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**Executive Board
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ADMINISTRATIVE AND MANAGERIAL MATTERS

Agenda item 13

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COMPREHENSIVE HUMAN RESOURCES REVIEW



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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Director, ADH:	Ms R. Hansen	tel.: 066513-2400
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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



EXECUTIVE SUMMARY

During its First Regular Session in February 2004, the Board considered the methodology used by WFP to establish geographical and gender representation among international professional staff. During discussions, the Board requested a comprehensive update on human resources issues.

This document seeks to: (i) outline elements of WFP's human resources strategic planning; (ii) provide updated information concerning geographic and gender representation; and (iii) outline efforts to achieve WFP human resources targets and provide greater value to the organization.

DRAFT DECISION*

The Board takes note of “Comprehensive Human Resources Review” (WFP/EB.2/2006/13-B).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.2/2006/16) issued at the end of the session.



BACKGROUND

1. The Human Resources Division (ADH) examines and establishes mechanisms to ensure that staff at all levels are consistently motivated to perform at the highest levels. Its role is to ensure that WFP staff are equipped to carry out their assignments so that the organization succeeds in its mandate of feeding the hungry poor. When employing staff, the highest standards of efficiency, competence and integrity are sought, and regard is given to recruiting on the widest possible geographical basis and improving the gender balance.
2. Human resources (HR) management strategy was reviewed in 2002 to: (i) understand the factors that affect WFP's capacity to recruit, retain and develop talented people; (ii) identify HR management challenges that the organization faced and was expected to face in the next five years; and (iii) develop a plan to address these challenges.
3. Since then, much progress has been achieved in staffing, recruitment and mobility. ADH is now focusing on:
 - workforce and succession planning;
 - career management;
 - performance management;
 - service orientation.
4. This paper updates Executive Board members on progress made, and outlines initiatives, processes and policies to increase further the value that ADH brings to the organization.

A. Workforce and Succession Planning

5. In its mission to feed the hungry poor, WFP often works in complex and unpredictable environments. To remain effective, it needs a cadre of staff with the necessary skills to meet the many challenges it faces. By adopting a workforce planning approach, WFP can plan how to manage human resources (HR) in the environments that it expects to face. Future issues – climatic change, increasing conflict, availability of natural resources and prevalence of HIV/AIDS – imply a variety of possible scenarios.
6. Currently, WFP is preparing a planning scenario to respond to four simultaneous corporate emergencies. A taskforce is defining the procedures, processes and resources required to meet this objective, and the Administration Department has established the Fast Administrative Support Team (FAST) to respond quickly and effectively to the administrative requirements at the outset of a corporate emergency.
7. Staffing gaps in senior positions are being addressed through a succession planning process. More than a quarter of WFP's management staff will hit mandatory retirement age within the next five years, and 44 percent within the next ten years. Working with its corporate partners, the Boston Consulting Group (BCG) and Spencer Stuart, WFP aims to ensure effective performance through the development, replacement and strategic application of key people.



B. Career Management

8. Implementation of a career management system is a high priority for WFP. Many of the elements have already been developed, and since spring 2006, a project has been integrating these into a framework. The hypothesis guiding the framework is that for staff to contribute to the organization they need to have the opportunity, motivation and capability to perform well. ADH can support this by strengthening programmes related to job assignment, performance management and training. A strategy and implementation plan to accomplish these goals are being developed.
9. One of the initial outputs to support career management was the WFP competency framework, developed with extensive staff input and introduced in 2004. Behavioural competencies have been integrated into the generic job profiles and form a basis for the pre-hire recruitment assessment tool and the Performance and Competency Enhancement (PACE) system. A competency-based training curriculum is being developed.

⇒ *Leadership Enhancement*

10. The Rome-based Management Development Centre (MDC), an inter-agency initiative with the International Fund for Agricultural Development (IFAD) and the Food and Agriculture Organization of the United Nations (FAO), was launched in 2004. A two-day programme of simulations, a competency-based interview and reflection on 360-degree assessment results improve participants' awareness of their management and leadership skills. Since its inception, 30 senior managers from WFP have participated, of whom half were female and roughly two-thirds from field offices. As a follow-up to training, participants were offered professional coaching. Other United Nations agencies recognize this programme as an innovative and effective approach to developing senior managers; ADH is exploring ways of expanding partnership with other United Nations agencies.
11. Another important output is better preparation of managers taking on country director positions. Since 2003, newly appointed country directors are briefed on the requisite skills and knowledge for their new assignments. The training aims to ensure consistently high-quality and timely coordination of project and programme inputs; foster sound monitoring and reporting processes; develop strategic partnerships with national authorities, United Nations agencies, non-governmental organizations (NGOs) and donors; and increase country directors' awareness of their responsibilities and accountability. Of the 66 managers who completed the training, 29 percent were women.
12. To strengthen professional and managerial staff's awareness of their strengths and opportunities for improvement related to the competencies, ADH has developed an Internet-based 360-degree feedback tool. Following a pilot in summer 2006, the tool will be launched in the fourth quarter of 2006. In addition to supporting individuals' personal awareness and growth, the questionnaire results will be analysed to identify workforce competency gaps so that training programmes can be designed accordingly.

C. Performance Management

13. As part of the current United Nations reform initiative, both donors and the United Nations General Assembly are pressing for a more results-based and accountable United Nations. One criticism is that the current system fails adequately to recognize and link pay to performance, outputs and competencies. Accordingly, much attention has been given to strengthening WFP's performance management system as part of its broader focus on results-based management. Under the new system, a staff member's individual work



outputs are linked to the unit/division work plan, which in turn feeds into the overall management plan. A key element of this was the roll-out of PACE in 2004.

