

MANAGING CHANGE—TRANSFORMING FAO'S ORGANIZATIONAL CULTURE: EXECUTIVE SUMMARY

IEE recommendations

The IEE report¹ argues correctly that there cannot be any successful organizational change unless this change is embedded in the culture of the organization. From this perspective, “organizational culture change within FAO is a prerequisite to successful reform” (paragraph 935). Everything that will be done in the follow-up to the IEE report must keep in mind the desired changes in organizational culture.

Evolving the organizational culture

However, it is generally accepted that organizational culture cannot *be changed* in the sense that the existing culture can be discarded and a new culture imposed. From this perspective, organizational cultures *evolve* and the challenge is to *shape* this evolution, building on the best elements of the existing culture.

We therefore recommend that FAO:

- drives the evolution of the culture by a shared vision of the organization that it wishes to create;
- ensures, through an integrated change process, that all change initiatives are grounded in this vision;
- maintains, at all times, the focus on the desired end-state—significant changes in the culture.

An internal vision for the Organization

The IEE report's first recommendation on culture emphasises the importance of “a much clearer vision of how FAO will work towards its mission” (recommendation 6.1). The concept of a shared internal vision is key to cultural change.

The term *internal vision* is used to differentiate it from the external or strategic vision that is the subject of IEE's recommendations in the first cluster *Rekindling an FAO vision*. The “external vision” therefore focuses on what the Organization wishes to achieve in terms of impact on food and agriculture.

The internal vision provides the framework for all the change initiatives in the IEE report relating to the systems, culture and structure of the Secretariat (clusters three and four of the IEE recommendations); it also helps to ensure that each initiative is grounded in the culture that FAO wishes to build. It helps the Organization to develop new language and symbols and to ensure the new desired behavioural patterns.

An integrated change process

We recommend that the Secretariat develops an integrated *internal* change process that would flow from the Immediate Plan of Action.

- Developing the internal vision in a consultative process;
- Communicating the internal vision to all staff, together with the strategic vision and all other follow-up activities to the IEE report;

¹ We have summarised the key points of the IEE conclusions and recommendations in an Annex.



- Launching and/or supporting change initiatives specifically identified by the IEE;
- Designing and implementing *quick impact wins* that will help bring immediate improvements in people management, communication and commitment to the change process;
- Ensuring effective leadership of the whole change process and of all the different components of change;
- Ensuring that all initiatives are coordinated and are designed to bring about the necessary cultural and systemic changes that will lead to the internal vision.

Change team

The IEE concluded that a “special working group should be constituted to lead development of and oversee an overall programme of culture change” (recommendation 6.2). The need for an entity that has a particular focus on organizational culture is essential to any programme of reform.

We recommend that a small Change Team (CT) be established to carry out, inter-alia, the activities recommended by the IEE with respect to the special working group (recommendation 6.2).

The use of the term *Change Team* is entirely compatible with IEE’s suggested special working group on cultural change. The CT concept slightly broadens the role of such a working group and places the emphasis on the change process and internal vision, leading to cultural change.

Roles of the CT

The CT would act as the engine for the change process. Its main roles would include:

- facilitate the process for the development of the internal vision;
- organize change workshops for the staff;
- advise on the *change* elements in the leadership and management development programmes being designed by FAO;
- support with the organisers of other change initiatives to ensure that the initiatives are driven by the internal vision and incorporate the desired competencies, attitudes and mindsets;
- promote and facilitate communication and dialogue in general;
- monitor all change initiatives, build linkages between them and facilitate the integration of change;
- work closely with JAC/FAR and the Reform Group;
- ensure the active participation of the decentralized offices through the change process;
- build the Organization’s capacity to understand and facilitate change, including the development of change agents/facilitators.

Membership of the CT

We recommend that the CT should be a fairly small group, around 12-15 members. We recommend that the team leader role be assumed by the DDG or alternatively an ADG.

Criteria



The most important criterion is that all CT members should share a common passion for change. They will develop a common vision for change, will want to learn about change and will devote considerable energies to their facilitating and catalytic roles.

We recommend that the team members be chosen to ensure as broad as possible a cross-section of managers and staff, taking into consideration: hierarchical levels (ADGs, Ds, Ps and Gs); departments; HQ/field experience; gender; and, length of service in FAO.

We recommend that the CT should be staffed by one full-time professional and one full-time support staff. Given the nature of the proposed CT, these staff would be *de facto* members of the CT and could indeed be full members.

Serving in their personal capacity

We believe that change teams tend to work best when they comprise individuals who serve in their personal capacity. They will be chosen because of their knowledge, experience and ability. They will be able to provide the CT with important contacts and networks which they will be able to draw on for ideas, suggestions and consultations. Team members should include people who are active in staff representative bodies, other change initiatives, and/or senior management teams. Such experience and contacts are invaluable in the change process.

