

Consideration of HR Management Strategy Framework and Impact of the Root and Branch Review recommendations

Summary of Progress since March 2009

Since the last meeting of Working Group III of the CoC-IEE on this topic, management has continued to make progress on the development of the HR management strategy framework. This framework embodies three consolidated key HR goals, namely (a) to enable a workforce of excellence and high performance; (b) to establish HR as a strategic partner in corporate management; and (c) to provide efficient and effective HR service in support of programme delivery. Within these goals, Management has identified six central HR initiatives underpinning the effective delivery of the goals. These HR initiatives consist of Performance Evaluation, Management/Leadership training, Management Information Reporting, new HR Policies, support to restructuring, and streamlining initiatives. The Finance Committee, at its Session on 11-15 May 2009 reviewed a roadmap of each of these initiatives, which provided a brief description of each initiative and estimated resource requirements in 2009 (the document presented to the Finance Committee – FC 126/16 – is attached as Annex 1). The Finance Committee acknowledged the central importance of these six initiatives for successful HR reform in FAO.

Management has also continued to develop Functional Objective Y entitled “Efficient and effective administration” and the underlying Organizational Results in connection with the preparation of the Medium Term Plan 2010-13 and Programme of Work and Budget 2010-11. This will be the basis for articulating a results-based formulation of the HR strategy and for funding its implementation. It is therefore essential that the HR strategy framework dovetail into the overall FAO framework of Functional Objectives. Management is satisfied that the three HR goals are consistent with the Functional Objectives and Organizational Results that are being developed for the MTP 2010-13, though this work is still in progress.

As a parallel undertaking, the final phase of the Root and Branch review was completed in late April, and a management response has been submitted to Working Group III of the COC-IEE for the meeting on 20 May 2009. Extracts of the management response in relation to HR issues and recommendations of the Root and Branch Review are reproduced in Annex 2 to this document.

Working Group III of the CoC-IEE is invited to: (i) note the proposed mapping of RBR recommendations to the HR goals; (ii) provide any reactions to the recommendations of the RBR and the management response in relation to HR issues in Annex 2; (iii) reaffirm the relative importance given to the HR area in view of the current level of resources available in the IPA trust fund; (iv) reaffirm the six HR initiatives that are described in the Finance Committee document contained in Annex 1 as high priority items to be built into the HR strategy and policy framework and MTP 2010-13.

Linkages between the RBR recommendations, the HR goals, and Organizational Results under Functional Objective Y

In the context of the development of the Medium-Term Plan 2010-13, priority has been accorded to introducing Results Based Management in all the administrative and support

functions encapsulated in Functional Objective Y (FO Y), entitled “*Efficient and effective administration*”. The formulation of the HR work plans has consequently included defining the underlying Organizational Results, indicators and targets of achievement, including undertaking a risk assessment of the most critical indicators of performance and identifying mitigation strategies to achieve identified results. The linkages between the three HR goals enunciated in the Organization’s HR Management Strategy & Policy Framework and the three Organizational Results which underpin FO Y are reflected in document FC126/16 (reproduced in Annex 1 to this document) which was considered by the Finance Committee during its 126th session. In its report, the Finance Committee “*recommended that the Secretariat continue in its efforts to clearly align these HR goals to Functional Objective Y... and expected that this would be reflected in the detailed development of the three underlying Organizational Results and indicators for the Medium Term Plan (MTP) 2010-13 and Programme of Work and Budget (PWB) 2010-11*”. In this respect, the alignment of HR goals to Organizational Results will continue to be kept under review – in particular, HR goal 2 (to establish HR as a strategic partner in corporate management) has relevance to all the Organizational Results under FO Y.

Document FC126/16 also provides a ‘road map’ of the six main high priority HR initiatives, each linked to their associated Organizational Result/HR goal. These HR initiatives consist of Performance Evaluation, Management/Leadership training, Management Information Reporting, new HR Policies, support to restructuring, and streamlining initiatives. The Finance Committee also “*acknowledged the importance of the six principal HR initiatives ... as being central for the effective delivery of the HR goals*”.

Similarly, each of the RBR recommendations links to one of the three HR goals embodied in the Organization’s HR Management Strategy & Policy Framework and consequently to the corresponding Organizational Results of FO Y to which the HR goals are linked. This is important, because only by integrating the agreed RBR recommendations into this framework will it be possible to ensure that progress on results is monitored. The RBR recommendations and possible linkages with Organizational Results are outlined below.

