



Governing Body

331st Session, Geneva, 26 October–9 November 2017

GB.331/PFA/13

Programme, Financial and Administrative Section
Personnel Segment

PFA

Date: 9 October 2017

Original: English

THIRTEENTH ITEM ON THE AGENDA

Human Resources Strategy 2018–21

Agility, engagement and efficiency

Purpose of the document

The Human Resources Strategy paper contains the Office's proposals to strengthen and develop an efficient, effective results-based human resource function for an agile and responsive ILO. It is aligned with the ILO's Strategic Plan for 2018–21.

The Governing Body is invited to approve the ILO's Human Resources Strategy for 2018–21 (see draft decision in paragraph 32).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Enabling outcome C: Efficient support services and effective use of ILO resources.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: Implementation of the Strategy.

Author unit: Human Resources Development Department (HRD).

Related documents: The ILO's Strategic Plan for 2018–21 (GB.328/PFA/1).

Outcome statement: An efficient and effective Human Resource function for an agile and responsive ILO

Introduction

1. An efficient and effective Human Resource (HR) function is key to achieving the goals of the ILO's Strategic Plan for 2018–21 and those of the wider UN System to which the ILO contributes. A rapidly changing world of work requires a high level of organizational responsiveness. At the same time, effective governance and efficient support services allow the optimal use of resources for greater impact of the ILO's work.

The challenge to be addressed

2. The Office's strength depends on having a competent and committed workforce capable of delivering the ILO's social justice mandate and responding effectively to constituents. To do so it must be able to attract, develop, engage and retain staff with the right skills in the right positions and at the right time. Maximizing impact will also require greater synergy of action across the Office with staff working as "One ILO". More than ever, cost effectiveness and delivering value for money must guide action. The Office has to continue its efforts to improve business processes, to strengthen HR services and tools and to redeploy, as far as possible, existing resources from back-office and administrative functions to technical and analytical work.
3. In a highly competitive environment and a transforming world of work, the Office has to protect and strengthen its role as a knowledge leader while striving for more effective service delivery at policy and operational levels. Strengthened investment in developing staff capabilities and identifying and nurturing current and future leaders able to innovate and drive change towards organizational goals will be essential.
4. The universal nature of the Organization has to be better reflected in staff composition through a renewed commitment to diversity, including geographical diversity and gender balance.

Key lessons from previous work

5. In recent biennia, including as a result of the Business Process Review (BPR) initiated in 2016, the Office has implemented a range of new tools, processes and procedures in order to strengthen the efficiency and effectiveness of HR services to staff and managers. The overall impact of these measures has been positive, but they have required considerable change management efforts to help staff and managers become accustomed to the new arrangements. In this respect, the Office will continue to invest in the training and development of its workforce so that high quality and timely results can be delivered while innovations introduced through the BPR are being implemented and embedded. Staff engagement is paramount for the success of any change initiative and ensuring that the right skills are in place to deliver effectively and efficiently contributes to this. Accordingly, the Office will improve workforce planning to strengthen the alignment of its workforce with the ILO's strategic objectives and priorities.
6. Driving systemic change requires a significant effort and mutually reinforcing activities to ensure the desired results. Having champions at the senior level, for example, has had a

positive impact on strengthening compliance with the Performance Management Framework. To facilitate this the Office will sharpen its focus on transformational leadership including change management and innovation through its Leadership Development Framework. Furthermore, through an improved Performance Management Framework all managers will be held accountable for supporting organizational priorities and measured on the extent to which they drive change positively. The Office will continue to be informed by the Joint Negotiating Committee Guidelines on Managing Change and Restructuring Processes.

