



FOR INFORMATION

FOURTEENTH ITEM ON THE AGENDA

Human Resources Strategy: Annual report

Introduction

1. In presenting the revised Human Resources (HR) Strategy 2006-09 (“the Strategy”) in November 2005, the Office committed to providing an annual report on the progress of its implementation beginning in November 2006.¹
2. This, the first full report, presents a synopsis of actions taken in implementing the Strategy and the main results achieved during the first nine months of 2006 against the targets approved by the Governing Body. It also identifies the major milestones to be reached in the further course of implementation.

Structure of the report

3. The implementation of the Strategy in 2006 involved simultaneous action on all three of its developmental priorities: sound and effective policies and procedures for recruitment, placement and career progression; integrated, motivating and rigorous staff performance management and development systems; and essential staff welfare and security arrangements. Section I details progress in each of these areas.
4. Crucial to the successful implementation of the Strategy are a number of supporting measures on which action was also taken. These include: enhanced effectiveness of the Human Resources Development Department (HRD); improved alignment of HR policies with the implementation of decent work country programmes (DWCPs) within a results-based management framework; and the establishment of a more effective monitoring and reporting system. These are elaborated in section II.
5. Thirdly, there are specific requests for follow-up by the Committee related to the identification of comparable staffing data within the United Nations common system and consultations with the External Auditor. These are discussed in section III.

¹ GB.294/PFA/16, para. 40.

Implementation of the Strategy: Overview

6. The Strategy remains a critical component of the ongoing reform process in the ILO, representing the Office's commitment to get the management of HR "right". It should be recalled, however, that as part of the United Nations common system, some of the means of achieving this objective derive from outside the internal governance structure of the Office as they are influenced by the International Civil Service Commission (ICSC) and the United Nations General Assembly decisions and recommendations. The Office therefore continued to work within the framework of the HR network of the United Nations Chief Executives Board for Co-ordination (CEB) to voice its concerns and identify issues that impact on human resources management (HRM) within the common system, in general, and the ILO, in particular.
7. Enhanced staff performance assessment and reporting and the strengthening of the learning culture are the centrepiece of reform measures adopted within the framework of the Strategy to better align HR policies with the implementation of the Organization's objectives. In keeping with the Office's results-based management approach, the focus of attention continued to be line and senior managers, with efforts directed at increased delegation and devolution of authority together with strengthened accountability. Concurrently, formal and informal dialogue with staff and the Staff Union Committee (SUC) remained an essential feature of the approach, also aimed at creating greater "buy-in" for the Strategy.
8. An important innovation was the Decent Work Global Management Team Workshop held in October 2006 under the leadership of the Director-General. The main outcomes were: key messages to enhance policy coherence across headquarters and the field in achieving results at the national, regional and global levels; core strategies for improving the Office's effectiveness in delivering DWCPs; and a common approach to position the ILO within the context of United Nations reform and increase operational coherence and effectiveness at the country level.
9. The additional resource implications of implementing the developmental priorities of the Strategy in 2006-07 were estimated at US\$2.94 million which, as indicated in GB.294/PFA/16, will be absorbed largely within HRD's programme and budget allocations for 2006-07.² The remaining costs will be met from an allocation from cash surplus to support the start-up of the new recruitment model (paragraph 16); and from the efficiencies generated by the re-orientation of the Department's operations (paragraph 60).
10. Overall, during the first nine months of implementation, good progress has been made in laying the foundation for the achievement of targets, with focus on initiating/strengthening processes, establishing baseline indicators and creating "buy-in" by managers and staff.

I. Main components of the Strategy

1. Sound and effective policies and procedures for recruitment, placement and career progression

(a) *Improving recruitment and selection*

Target:

Recruitment and selection are organized on the basis of revised procedures that emphasize competence, efficiency and integrity. These procedures, proposed amendments to the Staff

² op. cit., para. 39.

Regulations and associated administrative circulars will be presented to the Committee for endorsement in March 2006.

11. As reported to the Committee in March 2006, the review of the collective agreement on the procedures for recruitment and selection was suspended before a revised agreement could be concluded. Negotiations have since resumed between the administration and the SUC within the framework of a working group of the Joint Negotiating Committee (JNC). It is hoped that a revised agreement can be reached which would allow the proposed amendments to the Staff Regulations and associated administrative circulars to be presented to the Committee in March 2007. In the interim, the present collective agreement remains in force.

