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Enabling poor rural people  
to overcome poverty

## **Human resources reform – a people strategy for IFAD**

Executive Board — Ninety-fifth Session  
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For: **Information**

## **Note to Executive Board Directors**

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

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## **Abbreviations and acronyms**

HR	human resources
HRMC	Human Resources Management Committee
RIDE	Report on IFAD's Development Effectiveness

# Human resources reform – a people strategy for IFAD

## I. Introduction

1. IFAD's Action Plan for Improving its Development Effectiveness was approved by the Executive Board in December 2005, and the final progress report was delivered to the Executive Board in December 2007. An assessment of the Action Plan, commissioned in early 2008 by three IFAD Executive Board member countries<sup>1</sup> "provided evidence that the Action Plan is leading to the improvements in IFAD's development effectiveness". However, while the assessment overall was positive, it also identified a number of areas where continuing diligence would be essential, including: (a) maintaining the commitment to organizational reform demonstrated at IFAD; (b) accelerating progress in effectively dealing with human resource management; (c) maintaining and improving staff morale while effectively realigning human resources; (d) strengthening its focus on innovation and strengthening partnerships for innovation; and (e) solidifying and mainstreaming the knowledge management strategy.
2. The need to accelerate progress on human resources reform is widely acknowledged within IFAD, and strong foundations have already been laid upon which to build: specifically, the work done on identifying and living IFAD's core values, the decision to assess and publish managerial capacity through the 360-degree evaluation, and the commitment to individual performance evaluation that is rigorous and fair.
3. An outline of the approach to human resources reform was presented to the Replenishment consultation meeting in July and was discussed with the Executive Board at an informal seminar in September 2008.
4. This paper consolidates the high-level aims, objectives and deliverables for human resources reform for 2009 and 2010 within the framework of the existing Human Resources Policy approved by the Executive Board.
5. IFAD is changing to meet the new challenges of an expanded programme of work, delivered through an operating model where the focus is on country-led, directly supervised projects and programmes. The external environment is uncertain and ever-changing, and the demands placed on the IFAD workforce are changing with it. In the future, IFAD will need a workforce that is flexible, mobile and has the capacity to learn and respond to the changing environment.
6. The legal framework for IFAD's human resource management is provided in the Agreement Establishing IFAD in the following terms:
 

**Article 6, Section 8 (d) and (e), of the Agreement Establishing IFAD:**  
 "(d) The President shall head the staff and, under the control and direction of the Governing Council and the Executive Board, shall be responsible for conducting the business of the Fund. The President shall organize the staff and shall appoint and dismiss members of the staff in accordance with regulations adopted by the Executive Board.

(e) In the employment of the staff and in the determination of the conditions of service, consideration shall be given to the necessity of securing the highest standards of efficiency, competence and integrity as well as to the importance of observing the criterion of equitable geographical distribution."
7. The Human Resources Policy approved by the Executive Board in 2004, pursuant to the foregoing, continues to provide the framework within which reform will be delivered. It empowers the President to lead and manage IFAD to deliver results for poor rural women and men.

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<sup>1</sup> Canada, the Netherlands and Norway.

"IFAD exists in a rapidly changing political, economic, social and technological environment. It needs to adapt to diverse and changing requirements by continuously developing organizational capability, improving performance by empowering staff, stimulating their creativity, rewarding risks and innovation and investing in continuous improvement through knowledge sharing and training.

The Human Resources Policy provides guiding principles of the various human resource management processes, in accordance with which the President shall manage the employees of IFAD."

IFAD's Human Resources Policy 2004

## II. Outcomes

8. The outcome of this reform is to optimize the delivery of IFAD's results by having the workforce in the right place at the right time, with the necessary skills and experience. Bold and concrete action is needed now and into the future.
9. By the end of the next Replenishment period, IFAD will have:
  - Greater capacity in partner countries;
  - A more diverse workforce;
  - A greater percentage of the workforce focused on IFAD's core operational activity;
  - Less time spent on transactional activity that adds little value;
  - Improved capacity in risk management;
  - Improved knowledge management;
  - Greater capacity for innovation;
  - Improved advocacy and communication capabilities;
  - Greater capacity to manage partnerships and participate in networks;
  - Flexibility to respond to a fast-changing environment in partner countries and in the global architecture; and
  - Better managerial skills across the organization and at all levels.