14. A benefit of the new system is greater emphasis on the behaviours required for successful job performance, but WFP has encountered challenges in creating a culture of performance management. Its rating curve continues to be skewed, with only 0.3 percent of staff rated unsatisfactory. Compliance rates have also been low, with only 59 percent of eligible staff completing PACE for 2005. This may be because of unfamiliarity with the new form and technical glitches in the electronic-based process.
15. ADH is adopting strategies to overcome these issues: (i) to address technical problems, the form is being simplified and will move to a different software platform; (ii) to foster a performance management culture, tools such as an on-line performance management toolkit, a competency assessment worksheet and a short film with guidance sheet have been developed, and strengthening performance management skills will be a training priority; and (iii) to encourage greater accountability, an on-line status report for monitoring PACE compliance throughout the cycle is available to all managers, compliance figures are being shared throughout the organization, and meeting WFP human resource management targets – including PACE compliance – will be reinstated in the performance appraisals of all managers.
16. A robust performance management system is a cornerstone of many corporate exercises – such as those for annual professional promotion, annual indefinite appointment conversion, professional reassignment and internal general service recruitment – and a prerequisite for successful implementation of WFP's broad-banding pay for performance pilot.

⇒ *Broad-Banding Pay for Performance*

17. In December 2003, the Executive Director met the Chair of the International Civil Service Commission (ICSC) and committed WFP to a three-year broad-banding pay for performance (BB/PFP) pilot exercise. The broad-banding salary structure consolidates a large number of pay grades into a few broad bands, reducing the hierarchical levels of management and broadening the view of jobs and work. Pay for performance is a merit-based policy; performance is based on results achieved, competencies and client feedback. Under a BB/PFP system, staff progress within a given pay band via salary increments based on annual performance levels, and between bands via promotion.
18. WFP is one of five United Nations agencies participating in the BB/PFP pilot, with the United Nations Development Programme (UNDP), the Joint United Nations Programme on HIV/AIDS (UNAIDS), IFAD and the United Nations Educational, Scientific and Cultural Organization (UNESCO). The objectives of the pilot are to recognize and reward staff whose performance is outstanding; improve WFP's competitive edge in recruiting/retaining high-quality professional staff; increase transparency, consistency and equity in salary progression and promotional procedures; and increase organizational efficiency. Approximately 200 international professionals at Headquarters and in the field, including executive staff, are participating in the pilot, which also has a control group of about 200. A variety of grades and nationalities and a mix of service, operational and technical units have been included to ensure a representative sample of WFP job assignments.
19. The pilot was scheduled to start in 2006, running parallel with the current pay and benefits system, whereby staff would continue to receive within-grade salary increments (WIGSI) based on satisfactory performance, but those receiving an outstanding



annual performance rating would also receive a non-pensionable retroactive bonus. In February 2006, however, the pilot agencies were notified by ICSC that implementation would be delayed owing to bottlenecks in procurement procedures in New York for contracting an overall project coordinator. Although procurement practices in New York are still under review, pilot organizations were advised in July 2006 that the pilot would continue its normal course. The Director of ADH reported WFP's latest progress to commissioners at the 63rd ICSC Session in New York on 11 July 2006.

20. In preparation for the pilot, WFP conducted a "test of the test", a paper exercise that reallocated 2.5 percent of the aggregate net salary of the pilot group for merit bonuses, based on 2005 PACE statistics. This exercise aimed to determine the extent to which each pilot unit could have afforded to operate within a pay-for-performance environment in 2005. The conditions of the test were: (a) satisfactory performance was awarded merit bonuses comparable to WIGSI increases; (b) outstanding performers were awarded merit bonuses of between 4 and 7 percent; and (c) no salary increases were allocated to unsatisfactory performers. ICSC advocates that merit bonuses allotted during the pilot should be budget neutral.
21. WFP welcomes participation in the ICSC pilot as a chance to help shape future directions within the United Nations for this area. The pilot also reinforces the need to develop a viable performance management system.

D. Service Orientation

22. ADH provides administrative support to staff in the field so that their attention and energies can be focused on meeting the needs of beneficiaries. This operational side of ADH is process-intensive. By re-engineering administrative processes and changing the way requests are received, ADH will be able to allocate more time to its advisory and strategic role.
23. As today's HR business is technology-enabled, the capacity of application software determines the breadth, quality and cost-effectiveness of HR services now and in the future.
24. Adoption of new and enhanced products – from the software company, SAP – will improve the efficiency and adaptability of WFP's corporate payroll process. Flexibility to include more WFP employees under one corporate system is needed, increasing the transparency and accountability of all staff costs. Introduction of employee self-service and manager self-service should improve efficiency and transparency to staff and managers.
25. Improved technology and wider system coverage will also greatly improve WFP's options for alternative servicing solutions. To realize cost savings, HR and other Administration Department divisions are considering off-shoring and outsourcing some of their processes.
26. The business model will be selected depending on the options available and potential cost savings. Whether specific processes can be in-sourced or outsourced depends on the software system used. What it can do easily and well, WFP or its provider can do at a manageable cost and with predictable service levels. WFP Information Network and Global System (WINGS) II enables alternative servicing solutions and the reallocation of cost savings to value-added HR functions.



