Desk-to-Desk Assessment of the Human and Financial Resources of WIPO

Final Report

27 June 2007
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1. Introduction

1. This Final Report presents our findings and recommendations from the Desk-to-Desk Assessment of the Human and Financial Resources of WIPO. In this first Section of the Final Report, we:

- present the Study objectives;
- describe our approach and methodology; and
- express our appreciation for the support we have received during the Study.

Study objectives

2. WIPO stated in the Request for Proposals (RFP) that this project was to “assist the organisation in better aligning its human resources to its strategic goals, to provide input to the development of a human resource management strategy and to assist WIPO in continuing to discharge effectively its mandate while responding swiftly to changes in its external environment”.

3. The RFP identified three specific objectives, described below:

- **Assessment of resources and workload** - The requirement here is to ascertain whether current human resources for WIPO are commensurate with the workload and service levels required to discharge the approved programs in a cost effective manner. WIPO is an organisation delivering technical, and often legally sensitive, services to a mixed client community.

- **Recommendations on structure and strategic alignment** - The strategy for WIPO is determined by the global intellectual property environment and the expectations of the Member States. The detailed requirements on structure and alignment relate to:
  - The realignment of resources to meet changing or new needs;
  - Broader restructuring to enhance alignment with the strategy, and promote closer identification and engagement of resources with key strategic themes;
  - Organisational development around the suggested performance culture, possibly with flatter structures or less-formal project working;
  - Responding to opportunities/needs for resources; and
  - A structure that must be capable of supporting existing and projected needs for WIPO.

- **Opportunities for improvement** – The Study will provide a comprehensive and detailed review of WIPO’s Human Resources and is expected to generate consideration of opportunities for further improvements that will support the achievement of WIPO’s strategic goals.

Approach and Methodology

4. We have followed a Study approach with three strongly connected workstreams, for:

- Demand
- Supply
- Program Management.

5. The phases in the key Demand and Supply workstreams, shown in the overview model below, were:

- Project mobilisation (organisation and planning)
- Examination and fact finding on the current situation and plans
- Assessment of the current arrangements
- Evaluation of the scope for improvement for the future – the case for change
- Development of recommendations – with business case
- Final report.
6. Our approach to the Study has involved:
   - Structured interviews with over 90 WIPO managers;
   - Focus groups with other staff – providing an opportunity for a further 250 individuals within WIPO to contribute to the assessment process;
   - Review of WIPO HR policy, processes, and practices;
   - Review of specified other processes with a significant impact on workload, and the requirements for human resources;
   - Regular meetings with the Internal Project Steering Committee (IPSC);
   - Meetings with the WIPO Staff Council representatives;
   - Meetings with the WIPO Audit Committee; and
   - Attendance at WIPO Staff Meetings.

7. Our findings and recommendations have taken account of relevant UN practice and comparisons, and other appropriate benchmarks.

Limitations of this review

8. As confirmed at the outset of this project with the initial IPSC and WIPO Staff meetings, this review is neither an assessment nor an investigation of any WIPO individual’s role, responsibilities and performance and therefore cannot be expected to address any individual grievances, criticisms or allegations.

Appreciations
9. We wish to express our appreciation for the collaboration and co-operation provided by the above sources of WIPO involvement during the course of this project.
2. Executive Summary

10. The Desk-to-Desk Study for WIPO was commissioned to “assist the organisation in better aligning its human resources to its strategic goals, to provide input to the development of a human resource management strategy and to assist WIPO in continuing to discharge effectively its mandate while responding swiftly to changes in its external environment”.

11. The Study was not intended to include an evaluation of, nor an investigation into, the workload and competencies at the level of individual posts, but to provide:

- An assessment of resources and workload;
- Recommendations on structure and strategic alignment; and in particular
- Guidance on opportunities for improvement, to support WIPO’s Strategic Goals.

12. PricewaterhouseCoopers was engaged to undertake the Study, and our Study team began work in December 2006. This Final Report reflects our overall findings and recommendations which have been discussed and reviewed with WIPO representatives at relevant stages of the Study.

13. We use this Executive Summary to present key findings and recommendations. The detailed findings and evidence supporting the development of recommendations are presented in the main body of the Final Report. Further supporting detail is presented in the Annexes. There is also a summary of the final recommendations in Annex 1.

WIPO in context

14. The WIPO vision is that Intellectual Property is an important element in the economic, social and cultural development of all countries. This shapes the WIPO mission to promote the effective use and protection of IP worldwide.

15. Strategic goals are set out in a four yearly Medium Term Plan and are refined in the biennial Program and Budget. The Strategic goals, from the 2006/2007 Program and Budget are:

- To promote an IP culture;
- To integrate IP into National Development Policies and Programs;
- Progressive development of International IP Law;
- Delivery of quality service in Global IP Protection Systems; and
- Greater efficiency of Management and Administrative Support Processes within WIPO.

16. WIPO services are currently planned and delivered against the Strategic Goals through 31 Programs. There is significant variation in the size (by headcount) of each of the Programs. In total, as at January 2007, WIPO employed 1,249 staff. In relation to the Programs:

- Nearly 50% of staff are employed in two Programs:
  - Program 16: Administration of the PCT system with 451.5 Full Time Equivalent (FTE) staff, representing 37.5% of total WIPO staff; and
  - Program 18 Madrid, The Hague and Lisbon Registration Systems with 138.6 FTE staff, representing 11.5% of total WIPO staff.
- There are 12 Programs where the headcount is 10 or less.

17. Total staff numbers for WIPO have declined slightly over the past 5 years, from 1307 in 2002 and 1,353 in 2003 to 1,249 in January 2007. Of these, the number of staff employed on Short Term Contracts has been decreasing since 2002 to a figure of 359 in 2006. The headcount of 1,249 represented 1,204.8 Full Time Equivalents (FTEs) in WIPO.
18. It is important to note that demand has increased in areas with a particular potential impact on resourcing. For example for Program 16 (Administration of the PCT system), there has been a 6% average increase in demand year on year for several years. Increased workload has been managed with a mixed response involving: process review and new technology; partial outsourcing; and redeployment of individuals.

19. WIPO, as one of the Specialised Agencies of the UN, is bound by UN Common System rules and regulations and guidelines in the Human Resource (HR) field. WIPO HR policy and processes are consistent with, and derived from, the UN Common System and are varied for application in WIPO outlined in Staff Regulations and Staff Rules, with detailed guidance in Office Instructions.

**WIPO human resource supply**

20. WIPO is unique in our experience in having such low levels of staff turnover, only 2.6% in 2006 compared with a Swiss public sector benchmark of 7.5% to 10%. Of the 23 leavers, only 4 resigned, 18 taking retirement and one transferring to another Agency. As a related consequence, staff tenure in WIPO is high: the average length of service for all WIPO staff is 10 years. Even staff employed on Short Term Contracts tend to remain with WIPO for relatively lengthy periods, the average being 5 years, with some contractors continuing to work for WIPO for 10 or more years.

21. WIPO faces problems linked to the low staff turnover and long tenure of the workforce:

- **Low staff turnover:**
  - Can leave WIPO with staff whose competencies are no longer fit, or at the right level, to deliver the levels and standards of performance required; and
  - Reduces the opportunity to recruit external staff with new competencies and experience of different ways of working.

- **Long tenure:**
  - Drives up staff costs as individuals progress through salary scales, often without compensating increases in personal competence and performance;
  - Can carry additional rights;
  - Will add to staff frustrations over the lack of opportunities for promotion and job reclassification, particularly where the way the manner in which the current staff performance management and appraisal system is operated; delivers almost no differentiation of formally recorded performance levels, with all sampled annual performance appraisals showing a performance level at the highest possible level. This is simply not credible and severely limits or even eliminates the possibility of dealing effectively with any genuine poor performance or any outstanding performance.

22. It is also important to note that no member of the Regular staff has been dismissed, at least since 2002. The evidence from our interviews is not that this is because WIPO has no performance or disciplinary issues with its staff but rather because the current system (including the UN Common System) mitigates against taking disciplinary action. This is a fundamental weakness in our opinion and needs to be addressed if performance in WIPO is to be improved, fairly and consistently, across the organisation.

23. Our review also looked at any competencies that may be missing or under-represented in WIPO, and we have addressed this in our program of structured management interviews and in the focus groups with a wider staff community. We identified five broad clusters of competencies that WIPO needs to address as a matter of priority. These relate to:

- Management, in particular people management, skills;
- Information technology;
- Languages;
- IP specialisation; and
- Office management.
There are then other Program specific competencies.

24. Our findings and recommendations are described in detail in the main body of this Report but we draw particular attention to weaknesses in management skills and competencies as this has major implications for broader performance issues in WIPO today and would be a key barrier to success of any future organisational program for WIPO.

25. The rapid growth of WIPO through the 1990’s and in 2001 and 2002 created many new ‘managers’, often with only limited experience of the role they were now to undertake. The immediate focus was on delivering WIPO services to external stakeholders and in parallel there was no structured program of management development.

26. Weaknesses in the performance management and appraisal system mean that it is not possible to quantify the exact scale and nature of the current competency gap but evidence from our interviews and focus groups, supported by reviews of processes and trends on exceptional absence levels, indicate that this is a significant problem. Our view is confirmed by the importance placed on management development in the latest HR Strategy proposed by the Human Resource Management Department (HRMD).

27. We mentioned earlier in this Summary that WIPO currently has 359 staff employed on Short Term contracts, including consultancies. We have interviewed nearly 100 managers in WIPO and reviewed over 500 available WIPO job descriptions, and have found no significant difference between the roles and responsibilities of Regular and Short Term staff. The common arguments for Short Term arrangements are that individuals are to be employed on time-bound and often specialist projects. The WIPO reality is that annual Short Term contracts are terminated and new annual Short Term contracts issued to individuals doing the same work as colleagues on Regular/permanent contracts. Over 100 of the individuals on Short Term Contracts have been with WIPO for more than 7 years.

28. We believe that there is a strong case for many existing Short Term Contract positions to be included on the Regular establishment. However, we could not support a general plan to ‘rationalise’ the appointment of all staff on Short Term Contracts to Regular posts as:

- There is no evidence of consistent and rigorous analysis of the performance of staff on Short Term and similar contracts to determine whether those staff merit the offer of a new regular contract.
- Plans to improve and automate processes, and possibly to extend the scope of outsourcing, will reduce the WIPO need for staff on Short Term Contracts, in particular those on the General Service grades.

29. We have analysed staff absence as a guide to availability for work. Based only on data recorded as ‘sick absence with and without certificate’, the average number of absence days for WIPO staff is 12.5 days. This represents a total loss in 2006 to WIPO of over 15,000 days, equal to 75 FTEs. This is, in our experience, an unusually high level.

30. Some level of sick absence is inevitable in any organisation but the WIPO average of 12.5 days is more than double the current Swiss average of 5 days. This significantly higher level of sick absence for WIPO is therefore a matter for concern and further attention.

31. In our recommendations, we have identified a number of areas where it is essential to take action in order to improve management and staff performance in WIPO.

**WIPO performance**

32. In this section, we summarise our comments and findings on:

- WIPO Strategic Objectives
33. WIPO Strategic Objectives are presented in the Program and Budget, the WIPO website, and in other materials. The Strategic Objectives are well understood and positively advocated by senior staff, although other staff members have appeared to be less familiar with the Objectives.

34. There is a clear link between the WIPO Strategic Objectives and a number of Programs, providing an opportunity to link Objectives to clear deliverables and required levels of service. It should be possible to translate the Strategic Objectives into specific, and measurable, objectives and performance indicators for all Programs and for agreed Program objectives to be cascaded further to the level of organisational unit and individual, as the basis for a performance-oriented organisation. This would assist in aligning resources to plans and needs, and would also enable managers to focus and improve the performance of their staff.

35. However, based on our experience and findings from this Study, we have characterised the organisational culture of WIPO as not a performance-oriented culture but rather one of:

- **Entitlements** – This is evidenced in levels of sick absence being consistently high; examples of individuals asking for promotions and post reclassification on grounds of length of service in post rather than merit or that their responsibilities have increased; allegations of abuse of the flexitime and other leave provisions; and the norm being that staff expect to receive the top rating in their annual performance review.

- **Lack of pride in WIPO as an employer**: Issues raised include: managers viewed as not being competent; perceived acceptance of others abusing WIPO systems; worries about unfair discrimination for ‘speaking out’; and unfair Human Resource practices. We always expect that there will be some venting of feelings during a Study of this kind but this lack of pride has been a consistent theme across the WIPO focus groups, and is supported by comments from managers and supervisors.

- **Plans/talk rather than action**: Many of the weaknesses that we have listed to be addressed have already been identified within WIPO. There are a number of programs or initiatives that are either being developed or are waiting for approval before being implemented. But many initiatives have been in hand for very many months and have not yet been properly or fully implemented.

- **Emerging reality**: One of the most positive aspects of the organisational culture has been an acceptance of the need for change. For example a common observation in the focus groups was that poor performers, and in particular those who abuse local systems, should be considered for disciplinary action. There is also recognition of the need for objective and justified differentiation in performance management ratings.

36. We strongly support the view of the WIPO HRMD that it is critical to encourage and develop a performance-oriented culture within WIPO. Unless there is a significant, and positive, change we would expect that: key people may leave and it will become increasingly difficult to attract equally competent replacements; staff members will continue to press for promotion and reclassification, absorbing management time and possibly increasing employment costs; and absence levels (for whatever reason) will continue to increase. WIPO will find it increasingly difficult to provide cost-efficient and effective services and will not be able to respond quickly to changes in demand and/or priorities.

37. We have reviewed a number of WIPO Human Resource (HR) processes, and have considered the organisational arrangements and resourcing for the Human Resource Management Department. (HRMD). In summary:

- Current HR processes are detailed and clear but are lengthy and time-consuming. They are often paper-based and rely on a long chain of authority and approval. We support the HRMD
drive to develop technology-supported processes and recommend that more authority is
delegated to the Head of HRM.