Organizational Result Y1 - ‘FAO’s support services are recognized as client-oriented, effective and well-managed’

HR goal 3: to provide efficient and effective HR service in support of programme delivery

- (i) assignment of new/revised functions under HR Recruitment and extension of the HR Staffing function;
- (ii) reinforcing and streamlining HR Recruitment through the introduction of standardised post descriptions for vacancy announcements to the extent possible, reduction of the publication timeframe for professional Vacancy Announcements, creation of a single selection committee for professional staff and implementation of iRecruitment as well as the transfer of pre-screening activities to the SSC;
- (iii) assignment of new/revised functions related to HR Job Design;
- (iv) relocation of the Medical Unit within the HR function; and
- (v) reinforcing HR Strategy, policy and planning and HR Communication activities

Organizational Result Y2 - 'FAO is recognized as a provider of comprehensive, accurate, and relevant management information'

HR goal 2: to establish HR as a strategic partner in corporate management

- (i) enabling the HR function to undertake a more strategic and advisory role and empowering it to become a business partner in the corporate management of the Organization.

The RBR recommendations on management information are considered in the wider context of information management and technology in the IT workstream of the RBR.

Organizational Result Y3 – 'FAO is recognized as an employer that implements best practices in performance – and people – management, is committed to the development of its staff, and capitalizes on the diversity of its workforce'

HR goal 1: to enable a workforce of excellence and high performance:

- (i) enhancing the current HR/employee ratio with a view to moving towards that of public sector organizations;
- (ii) changing the title of the aforementioned position to 'ADG/HR, Finance and Corporate Services';
- (iii) rendering the ADG of Corporate Services key responsible for HR policies and governance;
- (iv) delegating authority to the HR Director to issue HR policies;
- (v) establishing a Policies and Regulatory Unit;
- (vi) strengthening the functions related to HR Performance Management, HR learning and HR Career Development;
- (vii) providing training for all FAO's line managers to develop management competencies, with particular attention to those related to the management and the development of human resources;
- (viii) realigning the skill-mix and competencies of the professional staff assigned to the HR function so as to enable them to carry out the Division's strategic and advisory role in support of the delivery of the corporate programme and strategic goals;
- (ix) developing the managerial competencies of HR branch managers; and
- (x) prioritising actions in the Transition Map so as to limit the initiatives that will need to be concurrently managed.

At this juncture, these RBR recommendations still need to be fully reviewed with the Ernst and Young consultants. However, and reactions to the recommendations of the Root and Branch Review and the management response in relation to HR issues (reproduced in Annex 2), are invited from Working Group III.

It should be mentioned that the Culture Change Team has also produced a draft internal vision, which is undergoing internal clearance. Once finalized, any actions emanating from the vision statement will also need to be integrated. As such, and as reflected by the Finance Committee in its report of the 126th session, “*The Committee recognized that the HR Management Strategy & Policy Framework continued to be a living document and concluded that the general framework taking into account the agreed recommendations of the RBR be presented within the context of the MTP 2010-13 for review at its session in July 2009*”.

Considerations

In its report, the RBR recommends that the balance between professional and GS staffing in the HR function be reviewed and that the ratio of HR staffing to total employees be improved. While management concurs in principle with this recommendation and shall endeavour to improve its ratio, it does not believe that a standard public sector ratio of 1:100 is applicable to FAO. A more appropriate comparison would be other intergovernmental organizations facing similar UN common-system rules and diversity issues. In addition, while management agrees with the proposed transition map outlined in the report, it should be noted that the timeframe given for the adoption of new processes, re-engineering existing processes while reducing the overall ratio for the HR function, needs reflection — the overall HR strategy framework now encompasses a very significant workload stemming from inputs from the IEE, IPA, RBR and Culture Change. It should also be noted that some initiatives and related investment costs envisaged under RBR phase 1 have not been carried forward to RBR phase 2 recommendations. This needs clarification.

Next Steps and Action Sought

Next steps will involve taking into consideration the discussions and recommendations of the Finance Committee at its recent 126th Session in May 2009 and moving forward the HR agenda through the MTP and PWB process, ensuring that the actions fit into the HR strategy and policy framework and the related Organizational Results Y1, Y2 and Y3. This will result in the sequencing of RBR and IPA actions and the final formulation of Organizational and Unit Results by mid-July.

