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Annual reports

For consideration

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Management note on the Annual Report of the Office of the Ombudsman and Mediation Services for 2017

Introduction

1. Management recognizes and values the role of a designated, independent Ombudsman's office that provides confidential, off-the-record and impartial assistance for the informal resolution of concerns and conflicts related to employment with the World Food Programme.
2. Management thanks the Ombudsman's office for its 2017 annual report, which sets forth information that WFP should carefully consider in its continuing effort to be the best that it can be.
3. This note on the Ombudsman's annual report for 2017 sets forth management's reflections on the findings of the Ombudsman and constitutes its formal response to the Ombudsman's recommendations. It broadly follows the format of the report.
4. Management is committed to a serious examination of the conclusions and recommendations set out in the Ombudsman's report and to the formulation of any actions that may be necessary to address any problems identified therein.

Key systemic issues

The cost of conflict

5. Management concurs with the notion that workplace conflict has a cost for any organization and hence agrees that it is desirable to limit such conflict.

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6. Management also notes the conclusions of the report that “conflict avoidance is sufficiently prevalent in WFP’s organizational culture to be a concern” (paragraph 26), that “WFP... Insufficiently trains and equips its employees to become competent as well as confident in dealing with conflict” (paragraph 26) and that “other obstacles to the timely tackling of conflict include [...] a lack of knowledge of what to do in a situation of conflict [and] a lack of clarity on what is expected from a supervisor in addressing conflict situations, including underperformance” (paragraph 28). There is always room for improvement in any organization, including with regard to staff skills and ability to handle conflict, and management will consider the conclusions of the Ombudsman’s office carefully. In the meantime, management wishes to highlight the training and guidance already available to managers and other staff relevant to conflict and its resolution:
- Toolkits for both staff and supervisors and specific training videos on effectively addressing underperformance, having difficult conversations with employees and giving effective feedback
 - Face-to-face and remote training on the same, conducted by the Human Resources Department (HR), which since 2016 has been taken by close to 500 supervisors
 - A supervisory skills programme in which dealing with difficult situations involving employees features prominently, and which by the end of 2018 will have reached 600 supervisors
 - A leadership development programme providing training on coaching supervisees, which has been taken by 1,000 senior staff
 - Other learning resources, available to all employees on WFP’s learning platform, WeLearn, which include the following titles:
 - How to Avoid and Manage Conflict – Learning Heroes
 - Conflict Management – Learning Heroes
 - Identifying the Causes of Conflict – Learning Heroes
 - Understanding the process of conflict, by Lionel Bellenger
 - Be aware of the role you play in a conflict, by Dominique Chalivin
 - Neutralise conflict, by Matthieu Ricard
 - Resolving conflicts through shared reality, by Marie R. Miyashiro
 - Managing Conflict, by David Liddle
 - Managing Conflict at Work, by Jackie Keddy
 - Conflict Management, by Baden Eunson
 - Listening to Conflict, by Erik J. Van Slyke
7. WFP must always strive to improve. Management will carefully consider how it might do so.