Target:

The average time for completion of the competition process will be reduced to 90 days by the end of 2007.

12. The average time taken to complete the competition process decreased to 130 days in the first eight months of 2006, down from 139 days in 2005. This decline was achieved despite the increase in the number of competitions during this period (up by 43 per cent compared to the same period in 2005).
13. A total of 33 positions (24 in the Professional or higher category and nine in the General Service category) were advertised for internal and/or external competition between January and September 2006, for which approximately 2,550 applications were received.
14. Since the start of 2006, approximately 220 young persons have been granted internships, 146 in headquarters and 74 in the regions. In headquarters, the majority of interns continued to come from Europe and North America, prompting efforts under the new internship policy to attract candidates from other parts of the world through inter alia the provision of a stipend to cover basic subsistence costs. While the granting of an internship does not create an expectation or an entitlement to employment with the Office, the internship programme does provide a source of potential future recruits. Even more widely, there is the potential for the knowledge and understanding of ILO principles gained by interns to be used in their future careers.
15. As reported in March 2006,³ HRD has assessed its internal workflows to identify ways to further reduce the average recruitment time in line with the target. Measures taken to address existing bottlenecks include: a reorganization of the Resourcing Unit; a streamlining of internal work processes; training of additional assessors for the Assessment Centre; and continuing dialogue with managers about their future staffing requirements and with the SUC to promote a better understanding of the recruitment process.
16. At the same time, the Office has been developing a new recruitment model: Resourcing, Assignment and Placement System (RAPS) that will improve the efficiency of the recruitment process. Under this model, the recruitment process for regular budget in the Professional category will be organized around a few fixed periods of the year. This will better facilitate several HR policy goals in the interests of the Office, officials and external candidates. From the perspective of the Office, prospection, succession planning, and talent management will be enhanced, support will be provided for the mobility policy, and recruitment needs will be considered in a comprehensive manner. For officials, it will support career planning and allow more time for professional and personal preparations for assignments, especially those involving geographical transfers. The Office has been working with some member States to review good practice in this area. A conceptual

³ GB.295/PFA/18, para. 7.

framework together with draft workflows have been developed and these are currently being peer-reviewed by senior ILO managers and benchmarked against best practice both within the United Nations and in the wider international community. The new system will be introduced in 2007.

(b) Strengthening diversity

Regional diversity

Target:

A more balanced regional representation in the staff of the Office will be achieved by the end of 2007, with a particular focus within each region on non- and under-represented nationalities.

17. Work on translating the notion of regional representation into practical details has been finalized. As a starting point, the Office has adopted the principles used in its present methodology for determining geographical representation at the country level. This is based on the notion of a standard desirable range (for the regular staff in the Professional and higher category) for all member States contributing less than 0.2 per cent to the regular budget and a desirable range in proportion to their contribution to the regular budget for other member States. These figures are then totalled for all the countries in a particular region to establish the range for that region. The regions have been defined as those used for administrative purposes, i.e. five regions as indicated in table 1 below.

Table 1. Regional representation of staff (regular staff – Professional and higher category staff), December 2005 and September 2006⁴

Administrative region (number of member States)	Desirable range		Mid-point of desirable range		Number of staff		Variance	
	December 2005	September 2006	(a)		(b)		(b)-(a)	
			December 2005	September 2006	December 2005	September 2006	December 2005	September 2006
Africa (53)	60-101	60-101	81	81	96	95	+15	+14
The Americas (35)	126-209	125-208	167	166	171	166	+4	0
Arab States (11)	15-25	15-25	20	20	8	7	-12	-13
Asia and the Pacific (29)	111-185	109-182	148	146	115	120	-33	-26
Europe and Central Asia ⁵	172-286	173-288	229	231	255	256	+26	+25
Total					645	644		

18. Two main conclusions can be drawn from table 1. First, at one level, the situation is largely positive, since the geographical representation of Professional and higher category staff of four of the five regions falls within the desirable range, only the Arab States region is not meeting this criterion. Secondly, however, the results are more mixed when the mid-point of the desirable range is used as a rough gauge of interregional balance. Both the Africa and Europe and Central Asia regions are above their mid-points, while the Asia and Pacific and the Arab States regions are below. This suggests that prospection efforts must continue to concentrate on the latter two regions in order to achieve a more balanced regional

⁴ Staff subject to geographical distribution.