Working Group III of the CoC-IEE is invited to (i) note the proposed mapping of RBR recommendations to the Organizational Results of Functional Objective Y; (ii) provide any reactions to the recommendations of the RBR and the management response in relation to HR issues (reproduced in Annex 2); (iii) reaffirm the relative importance given to the HR area in view of the current level of resources available in the IPA trust fund; (iv) reaffirm the six HR initiatives that are fully described in the Finance Committee document contained in Annex 1 as the high priority items to be built into the HR strategy and policy framework and MTP 2010-13.

Progress Report on Implementation of Human Resources Management Strategy and Policy Framework (FC 126/16)

EXECUTIVE SUMMARY

i) As part of its periodic review of the progress on the implementation of the human resources management strategy and policy framework, the Finance Committee endorsed at its 125th Session the revised framework embodying three consolidated key HR goals¹, namely (a) to enable a workforce of excellence and high performance; (b) to establish HR as a strategic partner in corporate management; and (c) to provide efficient and effective HR service in support of programme delivery.

ii) On that occasion, the Committee further requested the secretariat to develop a 'road map', with timelines and measurable indicators, on the implementation of the actions prescribed in the framework, for consideration at its Hundred and Twenty-sixth Session. The present document demonstrates that the three HR goals are consistent with the Functional Objectives and underlying Organizational Results being developed for the Medium Term Plan 2010-13. It provides a 'road map', focusing on the six central HR initiatives underpinning the effective delivery of the goals², which would benefit from oversight by the Governing Bodies. These HR initiatives consist of Performance Evaluation, Management/Leadership training, Management Information Reporting, new HR Policies, support to restructuring, and streamlining initiatives.

iii) It is emphasised that both the HR management strategy and 'road map' should be considered work in progress at this juncture. In particular, a draft internal vision statement prepared by the Culture Change Team, and Stage 2 of the Root and Branch review, were received only when the present document was being finalized, so these important inputs could not be analysed and reflected in the 'road map'. The recommendations of the Root and Branch review may well impact the 'road map' and an assessment will be conducted as a matter of priority. An update will be presented orally to the Committee at its Hundred and Twenty-sixth Session.

ACTION REQUESTED

The Committee may wish to note the document and is invited to provide any comments to facilitate the ongoing development of the HR management strategy and policy framework.

Corporate HR management at FAO

1. Stage 1 report of the Root and Branch review called upon the Organization to define a new role for the HR Function, to transform it into a strategic proactive partner for management rather than a reactive provider of services. Stage 2 of the Root and Branch review should help identify necessary actions for such a longer-term transformation and permit HR initiatives to be fully integrated with the HR actions in the Immediate Plan of Action (IPA) with a view to presenting them in the Medium Term Plan 2010-13. The present paper is therefore a further step towards a robust and costed Human Resources strategy and action plan in the Medium Term Plan 2010-13 and the Programme of Work and Budget 2010-11.

Implementation of HR Initiatives and Projects

2. In the context of the development of the Medium-Term Plan 2010-13, priority has been accorded to introducing Results Based Management in all administrative and support functions, which

¹ ref. document FC 125/4, Annex II – revised HR management strategy and policy framework.

² ref. FC 125/4 'Progress Report on the Implementation of the Human Resources Management Strategy and Policy Framework', March 2009

are encapsulated in Functional Objective Y, entitled “Efficient and effective administration”³. The formulation of the HR work plans has consequently included defining the underlying Organizational Results, indicators and targets of achievement, including undertaking a risk assessment of the most critical indicators of performance and identifying mitigation strategies to achieve identified results.

3. Organizational Result Y1 relates to the general provision of support services and is defined as follows:

- “FAO’s support services are recognized as client-oriented, effective, efficient and well-managed”.

This Organizational Result encapsulates the third HR goal in the revised framework, namely (iii) to provide efficient and effective HR service in support of programme delivery

4. Organizational Result Y2 relates to management information and is defined as follows:

- “FAO is recognized as a provider of comprehensive, accurate, and relevant management information”.

