

UN Practices in Performance Management

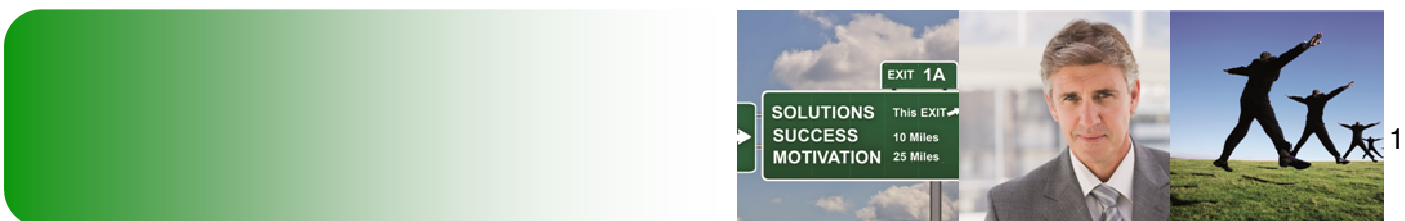
Benchmarking study

An organization's performance management system provides a critical foundation for optimizing performance at all levels and can provide important inputs into other key HR areas like postings and promotions, recruitment and learning. This study will explore how select UN organizations are capturing the opportunity to build a fully integrated HR system, with the performance management process as a core element.

Optimis White Paper

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Purpose and methods

The purpose of this benchmarking study is to explore current “best practices” among select UN agencies.

A central objective of the benchmarking study is to help agencies create a fair, equitable, transparent and measurable system of performance management for all staff members. The intention is to facilitate the continuous development of a results-based culture that addresses and appropriately rewards staff across the full spectrum of staff performance, from addressing underperformance to acknowledging and rewarding excellent performance.

An organization’s performance management system provides a critical foundation for optimizing performance at all levels and can provide important inputs into other key HR areas like postings and promotions, recruitment and learning. This study will explore how select UN organizations are capturing the opportunity to build a fully integrated HR system, with the performance management process as a core element.



A central objective of the benchmarking study is to help agencies create a fair, equitable, transparent and measurable system of performance management for all staff members.

Methodology

The approach used in this study is to gather both primary and secondary data from a variety of internal and external sources to establish some “best practice” indications that can be applied across agencies.

While the comparison of performance management system characteristics is at the heart of the study, an equally important aspect is the opportunity to learn from the experience of others in implementing a performance management system, especially an e-performance system that requires managers and staff to change the way that they engage in the performance management process. Ultimately, how well the performance management system functions is dependent upon both system design and system implementation.

Source of information

This study capitalizes on the information provided by the organizations that attended a performance management symposium sponsored by UNICEF on the 27th of October, 2008 in New York. The following organizations were asked to participate in the symposium as UN “best practice” leaders on Performance Management:

- UNFPA
- UNHCR ¹
- UNDP
- UN-Secretariat

In addition, UNESCO provided information on their system and permission to include this data in the study. Although organizations under the UN umbrella can be quite diverse, the transfer of knowledge for the purpose of this study can surpass organizational differences.

The primary and secondary sources of data used for this study can be categorized as follows:

Primary data:

¹ UNHCR is undergoing a major revision of its performance management system currently and it is moving to an e-performance platform. For the purposes of this study, the specification of the new UNHCR system will be used although it will only be implemented in early 2009.

- Keynote presentations delivered during the symposium
- Discussions with identified key figures of the “best practice” organizations

Secondary data:

- Policy documents from benchmark UN agencies, where available
- 2006 Report of Findings: UNHCR & ILO Survey on Performance Management

Performance Management Practices Review

The following sub-sections focus on sets of criteria that define UN “best practice” benchmarks.

System platform, PM cycle, compliance and linkage with other HR areas

There is general agreement that the adoption of an e-performance platform is a UN “best practice” and will serve the organization well.

Organization Criteria	UNFPA	UNDP	UNHCR	UN-Secretariat
Platform type	Electronic	Electronic	Electronic	Electronic
PM cycle	Annual	Annual	Annual	Annual
Ability to track compliance	Yes	Yes	Yes	Yes
Links with other HR areas	Strong	Variable	Variable	Variable



Table 1 – Symposium members

The standard cycle and hence the benchmark for our purposes is an annual review cycle for all members participating in the symposium. By contrast, UNESCO has a two year cycle and employs a 4 phase process which includes a review at the end of Year 1.