- HRMD activities are substantially transactional, routine and often administrative in nature. There is considerable opportunity to change the way that HRMD works. This will mean
organisational change, a net reduction in HRMD staffing to benchmark norms, and the
recruitment of people with new, more strategic, competencies.

38. HRMD have prepared and consulted on an **HR Strategy for WIPO**. The draft document:

- Reviews patterns of employment in WIPO, observing that WIPO has now entered a
‘consolidation stage’ with an emphasis on qualitative rather than quantitative resourcing; and
- Highlights the mission, areas of input, and key and enabling elements of the proposed HR
strategy for the five-year period from 2007 to 2011.

39. The Strategy draws particular attention to the following key elements of the proposed Strategy:

- Targeted career and staff development;
- Integrated performance management;
- Optimum alignment of staff with WIPO’s strategic goals;
- Flexible contractual arrangements; and
- Stimulating and supportive work environment.

40. We support the broad thrust of the HR Strategy and would recommend it for early consideration
and adoption by WIPO.

**Demand**

41. The future Agenda for Development is certain to place additional and important demands on
WIPO but the initiatives to pursue have still to be determined and quantified. Therefore consideration
of demand associated with the Agenda for Development cannot be, and has not been, assessed as
part of this Study.

42. Demand for current WIPO services continues to increase, and this places increasing demand on
the existing managers and other staff. However, we see significant **opportunities for improving
performance, removing inefficiencies, and generally either reducing staff numbers or freeing
resources for new demands**. These opportunities are described in detail for each Program in Annex
2 to this Report.

43. Adoption and execution of the opportunities requires:

- Simplification and automation of work – with greater delegation and less reliance on paper-
  based systems;
- Implementation of supporting Information Technology (including the proposed Enterprise
  Resource Planning system - ERP);
- Managers being more active and effective regarding the performance of their people;
- Replacement of underperforming staff; and
- Consideration of the business case for full or partial outsourcing of certain functions.

44. We have analysed and discussed a potential net headcount saving, against current workload and
headcount, of an estimated 200 posts. Below is a broad guide to where we expect WIPO to be able to
achieve such savings:

- Process re-engineering and organisational restructuring, linked to the implementation of the
  proposed ERP – **48 to 55 posts**;
- Efficiencies from other technology opportunities, for example in PCT, HRMD, and for
  translation services – **40 to 55 posts**;
• Improved performance management, in particular in addressing high levels of sick and other absence, and poor performance. There is good experience of the potential to secure a 10% to 15% increase in performance, and this guide figure appears to be supported from our discussions with managers as long as they are able to remove consistent non-performers and replace them with competent and committed staff. Allowing for the limiting effect of Program size:
  
  o the efficiency improvement should be in the order of 80 posts;
  
  o the sick absence improvement could lead to releasing the equivalent of 20 posts.

45. Subject to the development of detailed business cases, we estimate that there is potential for outsourcing the work of a further 80 to 100 posts. Opportunities for further outsourcing can be considered in the following areas:

• Printing and publications, document management, archiving, messengers and drivers;

• Premises management;

• IT;

• World-wide Academy;

• Partial outsourcing, for example for overflow or peaks of work, for translation or for specialist procurement.

46. It is important to make two further points in relation to headcount efficiencies. First, many of the potential efficiencies rely on improvements across WIPO rather than in specific Program or organisation units. Second, efficiencies, particularly those resulting in reduced headcount requirements, will only be secured over a period of time, in most cases 3 to 5 years.

47. As an indication of potential savings we have summarised in the table below the long term impact on three Programs (for details see Annex 2, “Demand Analysis by Program”):

<table>
<thead>
<tr>
<th>Program</th>
<th>Address sick absence</th>
<th>Other Efficiency improvements</th>
<th>ERP-related improvements</th>
<th>Total, after 5 years</th>
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<tr>
<td>16 - Administration of PCT</td>
<td>9</td>
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<td>16</td>
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<td>30 - Travel and Procurement</td>
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<td>18 - Madrid, the Hague and Lisbon Registration</td>
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Integrating the Organisational improvements

48. It is entirely possible for WIPO to continue operating with only ‘business as usual’ changes to the current organisational arrangements, processes and systems, and ways of working. Any significant change brings opportunities but also challenges and risks. The ‘business as usual’ option is therefore one that would normally merit consideration and comparison with any other options. However, the signs are increasing that this is a time for WIPO to consider structured, and far-reaching, change, as indicated in the following paragraphs and in the body of this Report. We do not believe that the ‘business as usual’ option is valid for WIPO.

49. The important proposed efficiencies presented in summary above, and the other specific recommended improvements, will not be achieved without a well-structured, well-led, integrated, program for organisational improvement. Our interview program and feedback in the focus groups indicate that WIPO managers and staff are ready for significant change, and that a number have seen the WIPO decision to proceed with this Study as a clear, and welcome, signal that major change is on the WIPO agenda. Our assumptions for headcount requirements in WIPO are therefore based on WIPO committing to a program of organisational improvement, as described in this Report.

50. WIPO is a complex but not a large organisation. With more than 50% of staff employed in two programs, WIPO should be able to operate consistently as an employer and respond quickly to changes in external and internal needs. The challenges to this proposition arise for a variety of reasons, including:

- The Director General has tried to move WIPO away from the previous centralised organisational arrangements and to encourage local accountability, but managers at different levels in WIPO have not always taken the opportunities offered and accepted that new accountability.
- Many processes, particularly internal ones, are long, slow, and labour-intensive.
- There has been no structured investment in developing and assessing managers to play a full and competent role in service and people management.
- The number of Programs and perceived (but not especially evident) tensions between commercial and development activities, may have mitigated against thinking about WIPO overall as an organisation.
- Performance management has not been used consistently to assess and encourage individual performance in WIPO.
- WIPO is seen by many as a comfortable, and generally secure, place to work.

51. Our experience of major change, supported by evidence of recent programs in the UN (for example for UNDP, UNRWA) and Patent Offices (for example in the UK), confirms that a successful program of organisational improvement for WIPO:

- Should be planned and managed as an integrated program;
- Will take three to five years to achieve and embed all the objectives;
- Relies on the full support and continuing commitment of the leadership of WIPO;
- Requires support from Member States, including financial support for key change initiatives; and
- Must recognise that there will be a level of redeployment and planned redundancy to ensure that all WIPO human resources have the required levels of competence, capability, and commitment.
52. A summary integrated organisational improvement plan is presented below with approximate timing indicators, followed by a table of the required recommended actions with cross-references to the principal paragraphs in the main report which support the recommendations:

**Programme activity**

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<th>Phase</th>
<th>Action</th>
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<th>Q2 08</th>
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<td>1. Leadership &amp;</td>
<td>1.1 Management assessment</td>
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<td>3.3 Organisation design changes</td>
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<td>3.4 Revise and implement Job descriptions /</td>
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<td>3.5 Establish Redundancy / severance</td>
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<thead>
<tr>
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<th>Recommended Actions</th>
<th>Timing</th>
<th>Paragraph x-references</th>
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</thead>
<tbody>
<tr>
<td>1.1</td>
<td><strong>Management assessment</strong></td>
<td></td>
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</tr>
<tr>
<td>1.1.1</td>
<td>Confirm required management competencies (from WIPO HR strategy)</td>
<td>Q4, 07</td>
<td>223, 225, 230-238</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Design assessment centre</td>
<td>Q4, 07</td>
<td>Ditto</td>
</tr>
<tr>
<td>1.1.3</td>
<td>Train WIPO assessors</td>
<td>Q4, 07</td>
<td>Ditto</td>
</tr>
<tr>
<td>1.1.4</td>
<td>Run centre for: existing managers; high potentials; external</td>
<td>Q1, 08</td>
<td>Ditto</td>
</tr>
<tr>
<td>№</td>
<td>Recommended Actions</td>
<td>Timing</td>
<td>Paragraph x-references</td>
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</tr>
<tr>
<td>1.1.5</td>
<td>Continue on an annual basis to track development</td>
<td>Q1, 09 ongoing</td>
<td>Ditto</td>
</tr>
</tbody>
</table>

**1.2 Management Development**

| 1.2.1 | Define priority management training needs in particular for 07/09                     | Q1, 08 165-175 |                        |
|       | o Performance management                                                            |              |                        |
|       | o Absence management                                                               |              |                        |

| 1.2.2 | Design training programmes and assessment approach                                   | Q1, 08 165-175 |                        |

| 1.2.3 | Deliver management development and training programmes                               | Q2, 08 165-175 |                        |

| 1.2.4 | Revise and continue programmes to meet needs emerging from the Assessment exercise   | Q2, 08 ongoing | -                      |

**2.1 Performance management**

| 2.1.1 | Confirm the WIPO approach to setting objectives and managing team and individual performance, including a performance management approach that can be used across WIPO | Q1, 08 142-144, 151-154, 166-169 |

| 2.1.2 | Communicate WIPO and Program objectives and expected performance standards          | Q1, 08 155-158, 166-169 |                        |

| 2.1.3 | Cascade into Program and personal objectives - link to Management development above | Q2, 08 155-158 |                        |

| 2.1.4 | Agree objectives and performance measures for individuals                             | Q2, 08 151-154 |                        |

| 2.1.5 | Monitor performance actively during 08, address poor performance                     | Q2, 08 ongoing 151-154 |

| 2.1.6 | Review performance promoting fair and accurate rating                                | Q1, 09 142-144, 151-154, 173-175 |

**2.2 Career and staff development**

| 2.2.1 | Complete competencies matrix for all posts and address staff motivation              | Q1/2, 08 89-102 |

| 2.2.2 | Confirm career paths and opportunities                                              | Q1/2, 08 148-150 |

| 2.2.3 | Identify and communicate requirements for promotion, moving to a new role/Program   | Q2, 08 148-150 |

| 2.2.4 | Define training needs for the five identified competence clusters                   | Q2, 08 89-102 |

<p>| 2.2.5 | Develop, and roll-out a calendar of training programmes                              | Q2/4, 08 140-141 |</p>
<table>
<thead>
<tr>
<th>Nº</th>
<th>Recommended Actions</th>
<th>Timing</th>
<th>Paragraph x-references</th>
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<tbody>
<tr>
<td>2.3</td>
<td><strong>HR process redesign</strong></td>
<td></td>
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</tr>
<tr>
<td>2.3.1</td>
<td>Revise, and roll-out, HR policy and processes to improve recruitment, shorten decision chains, improve transparency, and enhance consistency across WIPO. The timing for this activity is linked to the implementation of appropriate new technology.</td>
<td>Q4, 08</td>
<td>131-139</td>
</tr>
<tr>
<td>2.4</td>
<td><strong>HRMD restructuring</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4.1</td>
<td>Roll-out WIPO HR Strategy</td>
<td>immediate</td>
<td>239-243</td>
</tr>
<tr>
<td>2.4.2</td>
<td>Restructure HRMD to place emphasis on guidance and decisions and away from rules and transactional authority</td>
<td>Q4, 08</td>
<td>239-243</td>
</tr>
<tr>
<td>3.1</td>
<td><strong>Process improvement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>Review major processes including processes covered in the Desk-to-Desk exercise, to identify opportunities for improvement, driven by: o Delegation o Accountability o Simplification Opportunities for automation or sharing services</td>
<td>Q4, 08</td>
<td>195 – 199 Annex 4</td>
</tr>
<tr>
<td>3.1.2</td>
<td>Implement possible revisions, not linked to automation.</td>
<td>Q1, 08 ongoing</td>
<td>Ditto</td>
</tr>
<tr>
<td>3.1.3</td>
<td>Include automation opportunities in the business case for ERP and other technology initiatives</td>
<td>Immediate</td>
<td>Ditto</td>
</tr>
<tr>
<td>3.2</td>
<td><strong>ERP and other technology</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.1</td>
<td>Finalise business base for ERP</td>
<td>Q4, 08</td>
<td>62</td>
</tr>
<tr>
<td>3.2.2</td>
<td>Prepare program for ERP implementation</td>
<td>Q4, 08</td>
<td>256</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Identify and contract consultants/contractors</td>
<td>Q1, 09</td>
<td>Ditto</td>
</tr>
<tr>
<td>3.2.4</td>
<td>Programme management</td>
<td>ongoing</td>
<td>Ditto</td>
</tr>
<tr>
<td>3.3</td>
<td><strong>Organisation design</strong></td>
<td></td>
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<tr>
<td>3.3.1</td>
<td>Review high level organisation structure, in particular: o Direct reports to Director General o Opportunities to link/cluster Programs, for management purposes</td>
<td>Q3, 08</td>
<td>244-248</td>
</tr>
<tr>
<td>3.3.2</td>
<td>Determine and implement agreed revisions</td>
<td>Q4, 08</td>
<td>Ditto</td>
</tr>
<tr>
<td>3.3.3</td>
<td>Review/revise other organisational units</td>
<td>Q1, 09 ongoing</td>
<td>Ditto</td>
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<tr>
<td>3.3.4</td>
<td>Consider the business case for extending outsourcing in key</td>
<td>Q1, 09</td>
<td>95, 101, 159, 194,</td>
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<td>N°</td>
<td>Recommended Actions</td>
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<tr>
<td>3.4</td>
<td>Job description/classification</td>
<td>complete by Q4, 08</td>
<td>156, 176-180, 184-186</td>
</tr>
<tr>
<td>3.4.1</td>
<td>Review/rewrite and rationalise all job descriptions</td>
<td>Q4, 08 ongoing</td>
<td>176-180</td>
</tr>
<tr>
<td>3.5</td>
<td>Redundancy/severance policy</td>
<td>Q4, 08</td>
<td>195-200, 258-260</td>
</tr>
<tr>
<td>3.5.1</td>
<td>Confirm a policy to cover efficiency improvement, job changes (linked to ERP) restructuring, absence and other performance issues, and other relevant topics</td>
<td>Q1/4, 08, Q1/4, 08</td>
<td>108-114, 122-126</td>
</tr>
<tr>
<td>3.5.2</td>
<td>Clarify and confirm the position of individuals on short term contracts with WIPO:</td>
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<td>3.5.3</td>
<td>Include a budget for severance in the Program and Budget for 09/10 – other efficiency savings to be funded on a case by case basis</td>
<td>Q2, 08</td>
<td>157, 195-200, 258-260</td>
</tr>
<tr>
<td>3.5.4</td>
<td>Annual review of opportunities for performance improvement and poor performance</td>
<td>Q4, 08 ongoing</td>
<td>110, 115 – 121, 151, 154, 228 – 229, 258</td>
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53. As stated, successful implementation of a WIPO program of organisational improvement will require the full support and commitment of the WIPO leadership, collectively and as individuals. The Director-level community will have key roles to play in planning and leading the proposed changes, communicating the case for change, and supporting their managers and staff through the changes,

54. We understand that any recommendations will be considered by Member States in September this year and that formal initiation of any program is unlikely to start before early 2008 although some important discussion and planning activities may begin before the end of 2007.