This Organizational Result encapsulates the second HR goal in the revised framework, namely (ii) to establish HR as a strategic partner in corporate management.

5. Organizational Result Y3 specifically relates to human resources and is defined as follows:

- “FAO is recognized as an employer that implements best practices in performance- and people-management, is committed to the development of its staff, and capitalizes on the diversity of its workforce”.

This Organizational Result encapsulates the first HR goal in the revised framework, namely (i) to enable a workforce of excellence and high-performance.

The HR goals depicted in the HR Management Strategy and Policy Framework are therefore consistent with the Functional Objectives and underlying Organizational Results being developed for the Medium Term Plan 2010-13.

6. Associated indicators of achievement for the Organizational Results will include management development ratios, competency improvement ratios, mobility indicators, performance and Service Level Agreement indicators, and gender balance and geographic representation indicators. These will be further refined in 2009, during the planning process for the Medium-Term Plan 2010-13.

Plan and Progress on Implementation of main HR Initiatives

7. A ‘road map’ of the six main high priority HR initiatives is outlined below. A brief description of each initiative is also provided. Estimated resource requirements are also included and it is emphasised that these are consistent with the budgetary estimates provided to the Finance Committee at its session in March 2009. The relationship between the IPA actions *vis-à-vis* the six HR initiatives identified for oversight by the Governing Bodies is provided in Annex I.

³ CL 136/16 ‘Elements for the draft Strategic Framework, Medium Term Plan 2010-13, and Programme of Work and Budget 2010-11’, Annex 14 Function Objective Y: Efficient and Effective Administration

Organizational Result Y1

FAO's support services are recognized as client-oriented, effective and well-managed

HR goal 3: to provide efficient and effective HR service in support of programme delivery

Support to Restructuring

Both HQ restructuring and decentralization initiatives are underway as reported separately to the CoC-IEE, with a view to submitting both the programme proposals and proposed organizational structure in the PWB 2010-11 by July 2009. The departments are currently being assisted by the Human Resources Management Division in formulating their restructuring proposals, in designing their revised organizational models, and in defining new job roles as a consequence of restructuring and delayering. Given the unprecedented scale of the restructuring proposals, external support will be required to define new organizational models and related job roles and to plan for the implementation of the new structures. With regard to Regional ADGs, Sub-regional coordinators and FAO Representatives, it is planned to redefine job descriptions, competencies and recruitment and performance appraisal procedures in the second half of 2009, with external consultancy services and IPA funding of USD 100,000.

- HQ restructuring – assessment of pilots, job roles defined July 2009
- Decentralization – revised composition of RO/SRO staffing November 2009
- HQ detailed implementation plan (mapping/new units created) December 2009
- Define policy on dual grading December 2009
- Complete competency framework (incl. RO/SRO/FAORs) March 2010

Costing Summary:

2009 IPA USD 100,00 (investment) with substantial support from the Regular Programme and subject to Root & Branch Phase 2 Review estimates

Streamlining

This initiative includes the revision of the FAO Administrative Manual which is in its preparatory phase including preliminary consultations with WFP and the establishment of a project team. Once the new Manual has been mapped out, the project will move to formulation, design and implementation. Moreover, in view of the success of the first round of delegations implemented in 2008, a proposal for a further series of delegations is planned by end of June 2009, in line with the IEE principle of delegation to the lowest level of subsidiarity. No additional funding is required for this initiative.

- Review of implementation of 2008 delegations May 2009
- Proposals for further delegations June 2009
- Full revision of FAO Administrative manual December 2011

Costing Summary:

2009 IPA: No costs, but support from the Regular Programme

Organizational Result Y2

FAO is recognized as a provider of comprehensive, accurate, and relevant management information

HR goal 2: to establish HR as a strategic partner in corporate management

Management Information Reporting

This project will soon be entering its third stage which consolidates the various HR satellite reporting systems with a view to creating a single repository of HR data. This stage will also adapt the new corporate Business Intelligence platform to effectively support the extraction of HR data for client needs, with a self-service capability. The third stage requires USD 500,000 of IPA funding by May 2009, and USD 800,000 in 2010.