The only agency that warrants a strong rating on the linkage of Performance Management to other HR systems is UNFPA and that is due to several factors: first, the design of their system which fosters this linkage and second, the fact that they are a pioneer in the e-performance areas and have had more time to develop and mature their process. UNFPA emphasized the importance of ongoing senior management commitment to the process, frequent communication and the need to evolve based upon experience. These “soft” management

and communication factors have a particular relevance to the creation of an integrated HR strategy and to the smooth functioning of the process.

Performance management phases, policy emphasis on dialogue and coaching

All of the organizations that participated in the symposium have a three phase approach to the process, including a mid-term review. While the mid-term review may have a different emphasis in different organizations – e.g. it is focused on development purposes in UNHCR – the importance of having a mid-term is recognized. In addition, the performance management policies all emphasize the importance of dialogue and coaching throughout the performance cycle.



Organization Criteria	UNFPA	UNDP	UNHCR	UN-Secretariat
No. of Phases in the PM process	Three Initial, Midterm, Final	Three Initial, Midterm, Final	Three Initial, Midterm, Final	Three Initial, Midterm, Final
Policy emphasis on Dialogue and Coaching	Yes	Yes	Yes	Yes

Table 2 – Phases and policy

The challenge noted by all is twofold:

- 1) ensuring that supervisors have the time to manage their staff, and
- 2) that supervisors are sufficiently skilled to coach their staff, give effective feedback and manage difficult conversations. This suggests that training on supervisory skills is a critical element of the overall implementation process.

Work objectives, other objectives and competencies

All members of the symposium use work objectives, although there are some differences in the methodology used. An RBM terminology and approach is increasingly being used by the leading organizations to link individual performance to organizational performance. The reported advantages of the RBM method for objectives are that it creates a high level of consistency in language and approach with the RBM process. The main disadvantages of RBM style work objectives cited are that it is a more complex process to set objectives than the standard SMART objective approach, and hence requires additional training. All of the organizations that use RBM in this study emphasize the need to have SMART characteristics embedded in the RBM approach. At this point, the “best practice” approach appears to be

SMART objectives at the base with an RBM element if that is consistent with the organization’s culture and approach.

Criteria/ Organization	UNFPA	UNDP	UNHCR	UN-Secretariat
Work Objectives Type and number	Yes RBM/SMART (5)	Yes RBM / (5 key results)	Yes SMART (3-5)	Yes RBM/SMART (3-5)
Other Objectives Development Improvement	Yes (dev outputs) Yes (work plans)	? ?	Yes Yes	Yes ?
Competencies Number Leveled	Yes 8 Yes	Yes 29 Yes	Yes 24 Yes	Yes 14 Yes


Table 3 – Work objectives, competencies and other objectives

There is a commitment to developmental objectives among the majority of our “best practice” firms. Improvement objectives as defined here are focused on addressing some area of performance improvement related to the current job and is addressed formally by two of the four agencies that participated in the symposium.

An established “best practice” is the use of a competency framework in the performance management process. The competency framework is used in private and public sector alike to ensure that “how” work is achieved is appropriately considered in the overall evaluation of performance. The competency frameworks vary greatly yet one common characteristic is that the competencies are levelled, with criteria defined for a particular band of grades. This is standard practice to ensure that the expectation for performance in a competency is relevant to the level of contribution for a given grade.

Rating scales and supervisor/staff commentary

All members of our study rate both work objectives and competencies which can be considered a UN “best practice”. The scales vary considerably in the specification of the number of categories and the language used to define each category. In general, the results based management (RBM) approach will use language that encompasses activities/outputs and the SMART objective approach uses the concept of meeting (or not) expectations that have been set relative to a given objective.



All of the organizations that use RBM in this study emphasize the need to have SMART characteristics embedded in the RBM approach.

Interestingly, only one member of our study (UNDP) has an overall rating at this time. The “best practice” approach seems to be one of focusing on multiple ratings – in the case of UNHCR there are actually two ratings, one summary rating for competencies and another summary rating for work objectives. And in the case of UNFPA, there are four final ratings: work-plan outputs, developmental outputs, functional competencies and core competencies. Most agencies associate a numerical score with a given rating, either explicitly or implicitly. With the electronic platform numerical ratings can be assigned to labels and provide some input into talent management processes, postings and promotions and other HR activities.



It is generally thought that an effective multi-rating system is an important element to dispel rating disagreements because it adds an element of objectivity to the process.

Criteria/ Organization	UNFPA	UNDP	UNHCR	UN-Secretariat
Rating Scale				
Work Objectives	Yes	Yes	Yes (banded)	Yes
Competencies	4 categories	5 categories	4 categories	5 categories
Overall rating	4 categories	5 categories	4 categories	4 categories
	No (basket of 4 ratings)	Yes (on 5 key results)	No (1 obj. / 1 comp)	No
Comments				
Opportunity for Manager and Staff to comment	Yes	Yes	Yes	Yes

Table 4 – Rating scales and comments

Multi-rater feedback

The use of multi-rater feedback is an established UN “best practice,” with all members of our study using 360° feedback, including UNESCO.