Expected changes

7. The proposed HR strategy aims to achieve the following changes in organizational management:
 - Enhanced organizational agility and workforce management through the alignment of the workforce with the ILO's strategic objectives and priorities. Workforce planning is strengthened and is leveraging the benefit of functional and geographical mobility. Accountability for results at the individual level are monitored through the Performance Management Framework.
 - Workforce engagement is ensured through effective recruitment, talent development and an enabling work environment. The Office attracts, engages, develops and retains talented and motivated staff. Workforce diversity is significantly improved and recruitment procedures for development cooperation projects are streamlined. Staff receive the training and development they need, and managers drive change positively.
 - HR services are more efficient and client oriented and contribute to enhancing the Organization's operational responsiveness. This change is achieved by transforming our global HR services from process driven to programme delivery driven and by leveraging Informational Technology (IT) opportunities to reduce process time and cost.

Means of action

8. In realizing the expected changes, the Office will engage with staff and their representatives through the provision of information, consultation and negotiation, as appropriate, and focus on the following most significant outputs.
 1. ***Enhanced organizational agility (by supporting the Office in aligning its workforce with the ILO's strategic objectives and priorities)***
 - 1.1. Support the Office in ensuring a mobile and fit-for-purpose workforce
 9. Aligning the workforce with the ILO's strategic objectives and priorities requires staff with the right skills, serving in the right positions, as well as forecasting and planning for future needs. To ensure this, workforce planning and its associated tools will be strengthened to further increase and leverage the benefit of functional and geographical mobility. The use of the Employee Profiles (EP) introduced in 2014 will be reinforced through additional functionalities of the new e-recruitment system. The EP will serve as a valuable mechanism to forecast workforce capacity and needs for defined areas of work and specific positions. This will strengthen mechanisms such as managed mobility and staff development and emphasize that on-the-job learning, facilitated by functional and geographic mobility, is a

key enabler for building organizational responsiveness and a workforce fit for purpose. HR reviews will be refocused to respond quickly and more strategically to change, as the Office recognizes emerging challenges in the world of work and the need for new skills to address them.

10. With an increasingly challenging and volatile external environment, the Office must enhance its ability to respond to these challenges in a more agile manner. The Office will put in place a range of measures to support staff in adapting to the challenges, including the increased digitalization of work processes, and in effectively managing the changes resulting from the implementation of the recommendations from the BPR.
11. A new employment contract framework will be finalized and implemented to support the Office in responding to challenges in a more agile fashion, while ensuring fair employment conditions. Although aligned with the needs of the Office, the framework will be consistent with the International Civil Service Commission (ICSC) framework for contractual arrangements within the common system.

Indicator 1.1: Functional and geographical mobility

Measurement	Target	Means of verification/source of data	Baseline
Number of staff on Regular Budget positions who change position or duty station for one year or more in 2018–19 and 2020–21.	20 per cent increase per biennium	Staff data in the ILO's Integrated Resource Information System (IRIS)	Number of staff on Regular Budget positions who changed position or duty station in 2016–17

1.2. Support the Office in strengthening internal governance and accountability

12. In recent years significant investments have been made in advancing internal governance and accountability by developing manuals, delivering training courses and influencing mindset and behavioural change through a wide variety of communication strategies. To further promote a culture of accountability, the Office will enhance investment in this area by reinforcing consequence management and by conducting a review of ILO policy and procedures on disciplinary actions. Based on this review, guidelines will be developed for the implementation of disciplinary actions (process and roles). Combined with the results-based Performance Management Framework, these efforts will support the Office in strengthening internal governance and accountability.
13. The ILO's Performance Management Framework links results-based principles and objectives at the organizational level with individual results. The Framework provides a forward-looking, comprehensive, continuous and flexible approach to managing performance. Since 2014, performance appraisals have been available online through the ILO's Talent Management System. Timely compliance with the Framework strengthens accountability for results at all levels of the Office and advances the visibility of how staff performance contributes to delivery of the Organization's mandate. To support this, the Office will continue its effort to leverage the functionalities of the online system and strengthen support measures such as specific, measureable, achievable, realistic and timely (SMART) output templates. This will allow staff and managers to focus more on dialogue around results. It will also permit timely recognition of high performers and appropriate action to be taken in cases of underperformance.

