## Organizational Unit Restructuring Policy

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# Purpose

1. The purpose of this document is to set out UNDP’s human resources policy for carrying out restructures of organizational units, including special placement and selection measures.

# Objectives

1. The operational environment changes very quickly. Organizations should be able to adjust to changes proactively, have the capacity to manage their structures dynamically, and be able to effectively re-distribute skills, competencies, and resources to respond to such changes. Constant adaptation is necessary to improve business performance, retain competitive advantage, and remain relevant to stakeholders’ needs and expectations. This must be done within the spirit of the organizational principles of transparency, fairness, and accountability and in order to enhance UNDP’s capacity to fulfil its development mandate.
2. To support the achievement of UNDP’s strategic objectives, the organization needs an optimal design for each organizational unit across the entire institution. A range of factors can result in the need to modify the organizational structure by restructuring an organizational unit. Examples of organizational drivers that may result in the need to restructure an organizational unit could include, but are not limited to:

(a) Changing programme requirements;

(b) Expiration of finite mandates (such as country programme cycles or technical assistance projects);

(c) New country programme cycles and priorities;

(d) Post conflict or emergency situations;

(e) Significant changes in budget and funding;

(f) Audit findings or the outcome of investigations.

# Main Principles

1. Restructures of organizational units and the related processes should be managed with care and taking into consideration the development results expected and the associated risks. The approach taken must adhere to the following principles:
2. **Rationale**: the objective of the change is well defined and understood by key stakeholders, and activities to achieve the objective are clearly formulated, communicated, and implemented in a transparent manner.
3. **Accountability**: the ownership of, and accountability for, change are clearly and unambiguously established. UNDP’s [Accountability Framework](https://popp.undp.org/node/3871) is adhered to, and any exceptional accountability arrangements are defined, approved and documented.
4. **Risk management**: the approach ensures that risks and liabilities to UNDP are identified, mitigated and managed. The organization is enabled to respond to present and future contingencies in an appropriate manner.
5. **Fairness**: the policy ensures that staff will be treated equitably, fairly and in a manner that is free of all forms of discrimination.
6. **Wellbeing**: this policy acknowledges the value UNDP places on its people and seeks to minimize possible negative impacts of change on staff and their wellbeing.
7. **Engagement**: Heads of Unit are required to engage and communicate with staff throughout the change management process.
8. **Efficiency and effectiveness**: With due regard to the above-mentioned principles, this policy recognises the need for changes to organizational structures to be implemented in accordance with approved timelines.

# Applicability

1. This Policy applies to all staff members holding a UNDP Letter of Appointment and hired on Fixed-Term Appointments (FTA) and Permanent Appointments (PA), referred to for the purposes of this policy as ‘staff members’.
2. It also covers UNDP staff members with a lien to a specific position who are on Special Leave Without Pay or on secondment or loan under “The Inter-Organization Agreement concerning the Transfer, Secondment or Loan of Staff among the Organizations applying the UN Common System of Salaries and Allowances”. Such staff members must be informed and their participation arranged in any restructuring process of the organizational unit to which their position belongs which occurs during their absence**.**
3. This Policy does not apply to staff members holding UNDP Letters of Appointment for service limited to another UN entity. It also does not apply to staff hired on Temporary Appointments (TA) or personnel working for UNDP under any other contractual modality.
4. This policy applies to staff members of United Nations Volunteers (UNV) and the United Nations Capital Development Fund (UNCDF) as modified according to those entities’ internal roles, responsibilities, and approving authorities.
5. Changes to the structure of an organizational unit which affects a limited number of individual functions in a unit of up to 20 percent of overall staff positions, for example abolishing or creating a position or making a substantive change to the main duties and responsibilities of an existing position are considered as an **organizational realignment.** This will be implemented by the management of the organizational unit concerned consistent with the organisation’s relevant policies related to human resources management. Such cases do not fall within the scope of this policy and an Organizational Unit Restructuring Proposal (OURP) is not a requirement. However, at the discretion of the Head of Unit the elements of the restructuring process set out in this policy can be applied fully or partially to an organizational realignment.
6. For the purposes of this policy an organizational unit is defined as a bureau, office and unit at headquarters, and outside headquarters as a regional bureau, a country office or an outposted office.