The issue of representation is a critical one and not easy to define. It is important, however, that CT members feel empowered to be full members of the team in their personal capacity. This means they will convey the ideas and concerns of management, staff and staff representative bodies through their personal perspectives. They will engage in a constant dialogue with the staff on the change process—but they will not formally *represent the positions* of the SMM, their departments or staff representative bodies on any policy aspect of the change process.

This is important because, for example, the CT should not usurp any of the roles and responsibilities of existing management-staff bodies. If the staff representative bodies have formal concerns about the direction of the change process, they would raise them in the JAC/FAR and possibly other bodies.

Commitment of time

Membership of the CT would imply a significant commitment of time. In the first six months, we recommend that many should work half-time and occasionally even more during the intensive initial staff consultations.

Selection of the CT

The selection process for the CT is obviously critical. The final decision on the roles and membership of the CT is generally taken by senior management. The consultative process is often led by the team leader.

The important aspects of the process are, firstly, to have adequate *consultations* with different stakeholders and, secondly, to ensure a *transparent* process.

We therefore recommend that the CT be set up by senior management on the basis of a consultative process:



- Informal consultation with all stakeholders² to establish a list of potential members;
- screening using the criteria above to establish a short-list;
- a formal consultative process with the SMM, RG and JAC/FAR;
- finalisation of the membership and establishment of the CT by senior management.

Initial action steps

Once the CT is formed, its immediate priority would be to facilitate the development of the internal vision. Thereafter, it would start on the change process.

Investment in change

In conclusion, we argue that there should be a considerable investment in the change process by the Organization.

All organisations in the UN system who have carried out change programmes have found that they have to be prepared to invest considerable resources to be successful. It is a fallacy to argue that organizations can rapidly divert existing resources to bring about complex change and/or to reduce costs. This is particularly the case for knowledge organisations whose budgets are dominated by staff costs.

Therefore, investment is needed to build the change capacity and to carry out the various change initiatives as recommended by IEE. These investments will eventually lead to greater effectiveness and efficiency which, in turn, will generate the possibility of savings and transferring resources to new priorities.

The investment can be grouped into two broad areas.

Change team

The first relates to the CT and the change process:

- Managers and staff can be asked to absorb change tasks in addition to their on-going work, but there are limits to this approach, particularly for most members of the CT. This implies that staff must be released from the current jobs, which means that short-term staff/consultants have to be recruited and paid for during that timeframe (sometimes called “backfilling”);
- There may be a need for short- or medium-term consultancies to accompany the change process or to provide specific support;
- There are the organisational costs related to training, meetings, retreats, covering travel of field representatives, materials, residential retreats and so on.

IEE follow-up activities

The second relates to the broader follow-up on the IEE recommendations. The same categories of investments as for the CT apply: staff costs, consultancies³ and organisational/logistical costs.

² All stakeholders including the SMM, departments/divisions, the JAC/FAR, RG could be invited to make proposals.

³ Instead of consultancies, FAO may wish to appoint for a period of one-three years, specialists in the various change initiatives, for example in process re-engineering, human resources management, leadership and management and



We recommend that FAO draws up a budget for the change process until the end of 2009, covering the time of the CT members and support staff and other costs.

Timeframe

We understand that this paper is being considered by the CoC/IEE and its Working Group 3 on 28-29 April. If the approach outlined in this paper is approved by the Committee and subsequently by the Director-General immediately, it should be possible to set up the CT by the end of May.

We understand that it would be important to complete the main elements of the internal vision by mid-September for inclusion in the documentation for the Conference.

The timeframe would be very tight as July and August are traditionally slow months. The deadline of mid-September should be possible provided that FAO ensures:

- firstly, adequate funding for the staffing, organisational, logistics and consultancy costs;
- secondly, the availability of key managers and staff when they are required (including the SMM, CT and the wide range of consultative groups, from both HQ and the decentralized offices).

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the change team itself. In-house specialists can sometime be more effective than external consultants and may be cheaper.



Annex—IEE recommendations on organizational culture

Transformational change

Introduction

In order to help situate MANNET's suggestions on how to implement the IEE recommendations on cultural change, we have summarised below the key points in the IEE conclusions and recommendations.

The IEE overarching messages (paragraphs 7- 41) talk about:

- a serious state of crisis;
- low levels of trust and mutual understanding;
- “talented staff with a deep commitment to the mission of the Organization”;
- “fragmented structures and rigidly centralized management systems”;
- “a widespread thirst and readiness within FAO for major and fundamental change, but an almost equal cynicism about whether senior management and the Governing Bodies can make this happen”.

