



## THIRTEENTH ITEM ON THE AGENDA

**Human Resources Strategy: A review of progress and impact**

1. This paper reports to the Programme, Financial and Administrative Committee (“the Committee”) on the overall implementation of the ILO Human Resources Strategy (“the HR Strategy”) adopted by the Governing Body in November 1999.<sup>1</sup>
2. The HR Strategy aims to achieve policy objectives in relation to six main elements: improved prospecting, recruitment and selection procedures, to attract the highest quality candidates to the Office and to do so more quickly than previously; personal and career development, including succession and career development planning, performance appraisal and job training; a job grading system focused on competencies and results; enhanced people management skills; improved employee relations; and greater “external awareness”. Underpinning the HR Strategy has been the Director-General’s continuing commitment to collective bargaining and to working in close partnership with the Staff Union and staff in implementing the Strategy.
3. The HR Strategy applies equally to staff in the field and at headquarters. The Strategy addresses important issues affecting field staff in terms of how the Office conforms to the United Nations system standards on security and the introduction of the National Professional Officer (NO) job categories and reflects the Director-General’s commitment to the policy of decentralization and mobility.
4. At its 285th Session, the Committee was informed that the Director-General had requested the External Auditor to undertake a management audit of the HR Strategy. The External Auditor’s report (“the Auditor’s report”) is submitted in a separate paper to the Committee.<sup>2</sup> The present paper considers the progress and impact of the HR Strategy since 1999, taking into account the comments and recommendations made by the Auditor. The appendix to this paper summarizes the Office’s response to the Auditor’s recommendations.

<sup>1</sup> GB.276/PFA/16. Developments in relation to the HR Strategy have been reported in separate papers to each subsequent session of the Committee.

<sup>2</sup> GB.286/PFA/14.

5. The next section of the paper provides some basic ILO workforce data and outlines trends. This is followed by an assessment of progress made on the HR Strategy since 1999 and a summary of issues arising during implementation. The paper then elaborates the Office's proposed policy priorities for the next few years. For ease of reference, the order of presentation of the individual elements of the Strategy set out below generally follows that in the Auditor's report.

## **ILO workforce trends**

6. The cornerstone of a knowledge-based organization like the ILO is its staff. The HR Strategy focuses on the identification and development of talent, from both within and outside the organization, and on the encouragement of the kinds of flexibility that will allow ILO priorities, programmes and operating methods to change over time while essentially the same workforce size is maintained. In this respect, having in place appropriate policies with respect to gender, age and grade structures, and staff mobility will be critical to the future success of the Organization.
7. The papers on the composition and structure of the staff, which are provided to the Committee in March each year, show how these structures have changed since the HR Strategy was adopted in 1999. In summary:
  - (a) The number of regular budget staff has remained fairly constant since 1999, however, there has been an overall increasing trend in the number of extra-budgetary staff, reflecting the recent expansion in the ILO technical cooperation programme. The number of Professional (P) staff in the Office has risen at a higher rate than for General Service (GS) staff.
  - (b) As a consequence of the baseline grading exercise, the number of staff in management/technical grades, especially at the P5 grade, has increased and the number for P4 and below has decreased.
  - (c) The percentage of women in the Professional grades and above in the Office has risen gradually each year since 1999; however, the majority still tend to be at lower professional levels.
  - (d) The average age of staff in the Office remains high, with over one quarter of all Professional staff aged over 55 and only 33 per cent of such staff aged below 46.
  - (e) The number of Professional staff in the field has remained fairly static in recent years, but will increase in line with the Director-General's commitment to enhance the Office's presence and action in member States.

## **Implementation of HR Strategy: Progress and issues**

8. The HR Strategy is directed towards supporting the ILO's corporate objectives, priorities and strategies. It is being developed in parallel with the work of the International Civil Service Commission (ICSC) to implement standard human resources policies and processes on key issues within the United Nations common system. The Strategy is

ambitious and complex<sup>3</sup> in nature and its implementation has identified some difficulties that need to be resolved. In the latter regard, while progress in implementation has been steady and substantial, it has not been achieved to the same extent across all elements of the Strategy. As is clearly demonstrated by the Auditor's report, the level of resources (staff and financial) has not been sufficient to enable full implementation and to deal with the range and difficulty of issues encountered. The result has been that efforts have been concentrated on delivering the most important elements, namely: changes to the recruitment and selection process; development of the Young Professionals Career Entrance Programme (YPCEP) and Personal Development Plans (PDPs); review of the current training programme; and implementation of the new grievance procedures. Finally, the timeframe initially foreseen for implementation has proven unrealistic.