55. Success requires a significant improvement in management competencies, capability, and commitment. We anticipate a three-year program for management development in WIPO, but recommend that the program focus on performance management and attendance as the factors with greatest impact on headcount as well as making a start on the path to a more positive organisational culture within WIPO. The management development program would be initiated in 2008 but achievement of key deliverables, for example in terms of increased unit or Program performance, is unlikely to have any significant impact before the 2010/2011 biennium. Decisions are also required on ERP implementation. Headcount efficiencies linked to new IT could be included in the 2010/2011 biennium Program and Budget. Whilst these timings may appear somewhat ‘in the distant future’, they will only be achieved if key discussions and decisions are made in the very near future.

56. One of the key requirements will be commitment to a program of early retirement, redundancy and severance. WIPO has traditionally sought to redeploy rather than discipline and/or dismiss individuals who were not able to perform effectively in their current post. This strategy has worked reasonably successfully in avoiding major staff unrest but there is a clear, and growing, message that Programs and organisational units are reluctant to accept redeployed managers and staff. Given the weaknesses in the current performance management process and the lack of reliable evidence from
the process, it is unlikely that only very exceptional, cases could be made for any individuals to be considered for disciplinary dismissal before the 2010/2011 biennium. There may be cases in 2008/2009, for example linked to early retirement on sickness grounds, but these should be relatively few in number.

57. To help envision the required actions, we recommend an integrated program for organisational improvement in WIPO, planned and structured with three main components:

- Leadership and management
- Human Resource Management

58. The need to strengthen the leadership and management competencies has been a common concern raised during our review. This will involve attention to:

- the role of managers at various levels in the WIPO organisation structure;
- the alignment of authority with responsibility and accountability;
- the scale and nature of delegation; and
- decision making and accountability required at the various levels.

59. The WIPO HRMD is both a potential enabler of change and in need of significant change and improvement. The work already completed on the HR Strategy and management competencies points to clear thinking on the current and future human resource needs of WIPO. But HR activity in WIPO is heavily transactional with labour-intensive processes and outdated IT.

60. WIPO organisational arrangements, with supporting processes and systems have evolved over time and often in response to the demands from the many different communities serviced by WIPO.

61. We have questioned particular aspects of the current organisational arrangements, in particular:

- The number of senior managers, and organisational units, reporting directly to the Director General is far too broad with 15 direct reports in all;
- The continuing case for the extended Program structure when there are such significant variations in the size, and perceived impact, of Programs; and
- Areas of apparent duplication or common services, for example for translation.

62. The broader requirement for process and systems is that WIPO should map and analyse all key organisational processes so that they:

- Are streamlined, effective, and easy to use;
- Feature clearly-defined delegated decision-making points, with only those controls essential to protect WIPO; and
- Are designed to become part of the WIPO ERP system.

Key decisions required

63. The Study has identified a number of areas for improvement in WIPO, and we have proposed a structured Organisational Improvement Program as the way forward to secure those improvements.

64. We are aware that Member States will have different views on the current strengths and weaknesses of WIPO. Our discussions with the Audit Committee indicated that there was strong interest in early action. We support this message with the caveat that early action does not always or necessarily result in early deliverables. But we emphasise that any delay in authorising the proposed Organisational Improvement Program will extend the timelines for delivering improvements and is likely to exacerbate the current difficulties in WIPO.
65. We therefore commend this report and, specifically, the action programme summarised on page 14 for:

- Endorsement by the WIPO IPSC and WIPO Audit Committee
- Support and ownership by WIPO Senior Management
- Approval and appropriate funding by Member States.
3. WIPO in context

66. We use this Section of our Final Report to describe the current context for WIPO in terms of:

- Mission and strategy;
- Programs;
- Organisational arrangements; and
- The UN Common System – Terms and Conditions of Employment.

67. This Section provides a description of several important relevant features of WIPO’s current set up and operating environment. Our detailed findings and recommendations in relation to these matters are presented in later Sections of this Report.

Mission and Strategy

68. The WIPO vision is based on the core belief that Intellectual Property (IP) is an important component for the economic, social and cultural development of all countries. This shapes the WIPO mission to promote the effective use and responsible protection of IP worldwide.

69. Strategic goals are set out by WIPO in a four-yearly Medium Term Plan and are refined in the biennial Program and Budget. The Strategic goals for WIPO were under review and modified by WIPO during the course of this Study. The original Strategic goals, from the 2006/2007 Program and Budget were:

- To promote an IP culture;
- To integrate IP into National Development Policies and Programs;
- Progressive development of International IP Law;
- To develop international IP laws and standards;
- Delivery of quality service in Global IP Protection Systems; and
- Greater efficiency of Management and Administrative Support Processes within WIPO.

70. The revised Strategic goals, for the 2008/2009 Program and Budget are:

- Promoting a Balanced IP System and Realizing its Development Potential;
- Strengthening IP Infrastructure, Institutions and Human Resources;
- Progressive Development of International IP Law;
- Delivery of quality service in Global IP Protection Systems; and
- Greater efficiency of Management and Administrative Support Processes within WIPO.

Programs

71. WIPO services are planned and delivered against the Strategic Goals through 31 Programs. For each Program the biennium Program and Budget records:

- Challenges;
- Objective(s) – with Expected Results and Performance Indicators and Targets;
- Strategies; and
- Program linkages.

72. In relation to this Study, we will refer to the significant variations between Programs, for example in relation to the overall size of the Programs (in terms of headcount) and the quantification of Expected Results and Performance Indicators and Targets.
73. In relation to the variations in headcount:

- Nearly 50% of staff are employed in 2 Programs:
  - Program 16: Administration of the PCT system - with 451.5 Full Time Equivalent (FTE) staff, representing 37.5% of total WIPO staff; and
  - Program 18: Madrid, The Hague and Lisbon Registration Systems - with 138.6 FTE staff, representing 11.5% of total WIPO staff.
- There are 12 Programs where the headcount is 10 or less.

74. There are also differences in the nature and detail of Expected Results and Performance Indicators and Targets. For some Programs there are explicit workload metrics, for example linked to the number of applications or ‘systems availability’. For other Programs the descriptions of Expected Results are more qualitative, for example in terms of ‘increased awareness’.

Organisational arrangements

Like most organisations, WIPO is organised into functional units or departments. The Programs summarised in the previous section utilise resources within and across these functional units. The current top level functional organisation structure for WIPO is shown below.

75. The structure shown is highly centralised, with a total of 15 direct reports to the Director General. As with the Programs, divisional headcounts vary significantly in size. The more detailed organisation design in the organigram is largely the result of organic rather than planned organisational arrangements, responding to incremental change and opportunities. Centralised structures:

- can lead to delays in decision making, with a need to refer matters upwards for decisions;
- can allow, and even encourage, managers to avoid taking necessary accountability; and
- often fail to foster alignment of interests and efforts between senior management.
76. WIPO is an organisation in the midst of change and having to respond to many external challenges. During the course of this Study, we have become aware of proposals to revise organisational arrangements for a number of Programs and organisational units.

77. There appear to be job descriptions for all WIPO positions. We have reviewed over 500 job descriptions for WIPO. This is an unusually high number for an organisation the size of WIPO: we had expected to find no more than 200 job descriptions. Differences between job descriptions are often minor, sometimes only in how a task is described. This is a normal outcome from many job descriptions being written by staff members themselves rather than by management and/or human resource specialists.

78. The grading of a significant number of posts is currently being reviewed. This has required the revision of job descriptions as existing job descriptions often fail to provide a clear definition of responsibilities and accountability.

The UN Common System – Terms and Conditions of Employment

79. WIPO, as one of the Specialised Agencies of the UN, is bound by UN system-wide rules and regulations and guidelines in the Human Resource (HR) field. WIPO HR policy and processes are consistent with, and derived from, the UN Common System and are varied for application in WIPO in Staff Regulations and Staff Rules, with detailed guidance in Office Instructions.

80. We recognise that the implications of the UN Common System must be taken fully into account in the findings and recommendations presented later in this Report. We have considered relevant plans and practices within the UN system, and broader HR good practices, and their applicability for WIPO.
4. Supply side analysis

81. We use this Section of our Final Report to provide an analysis of the current staff numbers and themes, and HR policy and practice, under the following sub-headings:

- WIPO Resourcing
- HR processes
- Performance
- Good practice.

WIPO Resourcing

Resource allocation

Staff numbers

82. Our analysis has found that, following a period of rapid growth in staff numbers in 2001 and 2002, WIPO staff numbers have shown a small but sustained decline whilst remaining reasonably stable over the past 5 years, as shown in the following Figure and Table.

WIPO headcount from 2002 to 2006 by Regular and ST

<table>
<thead>
<tr>
<th>Headcount</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>Regular</td>
<td>845</td>
<td>939</td>
<td>934</td>
<td>912</td>
<td>890</td>
</tr>
<tr>
<td>Short Term Contract</td>
<td>462</td>
<td>414</td>
<td>382</td>
<td>351</td>
<td>359</td>
</tr>
<tr>
<td>Total</td>
<td>1307</td>
<td>1353</td>
<td>1316</td>
<td>1263</td>
<td>1249</td>
</tr>
</tbody>
</table>


83. The analyses are based on data for 1,249 employees, taken from WIPO HR data sources in January 2007. Although this figure is slightly below the headcount of 1,257 taken at December 2006, this does not have any significant impact on the results.

84. The number of regular staff rose in 2003 but subsequently reduced to 890 in 2006. The number of short term staff has been decreasing since 2002 to a figure of 359 in 2006. The headcount of 1,249
represents 1,204.8 Full Time Equivalents (FTEs) in WIPO. The following analyses are based on the number of FTEs.

85. Of the 1,204.8 FTEs, and as shown in the following Table, over half of all WIPO FTEs are in General Service positions, a third are professionals, and 5% are at Director level.

<table>
<thead>
<tr>
<th>Category</th>
<th>FTEs</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Directors</td>
<td>59</td>
<td>5%</td>
</tr>
<tr>
<td>Professionals</td>
<td>364</td>
<td>30%</td>
</tr>
<tr>
<td>General Service</td>
<td>649.5</td>
<td>54%</td>
</tr>
<tr>
<td>Others / Temporary</td>
<td>132.3</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1204.8</td>
<td>100%</td>
</tr>
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</table>

86. An important point here is that WIPO has been able to manage a steadily increasing workload (around 6% per annum for some of the larger Programs) without increasing the total number of staff. This has been achieved through a number of efficiency steps, including:

- Process change, often supported by the adoption of more appropriate technology;
- Redeployment of staff whose competencies were ‘time-expired’ - no longer appropriate for roles they had held;
- Outsourcing non-core activities; and
- Deferring non-critical initiatives.

87. We comment elsewhere in this Report on the scope for further efficiency but we should register here that the burden of coping with additional work without any significant change in WIPO resourcing has not been spread consistently across the organisation. Certain Programs, organisational units, and individuals are now at a point where it will not be possible to take on additional work without more significant changes in ways of working.

Roles

88. The following summary Figure and Table illustrates the distribution of WIPO FTEs by revised Strategy Goal and by Staff Category Level.

**Distribution of WIPO FTE’s by revised Strategy Goal and by Staff Category Level.**

[Graph showing the distribution of FTEs by revised Strategy Goal and Staff Category Level]

*Source: PwC Human Capital Analysis, February 2007.*
Strategic Goal | Directors | General Services | Others / Temporary | Professionals | Grand Total |
--- | --- | --- | --- | --- | --- |
To promote an IP Culture | 1% | 3% | 1% | 3% | 8% |
To Integrate IP in National Development Policies and Programs | 1% | 3% | 2% | 3% | 9% |
Progressive Development of International IP Law | 0% | 1% | 0% | 1% | 3% |
Delivery of Quality Service in Global IP Protection Systems | 1% | 32% | 7% | 12% | 52% |
Greater efficiency of Management and Administrative Support Processes within WIPO | 2% | 15% | 1% | 10% | 28% |
**Total** | **5%** | **54%** | **11%** | **30%** | **100%** |

The above table illustrates the % distribution of FTEs between the Programs.

**Competencies.**

89. We identified areas where there is a clear competence gap between what competencies currently exist in WIPO and what is required for now and in the future.

90. From the interviews with WIPO middle management, we have identified five broad clusters of competencies that WIPO should address. These relate to:

- Management skills
- Information technology;
- Languages;
- IP specialisation
- Office management (including IT skills).

91. The interviews we have conducted with 76 WIPO middle managers have shown that different skills and competencies are considered as important by the middle management. The following graph illustrates these different skills and competencies and provides an indication of where key skills are considered to be lacking or falling short in WIPO, especially in management, language and IT skills for P level staff. Higher university degrees, especially in the field of IP law and Development Economics, are considered desirable by the WIPO middle management. Organisational skills should also be improved. However, we found that the WIPO middle management is generally satisfied with the communication and diplomatic skills of their staff.

* The figures on the y-axis in the following chart represent the number of WIPO middle managers considering the relevant skill as necessary. The blue proportion shows how many consider their staff possess sufficient skills in each category and the red proportion shows how many consider they have insufficient skills in each category.
92. We review each of these competencies in more detail below, and also comment on some specific needs for Programs and organisational units.