⁵ The number of member States in Europe and Central Asia increased from 50 to 51 when Montenegro became the 179th member State.

representation. Some progress was made towards this end in the Asia and Pacific region during the nine months under review.

19. The Office recognizes, however, that significant imbalances exist within regions; hence the regional approach has been augmented by a continued focus within each region on non- and under-represented nationalities. In this context, it may be noted that three of eight or, 38 per cent, of external candidates recruited to Professional or higher category positions in 2005 had non- or under-represented nationalities. In the first eight months of 2006, the corresponding figure was eight of 33 or 24 per cent; and additionally, ten or 30 per cent were candidates with nationalities that staff planning projections indicated would become non- or under-represented by the end of 2006 due to retirements.
20. Nevertheless, the Office continued to face a major challenge in attracting a larger share of suitably qualified candidates with some non- or under-represented nationalities. Of 2,316 applications received from external candidates in 2006, less than 20 per cent were from candidates with such nationalities, and further, the majority did not meet the necessary educational, linguistic and/or professional requirements. As a result, prospection efforts geared at meeting this challenge were stepped up utilizing a mix of approaches, including the following:
 - (a) strategically placed advertisements in regional media inviting suitably qualified individuals to contact the ILO with a view to being placed on rosters of eligible candidates in anticipation of future vacancies;
 - (b) prospection visits to some non- and under-represented countries in Asia and the Pacific and the Arab States, and participation in job fairs specifically targeting young professionals; and
 - (c) the development of a prospection database including the details of relevant government agencies, social partners, universities, research institutions, media and other potential sources of candidates and information in non- and under-represented member States through which vacancies could be advertised. Requests for assistance in populating the database were sent to the Geneva missions of each non- or under-represented member State during the summer. Responses have been received from seven missions to date.
21. These approaches were supplemented by an internal mechanism through which external candidates from non- and under-represented countries are given prior consideration in the competition process, alongside internal candidates, ensuring nevertheless that recruitment standards regarding competence and integrity are maintained in keeping with the provisions of the ILO Staff Regulations.

Gender balance

Target:

The share of women in senior positions (i.e. P5 and above) will be no less than 33 per cent by 2007.

22. Steady progress was made towards gender balance at the P5 level and above, with the share of women in senior positions rising to approximately 31 per cent by September 2006, up from 29 per cent at the end of 2005. The progress was marked at the D1 and D2 levels, where their share rose from 31 per cent to 35 per cent, and from 26 per cent to 28 per cent, respectively. Over the same period, there was also progress at the P5 level, with the share of women increasing from 28 to 30 per cent.

23. Further progress towards the achievement of the target can be expected, especially for appointments (mainly at the D1 level and above) that the Director-General will make by direct selection. Particular efforts will have to be applied to accelerate progress at the P5 level. On the one hand, prospects remain promising, as over two-thirds of staff retiring between 2006 and 2009 are men. These vacancies present opportunities for the advancement of women. To reinforce these prospects, the Office will continue to provide accelerated development support to the many women who are qualified to take up more senior positions, including through the Management and Leadership Development Programme (MLDP). On the other hand, however, with the systematic attempts to rebalance the grade structure and its major focus on the P5 level, there could be fewer opportunities available for the advancement of women (or men) to this level.

Persons with disabilities

24. The implementation of the policy to promote the employment and retention of persons with disabilities in the ILO has involved the following measures to date: modifications to some ILO premises to facilitate access to the workplace; the inclusion of specific reference to the Office's policy of welcoming applications from persons with disabilities on its recruitment web pages and in all vacancy announcements; and work with officials and their managers in several cases to facilitate reasonable accommodation appropriate to the circumstances. In such cases, reasonable accommodation of the particular disability has enabled the official to remain in employment, either by providing for more frequent rest periods during the work day, or by providing a certain flexibility in working-time arrangements in order to permit the individual to attend functional rehabilitation sessions as required by the treating physician. The Office will conduct reviews every five years of the effectiveness of the positive measures undertaken pursuant to this policy to promote employment opportunities for persons with disabilities, and take steps to improve the effectiveness of such measures, as necessary.⁶

(c) **Rebalancing the grade structure**

Targets:

- (i) *At least one-third of P5 jobs becoming vacant by the end of 2009 through retirement will be regraded. The grades of other vacancies arising during the same period will also be reviewed, with a view to establishing a more appropriate Professional staff grading structure.*
- (ii) *The grade review exercise will establish a separate target in relation to the General Service staff category in headquarters and the field.*
25. Of the target of six P5 out of 17 positions to be regraded upon the retirement of incumbents in 2006, two have been reclassified to P4 to date and it is expected that the target for the year will be met. Additionally, the Office continued to review the grades of all other P5 vacancies arising during the year due to transfers or resignations, with a view to establishing a more appropriate Professional staff grading structure. This latter process has led to the reclassification of four P5 positions to P4 so far in 2006. Altogether, to date, some six positions have been regraded.
26. An overall target for all General Service staff at headquarters will be set taking account of organizational needs and the results of the grade structure review currently being undertaken at headquarters and due for completion in early 2007 (paragraph 67). With this

⁶ Circular No. 655: Policy on the employment of persons with disabilities, para. 17.

report and the outcome of the field structure review, the Office will have the comprehensive basis needed for setting targets for the grade structure in both headquarters and the regional departments. These targets will be presented in the November 2007 HR Strategy Implementation Report.

27. The Office remains committed to managing this process to achieve a more balanced grade structure. It is conscious, at the same time, of the continuing need to reconcile this objective with other HR policy objectives, including that on gender balance mentioned in paragraph 24 above. Of particular concern is the need to maintain the Office's capacity to deliver high-quality services to its constituents; to preserve incentives that ensure that the ILO remains competitive in attracting and retaining high-calibre and experienced staff; and to provide genuine opportunities for growth and development for staff, as promotion remains important for motivation, commitment and mobility.

(d) **Increasing mobility**

Targets:

- (i) *By the end of 2007, 40 per cent of eligible Professional and higher category staff will have had both headquarters and field experience with an increase to 45 per cent foreseen by the end of 2009.*
- (ii) *By the end of 2007, at least 33 per cent of Professional and higher category staff serving in a particular region will come from another region of origin.*
28. Currently, 34 per cent of eligible Professional and higher category staff have both headquarters and field experience. During the year, nine officials (two women) were transferred from headquarters to the field; 12 (four women) from the field to headquarters; and 12 (two women) from field to field duty station.
29. Excluding staff serving in headquarters, just under 25 per cent of staff were serving in a region other than their region of origin. However, as shown in table 2, there are significant differences between the regions. Only in Asia and the Pacific is the target of at least 33 per cent being met, with the gap between the actual percentage and the target being greatest in Europe and Latin America and the Caribbean.

Table 2. Staff distribution by region, September 2006 (regular staff – Professional and higher category staff)

Regions	Total number of staff	Number from outside region	Percentage from outside region
Africa	63	13	20.6
Latin America and the Caribbean	50	11	15.2
Arab States	7	2	28.6
Asia and the Pacific	63	25	39.7
Europe	24	3	11.1
Total	207	54	24.3

30. HRD continued to work with senior and line managers within the framework of the regular staff review process to redress this imbalance and to identify staff due for mobility. At the same time, it has received and processed expressions of interest from individual staff members who want to be considered for imminent transfers. The operational framework for mobility, which is being developed within the context of the new RAPS, mentioned in

paragraph 16 above, will improve staff planning and help both managers and staff to more adequately prepare for upcoming rotation. Information sessions for staff to explain the modalities of the policy and address practical issues will remain a part of the approach.

2. Integrated, motivating and rigorous staff performance management and development systems

(a) Managing staff performance

Target:

During 2006-07, an effective, fair and equitable performance management and measurement system that meets modern international standards of good practice will be implemented.

- 31.** The Office maintained progress in preparing for the introduction of a revised performance management system, by undertaking the following key assessments: the definition of the overall purpose of the new system; the types of appraisals envisaged; the adequacy of the existing competency framework; the alignment of the new system with other HR policy goals such as staff learning and development, mobility and career progression; and the scope of information technology (IT) requirements. This is being carried out against the backdrop of a review of the respective roles of senior management, the Reports Board, supervisors and staff in general, both at headquarters and in the field.
- 32.** The revised system will reflect current thinking on performance management in the United Nations common system and good practice in public and private institutions in a number of member States. An important feature of the new system will be the introduction of an assessment mechanism for managers based on a robust managerial competency framework.
- 33.** The Office recognizes the challenges that it will face in introducing the new system, not least of which is the culture change required. On the one hand is the need to acknowledge and manage underperformance, while on the other is the need to identify and appropriately reward truly meritorious performance. To this end, it has reinforced the role of the Reports Board through greater management participation and involvement in reviewing performance problems and assessing outstanding performance that would warrant the payment of merit increments. Initiatives in this direction are intended to strengthen accountability, communication and fairness.
- 34.** Resources are being made available to managers within the context of the MLDP to improve their performance skills in the form of a general “best practice guide” to communicating and conducting performance management reviews, and a chapter within the HR Management Module, which clarifies existing procedures and regulations related to the current system.
- 35.** From 1 October 2006, the project to design and implement a new performance management system in the ILO has been led by a newly recruited senior human resources Professional.