# Roles And Responsibilities

1. The roles and responsibilities for organizational unit restructuring are as follows:
2. Bureau Director: is accountable for the restructuring process and for ensuring the intended objectives are achieved, costs are kept within the allocated resource limits for the OURP, and the principles outlined in this policy are observed. The Bureau Director is responsible for approving initiation of the restructuring process and taking a final decision on the OURP containing the proposed new structure and ensuring the necessary financial resources are available, where the change affects only part of a Bureau.
3. Associate Administrator: is responsible for approving initiation of a restructuring process and for taking a final decision on the OURP for organizational units that do not report to a Bureau Director and instead report to the Associate Administrator or Administrator, or in cases in which an entire Bureau will be impacted.
4. Head of Unit: is responsible for identifying the need for and scope of a change process, and for overall planning and implementation of the restructuring process. The Head of Unit is accountable to the Bureau Director / Associate Administrator for implementation of the OURP and for ensuring effective outreach and communication with staff.
5. Bureau for Management Services (BMS) / Office of Human Resources (OHR): is responsible for the provision of advisory services, oversight of the restructuring process, as well as ensuring compliance with this policy. This includes advising consultants or other resources engaged to manage the HR implementation locally. BMS / OHR is responsible for assessing human resources implications and providing clearance for OURPs.
6. BMS / Office of Finance and Resource Management (OFRM): is responsible for reviewing the financial implications and providing clearance for OURPs.
7. BMS Director: is responsible for reviewing all the Management Services implications and providing final clearance on behalf of BMS for OURPs. The BMS Director may approve exceptional measures, including waivers or special implementation procedures, if deemed to be in the interests of the organization.
8. Staff Association / Council: the Staff Association / Council concerned should be regularly informed throughout the restructuring process and staff representatives should support outreach and communication with affected personnel. A representative from the Staff Association / Council will participate as an active observer on the Advisory Panel for Position Confirmation, without voting rights.
9. Advisory Panel: is responsible for providing recommendations to the Head of Unit on proposals for position confirmation and placement and selection as a result of the Competitive Selection Exercise.
10. HR Facilitator / Consultant: if applicable, is responsible for supporting and facilitating the restructuring process.

# Organizational Unit Restructuring Processes

## Restructuring Organizational Units

1. An organizational unit restructuring process may be initiated by the Administrator. Alternatively, approval to initiate the process to restructure an organizational unit must be sought by the Head of Unit and approved by the responsible Bureau Director where the change affects only part of a bureau, or otherwise the Associate Administrator in cases in which the entire bureau will be impacted, or the change affects a unit which reports to the Associate Administrator or the Administrator.
2. Where structural changes will involve a significant proportion of the overall staff positions within the unit of more than twenty percent such cases will be managed as a restructure and an OURP is required.
3. Once the request to initiate an organizational unit restructuring process has been approved, an OURP outlining the recommended new structure must be prepared by the relevant Head of Unit with advice from the responsible BMS / OHR Business Partner.

### Preparing an Organizational Unit Restructuring Proposal

1. The OURP must be prepared using the [Template for Organizational Unit Restructuring Proposals](https://popp.undp.org/node/2411) and will include:
2. Location of the unit;
3. The rationale for restructuring the Unit, an outline of the main outputs that would be delivered by the unit under the new design and an explanation of how the proposed structure better supports the organization’s Strategic Plan, and the country programme if applicable, and how it contributes to efficient and effective use of resources;
4. An organizational chart including all proposed staff positions, titles, grade levels, position numbers, and funding source for each position. The organizational chart should demonstrate a logical, consistent, and coherent structure based on business needs. Careful consideration must be given to the funding source to be used for each position based on the nature and expected duration of the associated tasks.
5. An overview of all changes that would occur as a result of the new structure including new positions, positions to be abolished, positions to be reclassified at a new grade level, and information on whether the positions are currently encumbered.
6. An assessment of the financial sustainability of the organizational structure, including cost implications and how funding will be provided.
7. The OURP will be signed off by the requesting Head of Unit and endorsed by the responsible Director. For organizational units that do not report to a Director and instead report to the Associate Administrator or Administrator, or in cases in which an entire Bureau will be impacted, the proposal will be signed off by the requesting Head of Unit and endorsed by the Associate Administrator.
8. Once the OURP is finalized, the Head of Unit or Bureau Director will initiate the clearance process, ensuring other relevant units such as BMS / OHR and BMS / OFM are consulted to assess the proposal’s human resources implications and confirm availability of funding, prior to final clearance by the Director of BMS, followed by final approval by the Bureau Director or Associate Administrator so that implementation can be initiated.

