

## UPDATE ON THE CHANGE MANAGEMENT PROCESS

1. At its thirteenth meeting in October 1998, the Standing Committee reviewed an *Update on the Change Management Process* (EC/48/SC/CRP.44), which provided a report on progress achieved in the six priority project areas of the 1998 work programme, namely the Operations Management System; a protection database; the Supply Chain; systems replacement; human resources management; and financial services. This report provides additional details on progress achieved as well as priorities in 1999.

2. The work being undertaken in the areas of change falls under the umbrella of the new Operations Management System (OMS), consisting of two important and integrated elements intended to provide a comprehensive management system for carrying out UNHCR's mandate:

- A management framework for the implementation of UNHCR's policies and programmes through the identification of processes and procedures (in the form of manuals, guidelines and help tools) for the way in which UNHCR plans and carries out its operations. This is known as the OMS Framework;
- New information technology systems and tools for the management of protection and programme, finance, supply chain, human resources, and document management. This is known as the OMS Integrated Systems Project.

### I. THE OMS FRAMEWORK

3. Work being undertaken on the OMS Framework is divided into a number of functional areas. Progress achieved in these areas is described in more detail below.

#### A. OMS processes and procedures

4. During 1998, Working Papers were produced on revised operations management functions. These were subsequently reviewed, discussed, and endorsed by the OMS Project Board. These concepts have now been translated into high-level processes and procedures in the OMS Handbook which is intended to replace Chapter 4 (Programme and Project Management) of the UNHCR Manual. Work is also underway to update the current version of Chapter 4 with the procedural changes that have taken place in UNHCR over the past few years.

5. Design work on new processes has also served to define basic functional requirements for a new Protection and Programme Management System (PPMS), which is one of the components of the Integrated Systems Project. An important element of this is the design of a new budget structure combining the present project and administrative budget structures, as outlined in document EC/49/SC/CRP.5 presented to the fifteenth meeting of the Standing Committee. A small working group has been set up to undertake a comprehensive review of the Programme and Budget structures, for UNHCR's operations within the context of the unified budget. The group is expected to present its findings and recommendations in July 1999.

6. To support the introduction of the new OMS processes, a number of steps have been taken:

(a) The OMS planning framework, with its focus on objectives and results-oriented programmes, has been incorporated into the annual programming instructions which UNHCR field offices use as the basis for their planning and submission of resource requirements. New OMS Guidelines on Planning have been drawn up to provide further support to field managers and staff. It is planned to take the planning framework further forward by assisting Bureaux and field offices to formulate "Protection and Solutions Strategies" at the regional/situational level. These are intended to inform and guide the longer-term planning processes for the respective country offices involved.

(b) In order to reinforce the knowledge and awareness among UNHCR staff of the changes planned through the introduction of the new system, a major OMS Workshop for field staff was held in December 1998 and a series of briefings for staff at Headquarters have been initiated. As a follow-up to the field workshop, an OMS network of staff has been established which will provide support in promoting and implementing the new system.

(c) Work on a new internal database of institutional knowledge, the UNHCR Knowledge and Information Management System (KIMS), was finalized in December 1998. It incorporates material contained in REFWORLD, operational guidance from the OMS Knowledge Base, and the new human resource database, called "InSite". A twin CD-ROM was prepared for distribution to field offices as of April 1999, and is also available on UNHCR's Intranet. It contains UNHCR official documents, operational guidance, United Nations documents, country and legal information, and bibliographical and reference information relevant to refugees and to UNHCR's work.

(d) In the first quarter of 1999, the OMS team conducted a series of strategic planning workshops for UNHCR operations in Sri Lanka (February), Kenya (February), Georgia (March), the Great Lakes (March), and Central Europe (March). These workshops had the dual objectives of assisting field offices undertake a comprehensive planning exercise using the OMS planning model, while at the same time introducing and discussing the main new features of the new system.

7. The main priorities for 1999 with regard to OMS processes and procedures are as follows:

(a) Continue the phased implementation into UNHCR's operations of those OMS components which are not part of the Integrated Systems Project. The OMS planning framework will form the basis for UNHCR's programming activities as of the year 2000;

(b) Coordinate the integration of the new processes across all functional areas;

(c) Complete the design of the new Protection and Programme Management Module for the Integrated Systems Project, including the new project and budget structure;

(d) Incorporate a new Operations Management chapter into the UNHCR Manual, replacing the current Programme and Project Management chapter.