8. The table below sets out the Ombudsman's recommendations and management's responses relating to the cost of conflict.

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| 1. Determine the underlying reasons for the observed tendency of WFP to avoid conflict. | Management will seek to develop an evidence-based approach to addressing any conflict avoidance culture that may exist. Management is eager to discuss further with the Ombudsman's office any evidence of such a culture as a basis for the development of such an approach. |
| 2. Create awareness about the cost of conflict to encourage employees to speak up, intervene, prevent and manage conflicts at work. | The communications campaigns being carried out since late 2017 related to the launch of the 1 March 2018 Executive Director's circular on harassment, sexual harassment, abuse of authority and discrimination are aimed at giving employees the confidence to come forward and speak up and making clear the responsibility of leaders to create and maintain an environment free of abusive conduct of any kind. The management of conflict within the workplace is an integral element in maintaining such an environment and the Executive Director has been explicit regarding the accountability of managers in this area. |
| 3. Include conflict management competencies and people skills in job profiles. | Management will review how it can better reflect conflict management skills in job profiles, while continuing to stress a manager's role in maintaining well-performing, efficient teams that work in a harmonious environment. |
| 4. Assess candidates on their people skills and capacity to create enabling work environments during recruitment and promotion exercises. | <p>Management agrees that it is important to assess candidates and staff on their people skills and their capacity to create enabling work environments. WFP already does so in the following ways and will continue to pursue ways to do it better.</p> <p>a. Recruitment. WFP assesses interpersonal skills and people management skills during recruitment interviews. In addition, psychometric tests are used for the most senior recruitments.</p> <p>b. Promotions. The performance evaluations of WFP staff are used in promotions and reassignment exercises.</p> <p>Through the internal PACE system, performance evaluations for National Officers and International Professional staff assess staff on their success in "treating everyone with dignity, respect and equality". In addition, staff at D1/D2 levels are assessed: i) on their success in 'strengthening cooperation and relationships between teams.... and in [fostering] a WFP culture that values diversity, gender-equality and inclusion; and ii) on their people management skills, including their skills in "effective conflict resolution".</p> <p>Use of the PACE system will be extended to Service Contract holders within the coming two years, meaning that 90 percent of the organization's employees will be evaluated through the PACE platform.</p> <p>PACE evaluations are the key inputs for promotion processes and are used in making career decisions for employees.</p> <p>Finally, the Executive Director has reinforced the message to senior leaders in the organization that he will hold them accountable for their ability to maintain an environment free of abusive behaviour. Managing conflict effectively is a key element in maintaining such an environment.</p> |

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| 5. Offer tailor-made conflict skills training to meet all employees' different level of responsibility. | Management agrees. As with all other technical training, the functional area with the expertise – in this case the Ombudsman's office – should develop the training content, with HR packaging and hosting the training on the corporate learning platform, WeLearn. |
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9. Management looks forward to discussing practical recommendations on how to further strengthen the capacities of the organization and its managers in respect of conflict and its management.

Use of short-term contractual arrangements

10. Short-term contracts are one of several critical contractual modalities allowing WFP to employ human resources in line with its operating model, business requirements and financial capacity.
11. Over recent years, workforce planning exercises carried out in country offices have highlighted that short-term contracts, particularly service contracts, are being used for longer periods than are envisaged in applicable guidance, and WFP has recognized that there is a need to address this issue. In paragraph 35, in relation to service contracts, the Ombudsman states that "it is not uncommon for [service contract] holders to serve for many years, exceptionally even up to twenty years". As of October 2018, the average length of service for employees on service contracts was 5.8 years, with 15 employees (0.2% of the total) having served on various short-term contracts for twenty years or more.
12. Management is committed to ensuring that employees, who perform functions that will be needed in the long term and for which there is a firm prospect of funding, should work under long-term contracts with appropriate benefits. The number of national staff holding long-term contracts has grown by one third since 2010. WFP has already begun to revise the contract framework for national staff. Without prejudging the outcome of this revision, it seems likely – based on the pilot exercises conducted to date – that an increase in the proportion of long-term contracts will lead to a reduction in the overall number of national employees, given the higher cost of long-term contracts and the fact that available funding is not unlimited.
13. As discussed at the Executive Board's 2018 informal consultation on the 2014 People Strategy, WFP is also reviewing its use of short-term contracts for international staff. This is being done together with workforce planning that will enable WFP to determine the right balance between core functions and positions that require long-term contracts and non-core or specialized functions for which short-term contracts are preferable. As the workforce planning exercise has yet to be completed it is not yet possible to conclude whether WFP's use of short-term contracts needs to be adjusted.