⇒ *Providing Improved Services to National Staff*

27. Because of its dual parentage, 17 percent of WFP staff – international professional and General Service (GS) staff at Headquarters and liaison offices – are administered under FAO/WFP regulations; the remaining 83 percent – national staff in country offices – are administered by United Nations/UNDP regulations. The contracts of more than 50 percent of these individuals give them the legal status of “independent contractors” rather than “United Nations staff members”, leading to inequities in social security benefits and differences in terms of payroll and information systems, medical insurance coverage and staff representation.
28. To address this situation, the Executive Director initiated the national staff project (NSP) in 2003 with the objectives of: (i) providing better contracts for long-standing service contract holders; (ii) putting all staff under FAO/WFP regulations and rules, with one HR manual applicable to all; and (iii) administering payroll of all staff under WFP. Achievement of these objectives within the planned time frame has been affected by the impending outcome of the United Nations reform.
29. WFP sets an example in the social benefits it provides to national staff. Fixed-term (FT) contract holders are enrolled in the UNDP Medical Insurance Plan, but medical insurance was not previously provided for any special service agreement (SSA) holders and some service contract (SC) holders. In February 2004, WFP negotiated medical insurance coverage to all locally recruited SSA/SC holders, later extending this to their recognized dependants. Coverage was renegotiated to include reimbursement for anti-retroviral treatment and AIDS-related death.
30. Following staffing review exercises in late 2005 and the first half of 2006, 1,030 long-standing SSA/SC holders, with at least five years continuous service, were placed on FT contracts. Positive benefits of this are rationalized staffing structures and the outsourcing of functions such as guards, cleaners and messengers. Globally, the majority of this contractual review exercise was completed in June 2006. Analysis of initial information shows that only 23 percent of the FT appointments were female staff. These figures cause concern as national staff are a recruitment pool for the international category – 19 percent of all current international professionals started as national staff in country offices – and the gender balance does not reflect the established standard. The data are being analysed to identify the conditions that resulted in these percentage distributions and the issues that need to be addressed in a strategic framework recommendation.

E. Status on Staffing and Recruitment

⇒ *Gender Balance*

31. An ICSC report on gender balance in the United Nations common system shows an increased share of women by grade in many organizations. Representation of women at all grades in the United Nations common system was 37 percent in December 2004; in WFP the figure is currently 40 percent.
32. At the lower P1 to P2 grade levels, the percentages of women are high, at 73 and 51 percent, respectively. All special programmes to attract young professionals have high female representation: 67.1 percent of interns, 70 percent of new graduates, and 71 percent of junior professional officers are women.
33. The trend for senior management positions of D1 level and above shows much slower progress, however. As of 31 December 2004, women at such levels throughout the



United Nations system accounted for only 23 percent, compared with 22.1 percent in 2002. Within WFP, women currently account for only 19.3 percent of those at D1 to ASG levels, 14 percent of regional directors and 18 percent of country directors.

34. Common factors that perpetuate the gender imbalance include workplace environment – the percentage of emergency and insecure settings is increasing, and 51 percent of WFP duty stations were classified as D and E as at 30 June 2006¹ – and family obligations, with working parents, especially mothers, often feeling they have to choose between their children and their jobs. Such factors make recruitment and retention difficult.
35. Between 1998 and 2002, women constituted 47.4 percent of all new recruits in WFP. In 2003 to 2004 this figure decreased to 40.4 percent, falling further in the first semester of 2006 to 31.8 percent. Within the United Nations system women accounted for 33.4 percent of all separations as of December 2004. At WFP, women accounted for 38 percent of separations in 2003 to 2004, 40 percent in 2005, and 47.4 percent for the first half of 2006.
36. WFP is among the United Nations agencies to implement the widest range of policies and measures supporting gender balance in five key areas: recruitment, promotion, retention through work/life policies, gender awareness, and monitoring and accountability.
37. In 2003 to 2004, women accounted for 42.5 percent of promotions within the UN system and 37.8 percent of those in WFP. This increased to 45.1 percent in 2005 and 43 percent in the first semester of 2006.
38. WFP tries to place women in positions that provide the experience needed for taking up higher-level responsibilities. For example, although the record of female deputy regional directors has been very uneven in recent years, women now account for 40 percent of this category. The percentage of women deputy country directors grew from 12–13 percent between 2000 and 2003 to 28 percent in mid-2006.
39. Work/life policies reflect WFP's effort to provide a supportive work environment that enables staff to balance competing demands in their professional and private lives while reaching their full performance potential. In 2005, ADH issued a policy on reassignment, rotation and mobility of international professional and higher-category staff, which takes personal/family situations into account when deciding/recommending reassignment of staff members. The spouse employment policy, revised in 2006, recognizes dual-career households and encourages the employment of well-qualified spouses, thus enhancing WFP's ability to attract, recruit and retain the best qualified professional staff, both male and female.
40. Other work/life policies include flexible work arrangements, such as part-time employment and provisions for telecommuting; a family leave option allowing staff members to attend to family-related emergencies or obligations; a special operations approach helping staff to manage the costs associated with family separations and dual households; and mechanisms for leave without pay enabling staff to accommodate and/or address personal matters. As at 30 June 2006, 35 staff members were on leave without pay, of whom 25 – 71.4 percent – were women; 19 staff members were on loan or secondment to other United Nations agencies.
41. Specific gender-related provisions include a breastfeeding policy providing time-off for nursing mothers to breastfeed infants or express milk; paternity leave provisions for male staff members; maternity leave to female staff members with FT or continuing/indefinite

¹ Based on all WFP duty stations with international professional staff.



appointment; and guidelines for the prevention of harassment, sexual harassment and abuse of power.

42. WFP has recently initiated a women leaders' group to focus on improving the gender balance, particularly at the senior management level. Key elements are an informal network and a mentoring system. Globally, an estimated 60 percent of senior-level women working to reach the corporate ranks do not have a mentor. The aim of such a programme in WFP is to break down some of the barriers women face. Mentoring provides women with professional advice, increases their visibility and helps them to develop broader networks of colleagues.