9. The Strategy is still evolving,<sup>4</sup> it is being adjusted from time to time, and lessons from implementation have been learned for the next stage of its development. In the latter respect, Human Resource Development Department (HRD) will be working closely with the new Integrated Resource Information System (IRIS) project to ensure that future developments in the Strategy are facilitated by the new information systems and that day-to-day human resources business processes are simplified and streamlined, thereby enabling any resource savings to be reallocated to support high priority work.

## Collective agreements

10. Collective bargaining was introduced in the ILO in 2000 and the policies and procedures it has brought represent a new method for the ILO in conducting internal management-staff relations. The agreements are an integral part of the HR Strategy. To date, seven Collective Agreements have been signed, creating new organs as summarized in table 1.

**Table 1. Collective Agreements signed between the Office and the Staff Union**

Title	Date of signature	Bodies created
Recognition and Procedural Agreement	27.03.00	Joint Negotiating Committee (JNC) and (Collective dispute) Review Panel
Collective Agreement on a Procedure for the Resolution of Grievances	13.09.00	Office of Ombudsperson; Facilitators; Joint Panel
Collective Agreement on a Procedure for Recruitment and Selection	06.10.00	
Collective Agreement on the Prevention and Resolution of Harassment-related Grievances	26.02.01	
Collective Agreement on Arrangements for the Establishment of a Baseline Classification and Grading	14.03.01	Independent Review Group
Collective Agreement on Personal Development Plans	03.08.01	
Collective Agreement on a Procedure for Job Grading	19.02.02	

<sup>3</sup> For example, it has key elements that are interlinked. In this respect, recruitment, personal development planning, training and development, and job classification now rely on a common job competency framework.

<sup>4</sup> In this respect, additional elements to the Strategy in respect of Work-life and Contract policies were approved by the Governing Body in November 2000, as outlined in GB.279/PFA/12.

11. Inevitably, problems have arisen in the early stages of introducing such an innovative approach. Some flaws in design and procedures outlined in the Collective Agreements have been identified and all parties involved have had to come to terms with new roles. All Agreements are subject to review two years after signature or commencement of operation. The Office will report to the Governing Body on the results of the review of those Collective Agreements to be conducted during the course of this year. The review will take into consideration the experience gained and lessons learnt to date in the process of the collective bargaining and in the implementation of the Agreements. It will examine the difficulties encountered, including lack of capacity and available resources to deal with issues as quickly and effectively as possible, and propose amendments to Agreements and the procedures set out in them.

## **Personal and career development**

### ***Personal development plans and performance management***

12. At its March 2000 session, the Governing Body endorsed the replacement of the current performance appraisal arrangements by an annual Personal Development Planning (PDP) system directed towards identifying the strengths and development needs of individuals and linked to the Office's career planning and training programme. A substantial amount of technical preparatory work has now been completed and the PDP is currently being implemented on a pilot basis in one headquarters sector, and for the Latin American Region. It is estimated that data from approximately 100 PDPs will be consolidated during the pilot exercise. The outcomes will be evaluated during the first half of 2003 to gain an initial appreciation of the advantages, disadvantages, problems and support implications for this initiative.

### ***Young Professionals Career Entrance Programme (YPCEP)***

13. The YPCEP is a key element of the HR Strategy as it will help to address a number of important human resources policy issues including gender, national diversity, grade and age structure. The YPCEP programme was launched in 2000 and there have been two intakes each of ten persons. A majority (13) are female, the average age is 30 years and all except one were recruited from an under-represented country. The current YPCEP strategy provides for young professionals to have periods of work at headquarters and the field prior to being integrated into a regular post in their final year. The Committee has continued to give strong support for the employment of young professionals from under-represented countries. Participants have generally been enthusiastic about the Programme, but the YPCEP has suffered from lack of resources and management buy-in, with managers continuing to prefer recruitment of experienced staff over relatively inexperienced young professionals. A lack of clear ongoing funding arrangements has also raised uncertainty about the scope, direction and future of the YPCEP. The Office is reviewing the Programme with a view to remedying its current limitations.

## **Prospection, recruitment and selection**

14. The Collective Agreement on a Procedure for Recruitment and Selection was directed to improving the quality of recruitment and reducing the time required to process competitions. The new procedure has relied on Assessment and Development Centres (ADCs) and assessments by technical panels to introduce a high level of objectivity in the

evaluation of generic and technical competencies of candidates and increased responsibility on the part of managers in staff selection.