**Information technology**

93. WIPO is an organisation that relies on effective information technology for service provision and for its own management and administration. Member States are particularly concerned that WIPO services provide applicants with the most appropriate and user-friendly facilities.

94. Existing applications appear to be supported appropriately but we noted the lack of a strong and clear IT strategy and appropriate design and development capabilities, especially with regard to the capacity to implement to program requirements. There is currently a separate consultancy reviewing the IT function, but we have identified gaps in the areas of:

- IT strategy, which potentially requires contribution at the level of a high quality Chief Information Officer and/or a competent IT governance board;
- Business analysis – to assist Program teams in identifying and establishing the financial and operational benefit of new processes supported by new or enhanced IT;
- IT Project Management – using specialists to ensure that new developments are implemented to time and budget, and that all deliverables are secured. The general practice is that most new IT developments of scale would be undertaken by teams of contractors or other third-parties. This places further responsibility on IT Project Management.

**Languages**

95. WIPO needs technical language support in many languages. Historically the core languages required for applications and other services were European, in particular French and English, and WIPO is already well resourced to respond to these core requirements. However, there is a significant increasing demand for technical language capability in Japanese, Chinese, Korean, Russian, and Portuguese and WIPO is building up competencies in these ‘newer’ languages, using some existing
WIPO staff and also outsourced and contracted capacity. We have identified systems and process changes that would result in improved performance for translation and related services, but these will not completely replace the need for technical support in the ‘newer’ languages. We recommend that WIPO continues to consider both extending language training for existing WIPO staff and further outsourcing.

96. Language skills in general, for P and G staff, are considered as important by almost all WIPO middle managers. However, they are concerned about the English language level of their staff, especially of on G level.

Graph: Language skills considered as missing or available by the WIPO middle management: Comparison between P and G staff.

IP Specialisation

97. Inter alia, the long tenure and low staff turnover for WIPO staff have made it difficult for WIPO to attract and develop leading edge competencies in the broad area of IP specialisation. We understand that this is an area which has also attracted comments from certain Member States, concerned that WIPO may not be balancing the need to remain at the leading edge on IP, in particular in the newer areas, with recruitment of senior staff to take on broader management roles.

Management

98. The need to effect substantial improvement in management competencies in WIPO has been a consistent message in our fact finding and analysis. Enhanced management competencies will support the necessary acceptance of management accountability, and provide individual managers at both P and D levels with the skills to manage performance more effectively. This is critical to WIPO’s future sustainability and we return to this issue later in this Report.
99. A number of Program Managers and other senior staff have commented on the need for their staff to gain, or improve, basic office management skills, for example in the use of Microsoft Office and other local technology, and for administrative, clerical, and secretarial skills. General IT Skills (use of Microsoft Office) are not only lacking on G-level, but as well on P level and have to be improved, through internal or external training programs.

100. We recognise that there are also areas where Programs and organisational units have, or will have, a need for managers and staff with particular competencies. Examples include:

   - Human Resources Management Department (HRMD) will need to recruit or develop people with competencies in strategic HR Management rather than the current transactional roles; and
   - The Agenda for Development is likely to identify additional requirements for new competencies, for example in development economics.

101. These, and other more specific needs, will emerge over the course of the next 5 years and we recommend that WIPO:

   - Focus on the five broad cluster of competencies identified above, with training and development and selective recruitment or outsourcing/contracting;
   - Address the more specific needs through recruitment of new staff as the needs emerge and are quantified through the Program and Budget process

102. We have commented above on specific gaps in competencies between what exists and what is required. The more common concern for WIPO managers is that managers and other staff may not have the right level of competencies, or are not sufficiently motivated to use their existing competencies to full effect. The concern is therefore more about a performance gap than a competency gap. There remains a strong case for using training and development approaches to improve levels of competency, for example for languages and to promote the effective use of existing technology. But training and development will only be justified when performance issues are resolved. We believe that more effective leadership and management is key to improved performance and the sustainability of WIPO.
Core staff demographics - Gender

103. The overall gender ratio of WIPO staff is 55% Female and 45% Male. The distribution of Males and Females by Category is illustrated in the following Figure.

*Graph: Distribution of Males and Females by Category (Y axis: number of staff).*


104. Relevant key points are:

- At the Director level there are 50 Male Directors compared to 9 Female Directors. This has been an area of attention for the Staff Council but is one where WIPO has to recognise the legitimate concerns of a number of stakeholders.
- There are 62% (426) of Female staff in the General Services category. This appears to be reasonably consistent with local employment patterns in the Region.
- Of the 142 WIPO staff who work part-time only 5 are Male. Again, this is not inconsistent with local employment patterns.

Core staff demographics - Age

105. The average age across all WIPO staff is 44. The youngest member of staff is 22 with the oldest at 77.

106. Across the distribution shown in the graph below, the 25% percentile age is 37. This is consistent with the relatively small population of staff under 30. At the top quartile (75% percentile) the age is 50. Half of the WIPO staff are aged between 37 and 50.
107. It is likely that retirement will continue at current levels for the next 4 years, but WIPO then faces the prospect of a significant, and annually increasing, number of retirements:

- Creating opportunities to recruit new staff with relevant competencies and experience of different ways of working; but
- With the prospect of a skills and experience gap in certain areas unless succession is planned and managed.
**Staff turnover**

108. WIPO has exceptionally high levels of staff retention. Since 2003, the average staff turnover (terminations by reason of: resignations, retirements, and transfers) for regular staff has been between 2.5% and 3%, as shown in the following table.

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deceased</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resignation</td>
<td>19</td>
<td>14</td>
<td>7</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Retirement</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>19</td>
<td>18</td>
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<tr>
<td>Secondment</td>
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<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>39</td>
<td>28</td>
<td>23</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td><strong>% Staff turnover</strong></td>
<td>4.6%</td>
<td>3%</td>
<td>2.5%</td>
<td>3%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

109. Comparable figures from the recent survey of Swiss organisations in 2006, indicate staff turnover in the range 7.5% to 10%. The comparison data for resignations only from the Swiss survey is 3% to 5%, while for WIPO the figure is 0.7%. The strong evidence is that, at least in comparison with experience in other Swiss organisations, staff have clearly tended to stay with WIPO as an employer rather than seek employment elsewhere and leave. This, in our experience, is a highly exceptional finding.

110. It is also important to note that no member of the Regular staff has been recently dismissed, at least since 2002. The evidence from our interviews is not that this is because WIPO has no performance or disciplinary issues with its staff but rather because the current system (within the context of the UN Common System) mitigates against taking any disciplinary action. This, in our experience, is exceptional and needs to be addressed if performance in WIPO is to be improved, fairly and consistently, across the organisation.

111. We also looked at figures for tenure – length of service – for WIPO staff. The average length of service for WIPO staff is 10 years. The average length of service for Regular Staff is 11 years. For staff on Short Term Contracts the average is 5 years. We would expect that short term would be project based or to meet identified, and non-permanent, workload demands. Therefore, the Short Term ‘length of service’ is exceptionally high.
Graph: The graph below illustrates the distribution of staff according to years of tenure.

112. The distribution shows a significant population of Regular Staff with very long length of service (10 and more years) with WIPO. The distribution also shows that the majority of staff on Short Term Contracts have continued working with WIPO for 4 and more years, and that some staff on Short Term Contracts have been working with WIPO for up to 12 years.

113. We often find in many other organisations that the challenge with issues of tenure and staff turnover is usually that levels of staff turnover are too high. This is certainly not the case with WIPO. In fact WIPO faces problems linked to the low staff turnover and long tenure of the workforce:

- Low staff turnover:
  - Can leave WIPO with staff whose competencies are no longer fit, or at the right level, to deliver the levels and standards of performance required; and
  - Reduces the opportunity to recruit external staff with new competencies and experience of different ways of working.

- Long tenure:
  - Drives up staff costs as individuals progress through salary scales, often without compensating increases in personal competence and performance;
  - Often carries additional rights, for example increased holiday entitlements; and
  - Will add to staff frustrations over the lack of opportunities for promotion and job reclassification.

114. We return to the issue of staff on Short Term Contracts later in this Report, but it must be emphasised that the current reality is that individuals on Short Term Contracts are often retained on renewed contracts for many years. This does not appear to be consistent with good practice where Short Term (and other special) Contracts would be offered only where the work to be undertaken relates to a time-bound, rather than continuing, project or special activity.

Absence

115. We have analysed staff absence as a guide to availability for work. Based only on data recorded as ‘sick absence with and without certificate’, the average number of absence days for WIPO staff is 12.5 days. This represents a total loss to WIPO of over 15,000 days, equal to 75 FTEs.

116. We have compared the WIPO sick absence figures against data from the survey for Swiss organisations. In order to optimise comparability, the survey data were from 25 organisations, with a
total of 25,650 employees. 80% of survey participants were from the Swiss public sector (including Government, cantons and municipalities) and 60% of the sample organisations were in the French speaking part of Switzerland.

Sick absence levels from the organisations in the survey are lower than those recorded for WIPO, with average levels of between 4 to 6 days per annum compared to the WIPO annual average of 12.5 days. A recent national survey has identified an average sick absence level of 5 days per annum per person. The significantly higher level of sick absence for WIPO is therefore a matter for concern and warrants further attention and action.

117. Particular aspects of the data relating to this level of sick absence that should be noted are that:

- A quarter of all WIPO staff take less than an average of 2 days sick absence per annum, and the median absence level is 6 days per annum. To arrive at an average of 12.5 days, it means that there is a very significant number of staff with very high sick absence levels.

- 10% of WIPO staff each have more than 27 days sick absence per annum. Of these, 82.7% are Regular Staff and 17.3% are on Short Term Contracts.

- Unless controlled by line management with the support of specialists from the Human Resources Management Department (HRMD), the recent WIPO decision to extend and ‘improve’ the sick absence provisions for staff on Short Term Contracts appears likely, in our view, to lead to a further increase in sick absence.

118. The Director of HRMD intends to reduce the number of days that may be taken as sick absence without a certificate. We welcome this initiative but believe that sick absence at these levels is often an indication of wider issues associated with management authority and accountability, as well as of staff morale and motivation.

A related issue regarding absence levels is that there are long-standing concerns in WIPO with regard to:

- alleged abuses of the flexitime scheme; and

- the timing and frequency of medical appointments within normal working hours.

119. We have also researched the broader issue of attendance for WIPO staff, considering the average number of working days per annum net of all types of annual leave, credit leave, public holidays, sick absence and all other categories of leave or absence. Average attendance at work for all WIPO Staff is 200 days per year.
120. The following graph presents the average number of working days per staff category.

*Graph: Number of working days by staff category.*

![Graph showing average number of working days per staff category.](image-url)

**Source:** PwC Human Capital Analysis, February 2007.

121. The key messages are:

- Staff on Short Term (and other special) Contracts have the highest average number of working days at 232;
- General Service staff have on average 39 days less days than this category, with an average of only 193 working days;
- A more detailed level of analysis reveals that the grades with the lowest average number of annual working days are:
  - G7: 189 days at work; and
  - P3: 189 days at work.
- On average Regular Staff work 195 days per annum; and Short Term Staff work 212 days per annum.

### Short Term Contract staffing

122. As shown in the analysis above, WIPO currently employs over 130 staff on Short Term and other specialist Contracts. Many of these staff have been employed on near-to-annual contracts which have been renewed over several years.

123. Program Managers and other senior managers have stated that many of the staff employed on Short Term Contracts have identical duties to Regular staff in the same organisational unit. There had been a practice in some Programs and organisational units to use Short Term Contracts, or consulting contracts, to avoid the restrictions associated with creating new Regular posts. Such contracts have also been used as an informal probation.

124. Many of the staff employed on Short Term Contracts from 2001 and 2002 continue to work with WIPO. One argument used to explain this situation is that there is a concern that not renewing a Contract would mean that the unit would lose a resource.
125. Our review of WIPO job descriptions found that the job descriptions used for Regular and Short Term Contract staff are often substantially the same. This supports the feedback from WIPO managers.

126. Our recommendations for organisational improvement, presented later in this Report, include a recommendation that WIPO conducts a full review of Short Term Contracts. We believe that there is a strong case for many existing Short Term contract positions to be included on the Regular establishment. However, we could not support any generic plans to ‘rationalise’ the appointment of staff on Short Term Contracts to Regular posts as:

- There is no evidence of consistent and rigorous analysis of the performance of staff on Short Term and similar contracts to determine whether those staff merit the offer of a new contract.
- Plans to improve, and automate, processes will reduce the WIPO need for staff on Short Term Contracts, in particular those on the lower General Service grades.

**HR processes**

127. We have analysed and reviewed the WIPO HR policies and processes. WIPO operates with a bureaucratic but generally clear set of HR policies. These are consistent with, and derived from, the UN Common System and varied for application in WIPO in Staff Regulations and Staff Rules, with detailed guidance in Office Instructions.

128. Many of the core processes:

- are paper-based, with multiple copies of documents to be circulated within, and outside, the Human Resource Management Department (HRMD);
- include the requirement for approval and sign-off across several levels of WIPO management, for example the process for engaging an individual on a short term contract can require inputs from the host Department; HRMD; Office of the Controller; and the Office of the Director General; and
- place accountability for action with HRMD rather than with line managers, for example Flexitime administration and management.

129. HRMD operates with two core HR management systems (Segagip and HR Access) that are in need of early replacement. There is no facility for multi-person access to documents and reports, and no easy-to-use workflow management facility. Efficient and effective HR management requires a robust and effective automated HR management system. Processes designed around an effective HR management system will offer higher levels of service to users, and should result in reduced headcount requirements for transactional activity within HRMD.

130. Key policies and practice are reviewed in more detail below, we then comment on the proposals for a WIPO HR Strategy already in development.

**Recruitment (Engagement)**

131. Recruitment activity in WIPO is centralised in HRMD, with detailed process steps and levels of authority. Recruitment activity in WIPO peaked in 2001 and 2002 with over 150 posts advertised, and 7,000 applications compared to around 50 posts advertised and 2,000 applications in 2006.