⇒ *Geographic Diversity Target*

43. The United Nations system has established recruitment targets of 40 percent nationals from economically developing countries. In recent years, WFP has consistently reached this target. As of 30 June 2006, 41 percent of WFP international professionals come from economically developing countries.
44. The trend for senior management positions shows slower progress, however. As of 30 June 2006, nationals from economically developing countries accounted for only 27 percent of those in D1- to ASG-level positions, 28 percent of country directors, but 71 percent of regional directors.
45. External candidate selections rest with the hiring managers; tools and policies are in place to screen candidates with preferred demographic backgrounds and skill profiles. In the coming year, WFP will continue to work with its managers to strengthen succession planning and career management. On-line pre-hire competency assessment tools have been developed to increase quality assurance of external candidates.
46. To assist managers with their individual accountability, ADH is developing "manager snapshots" that provide them with statistical information on how they are performing with respect to key corporate indicators. WFP is considering more specific recruitment targets at regional bureaux, country offices and Headquarters division level, which can be discussed during performance assessments and regular audits. WFP will also explore possibilities for introducing rewards and incentives for those who consistently meet targets.

GRAPHS

Trend of Headcount by Gender Representation

Trend of Headcount by Geographical Representation

Percentage of Weighted Points by List of State Members as at end of respective year

Trend of Headcount by Gender Representation for RDs, DRDs, CDs and DCDs

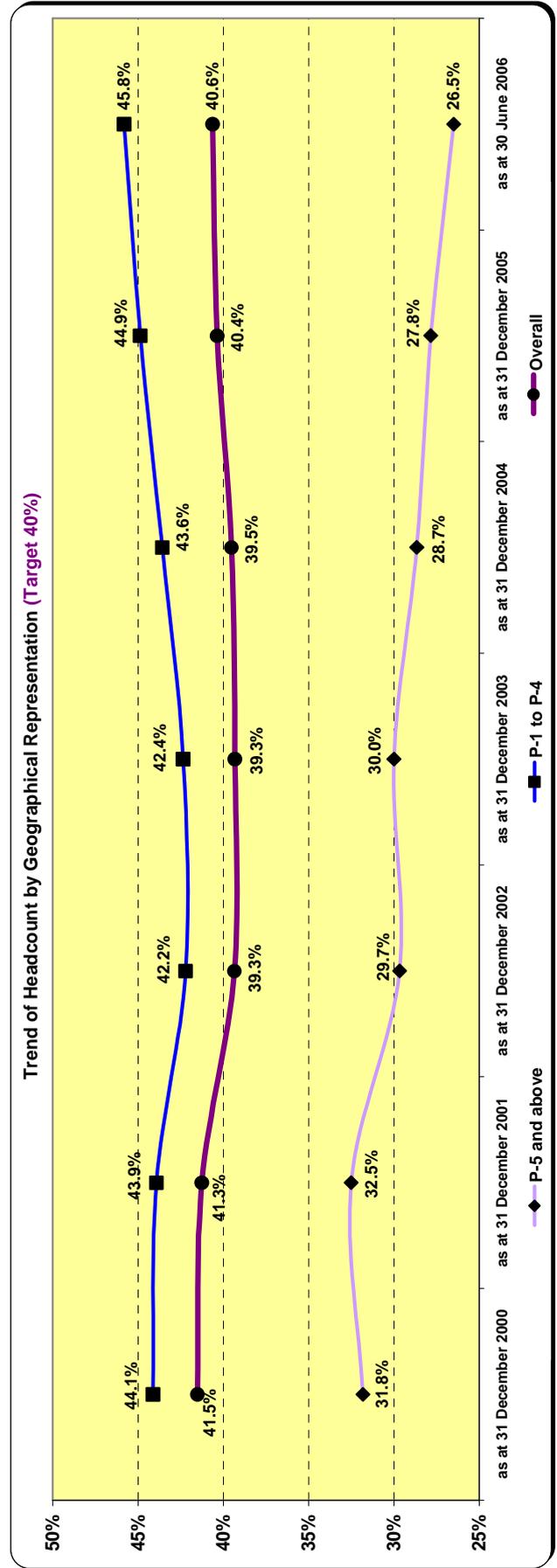
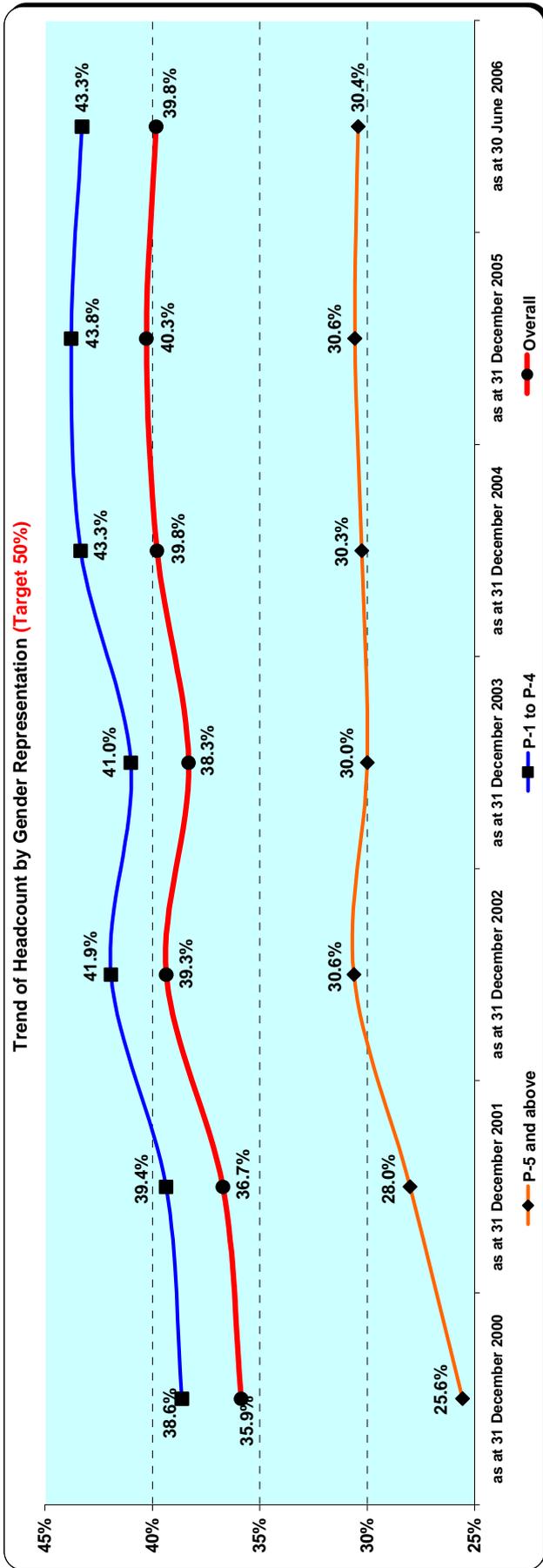
Trend of Headcount by Geographical Representation for RDs, DRDs, CDs and DCDs

