



## Governing Body

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SEVENTEENTH 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 service the needs of Members.

**Legal implications:** The application of relevant ILO rules and regulations in implementing the reform measures.

**Financial implications:** None.

**Follow-up action required:** None.

**Author unit:** Office of the Deputy Director-General for Management and Reform.

**Related documents:** ILO Declaration on Social Justice for a Fair Globalization and the 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/14/1; GB.320/PFA/13; GB.320/INS/14/1; GB.322/PFA/9; GB.322/POL/6; GB.322/INS/13/1; GB.323/INS/INF/2; GB.325/INS/15/1; GB.326/PFA/11.



## Introduction

1. The Reform Commitment launched in 2012 set out a far-reaching 11-point agenda that would enable the Office to achieve higher levels of quality and efficiency to meet the increasing demands and expectations of constituents and to enable the ILO to exercise greater influence in pursuing its social justice mandate. As implementation of the reform comes to a conclusion, to be replaced by a policy of continuous improvement, it is appropriate to take stock of the achievements recorded in addition to the regular updates that have been provided to the Governing Body.
2. Implementation of the reform has progressed in line with the established timetable and has entailed a considerable effort from all ILO staff. The reform has included: restructuring of the senior management in 2012; the reorganization of the Office in 2013; the implementation of new human resources initiatives in the context of the 2010–15 Human Resources Strategy (extended to cover the transitional period of 2016–17); an in-depth review of field operations and development cooperation; and a review of work processes in order to generate efficiencies and improve the quality of services. These efforts have permitted the transfer of resources from administrative and support functions to the technical work and services from which constituents benefit directly. Only two reform areas have required specific external expertise: communications and the review of business processes.
3. The reform process – from diagnosis to implementation – has been underpinned by the principles of transparency, consultation and inclusion. As each reform area was tackled, staff helped shape the approach by sharing their views through surveys, focus groups, workshops, interviews and other forms of participation. Throughout, particular efforts have been made to engage constructively with the Staff Union and to share information with all staff on a timely basis. The Administration and staff representatives have held many fruitful exchanges which have greatly contributed to the smooth implementation of the agenda. This has helped ensure a high level of receptiveness among staff to the need for and benefits of reform. Finally, while contributing to change, staff have been committed to assuring sound delivery on existing commitments.

## Savings and efficiency

4. A central feature of ILO programme and budget proposals over recent biennia has been the delivery of savings and efficiencies. The Programme and Budget for 2016–17 reflected a major effort in this regard, which enabled US\$25 million to be redeployed to strengthen technical work, in addition to the US\$18 million redeployed in 2014–15.
5. In the next biennium, the policy of redeployment of resources from administrative functions to direct policy and technical services for constituents through the regions or at headquarters will continue.

## Addressing constituents' needs

6. One aim of the reform was to ensure that the Office was delivering timely, relevant, effective and efficient services, clear policy advice and workable solutions to increasingly complex world of work issues. Following extensive consultations, including a survey with responses from over 300 constituents, the number and location of Decent Work Technical Support Teams were retained in all regions, and technical positions were redeployed and re-profiled to improve ILO responses. This included the establishment of 17 new technical positions in the field as well as increased regular budget technical cooperation funding. In addition, ten

administrative and managerial positions at headquarters were re-profiled to new technical positions.

7. Reform for better strategic management is illustrated by the shift from 19 to ten global outcomes in the Programme and Budget for 2016–17. These outcomes address world of work challenges of particular and widely felt relevance to member States across the globe, the situations of the most vulnerable and disadvantaged in the world of work, which are reflected broadly in the Sustainable Development Goals (SDGs) of the United Nations (UN) 2030 Agenda for Sustainable Development and are all at the heart of the ILO's mandate for social justice.

## **Breaking down internal silos**

8. The reform has addressed internal barriers to collaboration and teamwork. Early action focused on the restructuring of headquarters, consolidating five sectors and several stand-alone units into three portfolios, with a reduced number of units reporting directly to the Director-General.
9. Departments were reorganized along functional lines, eliminating overlapping responsibilities and fragmentation between units, thereby clarifying roles and responsibilities. This streamlining of managerial structures has quickened the pace and quality of decision-making and coordination. In addition, a review of procedures governing the use of different types of funding further strengthened the management of ILO resources within an integrated framework.
10. A focus on internal communications has led to progressive improvement in this area. A small team was established to implement the recommendations from an external review, and an internal communications dimension has been systematically built into all major initiatives. The introduction of new communication channels has encouraged more active staff participation. In a survey conducted in 2015, over 60 per cent of all staff said they believed internal communications had improved or improved significantly since 2014.

