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UNDP

THE CHANGE MANAGEMENT PROCESS IN UNDP

I. PURPOSE

1. In his statement to the Executive Board at its annual session 1996, the Administrator informed the Board that UNDP had launched a formal change management process. He provided additional information on this process in his 26 June 1996 letter to Board members. As background for informal briefings to be held during the third regular session of the Board, the present paper provides an overview of the process and activities to date. Throughout the 18-month process, which extends to November 1997, the Board will continue to be provided with periodic updates and opportunities for consultations. It is anticipated that a document outlining a comprehensive change package for UNDP will be presented to the Board for its consideration at its annual session 1997.

II. BACKGROUND

2. UNDP is deeply convinced that to sustain the changes required to fulfil its mission, the efforts under way since 1994 must be accelerated and intensified. The creation of a change management process separate from "business as usual" provides UNDP with a powerful instrument with which to build upon the significant actions already being taken to meet key legislative challenges: decision 94/14 on the initiatives for change, decision 95/22 on the future of UNDP, and decision 95/23 on successor programming arrangements.

3. The overall goal of the change process (symbolically entitled "UNDP 2001") is to ensure that UNDP is transformed into a recognized leader and provider of services to programme countries as they work to achieve sustainable human development, in line with their national priorities. This demands clearly-defined and congruent strategies, structures and competencies.

4. The overall thrust of the exercise will be to build a flatter organization, with greater speed of response, flexibility and manoeuvrability, able to capitalize on the unique UNDP country-office network and staff resources. A major result of the change process should be a strengthened organizational structure that supports: (a) more effective priority-setting, and results-oriented activities; (b) more effective and decentralized decision-making and operations to empower country offices; (c) clearer and simpler lines of accountability and responsibility; (d) more closely aligned budget and corporate planning systems; (e) easier access to information needed for analysis

and decision-making; (f) more effective relationships with stakeholders; and (g) greater capacity for assigned responsibilities in the United Nations system. Thus, the change process is consonant with the 1996-1997 organizational plan, and the line units involved will continue to advance day-to-day operations.

5. The continued relevance of UNDP as a dynamic development organization will depend on: efficient delivery of meaningful programmes and projects that demonstrate measurable results to stakeholders world-wide; strengthened trust of donor and programme countries; and the fulfilment of assigned responsibilities within the larger United Nations system. With regard to the latter, the UNDP change process complements the overall direction of the United Nations reform process, as well as the ongoing change efforts of other United Nations system organizations). The UNDP change process also recognizes that a reformed and strengthened UNDP is needed to help the United Nations fulfil its potential.

III. STRUCTURE FOR THE CHANGE MANAGEMENT PROCESS

6. The Executive Committee (EC), as the senior-most body in UNDP for coordination, control and decision-making, provides overall strategic direction for the change process and approves its major outputs. The Change Management Committee (CMC), which reports to the EC, reviews and approves all plans and resources for the change process. The CMC is chaired by the Administrator, and its 20 members, who represent a full range of staff groups and experience, act in their personal capacities to advocate innovative thinking and staff involvement in the change process. Both committees meet at least monthly.

7. An experienced, former resident representative has been selected as the full-time team leader for the change process, assisted by a small UNDP 2001 Core Team. The core team reports to the CMC and is responsible for the day-to-day management of the overall process (coordination, consistency and communications), including coordination of staff work on specific change projects.

8. Transparency, communication and participation are hallmarks of the process, aimed at maximizing two-way flows of information and advice. Core and project teams include staff with expertise in communication and participation techniques. Already, some 150 staff are involved to some degree in the mapping and analysis work, which is ultimately expected to draw in contributions from over 400 staff. Various communications tools, including state-of-the-art electronic media, will be used to keep all staff informed of progress. Some of the tools are also accessible to the Executive Board, specifically the UNDP change home page on the Internet, which is available to permanent missions to the United Nations.

9. The time-frame for the change process is a tight, but realistic, 18 months: (a) the preparatory phase for review and approval of the overall framework from May to July 1996; (b) the current mapping and analysis phase, until November 1996, during which the project teams will build upon ongoing initiatives for change to identify alternative options and initial

implementation plans; and (c) the implementation phase (outlined in paragraph 16 below), which will end in November 1997.