Number of Promotions during 2000 to 2006

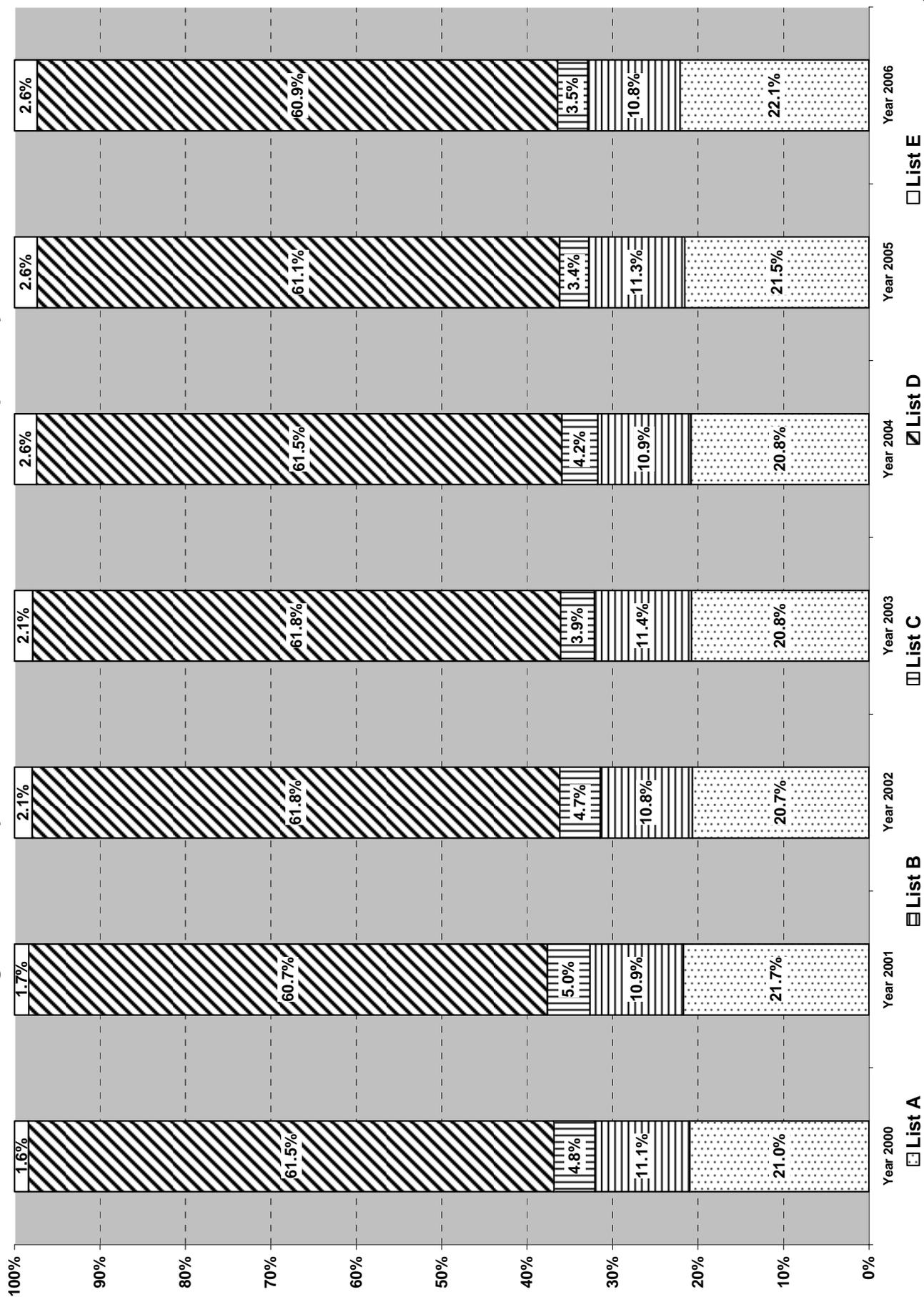
Percentage of Promotions among the number of International Professional Staff by respective Grade Level