The IEE recommends a “transformational strategy of reform with growth” (paragraph vi).

The IEE report provides a detailed analysis of the current organizational culture of FAO and argues that “organizational culture change within FAO is a prerequisite to successful reform” (paragraph 935).

Vision and culture

Recommendation 6.1 states:

Building on the high levels of commitment of staff to the mandate, goals and objectives of the Organization, and of staff motivation related to the Organization's work (see above), management should lead in rallying this positive asset around a much clearer vision of how FAO will work towards its mission with clearly articulated objectives and measurable indicators (see Recommendation 7.1). This cannot be top down or formalistic, but must reach into the Organization for shared ideas on ways forward. It must be done through processes of genuine consultation and participation aimed at building a practical sense of common purpose and be a first step in re-orientation to a culture of high performance.

Deep and extensive changes are then needed to policies and procedures on human and financial resources in order to ensure that they are aligned with and focused on that clearer vision, and engaged as efficiently and effectively as possible to achieving those clearer goals. In other words, aligning all the Organization's means with its ends explicitly (see Recommendation 8.1). FAO's human resources should be treated as the primary and strategic asset they are. Human resources policy and systems should be re-oriented to attract the



calibre of people and enable teamwork in the way FAO needs to fulfil its aims (see specific Recommendation 7.5 and Recommendations 8.2 through 8.8).

Administrative procedures should be fundamentally reviewed, simplified and re-oriented to be more 'client-focused', encouraging and supporting staff to be effective and accountable for achieving the results agreed above in an efficient way (see Recommendations 8.1, 8.9 and 8.10).

Proposals should aim to advance transparency, promote the principle of subsidiarity and facilitate and enable horizontal and vertical communication.

Working group

The IEE report goes on to recommend a working group (Recommendation 6.2):

A special working group should be constituted to lead development of and oversee an overall programme of culture change as part of the follow-up to implementation of the recommendations of the IEE. Its members should be selected from different parts and levels of the Organization. Its work should be serviced by one specially assigned member of staff who should have both management and staff acceptance. He/she should be advised and accompanied by consultant specialists in culture change. Preferably, this would be one of the consultant firms also engaged on other change processes in FAO for consistency of approach and reduced transaction costs. It would:

- a) monitor coherence between the principles outlined above and implementation of IEE recommendations (for example via annual or more frequent employee surveys);*
- b) on the basis of widespread staff consultation, advise Senior Management and the Human Resources function on complementary measures to be developed; and*
- c) act as a coach and facilitator of desired changes.*

Cross-departmental contact

Recommendation 6.3 covers the need for encouraging cross-departmental contact:

To enable and encourage cross-departmental contact and take steps towards creating a dynamic map of where knowledge lies (which is a key to the effectiveness of knowledge-based organizations):

- a) those responsible for critical technical work and divisional administration should be shown in an organizational directory on the intranet. This could be further extended by including the job titles of all employees in a division;*
- b) informal discussion groups should be facilitated by creating an easy mechanism for anyone in the FAO intranet to set up such ad hoc groups; and*



c) a well-written and strictly informal staff newsletter and website page should be developed with news about the Organization, staff, managers and other matters of interest.

Director-General

Recommendation 6.4 calls for immediate actions by the Director-General to “signal his readiness to lead and engage in change and to present a more open and accessible image”.

Early and transparent action on the fundamental changes described above - some of which will take a long time to complete - should be supported by immediate actions by the Director-General to signal his readiness to lead and engage in change and to present a more open and accessible image. Building on the openness demonstrated in the recent seminars for Permanent Representatives to FAO and the higher frequency of other informal presentations by senior staff, these might include: actively encouraging senior staff to informally brief Permanent Representatives on technical and administrative issues; announcing, post factum, on the intranet the Director-General's official overseas visits and his major meetings with external contacts of importance; and meetings with small and informal groups of staff on topics of internal importance to FAO. Such meetings should not be focused only on issues of staff-management relations but should in the main relate to the work of the Organization.

Management

The final recommendation on culture change (6.5) focuses on management culture and development.

FAO needs to accelerate development of a leadership cadre who consistently model good management practice, including “open door” styles to increase informal, direct communication; the giving and receiving of feedback; regular staff meetings to inform them of developments and solicit their ideas; and periodic retreats. To achieve this:

Expand the courses of the Joint Management Development Centre to include regular courses for senior management as well as lower levels.

Involve the Human Resources function as a strategic partner in planning and executing management training, focused on the needs of specific individuals. This might include an increase in management training or coaching.