(b) Promoting and supporting staff learning and development

Target:

By the end of 2007, 50 per cent, and by the end of 2009, 75 per cent, of all managers/supervisors at P4 level and above will have successfully participated in the Management and Leadership Development Programme (MLDP) and/or other related management learning.

36. The MLDP remained the primary mechanism to equip ILO managers and supervisors to operate within a results-based framework and to support the change management process. To date, 20 per cent of approximately 540 staff between the P4 and D1 levels targeted for participation in the Programme, have begun doing so. In all, approximately 40 per cent of all Professional staff in Geneva and the field have participated in or are participating in either the structured MLDP or its various “spin-off” activities.
37. An independent evaluation of the MLDP, conducted in June 2006, concluded that the ILO has made a justified and positive investment in the learning and development of its managers through this Programme, and that it will continue to benefit individual managers and the Office as a whole. The report further concludes that the Programme is one of the most important and valuable initiatives currently available for providing a “learning and development culture”, its design and pedagogy reflecting best practices in management development and professional learning. Nevertheless, the report highlighted the need for this design to be adapted to better respond to the ILO’s current learning and development context, by reducing its reliance on self-directed learning.
38. The evaluation report also concluded that to the extent that the Programme provides a comprehensive platform for other learning and development activities across the ILO and for current and future ILO managers, it has the potential of reducing the level of investment required to start up such activities.
39. Recommendations made in the report to ensure, inter alia, that the Programme is sustainable and that it maintains its value to individuals and the Office are providing guidance to the Office in charting its future direction.

Target:

By the end of 2007, 80 per cent of the staff will spend an average of ten working days per annum in work-related learning activities, both formal and informal. These learning activities will meet explicit effectiveness criteria.

40. It is clear that the increased allocation for staff development representing up to 2 per cent of staff costs, which has been devolved to the unit level, has resulted in a major boost in learning activities. However, HRD is still in the process of establishing a methodology that will allow the Office to measure its progress in achieving the target. It is expected that this baseline data will be available at the end of 2006.
41. Guidelines on the use of staff development funds were issued in early 2006, and have established the procedures, roles and criteria for planning and implementing learning activities in a fair, participative and transparent manner. These guidelines have been discussed with line managers, learning coordinators, and staff at large. While line managers retain the primary responsibility for the appropriate and effective use of resources, 65 learning coordinators from all sectors and regions are playing a key role in facilitating consultation among staff and in coordinating the definition of learning

strategies, assessing organizational and operational needs, and prioritizing staff proposals. Learning strategy statements and preliminary plans for learning activities have been delivered to HRD from across the regions and sectors.

42. Sessions have been organized with learning coordinators to share experiences and best practices. In October 2006, a web-based forum was created to stimulate the sharing of best practices and lessons learned. A needs-assessment and planning guide was published on the web to help support the learning coordinators maximize the effectiveness of learning activities. An automated needs-assessment questionnaire will facilitate this work.
43. Consultations with the Staff Union have been held within the framework of the Joint Training Council to inform on progress, facilitate the exchange of ideas and explore views on the interpretation of the guidelines. Discussions have also been held with the International Training Centre of the ILO in Turin to leverage learning activities through them wherever possible.
44. Key priorities being pursued are responding to the need to better align learning and development to organizational needs and competency gaps to achieve the ILO's strategic and operational objectives. They include the development of DWCPs, results-based management and evaluation, project design, conflict resolution, tripartism, communication and effective work in teams.
45. Some conclusions can already be drawn from this process. Not surprisingly, it is clear that the creation of a learning culture requires considerable time and sustained efforts. Furthermore, while the decentralization of authority to the unit level encourages ownership by managers and staff of the staff development process, it requires careful and continued monitoring by HRD to ensure a coherent and effective Office-wide programme.

3. Essential staff welfare and security arrangements

(a) Staff security and safety

Target:

The ILO will establish and maintain compliance with the United Nations minimum operating standards across the Office.