132. Our study of a sample of recent recruitment events confirmed that the recruitment (engagement) process can take three or more months from a vacancy being notified to be filled, through to an appointment being confirmed. Given that approvals can also be delayed and that the successful candidate will normally be required to work a period of notice with their current employer, this means that it can take up to six months before a new candidate joins WIPO.
133. Such lengthy periods will pose problems for the host Department covering a vacancy, and will also raise the prospect of strong candidates finding opportunities with other employers while the WIPO process continues.

134. Options for improving the process include:

- Delegating authority for appointments to the Director of HRMD;
- Promoting on-line applications for advertised posts;
- Reducing the length of time during which an advertisement is open;
- Communicating planned dates for interviews and Appointment Advisory Boards in the advertisement and supporting material;
- Inviting Appointment Advisory Board members, and possibly reserves, to sit on particular days; and
- Training, and accreditation, for all interviewers and Appointment Advisory Board members.

135. A more fundamental question concerns final decisions in the event that a Board is convened. At present Boards make recommendations on appointments to the Director General, who is unlikely to have seen the performance of candidates at the Board. The Director General then approves or questions the Board recommendation.

136. The Board comprises senior managers from WIPO and representatives from the Staff Council. There is a Chairman (with a casting vote) and non-voting attendance from the HRMD and from the employing Department. Concerns have been raised with us regarding the role for the representative of the employing Department, principally on the grounds that individuals may have influenced Board decisions either by recommending a particular candidate or by indicating that a candidate would not be acceptable.

137. We consider that it is critical for the accountability for an appointment to be clear. We recommend that WIPO retains the Board approach but adopts additional roles. We see two major options:

- For the employing Department to propose candidates that they believe are technically competent, with written notes on the perceived strengths and weaknesses of the candidates to be interviewed at the Board, but for there to be no representation from the Department at the Board meeting.
- For a senior manager in the employing Department to take the lead role, chairing the Board, with representation from HRMD and others. The recommendation for appointment is from the Department. The role of other Board members is to satisfy themselves:
  o That all candidates were given a fair opportunity to demonstrate their competencies relevant to the post;
  o That the successful candidate is fully competent to discharge the responsibilities of the post as described in the job description and other supporting material; and
  o That the candidate recommended for appointment is the best candidate for the post of those considered by the Board.

138. We can understand that WIPO has a particular interest in demonstrating objectivity through using independent Board members, but the trend in public and private sector organisations is for employing Departments to take the lead role and accountability for appointments. Either approach above could be made to work. The requirement is to operate with a process which is consistently interpreted and applied and is demonstrably fair to all candidates.

139. We would also recommend that authority to approve an appointment, at least up to the level of Director be delegated to the Director of HRMD.

**Training and Development**

140. The Training and Development activity in WIPO offers a range of core courses covering: language training; IT and office management skills; and related personal development programs.
There has also been support for one-off initiatives, for example for team-development in organisational units.

141. To date the training and development offering has been transactional, responding to demands with core or specially-commissioned programs. There are plans to shift the emphasis to provide an integrated program of management development. We support this directional shift and recommend that any new program activity should be consistent with the program for organisational improvement that we recommend for WIPO outlined elsewhere in this report.

Performance management

142. WIPO operates with an annual (periodic) review of performance for all staff. This process is followed with different degrees of attention and consistency across WIPO, but our overall finding is that the way in which the process is interpreted and applied is deeply flawed. The process envisages objective setting, appraisal of performance and performance rating. Evidence submitted to us during our fact finding is that:

- Objectives are not always set and agreed, and objectives that are set may be inconsistent with Program or organisational unit objectives. Only in very few parts of the WIPO structure is there a clear and consistent cascade of objectives from Programs and/or organisational units to individuals.
- Appraisal meetings should be held between manager and the appraisee to discuss performance (against objectives), but we understand that it is not unusual that such formal appraisal meetings do not always take place.
- Performance will usually be rated at the highest level. Managers have explained that rating anyone at a lower level, even when thought to be justified, results in lengthy and time-consuming appeals, and is simply not worth the effort of being honest and objective. Managers are also concerned that they will not have the support of their own managers if they take a firmer line with their staff.

143. We have identified this weakness of performance management as one of the major problems to be addressed if WIPO is to be able to effect significant performance improvement.

144. WIPO is piloting a new performance management scheme in PCT Administration. While we support the new initiative our view is that this will not solve the broader issues of management accountability and ensuring a fair and consistent approach. We address these broader issues later in this Section under the heading of Performance, and in our plans for organisational improvement presented elsewhere in this Report.

WIPO HR Strategy

145. HRMD have prepared and consulted on an HR Strategy for WIPO. The draft document:

- Reviews patterns of employment in WIPO, observing that WIPO has now entered a ‘consolidation stage’ with an emphasis on qualitative rather than quantitative resourcing; and
- Highlights the mission, areas of input, and key and enabling elements of the proposed HT strategy for the five-year period from 2007 to 2011.

146. The proposed Strategy draws particular attention to the following key elements:

- Targeted career and staff development;
- Integrated performance management;
- Optimum alignment of staff with WIPO’s strategic goals;
- Flexible contractual arrangements; and
- Stimulating and supportive work environment.
147. We support the broad thrust of the Strategy and would recommend it for early consideration and adoption by WIPO. We consider and comment on each of these key elements below.

**Targeted career and staff development**

148. We support the view that this is a priority area for WIPO, both as good HR practice and in preparation for the new and additional resources that may be required linked to the retirement profile and expected workload growth in key Programs.

149. The HR Strategy proposes that priority is given to leadership and management skills. This is essential as an element of this HR Strategy and acts also as a critical success factor for the program of organisational improvement that we are recommending for WIPO generally.

150. There is a proposal to develop a culture of learning. We see this as an important longer term direction for the HR Strategy but would raise a note of caution in case employees interpret this as providing rights for them to attend training programs. The learning culture can be reflected in points identified in the Strategy, for example: rotation programs and other exchanges.

**Integrated performance management**

151. As mentioned earlier, performance management in WIPO was identified as one of the major organisational deficiencies and is clearly a cause for considerable concern for many managers and other staff. Performance management is a priority area for attention.

152. The HR strategy proposes a ‘new performance management and development system’. We have reviewed the new scheme being piloted and believe that it can provide a sound base for future performance management.

153. We also share the view that there are requirements for a system that:

- Aligns personal objectives and performance with WIPO Strategic Objectives, Programs, and plans;
- Encourages and requires dialogue to correct or confirm performance;
- Identifies competency-based learning and career development opportunities for staff; and
- Links individual performance with consequences.

154. Our view is that many of the problems with the current arrangements are behavioural rather than systems-related. There are three points that we wish to emphasise:

- First, managers will need professional training to be able to conduct objective setting and performance assessment reviews. One of the key issues to be addressed will be poor performance, possibly linked to absence or potential abuse of WIPO systems. Managers need to be confident that they are able to manage difficult situations, giving balanced feedback - i.e. giving 'bad news' as well as recognising strong performance and commenting on development needs and opportunities.
- Second, the consequences of poor performance should be reflected in performance ratings, and could involve disciplinary action. This has not been the case in WIPO, but there is clearly a strong feeling in management and other staff that things have to change.
- Third, managers need to know that if they have acted properly and consistently with the system and their training, they will be supported in their actions by their own managers.

**Objective Alignment of Staff with WIPO Strategic Goals**

155. The Strategy acknowledges that there are problems associated with:

- Length of service of WIPO managers and staff leading to a skewed distribution of higher grades;
- The historic practice of people moving with their posts to new units; and
The contracts on which people are employed, particularly in relation to the relatively large number of people on Short Term Contracts who have worked at WIPO for many years.

156. We support the advocated solution including:

- New job descriptions, written by management in a common style to facilitate job evaluation and classification;
- Improved post management, with organisational units being more involved, and accountable, in staffing issues;
- Alignment of employment contract type with the role – and enforcement of provisions, for example for short term contracts; and
- Provision of severance opportunities.

157. We recognise that a severance program of any significant scale will be a challenging development for WIPO but we see this as an essential component of organisational improvement. Enforcing the existing terms of short term contracts will itself represent a significant change for WIPO.

158. One important opportunity will be to establish parallel career streams for managers and for technical or professional specialists. The current job classification systems, and the historic WIPO practice, have been interpreted such that professionals with limited competence and interest in managing people and other resources have accepted managerial roles to secure improvements in grading and pay. This needs to be addressed.

Flexible Contractual Arrangements

159. The Strategy envisages developing agreements and partnerships, and also more flexible resourcing arrangements, for example outsourcing and internships.

160. All of these developments are consistent with good practice in people management. We have seen examples where career development for an individual might be best achieved with a secondment to a ‘partner’ organisation, or where a fixed-term secondment into WIPO would provide WIPO with access to essential skills.

Stimulating and Supportive Working Environment

161. We certainly support the overall objective of providing ‘a stable and rewarding environment conducive to learning, creativity, innovation, and engagement in order to obtain the best contributions from our staff’. However, we believe that the current wording of the approach could be interpreted as emphasising benefits to the staff over their best contributions to the benefit of WIPO as an organisation.

For example:

- We have conducted a summary exercise to benchmark earnings for WIPO staff against those for comparable jobs in other Geneva-region organisations. Our overall finding was that WIPO pays at least at the market rate and that the additional special UN conditions would mean that staff enjoyed higher overall compensation.
- The possible abuse of existing ‘work-life balance arrangements’ has been a major concern within WIPO. This perception, or reality, will need to be addressed alongside any further developments.
- The existing arrangements for counselling do not appear to have had a particularly beneficial impact on staff motivation and attendance.

HRMD in the future

162. The HR Strategy must be supported by a robust technology platform. The Strategy proposes an integrated and comprehensive HR Management System (HRMS) to replace the existing systems. We
see this as an essential condition for success. The new system should permit to develop technology-supported processes in HR and more authority should be delegated to the Head of HRMD.

163. A new HRMS will permit improved staff and manager self service, improving service levels and reducing the demand for HRMD resources to assist with transactional matters. Linking to Finance and other systems, there should be one integrated source of data and information, again saving time and promoting more efficient and effective decision making. This should allow a net reduction in transactional HRMD activity and the opportunity to move to benchmark norms for staffing, with recruitment of experienced people with new, more strategic, HR competencies.

164. Alongside a new HRMS, which may be initiated through the planned Enterprise Resource Planning (ERP) initiative, we would expect to see:

- Restructuring within HRMD to:
  - Enable a more strategic approach to HR management in WIPO;
  - Provide centres of excellence around activities such as recruitment and compensation;
  - Encourage line managers to play their proper role in people management, supported by dedicated HRMD professionals; and
  - Promote efficiency and effectiveness through linking transactional activity, possibly with partial outsourcing.
- Re-engineering and simplification of core processes, in particular with increased delegation and acceptance of accountability.

Performance

165. We have identified a number of areas where it should be possible to improve organisational and personal performance in WIPO.

Strategic Objectives

166. WIPO Strategic Objectives are presented in the Program and Budget, the WIPO website, and in other materials. The Strategic Objectives are well understood and positively advocated by senior staff, although other staff members have appeared to be less familiar with the Objectives in total, for example not being aware of the recent change even though it has been communicated.

167. There is also a clear link between the Objectives and a number of Programs, providing an opportunity to link Objectives to clear deliverables and required levels of service. The Strategic Objectives therefore provide an important guide to the strategic direction for WIPO and should influence ways of working.

168. It should be possible to translate the Strategic Objectives into specific, and measurable, objectives and performance indicators for all Programs. However, we recognise that there are different levels of organisational maturity across the Program structure.

169. Agreed Program objectives should be cascaded further to the level of organisational unit and individual, as the basis for a performance oriented organisation. This would assist in aligning resources to plans and needs, and would also enable managers to focus and improve the performance of their staff.

Organisational culture

170. Our findings on culture, basically how people behave in WIPO, are summarised below and are generally negative in tone. However, we must caveat this by saying clearly that we have met individuals and organisational units who are focused on WIPO needs and are very committed to working to high levels of performance. However, there were consistent themes from our focus groups and the management interviews that lead us to characterise the emerging ‘culture themes’ as follows:
• **Entitlements** – We see evidence and many examples of a culture of entitlement in WIPO. For example: levels of sick absence are consistently high; there are examples of individuals asking for promotions and post reclassification on grounds of length of service in post rather than merit or that their responsibilities have increased; we have been informed (by managers and staff) that there is abuse of the flexitime and other leave provisions; and it is the norm for people expect to receive the top rating in their annual performance review. Supporting arguments for the recent change in terms and conditions for short term staff included the point that such staff should have the same entitlement to sick absence leave as their colleagues in regular and permanent posts. Sick absence should not be an ‘entitlement’, it is an accepted consequence of genuine, hopefully temporary, incapacity to work.

• **Lack of pride in WIPO as an employer** – Participants at the focus groups have often been critical of WIPO as an organisation, in particular as an employer. Issues raised include: managers not being competent; perceived acceptance of others abusing WIPO systems; worries about unfair discrimination for ‘speaking out’; unfair Human Resource practices, for example resulting in the appointment of candidates who are not perceived to be the best, or even right, for the job. Given the level of feeling in some focus groups we have asked why people stay, with the most often quoted answer being a variant of ‘because of the pay and in particular the benefits and conditions’. We always expect that there will be some venting of feelings during focus groups but this lack of pride has been a consistent theme across the WIPO focus groups, and is supported by comments from managers and supervisors.

• **Plans and talk rather than action** – Many of the weaknesses that we have listed to be addressed have already been identified within WIPO. We have been referred to a number of programs or initiatives that are either being developed or are waiting for approval before being implemented. This appears to be positive but some initiatives have been in hand for very many months. We have to question the drive and persistence where apparently workable solutions wait so long for approval and adoption. There is clearly a strong case for consultation within WIPO but the consultation process does seem to result in significant delay. The proposed WIPO HR strategy is designed to promote a culture where it is acceptable to take well-thought-out action and apologise later if individuals are unhappy about the action. The current WIPO culture is, in our view, a long way from this preferred state.