IV. DESIGN OF THE PROCESS

A. Preparatory phase (May-July 1996)

10. In February 1996, the Administrator convened a senior management retreat, which concluded that there was a pressing need to launch a formal process in UNDP to speed up and coordinate ongoing change activities. At the retreat, a number of critical subjects to be pursued were also identified. A previous seminar had examined how major private sector corporations manage radical change in turbulent external environments. In May 1996, UNDP staff likely to be involved in the change process participated in a workshop that helped to elaborate the overall design for the process, taking into account the pressures of the external environment, as well as private sector experience with significant organizational change. In addition, a workshop on the country office of the future, attended by resident representatives and other staff involved in the UNDP Centres of Experimentation, generated a set of recommendations on UNDP strategies, functions and structures. The recent assessment of UNDP sponsored by the Governments of Denmark, India, Sweden and the United Kingdom of Great Britain and Northern Ireland also helped to define the framework for the process and will continue to fuel the change programme, particularly in the area of capacity assessment.

11. UNDP 2001 is guided by the understanding that large-scale change requires careful coordination and calibration of the key facets of organizational design: (a) strategies provide vision and direction to the sustainable human development mission endorsed by the Board; (b) staffing and skills focus on the core competencies required to fulfil this mission; (c) culture focuses on creating and reinforcing organizational values, principles, norms and behaviours congruent with the mission; (d) structure provides the logical architecture to support the mission; (e) organizational systems monitor and reward achievement of organizational objectives and adherence to organizational principles; and (f) procedures enable efficient and effective operations in the many interrelated activities required to achieve the overall mission.

12. Drawing on the above-mentioned understanding and the preparatory work, which were supported by a leading Swedish consulting firm, the following seven change projects were elaborated:

- (a) Funding strategies and partnerships;
- (b) Strategic development services;
- (c) Efficiency, results orientation and accountability;
- (d) Management and organizational structure;
- (e) Human resource development;

- (f) Information needs management and technology;
- (g) External communications and public affairs.

B. Mapping and analysis (July-November 1996)

13. During this phase individual teams will work on each change area, building upon ongoing activities, in a process that is expected to draw extensively on contributions from a wide cross-section of staff experience world-wide, as well as the knowledge and views of UNDP development partners and stakeholders. Outside consultants familiar with various aspects of UNDP work and with the management of change will support and facilitate work during this phase.

14. The work is expected to be iterative, interactive and dynamic: the knowledge and understanding developed in each of the seven projects should inform the work of the others. The core team will coordinate the work of the seven teams throughout the process to ensure the complementarity of the directions being pursued. The process will also rely extensively on lessons learned from recent evaluations, and will also include an Efficiency Promotion Programme to elicit and act upon staff ideas about how to improve processes and procedures, thereby enhancing the responsiveness, nimbleness and efficiency of the organization. The Administrator also intends to create an informal advisory council of persons from academia, the private sector and non-governmental organizations.

15. A basic methodology for analysis of current structures, functions and processes and the identification and design of preferred options has been developed for the seven projects. Not all projects, however, will require the same level and type of work. In areas where new strategies are already in place, the teams will revisit the earlier work to: ensure resources, visibility and priority for the strategy; coordinate with the other projects to permit validation and mutual adjustment in light of emerging solutions; and promote consistency with the UNDP vision.

C. Implementation phase (November 1996 to November 1997)

16. Proposals emanating from the mapping and analysis phase, together with proposed steps for implementation, will be presented to the CMC and the EC in November 1996. All projects must specify how their implementation activities relate to the UNDP organizational plan, with the aim of enhancing ongoing activities and avoiding duplication. In addition, projects must define results-oriented success criteria for their implementation activities. Projects will also review UNDP rules, procedures and systems in their respective spheres and make recommendations for simplification. As noted in paragraph 9 above, further elaboration of the implementation plan will take place in early 1997.

V. PROPOSED EXECUTIVE BOARD INVOLVEMENT

17. Many of the solutions and recommendations that emerge from the change process will aim at increasing administrative efficiency, productivity, and

responsiveness, and as such, can be implemented directly. Other proposals may have policy implications that require consideration by the Executive Board. Thus, in addition to periodic updates on the process and ongoing consultations with the Board, a comprehensive report on the change process will be presented to the Board at its annual session in 1997.
