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of the Global Fund

OIG report says Global Fund Secretariat human resources management processes 'need significant improvement'

In its March 2019 audit report to the Board, the Global Fund's Office of the Inspector General (OIG) determined that the Secretariat's management of human resources (HR) is not yet performing at an optimal level, despite the "substantial progress" made in recent years. The report states: "the design and operational effectiveness of Global Fund systems, policies and procedures to support HR management processes, especially performance management, employee relations and employee grievance process, need significant improvement."

The OIG identified weaknesses in managing poor employee performance as the main problem facing HR management at the Secretariat. Nonetheless, the OIG notes that the HR function overall, "has improved and substantially evolved since its establishment in 2009."

The audit, which covered the period July 2016 to June 2018, focused on the following:

- Adequacy of design and effectiveness of implementation of the People Strategy
- Design and operational effectiveness of systems, policies and procedures which support HR management, specifically: employee recruitment, performance management, employee relations (including sexual harassment, exploitation, and abuse), and separation.

The OIG audit report produced five Agreed Management Actions, which are detailed in Table 1 at the end of this article.

What's working

The People Strategy, i.e. the HR corollary to the Global Fund Strategy 2017-2022, is held up as a “key achievement” by the OIG. This review seems to center on the fact that the People Strategy was developed through a strong consultative process, and includes, “defined activities, deliverables, KPIs and timelines...” While performance management was not an individual component of the original People Strategy, it was added in mid-2018, after or near the close of the OIG’s audit period.

Despite frequent references to it, the OIG report contains only a modest explanation of the People Strategy, which according to the OIG is an internal document and not in the public domain; the GFO was therefore unable to obtain a copy of it.

Another “key achievement” for HR management was the HR Transformation Project—a component of the People Strategy. The transformation involved restructuring of the HR department and approach, with “improved processes and systems” to provide more streamlined support for employees, such as through “self-service” capacity where appropriate. The implementation of a user-friendly HR technology platform, [Workday](#), was also part of the transformation, as was the outsourcing of payroll services. These changes, and the decrease in the number of Secretariat HR personnel from 27 to 22, have contributed to annual HR department savings of \$800,000. At the same time, average staff-satisfaction ratings improved between 2017 and 2018.

What's not working

The OIG report identified three major areas considered “key issues” or “risks”, which are summarized below, along with the associated Agreed Management Actions (AMAs).

Poor management of poor performance

In unambiguous terms, the OIG stated: “Underperformance is not managed effectively.” Despite being raised in a previous OIG audit of Human Resources in 2011 (which is not available on the Global Fund website), the issue of ineffective management of poor performance has still not been adequately “tackled and addressed.” Three key pieces of evidence point to major flaws in how the Fund assesses and handles poor performance:

1. In 2017 only 2.5% of all Secretariat staff were rated as “poor performers,” representing fewer than 20 people, suggesting that assessments artificially skew towards positive ratings. (For comparison – not provided in the OIG report – the U.S. Government’s Office of Personnel Management [reports](#) that 3.7% of federal workers are listed as “poor performers,” almost 50% more than the Global Fund’s ratings.)
2. Only 2% of staff reported that they think the Fund takes appropriate action when dealing with poor performance. Thus management of poor performance is a widespread concern among employees.
3. Performance Support Plans (PSPs) are vastly underutilized to correct poor performance, with less than half of all poor performers being assigned to such plans in recent years. As of 2018, all employees who have a rating of ‘some issues’ or ‘serious concerns’ from their 2017 performance cycle must complete a PSP.

The OIG noted that people managers are responsible for performance management, and identified

several underlying problems driving weak management, among them:

- A misunderstanding of the constraining power of legal frameworks on the ability of managers to manage poor performance. The [Administrative Tribunal of the International Labour Organization](#) (ILOAT) is regularly cited by Global Fund management as the basis for the Fund’s “low appetite for legal and reputational risks,” according to the report. However, the OIG found limited evidence for such conclusions, based on the outcomes of actual cases brought before the Tribunal—involving other employers and having to do with poor performance.
- People managers are not adequately trained on how to tackle poor performance. The trainings available on people management have low participation by staff, are not appropriately tailored to seniority, and are poorly rated by those who do participate.
- Despite issues with performance management having been a well-established problem since at least 2014, they have not been adequately addressed by senior management. The report states: “Although there is no clear plan to address the known weaknesses, the Secretariat now recognizes the issue and is undertaking a review of the performance management process, including the management of underperformance.”

A survey of Global Fund employees performed as part of the audit unearthed numerous disconnects between expectations, supports, and consequences regarding people management. For example, 45% of staff said they do not receive adequate support from the HR team to adequately manage poor performance. Another striking finding was that only 24% of Global Fund employees believed that their manager provided “practical feedback on how to improve their performance on a continuous basis.”

In response to this finding and in accordance with Agreed Management Action 1, the Secretariat will study the recent external performance and talent management review results and update policies and systems accordingly. The Secretariat has also committed to expand and “further embed” training for people managers and monitor their practices related to performance management.

