

UPDATE ON THE CHANGE MANAGEMENT PROCESS

1. At its fifteenth meeting in June 1999, the Standing Committee reviewed an *Update on the Change Management Process* (EC/49/SC/CRP.19) which provided information on the ongoing development of the Operations Management System (OMS) Framework, a structure developed to review and make improvements to processes and procedures guiding the implementation of UNHCR's policies and programmes, and the OMS Integrated Systems Project (ISP). The ISP is aimed at introducing an integrated information technology system which will provide a new series of tools in support of the management of all aspects of UNHCR's operations.

2. This report provides an overview of the progress which has been accomplished since June 1999 and sets out the key priorities of both the OMS Framework and ISP.

I. THE OMS FRAMEWORK

A. OMS Processes and Procedures

3. The strategic aim of the new OMS processes and procedures is the development of a comprehensive framework supporting results-based management for UNHCR's operations. Under the new procedures, greater emphasis is placed on the formulation of objectives, including intended impact, for the overall situation of UNHCR's beneficiary groups. UNHCR, together with implementing partners, strives to achieve these objectives through the identification of outputs, which form the basis for planning activities. The development of effective monitoring systems is also given renewed emphasis through the measurement of progress towards completing planned activities and outputs and through monitoring the actual impact achieved.

4. In September 1999, UNHCR introduced the OMS Hierarchy of Objectives as the new planning framework for UNHCR operations. This focuses on setting goals and objectives, defining outputs, and identifying the inputs required, and is used in the development of country strategies and operational projects. The Hierarchy of Objectives contains most, but not all, of the key features of the Logical Framework methodology, which is a project management system widely used by many international organizations and development agencies. Standard planning formats and instructions were amended to reflect the change to this framework. The reporting procedures for field offices have also been changed accordingly.

5. From September 1999 to March 2000, a series of field workshops were organized in which over 300 staff were introduced to the new planning methodology and provided with practical guidance on its application and the use of the new formats. The new planning framework has been received positively by field staff. They found the new results-oriented approach to be a very useful tool to promote more effective and efficient management of

UNHCR's operations. At the same time, it was stressed that this needs to be backed up by new computer systems which can provide operational teams with support to use the planning framework, in particular to ensure that monitoring and reporting requirements are adhered to. The OMS Integrated Systems Project is expected to meet this need when fully implemented. Until these needs can be met, the lack of automated tools will remain a constraint to the full implementation of the OMS. Further training efforts for all UNHCR staff and implementing partners is also seen as essential to achieve full impact. UNHCR has received a special contribution to support the introduction of the new planning methodology. As a "help tool" for the field, a set of standard objectives and outputs, with indicators, is being developed to assist staff in planning their operations.

6. Meanwhile, a series of consultations have continued within the Office to ensure that the range of other changes in the new procedures meet the concerns of key stakeholders: Regional Bureaux, Financial Resource Services, Human Resource Services, supply chain and Support Unit, Donor Relations and Resource Mobilization Service, etc. Working groups completed the process-mapping of key steps in UNHCR's operations management as well as a comprehensive proposal for a new operational budget structure in the second half of 1999. The revision of certain key sections of the chapter on operations management in UNHCR's Manual is nearing completion.

7. The priorities for the second half of 2000 are as follows:

- Complete in-house consultations and review of additional processes and procedures to be introduced under the OMS;
- Finalize and issue selected sections of the operations management chapter of the UNHCR Manual and develop simplified formats for field project submissions;
- Develop additional guidance material on operations management with particular focus on assessment and monitoring;
- Undertake a series of field interventions to assist UNHCR teams and implementing partners to apply the new processes and procedures in the areas of planning, implementation and monitoring; and
- Finalize the development of a comprehensive staff learning programme on operations management.

B. Financial Services

8. Within the Financial Resources Service, the management renewal process has focused on the decentralization and delegation of financial processes and authority and the development of new systems. Central to this project has been the financial management training and the development of software tools to support the changes.