## **Stronger knowledge base**

11. The ILO's technical excellence depends on the strength of its statistical, research and analytical capacities and its ability to access the assets of others working on relevant issues. Investing in these capacities and building stronger partnerships has enhanced ILO performance in all knowledge-related areas.
12. A new ILO publishing policy was introduced and is currently being implemented to improve the relevance, timeliness and quality of ILO publications within a coherent overall approach. At the same time, an expanded programme of research to address large and complex questions on which the ILO must have credible, authoritative evidence-based positions was introduced.
13. The Office enhanced its statistical capabilities by appointing a Chief Statistician and strengthened its capacities in key technical fields, delivering quality, comparative research and statistics as the basis for sound evidence-based policy advocacy.
14. ILO technical specialists have been organized into Global Technical Teams, which form a broad network for a dynamic exchange of knowledge, expertise and lessons learned. The ongoing meetings and other exchanges within and among the teams will provide opportunities for cross-fertilization of resources and expertise to develop the knowledge and

update the skills of technical staff and to ensure that they are all well informed regarding the contemporary needs of constituents in countries in different regions at different levels of development. They also serve as vectors to engage more technical staff in the current policy debates at the global level.

15. Additionally, the ILO Knowledge Management Gateway launched in March 2014 now covers 187 member States and provides extensive country-specific information and data on 13 policy areas relevant to decent work.
16. As a result of the above measures, ILO analytical work and policy advice is now more actively sought across a range of high-, middle- and low-income countries. There has been expansion of country coverage on the public website providing information and data relevant to the Decent Work Agenda. A total of 774 country outcomes were achieved across 137 member States, exceeding the target of 721 set for the 2014–15 biennium.
17. The ILO has also been well placed to deliver robust data and evidence-based contributions to discussions of the 2030 Agenda and the adoption of the indicators which are essential to monitoring of progress on its implementation. Given the breadth and time-sensitivity of the SDG indicators, efforts are continuing to improve the quality and timeliness of relevant data and information.

## Global policy influence

18. The Office has used targeted evidence-based advocacy more effectively to expand the ILO's influence and to have partner institutions adopt and implement policies for decent work. Nowhere was this more evident than the adoption of the 2030 Agenda, which places decent work at the heart of policies for sustainable and inclusive growth and development for the next 15 years. The ILO's mandate cuts across many of the SDGs, which is expected to substantially increase demands on the ILO for policy and country-level support.
19. The ILO has also become a full partner in servicing the G20, providing advice on a wide range of labour market and related issues at the request of successive G20 presidencies. This has enhanced the impact of ILO knowledge and policy tools developed for country, regional and global application. The G20 leaders have assigned important analytical responsibilities on job creation and related issues to the ILO, along with the World Bank, the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF), resulting in enhanced cooperation with these organizations. The ILO has provided similar services to the meetings of the BRICS group of countries (Brazil, Russian Federation, India, China and South Africa). Renewed efforts have also been made to expand and deepen cooperation with regional development banks.
20. Dissemination of high-quality and timely information and communication products promotes the impact of key ILO reports and messages. Following an external review, a global strategy was developed which sets out how the communications function, as part of the broader ILO advocacy effort, will contribute to greater ILO influence. The emphasis on higher-quality ILO products has already generated growing interest among researchers and the media, evidenced by a higher number of downloads, as the ILO has enhanced its reputation as a publisher of robust and reliable research and analysis.
21. A redesign of the ILO public website has made it more visually engaging and easier to navigate, with prominence given to top stories. There is now seamless integration of the Internet with the ILO's key online applications, including NORMLEX, ILOSTAT, LABORDOC and the ILO Knowledge Management Gateway. As a result, there has been a major increase in the total number of visitors to the ILO website, which now regularly

receives an average of 980,000 visits, representing 670,000 users, and 3.5 million page views per month.

22. Dissemination of ILO material has been enhanced by an integrated social media presence. The ILO's following on Twitter increased steadily from 25,000 in April 2013 to 79,100 in September 2016. The ILO Facebook page had 80,000 likes in January 2014 and the figure now stands at around 289,000.