## III. Scope

10. The human resources reform encompasses all of IFAD's workforce.<sup>2</sup> It is as relevant for supervisors and managers as it is for the Human Resources Division. IFAD's approach to people management is rooted in its core values and will enable the organization to optimize the contribution our workforce make for the benefit of poor rural women and men.
11. The realization of this aspiration will be dependent on increased accountability by managers and supervisors for excellence in people management, and on a transformed professional Human Resources Division.
12. IFAD's Human Resources Division will be a professional strategic partner in change and reform and a responsive service provider with a focus on results driven by IFAD's mission. The Division will be a credible, trusted advisor to the workforce, their representatives and the leadership.

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<sup>2</sup> The workforce includes staff on all types of contracts, including individual consultants and other service providers who supply consultancy services.

## IV. Objectives

13. To deliver the outcomes of the reform there are four objectives, outlined below. Good progress was made in 2008 with key deliverables in each area; more remains to be done.
- IFAD has the right organizational structure and profile to meet its objectives
  - IFAD has an open and empowering culture that supports the values and mission
  - IFAD develops all staff to achieve their potential through investment in learning
  - IFAD has the right people systems, tools and processes to support its mission

## V. Measuring results

14. Key performance indicators will be monitored by the Human Resources Management Committee and reported to the Executive Board through the Report on IFAD's Development Effectiveness (RIDE) on an annual basis. In addition, separate reports on the implementation of the human resources reform will be presented to the Executive Board in December 2009 and December 2010.
15. The reform results will be measured using the level 4 indicators of the RIDE Results Measurement Framework. These are proxy indicators for:
- **Improved efficiency** – cost per payslip (the total cost of managing the payroll process divided by the number of employees paid)
  - **Professional human resources practice** – time to fill a professional vacancy
  - **Alignment of the workforce to the core activities** – operational workforce as a proportion of the workforce
  - **Diversity of the workforce** – percentage of women in senior roles; geographic distribution
  - **Staff engagement** index – a composite indicator derived from staff survey questions focused on engagement

## VI. Deliverables in 2009 and 2010<sup>3</sup>

### A. IFAD has the right organizational structure and profile to meet its objectives

16. In order to deliver its mission, IFAD needs continually to refresh and review how it is organized. The workforce planning tool will be operationalized, and decisions on recruitment, development, deployment and release will be aligned to optimize the delivery of results. Acknowledging the centrality of the workforce, the organization will develop robust succession plans for key posts and consciously manage talent at all levels.
17. IFAD's hiring process and contracts are complex and transactionally heavy. To build and sustain staff engagement, contractual instruments need to be reviewed to match the right contract to each context.

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<sup>3</sup> Details in annex I.

## **B. IFAD has an open and empowering culture that supports the values and mission**

18. IFAD values lie at the heart of human resources reform and will be the touchstone for the workforce, encompassing managers, supervisors and staff, in all they do. Through a focus on results, and by acting with integrity and professionalism and treating all with respect, IFAD will build the open and empowering culture being sought.
19. IFAD is an international institution and draws its talent from across the globe. However, it needs to broaden the field of candidates – IFAD needs more women to compete for senior posts and greater diversity in geographic distribution. To enable all candidates to have an equal chance to compete, recruitment criteria will be reviewed and work experience provided within IFAD for interns and graduates. The organization continues to be absolutely committed to merit-based recruitment and performance-based promotion.
20. IFAD recognizes the direct link between staff engagement and the delivery of results on the ground, and will sustain efforts to align the personal objectives of the workforce to its core mission. The organization will encourage staff involvement in decision making and work with staff representatives in partnership.
21. Developing a healthy workplace where staff well-being is actively supported will be important to the success of the human resources reform.