9. The financial management training programme was completed at the end of 1999 with 57 workshops having been conducted in which 1,172 UNHCR staff members were trained, including 92 representatives. With the completion of this training, the responsibility for accounts processing has been transferred to field offices. Support is provided by Headquarters-based financial staff through active monitoring and field missions. A document outlining the "delegation of financial signing authority" was finalized in draft form in December 1999 and, following further review, will be implemented by October 2000.

10. All operations now have a Senior Resource Manager (SRM) in place to advise the Directors of Regional Bureaux and Regional Directors in Africa on financial matters and other resource issues. Regular coordination meetings have been initiated with SRMs and other support divisions to discuss financial issues.

11. In terms of support to the field, the established "Finance Helpline" is not functioning well principally because the software selected for this purpose has not met expected needs. In addition, staff constraints have made it difficult to provide a full "call-in" service.

12. The main priorities for 2000 are as follows:

- Develop tools to support this process including the development of a comprehensive and user-friendly UNHCR financial management manual, the implementation of the "delegation of financial signing authority" and the improvement of the "helpline" service at Headquarters;
- Undertake training missions to the field to build capacity;
- Initiate development of training and guidance material to improve the financial management capabilities of UNHCR's implementing partners;
- Continue the definition of functional financial requirements for the development of the new integrated information system in support of the change processes.

C. Human Resources Management

13. A number of initiatives within the area of human resources management have been undertaken, notably with regard to the introduction of new policies and further delegation of human resources functions to field offices. A summary of developments is set out below.

Policy Initiatives

14. UNHCR implemented its new policies on contracts, promotions and postings on 1 January 2000. In respect of the new postings process, which requires that short-listed candidates for posts at the P4 level and above be interviewed, the Human Resources Service (HRS), together with the World Bank, developed a Competency-Based Interviewing model. From late 1999, HRS has been conducting training of managers in competency-based interviewing. This training will be continued and expanded to include interviewing techniques for interviewees.

15. At the same time, UNHCR has continued to expand its family-friendly policy development with the introduction over the past two years of the following measures:

- Maternity leave sharing, where both spouses are staff members in the United Nations common system;
- Reduced working hours following maternity leave;
- Special leave without pay following maternity leave;
- Family leave for dealing with family-related situations requiring absence from duty (charged to staff member's unutilized uncertified sick leave);
- Part-time employment for general service and professional staff on 50 per cent, 75 per cent and 80 per cent basis;
- Flexible working hours;
- Reverse education grant travel (travel by staff member in lieu of child);
- Flexible application of home leave (permitting separate travel of family members);

- Accelerated within-grade salary increments as an incentive for proficiency in at least two official UN languages;
- Mental Health Travel Scheme -- three different types of travel to remove staff periodically from field locations that are extremely stressful, insecure, isolated or lacking basic and essential commodities;
- HOME (Housing Maintenance Element) -- financial assistance to replace all other payments for staff who have to maintain two households as a result of inadequate primary/secondary educational facilities for their dependent children in their country of assignment, or for medical reasons;
- SOLAR (Special Operational Living Allowance Rate) -- monthly lump sum paid to staff serving in mission areas, reimbursement for double or retained accommodation, and other similar compensation. This was initially a pilot project and its success has been such that it will be expanded to all mission areas during the course of 2000.

16. Work continues in the various policy fora in the United Nations Common System to encourage wider reform and simplification in several areas relating to human resources management. Other organizations have followed UNHCR's lead on a number of the policy initiatives outlined above. UNHCR is currently examining two further policy changes, which will be submitted later in the year to the Joint Advisory Committee:

- Relocation Grant -- as an option, on a voluntary basis, staff may choose a lump sum relocation grant upon reassignment, rather than a shipping allowance.
- Paternity Leave -- introduction of paid leave for fathers of newborn children for up to eight weeks.

Delegation of Authority

17. True to its commitment to move resources closer to the point of delivery, UNHCR's human resources delegation project has been implemented fully in terms of the management and administration of locally-recruited staff in field offices. This has involved a major effort in the training and coaching of managers and administrative personnel in the field and the redeployment of HRS staff from Headquarters to field offices. Comprehensive policy manuals covering the management of both international and local staff, as well as the InSite CD-ROM in both English and French, have been issued and regular updates provided.