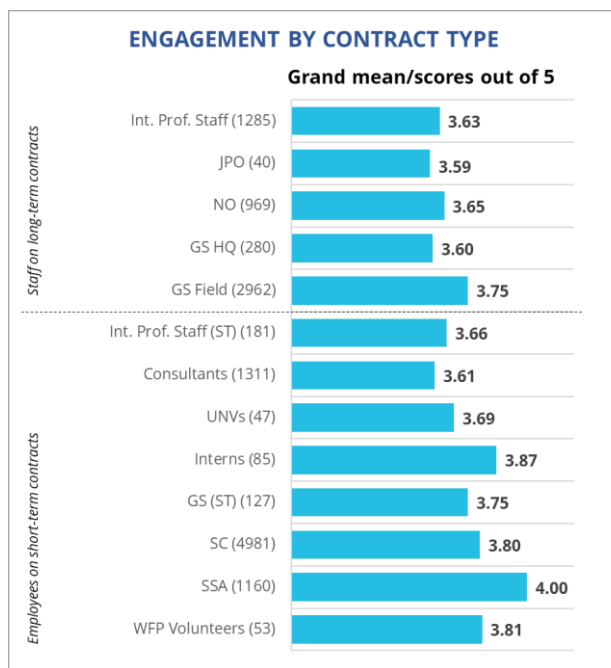
Compensation, benefits and entitlements

14. With regard to the 2 percent merit increment for service contract holders, paragraph 40 of the Ombudsman's office report states that "some countries have different practices in place". The Ombudsman visited country offices in 2017, prior to the introduction of the 2 percent merit increment and at a time when salary increments were awarded only upon a change in the terms of reference. The merit increment was launched in late 2017, and it is now awarded under every service contract upon determination that performance has been satisfactory and renewal of the contract.
15. WFP takes great care to avoid a gender pay gap among its staff. Management believes that it is well placed to do so because the key factor in determining remuneration is the level at which a position is graded, which is determined solely by the terms of reference for the position. The Ombudsman is mistaken in concluding that the "pay cheque" is "the key factor for WFP to determine a salary offer" (paragraph 41).

16. In the case of consultants, positions are graded from “E” (entry level) to 4, and each grade carries a fixed range of possible salaries. The salary selected from the range is determined primarily by the level of experience of the person being recruited. The previous salary is considered only at the last step, in order to fine-tune the salary offer.
17. Management expects that it will need to continue the approach outlined above, including the review of previous salary as a final step, if WFP is to attract candidates with skills that are in high demand.
18. For the recruitment of fixed-term staff a new framework was introduced on 1 September 2018, replacing a formula similar to the one described above. Under the new framework a selected candidate is offered a position at the lowest salary step within the grade of the position, and up to six incremental steps may then be added on the basis of the candidate’s experience and/or any relevant advanced academic degree beyond the minimum requirements. The Ombudsman is thus mistaken in concluding that a female consultant who obtains an international professional position will receive a salary “based on her previous level of pay”. Previous pay has no effect at all.

Redress and internal justice

19. The Ombudsman states in paragraph 46 that service contract holders are “[excluded] from the option to lodge an internal formal appeal”. Management notes that formal redress includes mechanisms for reporting concerns and for reaching binding resolution of disputes. With respect to the former, all WFP employees, regardless of their contract type, have access to the formal internal system for reporting abusive conduct or any other concern to both the Office of the Inspector General and to management.
20. With respect to resolution of disputes, aligned with the UN-system approach, both service contract and special service agreement holders at WFP have access to means of redress that are informal (amicable settlement) and formal (arbitration under the UNCITRAL Rules – with UNCITRAL conciliation as a prior mandatory step for service contract holders). The Ombudsman states (paragraph 47) that “arbitration procedures are costly and may not be locally available”. Management understands that the issue of improving the dispute resolution process for service contract and special service agreement holders, including the possibility of expediting the process and reducing its costs, has been taken into consideration by the United Nations at the request of the General Assembly, which remains engaged in the matter.
21. Management agrees with the Ombudsman that arbitration does not generate publicly available case law. It does, however, generate lessons learned, which WFP takes into account in charting its policy and operations going forward.