• **Emerging reality** – One of the most positive aspects of the organisational culture, at least for the people we have met, has been an acceptance of the need for change. For example a common observation in the focus groups was that poor performers, and in particular those who abuse local systems, should be considered for disciplinary action. There is also recognition of the need for objective and justified differentiation in performance management ratings.

171. We support the view of the WIPO HRMD that it is critical to encourage a performance culture within WIPO. Unless there is a significant, and positive, change we would expect that:-

- key people may leave and it will become increasingly difficult to attract equally competent replacements;
- staff members will continue to press for promotion and reclassification, absorbing management time and possibly increasing employment costs;
- absence levels (for whatever reason) will continue to increase.

172. WIPO will find it increasingly difficult to provide cost-efficient and effective services and will not be able to respond quickly to changes in demand and/or priorities.

**Management style**

173. A number of the areas we have identified as weaknesses and deficiencies should have been addressed by WIPO managers. These areas include:
High levels of sick absence;
Abuse of the flexitime and related systems;
Fair and honest review of staff performance; and
Communication of WIPO strategy and objectives.

174. There appear to be a number of reasons for managers not always delivering in these areas. Those reasons include:

- The rapid growth in employment in WIPO resulted in promotion of a cadre of managers with limited, or no, experience in that role; and with a limited number of possible effective role models.
- There has been no learning and development investment in management skills and capabilities for several years.
- A perception from managers that any attempt to take a strong line with an individual, for example by giving a performance rating below the highest level, inevitably results in appeals and extra work for the manager.
- A related perception from managers that they could not always rely on the support of their own managers if there is a challenge to action they have taken.
- People in management posts who do not wish to manage others, and who accepted those posts because that was the only way to be promoted or receive increased compensation.

175. These issues pose considerable challenge for acceptance of accountability and initiative. Middle-level managers can appear to be reluctant to take full accountability for managing the performance of the people they supervise as they do not believe they have the trust and support of senior managers. In turn, senior managers are not convinced of the competence and capability of their junior colleagues, and may exclude them from planning and decision taking, adding to middle manager concerns about lacking support. This disempowering cycle needs to be broken.
Job Descriptions

176. WIPO job descriptions for professional staff are in line with the UN Standard Scheme of Classification set by the ICSC (International Civil Service Commission). At the General Service staff level the job descriptions are based on the Common General Service Job Classification Standard for Geneva.

Findings

177. We understand that job descriptions exist for all WIPO positions. In total there are 780 distinct job descriptions covering 891 permanent staff, while the difference is made up mostly by job descriptions covering several posts. In our experience, the high number of job descriptions is a typical outcome from many job descriptions being written by staff members themselves rather than by management and/or human resource specialists driving the process. There is a high level of duplication and/or revised versions, and not all job descriptions are available in English and French. We also found that job descriptions with an identical description of the principal duties have different grades or different denominations. Consequently, employees with equal job descriptions earn different salaries. This fact has shown to be a considerable source of tensions amongst the WIPO staff and generates a steady decrease in motivation.

178. In general, grades vary significantly within the identical title of a job description. The description “Head”, for example, ranges from G5 positions up to D1, as shown in the following table. It would be important to apply the same title for identical job description and the same grade across the organisation. Such a clear denomination and classification could as well significantly improve the career development program and therefore increase the motivation of the WIPO resources.

Specific responsibilities each cover a wide range of grades:

<table>
<thead>
<tr>
<th>Title / Grade</th>
<th>D2</th>
<th>D1</th>
<th>P5</th>
<th>P4</th>
<th>P3</th>
<th>P2</th>
<th>(P1)</th>
<th>G7</th>
<th>G6</th>
<th>G5</th>
<th>G4</th>
<th>G3</th>
<th>G2</th>
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<tbody>
<tr>
<td>Acting Director</td>
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<td>Senior Director Advisor</td>
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<td>Deputy Director</td>
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<td>Officer</td>
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<td>Assistant Officer</td>
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</table>

179. In addition, there are people with different grades doing the same job due to identical job descriptions. This fact has a considerable impact on the cost of human resources. We observed that this phenomenon is especially evident in the job family we call "examination".

180. The grading of a significant number of posts is currently being reviewed. This has required the revision of job descriptions as existing job descriptions often fail to provide a clear definition of responsibilities and accountability.
Good practice

181. We have supported our findings and recommendations with evidence of relevant good practice from a range of other organisations, for example drawing on:

- examples from our PwC Saratoga database of people management practice in over 10,500 organisations; and
- experience from other UN organisations and agencies.

182. The recent experience of other UN bodies may be particularly relevant, as a number have committed to major programs of organisational improvement to address performance and people issues. These programs emphasise the role of management in making and sustaining change happen, and the reality that some element of redundancy/severance may be essential to remove the burden of underperforming individuals from leaner and more focused organisations.

In our discussions with WIPO senior management we were invited also to consider the case for introducing some form of performance related reward in WIPO. Performance related reward is under review in a number of UN bodies and is already being piloted.

183. We recognise that reward is a key driver of performance and would support performance related reward as a longer term initiative for WIPO but have to balance this with a concern that introducing any such scheme is unlikely to be cost-efficient and effective until WIPO has established a stronger culture of objective performance management. The risk is that individual expectations, and per capita costs, would increase. It is likely that most or all staff would continue to be highly rated and receive additional rewards and that even poor performers would be unlikely to be rated as such and suffer any loss in reward.

Job Families

184. We did not find any job families in WIPO and we therefore recommend that HR considers introduction of a structured system of job families. The job families could be reduced to 13 categories describing technical functions and support functions as illustrated below.

- **Support Functions:**
  - Human Resources
  - Finance
  - Information Technologies
  - Administration
  - Maintenance, Logistics and Medical Services
  - Procurement
  - Information
  - Legal Services
  - General Management

- **Technical functions:**
  - Examination
  - Data Processing
  - Programs
  - Translation
Each job description should then be matched to a certain job family.

<table>
<thead>
<tr>
<th>Technical Functions</th>
<th>Job Family</th>
<th>Job</th>
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</thead>
<tbody>
<tr>
<td>Examination</td>
<td>Operations Support Officer</td>
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<td></td>
<td>Assistant Operations Support Officer</td>
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<td></td>
<td>Coordinator</td>
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<td></td>
<td>Assistant Coordinator</td>
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<td></td>
<td>Examination Officer</td>
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<td>Examiner I</td>
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<td>Examiner II</td>
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<td></td>
<td>Examination Clerk</td>
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<tr>
<td>Data Processing</td>
<td>Application Officer</td>
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<td></td>
<td>Senior Editor</td>
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<td></td>
<td>Editor</td>
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<td></td>
<td>Assistant Editor</td>
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<td></td>
<td>Editorial Assistant</td>
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<td></td>
<td>Processing Clerk</td>
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<tr>
<td></td>
<td>Senior Data Entry Clerk</td>
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<td></td>
<td>Data Entry Clerk</td>
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<td></td>
<td>Scanning Clerk</td>
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<td>Registry Clerk</td>
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<td></td>
<td>File Preparation and Mail Clerk</td>
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<td>Documents Assistant</td>
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<td>Document Clerk</td>
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<td></td>
<td>Processing Assistant</td>
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<td></td>
<td>Senior Patent Classification Officer</td>
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<td></td>
<td>Patent Classification Officer</td>
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<td></td>
<td>Senior Evaluation Officer</td>
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<td>Senior Clerk</td>
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<td>Junior Clerk</td>
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<tr>
<td>Technical Functions</td>
<td>Job Family</td>
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<tr>
<td>Programs</td>
<td>Project Coordinator</td>
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<td></td>
<td>Senior Program Officer</td>
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<td>Program Officer</td>
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<td>Assistant Program Officer</td>
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<td></td>
<td>Senior Program Assistant</td>
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<td>Program Assistant</td>
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<tr>
<td>Supporting Functions</td>
<td>Job Family</td>
<td>Job</td>
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<tr>
<td>Human Resources</td>
<td>Senior Human Resource Officer</td>
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<td>Human Resource Officer</td>
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<td>Assistant Human Resource Officer</td>
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<td>Senior Human Resource Assistant</td>
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<td>Human Resource Assistant</td>
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<tr>
<td>Finance</td>
<td>Controller</td>
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<td></td>
<td>Senior Finance Officer</td>
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<td>Finance Officer</td>
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<td></td>
<td>Assistant Finance Officer</td>
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<td>Accounting Assistant</td>
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<td></td>
<td>Accounting Clerk</td>
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<td></td>
<td>Budget Officer</td>
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<td></td>
<td>Assistant Budget Officer</td>
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<tr>
<td>Information Technologies</td>
<td>Network Officer</td>
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<td></td>
<td>IT Publication Officer</td>
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<tr>
<td></td>
<td>Senior Analyst Programmer</td>
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<td></td>
<td>Analyst Programmer</td>
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<td></td>
<td>Senior IT Officer</td>
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<td>IT Officer</td>
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<td></td>
<td>IT Technician</td>
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<td></td>
<td>Database Administrator</td>
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<td></td>
<td>Database Application Officer</td>
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<td></td>
<td>IT Liaison Officer</td>
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<td></td>
<td>Knowledge Management Officer</td>
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<td>Administration</td>
<td>Senior Administrative Officer</td>
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<td>Administrative Officer</td>
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<td>Assistant Administrative Officer</td>
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<td>Administrative Assistant</td>
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<td></td>
<td>Administrative Clerk</td>
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<td></td>
<td>Senior Secretary</td>
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<td>Secretary II</td>
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<td></td>
<td>Secretary I</td>
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<tr>
<td>Maintenance, Logistics and Medical Service</td>
<td>Receptionist/Telefonist/Helpdesk/Storekeeper</td>
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<td></td>
<td>Pamphlet Checker</td>
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<td>Assistant Pamphlet Checker</td>
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<td></td>
<td>Technician</td>
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<td>Senior Driver</td>
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<td>Driver</td>
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</table>
186. We found that the job families “Data Processing” and “Examination”, which we classify both as technical functions employ in total 450 people. They perform core processing functions of WIPO mainly in PCT and Madrid system. They are supported by a variety of supporting functions, such as “Administration” and “Information Technology” in order to function properly. The organization itself is administrated and led by the job family denominated “Management”, which employs an astonishing high number of persons.
Graph: Number of people within one job family.

![Job Family Chart]

- Processing
- Management
- Examination
- Administration
- Information Technology
- Programmes
- Finance
- Legal
- Information Dissemination
- Human Resources
- Procurement

Job Family

<table>
<thead>
<tr>
<th>Job Family</th>
<th>Nb of people</th>
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<tbody>
<tr>
<td>Processing</td>
<td>250</td>
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<tr>
<td>Management</td>
<td>200</td>
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<tr>
<td>Examination</td>
<td>150</td>
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<td>Administration</td>
<td>100</td>
</tr>
<tr>
<td>Information Technology</td>
<td>50</td>
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<tr>
<td>Programmes</td>
<td>50</td>
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<td>Finance</td>
<td>50</td>
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<tr>
<td>Legal</td>
<td>50</td>
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<tr>
<td>Information Dissemination</td>
<td>10</td>
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<tr>
<td>Human Resources</td>
<td>10</td>
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<tr>
<td>Procurement</td>
<td>10</td>
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Nb of people
5. Demand side analysis

187. This Section describes our analysis of demand for human resources for WIPO, covering current requirements and expected changes in future demand. We have considered the opportunities for managing demand through the adoption of new ways of working, and close this Section with an analysis of the implications of different demand and efficiency scenarios.

Introduction

188. There are a number of WIPO Programs where significant elements of the workload are relatively easy to monitor and record. An example is in the largest Program No. 16 which covers patent applications in PCT Administration. In such areas it has been the practice to maintain detailed records of workload and performance.

189. For other Programs the workload is much less predictable, relying on external, and often unplanned, demands, for example from Member States. The current attention to the Agenda for Development provides a good example of the challenges faced in assessing headcount requirements and in planning to meet those new needs. Member States have considered a number of possible initiatives and will be asked to confirm priorities and more detailed plans.

190. It will not be possible for WIPO to provide a complete and robust assessment of new demands until those priorities are confirmed and action plans have been developed and detailed. The approval and planning process is expected to take several more months at least. It is therefore possible that it would be the end of 2008 or even 2009 before any new staff recruited to new Agenda for Development posts joined WIPO to take up those posts.

Our analysis

191. Our review has used a number of tools and techniques in order to arrive at a reasonably robust view of WIPO staffing needs currently and for the future. In summary, these are:

- **Desk analysis**: We have collated and reviewed available information on historic workload, performance, plans and trends.

- **Structured management interviews**: These interviews have been used to seek the views of management on: data sources and reliability; current and future workload; the competence and general quality of their staff; and opportunities for efficiency improvement.

- **Process review and analysis**: We have conducted more detailed process mapping and review for 11 processes to assist in qualifying and quantifying the potential for efficiency improvement. The processes were selected with WIPO on the grounds that they were often used and/or critical to WIPO performance. Relevant process notes and maps are attached at Annex 4.

- **Performance metrics and benchmarking**: Where possible we have compared the performance metrics for WIPO against performance from other organisations. This is particularly relevant for common services, for example for Finance, Human Resource Management, and IT. We decided that it was not valid to benchmark WIPO as an organisation against other Patent Offices and organisations as the roles were different. However, we have drawn on experience of performance improvement from those organisations.

192. In presenting our analysis of demand for WIPO, we need to stress two important points:
First, that our review was not an individual executive management or staff audit. We were not required, or expected, to interview every manager or other member of staff, or to observe them at their work.

Second, and as stated in our proposal for this Study (already circulated to Member States) and our presentations, that we have worked with the information available and cannot guarantee a post-by-post accuracy. We are, however, confident of our findings and recommendations and of the positive difference that they can make to WIPO.

Growing demand

193. There is well-established evidence of continuing growth in demand for WIPO services, for the larger Programs in particular:

- Administration of the PCT System (Program 16) – growing at 6% per annum;
- Madrid, the Hague and Lisbon Registration Systems (Program 18) – historically growing at between 3% and 7% per annum;
- Conferences, Language, Printing and Archives (Program 28) – growing at between 15% and 30%.

