into a cohesive ILO-wide effort.
9. New e-learning programmes have been developed and implemented Office-wide. The e-learning programme on Internal Governance, for example, is available in three languages to all staff worldwide through ILO People. Furthermore, having recognized that ILO Office Directors play a central role in ensuring the delivery of quality services to constituents through efficient and effective management of their offices, specific learning activities have been developed in the area of field operations. A tailor-made programme entitled “Maximizing Field Office Performance” has been designed in partnership with, and delivered to, ILO field office directors to build capacity in advanced operational-level management.

Outcome 3: Improved staff effectiveness and efficiency through teamwork and collaboration

10. From the start of the 2014–15 biennium, the Office initiated several change-management initiatives which were launched in the context of the reform of the headquarters structure. This process involved the review of the new roles and responsibilities provided for under the three portfolios, and in many cases an update of the existing staff composition and staff resource allocation, aimed at improving internal synergies and working methods. Towards the second part of the biennium focus switched to the field review implementation, in particular to ensure ownership by the regions and buy-in from the staff concerned with the changes. A thorough consultative process was initiated with staff and their representatives, which paved the way for the structural adjustments.
11. In August 2015, the Office launched a review of generic job descriptions for National Professional Officer and General Service positions in field offices. This review will

produce updated generic job descriptions reflecting new ways of working brought about by the reform process and, among other things, by IT systems such as the Integrated Resource Information System (IRIS). In updating the generic job descriptions, the review of unnecessary overlap between positions will lead to improved staff effectiveness, teamwork and collaboration. With more streamlined business processes, workflows and procedures, staff will be able to work more closely and efficiently, whether in the same office or at different levels of the Organization.

12. A joint HRD-Staff Union survey was undertaken to review the employment conditions of development cooperation staff, with a view to considering options for better alignment with regular staff conditions within the framework of the “One ILO” policy embedded in the overall reform process. The results of this survey are being used in the context of the ongoing work on the employment contracts reform.
13. Over the last biennium, improvements in the existing HR IT system have also contributed to facilitating teamwork and collaboration. To this end, and within the limits of available resources, special efforts have been made to achieve better client service levels through, for example, the launch of the new absence management module in IRIS. In addition, extended and more interactive access to HR reporting tools and HR data resources was achieved through the establishment of a new HR data warehouse database.

Outcome 4: Increased staff satisfaction and performance through enabling working environment

14. Key HR policies were reviewed and developed to create the conditions for a more enabling work environment. A new anti-harassment policy was designed, negotiated with the Staff Union and implemented in November 2014 to ensure that all complaints of harassment are carefully reviewed and thoroughly investigated in accordance with clearly established procedures. Negotiations between the Office and the Staff Union aimed at providing better support for officials with family responsibilities, in particular in the area of maternity protection, resulted on 5 February 2015 in the signing of a new collective agreement on maternity protection. The new arrangements align the ILO’s provisions with already existing best practices of the United Nations Common System and also take into account relevant international labour standards.
15. The progress described above in the development of an enhanced working environment was achieved through improved staff–management relations within the Office. Improvements to the February 2000 Recognition and Procedural Agreement are currently under discussion.

Lessons learned

16. Change takes time, especially when several reform initiatives are implemented within a relatively short time frame. From 2012, the delivery of the Office’s HR Strategy has been undertaken in connection with the development and implementation of the Office’s reform plan of action, in which the HR components have often been of key importance. From the initial changes to the ILO senior management and headquarters structures, to the subsequent review of working methods and structure in field operations, the HR management function has played a central role in support of the overall reform agenda. In this context, the overall HR Strategy implementation was driven to refocus the HR function in order to align it more closely with the new strategic objectives and priorities of the ILO.

17. More investment will be required in the future to support change-management related activities in order to capitalize on the improvements brought about so far. Furthermore, it will be necessary to build on the significant progress made in the areas of internal communication and knowledge sharing, which have been instrumental in delivering the HR-related outputs of the reform process.
18. In particular, with regard to the new recruitment and selection procedures and the complementary new mobility policy, implementation involves a cultural shift that takes time to be fully valued by all concerned. As the ILO has opted for the concept of “managed” mobility, we anticipate that the new system will take some time (2–3 years) to fully demonstrate its benefits and obtain the necessary buy-in and support Office-wide.
19. Furthermore, more work still needs to be done to accelerate change in order to promote better utilization of the new tools, and to reinforce knowledge and acceptance of new policies and procedures. For example, when the new Performance Management Framework was introduced in 2009, it represented a major shift in practice, process and culture. The years 2010–15 have been a period of progressive adjustment. The initial implementation phase was supported by intense training, workshops and coaching, providing guidance on developing SMART (specific, measurable, achievable, relevant and time bound) outputs, defining behavioural competency indicators and understanding the rating systems. While quality reviews have shown that the key concepts of the Performance Management Framework are now well understood and the online tools to support the processes are now in place, compliance with the Performance Management Framework remains a challenge. Therefore the Office will continue its efforts to provide targeted information and training to staff and managers worldwide to reinforce the full use of the range of new or revised policies, procedures and tools.

HR priorities for 2016–17 in a changing environment

Staff and leadership development

20. With the adoption of the 2030 Agenda for Sustainable Development and the central place of decent work goals therein, the bar is placed even higher in terms of service delivery and the expectation that the United Nations will be “fit for purpose”. To help staff and managers to deliver relevant and high quality services, efforts will be put in place to diversify and expand the ILO’s portfolio of professional development opportunities and to customize learning initiatives to the unique needs of different target audiences within the Office. A stronger and more capable ILO will enable us to deliver effectively on our mandate now and in the future.
21. The Office will continue with its effort to invest in the management and leadership skills required to successfully lead the ILO’s mandate under these conditions. Through the ILO’s leadership development framework, new and innovative ways to accelerate the development of current and future ILO leaders across the Office will be undertaken. Furthermore, a more systematic approach will be put in place to identify and support managers who do not meet the ILO’s managerial expectations as monitored through the Performance Management Framework.