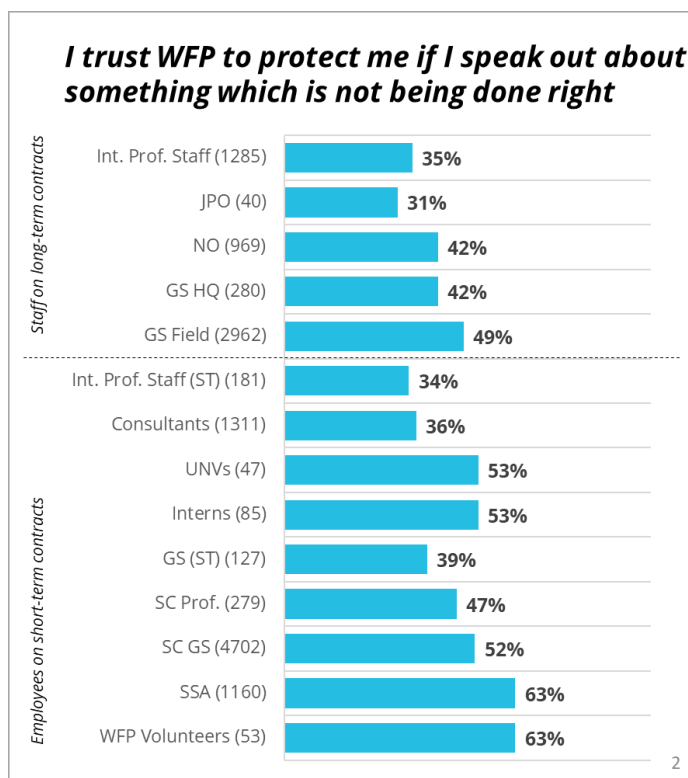
Consequences

22. In paragraph 48, the Ombudsman asserts that “[t]he organization’s use of short-term contracts for lengthy periods of time is a systemic cause for inequalities that can lead to demotivation and loss of morale, workplace conflict, and to abuse of power”.

23. Management would be very concerned if there were a reason to believe that WFP’s short-term staff were demotivated or were suffering from abuse, conflict or low morale. With regard to motivation, the 2018 global staff survey seems to suggest the contrary, namely, that short-term contract holders have the highest levels of engagement in the organization, with special service

agreement holders taking the top spot, followed closely by interns, volunteers and service contract holders. It is worth noting in this regard that the global staff survey is anonymous. Short-term employees thus had nothing to gain by overstating their satisfaction and no reason to hide any dissatisfaction.

24. The Ombudsman’s report suggests that short-term staff “choose to remain silent” and have grievances that they do not air, “because they fear repercussions when their contract is up for extension or renewal”. The global staff survey seems to present a different picture, with short-term staff evincing a higher level of trust that the organization will protect them if they speak out than that shown by long-term staff. It goes without saying that WFP will not be satisfied until all of its employees have the confidence to speak up and have full trust in the organization, but it is pleased to note – especially given the vital role that they play – that short-term staff have the highest levels of such confidence and trust.



25. The table below sets out the Ombudsman's recommendations and management's responses relating to short-term contracts.

