IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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PROGRESS REPORT ON HUMAN RESOURCE DEVELOPMENT

Context

1.   A report presented to the Sixty-Second Session of the Executive Board on this two-year project outlined activities for 1998 (document EB 97/62/R.9). Following an initial period of preparation, the Personnel Division and the Human Resources Management (HRM) consultant team were launching a series of interventions to support IFAD's corporate plans and management culture. The series included:

- personnel policies;
- the rollout of a new individual performance planning and appraisal system (IPS);
- training activities based on the IPS results;
- management training;
- team-building;
- workload analyses and unit reviews;
- skills assessment and job matching;
- completion of job classifications for the whole organization; and
- a second annual staff attitude survey.

2.   Work is progressing as planned in all the various components of the human resources management strategy. The organization is now working with several of these new systems and, through this experience, their effectiveness in bringing about change will really be tested.

3.   Since its planning stages at the end of 1996, the HRM intervention has had, and will continue to have, a significant opportunity cost in terms of staff time. It will also produce a significant change over time in the culture and the way IFAD works: more effective management, with particular emphasis on teamwork and team rewards; and transparency in policies and in such actions as promotions, rewards and sanctions – all based on merit alone. Since all organizational change of this kind is difficult and even traumatic, it needs to be carefully managed and monitored so that all can adjust to it. And as the work of the HRM strategy has mainly been carried out by consultants, it is critically important that capacity is built in-house and ownership developed, both in Personnel and among managers, to ensure that the process is integrated into ongoing work and that it continues to shape IFAD culture in the years ahead.

1998 Update

4.   What follows is an update on the progress made as of September 1998 in the various activities within the human resources management strategy. It is important to bear in mind that whereas the review of these various activities may appear linear or separate, in reality they are all tightly interlinked to form a single system in terms of a strategy for IFAD's human resources.

Personnel Policies

5.   By the end of 1998, it is anticipated that all the revised and new policies will have been developed and reviewed by IFAD staff and management, and that a new personnel policy framework will be in place.

6.   The main emphasis in this first part of 1998 has been given to developing a set of employment policies that addresses the fact that in IFAD, as in most of the UN system, existing employment policies were geared to different circumstances. There is now an urgent need to update policies to address the realities of the end of the twentieth century. In an international world increasingly vying for quality staff, IFAD's ability to attract and retain a wide variety of high-calibre staff is at stake. More diverse employment policies will give IFAD better tools as a flexible and cost-effective organization, able to carry out its work without relying exclusively on core posts.

Individual Performance Planning and Appraisal System (IPS)

7.   Following the pilot exercise for a new individual performance planning, development and appraisal system early this year, the process was further refined and has been implemented throughout the organization for the performance review year 1998.

8.   The first stage, finalized this spring, was the completion of individual 1998 performance plans for staff up to D2 level. The plans are closely tied to the organization's corporate scorecard as well as being competency-based (the skills and knowledge required by an incumbent to carry out work satisfactorily). To implement this new system, more than 60 competency models were developed for all IFAD posts and functional groups, work which started in 1997 and was completed in early 1998. The majority of IFAD's staff, across all functional groups, was involved. At every stage of the process, compliance has been monitored and consistency of quality ensured through meetings with IFAD staff and managers. Databases have been designed for both models and job descriptions; staff will be able to refer to them easily, for future vacancies, for example, thus significantly reducing paper work and encouraging ease of access and transparency.

9.   As part of this system, a formal mid-term review will be undertaken in September. Concurrently, there will be individual coaching and counselling with managers and staff throughout IFAD. The mid-term results will also be evaluated before the final phase of the cycle – the year-end appraisal. Orientation training sessions will take place in December/January to prepare for the final appraisals in January/March 1999. A new cycle will then begin for the 1999 performance year.

10.   At the end of the review year, the IPS gives unit managers the opportunity, through formal Management Review Groups (MRG), to globally review a wide range of issues related to human resources – namely promotions, rewards and sanctions, contract situations, training and development, etc. The IPS thus becomes a cornerstone in the whole human resources management strategy.

Management Succession

11.   Critically important for all the changes proposed is a team of managers operating with a common set of values, selected and developed through a common set of standards. A management succession system is being designed and will be ready by December 1998 for testing and adoption in 1999. It will be based on three principles: validation of criteria for selecting managers; regular measurement of effectiveness; and transparent machinery for making choices.

12.   Valid criteria for a management succession system now exist through the management training that was successful in early 1998 and the development of competency models validated within IFAD.

13.   The IPS system will be measuring the performance of managers, along with all other staff. These measures need to be complemented by others, including allowance for peer and bottom-up reviews which were initiated during management training and the first attitude survey. They will now be tested and formalized.

14.   Mechanisms will be needed. The policy is likely to be based on a process that includes:

-       creation of a pool of promising mid-career candidates whose potential has been assessed (Membership in the pool does not guarantee appointment to a management post but will be a precondition for it.);

-       periodic (probably annual) meetings of top management to review current and upcoming management vacancies up to the D2 level and readiness of candidates for each post.