46. The Office continued to ensure compliance at its field offices with security standards set by the United Nations Department of Safety and Security (DSS). These standards cover planning, training and equipment. Compliance is monitored through an online system. The Office reinforced its security training programme, completing the first series of security workshops for headquarters and all regions, with workshops in Africa. It will continue its security training programme with a new series of activities at regional/subregional/national level which will focus on specific geographical areas and issues such as communication, threat and risk assessment, and security for women. These workshops target international and local staff members at established offices and project premises. An online database was established to effectively monitor completion rates for the interactive course "Basic security in the field".
47. The Office continued its collaboration with other organizations within the framework of the United Nations security management system. At the global level, it participated actively in the Inter-Agency Security Management Network (IASMN), which oversees staff safety and security with the United Nations system. It has contributed to the development of a mechanism through which the specialized agencies coordinate their

positions within IASMN. In Geneva, the Office has been working with United Nations system organizations for the past year to implement measures to strengthen security management. In line with DSS policy to establish a security structure in headquarters duty stations similar to that which exists in field duty stations, the Office has played an active role in setting up the Security Management Team and in formulating the standard procedures for responding to security situations both at inter-agency and agency level. Within this context, the Office carried out an evacuation exercise of the headquarters building in September 2006 to test the effectiveness of its evacuation plan. A subsequent terrorist threat against United Nations premises in Geneva underscored the importance of such preparations within the Office as well as the need for more effective security coordination among the United Nations system organizations. The recent experience in Geneva and other duty stations, notably Beirut earlier this year, reinforced the need for implementing appropriate measures to improve staff safety and security.

(b) Occupational safety and health (OSH)

Target:

An Office-wide OSH policy and an associated OSH management system that meet effectiveness criteria are endorsed by the Committee in November 2006.

48. HRD has been working on the formulation of an OSH policy statement and associated management system. The text of the policy statement is being finalized in consultation with the Staff Union. It confirms the Office's commitment to the safety and health of its staff members and its recognition of the importance of consultation with staff in this respect. The Office is also finalizing the details of the OSH management system that will provide a framework in which policies on individual OSH issues will be developed and implemented. It will also spell out the roles and responsibilities of various stakeholders such as managers, OSH representatives, the Advisory Committee on Safety and Health (ACOSH), the Health Services Unit, and individual staff members. The development of the system will be completed by the end of 2006 so that it can be endorsed by the Committee in March 2007. It may be noted that the independent study on the planned renovation of the headquarters building contains a number of recommendations addressing safety and health considerations.
49. The Office, through its Crisis Management Team, undertook preparations for a possible avian influenza pandemic. Antiviral medication was ordered, received and appropriate quantities dispatched to field offices. Essential functions and the staff needed to perform them, in the event that the Office had to be closed, were identified. The Office organized information sessions and established a dedicated Intranet web site (www.ilo.org/flu) to raise awareness of the risks and ways to lessen them. An online system to track contact information on all staff members was implemented to facilitate communication with staff members in the event of a pandemic or other emergency situation. In Geneva, ad hoc coordination among United Nations organizations was replaced by more formal machinery with participation of local and federal authorities of the host country. Joint information initiatives and administrative procedures are being prepared.

(c) Work-life balance

Target:

ILO conditions of service dealing with arrangement of working time and related issues which meet good practice criteria are approved by the Committee by November 2007.

50. A joint working group was established by the JNC in the first semester of 2006 to consider the priority issues identified in the Strategy, i.e. working-time arrangements; more diversified part-time work, job-sharing and telework arrangements; and the scope for taking maternity and adoption leave on a part-time basis.
51. The working group is preparing a questionnaire to gain a better understanding of the views of staff on some of these issues. It has also been closely following the pilot on telework at the Turin Centre that is scheduled to last until the end of 2007. It is envisaged that the working group will report back to the JNC with a comprehensive set of recommendations in time to allow the target indicated above to be met, i.e. proposals to be submitted to the PFAC in November 2007. Meanwhile, the Office is preparing to issue a comprehensive circular on all leave provisions available to ILO staff.

(d) Conflict prevention and resolution

Target:

The Office will maintain a fair, efficient and effective system of conflict prevention and resolution.