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| 6. Establish clear criteria for issuing short-term contracts: who should get which contract, under which circumstances, and for how long? And ensure better compliance with these criteria. | Work started in early 2018 on new contractual frameworks that will include updated guidance on the use of the various contract modalities at the disposal of WFP. |
| 7. Systematize merit pay for service contract holders upon satisfactory evaluation. | This is already the case. As detailed above, merit pay has been awarded systematically since its introduction in late 2017. |
| 8. Improve service contract holders' access to formal redress. | Aligned with the United Nations system approach, short-term employees have full rights of access to formal arbitration. The issue of improving the dispute resolution process for service contract and special service agreement holders, including the possibility of expediting the process and reducing its costs, are being reviewed through a United Nations system-wide effort. |
| 9. Ensure equal pay for female and male consultants by defining the salary levels for the work to be undertaken, instead of basing their pay on former salaries. | Management has already taken action to minimize any gender pay gap. Former salaries play only a minor role in the setting of salaries of newly-hired consultations, and they play no role at all in setting the salaries of fixed-term staff. |
| 10. Reconsider the usefulness and the length of the mandatory break in service for consultants given its disruptive effect on the employee, colleagues and the organization. | The mandatory break in service for the majority of short-term contract holders is intended to underline that short-term contracts differ from long-term contracts and to discourage their use for more extended working arrangements. WFP is therefore not inclined to discontinue the break in service. |
| 11. Use funds for fixed-term positions to hire fixed-term employees and not to hire consultants instead. | Managers are responsible for sound budget and human resource management and may temporarily place short-term personnel against fixed-term positions, pending a recruitment action or a decision on the structure of their offices. As they exercise that responsibility, managers should consider the appropriate duration of the employment contract to avoid prolonged use of consultancies in these circumstances. |
| 12. Enable short-term employees' voices and mitigate 'silencing' factors by promoting empowering leadership skills that enhance two-way communication and feedback, job performance, innovation, and motivation. | WFP is adamant that all employees should feel confident to speak up. The organization's core performance management, supervisory and leadership training programmes promote all of the goals laid out in this recommendation. Following the global staff survey, management is taking action to reinforce the value it attaches to constructive two-way communication and feedback, effective performance management and motivation. A new training programme aimed specifically at building the capabilities of middle managers in the areas cited in this recommendation is planned to be developed in 2019. |

Leadership

26. Management concurs that "interpersonal skills are leadership skills that need to be taken seriously as key competencies for all WFP employees". It is perhaps inevitable that in the crisis conditions under which WFP staff and managers labour, tensions between colleagues and between managers and staff will sometimes arise. While mechanisms for preventing

and dealing with this are already in place, management will carefully consider the Ombudsman’s suggestion that more needs to be done.

27. The table below sets out the Ombudsman’s recommendations and management’s responses relating to leadership.

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| 13. Prevent abuse of authority. This requires creating awareness of what abusive management is; and of its patterns and impact. This is for the benefit of both the abusive manager or supervisor and the employee on the receiving end. | Management does not subscribe fully to the characterization of the issues covered by these recommendations but is already implementing recommendations 13, 15, 16 and 17 as it implements the Executive Director’s 2018 circular on harassment, sexual harassment, abuse of authority and discrimination. With regard to recommendation 14, the existing assessment programme, the successful completion of which is a requirement for appointment to P-5 and D-1 posts, already includes the assessment of people management skills. |
| 14. Define what “people’s skills” are required for promotion into positions of management and leadership; and provide structured interventions to employees in those positions or those earmarked to become managers, who appear to have insufficient skills. | |
| Strengthen a culture of respect and dignity within WFP: hold conversations and dialogues about what a respectful workplace means for all categories of employees, including managers; identify what employees need from WFP, and what each individual will bring to create such a workplace, while referring to the United Nations core values of Integrity, Respect for Diversity, and Professionalism, as well as to the WFP Code of Conduct. | |
| 15. Address abusive management before it is escalated to a formal complaint or investigation. Often there is awareness that a problem around management exists, but reluctance or hesitation to intervene. The burden to bring abusive management to the attention of the organization should not exclusively lie on the individual who is on the receiving end. | |
| 16. Establish a standard process to address instances of abusive managerial behaviour in an effective way, especially when the manager in question is unaware of the impact of their behaviour. There are appropriate, tried and tested assessments tools and approaches available. | |

Conclusion

28. Management is committed to improving its approaches and the skills of its employees in inspiring and principled leadership, conflict management and the creation and maintenance of a working environment free from abusive behaviour. It is determined to ensure that all employees – regardless of age, tenure or contractual status – feel confident to speak up in case they feel something is not right and trust the organization to protect them if they do.
29. Management is also fully committed to measures aimed at improving the professional and contractual arrangements between the organization and its employees.
30. Recognizing that there is room for improvement, management confirms that it is ready to take action on the recommendations, as outlined in this management note.