15. From 1 January 2001, revised Staff Regulations gave effect to amendments required under the Agreement. All requests for the opening of competitions received after this date were handled under the new procedure. Decisions for some 85 competitions have been taken and a further 80 continue to be processed under the procedure since the beginning of 2001. Twenty-seven Professional level and 11 General Service staff ADCs have been run for over 220 candidates. A further 50 competitions were processed under the previous procedure during the same period.
16. Implementation of the new procedure shows that, while there have been difficulties, certain key objectives are being met. Managers have an increased say in the selection of staff and assessment is contributing to the identification of the strengths and development requirements of candidates. The main difficulties surround delays in the processing of competitions and the “heavy” administration of ADCs. Although an important aim of the new procedures was to decrease the time required to handle vacancies, the time taken to process competitions remains long – the average duration in 2002 was 287 days compared to 322 days in 2001 and 382 days required on average to process competitions between 1 January 2001 and June 2002 under the previous procedure. Managing and running ADCs is also very resource intensive: it has substantially increased the workload of HRD and demands considerable ongoing time commitments from Office staff who participate as assessors.

## Classification

17. As part of the HR Strategy, a new job grading system was developed to focus on establishing job families and broad generic job descriptions within those families setting out job requirements based on competencies and results. In order to develop generic job descriptions, the Office’s individual job descriptions were reviewed. The Baseline Grading Agreement shifted the responsibility to grade and evaluate jobs to line managers, and HRD’s role became that of classification adviser on complex cases. A total of 1,645 positions in headquarters and the field were reviewed during the baseline grading exercise, resulting so far (see further below) in 333 positions being upgraded (20.25 per cent), 44 positions downgraded (2.67 per cent) and 1268 positions being confirmed (77.08 per cent). The Classification Unit conducted seven job grading workshops involving a total of 37 managers in July and September 2002.
18. The Agreement also enabled staff to request a review of the grade of their positions from the Independent Review Group (IRG), which comprises representatives of Professional and General Service staff, jointly nominated by the Office and the Staff Union. Two training sessions of two days each were organized for members in August 2001 before the IRG commenced its work. As a result of delays in the IRG review process, some staff members lodged grievances with the Joint Panel late in 2001. These delays reflected the difficulty encountered by IRG members in trying to balance their panel and other work commitments, together with the fact that staff members have preferred to present oral comments directly to the relevant IRG panel, rather than rely only on a written submission. A member of the IRG was appointed as coordinator of activities in August 2002 to speed up the finalization of outstanding cases. By January 2003, 155 requests for review have been received by the IRG. Of these, 32 cases have been finalized (resulting in 15 upgrades and 17 grading confirmations), 23 requests have been withdrawn and decisions in 100 cases remain outstanding. A draft implementing circular, associated advice to managers and terms of reference for the IRG are the subject of current discussions between the Office and the Staff Union.

## People management skills

### *Training*

19. Training is a very important part of the HR Strategy. If the ILO wishes to maintain and improve its technical competencies and other competencies vital to continuing the modernizing process within the Organization, then training efforts have to be strengthened and the necessary resources provided. The Office's current training programme provides training across a number of areas, including technical skills development, a "communications" programme for GS staff, language training and management development. In the latter regard, as a part of the action plan to improve managerial skills within the ILO, a pilot coaching programme for 40 ILO managers took place in 2000-01. As the Committee is aware, the 2000-01 surplus provided resources to finance a major effort to improve management development.

