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PROGRESS MADE IN STRENGTHENING INTERNAL COMMUNICATION MECHANISMS FOR MANAGEMENT

San Jose, Costa Rica

INTRODUCTION

In September 1997, the General Directorate of IICA received a report from Price Waterhouse on the state of internal communications, largely based on interviews with Institute officials.¹ The report highlighted the following six main problems:

1. Information is not available when needed
2. Lack of feedback
3. Information does not reach the people who need it
4. Unclear message
5. Lines of communication and relations are not clearly established
6. Excessive formal communication

The report proposed improvements in the following areas:

- a. Clearer routing of reports and communication
- b. Distribution of responsibilities and duties for information management
- c. Ongoing review of rules and procedures
- d. Greater decision-making powers for Regional Directors
- e. A better committee structure
- f. The need to put in place and encourage the widespread use of nontraditional mechanisms
- g. Rules and mechanisms that permit feedback

IICA's 2002-2006 Medium Term Plan establishes that "emphasis will be placed on decentralization of the Institute to the national level. A new and dynamic relationship will be forged between Headquarters, the Offices in the countries, and key stakeholders. This will require **more effective communication...**"

This administration, mindful of the importance of modernizing communications for more effective institutional management, addressed the problems identified and the possible solutions suggested in the Price Waterhouse study, took decisions and implemented a set of actions to improve the management of the information needed to manage the Institute. Those actions are explained in this report.

For practical purposes, the report has been prepared based on the six main problems identified in the study, and describes the progress made in addressing each of the recommendations made by Price Waterhouse, based on interviews with IICA staff, to resolve those problems.

¹ See document "Principal findings of the study on communications."

PROBLEM 1. “Information is not available when needed”

Objective: To achieve internal communication for efficient and fast management that will facilitate analysis and the taking of strategic and operating decisions by management

Actions:

1.1	<ul style="list-style-type: none"> • Design a communication system that ensures clear lines of communication <p>(i) A correspondence manual was produced which establishes lines of communication and channels for the management of information and communications in the processes involved in managing the Institute.</p> <p>(ii) A manual on how Headquarters is organized is being prepared. It will define the structure, duties, and responsibilities of the different units.</p>
1.2	<ul style="list-style-type: none"> • Eliminate contact units that do not add value <p>(i) The Directorates of the Regional Centers were eliminated. These operated as decentralized bodies until 2001, serving as intermediaries between Headquarters and the Institute’s Offices in the Member States, but they did not generate better value added.</p> <p>(ii) A flatter organizational structure was adopted at Headquarters that makes it possible to reduce the number of units and thereby simplify the route of communications.</p>
1.3	<ul style="list-style-type: none"> • Improve the planning of information requests and design a control system that prioritizes needs and response time <p>(i) An “Annual schedule for the management of internal management information” was prepared that rationalizes requests and establishes dates for submitting reports and other documents.</p> <p>(ii) The control system is set out in the correspondence manual.</p> <p>These two instruments make it easier to program and process requests for information.</p>
1.4	<ul style="list-style-type: none"> • Prepare a personnel directory and provide all staff members with a copy <p>(i) A Personnel Directory was produced and distributed at Headquarters and among the Offices in the countries.</p> <p>(ii) An alphabetical directory of the staff and units at Headquarters was</p>

	<p>produced and posted on the Intranet. Officials can be located by their name or by the unit in which they work.</p>
1.5	<ul style="list-style-type: none"> • Simplify communication procedures for Headquarters and the IICA Offices in the Member States <ul style="list-style-type: none"> (i) The elimination of the Directorates of the Regional Centers simplified channels and procedures, and direct communication was strengthened between the units at Headquarters that have technical and administrative responsibilities and the IICA Offices in the countries. (iii) Email is the main tool that has been used to simplify and facilitate communications. It was strengthened by means of the measures described in the Appendix. (iv) The use of email for the internal communications that underpin the analysis and decision-making process by management has grown exponentially in the last two years. (v) Security and institutional VPN project. IICA is instituting a Virtual Private Network (VPN)² that will facilitate communication throughout the hemisphere. The Offices in the countries will be connected and share information securely via the Internet. <p>With the VPN, IICA will have services that will enable the Institute’s specialists or technical staff to share files, information systems and in general, all kinds of information, regardless of the country in which they are located.</p> <p>Being part of the hemisphere-wide VPN is essential to be able to access the ERP Oracles e-Business Suite system. It will be the secure environment that IICA will use to access institutional systems.</p> <p>In addition, as the Offices become part of the institutional VPN, their users will have secure access to all the resources of their respective local networks (LAN), from any part of the world where they have an appropriate Internet link, the corresponding access permits and the right software installed for the VPN “client.”</p> <p>Users will thus have remote access to the files stored in the Institute’s servers and be able to use the applications or systems they use every day, without having to be physically in their office (Telecommuting).</p> <p>Implementation of the basic infrastructure for this project was completed in December 2003. Beginning in January 2004, all the Institute’s Offices will be able to join the hemispheric virtual private network and begin to share resources, cheaply and in real time.</p>

