

FICSA CIRCULAR



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From: Brett Fitzgerald, Acting General Secretary

**REPORT BY THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) ON
THE ICSC WORKING GROUP 3(2) TO REVIEW THE COMMON SYSTEM COMPENSATION PACKAGE,
PERFORMANCE INCENTIVES AND OTHER HR MATTERS**

(UNSSC Turin, Italy, 9 to 13 February 2015)

A meeting of the ICSC Working Group 3(2) to examine performance management (rewards and incentives), the use of National Professional Officers and the ICSC contractual framework was held from 9 to 13 February in Turin as part of the ICSC compensation review exercise. The meeting included representatives of staff, management and the ICSC.

Performance-related pay

In the previous meeting of ICSC Working Group 1 (4) held in November 2014, representatives of the ICSC and management of some organizations had supported a proposal to change the annual step increments so that a step would be granted only once every two years upon satisfactory performance. It was intended that the corresponding financial savings would be used to finance cash merit awards to be paid to the top 20 percent of staff as rated by an organization's performance management system.

The staff representatives expressed their concerns about awarding cash incentives to a relatively small percentage of alleged high performers at the expense of the majority of staff who would receive less frequent step increments and consequently become demotivated. Moreover, it was stressed that the performance management systems were not rigorous enough to measure the top 20 percent, that this would lead to salaries decided at the discretion of managers, that staff were smart enough to know that a bonus system funded from their own salary was not really a bonus system and that achievements at the UN were rarely attributable to a single person.

There appeared to be some agreement from the other parties regarding the current deficiencies with the performance management system and that staff would be smart enough to understand that recycling the same funds would not constitute an incentive.

It was agreed that it would be difficult to manage biennial step increments when the corresponding period of performance being appraised remained annual. The Working Group therefore agreed that the periodicity of step increments should remain annual.

There was also agreement for the need to strengthen the application of performance management systems in organizations and to enhance training.

Recruitment bonuses

The Working Group agreed that some additional incentives could be provided in circumstances in which highly specialized expertise was needed and the normal channel of recruitment did not yield appropriate candidates. Any additional recruitment incentive scheme would need to be assessed by the Commission after three years. Recruitment incentives should not exceed 25 percent of annual net base salary for each year of the agreed contract.

Possible retention and relocation incentives were also briefly discussed but it was agreed that retention incentives would not be necessary at the present time as retention did not seem to be an issue within the UN. It was stated that the mobility and hardship allowance scheme was in place for purposes of relocation and that other already existing mechanisms should be applied or strengthened instead of creating a new relocation incentive.

Use of National Professional Officers (NPOs)

Some organizations have increased the use of NPOs to carry out work which would normally be performed by an international civil servant. Although it was agreed that the role of national officers could be strengthened in some areas, they should not be used by organizations as a form of low-wage labour. It is recalled that National Professional Officers were introduced into order undertake work with "national content" and to contribute to capacity building within the country. The Working Group concluded that while there was a clear need to review the utilization, compensation, conditions of service and other issues affecting the NPO category, this should be done with the context of a comprehensive analysis of the utilization of all categories of staff in the UN common system. Recommendation would be made to the July 2015 session of the ICSC.

The Staff Federations expressed strong concerns that some organizations were relying heavily on temporary appointments and requested that the utilization of the three types of appointments (temporary, fixed term and continuing) be monitored.

Use of contracts

A discussion was held on whether the current system of contracts (continuing, fixed term, temporary) needed to be reviewed. The overall consensus, including from management, was that the current system worked well. It was pointed out that the constraints on temporary appointments within the UN (1.5 days leave) were imposed separately by the General Assembly

and this did not relate to the ICSC. Organizations were reminded that temporary appointments were not suitable over prolonged periods.