In his November 2018 report to the 40th Board meeting, Global Fund Executive Director Peter Sands also highlighted issues around performance management, calling performance reviews “insufficiently differentiated.” He appeared to acknowledge that these issues require his ongoing attention. “I have been taking a variety of steps to set higher standards on performance and collaboration and will continue to do so in 2019.”

Inadequate dispute resolution and employee relations policies and practices

The second major area of concern for the OIG regards the scope, articulation, and practice of policies related to employee relations, including dispute resolution procedures, management of disciplinary case data, and sexual harassment, exploitation, and abuse issues.

The OIG noted that just after its assessment period closed in June 2018, the Secretariat began implementing a stronger system for employee dispute and grievance resolution. However, a lack of comprehensive employee relations policies and guidelines still presents a risk that the Fund may be in non-compliance with ILOAT norms. In particular, there are “deficiencies in the management of employee relations data.” The OIG highlighted that data on employee relations cases was being inefficiently tracked and stored, and that records were only being kept for 12 months or less (except for cases involving gross misconduct, which are filed permanently); this presents a risk to the organization, should a separated employee pursue action against the Fund.

As Agreed Management Action 2, the Secretariat will clarify roles and responsibilities for employee

relations management and dispute resolution, and review its practices related to disciplinary case data management.

Regarding sexual harassment and sexual exploitation and abuse (SEA) issues, the OIG found that the Fund has been proactive and effective in tackling the issue – from a policy standpoint – and in updating policies and procedures for the management of these issues as they arise among Secretariat staff. However, the OIG noted, these policies do not currently extend to the wider Global Fund universe of “implementers, suppliers and other stakeholders....” The OIG suggested that such policies be adapted for application to external stakeholders.

Agreed Management Action 3 responds to the issues around sexual harassment and SEA:

“The Secretariat will develop a framework related to harassment, including sexual harassment, bullying and abuse of power in the context of Global Fund programs; this framework will cover the wider stakeholder environment of the Global Fund (including CCMs, implementers, suppliers and others) and define and clarify the roles and responsibilities across different functions within the Global Fund including [Grants Management Division], Ethics Office and OIG.”

The third area identified as a “key issue” was the delay in implementing Strategic Workforce Planning, the importance of which had been identified in 2012 but had been deprioritized until the 2017-2022 People Strategy had been developed. Strategic Workforce Planning identifies and puts in place the appropriate organizational design for organizations, with the right skills and competencies to match.

The 4th and 5th Agreed Management Actions associated with this audit relate to the Secretariat’s commitment to implement Operational Workforce Planning (AMA 4) to inform the 2020 budget, and Strategic Workforce Planning (AMA 5), “to enable strategic scenario planning, statistics and budgeting.” AMAs 1-4 are all scheduled to be completed by December 2019; AMA 5 by June 2020. All AMAs are owned by the Head, Human Resources Department, Partick Nicollier, except AMA 3, which is owned by the Chief of Staff, Marijke Wijnroks.

Table 1. Agreed Management Actions

Agreed Management Action	Target Date	O
1. The Secretariat will review the results of the performance and talent management review by Deloitte and update performance and talent management policies/processes and systems.	31 December 2019	H R D
The Secretariat will further embed current practices including mandatory training (e.g. Performance Support Plan training, competencies training and leadership training) and monitor the evaluation of line managers (e.g. Ongoing inclusion of mandatory people objective in performance objectives of line managers).	31 December 2019	H R D
2. The Secretariat will clarify roles and responsibilities of the HR department, Ombudsperson, Ethics Officer and Staff Counsellor for employee case intake and employee conduct. The Secretariat will also complete the review of investigation and disciplinary processes including case intake and assessment, mapping key processes, data retention, and developing SOPs for case investigation.	31 December 2019	H R D

3. The Secretariat will develop a framework related to harassment, including sexual harassment, bullying and abuse of power in the context of Global Fund programs; this framework will cover the wider stakeholder environment of the Global Fund (including CCMs, implementers, suppliers and others) and define and clarify the roles and responsibilities across different functions within the Global Fund including GMD department, Ethics Officer and OIG.

31 December 2019

4. The Secretariat will implement Operational Workforce Planning (WFP) to inform the 2020 Budget. This includes:

- Define the overall deployment approach, project plan and tool for Operational WFP.
- Lead the pilot for the selected Division and integrate lessons learnt.
- Build the multi-stakeholder governance and process to embed operational workforce planning into standard HR/Finance planning cycles.
- Build the change management plan and related communication/training material to equip employees.
- Deploy the operational workforce planning tool and facilitate the workforce consolidation, analysis and action plans.

December 2019

5. The Secretariat will implement Strategic WFP to enable strategic scenario planning, statistics and budgeting:

- Confirm the case for SWP and selection of the SWP methodology (tool and process) and pilot.
- Update the governance and process maps.
- Update the change management material (communication/ training material) and project plan.
- Deploy Strategic Workforce Planning.

June 2020

This audit report, accessible on the Global Fund website, is [‘Global Fund Human Resources Management Processes’](#), 15 March 2019 (GF-OIG-19-007).

Editor’s note: The 2015 OIG audit of Global Fund Human Resources is not currently available on the Fund’s website.

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