### Implementation of organizational unit restructuring

#### Restructure of organizational unit

1. After approval has been granted, the required implementation of the organizational unit restructure is managed as a package using the Organization’s applicable processes for position design, position classification, and position reclassification. The implementation process is undertaken in consultation with the relevant BMS / OHR Business Partner.
2. Implementation should follow the special process for confirmation, placement, and competitive selection outlined in this section. The strategy that will be applied utilising the menu of options available under the special process set out below, will be identified by the Head of Unit at the start of the process.
3. Organizational unit restructuring processes may not be used to address unsatisfactory staff performance or conduct which must be addressed exclusively through the relevant [performance management and / or disciplinary procedures](https://popp.undp.org/node/11251).
4. The Head of Unit may wish to arrange for the provision of assistance for job search (for example CV preparation, competency-based interview skills training), including but not limited to the Talent Development Unit resources. The nature and degree of support available should be clearly communicated to staff and any related costs borne by the requesting unit.

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1. The Director BMS / OHR retains the right to establish special implementation procedures for confirmation, placement and selection for any specific restructuring of an organizational unit if deemed to be in the interests of the organization. In cases in which the Director BMS / OHR does not support the establishment of special implementation procedures, a Bureau Director may request the BMS Director’s implementation of special implementation procedures due to exceptional circumstances if this can be shown to be in the interests of the organization.

#### Advisory Panel

1. The Head of Unit establishes an Advisory Panel composed of a minimum of three people plus the Head of Unit or the Head of Unit may instead designate someone to act as their representative on the Panel. The Advisory Panel members must have the appropriate skills and experience to be able to assess and make proposals on the suitability of the individuals under consideration for position confirmation and placement and selection under the Competitive Selection Exercise (CSE). To enhance impartiality and transparency, in addition to UNDP staff members, Advisory Panel members may include staff from another United Nations organization or non-staff such as consultants contracted to take part in the restructuring process, provided that at least half the Panel is comprised of UNDP staff members. A representative from the Staff Association / Council will participate as an observer on the Advisory Panel for the Position Confirmation stage of the process. Should a staff representative who has been provided with reasonable notice be unable or unwilling to participate within the agreed timeline, the process will proceed.
2. The Head of Unit may establish one Advisory Panel for the Position Confirmation and Placement Process and a different Panel for the Competitive Selection Exercise or may utilize the same Panel for both processes.

#### Position Confirmation and Placement Process (PCPP)

1. The Position Confirmation and Placement Process consists of two main stages:
2. Stage one - [Position Confirmation](https://popp.undp.org/node/2406): The Panel makes a recommendation on staff members that can be confirmed on positions that are considered to be the same since they have not substantively changed.
3. Stage two – [Position Placement](https://popp.undp.org/node/2396): The Panel makes a recommendation on staff members that could be offered a promotion to an upgraded position or who could be offered a [lateral reassignment](https://popp.undp.org/node/2401) prior to and without competitive selection.
4. Position Confirmations will be notified to the staff member concerned. Proposed Position Placements will be subject to agreement on the part of the staff member.

*Stage one - Position Confirmation*

1. The Advisory Panel determines which positions have or have not substantively changed by comparing the new and previous job descriptions. In general, a job description can be considered to have substantively changed if the category or grade level has changed or there has been a significant change in more than two functions. To be considered significant, changes must occur in the main functions and levels of accountability and responsibility of the position and not in the specific results expected or specific duties / tasks, or one or more new functions from a different technical area have been added or replace the original functions of the position.
2. In the case of encumbered positions that are considered the same because they have not substantively changed, the Advisory Panel can recommend to the Head of Unit that the incumbent be confirmed in the position.
3. In cases where multiple staff encumber a generic or substantively similar position, and at least one but not all of those positions will be abolished due to restructuring, confirmation in the position is not possible, and all such positions will be treated as abolished and considered as newly established positions.
4. Encumbered positions with job descriptions that are determined to have substantively changed or which are reclassified at a different level (upwards or downwards) or in a different category as part of the restructure of an organizational unit must be treated as abolished positions. In such a case, the positions that result from the restructuring will be considered as newly established positions.
5. In addition to encumbered positions which will not be subject to position confirmation, vacancies arising from the creation of a new position and unencumbered positions will be considered as part of stage two of the PCPP.

*Stage two - Position Placement*

1. The Panel will determine which existing encumbered positions were upgraded to a higher level due to additional responsibilities of the same nature and greater complexity. Provided the upgrade is no more than one grade and the position remains in the same category, the staff member encumbering the position can be recommended by the Panel to the Head of Unit for promotion and placement on the higher-level post. In making its recommendation, the Panel will review whether the staff member has sufficient skills and experience to meet the minimum requirements, including but not limited to having been rostered for a position of this type or found suitable for a position of this nature as a result of the Talent Review process. The staff member will also need to have demonstrated satisfactory performance in their most recent performance appraisal. In such cases, the staff member will retain their lower-level personal grade for a qualifying period of six to twelve months before being converted to the higher grade retroactively back to the start date of the placement.
2. In the interests of placing as many staff members as possible and to facilitate the objectives of the Mobility Policy, the Panel may make recommendations to the Head of Unit on potential lateral reassignments of any staff member (including those who have been confirmed in their position) to any other suitable positions within the unit for which the staff member is considered by the Panel to have the required skills and experience (including positions which involve relocation to another duty station). In the event that a staff member does not wish to accept a position to which they have been offered a placement, the position may be offered to another suitable staff member or it will be open to Expressions of Interest under the CSE.