Criteria/ Organization	UNFPA	UNDP	UNHCR	UN-Secretariat
Multi-rater F/B	Yes (360)	Yes (360)	Yes (360)	Yes (360)

Table 5 – Multi-rater feedback

One important use of multi-rater feedback is to ensure “fairness” in the rating process. The supervisor gains the benefit of having additional, structured inputs on the staff member performance and is asked to take them into account when deciding the rating. There are

numerous schemes as to which criteria multi-raters are able to rate and whether the staff member has access to the scores and comments of the multi-raters.

It is generally thought that an effective multi-rating system is an important element to dispel rating disagreements because it adds an element of objectivity to the process. In addition, many organizations ask staff to self-evaluate and this is an established “best practice” in public and private sector organizations. Supervisors need to be skilled in performance management approaches where multi-rating and self-evaluation are used to ensure that the benefits of these practices are realized.

Disagreement and rebuttal process


While all of the agencies in our study have a rebuttal process only half of them have a second reviewing officer approach to handling disagreements. The rebuttal process is generally thought to be an important avenue for protecting staff from mismanagement. In many cases, however, the rebuttal process becomes a disincentive for managers to accurately rate performance, as the likely consequence is to enter into a formal rebuttal with their staff member.

Criteria/ Organization	UNFPA	UNDP	UNHCR	UN-Secretariat
Rebuttal Process	Yes	Yes	Yes	Yes
2d Review Officer	No	No	Yes	Yes

Table 6 – Disagreement and rebuttal process

In light of this, many organizations are creating mechanisms to ensure that a rebuttal claim has merit before the formal process can begin. This has the effect of reducing spurious charges and of freeing managers to evaluate underperformance accurately. Each organization is grappling with this in their own fashion and there is no universal solution. However, a system that is geared to solving disagreements without a formal process is likely to involve less time and energy on the part of all concerned. For example, in the case of the UNFPA, a rebuttal process cannot begin unless the stakes of a bad rating are very high, such as in a potential case for separation, and not just for the sake of seeking a higher rating.

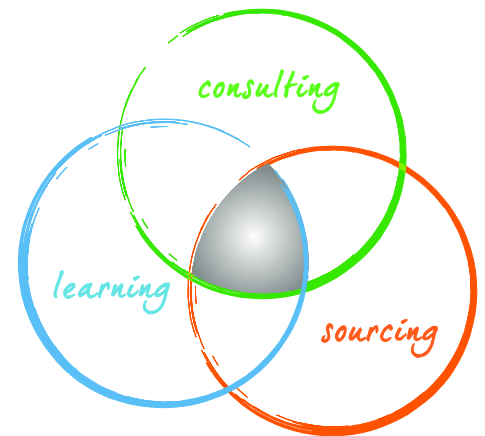
Michael Hathorn



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About Optimis

Optimis is an international consultancy group based in Switzerland. We specialize in Human Resource Management services that support organisations from the private and public sectors in leadership development and reviewing, developing and optimizing their Organisational and Human Resource Management strategies, structures, processes and systems. We are a group of senior professionals committed to measuring the benefits of our client's investment and operating as a strategic advisor in achieving the optimal returns, financial as well as organisational.



Our service areas are split into three main sectors:

Optimis Strategy Consulting

Below are several areas where Optimis offers strategic consulting services:

- Understanding the organisational context, challenges and issues of our clients through organisational analysis, functional audits and Employee Opinion Surveys
- Defining and developing appropriate organisational and HR strategies, structures, policies, processes and systems to address organisational issues
- Implementing the recommended solutions through rigorous change management and learning activities to ensure successful execution

Optimis Learning

Optimis provides customised learning programmes designed to meet the organisation's needs and to build the management and leadership capabilities. We also propose master facilitation and train-the-facilitator programmes. Optimis delivers enterprise wide learning solutions for your leadership and management teams. We use experiential applied learning techniques and seasoned facilitators to draw out the potential of individuals, groups and entire organisations. Our learning architects assist in the design of custom programmes that are linked to our clients' priorities and the specific capabilities required achieving their goals. Through a mix of learning and coaching, we help them create an environment where engagement, performance and learning is fully integrated into the day-to-day activities and is everyone's priority.