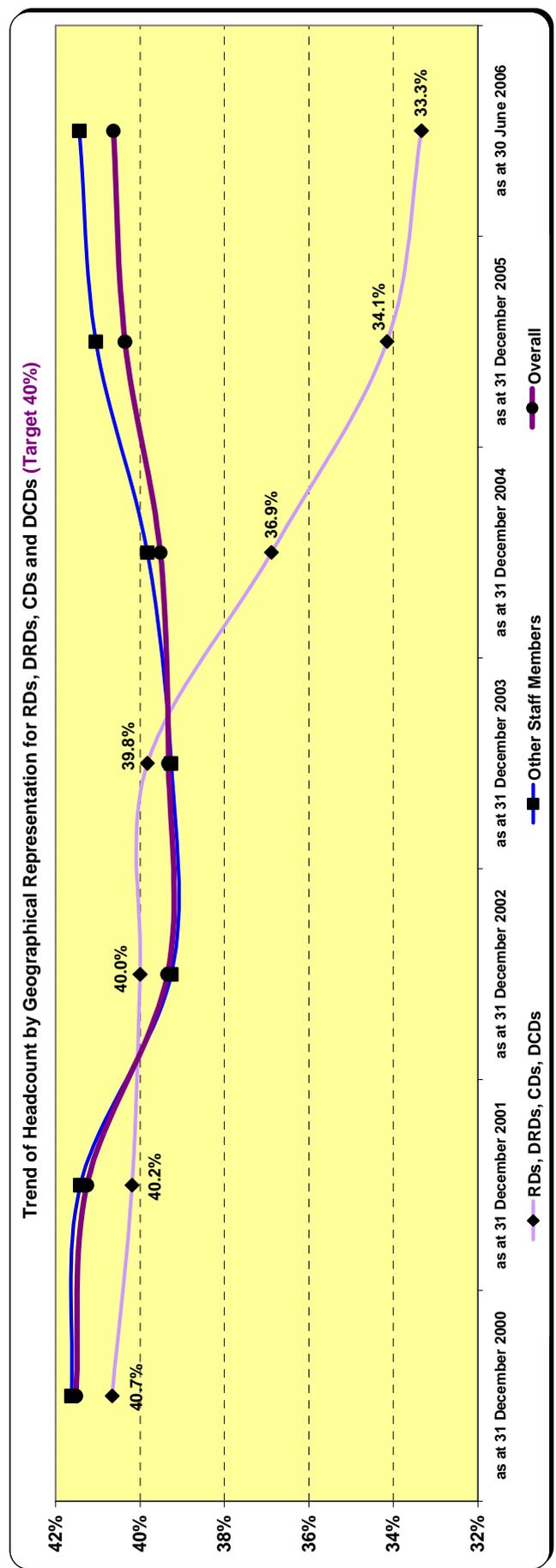
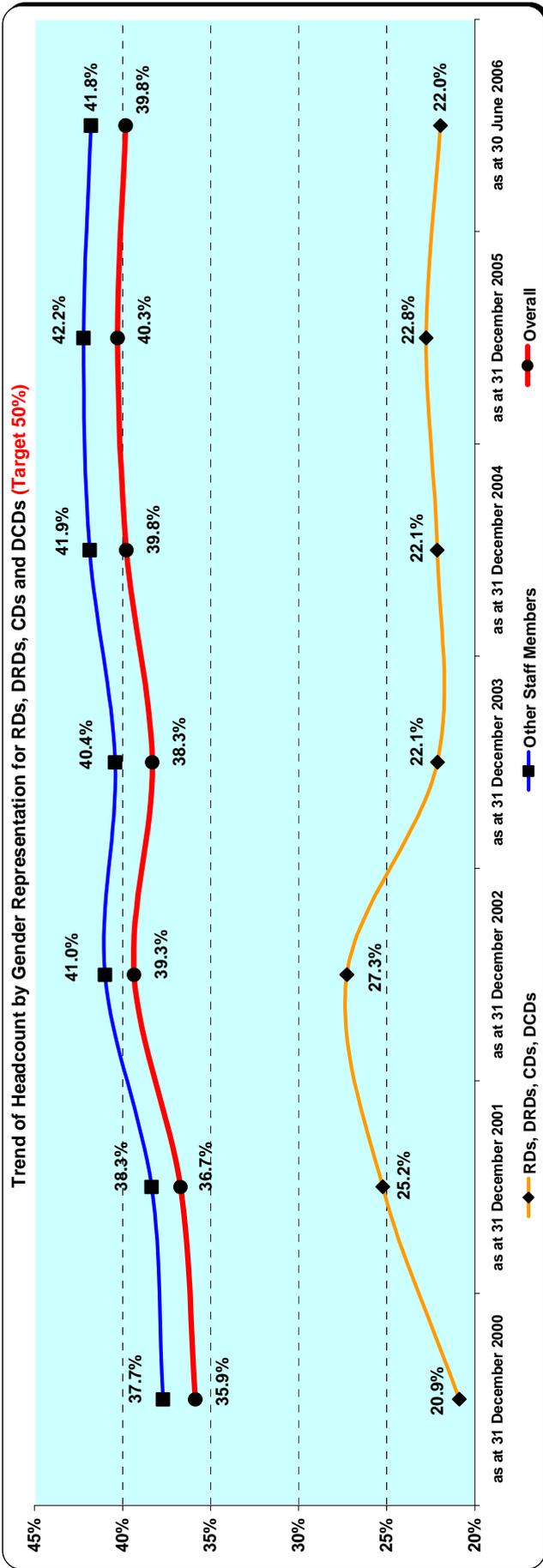
Percentage of Promotions by Gender Representation