#### Competitive Selection Exercise (CSE)

1. In order to minimize the impact on staff in the organizational unit which is being restructured, following conclusion of the PCPP, a CSE will be conducted for all positions which still remain available. These positions will be open to Expressions of Interest from all staff members in the affected unit. Positions communicated to staff as part of the CSE will remain open for a minimum of five working days. Staff members who have already been confirmed or placed in a position under the PCPP are still eligible to apply and be considered for a maximum of three vacancies as part of the CSE. However, for International Professionals the minimum duration of assignment requirement contained in the Mobility Policy will normally apply. For staff who have not been confirmed or placed in a position under the PCPP, there is no cap on the number of vacancies they can apply for and for International Professionals the minimum duration of assignment requirement will be waived.
2. A staff member would normally be expected to seek appointment to a position at the same grade level or higher. However, if the staff member is encumbering a position that is being abolished due to the restructure, they may apply for a position no more than one grade lower than their personal grade. If appointed to the position, the staff member may retain their personal grade for two years on the understanding that reasonable efforts will be made by the staff member and the organization to facilitate appointment to a position at the same personal grade. At the conclusion of the two-year period, if the staff member is still serving in the lower-graded position, the personal grade will be adjusted, and the staff member will be put at the lower grade level of the position.
3. For the CSE, there will be no requirement for a minimum number of candidates overall or from each gender for each vacancy. The CSE will utilise an assessment process applying one or more appropriate assessment tools (for example desk review, competency-based interview, testing) which must include at least a desk review to evaluate all internal candidates who are shortlisted by the Advisory Panel for each vacancy. If written tests are applied these are to be scored anonymously by at least two suitably skilled individuals. All assessment tools that will be used and the respective weighting that will be applied must be decided and documented in advance of commencement of the assessment process.
4. The Head of Unit may add additional members to the Advisory Panel on an ad-hoc basis for any particular vacancy, or involve other individuals in other aspects of the assessment process as appropriate, for example to prepare and assess technical tests, if it is considered that this expertise is required to accurately assess the suitability of candidates.
5. If at least one internal candidate is found suitable for a position, the suitable candidate(s) will be recommended for selection in ranked order by the Advisory Panel, subject to satisfactory performance in the most recent performance appraisal, and with regard to the priority for retention established by the Termination of Appointment Policy.
6. In the event that there is only one shortlisted candidate for a position as part of the CSE, and this individual has previously either been rostered for a position of this type or else found suitable for a position of this nature as a result of the Talent Review process, the candidate can be recommended for appointment to the position by the Advisory Panel without the need to go through a further assessment process.
7. Following this, if there are any positions which still remain available, the Advisory panel may recommend placement of an unassigned staff member in a position provided they did not previously apply to the position as part of the CSE and were found unsuitable. The position must be at the same grade level or one grade level below the staff member’s personal grade and based on a review by the Panel the staff member has sufficient skills and experience to meet the minimum requirements of the position. The consent of the staff member to such placement will be required. In the case of placement in a lower graded position a staff member can maintain their personal grade and step for two years.
8. Before final decisions on competitive placement via the CSE are taken by the competent authority, recommendations will be subject to a compliance review body process as applicable.

#### Remaining Vacancies

1. Any remaining positions for which no suitable internal candidate is identified following the CSE will be filled in accordance with the applicable selection procedures in UNDP’s Recruitment Policy. In the first instance this will be as part of a normal internal selection process which is open to internal applications from staff UNDP-wide and not only the affected unit.
2. Any positions which remain unfilled by internal candidates as a result of the normal internal selection process will then be advertised externally and subject to a normal external selection process open to any internal and external candidates. Any internal candidate who already applied to the vacancy as part of the normal internal selection process and was not selected will be excluded from consideration as part of the external selection process. The assessment for the external selection process would require at a minimum for candidates to participate in a competency-based interview.

#### Unassigned staff

1. The order of retention of staff contained in UNDP’s [Termination of Appointment](https://popp.undp.org/node/2416) Policy will be applied. A staff member who is left unassigned at the end of the restructuring process will be subject to the terms of, and protections contained in, the relevant parts of the policy for staff whose position is terminated for reasons of abolition of position or reduction of staff.