194. In some cases these increases will need to be resourced with Regular staff but we would recommend the consideration of outsourcing, in particular for translation, printing, and archive management.

Greater efficiency

195. We see significant opportunities for improving performance, removing inefficiencies, and generally reducing staff numbers or freeing resources for new demands. Adoption and execution of these opportunities requires:

- Simplification and automation of work – with greater delegation and less reliance on paper-based systems;
- Implementation of supporting Information Technology (including the proposed ERP system);
- Managers being more effective regarding the performance of their people;
- Replacement of underperforming staff; and
- Consideration of the business case for full or partial outsourcing of certain functions.

196. We have analysed and discussed a potential net headcount saving, against current workload and headcount, of an estimated 200 posts. Below is a broad guide to where we expect WIPO to be able to achieve such savings:

- Process re-engineering and organisational restructuring, linked to the implementation of the proposed ERP – 48 to 55 posts;
- Efficiencies from other technology opportunities, for example in PCT, HRMD, and for translation services – 40 to 55 posts;
- Improved performance management, in particular in addressing high levels of sick and other absence, and poor performance. There is good experience of the potential to secure a 10% to 15% increase in performance, and this guide figure appears to be supported from our discussions with managers as long as they are able to remove consistent non-performers and replace them with competent and commitment staff – allowing for the limiting effect of Program size:
  - the efficiency improvement should be in the order of 80 posts;
  - the sick absence improvement could be the equivalent of 20 posts.
197. We need to make a further point in relation to headcount efficiencies. Many of the potential efficiencies rely on improvements across WIPO rather than in specific Program or organisation units. For example reducing sick and other absence in a Program or unit with less than 20 people is unlikely to yield a Full Time Equivalent (FTE) post saving in that Program/unit.

198. Following on our presentation of an HR Plan, we provide below more specific guidance on where headcount efficiencies would be achieved. Annex 2 provides indicative examples of our more detailed analysis and recommendations as they will relate to each Program on the basis of there being no change in workload. The analyses present our assessment of required headcount based on existing workload, by program, and with the potential for efficiency phased over the next 5 years.

199. As an indication of potential savings we have summarised in the table below the long term impact on three Programs: (See Annex 2)

<table>
<thead>
<tr>
<th>Program</th>
<th>Address sick absence</th>
<th>Other ERP Efficiency improvements</th>
<th>ERP-related improvements</th>
<th>Total, after 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 - Administration of PCT</td>
<td>9</td>
<td>7</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>30 - Travel and Procurement</td>
<td></td>
<td>2.8</td>
<td>3</td>
<td>5.8</td>
</tr>
<tr>
<td>18 - Madrid, the Hague and Lisbon Registration</td>
<td>1.5</td>
<td>38.2</td>
<td></td>
<td>39.7</td>
</tr>
</tbody>
</table>

200. We understand that WIPO has a growing interest in outsourcing which we also support and have included this in our estimates of potential WIPO headcount efficiency. Final decisions on the potential for outsourcing will be taken as much on strategic as on service and/or financial grounds, but examples of the scope for WIPO outsourcing will include:

- Full or significant outsourcing for services such as:
  - Printing and publications, document management, archiving, messengers and drivers – to a specialist company that would offer an in-house service, potentially saving 60 posts
  - Premises management – to a specialist company, retaining a core of specialists to support Geneva and international buildings and coordinate security and related services, but removing the need for additional posts as the new building comes on line;
  - IT:
    - retaining a core function to: develop the IT strategy, continue to support specialist services; conduct business analysis and manage projects; and
    - using third-parties and contractors for specific development and enhancement initiatives;
    - potentially saving 20 posts.
  - World-wide Academy – to a business school or conference organiser (or consortium of both) with a WIPO leader, potentially saving up to 16 posts; and
- Partial outsourcing, for example for overflow or peaks of work, for translation or for specialist procurement.
Scenario analysis

201. As part of the sensitivity analysis for our recommendations we have prepared headcount figures for WIPO in broad scenarios. We have prepared three main demand scenarios: growth; status quo; and declining. For each demand scenario there are then two sub-scenarios:

- One sub-scenario for ‘no-change in efficiency’; and
- One sub-scenario for efficiency proposal implemented.

202. From our analysis of headcount movements over time, we have identified the scope for three levels of Program Impact:

- Direct Growth: where there it is possible to track changing workload and link this to headcount;
- Secondary Impact: where increased demand in the Direct Growth Programs will have at least a limited impact; and
- Programs where there will be no or not significant impact.

203. We have not included the significant growth considered for the Agenda for Development in our scenario analyses.

Programs with Direct Growth Impact

204. We identified five Programs in this category:

- Program 16, Administration of the PCT System (6%)
- Program 18, Madrid, The Hague and Lisbon Registration Systems (15%)
- Program 19, Patent Information, Classification and IP Standards (15%)
- Program 21, Arbitration and Mediation Services (10%)
- Program 28, Conference, Language, Printing and Archives (20%).

205. In each case we planned for a level of growth, and balancing decline. This is normally justified by historic growth patterns.

Secondary Impact

206. Programs under this heading are:

- Program 22, Direction and Executive Management
- Program 23, Budget Control and Resource Mobilisation
- Program 24, Internal Oversight
- Program 25, Human Resource Management
- Program 26, Financial Operations
- Program 27, Information Technology
- Program 29, Premises management
- Program 30, Procurement and Travel.

207. The headcount driver for these Programs is taken as the level of growth in Direct Impact, for example the workload for Human Resource Management, and for Travel, will increase if headcount increases in the major employing Programs.

Overview

208. The following figure presents an overall summary of the sensitivity attached to various options, and is based on a figure of 1,186.2 Full Time Equivalent (FTE) managers and other staff. Actual numbers of WIPO staff continue to change and this FTE figure was used by the WIPO Program and Budget team. We have used this figure as it linked more closely to the Program and Budget under development in WIPO.
209. The implications are that:

- There is comparatively little impact on controllable headcount from growth, or decline, in demand between 2007 and 2008/9, with a range from
  - 1,122 to 1,240 if no efficiency savings are taken; or
  - 1,050 to 1,168 with efficiency savings; but that
- The differences become more significant up to 2010/11, with a range from:
  - 1,072 to 1,303 if no efficiency savings are taken; or
  - 864 to 1,053 with efficiency savings.

210. The overall message and expectation is that it will be 3 to 4 years before significant benefits are realised from efficiency improvements, regardless of the demand scenario.

Sensitivity

211. There are 17 Programs, currently employing a total of 231 managers and other staff where a change in predicted demand will have little or no impact on headcount. For example, this list includes:

- Program 31: The new construction (1 FTE);
- Program 4: Use of copyright in the digital environment (3 FTE); and
- Program 6: Africa, Arab, Asia and the Pacific (64 FTE in total).

212. The impact of growth or decline on headcount in these Programs is summarised in the following figure.

213. The impact on the Programs with Direct Growth Impact is more significant:

- in the near term for growth; and
over a longer time period for implementing efficiency savings and for decline in demand;

as shown in the figure below.

**Summary of Programs with direct demand impact**

<table>
<thead>
<tr>
<th>FTE</th>
<th>2007</th>
<th>2008/9</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A Growing demand, no efficiencies</td>
<td>100.0</td>
<td>200.0</td>
<td>300.0</td>
</tr>
<tr>
<td>1B Growing demand, with efficiencies</td>
<td>200.0</td>
<td>400.0</td>
<td>600.0</td>
</tr>
<tr>
<td>2A Status Quo, no efficiencies</td>
<td>500.0</td>
<td>500.0</td>
<td>500.0</td>
</tr>
<tr>
<td>2B Status Quo, with efficiencies</td>
<td>600.0</td>
<td>600.0</td>
<td>600.0</td>
</tr>
<tr>
<td>3A Falling demand, no efficiencies</td>
<td>700.0</td>
<td>700.0</td>
<td>700.0</td>
</tr>
<tr>
<td>3B Falling demand, with efficiencies</td>
<td>800.0</td>
<td>800.0</td>
<td>800.0</td>
</tr>
</tbody>
</table>

214. The scenario implications to the changes to the Programs with Secondary Impact provide the clearest example of the potential impact of introducing the proposed program of organisational improvement, with efficiency savings. In particular they indicate the potential impact of process improvement and enhanced use of technology.

**Summary of Programs with secondary demand impact**

<table>
<thead>
<tr>
<th>FTE</th>
<th>2007</th>
<th>2008/9</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A Growing demand, no efficiencies</td>
<td>100.0</td>
<td>200.0</td>
<td>300.0</td>
</tr>
<tr>
<td>1B Growing demand, with efficiencies</td>
<td>200.0</td>
<td>400.0</td>
<td>600.0</td>
</tr>
<tr>
<td>2A Status Quo, no efficiencies</td>
<td>500.0</td>
<td>500.0</td>
<td>500.0</td>
</tr>
<tr>
<td>2B Status Quo, with efficiencies</td>
<td>600.0</td>
<td>600.0</td>
<td>600.0</td>
</tr>
<tr>
<td>3A Falling demand, no efficiencies</td>
<td>700.0</td>
<td>700.0</td>
<td>700.0</td>
</tr>
<tr>
<td>3B Falling demand, with efficiencies</td>
<td>800.0</td>
<td>800.0</td>
<td>800.0</td>
</tr>
</tbody>
</table>

**Speed of change constraints**

215. There is one major constraint on the potential speed with which any changes in personnel can be secured. All staff currently receive positive ratings in the performance appraisal process, and will have done so for many years. It will be difficult for WIPO to prove that any individual is a poor performer.

216. Even if WIPO introduces objective performance management practices individuals who receive a low rating must be given an opportunity to improve their performance. In exceptional cases one year’s experience may be sufficient to demonstrate poor performance that has not improved, and is unlikely to improve, but it is more likely that any dismissal for poor performance could only follow two periodic (annual) reviews. And even then there may be time-consuming appeals.

217. Our assumptions for staff efficiency include a commitment to a WIPO program of early retirement, redundancy and severance, to enable WIPO to release even longer-serving staff who are underperforming – and replace them with the right people.
6. Future resourcing requirements – the case for change

Introduction

218. It is entirely possible for WIPO to continue operating with only ‘business as usual’ changes to the current organisational arrangements, processes and systems, and ways of working. Any significant change brings opportunities but also challenges and risks. The ‘business as usual’ option is therefore one that merits consideration and comparison with any other options.

219. Our interview program and feedback in the focus groups indicate that WIPO managers and staff are ready for significant change, and that a number have seen the WIPO decision to proceed with this review as a clear, and welcome, signal that major change is on the WIPO agenda. Our assumptions for headcount requirements in WIPO are therefore based on WIPO committing to a program of organisational improvement, as described later in this HR Plan.

Organisational improvement - overview

220. Our review has confirmed a number of priority areas for attention in WIPO. We have also seen that WIPO has plans and proposals available to address many of those priorities. In some cases those proposals were developed many months ago but there is no clear date set for implementation to begin. We have been told that a number of possible initiatives have been deferred pending the recommendations from this review. This may be a reasonable view for initiatives specifically relating to human resource management, for example the HR Strategy, but the broader evidence suggests that WIPO is not an organisation that implements quickly.

221. WIPO is a complex but not a huge organisation. With more than 50% of staff employed in two programs, WIPO should be able to operate consistently as an employer and respond quickly to changes in external and internal needs. The challenges to this proposition arise for a variety of reasons, including:

- The Director General has tried to move WIPO away from the previous centralised organisational arrangements and to encourage local accountability, but managers at different levels in WIPO have not always taken the opportunities offered and accepted that new accountability.
- Many processes, in particular the internal processes, are long, slow, and labour-intensive. They are often: paper-based, require several levels of authorisation, and are not supported by integrating technology.
- There has been no structured investment in assessing and developing managers to play a full role in service and people management.
- The number of Programs and perceived (but not especially evident) tensions between commercial and development activities, may have encouraged thinking about jobs, organisational units, and Programs rather than about WIPO.
- Performance management has not been used to assess individual performance in WIPO. The trend is for all individuals to be assessed as competent in their roles – even when the view is that some are not – and even poor performers on short term contracts tend to receive new contracts. Managers, and staff, want to see this practice changed but this cannot be done unless all managers adopt new, more objective, approaches to performance management.
- WIPO is seen by many as a comfortable, and generally secure, place to work. There has been limited staff turnover in WIPO (currently 2.6%).
222. Our experience of major change, supported by evidence of recent programs in the UN and Patent Offices, confirms that a successful program of organisational improvement for WIPO:

- Should be planned and managed as an integrated program;
- Will take three to five years to achieve and embed all the objectives;
- Relies on the full support and continuing commitment of the leadership community in WIPO;
- Requires support from Member States, including financial support for key change initiatives; and
- Must recognise that there will be a level of redeployment and planned redundancy to ensure that all WIPO human resources have the required levels of competence, capability, and commitment.

Conditions for success

223. Successful implementation of a WIPO program of organisational improvement will require the full support and commitment of the WIPO leadership, collectively and as individuals. The Director community will have key roles to play in planning and leading the proposed changes, communicating the case for change, and supporting their managers and staff through the changes.

224. We understand that any recommendations will be considered by Member States in September this year and that, following necessary action to set up the new Program structure, formal initiation of any program is likely to start from early 2008.

225. Success requires a significant improvement in management competencies, capability, and commitment. We anticipate a three-year program for management development in WIPO, but recommend that the program focuses on performance management and attendance as the factors with greatest impact on headcount. The management development program would be initiated in 2008 but achievement of key deliverables, for example in terms of increased unit or Program performance, is unlikely before the 2010/2011 biennium.

226. There are a number of in-WIPO processes that could be revised to become faster and less labour intensive even without new IT support but the significant savings will come with appropriate IT. We recommend that the WIPO Program team decides which are the priority processes and proceeds with that analysis in order to gain some ‘quick wins’.

227. Member States will consider WIPO recommendations for an ERP as part of the Program and Budget for 2008/2009. If those recommendations are approved and WIPO is able to move quickly to engage with relevant parties, we would expect that the new IT support would start to become available from 2010. This would mean that headcount efficiencies linked to new IT could be included in the 2010/2011 biennium Program and Budget.