Percentage of Promotions by Geographical Representation



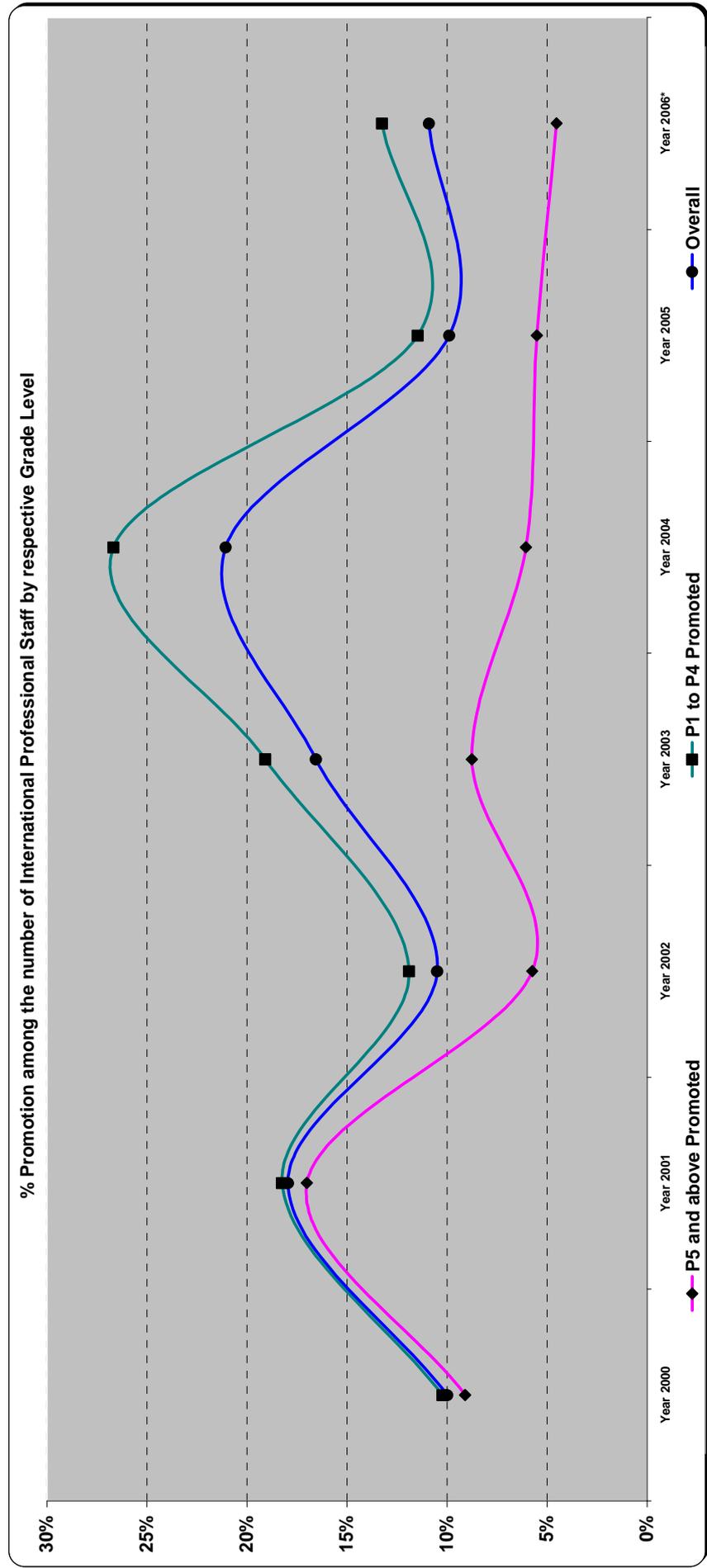
% Weighted Points by List of State Members as at end of respective year