² Virtual Private Network (VPN): a set of secure, interconnected networks based on the Internet or any other public network.

1.6	<ul style="list-style-type: none"> • Recognize the use of email as a formal medium of communication <p>The Director General’s Memorandum 488 to the Operating Units of the General Directorate recognizes email as an official medium of internal communication for management purposes, and rules were established governing its use.</p>
1.7	<ul style="list-style-type: none"> • Classify information according to how urgently a reply is needed <p>A nomenclature is being used to facilitate the management of correspondence³ so that recipients can process requests based on how urgently senders says they need a reply.</p>
1.8	<ul style="list-style-type: none"> • Extend the deadline for the presentation of information on a country-by-country basis <p>Deadlines were established in the “Annual schedule for the management of internal information for management” for the preparation and delivery of reports on the execution of the cooperation agenda, financial information and human resources management reports. This was done to organize the flow of information and improve work programming, both at Headquarters and in the Institute’s Offices in the Member States.</p>
1.9	<ul style="list-style-type: none"> • Improve the quality of messages and their objective <p>To a large degree, the quality of messages depends on the substance of IICA’s work, but improvements can be achieved through training. Training being offered in the field of communication is designed to make messages clearer and ensure that senders specify the response they expect from recipient(s).</p>
1.10	<ul style="list-style-type: none"> • Simplify the forms to be filled out by the IICA Offices in the countries <p>The forms have been improved and innovated for: (i) personnel evaluations; (ii) cooperation instruments; (iii) preparation of the draft Program Budget and Annual Plan of Operation; (iv) content and frequency of the semiannual reports from the Offices; and, (v) IICA’s national and regional cooperation agendas.</p>

Note: In many cases, these forms were not simplified but completely redesigned to create higher-quality products that are more germane to the management of the Institute.

³ **Red:** Very Urgent; **Orange:** Urgent

PROBLEM 2. “Lack of feedback”

Objective: Effective communication is a two-way process. Procedures therefore need to be strengthened and the mindset and action of the staff involved in management processes changed so that the feedback can be used to validate and modify decisions, and properly monitor decision-making and management processes.

Actions:

2.1	<ul style="list-style-type: none"> • Establish an expeditious monitoring and control system <p>An electronic system for recording and controlling correspondence was established at Headquarters.</p>
2.2	<ul style="list-style-type: none"> • Recipients must acknowledge receipt of information <p>This recommendation is being implemented by means of; (i) the instructions contained in the correspondence manual, and (ii) the instructions contained in Memorandum 488 on the use of email in internal communications, sent to the staff at Headquarters and in the Offices in the countries.</p>
2.3	<ul style="list-style-type: none"> • Inform pertinent parties of the outcome of matters taken care of or decisions taken, establishing a clear system in which the Offices receive the results of the information that is sent <p>Informing staff of the outcome of each matter processed is part of the General Directorate’s current policy on the management of information for management. All the units at Headquarters have been instructed to notify the sender when a communication is received, and then inform him/her of the outcome of each matter.</p>
2.4	<ul style="list-style-type: none"> • Increase the use of mechanisms to increase face-to-face contact between Headquarters and the Offices in the countries <p>(a) The main mechanism established for face-to-face contact between officials at Headquarters and the Representatives is “Representatives Week,” also known as the Annual Strategic Planning Meeting. Meetings were held in 2002 and 2003, and preparations are under way for the next one (August 2004).</p> <p>(b) In 2003, on-site regional programming meetings were held with the participation of Representatives, Regional Specialists and officials at Headquarters: (i) Andean Region: Bogotá, Colombia, 19-21 October;</p>