Indicator 1.2: Overall compliance with the Performance Management Framework

Measurement Percentage of performance appraisals for staff (all sources of funds) having End of Cycle (EoC) reports completed within one month of the deadline.	Target 85 per cent for 2018–19 90 per cent for 2020–21
	Means of verification/source of data The Performance Management Module in the ILO's Talent Management System (ILO People)
	Baseline 2016–17 performance

2. *Engaged employees (by ensuring the ILO attracts, develops, engages and retains diverse staff)*

2.1. Attract, recruit and on-board diverse and qualified staff

14. The Office will strengthen the efficiency and effectiveness of its competency-based recruitment framework to attract highly qualified candidates, promote internal and inter-agency mobility, and to ensure timely succession planning. From 2018, a new e-recruitment system will progressively support all types of recruitment processes and provide the Office with a range of new functionalities that will enhance the efficiency of these operations. This includes facilitating shorter lead times for recruitment for both Development Cooperation and Regular Budget positions. Furthermore, the system will help to accelerate and strengthen outreach efforts and enhance candidates' experience in the application process.

15. The successful delivery of Development Cooperation programmes depends significantly on the ability to recruit effectively and efficiently. The Office will implement changes to current Development Cooperation recruitment procedures with a view to expediting the appointment of Development Cooperation staff, with a specific focus on key professional project positions.

16. The Office is committed to ensuring greater diversity among its staff, particularly in terms of geographical representation and gender balance. It is expected that the increased outreach and visibility supported by the new e-recruitment system will enable the Office to better target candidates including, and in particular from less than adequately represented nationalities. The Office will conduct outreach missions to targeted countries and participate in job fairs and other promotional events. Cooperation with Geneva-based Permanent Missions as well as ILO constituents will be strengthened to support the Office's action to increase the diversity of its workforce.

17. On-boarding of new staff members will be supported through the ILO's Induction Programme that includes workshops and a series of e-learning modules.

Indicator 2.1.1: Average time required to recruit staff in Development Cooperation projects (professional positions)

Measurement Average number of calendar days required to recruit professional staff on key professional project positions from project approval by the donor to assignment start date.	Target 120 days
	Means of verification/source of data IRIS
	Baseline 200 days

Indicator 2.1.2: Representation of less-than-adequately represented nationalities in the geographically distributed positions

Measurement Number of staff from less-than-adequately represented nationalities recruited in the geographically distributed positions.	Target Increase by 25 per cent by 2021
	Means of verification/source of data Composition and Structure of Staff report to the Governing Body
	Baseline 2017 recruitment results

Indicator 2.1.3: Gender equality in professional and senior positions

Measurement Percentage of ILO professional positions (P1–P4) held by women. Percentage of ILO senior positions (P5 and above) held by women.	Target Gender equality within 5 per cent parity (45:55 per cent) in professional and senior positions
	Means of verification/source of data Composition and Structure of Staff report to the Governing Body
	Baseline December 2017 status

2.2. Develop staff and leaders

- 18.** An organization that is “fit for purpose” is one in which staff members have the optimal skills to deliver on the strategic vision and mandate. This requires learning strategies of departments and field offices to be further aligned to the strategic priorities of the Office, and staff members must receive appropriate training and development. Therefore, capability-building initiatives will be enhanced through a stronger learning coordinator network and by using new technologies and collaborative learning approaches. The engagement of staff and managers in continuous and high-quality performance management and development conversations will be strengthened through a range of support mechanisms such as the Guide to Growth Conversations and the redesigned Mentoring Programme, as well as by making SMART output templates available.
- 19.** Current and future leaders need to be enabled to drive change and foster a culture that embraces innovation. To facilitate this, developmental activities focused on transformational leadership including change management and innovation, as well as continuous improvement practices and tools, will be integrated into the comprehensive leadership development framework.