- Project team formation March 2009 (completed)
- Finalization of user requirements May 2009
- Implementation of data warehouse and business intelligence – February 2010
- Post-implementation review April 2010

Costing Summary:

2009 IPA USD 500,000 (investment) with substantial support from the Regular Programme

Organizational Result Y3

FAO is recognized as an employer that implements best practices in performance – and people – management, is committed to the development of its staff, and capitalizes on the diversity of its workforce

HR goal 1: to enable a workforce of excellence and high performance

Performance Evaluation (PEMS)

The PEMS project is ongoing in 2009 for full implementation across the Organization in January 2010. Approximately 550 staff members are participating in the 2009 PEMS cycle and the project is on schedule. Some costs are being covered by Regular Programme allocations, but specific IPA funds (i.e. USD 700,000 for external support; USD 400,000 for Oracle system development; USD 300,000 for the completion of the competency framework by March 2010, which entails establishing functional competencies for professional and general service positions and developing generic job profiles; USD 1,000,000 for external deployment training resources) need to be allocated to this project by end of May 2009, in order to proceed with Oracle systems development and the training of FAO staff that have not yet participated in the PEMS project. Once operational, a 360 degree multi-rater system would be very difficult and burdensome to administer without appropriate technology to manage the process and associated reporting.

- Completion of Oracle system configuration December 2009
- Completion of pilot project January 2010
- Completion of PEMS training to all staff February 2010
- Preliminary Rewards and Incentives programme in place March 2010
- Completion of competency framework March 2010

Costing summary:

2009 IPA USD 1.7 million (investment) and USD 700,000 (recurring), with substantial support from the Regular Programme

Management/Leadership Training

The joint Rome-based agency Management Development Centre (MDC) is expected to handle a target of 55 FAO managers in 2009. In addition, coaching sessions are planned for 30 FAO managers in 2009. Moreover, a Management/Leadership Programme (MLP) is being developed and two modules will be ready to train a target of 30 participants in 2009. A Women's Leadership and Management Training programme, in collaboration with CGIAR, expects to train 20 female staff in 2009. In addition training in Results-Based Management is being provided to all managers across the Organization. All of the above initiatives are covered by the RP corporate allocation of staff development funds and are not charged to the IPA. An Advance Management/Leadership Programme (AMLP) is also being developed, aimed at identifying management potential from the lower ranks of the professional category and training 40 participants in 2009, but this is subject to USD 700,000 IPA funding allocation, to be received by June 2009 in time for committing external course development costs.

- Management Development Centre (MDC) - 55 staff to complete by December 2009
- Coaching programme - 30 staff to complete by December 2009
- Management/leadership programme (MLP) - 30 staff to complete two modules by December 2009
- Advance Management/leadership programme (AMLP) - 40 staff to complete one phase by December 2009
- Womens' leadership & management training (in collaboration with CGIAR) - 20 female staff to complete by December 2009
- Results-based management (RBM) training - all managers trained by December 2010

Costing summary:

2009 IPA USD 700,000 (investment) and USD 900,000 (recurring), with substantial support from the Regular Programme

New HR Policies

New policies have been drafted for Rotation & Mobility, Junior Professionals, and Use of Non-staff human resources and retirees. These policies are currently undergoing the normal internal consultation process. The proposed policy on the use of Non-staff human resources and retirees has been submitted to the Committee (document FC 126/16 refers). All these policies are expected to be in place before the end of 2009. The new policies on flexible working arrangements and internship are either implemented and in operation or about to be implemented. No IPA funding is required for the actual development of these policies, although the implementation of rotation/mobility and junior professionals policies carries with it operational costs which result in an ongoing IPA budget requirement starting in 2010/11. Preliminary plans for a child care facility have been prepared and extra-budgetary funding is being actively sought.

- Flexible working arrangements - implemented April 2009
- Internships – Implementation May 2009
- Use of NSHR and retirees – revised policy to FC 126 May 2009
- Rotation & mobility – new policy endorsed September 2009
- Junior professionals programme – new policy endorsed September 2009
- Child-care facilities – planned opening (subject to funding) September 2010

Costing summary:

2009 IPA: No costs, but support from the Regular Programme

Next Steps

8. As noted above, the present paper is a further step towards a formulating a robust Human Resources strategy and policy framework and related plan in the Medium Term Plan 2010-13 with requisite costing in the Programme of Work and Budget 2010-11. The work in the weeks ahead is influenced by a number of factors, including cross-cutting issues, as listed below:

Communication – Communicating HR goals with specificity so that they can be appreciated, and communicating HR policies and practices effectively so that they can be understood and properly applied.