	<p>(ii) Caribbean Region: Bridgetown, Barbados, 13-15 October; (iii) Central Region: San Jose, Costa Rica, 29 October-1 November; (iv) Southern Region: Buenos Aires, Argentina, 23-25 October. Similar meetings are programmed for the second half of 2004.</p>
2.5	<ul style="list-style-type: none"> • Establish both formal and informal mechanisms for strengthening with and among employees <ul style="list-style-type: none"> (a) In 2003, the Director General established monthly meetings with the staff at Headquarters. They are used to: (i) provide current information on IICA's activities; (ii) present the work being done by the units at Headquarters; (iii) officially recognize people who do an outstanding job; (iv) introduce new members of staff; (v) disseminate important institutional policies; and, (vi) celebrate the birthdays of staff members. (b) Similar meetings are held in the IICA Offices in the Member States among the entire staff of the respective unit.
2.6	<ul style="list-style-type: none"> • Promote personalized communication on important formal and informal matters <ul style="list-style-type: none"> (a) The following committees have been established for managing the Institute, and personal communication is the key to their work: (i) Cabinet of the Director General; (ii) Management Committee; (iii) Technical Cooperation Committee and Programming Subcommittee; (iv) Administration and Finance Committee with the Human Resources Committee and its ad hoc committees); (v) Information and Communications Technologies Committee; (vi) Audit and Evaluation Committee; and, (vii) Corporate Image Committee. (b) To deal with different institutional management issues, task forces are set up that operate as a team, which facilitates informal inter-personnel communication.

PROBLEM 3. “Information does not reach the people who need it”

Objective: To ensure the efficient operation of management information systems and that reliable information reaches the people who need it rapidly and inexpensively

Actions:

3.1	<ul style="list-style-type: none"> • Clarify reporting channels and the chain of command, updating the manuals on procedures and the regulations governing organizational matters and responsibilities <p>(a) The staff are preparing a “Manual on organization and duties at Headquarters,” to clearly define: (i) reporting channels and the chain of command; (ii) the internal structure of each unit; and, (iii) the duties and responsibilities of each unit.</p> <p>(b) Organizational charts of the structure and personnel at Headquarters were prepared and approved, and sent to all the IICA Offices in the Member States.</p>
3.2	<ul style="list-style-type: none"> • Draw up a list of the users of the different types of information being shared, and the most effective mechanisms for sharing same <p>An “Annual schedule for the management of internal information for management” was introduced, establishing the types of information shared, the deadlines for submitting reports, the recipients, and security measures for electronic communications.</p>
3.3	<ul style="list-style-type: none"> • Delegate more authority for middle management to respond to requests from other units <p>Teams have been set up at Headquarters to support the Directorates of Regional Operations, comprising local personnel from the Directorates of Human Resources, Programming, Budget and Control, Finance, and Performance Management and Evaluation. Their job is to improve coordination and help Headquarters respond more effectively to requests for assistance from the Institute’s Offices in the Member States.</p>
3.4	<ul style="list-style-type: none"> • Prepare and distribute among the countries a directory of the personnel at Headquarters, with their respective positions <p>(a) In 2003, a directory of Headquarters personnel was prepared and distributed among all the units at Headquarters and the Offices in the Member States.</p>

	<p>(b) An electronic directory was prepared containing the phone numbers of the staff and services at Headquarters, according to their location within the organizational structure. Both directories can be consulted directly in the Intranet by any IICA staff member.</p>
3.6	<ul style="list-style-type: none"> • Define clearly the channels of communication for each type of information <p>(a) The “Annual schedule for the management of information for management” clearly establishes to whom each type of information should be sent, and who should receive an electronic copy. The functional chain of command (regular procedure) defined in the organizational chart of the General Directorate is used for all other communications.</p> <p>(b) The correspondence manual was prepared and is being used. It defines: (i) the procedures and rules governing the approval and signing of communications sent to non-IICA recipients, and the use of different languages; (ii) guidelines concerning the content of communications, according to the type, the recipient and formal aspects for those sent to people outside the Institute; and, (iii) procedures governing the receipt, coding, and management of correspondence.</p>
3.7	<ul style="list-style-type: none"> • Train staff in the use of information and effective communication strategies <p>In 2003, these activities were limited to new personnel entering IICA. In 2004, a program has been establish for training in the management of communications for more efficient administration.</p>

PROBLEM 4. “Unclear message”

Objective: To make communications clearer and thereby improve the efficiency of IICA administration and the implementation of management decisions.