Indicator 2.2.1: Relevance of training and development to the needs of an evolving workforce

Measurement Percentage of staff members who indicate that they receive the training and development they need to be effective in their jobs.	Target Increase by 25 per cent by 2021
	Means of verification/source of data Organizational Health Index (OHI) Survey
	Baseline 2017 performance

Indicator 2.2.2: Staff perception of their managers as positive drivers of change

Measurement Percentage of staff responding to the Upward Feedback questionnaire in the Performance Management Framework who indicate that they “agree” or “absolutely agree” that their manager is driving change positively, and helping others to understand the benefits of change.	Target 75 per cent by 2019 80 per cent by 2021
	Means of verification/source of data The Performance Management Module in the ILO’s Talent Management System (ILO People)
	Baseline 2016–17 performance

2.3. Engage and retain staff

- 20.** A workplace and organizational culture that is inclusive and respectful will support the retention of a highly qualified and committed workforce. Providing staff members with an environment that enables them to achieve a healthy work–life balance will enhance the levels of staff commitment to the Organization. Policies that support work–life balance will be reviewed and revised where appropriate, and efforts to promote well-being at work will continue.
- 21.** At the same time, to help reduce levels of work-related stress and burnout, an Office-wide campaign will be developed to promote a respectful working environment aimed at preventing discrimination and harassment. It is anticipated that this will contribute to a reduction in the levels of interpersonal conflict across the Office and support the more effective use of informal means of resolution.
- 22.** The ILO Recognition Awards, piloted in 2016, is a mechanism to support and promote an organizational culture that recognizes individual ILO staff members and teams who have made an outstanding contribution to advancing the ILO’s mandate, goals and values. The ILO Recognition Awards will be part of the ILO’s rewards and recognition framework that the Office will strengthen over the period of this strategy. While improving the rewards and recognition framework it is important also to ensure appropriate consequence management where needed. In this respect steps will be taken to ensure the use of the provisions that enable poor performance to be addressed.
- 23.** Support provided to staff in high-risk/critical duty stations will be informed and guided by the UN “Duty of Care” initiative. The HR internal communications strategy will be improved, setting clear goals and using means appropriate to the objective, including direct briefings, broadcasts and announcements. Efforts to maintain a healthy and dynamic industrial relations framework will continue and staff opinion will be sought through the OHI Survey.

Indicator 2.3: An improved culture of respectful and inclusive behaviour across the Office

Measurement An increased number of staff who consider that Office culture positively influences behaviour at work.	Target Increase by 15 per cent by 2019 Increase a further 15 per cent by 2021
	Means of verification/source of data OHI Survey
	Baseline 2017 performance

3. **Enabling HR function** (HR services and tools that enhance efficiency and operational responsiveness)

3.1. Improve HR services through digitalization

24. Cost effectiveness and service orientation are key drivers of performance of the global HR function. The Office's HR tools and HR skills will be upgraded and be better equipped to help our workforce to maximize the opportunities offered by the new wave of digital workplace technology. These enhanced HR service tools will enable the Office to streamline key HR processes freeing up resources in administrative functions for redeployment to technical and analytical work. Capacity development activities will be undertaken to strengthen coordination between the HR services provided by headquarters and those decentralized to the regions, in particular to enhance HR services for Development Cooperation. Building on the initiatives developed in the context of the BPR and to accelerate the transition from paper-based to digital and environment-friendly IT applications, self-service tools will be developed for a set of key HR business processes.