## Employee relations

### *Grievance handling*

20. The Office undertook to introduce a new policy and programme to seek to minimize workplace conflicts and to resolve such conflicts in a fair and equitable manner. New procedures were adopted which emphasize informal resolution and resolution by dialogue at the earliest stage of a conflict, thereby preventing disputes from becoming formal and inflexible too quickly, which would then limit the possibility of securing a mutually agreed and therefore more effective outcome. Separate procedures were devised for resolving general grievances and for the prevention and resolution of harassment-related grievances. One of the salient features of the procedures is to utilize the peer-based counselling system to promote an organizational culture where managers and staff would assume responsibility for developing a healthy workplace environment and to work with the parties concerned to resolve conflicts effectively.
21. In December 2001, amendments were introduced to Chapter 13 of the Staff Regulations which established two distinct procedures for the resolution of grievances and the prevention and resolution of harassment-related grievances. These amendments provide a mechanism to promote the informal resolution of conflicts as well as a formal system, establishing the role of peer-based facilitators, the Office of the Ombudsperson and the Joint Panel.
22. The Ombudsperson assumed her functions on 1 October 2001. In the interim, the Office and the Staff Union identified a group of officials who had expressed interest in serving as facilitators and initial training in communication skills and mediation was provided. That training was continued by the Ombudsperson, whose duties include supervising the facilitators' work. Two training sessions were held in late January and early February 2003, enabling 12 established and a number of newly selected facilitators to take up their functions in February 2003. In the 12 months beginning October 2001 the Ombudsperson handled 85 matters. These matters have involved providing informal advice and assistance [information/referral (42) and other forms of assistance (19)]; as well as grievances requiring full, sometimes complex, investigation (24). Of the 24 formal grievances that went to investigation, most concern alleged harassment; 19 cases have been closed and five remain open.

23. The Joint Panel, the internal grievance review body, began developing its rules and procedures in mid-2001 and became fully operational in December 2001. From November 2001 (when the first case was received) to December 2002, 81 cases were lodged with the Joint Panel, comprising: 59 cases brought under the baseline grading exercise (including a representative action initiated by the Staff Union); ten general grievances; ten grievances dealing wholly or partly with harassment-related issues; and two grievances concerning selection decisions. The Joint Panel has issued 58 recommendations. Sixteen cases were closed without the Joint Panel making a recommendation: of these, seven were withdrawn by the claimant; the Joint Panel made preliminary examinations of the others but decided it did not have jurisdiction to deal with the case. In two of these cases preliminary oral hearings were held and the Joint Panel issued summary conclusions, indicating the arguments heard and its reasons for not allowing the matters to proceed before it. Seven cases are ongoing. The Office and the Staff Union have made specific agreements in two termination cases to give the Joint Panel jurisdiction over matters falling under Chapters 11 and 12 of the Staff Regulations.
24. An analysis of the workload data for the Ombudsperson/Joint Panel since they commenced operation in 2001 suggests that workplace issues are best addressed at the time and level at which they first arise and in a relatively informal manner. Otherwise such issues can turn, unnecessarily, into formal staff grievances. Problems with the current grievance systems include excessively short deadlines, confusion over the roles and reporting lines of the Ombudsperson and of the Joint Panel, a lack of clarity with regard to the rights and duties of the parties to the grievance procedure and possible inequities in respect of the appeal rights of the parties to a grievance. The Auditor's report noted that the procedures gave rise to a potential conflict of interest for the Ombudsperson in that she is expected to be both investigator and mediator.

### Contracts policy reform

25. The 1999 HR Strategy paper did not refer specifically to contracts policy. However, it has become evident in implementing the Strategy that the current contracts policy is too complex and too cumbersome to administer with too many contract types. In November 2001, the Office therefore proposed to reform its contracts policy and the Committee endorsed an approach<sup>5</sup> which would reduce the current six contract types to three and review their terms and administration. Before further action is taken in this area, the Office is awaiting developments arising from the ICSC's current review of contracts policy.
26. The Committee has previously been advised that the Office had issued a policy on the proper use of temporary employment contracts.<sup>6</sup> As a result of the various initiatives taken to regularize the situation of persons employed long term on temporary contracts, since January 2001, 88 temporary officials (31 Professional staff and 57 General Service staff) have been integrated at headquarters, through normal competition processes. A number of cases remain to be resolved and efforts are continuing to settle these as soon as possible.
27. In March 2001, the Governing Body endorsed the introduction of the National Professional Officer (NO) category in the ILO and delegated authority to the Director-General to make appropriate amendments to the Staff Regulations. An implementing circular was issued in October 2001 and all extended GS grade positions have now been converted respectively

<sup>5</sup> GB.282/PFA/11.

<sup>6</sup> Circular No. 630(6).

to NO-A and NO-B positions. In April 2002, the application of the NO category was extended to IPEC and other major technical cooperation projects.