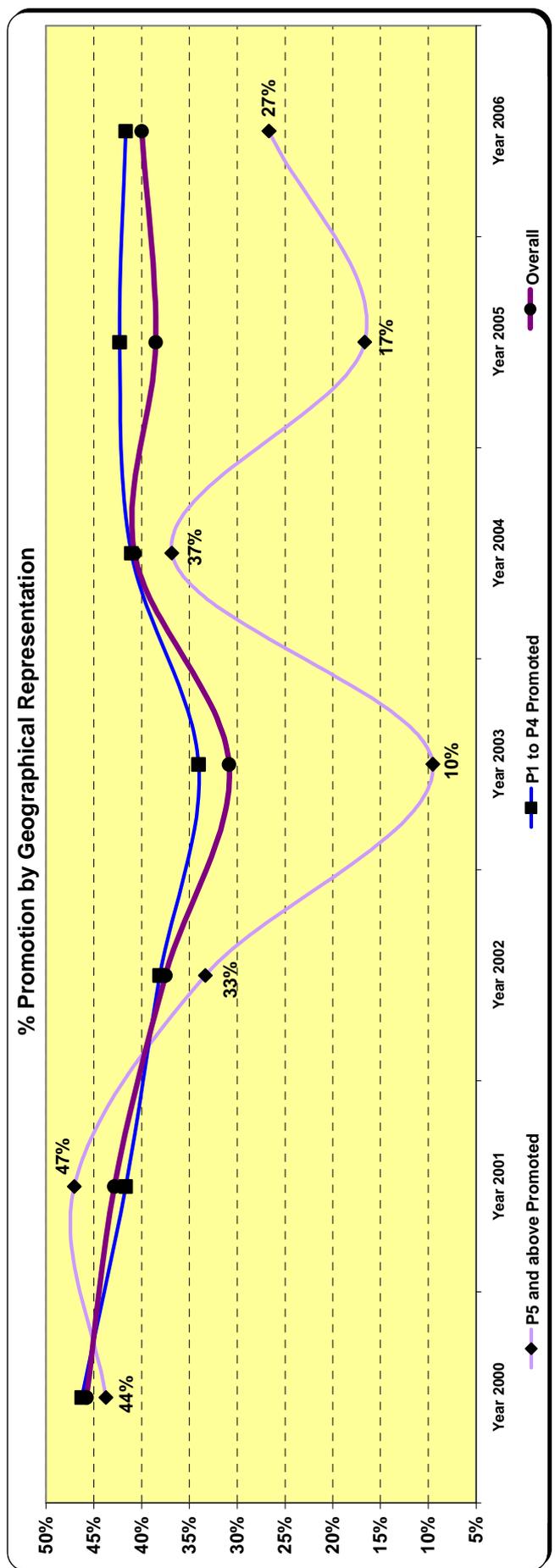
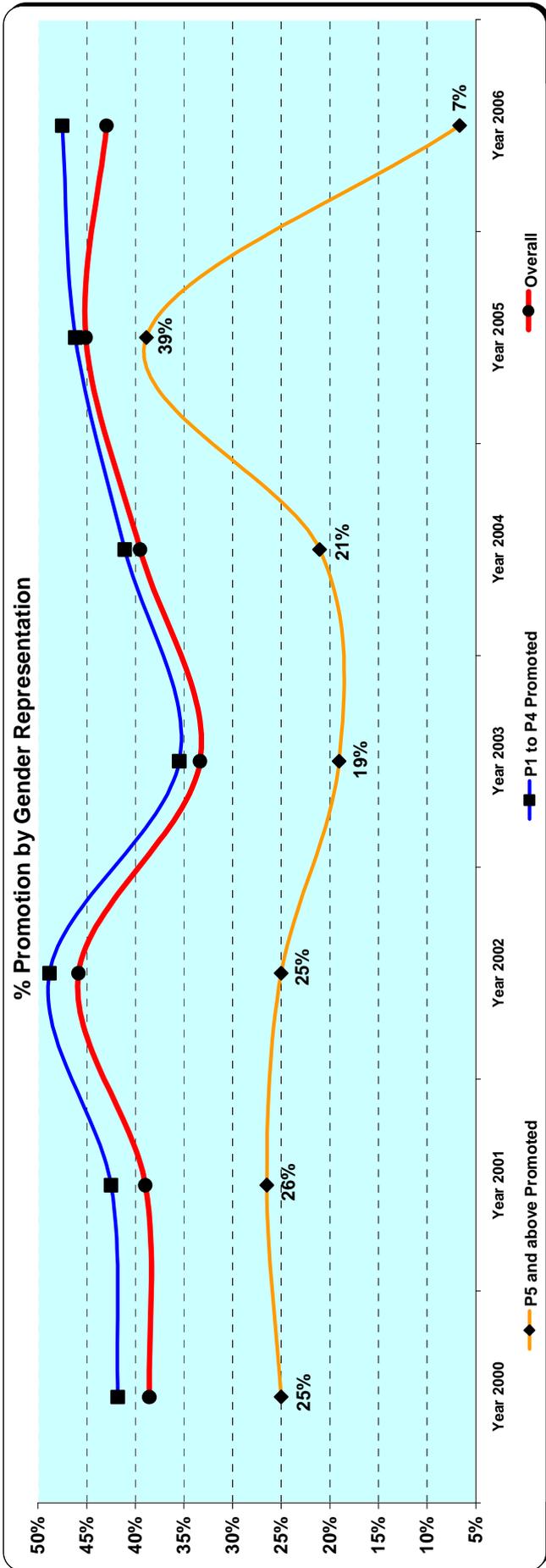




Number of Promotion during 2000 to 2006																					
	Year 2000			Year 2001			Year 2002			Year 2003			Year 2004			Year 2005			Year 2006*		
	Number of Promotion	Headcount as at 31 DEC 2000	% of Promotion	Number of Promotion	Headcount as at 31 DEC 2001	% of Promotion	Number of Promotion	Headcount as at 31 DEC 2002	% of Promotion	Number of Promotion	Headcount as at 31 DEC 2003	% of Promotion	Number of Promotion	Headcount as at 31 DEC 2004	% of Promotion	Number of Promotion	Headcount as at 31 DEC 2005	% of Promotion	Number of Promotion	Headcount as at 30 JUN 2006	% of Promotion
P5 and above Promoted	16	176	9%	34	200	17%	12	209	6%	21	240	9%	19	314	6%	18	327	6%	15	332	5%
P1 to P4 Promoted	67	655	10%	120	658	18%	84	706	12%	141	739	19%	224	840	27%	104	907	11%	120	906	13%
Overall	83	831	10%	154	858	18%	96	915	10%	162	979	17%	243	1,154	21%	122	1,234	10%	135	1,238	11%

Note(*): Promotion action processed in WINGS up to August payroll (effective 1 JAN to 30 JUN 2006)





ACRONYMS

ADH	Human Resources Division
BB/PFP	broad-banding pay for performance
BCG	Boston Consulting Group
FAO	Food and Agriculture Organization of the United Nations
FAST	Fast Administrative Support Team
FT	fixed-term
GS	general service
HR	human resources
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
MDC	Management Development Centre
NGO	non-governmental organization
NSP	national staff project
PACE	Performance and Competency Enhancement
SC	service contract
SSA	special service agreement
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WIGSI	within-grade salary increments
WINGS	WFP Information Network and Global System