Actions:

4.1	<ul style="list-style-type: none"> • Training in how to write memorandums, letters, and other written communications <p>Based on the Correspondence Manual, all secretarial staff at Headquarters is involved in the 2004 training program.</p>
4.2	<ul style="list-style-type: none"> • Consider the languages needed to send information to the countries <p>Communications addressed to all Institute operating units or all the Offices in the Member States must use a two-column format (Spanish-English). This is mandatory.</p>
4.3	<ul style="list-style-type: none"> • Focus messages on the objective sought <p>The format for memorandums has been enhanced, so that the heading reflects the objective of the communication and the action being proposed to the recipient by the sender.</p>
4.4	<ul style="list-style-type: none"> • Region-specific information strategies <p>This recommendation has not yet been implemented. The matter needs to be studied further.</p>
4.5	<ul style="list-style-type: none"> • Design a control system that prioritizes needs and response timing <p>(a) Communications are classified according to their urgency and institutional importance, using letter and color codes, to make it easier to respond to requests (both at Headquarters and in the Offices in the countries). The urgency of the substantive content is the chief consideration.</p> <p>(b) Several units at Headquarters have been using the computerized system for keeping track of correspondence. The use of this system is also becoming widespread in the Institute’s Offices in the countries.</p>

PROBLEM 5. “Lines of communication and relations are not clearly established”

Objective: To establish the lines of communication through which information should flow in the institutional structure, including both the internal and external information needed for analysis and decision-making as part of the management process of the General Directorate.

Actions:

5.1	<ul style="list-style-type: none"> • Define duties and responsibilities clearly, and disseminate the information <p>Duties and responsibilities are clearly defined in the manual on how Headquarters is organized.</p>
5.2	<ul style="list-style-type: none"> • Respect the chain of command at all levels <p>Substantial progress has been made with regard to this recommendation, and internal communications involved in the management process are currently channeled by regular procedure and according to the guidelines established in the Correspondence Manual.</p>
5.3	<ul style="list-style-type: none"> • Failure to act on information <p>This report gives details of the efforts made by the present administration to strengthen communications for management, and thus make the General Directorate more effective.</p>
5.4	<ul style="list-style-type: none"> • Reduce the number and content of the reports requested from the countries <p>(a) The reports on the results achieved in implementing the cooperation agendas at the country level that the Offices send to Headquarters now cover a six-month period, and replace the quarterly and four-month reports.</p> <p>(b) The number of reports requested from the Offices in the countries is currently considerable. Efforts to rationalize these requests will continue in 2004.</p>
5.5	<ul style="list-style-type: none"> • Define specifically the action to be implemented with the information requested <p>The format for memorandums has been improved. The heading now includes the action/decision being requested. There is also a color code that shows how</p>

	urgently a reply is needed to the communication.
5.6	<ul style="list-style-type: none"> • Update constantly the instructions on current administrative procedures <ul style="list-style-type: none"> (a) The personnel manual is being updated to reflect the changes made in the Staff Rules. (b) Requests for information on annual programming have been updated, simplified and automated.
5.7	<ul style="list-style-type: none"> • Give middle management more authority for dealing with requests from the countries <ul style="list-style-type: none"> (a) When the Regional Centers were eliminated, the Representatives were given greater powers as part of decentralization to the country level. However, some core administrative aspects of resource allocation and staff appointments delegated to the Regional Centers are again being handled by Headquarters, because the Institute derived no benefits from decentralizing those responsibilities. (b) A team was set up at Headquarters to provide administrative support to the Directors of Regional Operations, so that requests and paperwork from the Offices in each region are processed more pertinently, consistently and promptly.

PROBLEM 6. “Excessive formal communication”

Objective: To make the management of information for the management of the General Directorate faster and more efficient, increasingly using electronic communications media and reducing formal communications wherever possible and advisable, provided that the rules governing formal communications are respected.