## **Work-life initiatives**

28. In March and November 2000, the Office submitted papers to the Committee on work-life initiatives<sup>7</sup> addressing a wide range of issues concerning work, family and the well-being of ILO staff in Geneva and elsewhere. HRD has made progress, to varying degrees, on a number of these issues, including in relation to staff security, occupational safety and health, domestic partners, childcare facilities, paternity leave and family support obligations. Previous reports to the Committee have provided details. Work will continue on the first three of these initiatives and specific proposals are still to be developed in relation to the remaining elements of the work-life agenda.
29. The Office carried out a review of security and safety preparedness of field office management and staff and their awareness of the United Nations system-wide security arrangements. In view of the heightened international security situation since late 2001, the Office of the United Nations Security Coordinator (UNSECOORD) requested all UN agencies to implement additional security measures, and 30 of the 36 targeted field offices now comply with the common standards. Further measures to update and improve the Office's overall security preparedness and policy will be developed in 2003 with the use of funds allocated from the 2000-01 cash surplus.

## **External awareness**

30. The 1999 Strategy recognized that focusing on internal career development practices of the ILO would deliver considerable benefits to the Organization. To maximize these benefits, however, it was important to find ways of institutionalizing external relationships and constantly benchmarking internal practices against external "best in class" organizations. One way to achieve this is by bringing people in from the outside and placing staff on secondment to other organizations in order to widen the skills base within the Office. There are currently 15 senior officials on secondment to the ILO from governments of ILO member States, working mainly in technical sectors both at headquarters and in the field. The Office has also implemented an exchange programme with the ministry of one member State.

## **HR policy imperatives – the way ahead**

31. In November last year, the Director-General informed the Committee that problems had been encountered in implementing the HR Strategy and it had proved to be more costly than anticipated. Accordingly, he had asked that the Auditor prepare an independent evaluation of the Strategy, as a basis for the Committee to consider its future development. The Auditor's report endorses the broad lines of the HR Strategy and indicates that significant progress has been made in developmental work for the Strategy but that its practical implementation in certain areas has been delayed and had encountered many difficulties. It notes that the cost implications of fully implementing the Strategy are substantial and makes a number of recommendations on how to improve implementation.

<sup>7</sup> See GB.277/PFA/11 and GB.279/PFA/12.

32. The appendix provides the Office's position on all of the audit recommendations. The Office intends to review the substance of a number of the Strategy's initiatives and its ongoing costs and prioritize actions to focus available resources on the key elements of the Strategy. The proposals set out below in paragraphs 34-48 reflect the Office's preferred position and now need to be discussed in terms of direction and detail with line managers and the Staff Union.
33. In addition to action to implement the recommendations made by the Auditor, the Office considers that the key factors underlying the future success of implementing the Strategy are:
- A more constructive relationship with the Staff Union generally and through collective bargaining.
  - Continuing progress on human resources workforce indicators around the important issues of gender, diversity, age profile, job grading and mobility.
  - Acceptance by line managers of their increased role in human resources management, together with provision of appropriate guidance and support.
  - Greater recognition of the importance of training and development for improving management and staff general/technical competencies.

## **Progress on key HR indicators**

### ***Gender balance***

34. The recommendations of the 2001-02 ILO Gender Audit, confirm that it is vital to make greater efforts to promote female leadership in the Office and actively target qualified female staff with potential for advancement to senior level posts and providing them with necessary training. The Office will also accelerate efforts to recruit qualified female candidates to join the ILO, with a view to improving the female-to-male balance at all levels. HRD will develop a clear set of indicators to assess progress towards gender balance. These indicators will include increased representation of women at the higher grade levels, as well as increased numbers of women participating in training courses aimed at career development. The career planning and performance evaluation mechanisms in place should also ensure that qualified female candidates are provided with the necessary feedback, coaching and training to facilitate their career advancement.

### **Diversity**

35. The Office needs to continue to improve national diversity among its staff. Through specifically targeted advertisements, recruitment missions and increased responsibility of managers and staff to identify prospective candidates, HRD will aim to increase the proportion of equitably represented member States through the identification of qualified candidates from non- and under-represented countries.

### **Grade structure**

36. In order to control the consistent application of the new job grading standards, HRD, together with PROGRAM, will ensure that appropriate organizational/grade profiles are in place in all sectors at headquarters and in regional departments and may recommend a

change in grade when a position becomes vacant in order to redress imbalances in the grading structure. HRD will also review all future recommendations for upgrading with a view to ensuring that the new job grading principles are being applied correctly.