## B. Financial services

### Decentralisation of financial services

8. In the course of 1999, work to prepare financial decentralization to UNHCR Field Offices will continue to be a high priority for the organization as part of its effort to enhance accountability and ensure that operations achieve the planned results. The first stage of financial decentralization included the development of a financial management accountability framework, extensive training on best financial management practices, the take over responsibility for processing accounts at field locations, and the creation of specialized Senior Resource Manager posts in Regional Bureaux.

9. Main accomplishments include: (a) a booklet on Financial Management Accountability issued to all senior managers; (b) the establishment of a 'hotline' at Headquarters; and (c) the dissemination of a global financial training programme as three levels: Financial Management for senior managers, Basic UNHCR Financial and Control for middle management, and Basic UNHCR Financial and Control concepts for local staff.

10. By December 1998, 775 staff in six regions had been provided with financial management training. This includes 414 professional staff including 80 Representatives, and 361 local staff. By the end of June 1999, an additional 180 staff in the CASWANAME region will also have been trained. In addition, 38 Finance staff members both at Headquarters and in the field have attended three Train the Trainers courses to support further training efforts. The training has been well received in general. To date, countries in Asia, the Americas and the Caribbean, Europe, Former Yugoslavia, Southern Africa and the Horn of Africa have taken over responsibility for processing accounts, and Directors have signed an accountability agreement on this responsibility.

11. To supplement the training and support the decentralization, checklists were issued on control mechanisms to help staff ensure implementation of existing mechanisms, or to establish internal controls where not yet in place. A draft instrument of financial delegation of authority (what authority is delegated to whom) should be completed in 1999.

#### Financial processes

12. The Finance and Budget Systems project team, which is responsible for developing requirements, designing, testing, training and implementing new systems for financial management, has recommended changes for incorporation in the OMS framework. During the last quarter of 1998 and the first part of 1999, the project team has focused on the financial components of the Request for Proposal for the Integrated Systems Project. This included preparation of scenarios for demonstrations by software vendors and evaluation of the results, leading to the selection of the preferred software.

#### C. Human resources management

13. Significant steps have been taken in the area of human resources management since 1998. The former Division of Human Resources Management was merged into the new Division of Resource Management and the human resources function divided into the Human Resources Service, which covers recruitment, personnel administration, legal affairs, policy and training, and post classification, and the Career and Staff Support Service, responsible for performance and career planning, staff development, and staff support and counselling,

14. This reorganisation will contribute to improving UNHCR's personnel policies and reinforce the organization's capacity to manage and support staff more effectively particularly in the light of changing needs. Progress has been achieved in the following areas:

#### Delegation of authority for locally recruited staff in the field

15. Authority for the management and administration of locally recruited staff in the field has now been fully delegated to line management in field offices. It was preceded by a two-day functional human resources delegation training for 257 administrative staff, of whom 133 also received hands-on coaching for periods ranging from two to five days. A separate 2.5 day programme was provided for 96 Representatives and Heads of country level offices (completed in April 1999). In conclusion of each workshop at this level, a tripartite agreement, known as the Covenant, was signed by the Director of Resource Management, the Director of the Operation concerned, and participants. This document outlines and confirms the mutual agreement on what delegation of HR authorities entails, specifies the authorities that are being delegated, and clarifies the respective roles, responsibilities, and accountabilities of the three parties.

16. In December 1998, the human resources management knowledge database, InSite, was distributed to all UNHCR field offices, and has now been incorporated into the UNHCR Knowledge and Information Management System. Work is almost complete on preparing a human resources manual for internationally recruited staff (due for publication in mid-1999), to complement the one issued in December 1998 for locally recruited staff.

17. In a related activity, preparatory work has started on the decentralization of a number of human resources management activities to Regional Directors' offices as part of the management restructuring of UNHCR's operations in Africa.

### Career management system

18. The first performance appraisal cycle under the Career Management System (CMS) was completed in the autumn of 1998. The need to align the performance cycle more visibly with the operational cycle led to an extension of this first cycle to the end of the year. Following a preliminary review of the first cycle, measures have focused on monitoring compliance and simplifying certain procedures.