Optimis Sourcing

We support your strategic change initiatives with expert selection and assessment services to ensure you have the right talent to implement your organisational strategy. In addition, we provide interim management placement to support our clients in accessing difficult to find profiles

About the author

Michael Hathorn

Leadership and Organization Development



Michael has significant experience in Human Resource leadership positions at TNT N.V. in Amsterdam and Capital International S.A in Geneva, Switzerland, as well as hands-on operational experience in Europe and Asia in a variety of industry sectors. He combines depth of knowledge on human capital with business fluency, able to ground his management development practice in a relevant business context.

At TNT N.V., he was appointed Group Director of Leadership and Organizational Development and served on the HR Strategy Council, where he was responsible for implementing an HR Functional Excellence strategy, a Change Management Center of Expertise and a Leadership Development Framework for the top 1,000 managers. In addition, he guided the development of a revised Performance Management process for headquarters staff and the HR function globally. Michael redesigned the coaching and mentoring programs for the high potentials at TNT headquarters and later extended the program to Director level staff globally. In that capacity, he developed and managed the TNT coaching team, comprised of internal and external coaches.

At Capital International, Michael was the Director of Management Development and Training for Europe where he designed and implemented the Management Development and technical training function for the European operations, while also driving organizational development as part of the senior management team. Michael pioneered a management coaching program at Capital, initially starting with the senior management and later extending it to all levels of management in Europe and Asia. In addition, he personally coached senior managers and their teams during times of change and transition as part of his mandate to support organizational effectiveness.

Michael is now Senior Partner at Optimis. He has recently worked on several assignments that involve coaching and training senior executives and their teams on topics around leadership and team performance. His clients value the combination of business acumen with exceptional interpersonal skills that he brings to the mandates.

Michael has served on the faculty of Webster University in London, Vienna and Geneva, as a facilitator in executive programs at the International Institute for Management Development (IMD) in Lausanne and is lecturing Management practices in various institutions in Switzerland (EPFL, IOMBA, BSL). He is a graduate of Louisiana State University with a BA in Political Science and an MS in Marketing.

Appendices

- A Performance management symposium
- B Summary table for performance management systems (symposium)
- C UNESCO performance management system profile
- D Selected findings from the UNHCR/ILO study (2007)

A. Performance management symposium

The UNICEF performance management symposium was held on the **27th of October, 2008** in New York. It was **hosted and organized by UNICEF** as part of their efforts to gather information to include in their development of a new UNICEF electronic based system.

The symposium was built upon a series of presentations where organizations had a chance to learn about each other, raise issues and establish best practices regarding performance management and organizational performance in the UN arena.

Thirty-two people representing a variety of UN agencies were present during the event.

Symposium agenda

- 09.00 - 09.15 Opening
- 09.15 - 10.30 UNFPA presentation
- 10.30 - 11.00 UNHCR presentation
- 11.00 - 11.45 Kaplan, Inc. presents 'SuccessFactors' implementation
- 11.45 - 12.30 'Success Factors' presentation on ePAS
- 12.30 - 13.30 LUNCH
- 13.30 - 14.15 UNDP presentation
- 14.15 - 15.00 UN-Secretariat presentation
- 15.00 - 15.30 UNICEF e-PAS presentation
- 15.30 - 16.00 Panel Discussion
- 16.00 - 16.30 Issues raised by the ePAS process
- 16:30 – 17:00 Wrap Up – Groups discuss findings

List of UN presenters:

- | | |
|-----------------------|---|
| UNFPA | Arturo Pagán, Human Resources Specialist |
| UNHCR | Cecilia Ryberg, Head of Performance Management Unit |
| UNDP | Erdal Esin, Deputy Chief BOM/OHR/LRC |
| UN-Secretariat | Raymond Moy, Staff Development Officer |

Other presenters:

- | | |
|-----------------------|--|
| Kaplan, Inc. | Allison Rutledge-Parsi, Chief Administrative Officer
Maia Sharpley, VP Learning and Development |
| SuccessFactors | Carla Grant, VP Human Resources |

List of Symposium participants from UNICEF:

Arnab Roy	Chief, HRSS/DHR
Barbara Brown	HR Manager, RSS/DHR
Carmen-Maja Rex	HR Officer, RSS/DH
Cooper Dawson	Senior Advisor, HRSS/DHR
Diane Maguire	Consultant, RSS/DHR
Fawzieh Abu Hadja	HR Officer, RSS/DHR
George Laryea-Adjei	Planning Officer, DPP
Kim Kawash	HR Manager, RSS/DHR
Lakshmi Balaji	Head, Strategic Planning
Liza Gonzales	Assistant HR Officer, GSC/DHR
Lubna Saikaly	Assistant HR Officer, GSC/DHR
Michael Bickel	HR Manager, OLDS/DHR
Nathan Rodgers	Consultant, RSS/DHR
Patrick Voigt	Administration Law Officer, PLA/DHR
Sinead Andrews	HR Specialist, OLDS/DHR
Umar Iftikhar	Operations Officer, DHR
Vina Campo	HR Assistant, DHR
Yumiko Ota	Consultant, DPP