Training Activities

15.   Training activities have increased significantly in a variety of areas. In a year of full implementation of the HRM strategy, IFAD has offered orientation/training associated with policy-driven initiatives – such as IPS, management training and follow-up, team-building, etc. – as well as a number of initiatives for various functional groups, including training for staff assuming new functions (e.g., programme assistants). For the remainder of the year, major activities in technical professional training will take place; these were identified in the IPS individual performance plans and include project supervision, participatory project design and portfolio management.

16.   Through the IPS, the training database that has been developed captures all individual staff developmental needs (identified and agreed upon between staff and supervisors), including formal training. This will now form the main basis for IFAD's yearly training programme. Staff's absorptive capacity has its limits, however, and giving priority to the most critical needs is paramount. A Training Advisory Committee has been established to ensure that the identified needs are aligned with IFAD's objectives and that the right priorities are set.

Management Training

17.   One major intervention already planned at the inception of the HRM intervention in 1996 was to address the need for management development. This was indeed later confirmed by the results of the June 1997 attitude survey: one of the key issues was the need for a corporate management culture, driven by the organization. The management training intervention's timing was linked to the IPS process in order to help prepare managers/supervisors for their role.

18.   Forty-seven managers and supervisors benefited from the training that took place in March and May/June, which focused on three major areas: personal development, service management and organizational effectiveness.

19.   As a training event, it was exceptionally well-received by the participants. However, the "applause factor" is one thing, another is the long-term effect on the organization through follow-up and integration into the work environment. Follow-up sessions with the participants are being conducted to determine the best way to reinforce the skills learned and to provide opportunities to practice and share successes and difficulties in implementing managers' individual action plans. These sessions have also focused on sharing successful strategies and collectively attempting to solve problems. In addition, individual coaching is taking place on an ongoing basis through another key intervention, namely, team-building.

Team-Building

20.   Work has started in 19 divisions and sections in the organization. Emphasis is on the development and practice of team-building skills, as well as the maintaining of these: the human relationship skills of communication, giving effective feedback, decision-making, problem-solving, etc. Typically, the first step in the team-building process is the team assessment survey designed specifically for IFAD; it provides data needed to determine the developmental issues specific to each unit. Currently, team-building workshops are being planned for several units between August and October 1998.

21.   To ensure the continuation and sustainability of this process within each unit, the emphasis is on developing managers' skills as team leaders and coaches through internal capacity-building (as opposed to a dependence on consultants).

Workload Analyses/Unit Reviews

22.   The HRM strategy is also concerned with reviewing and analysing performance issues at the unit level. A methodology has been adopted to review multiple performance variables, such as the fit between goals and existing processes and structures, unit performance, customer satisfaction, volume measurement, benchmarking, management effectiveness, competencies and adequacy of resources (people, budgets, space, equipment).

23.   Reviews have already been carried out in the Programme Management Department (PD) (including the Technical Advisory Division (PT) and PD front office), the Controller's Office (VC) (including Loans and Grants), Internal Audit (OA), the Economic Policy and Resource Strategy Department (ED), the Management Information Systems (MM), and are currently ongoing in the Office of the Secretary (MS) (including Editing, Translation, Conference Services, Governing Bodies and Member Relations) and the Office of Evaluation and Studies (OE). The approach has been tailored to each individual unit and is critical in defining, framing and directing the steps of the improvement intervention that will be implemented by each unit. In addition, several units have conducted customer surveys to determine the satisfaction level of the recipients of the services provided.

24.   The aim is to develop a more efficient organizational structure, increase delegation, clarify responsibilities, and review processes and recommendations which will identify the appropriate overall future needs for staff resources.

Skills Assessment and Job-Matching

25. This is a most critical part of the HRM strategy. Good skills assessment leads to three possible scenarios: (i) staff are identified as being well-matched to their jobs; (ii) staff are identified as lacking skills/knowledge, which can be addressed through further development/coaching on the job and/or formal training; (iii) staff do not fit their current position and may be reassigned or, in the extreme-case scenario, may be required to leave. Skills assessment and job matching is obviously very sensitive and difficult; it often creates much anxiety and pain and needs to be carried out in the most professional way, with a great deal of consideration to the individual staff member.

26. Since units have been studied and individual jobs reviewed and classified, skills assessment and job matching can take place. This has been completed for some 35% of the staff.

Job Classification

27. The organization-wide classification review, which started in early 1997, has been completed and the results have been discussed with the managers and conveyed to staff. The review covered approximately 300 posts from G-1 through P-5, across all divisions except ED, which will be reviewed in September. For IFAD Professional posts, this is the first official application of the UN principles and standards of job classification.