19. The Joint Monitoring Committee, a staff/management body tasked to oversee implementation and to evaluate and propose improvements of the system, has been established. An assessment planned for mid-1999 will address the competency structure, evaluating its adequacy in view of the lessons learned during the first CMS cycle, and the intended use of CMS data for human resource processes, including staff development, vacancy management and career planning.

20. The integration of CMS data into human resource processes continues. The competency linkage with staff development has been strengthened through the introduction of Competency Development Plans, completed by staff and supervisors as complement to their review of performance, and as a tool for assessing and analyzing global needs at organizational level. A format for competency profiles for posts was introduced, starting with Standard Jobs. Further development plans include the use of CMS data during this transition year and preparation for the implementation of the new human resource policies on Postings, Promotions and Contracts.

21. Pending the implementation of the Integrated Systems Project, interim information technology support for CMS was developed and introduced in 1998. Work on standard reports is ongoing.

### Review of human resources management policies

22. Proposals for a new approach to the posting and promotion of internationally recruited staff and for a streamlined contracts policy have been discussed with senior by the management, and have been carefully examined Joint Staff/Management Advisory Committee in March 1999. Their object is to focus on performance and to achieve a planned career management system. These proposals are therefore closely linked to the on-going development and implementation of the Career Management System.

23. Key features of the policy proposals include:

(a) Greater involvement of responsible managers in the selection and posting of staff who make up their teams; a more proactive role for staff themselves in applying for suitable vacancies; and an improved process of matching the skills of individuals to the requirements of vacant posts;

(b) Introduction of a rank-in-post promotion system for internationally recruited staff to ensure equal pay for equal work of equal value, and to align the promotion system for such staff to that which already applies to locally-recruited staff in UNHCR and to the staff of other United Nations organizations; the introduction of a one-year probationary period for the implementation of such promotions, with demonstrated ability to function at the higher level as the determining factor for any posting to a higher-level post; and

(c) The re-introduction of temporary appointments with no specific expiry date (the "Indefinite Appointment") which Staff Rule 104.12 stipulates may be granted to persons "specifically recruited for service with the Office of the United Nations High Commissioner for Refugees", subject to an annual performance assessment, continued need, and available funding.

24. This new approach to contracts will enable UNHCR to expand and contract the workforce according to operational requirements and financial resources, and will

ensure the retention of the best performing staff, while significantly reducing administrative paperwork and providing greater clarity to staff as regards their contractual status.

#### D. Supply chain

25. The Supply Chain project is designed to streamline the structures and processes used by UNHCR to support its operations with goods and logistics services, in line with the best practice in the commercial world. The Supply Chain will thus provide improved services to support UNHCR's response to refugee needs and donor requirements.

26. Progress has been achieved in the following areas:

(a) Business processes were finalised in the second half of 1998, allowing the identification of software requirements. These processes then were integrated with those of other user groups, such as Financial Resources Service, and the interface with programme management was examined.

(b) By late 1998, over 1,700 functional software requirements and attributes were included in the Request for Proposal for the UNHCR Core Support System (see below under OMS Integrated Systems Project for more details).

(c) Research has been undertaken to design a pilot project which will test the viability of field computing devices and advanced bar code technologies. This pilot is planned to begin in the summer of 1999.

(d) A comprehensive training curriculum was developed in 1998 to support the various components and levels within the Supply Chain. The introductory Supply Chain training module, *Introduction to the UNHCR Supply Chain*, a multimedia computer-based training (CBT) product on CD-ROM, was widely distributed in December 1998 and January 1999. It is designed to brief all staff of UNHCR, implementing partners, and other agencies, on the project's objectives, the reason for change in the way in which UNHCR manages supply operations, and the benefits this new management method will bring.

(e) Work continued on developing a system for creating a master item catalogue that will contain all expendable and non-expendable items regularly acquired by the organization for direct use or distribution. The harmonization of the item master with the United Nations Common Coding System is an important and challenging objective, especially in view of the interface of this work with the Integrated Systems Project (see next section). Significant progress has already been made in collecting, analyzing and cleaning item data, but much work still needs to be done to complete the master item project.