## **Age profile and the Young Professionals Programme**

37. It is important that the Office develops a more effective approach to succession planning to ensure that as more staff leave upon retirement, institutional knowledge and experience are maintained. Accordingly, the Office will continue to recruit young professionals. A study will be conducted during 2003 to identify ways of improving the level of intake of young professionals based on an analysis of organizational needs and linked to future workforce planning in each sector. The greater involvement of ILO managers/supervisors in the recruitment process and in the development of the Programme will ensure an influx of young officials with better correlation between their technical knowledge and skills and the specialized posts required in the ILO. The study will also consider different ways of integrating current young professionals to regular budget posts.

## **Mobility**

38. The majority of the ILO's operational work is carried out in the field and the Director-General has recognized the need to continue to improve the services the Office provides to its constituents at that level. If these services are to be of a high quality and responsive to real problems and issues, service in the field as well as at headquarters will be a "must" for many Professional staff during their careers. In addition, greater attention needs to be given to promoting horizontal mobility within headquarters in line with broadening the skills and experience of all staff. The Office will therefore increase its efforts to improve staff mobility. Consultations will be held with line managers and staff at headquarters and in the field and with the Staff Union to identify issues requiring particular attention within the current mobility policy and arising from UN common system developments. This will include the setting of targets for the number of staff that should be transferred to/from and within the field and within headquarters every year. This will be an important component of the proposed human resources management plans, a tool that HRD intends to develop with and for line managers. The Office will contribute to and, it is hoped, benefit from the ICSC's further work in relation to mobility.

## **Personal and career development and performance management**

39. To promote a performance and results-based reward culture, and encourage further self-development and learning in the ILO, HRD will be reviewing the current Performance Appraisal Review (PAR) arrangements. As noted previously, the present PAR procedure is not perceived as objective, credible, consistent and useful for most officials and managers. A new mechanism is required, under which discussions on work performance become part of the regular exchanges between supervisors and staff, good performance is duly recognized and rewarded and under-performance is addressed in a fair and equitable manner.

## **Prospection, recruitment and selection**

40. Efforts have been made to widen the Office's prospection capabilities and to establish or reinforce relationships with existing sources of external candidates. These efforts will continue. To further accelerate the recruitment process, it is necessary to identify vacancies at least six months in advance and to encourage line managers to identify potential internal candidates who might be encouraged to apply.
41. In future, ADCs are proposed to be used primarily for selecting supervisory/managerial level posts and assessing external candidates for any position. This is in line with the Auditor's recommendations on the future use of ADCs. The Office intends to discuss with the Staff Union the use of ADCs on a voluntary basis, for developmental purposes, for staff already with the Office. HRD will also be taking steps to seek to shorten and reduce the administrative "weight" of ADC processes. It is proposed that assessor training be included in the new management development programme. The new assessment procedure for "D" and Field Office Director posts has now been finalized and will be in operation during 2003.

## **People management skills**

### ***Training, management and leadership***

42. Training should be a strategic and essential investment in staff. All staff should have the right to easy and full access to learning and career development opportunities. Training processes should be demonstrably effective, so that appropriate systems to evaluate learning could be applied.
43. One of the keys to the successful implementation of the HR Strategy is the ability of line managers to assume the increased responsibilities accorded to them by the Strategy. It is therefore essential that a higher level of training funds is available to continue with the management development programme and that similar funding increases be provided to broader staff training programmes during the next biennium and beyond. Training plans/strategies would be developed by each sector and region and aggregated to form the Office's overall programme. This will tie in with a larger organization strength analysis, as proposed by the HR Strategy paper in 1999.
44. To assist line managers in meeting the objectives of the Office's human resources policies, HRD is developing a database from which regular reports will be sent to each sector and region. HRD is also developing other tools to facilitate the handling of workplace disagreements and other key human resources issues: conducting workshops for line managers on particular issues; and developing human resources advisory capacity to support line managers on request. A new approach to staffing reviews has been introduced to encourage managers to establish human resources management plans for their sectors or regions, in close collaboration with HRD, with a view to addressing issues such as gender, age and grade structure, and mobility.

## **Employee relations**

### ***Grievance handling***

45. The Committee might note that the Ombudsperson has communicated a number of recommendations to HRD in respect of her functions, so that these may be taken into consideration in the upcoming review of the grievance procedures.

### ***External awareness***

46. The Office aims to expand its secondment policy to increase the number of short and longer term placements and exchanges for ILO officials with governments, employers' and workers' organizations and companies. HRD will also be exploring new possibilities in relation to use of interns.