## **C. IFAD develops all staff to achieve their potential through investment in learning**

22. Maximizing the contribution of each and every member of the workforce requires sustained management effort. A refreshed and simplified approach to performance management will shift the focus from form-filling to the performance conversation. Through this dialogue will come a clearer articulation of learning needs, career development aspirations, barriers to motivation and delivery, and professional and technical learning and development.
23. The workforce planning process will identify further critical skills and knowledge requirements to sustain IFAD's competitive advantage.

## **D. IFAD has the right people systems, tools and processes to support its mission**

24. IFAD has made a heavy investment in PeopleSoft as the information system underpinning human resource management. Proposals will be developed and implemented to use more of its capability and in parallel generate efficiencies in business processes.
25. IFAD will contribute to United Nations system-wide reforms in human resource management through active participation and by being willing to act as a pilot site or laboratory for change, in accordance with its rules and policies.
26. Acknowledging the importance of the workforce having the right tools to deliver, appropriate products will be developed and placed, where possible, on the intranet. A key product will be the launch of the web-based staff rules together with supporting products setting out benefits and accountabilities.
27. A number of core human resources procedures will be reviewed to ensure they are aligned to the delivery of results. IFAD will benchmark human resources practice with that of other international financial institutions and United Nations agencies, drawing on the professional skills and knowledge of the human resources function. Reviews will be undertaken of performance management, promotion, recruitment and deployment in the field.



## **VII. Next steps**

28. This paper provides an outline of the aim, objectives and an indicative set of deliverables for human resources reform in 2009 and 2010. However, the critical success factor will be ownership by the workforce. Following open staff meetings to listen to the views of staff, the priority is to respond to their feedback on ensuring timely involvement and communication. The President is leading a discussion with the IFAD Management team on next steps and to gather feedback on the indicative deliverables. Staff will be involved more fully on the individual work strands, and efforts will be redoubled to communicate effectively.
29. The Human Resources Division will be restructured in early 2009 to better support the vision and reform objectives.

## Annex I – Indicative deliverables

Human resources reform objective	Indicative deliverables – 2009	Indicative deliverables – 2010
<p><b>IFAD has the right organizational structure and profile to meet its objectives</b></p>	<ul style="list-style-type: none"> <li>• Run the voluntary separation programme (1)</li> <li>• Publish the workforce plan to 2012</li> <li>• Make proposals on the optimum contractual status</li> </ul>	<ul style="list-style-type: none"> <li>• Run voluntary separation programme (2)</li> <li>• Implement new contractual instruments</li> <li>• Develop succession plans for all key posts</li> </ul>
<p><b>IFAD has an open and empowering culture that supports the values and mission</b></p>	<ul style="list-style-type: none"> <li>• Scrutinize recruitment criteria for all posts and remove any unnecessary requirements in relation to language skills, post-graduate qualifications and length of experience</li> <li>• Develop and implement enhanced opportunities for internships and work placements for list B/C</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate the action plans from the 2008 staff survey and make recommendations for further action</li> <li>• Run the 2010 staff survey</li> </ul>
<p><b>IFAD develops all staff to achieve their potential through investment in learning</b></p>	<ul style="list-style-type: none"> <li>• Launch a refreshed and simplified performance management approach, including an extended 360-degree evaluation</li> <li>• Sustain delivery of learning and development for managers, supervisors</li> <li>• Extend the talent management programme</li> <li>• Intensify efforts for technical skills and knowledge development</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and train career development focal points</li> <li>• Develop and implement a mentoring programme</li> </ul>
<p><b>IFAD has the right people systems, tools and processes to support its mission</b></p>	<ul style="list-style-type: none"> <li>• Launch a simplified set of web-based staff rules</li> <li>• Implement a business process review for administering consultants contracts</li> <li>• Benchmark a core human resources practice to support alignment with results</li> </ul>	<ul style="list-style-type: none"> <li>• Implement further business process reviews (e.g. payroll, recruitment)</li> <li>• Benchmark further core human resources practices (including the alignment of incentives) to support alignment with results</li> </ul>