## II. THE OMS INTEGRATED SYSTEMS PROJECT

27. The renewal of information technology (IT) systems is a key element in improving UNHCR's operating efficiency and accountability in support of OMS. A variety of initiatives are underway to replace existing systems and provide the automation needed for many of the OMS improvements. A major achievement since 1998 has been the consolidation of these initiatives into one umbrella project called the Integrated Systems Project (ISP) which is managed by the Information Technology and Telecommunications Service (ITTS). This will encourage better integration across functional areas, the use of a single information technology platform, and more efficient use of project resources.

28. The scope of the ISP, as defined in a Project Proposal endorsed by members of the IT Steering Committee and approved by the High Commissioner, includes three sub-projects: Core Support Systems; Electronic Document Management System; and Information Technology Infrastructure sub-project.

#### A. Core support systems

29. This sub-project concerns requirements for Finance and Budget, Human Resources, Supply Chain, and Protection and Programme Management. These requirements will be met through an Enterprise Resource Planning (ERP) framework and related software package. The use of a single software application for all areas will permit 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.

30. An evaluation team, composed of staff from all functional areas including ITTS, has recommended a software package to meet UNHCR's requirements in most areas. The major exception is the Protection and Programme Management System (PPMS), where additional software will be needed to fully satisfy the requirements defined by the OMS team. The evaluation commenced in late January 1999, with a preliminary review of the responses to the Request for Proposal, and was followed by demonstrations by each vendor of the scenarios presented by the UNHCR functional teams. The choice of software package was endorsed by the IT Steering Committee on 29 April 1999, and approved by the Committee on Contracts on 7 May 1999.

31. Currently a detailed gap analysis is underway to identify required modifications before issuing a Request for Proposal to integrate the modifications and begin configuration of the chosen software. For PPMS, a prototype will be developed using the chosen software to determine the gap between what is needed and what the standard package can provide. Additional resources are needed to ensure that the needs of the user community are reflected in the final choice, and that work remains co-ordinated between all functional areas.

#### B. Electronic document management system

32. The Electronic Document Management System (EDMS) concerns the gathering and preserving of institutional knowledge. The aim is to support staff at all locations with automated procedures for document creation, workflow, retrieval and dissemination (publishing). In addition, a records management component of the sub-project aims to assist in organizing and categorizing official records stored in a document repository. Cross-functional in scope, the system will support and inform decision making at the executive level using the ERP solution.

33. The system will also support and integrate with the Protection Information Management System (PIMS) database, including the critical events database in development. The Department of International Protection has completed the testing of a first prototype design of the situation report component, which provides to UNHCR Headquarters an easily accessible and searchable database containing operational situation reports submitted on a monthly basis by all UNHCR field offices. This is now operational in three field locations and it is planned to add further sites in 1999, pending the full introduction of the EDMS.

34. An evaluation team is currently studying proposals from several vendors who responded to the Request for Proposal. The best solution will be chosen based on the functionality provided, technology used, integration with the ERP software package already selected, and price. This process is expected to be finished in mid-1999.

#### C. Information technology infrastructure sub-project

35. This third sub-project concerns the implementation of the information technology infrastructure needed to support the first two initiatives. This will involve the selection of new hardware, system software, and a database management system. Telecommunications with field offices will be strengthened to ensure that users in remote locations are able to benefit fully from the new systems. In addition, the client-server technology used for messaging and running office support applications will be upgraded to provide a stable platform for rolling out the new applications. This sub-project will bring considerable change to ITTS. To assist this change, new tools will be acquired and training will be provided to ITTS staff in the transition from existing systems to the new technologies.

### III. CONCLUSION

36. The preparatory work undertaken over the past two years on the OMS is now beginning to bear fruit in terms of new processes and procedures which have been introduced in 1999. Further progress will be achieved in 2000 with the introduction of the first modules of the Integrated Systems Project.

37. In order to accelerate progress and build momentum for the change management process, further effort is required to ensure that the appropriate internal resources are involved in all priority areas. The implementation of revised processes and procedures, along with the new IT systems, will significantly improve the type of information which UNHCR is able to present to the Executive Committee. UNHCR looks forward to the continued support of the Executive Committee as it pursues these important changes in order to become more efficient and effective in delivering services to refugees and others of concern to the High Commissioner.