## **Contracts reform/Work-life policies**

47. Further work is required on contracts reform. This must be done in parallel with the ICSC's current review in this area. The Office plans to extend the NO categories to all projects and activities in the field to ensure an equitable approach for all staff. This will also allow the Office to access to a greater extent existing resources of member States to enhance its capacity in programme implementation. As noted earlier in this paper, all elements of the Work-Life policy approved by the Governing Body in 2000 have not yet been implemented and work must continue to this end.

## **Other issues**

### ***Monitoring and evaluation***

48. The Office agrees with the Auditor that a monitoring and evaluation system for the HR Strategy needs to be introduced with performance indicators and set targets within a given timeframe for their achievement. The use of results-based planning and budgeting has been in place since 2000 and successive ILO programme and budgets now incorporate objectives and indicators. HRD has begun work to identify performance indicators in line with this approach, in order to measure the *impact* of the HR Strategy. In the latter regard, HRD will identify at least two performance indicators for each element of the HR Strategy. The indicators will be measurable, using as much hard data as is available to assess performance. Benchmarking performance against similar functions provided by other UN organizations will also allow the ILO to determine how successful it has been in implementing the HR Strategy.

### ***Resourcing the HR Strategy***

49. The Office has been unable to implement the HR Strategy as originally agreed within the time frame set for it. The Auditor's report has analysed the costs of financing the HR Strategy as currently approved. It is clear that the Office cannot afford to apply the level of resources identified by the Auditor to support the ongoing implementation of the Strategy. The Office will need to review with line managers and the Staff Union the feasibility of particular initiatives, the priority to be accorded to those to be implemented and then prepare revised resource estimates for future years and an associated implementation timetable.

**50. *The Committee may wish to:***

- (a) Note progress made in implementing the Human Resources Strategy, taking note of the difficulties that have been encountered.*
- (b) Endorse the future direction of the Strategy outlined in paragraphs 34-48 of the paper and, in this context, note the Office's intention to implement an effective monitoring and evaluation strategy.*
- (c) Request a further report on implementation of the Strategy for its March 2004 meeting.*

Geneva, 12 February 2003.

*Point for decision:* Paragraph 50.

## Appendix 1

### Summary of action taken to address external audit recommendations

Audit recommendation	Response to audit recommendation
<b>On personal and career development</b>	
1. In order to ensure that the Personal Development Plan system works well, I recommend that ILO institute a training programme for all staff in the use of the electronically based PDPs; and that sufficient IT resources are made available for the launch.	The Office intends to wait until the results of the pilot scheme have been evaluated before proposing on what basis the PDP initiative should continue to be implemented. This should be completed before June 2003.
2. To ensure the effective implementation of PDPs, I recommend that ILO take steps to accurately assess the training requirement which will flow from the development needs identified in PDPs, and put appropriate resources in place.	See response to 1, above.
3. I recommend that ILO clarify the continued use of the performance appraisal system in relation to the introduction of PDPs; and take positive steps to ensure that appraisals are fair, balanced and accurate.	See response to 1, above.
4. To ensure that the best use is made of the graduates from the Young Professionals Programme, I recommend that ILO take appropriate steps to ensure that funding is in place; that managers understand the benefits of taking graduates from the programme; and that the programme offers best value for the ILO.	The current scheme is to be reviewed during the first half of 2003. The issues identified by the External Auditor will be addressed in that context.
<b>On prospection, recruitment and selection of staff</b>	
5. To improve efficiency and effectiveness, I recommend that ILO review the present recruitment process; and simplify the roles of HR, line managers and the Staff Union, to concentrate on the assessment process and cut down the number of administrative stages involved in recruitment.	The recruitment process is now considerably quicker than before; however, the Office agrees that more work is needed to further streamline the process. Negotiations are planned with the Staff Union to identify ways in which the recruitment process can be improved.
6. I recommend that the role of assessors should be enhanced by a greater recognition of their role in the performance assessment process.	Recognition of assessors will be reflected in performance appraisals.
7. To assist the effective operation of the assessment centres, I recommend that ILO consider using them more selectively; and that systematic succession planning be used to predict and run competitions for groups of vacancies.	The Office will consider how to improve the operation of the ADCs in the light of existing resource limitations.
8. To encourage the use of assessment centres for the development of the individual, I recommend that they be used to encourage staff who wish to test their abilities against required competencies.	See response to 7, above.
<b>On classification</b>	
9. In order to make the system workable and efficient, and to avoid complex bureaucracy and a plethora of appeals, I recommend that ILO reconsider the existing procedures in the light of a review of the collective agreement.	Agreed.
10. I recommend that ILO take steps to make staff, and particularly managers, more aware of the requirements of classifications; and that they be given appropriate training in the essentials of evidence and procedural requirements.	An ongoing training programme is being developed.
11. I recommend that ILO continue efforts to eliminate the inappropriate use of short-term contracts by the time the new contracts system comes into place.	Agreed.

