



SEVENTEENTH ITEM ON THE AGENDA

ILO Human Resources Strategy: Update

1. A paper reporting on implementation of the ILO Human Resources (HR) Strategy has been presented to each session of the Programme, Financial and Administrative Committee (“the Committee”) since the Governing Body adopted the Strategy in November 1999. This paper highlights progress made in implementing the Strategy since March 2003 and, in doing so, follows the format presented in earlier “update” reports. A more substantial report on overall implementation of the Strategy will be provided to the Committee at its March 2004 meeting.¹
2. 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 was submitted in a separate paper to the Committee.² The Office has already taken steps towards implementing changes in the light of the External Auditor’s recommendations and a detailed report on this will be submitted to the March 2004 Committee meeting. The audit recommendations are wide-ranging and highlight links between several elements of the Strategy and the need for an integrated and coordinated approach for the successful implementation of the Strategy.
3. The Senior Management Team (SMT) has identified a number of activities required to strengthen management for delivery and results. Following the discussion at the Governing Body session in March and the external audit recommendations, HRD policy objectives figured highly in the agenda of the SMT. The SMT had extensively discussed and as appropriate made decisions on issues concerning staff training and management development, succession planning, gender equity, the Office grading structure and communication.
4. The External Auditor indicated that good communications are vital to ensure the successful implementation of the HR Strategy as a whole. HRD is working closely with the SMT and PROGRAM and FINANCE to identify the different information needs of staff. The HRD web site is being updated and includes a set of frequently asked questions. Monthly meetings have been established with line managers and the feedback has been extremely

¹ GB.286/PFA/13.

² GB.286/PFA/14, “A review of the implementation of the ILO’s Human Resources Strategy: Report by the External Auditor”.

positive. This has allowed the administrative and support services to inform all line managers of latest developments and seek their views.

Collective bargaining

5. The seven collective bargaining agreements that were negotiated and signed by the Office and the Staff Union during 2001 and 2002 make provision for their review two years after signature. The Joint Negotiating Committee (JNC) discussed a programme to review the agreements during 2003 and decided to address the recognition and procedural agreement followed by the two agreements dealing with grievances.
6. The review of the recognition and procedural agreement took place earlier in 2003 and it was agreed that, in principle, no major change was necessary. Minor changes to the text have been agreed and at the time of writing the text of an accompanying circular is being finalized. The conclusion of the review of this agreement will be reported orally to the Governing Body at its November session.
7. The review of the two agreements concerning grievances (collective agreement on a procedure for the resolution of grievances and collective agreement on the prevention and resolution of harassment-related grievances) commenced in April 2003. As the Committee already discussed in March 2003, a number of difficulties have been encountered in the implementation of both collective agreements, which are being addressed through the negotiating process currently taking place at the JNC for the review. At the time of preparing this report, negotiations with the Staff Union are continuing. Any further developments on this matter will be reported to the Governing Body in March 2004.

Job classification and grading

8. Job classification and grading is a key instrument for implementing the overall HR Strategy of the ILO. The report adopted by the Governing Body in March 2003 identified a job grading system focusing on job requirements in terms of outputs, competence and capabilities as one of the main HR policy objectives of the Office. A new job classification and grading system, built around job families and broad generic job descriptions within those families, was established as part of the HR Strategy adopted in 1999. The system was implemented following the signature of a collective agreement (establishment of a baseline classification and grading system) in May 2001 and a further collective agreement (procedure for job grading), in May 2002. The agreement set up an Independent Review Group (IRG), where officials contesting their grade could lodge an appeal.
9. The report of the External Auditor found that the baseline grading exercise conducted so far had contributed to serious over-grading and warned that a continuation of this trend might occur as an outcome of the new procedure.³ Consequently, through agreement with the Staff Union at the JNC the Office issued ILO Circular, Series 6, No. 639, to advise staff of the revised job grading procedures.
10. In the light of the Committee's discussion on this matter during the March 2003 Governing Body session, the Director-General is committed to control over-grading and to return the Office to a rational and balanced organizational and grading structure, taking advantage of the possibilities offered by retirements and movement of staff. Nevertheless, this will take

³ *ibid.*

some time as there are currently over 50 appeals awaiting IRG decision and with the new circular only recently coming into force, more appeals can be expected. The Office has now begun to implement a strategy to reduce the average grade level during the next two biennia. These include establishing a revised grading structure for each department; developing succession plans at departmental level to identify posts being freed upon retirement or otherwise becoming vacant that can be regraded to a lower level (including filling vacancies in the field by headquarters staff – thereby improving mobility of staff within the Office – and reducing the grade level of vacated headquarters posts); and improving the capacity of line managers to undertake job analysis and work reorganization. The process will also facilitate the recruitment of young professional staff and assist in reducing the overall average age level of Office staff.