52. The Interim Mediator was confirmed as Mediator in May 2006. The services of the Mediator's Office have been made available to managers and staff alike both in headquarters and the regional departments. The facilitators' programme was revitalized, and a number of new facilitators appointed. Training sessions have been organized both at headquarters and in the field.
53. The new internal conflict resolution body, the Joint Appeals Advisory Body (JAAB), which started functioning in mid-2005, became fully operational in 2006. The initial backlog of cases was processed and the JAAB is now meeting the established deadlines for the cases brought before it.
54. To reinforce the progress made, HRD is working with the Mediator's Office to further promote the increased use of informal mechanisms by staff. This will be done through the preparation of materials that will be used for staff briefings. It is hoped that this will reduce the number of cases requiring the use of formal procedures, i.e. the JAAB and the ILO Administrative Tribunal. Although recent developments seem to indicate a reduction in the number of cases referred to the JAAB in 2006 compared with 2005, it is too early yet to conclude whether this is the sustained reduction envisaged in the Strategy.
55. Where appropriate, the administration has engaged in informal dialogue with the officials concerned with a view to minimizing the number of personal cases presented to the JAAB. Indeed, approximately one-third of total cases presented to the JAAB has been or is being resolved administratively prior to the issuance of a JAAB recommendation.
56. In line with a JNC decision in 2006, an internal review of the functioning of the JAAB is presently being conducted. The results of this review, undertaken under the joint guidance of the administration and the SUC will be discussed in the JNC before the end of 2006 and any recommendations to be adopted will become effective as of January 2007.

(e) Review of contracts policy

Target:

A revised contracts policy that applies the new ICSC guidelines will be approved by the Committee in November 2006.

57. This target was established on the assumption that the ICSC guidelines would be considered by the General Assembly before the end of 2005. These guidelines distinguish between functions of a regular and continuing nature and those required for short-term periods to meet specific needs. The guidelines provide sufficient flexibility for each organization to apply revised contractual arrangements through the application of its rules and regulations. It should be noted that until September 2006, the General Assembly had still not considered the ICSC guidelines. Nevertheless, in anticipation of its decision, the Office initiated work on this key aspect of the Strategy, but is obviously not in a position to seek the Committee's approval for a new contracts policy during this session. The Office is therefore revising the time frame in the target from November 2006 to November 2007.
58. Preliminary work undertaken to date consists of two elements. The first is a mapping of what has been done to simplify contracts policy in other United Nations bodies. The second is the establishment by the JNC of a working group dealing with contracts policy. Among issues being considered by the group is the appropriate use of different contract types, taking account for example, of the recommendations made by the External Auditor regarding the use of external collaboration contracts,⁷ as well as the range of options required to meet the operational needs of the Office (e.g. the International Labour Conference).

II. Supporting measures

(a) Enhanced effectiveness of HRD

59. HRD undertook a review of its structure, procedures and operations between May and July 2006. This action was driven by three imperatives:
- First, the recognition that existing HR administrative systems, which are the foundation of the Strategy, must become more effective if they are to better respond to the needs of both managers and staff.
 - Second, to the extent that the Strategy situates HR as a key element in supporting the Decent Work Agenda, HRM in the Office needs to focus more on outcomes and results and move away from concern primarily with compliance with rules and regulations. This approach requires HRD to change how it works internally as well as how it interacts with other parts of the Office.
 - Third, from a practical point of view, the need for the Department to generate efficiencies that would liberate time and other resources that could be reinvested in more broadly-based “upstream” policy support and advisory services to meet the commitments of the Strategy.
60. Recommendations from the review in areas such as organization and management of the Department; effective HR administration; internal communication and partnerships with line managers in the implementation of the Strategy are providing guidance in achieving greater effectiveness and service orientation in operations; greater accountability and transparency in procedures; greater focus on the priorities of the Strategy; and more efficient use of resources. Appropriate indicators and metrics are being developed during the course of the current biennium to assess the performance of the Department against these outcomes. A client satisfaction survey, undertaken in early 2006, established a baseline and is providing guidance to the Department in improving its performance.

⁷ The “Financial Report and Audited Financial Statements of the Sixty-ninth Financial Period (2004-05) and Report of the External Auditor”.