B. Summary table for performance management systems

Symposium participants

Organization Criteria	UNFPA	UNDP	UNHCR	UN-Secretariat
Platform type	Electronic	Electronic	Electronic	Electronic
PM cycle	Annual	Annual	Annual	Annual
Ability to track compliance	Yes	Yes	Yes	Yes
Links with other HR areas	Strong	Variable	Variable	Variable
No. of Phases in the PM process	Three Initial, Midterm, Final	Three Initial, Midterm, Final	Three Initial, Midterm, Final	Three Initial, Midterm, Final
Policy emphasis on Dialogue and Coaching	Yes	Yes	Yes	Yes
Work Objectives Type and number	Yes RBM/SMART (5)	Yes RBM / (5 key results)	Yes SMART (3-5)	Yes RBM/SMART (3-5)
Other Objectives Development Improvement	Yes (dev outputs) Yes (work plans)	? ?	Yes Yes	Goals and Success, Developmental goals, Values / Behaviours

Organization Criteria	UNFPA	UNDP	UNHCR	UN-Secretariat
Competencies Number Leveled	Yes 8 Yes	Yes 29 Yes	Yes 24 Yes	Yes 14 Yes
Rating Scale Work Objectives Competencies Overall rating	Yes 4 categories 4 categories No (basket of 4 ratings)	Yes 5 categories 5 categories Yes (on 5 key results)	Yes (banded) 4 categories 4 categories No (1 obj. / 1 comp)	Yes 5 categories 4 categories No
Comments Opportunity for Manager and Staff to comment	Yes	Yes	Yes	Yes
Multi-Rater F/B	Yes (360°)	Yes (360°)	Yes (360°)	Yes (360°)
Rebuttal Process 2d Reviewing Officer	Yes No	Yes No	Yes Yes	Yes Yes

C. UNESCO performance management system profile

Following the symposium, UNESCO was contacted and kindly agreed to make its approach to performance management available for the purposes of this study.

Organization Criteria	UNESCO	Organization Criteria	UNESCO
Platform type	Electronic	Competencies Number Levelled	Yes 11 Yes
PM cycle	Biannual	Rating Scale Work Objectives Competencies Overall rating	Yes 5 categories 4 categories No
Ability to track compliance	Yes	Comments Opportunity for Manager and Staff to comment	Yes
Links with other HR areas	Variable	Multi-Rater F/B	Yes (360)
No. of Phases in the PM process	Four Initial, Midterm, End 1 st year, Final	Rebuttal Process 2d Reviewing Officer	Yes No
Policy emphasis on Dialogue and Coaching	Yes	Other Objectives Development Improvement	7 (max) Results and Assignments
Work Objectives Type and number	Yes RBM/SMART (3)		

D. Selected finding from the UNHCR/ILO Survey on PM (2007)

Below is a summary table of finding and statistics from the UNHCR/ILO Survey on Performance Management and Competency Models in 29 UN/NGO organizations

Organization Criteria	UNHCR/ILO Study April 2007 Sample of 29 agencies/organizations
Platform type	69% Electronic 31% Paper-based
PM cycle	72.4% have annual appraisals
Ability to track compliance	Out of 21 responses: 70% track compliance with varying degrees of rigor
Links with other HR areas	Weak to Variable
No. of Phases in the PM process	Majority have 3 phases Initial, Midterm, Final
Policy emphasis on Dialogue and Coaching	Difficult to determine from the survey
Work Objectives Type and number	83 % use objective-setting 5 approximately large percentage are flexible about the number of objectives

Organization Criteria	UNHCR/ILO Study 2006/07 Sample of 29 agencies/organizations
Other Objectives Development Improvement	28 % have a compulsory developmental objective
Competencies Number Leveled	66 % assess competencies 59 % assess core competencies, average 12, std deviation 8 41 % assess job-specific competencies
Rating Scale Work Objectives Competencies Overall Rating	Not possible to know from survey 76% use overall rating
Comments Opportunity for Manager and Staff to comment	Inference from narrative data is that more than 50 % have the opportunity to provide comments
Multi-Rater F/B	Yes 31 % use 360° 28 % use 180°
Rebuttal Process 2 nd Reviewing Officer	69% have a rebuttal mechanism



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