Prospection, recruitment and selection of staff

11. In March 2003, the Governing Body endorsed a proposal that the Office streamline the recruitment and selection process. An ongoing HRD/line management staffing review process has been introduced to assist line managers in their overall staff planning and to encourage them to identify posts that are likely to fall vacant and to consider appropriate options (including transfer possibilities) well in advance of actual vacancies.
12. Recruitment is now being targeted to meet key HR objectives agreed to by the Governing Body. In line with improving national diversity and gender representation, the Office is developing a prospection strategy under which advertisements have been placed in a range of publications in various regions to attract candidates with specific profiles. In addition, line managers responsible for the identification of candidates in their respective fields are being assisted by HRD to find sources for candidates from non- and under-represented countries.
13. The average duration of selection competitions has been reduced from 379 days during the first six months of 2001 to 246 days for the corresponding period in 2003, and means are being examined to streamline the process further to meet the target set out in the Programme and Budget for 2004-05, namely, that positions be filled in an average of five months, through a transparent and merit-based process.
14. The External Auditor's report suggested that it might be more effective to concentrate the resources available for Assessment and Development Centres (ADCs) on the selection of managers and future managers. Assessors have been trained to undertake management-level ADCs, with the first assessment of candidates planned for the end of 2003. The Office has reduced the administrative "weight" of ADCs by making them shorter and less complex, while focusing on improving their ability to measure key generic grade-level competencies. The Office has entered into discussions with the Staff Union to limit the use of ADCs to the selection of external candidates for Professional and General Service staff competitions and, where resources permit, for staff development purposes.

Gender equity

15. In March 2003, the Office made a commitment to the Governing Body to increase female representation at senior levels (i.e. P.5 and above) from its current level of 25 per cent to 33 per cent by the end of 2005. Statistics have been prepared for each sector and region on gender distribution and gender goals will be set at sector and department level.
16. The Office has made good progress in recent years to improve gender equity and it is encouraging to note that there are now sufficient numbers of female staff at P.3/P.4 levels

to facilitate effective succession planning. In addition to internal promotion, external recruitment will also be required to fill any potential skill gaps and enable the Office to meet its target of 33 per cent.

Recruiting young professionals

17. The recruitment and career development of well-qualified young professionals remains a priority for the Office as a source of renewal of competencies and in preparing for the ILO of the future. In this regard, a special Young Professionals Career Entrance Programme (YPCEP) was planned as a key element of the HR Strategy adopted in 1999 and implemented through two successive intakes of ten young recruits. Nevertheless, as confirmed by the External Auditor's report, the initially established YPCEP has proved financially and organizationally unsustainable over the medium and long term.
18. Considerable efforts have been made to absorb the previous intake of YPCEP young recruits into established positions, and participants in the programme are being integrated into regular posts on an ongoing basis, as opportunities arise. But this has created considerable pressure on resources and availability of posts and no new intake to the programme under the present format is therefore feasible in the short term.
19. In order to ensure the systematic recruitment of young professionals under a sustainable scheme, a review of the YPCEP is under way. A structured implementation plan is being developed, linked to the wider process of prospecting, recruitment and selection of staff.
20. The employment of young professionals is an invaluable means of helping to address a number of key HR policy priorities, including improving gender balance and national diversity, reducing the average age of staff and contributing to a lowering of the P grade profile of the Office. A higher level of recruitment of such staff will be possible when new lower level P positions become available as an incidence of the job grading strategy outlined in paragraph 10 above. Currently, young professionals are also the main contributor to mobility of staff between headquarters and field duty stations. The Office will continue to take steps to attract high-quality young professional staff.

Staff development

21. Since March 2003, work in this area has focused on: completing the "pilot" Personal Development Plan (PDP) initiatives and an interim review of those initiatives; and preparing a number of specific training and development proposals under the management challenges segment of the 2000-01 surplus funding.
22. The Committee will recall that PDPs were implemented on a pilot basis in one headquarters sector and in the Americas region. It was originally foreseen to conduct the pilot programmes simultaneously, but this did not prove possible: the sector pilot took place between November 2002 and June 2003, and the Americas pilot commenced in April and concluded in September 2003.
23. An external consultant has been conducting an interim review of the PDP pilot process, the IT tool used and the roles of those involved, including the advantages and disadvantages of the process and whether it appears capable of achieving the objectives envisaged for it. The consultant has also been requested to provide broad guidelines for developing and implementing a career development policy within the ILO which would integrate the PDP within a new performance management and rewards system.

24. In the latter regard, the External Auditor recommended that the PDP process remain separate from performance appraisals, as PDPs by their nature are directed towards improving future performance, rather than to measure past performance. The Office considers there is a need to retain a performance appraisal system and to provide rewards to staff for good performance. HRD is examining options to revise current arrangements.
25. HRD, together with PROGRAM and CODEV, has been developing a number of “pilot” training and development proposals to be considered in the context of the 2000-01 surplus funding. These proposals address management and leadership, technical upgrading, language training, and a number of specific initiatives (including in relation to knowledge management). Experience in implementing these interim programmes will be used as a basis for determining the key components of the Office’s ongoing management and staff development programmes.