228. One of the key requirements will be commitment to a program of early retirement, redundancy and severance. WIPO has traditionally sought to redeploy rather than discipline and/or dismiss individuals who were not able to perform effectively in their current post. This strategy has worked reasonably successfully in avoiding major staff unrest but there is a clear, and growing, message that Programs and organisational units are reluctant to accept redeployed managers and staff unless they bring relevant competencies and a commitment to deliver in their new role.

229. Given that even poorly-performing managers and staff are likely to have been rated competent in their most recent performance review, that it will take time to train managers to take a more objective position in rating performance, and that individuals should be given an opportunity to improve their performance, it is unlikely that individuals will be considered for disciplinary dismissal before the 2010/2011 biennium. There may be cases in 2008/2009, for example linked to early retirement on sickness grounds, but these should be few in number.
Program for organisational improvement

230. We recommend an integrated program for organisational improvement in WIPO, planned and structured with three main components, as shown below.

Leadership and management

231. The key components are reviewed in the following paragraphs.

Leadership and management

232. The need to strengthen the leadership and management competencies has been a common concern raised during our review. This will involve attention to:

- the role of managers at various levels in the WIPO organisation structure;
- the alignment of authority with responsibility and accountability;
- the scale and nature of delegation; and
- decision making and accountability required at the various levels.

Links with other components

233. Leaders and managers have a key role in:

- people management, supporting the adoption and roll-out of the new HR Strategy and plans for new policies and ways of working; and
- organisational and process improvement, exercising their authority to ensure effective performance and accepting appropriate accountability.

234. They will also be seen as the key role models in the change program. The extent to which managers are seen to embrace the program will have a major influence on the commitment to the proposed program from their peers and their own teams.

235. Leaders and managers will also need support from HRMD, for example in addressing performance issues, and will expect to work with efficient and effective processes and appropriate management information systems and other technology.

Competencies

236. Leadership and management competencies comprise a blend of knowledge, skills and behaviour that can be assessed and enhanced through facilitated management assessment and development centres and learning programs. HRMD have been consulting widely within WIPO on a proposed framework of management competencies. These competencies will be particularly helpful in informing the design and delivery of essential leadership and management development programs.

237. Expected outcomes would include:
Improved individual and organisational unit performance.
Consistent interpretation and application of WIPO policy and processes.
Acceptance of accountability.
A major contribution to the implementation of the HR Strategy.

Required actions

238. There is broad support for enhancing the management culture and ways of working in WIPO. Using the management assessment centre concept with trained assessors, this has four key elements:

- validating the role of leaders and managers in WIPO, identifying accountabilities (including delegations) in job descriptions and personal objectives, and confirming the proposed management competencies;
- assessing the current competence levels and development needs of the existing leadership and management community;
- structured development for current and future managers; and, most importantly
- leaders and managers accepting their roles and responsibilities and that they will be accountable for achieving requiring objectives consistent with agreed ways of working.

Human Resource Management

239. The WIPO HRMD is both a potential enabler of change and in need of significant change and improvement. The work already completed on the HR Strategy and management competencies points to clear thinking on the current and future human resource needs of WIPO. But HR activity in WIPO is heavily transactional with labour-intensive processes and outdated IT.

Links to other components

240. The Human Resource Management component of the proposed program will:

- engage and develop leaders and managers;
- provide individuals with clear job descriptions and the platform for personal objectives;
- promote effective and objective performance management; and
- facilitate appropriate resourcing: promoting and recruiting people with the required competencies and commitment; and releasing people who cannot make the required contribution to WIPO.

HRMD

241. HRMD will be a strategic partner to leaders and managers, initiating policies, monitoring their implementation, and providing sound and timely advice on HR matters. This requires an important shift in the competencies and capabilities within the HRMD. It also requires major re-engineering, and automation, of processes on an appropriate HR Management System.

242. HRMD is therefore both a partner in the change and an organisational unit that will be the subject of significant change to be able to play an appropriate role in an improvement program and in sustaining the HR strategy, policy, and processes in the future.

Required actions

243. It will be important to prioritise actions under the Human Resource Management heading. Key areas for early action will be:

- Communication of the HR Strategy, with an agreed action plan for implementation of key initiatives;
- Revision of HR policy and processes to eliminate unnecessary or redundant steps in approving HR related actions;
• Implementation of revised organisational arrangements and competencies for HRMD;
• (Re)confirmation of arrangements for performance management in WIPO. Develop the tools, guidelines, and related material to explain the new, objective, way of working. Communicate to promote a better understanding and use of the new arrangements. Identify, train, and develop a cadre of internal trainers who are capable of delivering training workshops in the new arrangements;
• Provision of job descriptions to a common standard covering all posts within WIPO;
• Review current competence levels amongst WIPO managers and other staff and allocate posts according to needs and best use of resources. Ensure recommendations are adequately considered and supported. Implement the outcome of the staffing review;
• Reclassification and grading review: consider the case for guidance to support progression through a new stream for enhanced levels of technical and professional competence;
• Development of new employment contracts:
• A program to support managers with the recommended review of absence and attendance;
• Design and development of a policy and supporting process for redeployment, redundancy, and severance; and
• Plan future skill requirements and project the future staffing needs, taking into account staff turnover and deficiencies that can be met by recruitment, training and/or redeployment.

Organisation, process, and systems

244. WIPO organisational arrangements, with supporting processes and systems have evolved over time and often in response to the demands from the many different communities serviced by WIPO.

245. We have questioned particular aspects of the current organisational arrangements, in particular:

• The number of senior managers, and organisational units, reporting directly to the Director General;
• The continuing case for the extended Program structure when there are such significant variations in the size, and perceived impact, of Programs; and
• Areas of apparent duplication or common services, for example for translation.

246. The broader requirement for process and systems is that WIPO should map and analyse all key organisational processes so that they:

• Are streamlined, effective, and easy to use;
• Feature clearly-defined delegated decision-making points, with only those controls essential to protect WIPO; and
• Are designed to become part of the WIPO ERP system.
Links with other components

247. Organisation and process provide the core for the proposed program of organisational improvement. For example:

- The definition of roles and responsibilities requires clarity about organisational arrangements and the decisions to be taken in relation to particular policy and processes.
- Process re-engineering should streamline activity, leading to: reductions in transactional workload for staff; speedier decision making and greater responsiveness; and improved levels of service.
- The proposed ERP system will integrate management information capture and access. This will remove inconsistency and improve decision making.
- The ERP system will also enable the automation of processes, reducing workload and facilitating consideration of outsourcing for non-core activity.

Required actions

248. Key actions will be:

- Establish a Program structure for WIPO organisational improvement:
  - Director General as sponsor;
  - A Deputy Director General as Program Head;
  - Steering Committee;
  - Program management office;
  - Communication strategy and plan; and
  - Process review and change management training and support for managers and other relevant staff.

- Review, and design a revised organisational structure for WIPO:
  - Consider structure with fewer direct reports to Director General;
  - Link back-office services (Finance, Controller, HR, Procurement) in a common Administration or Operations Division;
  - Commit to regular ‘board’ meetings for Division Heads with the Director General.

- Review and confirm Program structure, considering options for balancing leadership/management inputs in relation to the size and impact of Programs, individually or clustered.

- Determine the likely activities, workload, and headcount requirements to service the Agenda for Development.

- Confirm priority processes for review and redesign:
  - Agree design principles and parameters;
  - Review technology opportunities and the business case for investment in technology;
  - Confirm levels for essential approval; and
  - Consider the possibility of outsourcing non-core processes or steps in processes.

- Plan WIPO technology needs for 2007 to 2011, and the requirement for in-house, contracted, and outsourced IT resources.

249. A summary action plan, with indicative timings and report cross-references is provided in the Executive Summary following paragraph 52.

Risk management

250. We believe that it will only be possible to make significant change in WIPO, for example enabling WIPO to secure human resource efficiencies, if there is full commitment to the proposed integrated program for organisational improvement.

Impact of scenarios

251. There appears to be a growing recognition that things cannot stay as they are and may risk deteriorating unless action is taken soon to correct some of the existing challenges. Proceeding with a
program of organisational improvement would be independent of scenarios for either significant growth or reduced demand.

Without a program:

- Under a significant growth scenario:
  - Recruitment is likely to involve bringing both external candidates and a number of existing staff on short term contracts into WIPO.
  - Existing poor-performers will remain in employment in WIPO, acting as poor role models, and sources of frustration, for their existing and new colleagues.
  - Managers will continue to avoid honest performance management, and will fail to make best use of any additional resources.
  - Internal processes will continue to be slow, time-consuming, and labour-intensive.
  - There is a real risk of:
    - Costs increasing without a corresponding increase in revenues;
    - The most competent WIPO staff disengaging or seeking alternative employment; and
    - WIPO failing to attract the required level of managers and other staff from the market.

- Under a reduced demand scenario:
  - The most competent WIPO managers and staff may seek alternative employment.
  - There is no opportunity for documented differentiation between good and poor-performers in the event that it is possible to offer redundancy.
  - A decision not to offer new contracts to short term staff may reduce performance levels. Many staff currently on short term contracts are believed to operate at, or above, required performance levels, and to work on essential regular activities rather than time-bound projects or peaks of work.
  - Costs will remain substantially unchanged, even though revenues and demand decline.

Provisional risk register

252. We have identified a number of possible areas of risk associated with the proposed organisational improvement program.

Program leadership

253. This would be a long term program, and one that will make considerable demand on the time of leaders and senior managers. It is critical that there is a consistent focus on the program objectives and achievement of deliverables, and continuity in the way that the program is interpreted and implemented.

Business as usual

254. WIPO future funding is reasonably secure. This is both:

- beneficial, as it will encourage stability and provide funding for growing and changed initiatives; and
- problematic, as stability and security is often the enemy of significant change. The challenge question is often on the lines of “Why embark on a painful program of change when our revenue stream is assured and we can live with things as they are for a few years?”.

Competence and commitment within HRMD

255. The proposed program of organisational improvement and implementation of the HR Strategy represent a major change of services for HRMD. The future need is for professionals with strategic HR management experience.
ERP and other technology

256. Successful implementation of the program will rely on the existence of, and user-access to, a robust technology platform. We understand that plans are well advanced for an ERP for WIPO, although there is considerable risk that implementation is delayed. Our working assumption is that an ERP would be in place by the end of the 2008/2009 biennium. A later implementation date would need to be factored into the program, and will show up in longer periods before non-essential staff could be released.

Capacity and readiness to change

257. There are a number of different communities involved in WIPO, all with potentially different levels of commitment to support and participate in a program of organisational improvement. The following graphic provides a high level summary indication of the range of views, and the potential positioning of stakeholders as individuals and communities.

![Stakeholder positioning graphic]

Severance program

258. WIPO has a record of encouraging redeployment within the organisation when individuals are considered not to be performing in their current role. It has not been recent practice to take formal disciplinary action or to consider dismissal or other severance. There is a clear view from managers who have accepted redeployed staff from other units that this is really a device to move problem and under-performing staff from place to place and is no longer a strategic option for WIPO.

259. We expect that any statement that WIPO is ready to engage in a program of disciplinary dismissal or other severance will:

- be welcomed by some managers and staff as creating an opportunity to address poor performance honestly and objectively;
- raise concerns among staff, and with some Member States, that the program could be used to discriminate against individuals; and
- cause a number of managers to question their competence to make objective performance decisions and follow-up any subsequent disciplinary or redundancy action.

260. This will be an issue that will require very sensitive planning and communication.

Outsourcing
261. Outsourcing is an increasingly-attractive option for organisations, offering the potential for:

- access to resource pools to cope with peaks of work;
- levels of investment in technology-supported process efficiency that could not be justified in WIPO alone;
- specialist services; and
- reduced costs.

262. However, in balance, we encourage WIPO to consider:

- that outsourcing a problem is never a viable and sustainable solution – it is good practice to re-engineer processes before inviting outsourcing;
- whether there may be a time in the future when it may be appropriate to in-source a service;
- how outsourcing will affect employment in WIPO – in particular whether the outsourcer would employ the relevant WIPO staff or that WIPO would be responsible for redeployment and/or redundancy; and
- how contractual and service agreements will be monitored and managed.

263. We recommend that any consideration of further outsourcing for WIPO should follow the development of a detailed business case.

**Headline costs**

264. To assist WIPO Management and Member States in determining the next steps, we have provided below some initial, indicative headline costs for the key activities recommended in this report.

265. Based on experience of other Geneva and UN-based organisations, headline costs will arise in the following areas, with costs in the following ranges:

<table>
<thead>
<tr>
<th>Action</th>
<th>Indicative cost – CHF,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management assessment</td>
<td>60 - 180</td>
</tr>
<tr>
<td>Management development (per annum through the 5 year program)</td>
<td>400 - 600</td>
</tr>
<tr>
<td>Performance management briefing and training</td>
<td>300 - 400</td>
</tr>
<tr>
<td>Career and staff development system</td>
<td>100 - 150</td>
</tr>
<tr>
<td>Sick absence management (excluding cost of severance)</td>
<td>30 - 50</td>
</tr>
<tr>
<td>HR process redesign</td>
<td>30 - 50</td>
</tr>
<tr>
<td>HRMD restructuring</td>
<td>200 - 300</td>
</tr>
<tr>
<td>ERP and other technology</td>
<td>To be determined</td>
</tr>
<tr>
<td>Organisation design support</td>
<td>100 - 200</td>
</tr>
<tr>
<td>Job descriptions/classification (including variation to UN Common Scheme)</td>
<td>360 - 450</td>
</tr>
</tbody>
</table>

266. The major additional, non-technology, costs are likely to result from severance payments. These will need to be negotiated with the Staff Council. A number of identified poor performers are likely to improve their performance when faced with a more robust process of performance management, and a clear commitment from WIPO to address any abuse of existing systems and benefits. Even so, we would advise WIPO to consider budgeting for possible severance of up to 100 people over the 5 year life of the Organisational Improvement program.