Indicator 3.1: Increase in the use of HR digital services and tools across the Office

Measurement	Target
Percentage of key HR processes that transition from paper to digital.	An increase of 40 per cent by 2021
Percentage of users of digital HR services.	Means of verification/source of data
	No. of users of HRD web tools
	No. of HR processes subject to IT developments, 2018–21
	Baseline
	No. of hits on HRD web tools, average for 2016 and 2017
	No. of HR IT developments, 2016–17

3.2. Sound HR metrics to inform strategic policy decisions

25. The effectiveness of HR services is in many ways dependent on the quality and reliability of HR data and the ability to develop and use such data to inform operational and strategic decision-making and monitor impact across the Office. Through an increased focus on maintaining accurate staff information, developing dashboards and forecasting future needs, the Office will strengthen its ability to report on key HR indicators to improve the timeliness and transparency of HR information provided to managers. As a result, the Office will be able to produce enhanced workforce data and analyse it in combination with other key operational information, including financial data, staff safety and security-related data.

Indicator 3.2: HR Metrics and workforce analytics

Measurement	Target
Percentage of HR metrics, analytical tools and dashboards regularly used by managers to guide their workforce planning, talent management, staffing trends and absence management.	10 per cent increase per biennium
	Means of verification/source of data
	Statistics on regular use of HR data warehouse dashboards by programme managers
	Baseline
	Number of active users as at 31 Dec. 2017

Synergies and cross-cutting issues

26. Successful implementation of the Office's HR strategy will require strong partnership between the HR function and managers across the Office, as well as the commitment and buy-in from all staff. Internal communications, advocacy and outreach initiatives will be

developed across the three key outputs with a view to developing and building this partnership.

27. Enhanced, open and constructive dialogue between the administration, staff and their representatives will be essential to achieve the ambitious results foreseen in the strategy while maintaining a conducive work environment and smooth industrial relations.
28. Implementation of the HR strategy will take into account specific developments in other interconnected, results-based strategies, in particular those pertaining to Development Cooperation and IT.

External partnerships

29. Cooperation with the International Training Centre of the ILO (Turin Centre) will be further strengthened through the development of new joint initiatives in the area of staff development, training and capacity building. The Turin Centre will remain a key partner in the implementation of the ILO HR strategy as well as being an essential platform of exchange and knowledge sharing between headquarters and the regions.
30. Implementation of the HR strategy will strengthen existing collaboration and joint initiatives with the key institutional players that drive HR management in the UN common system, including through the identification of suitable candidates for Resident Coordinator positions. The Office will continue to actively participate in the activities of the ICSC to ensure that the specific needs and values of the ILO are taken into account by the ICSC in its HR policy reviews. The Office will actively engage with the Human Resources Network of the UN Chief Executives Board for Coordination to ensure that strategic HR management implications of managerial reforms aimed at improving efficiency and simplifying business practices are duly addressed at the level of the UN High-Level Committee on Management (HLCM). Furthermore, the Office will maintain its support for the activities of the Association for Human Resources Management in International Organizations (AHRMIO) with a view to contributing to, as well as benefiting from, regular exchange on best practices for HR management development in the international public sector.

Risk Assessment

31. The successful implementation of the HR strategy is based on three key assumptions. Firstly, that the Office will continue to have the necessary resources in place to deliver on its mandate with a stable workforce. Secondly, that the external context will enable the ILO to recruit the talent required to deliver on its mandate and retain staff members who are both committed to the values of the Organization and have the appropriate skill sets. Thirdly, that there is the necessary internal capacity to address key HR strategy outputs. Against this background, mitigating measures will be foreseen to address the most significant risks in the following areas:
 - Financial resource implications and related contingency measures will be carefully considered for the delivery of key activities under the key strategic outputs.
 - The impact of the new provisions regarding retirement age applicable to ILO staff on staff turnover, overall workforce planning and the impact on gender parity and diversity in general will be duly considered.

- Efforts will be made to address the possible lack of resources and capacity to meet major HR IT development needs, which could affect the implementation of many of the activities foreseen in the key strategy outputs.

Draft decision

- 32. The Governing Body endorses the Human Resources Strategy 2018–21 and requests the Director-General to take into account the guidance provided by the Governing Body in implementing the strategy.*

Appendix

Theory of change – Result for the ILO

