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TOWARD A SMART PARITY SYSTEM
A 21st Century Human Resource Management
System for IICA
Update and proposals for review 2004

San Jose, Costa Rica

The Inter-American Institute for Cooperation on Agriculture (IICA) has been in existence for the past 62 years, and now has thirty-four Member States. The new vision for IICA in the 21st century is to promote food security and prosperity in the rural sector of the Americas. IICA's mission is to support the Member States in their pursuit of progress and prosperity in the hemisphere through modernization of the rural sector, promotion of food security, and the development of an agricultural sector that is competitive, technologically prepared, environmentally managed and socially equitable for the people of the Americas.

In order to achieve this mission, it is critical that the organization maintain and enhance its capacity and competitiveness to attract and retain strong professionals. As an organization promoting development, transformation and the transmission of knowledge, IICA must be able to offer a Human Resource Management System (HRM) that can attract qualified staff in an evolving environment, retain the most qualified in line with organizational requirements, create an environment for growth and personal fulfillment, and pay employees equitably and fairly while being financially responsible. Such goals require significant changes to the present HRM framework.

To modernize the HRM System, IICA, last year, initiated to change the basis of the system, the HR fundamentals: the classification and compensation system, recruitment practices, development of stronger linguistic capacities and an orientation program for new employees, introduction of a new performance evaluation system linked to performance incentives and bonuses, and introduction of a new organizational award and recognition program.

To renew the classification and compensation structure, IICA has:

- introduced a clear compensation philosophy which emphasizes relativity internally amongst similar jobs and externally with equivalent positions in the labor market of a given country or with similar positions in other international organizations.
- modified its classification process in terms of criteria and methodology to determine new or existing position levels in order to ensure clearer relativity between level of positions and level of authorities and responsibilities. At least 100 positions were reviewed using the new methodology.
- modified its process to determine economic increases of salary scales in country offices based on labor markets trends and introduced corrective measures to establish better equilibrium between offices salary levels and labor markets salary levels. Local salary scales of more than 10 countries were reviewed in the past year.
- implemented the approved modifications of the Associate Personnel category.
- prepared a draft of a revised executive order on the management of consultants within the Institute.
- improved the application of rules concerning employees benefits and obligations. This process has also generated recommendations of changes to existing rules in order

to clarify interpretation such as for the definition of years of service, the application of privileges and immunities, etc.

IICA has also developed a proposal to submit to the Executive Committee to restructure its salary scale for its International Professional Personnel (IPPs), to bring it closer into line with the UN and OAS systems, including adopting the UN methodology with revised thresholds for benefits allocated to IPPs: living allowance (housing allowance), hardship allowance, education allowance and family allowance. The salary scales for Local Professional Personnel (LPPs) and General Services Personnel (GSPs) have been reviewed as well to ensure more effective comparability with UN scales and the labor market situation in given countries. The key changes include a redefinition of the minimum and the maximum of each salary scale level, of the differential between the steps in each level and of the number of steps per level. Benefits were redefined using formulas and thresholds closer to the UN and the OAS systems. These changes will impact eighty eight (88) IPPs, one hundred and sixty one (161) LPPs and three hundred and fifty two (352) GSPs.

In terms of recruitment practices, the Institute has revised its level of HR delegation in order to enhance its capacity for changes and to conduct selection processes at a more strategic level even for local professionals. The Institute has modified the profiles for key positions, including Representatives in the countries, administrators in the countries and regional experts. Eight core competencies were defined and serve as the basis for the development of recruitment tools. These competencies emphasize elements such as teamwork, service orientation, leadership and communication skills and combined with technical expertise establish a renewed profile of the ideal candidate for the Institute. IICA has established different networks in order to diversify its recruitment sources and has introduced new tools for selection. It has created an external inventory of potential candidates for various organizational positions, particularly the key position of IICA Representative in a member country and is designing an internal inventory to capture internal potential on the basis of the new performance appraisal system.

In order to strengthen its capacity for the renewal of its human capital, the Institute is designing an “Agricultural Professionals Development Program” to provide to a group of young professionals interested in agriculture and related fields with the opportunity to gain during a one year assignment with the organization direct experience in these fields.

A new Individual Performance Evaluation System (IPES) has been designed and put in place at the end of the calendar year 2003. The annual review process uses individual work plans as the basis for the definition of results to be achieved, and competencies to measure strengths and areas to improve. Changes to the IPES include the use of a new form, new elements of assessment, a new rating scale, a new process of comparative review of evaluations, as well as a recourse process for employees, and an incentives and bonus system.

Results for the first exercise are very positive. Appraisals were done for all employees (100% rate of completion) by the beginning of March and the proposed scheme for bonuses is almost cost neutral. Results indicate as well a notable increase in the understanding by managers and employees of the notion of accountability and its application in a clear and transparent manner. The Performance Evaluation System will continue to be improved on the basis of the experience of 2003.

In order to reinforce excellence in work produced within the organization, a new program of recognition and awards was launched. For the first time, IICA awarded four Director General Awards for Excellence, two for employees at the support level in countries and at Headquarters, one for professional excellence in the organization and one for team work. In each category, three (3) monetary prizes and certificates were awarded. These prizes are sponsored by various IICA partners. This year the program has been revised to build a stronger framework for the future and winners of 2003 and 2004 will be recognized in a special ceremony during the representatives' week in August.

As an international organization, IICA has the responsibility of ensuring that its workforce is not only representative but also capable of providing services in the languages of the countries in which it works. Accordingly, a new language enhancement program has been developed, the objectives being to actively support the improvement of employees' language capabilities (particularly English), taking into account position requirements, and to encourage the acquisition of other language skills by employees for career purposes. A pilot case was done later on during the year with positive results. The extent of application is linked with the essential language needs of the Institute and the availability of funds.

IICA is also strengthening its Orientation Program for newcomers through the creation of a self-orientation package using new technology. It has also introduced special orientation transition programs for new employees in positions of responsibilities.