Mobility and talent management

22. It is foreseen that the Office will continue to make significant investments to identify, attract and manage talent in key functions across the Organization. The new recruitment and selection mechanism relies on key operational HR functions that will continue to be streamlined and enhanced throughout the next biennium. New initiatives will be developed to improve recruitment procedures for technical cooperation staff. Advocacy and outreach initiatives will be undertaken to enhance staff mobility, both functional and geographical mobility – including inter-agency mobility – to ensure that the new mobility policy is duly implemented at all levels within the Organization. Measures to support staff seeking mobility opportunities will be developed accordingly, as well as mechanisms to promote temporary mobility and maximization of the use of the Employee Profile tool for HR planning.

Management of HR business services

23. The Office will continue to build an operating model for HR business services that ensures effectiveness, agility and accountability. Areas of improvement identified by internal control and oversight mechanisms will be reviewed and addressed. New initiatives will be developed to modernize existing work processes and HR IT systems, building on the lessons learned from the reform process, the overall business process review findings and considering the possible implications of the forthcoming changes to the United Nations system compensation package. Particular attention will be given to further enhance the HR business services provided to and in the regions, with a view to contributing to the “One ILO” approach, in particular to strengthen HR services for the implementation of development cooperation projects. These efforts will also streamline the operations of the Staff Health Insurance Fund (SHIF) and its services to staff and insured members, and improve work processes and tools with other bodies, such as the United Nations Joint Staff Pension Fund and inter-agency bodies.

Internal governance and accountability

24. Demand for enhanced efficiency of internal work processes and the constituents’ focus on value for money all provide significant challenges to the ILO. Therefore, the Office will continue its activities in the area of internal governance and accountability to enhance efficiency and effectiveness as well as foster a more agile and influential Organization. In order to achieve this, greater emphasis will be placed on clarity in terms of roles and responsibilities.
25. Internal governance manuals will be made available in all key governance areas; a catalogue of internal governance training and learning activities will be launched; and compliance with the Internal Governance e-Learning Programme will be tracked. New officials will have access to a comprehensive induction to the ILO through the ILO’s e-Induction Programme and the Internal Governance e-Learning Programme.

Business Process Review

26. HRD will be closely involved in the Business Process Review launched in late 2015. This review intends to assess all administrative processes and workflows supporting the delivery of the mandate of the Organization. Ultimately, the objective is to streamline administrative processes in order to increase efficiency and cost effectiveness. Although the review’s impact cannot be anticipated in detail at this stage, it is expected that the

implementation of the proposed changes will involve significant HR inputs, in particular for managing the related changes and realignment across the Organization. The new business processes are likely to introduce new roles, while making other roles redundant. There are significant implications which will require a thorough change-management process, involving managers, staff and staff representatives. Staff development and training aspects will also be instrumental in order to fully address the review findings and contribute to maximizing their impact. In addition, under the umbrella of the Business Process Review, HRD will accelerate the cultural changes identified by staff in the recently completed Organizational Health Survey, particularly in the areas of increased accountability, consequence management, and rewards and recognition.

Contracts reform

27. The contracts framework currently in place in the Office requires review in order to enable the Office to improve workforce planning, ensure rapid redeployment of staff to meet new expectations of constituents, and enhance career development among staff. A reform of contractual arrangements at the Office should also consider recent reforms of contractual arrangements at the United Nations Common System level. Bearing in mind the decisions of the General Assembly, the Office, as previously indicated to the Governing Body, has identified, in consultation with the Staff Union, the basic principles of a revised contractual architecture for the Office. Finalization of a new contractual system for the Office is a priority for 2016.

Follow-up to United Nations General Assembly resolutions

28. At its 82nd plenary meeting of its seventieth session held on 23 December 2015, the General Assembly adopted a resolution which endorsed almost all recommendations submitted by the International Civil Service Commission on the compensation package review. A summary of the decisions of the General Assembly is contained in GB.326/PFA/INF/6. These decisions affect many key elements of the compensation package of staff in the Professional and higher categories. These far-reaching decisions will require considerable work and discussions within the Office throughout 2016 to ensure a smooth implementation and transition to the new arrangements. In view of the work required, the Office proposes to implement the decisions as from 1 January 2017.
29. The General Assembly also decided that the mandatory age of separation for staff recruited before January 2014 should be raised by the organizations of the United Nations Common System to 65 years at the latest by 1 January 2018, taking into account the acquired rights of staff. The Office will assess the overall impact on workforce planning across the Office and establish an implementation plan accordingly in the course of the 2016–17 biennium. At this preliminary stage, it is difficult to anticipate the proportion of staff who may wish to continue beyond the age of 60 or 62, but it can be expected that there will be an impact on recruitment of new staff, diversity among the staff, rejuvenation of the staff and on HR policy objectives.

Draft decision**30. The Governing Body:**

- (a) notes the progress made in implementing the Human Resources Strategy for 2010–15 and the Director-General’s human resources reform, and notes the outline of human resources priorities for the 2016–17 biennium;*
- (b) notes the intention to implement the decisions relating to the compensation package of the United Nations Common System as from 1 January 2017; and*
- (c) requests the Director-General to present for its consideration in 2017 the new Human Resources Strategy for 2018–21.*