Staff mobility

26. During the Governing Body session in March 2003, the importance of mobility of ILO Professional staff between headquarters and the field was again emphasized. The Director-General subsequently requested HRD to review the existing policy and prepare a proposal for decision.
27. This policy review was initiated in July 2003 by a series of weekly meetings between HRD and line managers, as well as Professional staff, across headquarters. Contributions were obtained from regional and field offices through written comments and videoconferencing and during official missions. Discussions were also held with the Staff Union on the mobility issue. The consultations have focused on a number of issues affecting mobility, including its link with career development and training, length of assignment and “return” mechanisms, incentives, structure of field-based positions, and work-life issues. It is expected that the new policy will be operational during the first quarter of 2004.

Strengthening the role of managers

28. The active participation of line managers remains critical to the successful implementation of the HR Strategy. As noted in paragraph 11 above, HRD is now working closely with each sector/department manager and regional director to develop a “rolling” HR management plan that not only addresses staff movements (e.g. new hires, transfers and retirements), but reflects performance against Office targets in relation to gender, national diversity, grade averages, and mobility. A series of specific management training initiatives has been launched to provide knowledge and skills in relation to the Office’s internal grievance procedure, improving cross-cultural dialogue to reduce workplace conflicts, and enhancing knowledge management in the Office and fostering internal “communities of practice”. In addition, as noted in paragraph 25 above, the Office is undertaking a pilot programme to improve internal management and leadership on an ongoing basis.

Contract policy reform

29. The Committee has previously been advised that, during the past two years, the Office has been taking a series of measures to eliminate the inappropriate use of temporary contracts. ILO Circular, Series 6, No. 630, was issued in July 2002 to provide information to managers and staff on the proper use of temporary contracts and outlined measures to resolve current remaining cases of inappropriate use of contracts. HRD has developed a

system to monitor the employment circumstances of all staff on short-term contracts and is progressively seeking, where possible, to find ongoing stable placements for staff who have been employed in inappropriate long-term temporary employment situations. A joint working group has been set up between the Office and the Staff Union to address this important issue. With this concerted effort, the Office will strive to ensure that staff will no longer be employed on inappropriate contract types.

Field security review

- 30.** Security costs have risen and will continue to rise sharply, especially in the field, as the Office must respond to dangers faced by its staff and the need to safeguard its assets. The Governing Body at its session in November 2002 approved the allocation of funds from the 2000-01 surplus to improve the security and safety of staff.⁴ The major objectives were to enable ILO field offices to comply with Minimum Operating Security Standards (MOSS) set by UNSECOORD and to raise the awareness and understanding of headquarters and field managers and staff in respect of security matters through appropriate training. With regard to MOSS compliance, the need for necessary equipment in ILO field offices was identified and funds were provided for their purchase. At the time of writing, 85 per cent of the 36 field offices targeted for this purpose were MOSS compliant.
- 31.** With regard to raising security awareness, the Office is in the course of implementing the following measures:
- Training of individual officials through CD-ROM-based interactive training was launched in field offices in July 2003 and at the headquarters through the Intranet in September 2003. It is expected that all ILO officials will have been trained through this method before the end of the year.
 - A pocket guide on security in the field has been produced in three official languages of the ILO and distributed to all officials at headquarters and in the field.
 - An Intranet site on security has been developed to make information concerning field security readily available to officials at headquarters and in the field.
 - A training workshop for security trainers/focal points from headquarters and the field was organized in September 2003 and the training of line managers at headquarters and field office directors is being implemented.

Monitoring and evaluation

- 32.** The External Auditor noted that no provision was made for evaluation criteria to measure the success or otherwise of the key elements of the HR Strategy and to provide a means of assessing the achievement of the overall Strategy. The lack of evaluation criteria had led to difficulties in establishing whether or not the Strategy has been successful in many of its key areas.

⁴ GB.285/PFA/9.

33. The 2004-05 Programme and Budget document⁵ includes an indicator for HRD to develop a human resource management and development system to ensure that the ILO has the best staff possible to carry out its work and to achieve a progressive decline in the incidence of workplace-related grievances. The document also sets three targets on:

- (i) positions to be filled in an average of five months, through a transparent and merit-based process;
- (ii) the percentage of qualified women in higher grades, particularly P.5 and above, is at least 33 per cent; and
- (iii) the incidence of grievances linked to policies, rules and procedures should be reduced to 40 per cent of that of 2002-03.

34. *The Committee may wish to note progress made in implementing the Human Resources Strategy.*

Geneva, 15 October 2003.

Point for decision: Paragraph 34.

⁵ GB.286/PFA/9, para. 305.