Audit recommendation	Response to audit recommendation
<b>On people management skills</b>	
12. I recommend that each sector in the ILO consider establishing a training strategy, produced as part of an overall HR Strategy for the sector, in order to provide resource managers with a basis for decisions on how to prioritize their own resources and ILO training resources more generally.	This accords with the Office's view that line managers need to take greater responsibility for decision making on personnel matters. Each sector and region should have its own HRD specialists, who would then form an expanded human resources network throughout the Office. The Office has started work to develop an overall training strategy and calculate the likely costs required to fund such a programme.
13. In order to support change management and the successful implementation of the HR Strategy, I recommend that ILO give priority to a management training programme and that this should be a part of a wider review of training strategy across the ILO.	Agreed. The issue is being addressed under the Management Challenges component of the 2000-01 surplus proposals.
<b>On employee relations</b>	
14. To ensure that grievance procedures operate for the mutual benefit of both staff and management, I recommend that ILO review the timescales and details of the procedures, with the aim of securing a more streamlined system which relies to a greater extent on local managers.	These issues will be addressed in the context of reviewing the relevant collective agreements during 2003.
15. I recommend that the role of the Ombudsperson be reviewed to address the currently conflicting roles of mediator and investigator.	See response to 14, above.
<b>On external awareness</b>	
16. In order to take forward the exchange programme as it was intended, I recommend that ILO establish an agreed set of contracts and terms; and take steps to actively seek potential staff exchanges.	Agreed.
17. I recommend that wherever possible, the Human Resources Department should seek to streamline existing administrative procedures and increase the number of professionally trained staff dealing with strategic human resources matters.	Agreed, subject to resource availability.
<b>Other overall recommendations arising from audit findings on implementation</b>	
18. I recommend that the Human Resources Department establish a communications strategy as a matter of priority, in order to identify the needs of all ILO staff for information on changes and developments under the HR Strategy generally.	Internal and external communications working groups have been set up in HRD to review communications issues.
19. I recommend that ILO identify a single focal point within the Human Resources Department, to be responsible for reviewing the impact of each element of the HR Strategy on other elements; and to provide a link to ILO staff on the benefits of the Strategy.	Agreed.
20. In the light of the uncertainties and potentially large commitment of resources arising under the HR Strategy, I recommend that ILO carry out a comprehensive review of resource implications and the likely costs of the full implementation of the Strategy for future years.	Agreed.
21. In order to provide a measure of the success of the HR Strategy, I recommend that ILO identify and apply appropriate evaluation criteria.	Agreed. HRD will develop performance indicators and benchmark achievements against other UN organizations.

Audit recommendation	Response to audit recommendation
<b>Work that can be carried out immediately</b>	
Review global staffing needs and, where advisable, group together competition requests to hold joint recruitment and assessment centres rather than individual events.	HRD is reviewing various ways in which staff planning and recruitment processes can be improved.
Agree an incentive for assessment work, for example a time allowance for all assessors and members of groups and panels.	To be reviewed in the context of 6, above.
Clarify the role of performance assessments in relation to the PDP arrangements.	This will be carried out after the PDP pilot scheme has been evaluated.
Produce simplified guides and checklists for staff and management covering the action needed for grievances and on any other relevant human resources issues.	Work is in progress.
Hold a series of workshops with managers from all sectors to explain human resources requirements and agree how to measure implementation.	Work is in progress.
Consider the future programme for assessment centres with a view to concentrating on managers or potential managers.	Agreed. The assessment of managers/prospective managers and supervisors, and external candidates at the professional level will be the priority for assessment centres.
Provide periodic information to all staff on the progress in each human resources area; on what HR expect from staff; and on what staff can expect in terms of service from HR.	See response to 18, above.
Report early decisions on the funding of the longer term management training programme.	Agreed.
Examine the links between the strands of the HR Strategy and the impacts that each strand has on the other.	Agreed. This will be facilitated by having one focal point as mentioned in point 19, above.
Establish brief workshop-based training for human resources staff in client relations and service issues.	Agreed.
Establish evaluation criteria for the HR Strategy.	See response to 21, above.