## **Strengthening partnerships**

23. The reform provided additional impetus to ILO efforts to expand and improve partnerships, as articulated in the Development Cooperation Strategy for 2015–17 presented to the Governing Body in November 2015. A major focus has been the development of predictable, multi-year partnerships, expansion into new cooperation areas and growth of unearmarked funding.
24. At the beginning of 2016, the ILO had development cooperation agreements with over 120 partners covering more than 100 countries, was engaged in more than 130 partnerships with the private sector and had over 40 agreements with foundations. Partnerships with middle-income countries and emerging donors have expanded. The share of domestic funding has also grown and currently exceeds 5 per cent of voluntary funding.
25. Following implementation of the Field Review and Office-wide consultations, five flagship programmes – Social Protection Floors, the International Programme on the Elimination of Child and Forced Labour (IPEC+), Jobs for Peace and Resilience, Occupational Safety and Health Global Action for Prevention, and Better Work – were launched in February 2015 with the aim of mobilizing resources to provide enhanced technical assistance in those areas.
26. The Office has also focused on engaging in and strengthening partnerships for advocacy, knowledge sharing and exchange of experience.
27. The ILO has strengthened its participation in UN initiatives and UN coordinating mechanisms at all levels, including renewal of several strategic UN partnerships. It has also increased its participation in UN-pooled funding, Multi-Partner Trust Funds and UN Joint Programmes. In turn, the ILO has benefited from direct contributions from other UN entities to its own programmes.
28. Renewed efforts have been made to expand cooperation with the World Bank and the international financial institutions, both at the global level and in country operations. Strengthened field presence and technical capacity have better equipped the Office to take up opportunities in country-level UN development frameworks, including in the One UN initiative, and in non-resident countries.

## **Human resources reform**

29. Human resources reform has been a central pillar of the changes that have taken place in the Office since the initiation of the reform in 2012. The restructuring of headquarters, the field operations review and the accompanying human resources policy changes, particularly with regard to performance management, staff development, recruitment and selection and workforce planning, have all had a significant impact on the way the Office works.
30. The implementation of the Business Process Reviews was accompanied by an assessment of the organizational culture with a view to implementing measures to foster an environment

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supportive of overall ILO reform objectives. The results of a staff survey conducted in mid-2015 provided a better understanding of workplace culture and the changes needed.

31. There has been a significant upward trend in compliance with the performance management framework, and investment to enhance leadership within a comprehensive accountability framework has improved the capacity of managers to undertake their responsibilities more effectively. In parallel, several initiatives have been launched to improve existing performance recognition mechanisms, including the ILO Recognition Awards rolled out in mid-2016. The initiative will support and promote an organizational culture that recognizes individual staff members and teams who have made an outstanding contribution to advancing the ILO's mandate, goals and values, and achievements in leadership, teamwork and innovation, while at the same time addressing problems of underperformance fairly and seriously.
32. Further initiatives on recruitment and mobility have been introduced, focused on new ways to facilitate internal staff movements and better address staff diversity. The new recruitment and selection system launched in early 2015, including the new mobility policy, resulted in an increase of 60 per cent in geographical mobility recorded for the year. Improved geographical diversity of staff is expected to be reflected in the end-of-year staff composition data.
33. Considerable effort has been invested in improving the quality of interaction between the Administration and staff representatives. This has led to the signing of collective agreements on recruitment and selection, maternity protection and anti-harassment measures.
34. Overall, the reform has encouraged more coherent human resources policy integration and has enabled the Office to better combine workforce planning, staff development, performance management and recruitment processes.

## **Business Process Reviews**

35. The Business Process Reviews build on previous initiatives and involve a detailed examination of all core business processes to determine where working methods can be more responsive and efficient.
36. Reviews have been successfully concluded in four departments and two more are currently under way and will be completed by the end of the year. While the full impact of the potential improvements identified by the reviews are not yet known, possible time savings averaging 20 per cent have been found in the reviews completed so far. In due course, these savings will be reflected in a significant reallocation of resources from administrative functions to direct services to constituents.
37. Process improvements will be implemented over the course of this biennium. Examples include piloting a more strategic method of preparing programme and budget proposals, introducing standard tools and a template for development cooperation project revisions, modifying selected IRIS workflows and further automating project appraisal and approval processes.
38. In addition, reviews found a number of cross-departmental processes with potential for additional efficiencies and those are being investigated further.

## Conclusion

39. Delivery of the Reform Commitment has resulted in major improvements in the qualitative and quantitative aspects of the ILO's work and generated considerable efficiency savings.
40. While additional efforts will be made to advance the unfinished business of some aspects of reform – notably in respect of communications and the “One ILO” concept – at the current juncture, it is essential to use the platform of organizational and cultural change that has been established to drive a process of continuous improvement.
41. ILO management is committed to leading that process and will be accountable to the Governing Body for its delivery.