28. Based on the concerns of the staff and the overall priorities of the HRM strategy, the following objectives were identified for the classification review:

- to bring order and rationality to the classification system;

- to increase the involvement of managers in the classification process and move away from overly centralized decision-making; and

- to use job classification as the starting point for exploring new approaches to job design and career mobility.

SUMMARY OF CLASSIFICATION RESULTS [1]

Recommendation	Professional		General Service		Total	
	No.	%	No.	%	No.	%
Confirmed level	84	83.2	75	45.5	159	59.8
Upgraded	6	5.9	78	47.3	84	31.6
Downgraded	11	10.9	12	7.3	23	8.6
Total	**101**	**100**	**165**	**100**	**266**	**100**

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[1] These final figures differ slightly from the preliminary figures cited in paragraphs 38 and 61 of document EB 98/64/R.5, Preview of the Programme of Work and Budget of IFAD for 1999.

29.   The very high number of General Service upgrades reflects three important points:

-       there has been relatively little emphasis on classification in the past and functions have evolved greatly since 1978, hence a significant "backload" had developed;

-       the restructuring and re-engineering has led to many new jobs and responsibilities; and

-       a guiding principle in the HRM strategy is to delegate as much as possible from Professional to General Service, in order to free Professionals from support functions and to use fully the many talents and skills that exist at the General Service level. This is obviously strongly linked to the skills assessment and job-matching intervention.

30.   The relatively few Professional upgrades reflect an already high percentage (67%) of P-4s and P-5s, due in part to flat organizational structures, particularly in PD and OE, past promotions based largely on time in-grade and low turnover in more senior posts.

31.   The overall cost to the organization will be very low, particularly since it is offset by the savings from the downgrading of several Professional posts. Of course, if IFAD introduces a P-6 grade (see below), there could be some additional costs possibly from 1999 onwards.

32.   IFAD was overdue for an organization-wide classification review in response to staff concerns about fairness and competitiveness. Reviews of this type are difficult undertakings: they are time-consuming for staff and they create high expectations of upgrades. Too often attention is focused on individual results rather than on the important principles behind the process and the broader implications for human resource development. Nevertheless, we believe this will prove to have been a very valuable exercise for IFAD:

-       it has brought job descriptions more in line with the actual work assigned and, in many cases, caused managers to rethink how work is distributed;

-       it has resulted in wider exposure to the principles and practices of UN job classification and brought to the forefront issues of fairness and equity;

-       it has brought fair and objective outside analysis of IFAD's work and associated grade levels; and

-       it will bring IFAD grade levels more in line with those of other UN organizations and relieve at least some of the pressure for upgradings.

33.   Results were discussed with individual managers and any major issues they had were raised with the President. Staff were informed of their reviews by their manager and will have the opportunity for recourse in September.

34.   IFAD has a myriad of job titles, as do most UN organizations. As a fall-out from this classification review, Personnel will review job titles and make changes as needed to achieve consistency and simplicity and to aid in the identification of career paths.

35.   There has been recent discussion at IFAD of the possibility and desirability of creating a limited-use P-6 grade to recognize very high-level professional experts and specialists without Division Director responsibilities. The concept has been approved in principle by senior management, but more analysis is needed before implementation can be considered. While a P-6 level could be useful in attracting and retaining highly qualified staff, there is also a potential for misuse and pressure to eventually treat P-6 as just another step in a professional career path based merely on time served. For this new level to be justified, the criteria will have to be very clearly defined and restricted to a limited number of positions with newly-defined responsibilities that are in fact required for IFAD to successfully deliver on its mandate. A recommendation will be presented to IFAD's management for submission to the Sixty-Fifth Session of the Executive Board.

Attitude Survey

36.   As planned, the next attitude survey will be carried out in the autumn. In an organization undergoing significant change and, more specifically, in the human resources management area, it is difficult to gauge and to assess the nature of that change. Provided that participation is as high as last year, the survey will be a valuable tool – and a reliable one – to gauge the overall climate, the management culture and individual managers.

37.   On an ongoing basis, client-satisfaction surveys specifically linked to individual units and their activities are also being carried out.

Next Steps

38.   The bulk of HRM activities is due to be finished by December 1998 and the process of the handing over to the Personnel Division for continuation into the future is still being decided. Due to the timing cycles adopted, three activities will have to be completed with HRM consultant involvement early in 1999. From September until the end of the project, the following activities will take place:

- establish a complete HRM policy framework (by December 1998);
- complete the first cycle of the IPS (by March 1999);
- complete workload reviews of units (by December 1998);
- ongoing team-building work (by December 1998);
- ongoing support to the Programme Management Department to implement renewal activities started in September 1997;
- follow-up sessions to management training (through December 1998);
- design of career-development and management-succession policies and programmes (by December 1998 for introduction by IFAD in 1999);
- conduct the second staff attitude survey in October 1998;
- develop Personnel Division capacity to handle the handover transition and to continue to support changes (by spring 1999); and
- evaluate HRM activities and experience (March 1999).