(b) Better alignment of HRM policies with the Decent Work Agenda

- 61.** The Department also undertook a review of its relationship with other headquarters and field departments to determine how to better align HRM policies and targets with the accomplishment of the ILO's mission. Such an alignment requires HR staff, line managers and senior managers to work closely together within the context of shared accountability. Their respective roles will be clarified within an accountability framework against which the performance of each will be assessed within the enhanced staff performance management system.
- 62.** Several measures have already been implemented in support of better alignment and in particular to promote the concept of shared accountability. These include an enhanced staffing review mechanism; line managers' meetings and training and information workshop/sessions for managers.
- Staffing reviews are held with headquarters departments once a year, and with the regions twice a year, coinciding with sessions of the Governing Body. They have focused on staff planning, recruitment, and staff development and performance management, in addition to issues specific to particular departments or regions, including policy questions regarding the national officer category, the application of contracts policy, reclassification procedures and individual cases. The staffing plans of all organizational units were reviewed by HRD within the context of the Programme and Budget for 2008-09 preparation exercise.
 - Additionally, meetings have been held with the line management of the technical sectors at headquarters to assess the situation of each sector with regard to the targets of the HR Strategy and to develop a common understanding of how the sectors and HRD can work together more effectively to achieve them. These meetings have also enabled the staff of HRD to gain a better understanding of the work of the sectors that they support and the HR challenges that they face in implementing their work programmes. Reports will be provided to the sectors on a regular basis to assess their performance with respect to the targets.
 - The monthly line managers' forum has been maintained. These have served as an informal channel for the exchange of information on developments of common interest to all line managers. Members of the Senior Management Team (SMT), including the Director-General, have participated in these meetings.
- 63.** Resource materials have been developed under the MLDP as a guide for managers on HRM in the ILO. These materials are being supplemented by a series of workshops aimed at better equipping managers to make informed HRM decisions compliant with the Staff Regulations and good practices.

(c) Effective monitoring, reporting and evaluation system

- 64.** Progress was made on the establishment of a monitoring and reporting system to ensure accountability in the implementation of the Strategy. Initial work has focused on the establishment of databases in IRIS. This has involved the conversion of multiple HR legacy systems into IRIS. The growing functionality of IRIS, through its advanced data retrieval and analysis features, has increased the capacity of the Office to generate regular and ad hoc reports needed for management support. Feedback from the system is being used to monitor progress on policy goals and will frame necessary modifications to the Strategy, including any revisions to its targets and implementation modalities.

65. Other outputs of the system have included research and analysis needed for benchmarking of activities against those of other United Nations common system organizations, the results of the baseline client satisfaction survey conducted early in 2006 (paragraph 60), and the evaluation of the MLDP (paragraphs 38-40) which have fed into the management information system.
66. The Office will continue to further develop this system over the life of the Strategy, to include, inter alia, cost-benefit studies.

III. Specific requests by the Committee

67. The Committee requested the Office to seek the assistance of the Joint Inspection Unit (JIU) in obtaining comparable data on staffing in the United Nations system, taking account of contract types, grade structures and other parameters related to sources of funding. A request for such assistance was made to the JIU, as reported in March 2006.⁸ The JIU subsequently indicated that it was not in a position to collaborate with the Office in this exercise. The Office has put alternative arrangements in place to obtain the necessary information. A report detailing this and other aspects of a grade structure review for headquarters is scheduled for completion by early 2007.
68. The Committee also requested the Office to obtain the views of the External Auditor on the revised Strategy and the extent to which it addresses the shortcomings identified in the implementation of the previous Strategy. These views are presented in his report, which highlights the elaboration of a “more concise strategy” with focus on key areas as providing a more realistic strategic framework to facilitate efficient and effective implementation. It also welcomed and encouraged the link between resources and performance targets, which can be monitored by the Governing Body. It emphasized the importance of the enhanced staff performance management system and staff development initiatives in supporting the ILO’s implementation of results-based management, and in the achievement of the Organization’s objectives. It sounded a cautionary note on the need to ensure that HRD has a sufficient level of skilled professional resource to meet the challenges of implementing the Strategy.⁹
69. The Office has noted these observations, particularly that related to the availability of “skilled professional resource”. It is taking steps to respond to this observation: first, through external recruitment of additional staff with professional HR qualifications (during 2006, two additional senior HR Professionals have been recruited); and, secondly, through the provision of opportunities for existing staff to continually update their HR skills. Additionally, through measures being introduced as a result of the review process, mentioned in paragraph 59 above, efforts have been made to effectively harness the talents of all staff of the Department.

Geneva, 19 October 2006.

Submitted for information.

⁸ GB.295/PFA/18, para. 28.

⁹ The “Financial Report and Audited Financial Statements of the Sixty-ninth Financial Period (2004-05) and Report of the External Auditor”.