



Independent observer
of the Global Fund

SECRETARIAT RE-ORGANISATION WAS HINDERED BY WEAK PERFORMANCE MANAGEMENT SYSTEM, JARAMILLO SAYS

“A silo culture had become pervasive”

“Disrespect for authority and the chain of command was prevalent”

Weaknesses in the performance-management system for Secretariat staff hindered the quality of the re-organisation recently undertaken, General Manager (GM) Gabriel Jaramillo said in his report to the Global Fund Board at its meeting in Geneva. “This situation left us without an objective performance-evaluation system to back up personnel decisions,” Mr Jaramillo said. “As a result, the process was ripe for criticism, including allegations of discrimination or favoritism.”

The GM added that some of decisions taken by management could lead to legal action against the Global Fund.

Mr Jaramillo said that when he arrived, 98% of the employees had been evaluated as having achieved or exceeded expectations, “which clearly did not reflect reality.” He said that three specific areas of personnel decisions taken during the restructuring drew the most objections: (1) mutually agreed separation agreements initiated by the Global Fund; (2) the short-listing of staff who applied for open positions; and (3) actions concerning staff on parental or extended sick leave.

“Once we identified these weaknesses,” Mr Jaramillo said, “we took corrective actions concerning the processes. I met individually, in the presence of the Staff Council, with 17 persons that had been asked to consider departing, and, when appropriate, I apologized for procedures perceived as undignified or disrespectful.”

Mr Jaramillo said that when he started as GM on 6 February 2012, the Secretariat staff had been in a state of considerable anxiety over where the organisation was headed and how well it would survive. “A silo culture had become so pervasive that the organization was nearly paralyzed, and progress had slowed on the Consolidated Transformation Plan.”

Mr Jaramillo said that he had spoken to many excellent staff members who voiced a need for significant adjustments, and who expressed broad enthusiasm for the transformation. However, he said, he also noticed among some staff “a mind-set characterized by caution, risk-aversion and a sense of entitlement.” Some of them, he added, “had fallen into operating in an excessively bureaucratic manner, protecting turf and responsibility, and acting as though they had the right to permanent positions regardless of their performance.”

The GM said that he also detected a “deep sense of mistrust. Fingers were pointed in all directions. An informal communication system – a rumor mill – had taken over, with destructive results. Disrespect for authority and the chain of command was prevalent.”

Mr Jaramillo provided the following additional information:

- By 30 April, the staff re-organisation had been completed (apart from the fact that a number positions are still in the process of being filled) and its main goal – significantly strengthening the Grant Management Division – had been accomplished.
- Seventy-five percent of staff now work in grant management; 189 new positions were created, and 236 “inefficient or out-dated” positions were eliminated. In the process, new job descriptions were developed for every single position in the new organisation.
- Vacancy notices were posted for 87 positions, for which more than 635 applications were received; 415 interviews were conducted, involving existing staff who were seeking new positions; and 209 employees were moved into new positions, of which 115 were promotions.
- Management arranged for 116 staff members to choose voluntary or mutually agreed separation, equivalent to 22% of the staff.

The GM said that, overall, there was a 7.4% reduction in positions, and that the Secretariat now has 585 authorized staff positions, with 131 of these positions currently vacant. The one-time cost of the re-organisation was \$22 million.

Mr Jaramillo said that the core processes for people management, which had served to embed a “culture of entitlement,” must be reformed. He said:

“We will seek to nurture and develop our staff; yet we will not be afraid to judge performance and differentiate outcomes. We will set clear objectives, define required competencies, and clarify expectations for behavior... We will recognize, reward, and promote excellence. We will give poor performers the opportunity and the support to improve, and if they do not, we will ask them to leave the Fund to find roles more suited to their skills in other organisations.”

Mr Jaramillo said that the Secretariat will strengthen the “soft skills” of its staff – i.e., effective teamwork, communications, leadership and mentoring. At the same time, he said, the Global Fund will fundamentally reform the way it attracts expertise. “Recruiting top talent from developing countries is the highest priority,” he said.

The Report of the General Manager is available at
<http://www.theglobalfund.org/en/board/meetings/twentsixth>.

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