18. The focus of HRS is now on monitoring and providing support to field offices in carrying out their delegated functions. A dedicated central policy unit will be maintained at Headquarters as an advisory and support service to staff and managers alike.

D. Supply Chain

19. The supply chain business processes have been further developed to a level of detailed steps which will be used in transactions by field staff and the Headquarters-based Supply Centre. The emergency operation in East Timor provided an important opportunity to test and validate these processes in a complex environment. They also served to define detailed software requirements and provide information for the selection process for the systems integration partner.

20. For field locations, including warehouses and transit points, where the comprehensive functionality of the Integrated Systems Project will not be required or available, the supply chain team has defined and developed field computing devices with integrated bar code readers. These devices, which are Windows-based lightweight computers, are inexpensive

and can communicate over many different types of media, including e-mail and inexpensive satellite channels. Furthermore, the devices allow field operations to remain fully functional even when there are no communications available by storing operational data in the bar code. A delay in the production caused initial start-up problems, but these have been solved and the device is now being tested. If successful, it will be an important component in the global management of the supply chain of products and services for field operations.

21. Work is also continuing on creating a master item catalogue that will contain all expendable and non-expendable items regularly acquired by the organization for operational support or distribution. The United Nations Standard Product and Service Code (UNSPSC), which is the de facto e-commerce standard, has been selected as the standard commodity cataloguing system for the UNHCR supply chain. Headquarters and field data have been collected, policies and standards for managing different commodity types have been defined, and data cleaning and conversion is about to begin. This process will be finished in time for integration into the supply chain software.

22. The main priorities with regard to the introduction of new tools and support for supply chain management include:

- Organizing the first field pilot use of computing devices with integrated bar code readers (Autumn 2000);
- Completing the development of computer-based multimedia training modules for Asset Management and Support Implementation; and
- Finalizing the alignment of the master item catalogue with the UNSPSC.

II. THE OMS INTEGRATED SYSTEMS PROJECT

23. The renewal of UNHCR's information technology is needed to support new, more effective ways of working to further improve operating efficiency and accountability. The Integrated Systems Project consolidates various initiatives to encourage better integration across functional areas, standardize on a common information technology platform and ensure efficient use of project resources. The project consists of three sub-projects or components: Core Support Systems; Electronic Document Management System (EDMS); and Information Technology Infrastructure.

A. Core Support Systems

24. This sub-project involves implementing new software to meet requirements for finance and budget services, human resources services, supply chain, and protection and programme management. Most of these requirements will be met through the use of Enterprise Resource Planning software which provides a seamless transfer of data between functions and the integration of procedures into cross-functional processes. This will result in increased productivity and better information provided to management, both at Headquarters and in the field.

25. Following a thorough evaluation process which began in May 1999, the PeopleSoft Enterprise Resource Planning software was selected. It was determined that PeopleSoft was the closest fit for the core functional areas of finance and budget, human resources and supply chain. However none of the companies responding, including PeopleSoft, anticipated being able to meet UNHCR's requirements in the area of protection and programme management without significant customization. Following the selection, project team members were trained in the new software and completed a detailed gap analysis within the

areas of finance, human resources and supply chain management to determine how the software could best be used to support the Office's improved processes. This analysis served as the basis for a Request for Proposals to obtain services to configure and modify the software. The Request for Proposals was issued in April 2000 and included requirements for a first implementation phase for the finance and budget, human resources, and supply chain areas. The evaluation team submitted a recommendation to the OMS Informations Systems Board in June 2000. Following review by the Board, additional information is now being sought from the bidders in order to make a final decision.

26. In parallel, requirements were developed for building a prototype performance indicator module as an initial step towards determining the gap between what is needed in the core area of protection and programme management and what standard software can provide. This work resulted in a Request for Proposals to select a qualified company to develop the prototype by customizing PeopleSoft and/or related third-party products. Each of the four bidders proposed the newly-developed Enterprise Performance Management software of PeopleSoft for the indicator module. The responses are now being evaluated to see if it is possible to develop a prototype and to pilot it in a field office. Requests for Proposals were also issued to select external resources with particular skills and experience to complement existing team members.