Actions:

6.1	<ul style="list-style-type: none"> • Define formal and informal modes of communication <p>Memorandum 488 from the Director General clearly established the differences between formal and informal communications, and encouraged the staff to contribute to a change of institutional culture, moving toward an organization whose use of paper is limited and that makes intensive use of electronic communication media.</p>
6.2	<ul style="list-style-type: none"> • Reduce the amount of information sent to the Offices in the countries <p>The Regional Centers were eliminated as of February 2002. In 2004, the strategic role of the Directors of Operations Regional will be strengthened. They are <u>not</u> an intermediate step in communications, since their core responsibility is to closely coordinate the Institute’s activities at the regional level, to develop and implement the Institute’s agenda at that level.</p>
6.3	<ul style="list-style-type: none"> • Reduce formal communications media and the mailing of hard copies of documents, using cheaper electronic methods instead <p>(a) The use of email within the Institute has grown exponentially (see Appendix). This has been a determining factor in the rapid reduction in the use of formal communication media.</p> <p>(b) There has been a significant reduction in spending on photocopying and the sending of hard copies of communications and documents via courier and regular mail, due to the intensive use of the Intranet and email for internal communications.</p> <p>(c) IP telephony pilot plan. A pilot project involving IP telephony is under way, permitting a maximum of 12 simultaneous calls at Headquarters. It is possible to make phone calls via the Internet for no extra cost, and with the countries and mobile users who have the VPN. This, in turn, makes it possible to increase institutional communications and considerably reduce the cost of international phone calls.</p>

	<p>IP telephony allows staff to make calls using a special IP phone, or software that simulates it, without going through traditional local or international switchboards. Instead, communication is made via the Internet. Using the appropriate equipment and the Internet, the Offices can hold IP videoconferences and thus reduce travel expenses. This also enables the specialists to have more real communication.</p> <p>With the new IP telephony technology, it is possible to install software licenses in the laptop computers of officials who are required to travel to other countries frequently. They can communicate with any telephone extension included in the VPN via the Internet without having to make an international call.</p> <p>For example, when officials travel to another country, they will be able to “take their telephone extension with them.” Regardless of where they are, if their computer is connected to the Internet and has sufficient bandwidth, they will be able to receive all calls made to the extension in their office, as if they were actually there.</p>
6.4	<ul style="list-style-type: none"> • Limit the number of reports that Headquarters requests from the Offices in the countries <ul style="list-style-type: none"> (a) The Offices in the countries only have to send a semiannual report on their activities in the first half of the year, another for the second half, and a summary of what was done during the year for the Annual Report for the OAS. (b) Significant progress has been made in reducing miscellaneous requests for information that units at Headquarters send to the Offices in the countries concerning a variety of technical and administrative matters.
6.6	<ul style="list-style-type: none"> • Adjust communications management to the cultural differences between countries <p>This responsibility is currently only assumed by the Representatives. More work and action on this important recommendation is needed in the future for communications originating at Headquarters.</p>

APPENDIX

A. Improvements introduced to strengthen email and facilitate its use

The following are the improvements introduced to strengthen email as the main channel for internal communications, thereby making the management of the internal information for institutional management more expeditious and efficient:

- a. **Security:** (i) establishment of mechanisms to reduce unsolicited mail (SPAM); (ii) ongoing updating of antivirus software; (iii) constant application of security patches; (iv) establishment of policies for filtering the traffic of files considered dangerous, or whose content is not work-related; and, (v) configuration of the firewall, so as to have a safe area in the network that reduces the risk of external attacks on the mail server.
- b. **Operational:** (i) increase in the bandwidth for Internet to increase the speed and number of incoming and outgoing emails, further reducing the need to print hard copies of documents and mailing costs; (ii) redundant connection to the Internet using fiber optic technology; (iii) continuous updating of the software in the Institute's computers; and, (iv) establishment of a Web-based mechanism for accessing email from any part of the world via <http://correo.iica.ac.cr>.
- c. **Technical:** (i) installation of a new mail server, with greater capacity and redundancy, to guarantee continuity of service; and (ii) constant updating of the mail server software.
- d. **Training:** (i) Training sessions on the use of Lotus Notes as an email, schedule and agenda tool.

B. Hemispheric-level agreements to modernize the communication system and cut costs

- a. Establishment and renewal of the Microsoft School Agreement 3.0, which will generate a saving of over US\$250,000 per year hemisphere-wide with respect to the standard commercial prices of the products used by the Institute.
- b. Establishment and renewal of the corporate agreement with Dell Computer Corporation for the procurement of computer equipment with discounts of 10%-20% on the prices published on the company's website.
- c. Establishment and renewal of the corporate agreement with Network Associates, for acquiring McAfee antivirus products with a 45% discount on standard commercial prices.

- d. Agreement with IBM for preferential prices, especially for its Domino, Lotus Notes and Informix products.
- e. Recognition of the Institute as an academic agency by Sun Micro Systems. This will enable IICA to opt for preferential discounts, including the possibility of free software.