Culture Change – Focusing efforts to engender confidence in and acceptance of new policies, procedures and initiatives. The Culture Change Team has issued a draft **internal vision statement** which is under review. This will impact the HR Management Strategy and Policy Framework which will need to be fully consistent with the core values expressed in the final internal vision statement.

Responsibility and Accountability – Establishing an **accountability framework**, as recommended in the Root and Branch review Stage 1, in conjunction with defined delegated authorities, to promote the effective and timely delivery of services and strengthen the Human Resources Division's credibility as a partner and enabler.

The Root & Branch Report – Implementing the Root and Branch Review's recommendations, which *inter alia* confirm the need for the Human Resources Management Division to become a strategic and advisory business partner; propose a transition map for the transformation of the HR function; emphasise HR Strategy, HR Planning, Communication, Performance Management, and Career Development; and propose a series of streamlining recommendations.

9. The Committee may wish to note the document and is invited to provide any comments to facilitate the ongoing development of the HR management strategy and policy framework.

Annex I

Main HR initiatives subject to oversight	HR goal 1 (enable a workforce of excellence and high performance)	HR goal 2 (establish HR as a strategic partner in corporate management)	HR goal 3 (Provide efficient and effective HR service in support of programme delivery)
1. Performance evaluation	IPA 3.70	IPA 3.70	
2. Management/ leadership training	IPA 3.56 IPA 3.89		
3. Management information reporting	IPA 3.59 IPA 3.72		
4. New HR policies	IPA 3.61 IPA 3.62 IPA 3.67		
5. Support to restructuring	IPA 3.71 IPA 3.66 IPA 3.87	IPA 5.41 IPA 3.87 IPA 5.15 IPA 5.12	
6. Streamlining		IPA 5.7	IPA 5.21 IPA 3.63 IPA 3.37 IPA 5.44

**FAO Management Response
to the RBR recommendations on the Human Resources Workstream**

1. The major shift proposed in the HR function towards a “business partner” approach is fully supported by management. In a knowledge organisation such as FAO, where the employees constitute the primary asset and a substantial proportion of the capital, the HR management function should constitute a fundamental business partner with a view to ensuring that the workforce could be mobilised effectively in support of programme delivery and the realisation of corporate goals and strategic objectives.
2. The RBR recommendation for streamlining HR policy processes, and improving HR planning and communication is agreed. However, the proposal to delegate decisions on HR policies to the Director, AFH, requires further review, given the corporate nature and ambit of such policies and the role to be played by the Executive Leadership Team proposed in the Stage I Report of the RBR, as well as the authority attributed to the Director-General in this area under the FAO Basic Texts. Plans to increase the standardization of posts and vacancy announcements, to make greater use of internal vacancy announcements for mobility and promotion, and to develop the IRecruitment system are planned management actions in line with this recommendation. The proposal for a single selection committee for professional staff will be examined taking into consideration the need for flexibility to safeguard timely appointments and that selection procedures are adapted to the various needs of the Organization, including for field activities.
3. The RBR proposal to create a new HR Career Development function under AFHT is endorsed. Career Development is a critical function which had already been identified through the culture change initiative as being essential, and discussions with the staff associations are already in progress. Changes in line with the RBR recommendation to change the activities carried out by AFH in HR Performance Management and HR learning are also agreed.
4. The RBR recommendations to realign the competency of HR managers, improve their professionalism and review the balance between professional and GS staffing in the HR function with a view toward future requirements are accepted by management. The filling of professional and GS positions in 2010/11 will be made in line with this review. Management will also review the ratio of HR staffing to total employees with an aim to improve this ratio and comparison with other intergovernmental organizations facing similar UN common system rules and diversity issues might be more appropriate.
5. With regard to the list of actions for transition (table 2-5), management agrees with the general thrust of these actions and would study them in more detail for progressive implementation. It is important to note however that the timeframe given for the adoption of new processes, re-engineering processes while reducing the overall ratio for the function, needs serious reconsideration as the overall HR strategy framework now encompasses a very significant workload. It should be equally noted that some initiatives and related investment costs envisaged under RBR phase 1 have not been carried forward to RBR phase 2 recommendations, which needs clarification.