B. Electronic Document Management System (EDMS)

27. After the configuration of the selected software package, the project team delivered the records management component on 1 May 2000, and the document management component on 7 July 2000. This new integrated system is intended to meet the needs of UNHCR in the gathering, organizing and preserving institutional knowledge, while being user-friendly. Beyond document and records management functions, the EDMS will integrate with other major components of the Integrated Systems Project, providing workflow and project management support, and hosting key protection-related information systems (e.g. critical events monitoring and situation reports).

28. The system will now be tested through additional pilot projects at Headquarters, during which time it will be prepared for a full Headquarters roll-out (towards the end of 2000 or beginning of 2001). During the Headquarters pilot, a field pilot of EDMS will be designed and developed, with the first field tests planned for the fourth quarter of 2000. Ongoing field deployment will take place during 2001.

29. A major functional enhancement to EDMS will be introduced during 2000/2001 allowing for the automatic capture of incoming and outgoing e-mail. As e-mail currently represents a significant part of official UNHCR records, its incorporation within the EDMS will add substantial breadth and depth to the repository of organizational knowledge.

C. Information Technology Infrastructure

30. This sub-project of OMS concerns the information technology infrastructure needed to support the first two components and enable improvements in accessing information and sharing data between offices. After selection of the Enterprise Resource Planning and EDMS software, the infrastructure team built the technical environments at Headquarters needed to install and operate these new systems. This required extensive training and changes to the current environments in order to provide the needed access to the software for project team members. Significant changes will continue to be necessary over the coming years as new software is introduced, first at Headquarters and then to field offices. To determine how best to implement these changes, an infrastructure study has been commissioned to assess the

current situation, recommend a target infrastructure and define the steps needed to get there. Data is currently being collected on what functions will be performed in which locations in order to determine the telecommunications infrastructure needed to support the sharing of data throughout the organization in a truly integrated fashion.

III. CONCLUSION

31. The size and technical complexity of the overall change project continue to pose major challenges to the organization and its staff. In particular, these relate to the management and coordination of all the wide-ranging initiatives so that they translate into a coherent set of changes which can be introduced gradually into field operations with due regard to the absorption capacity and time required to adjust established routines. In a move to address the coordination issues, the High Commissioner established a new steering mechanism in May 2000, the OMS Information Systems Board, where key managers directly involved in the change process are represented. This Board effectively replaced both the OMS Project Board and the IT Steering Committee, two larger internal bodies which were initially established in support of the consultative development process. The new Board has already met four times and will provide in-depth guidance and direction during the integration and implementation phase of OMS.

32. The technical development of the Integrated Systems Project is also a complex undertaking. The detailed analysis of the functionality of the PeopleSoft software and the elaboration of a set of detailed requirements for its adaptation to the UNHCR context is a very resource-intensive and time-consuming process. Overly ambitious workplans have had to be revised to better reflect the scope of the task at hand and the resources available. It is also a particular challenge to bring together all the requirements to form an integrated whole, which takes account of the varying needs of different field operations. The requirements for infrastructure and Internet connectivity needed to support the software applications are other parameters with major implications for the final design of the systems.

33. From the outset it was clear that the Integrated Systems Project would yield few tangible benefits in its initial development stages. A real impact will only materialize once the major parts of the system have been customized, rolled-out to the field and used in support of field operations by trained staff. Any impact in the short-term, therefore, must come from the introduction of new policies and procedures, in particular those aiming at promoting results-oriented management and more efficient resourcing (human, financial, material) of UNHCR operations. As indicated above, these changes are beginning to take root and show results. As described in this document, it is important to consolidate these advances through the issuance of further guidance material and the provision of support to operational teams in the form of coaching, strategic planning and training in operations and resource management. Meanwhile, the project teams will continue to endeavour to complete the different stages in the development of the Integrated Systems Project.