

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION**

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTY-SEVENTH SESSION
SUPPLEMENT No. 30 (A/37/30)



UNITED NATIONS

New York, 1982

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

| | |
|--------|-------------------------------------------------------------------------------------------------------|
| ACC | Administrative Committee on Co-ordination |
| CCAQ | Consultative Committee on Administrative Questions |
| CCISU | Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System |
| FAO | Food and Agriculture Organization of the United Nations |
| FICSA | Federation of International Civil Servants Associations |
| GATT | General Agreement on Tariffs and Trade |
| IAEA | International Atomic Energy Agency |
| ICAO | International Civil Aviation Organization |
| ICSAB | International Civil Service Advisory Board |
| ICSC | International Civil Service Commission |
| IFAD | International Fund for Agricultural Development |
| ILO | International Labour Organisation |
| IMO | International Maritime Organization |
| ITC | International Trade Centre |
| JIU | Joint Inspection Unit |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| UNITAR | United Nations Institute for Training and Research |
| UNJSPF | United Nations Joint Staff Pension Fund |
| UNRWA | United Nations Relief and Works Agency for Palestine Refugees in the Near East |
| UPU | Universal Postal Union |
| WHO | World Health Organization |
| WIPO | World Intellectual Property Organization |
| WMO | World Meteorological Organization |

LETTER OF TRANSMITTAL

23 August 1982

Sir,

I have the honour to transmit herewith the eighth annual report of the International Civil Service Commission, prepared in accordance with article 17 of the statute of the Commission which the General Assembly approved by its resolution 3357 (XXIX).

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

I avail myself of this opportunity to renew to you, Sir, the assurance of my highest consideration.

(Signed) Richard M. AKWEI
Chairman
of the International Civil
Service Commission

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General of the United Nations
New York

SUMMARY OF RECOMMENDATIONS THAT CALL FOR DECISIONS BY THE
GENERAL ASSEMBLY OF THE UNITED NATIONS AND THE LEGISLATIVE
ORGANS OF THE OTHER PARTICIPATING ORGANIZATIONS

Paragraph
reference

Special index for pensioners

Phase I. Adjustments for lower taxes

- 41 The Commission decided to recommend to the General Assembly, in the context of the first phase, the procedure for adjusting cost-of-living differential factors applicable to retirees from the Professional and higher categories in countries where those factors were applied and where the rates of taxation were lower than those which are implicit in the amounts of base pensions (New York). This procedure is reported in paragraphs 41 and 43 and annex III.
- 42 The Commission also decided to recommend to the General Assembly that no reduction factor should be applied to the retirees from the General Service and related categories.

Actuarial valuation of the United Nations Joint Staff Pension Fund:
age of retirement

- 56 The Commission did not consider that it could pronounce itself on the actuarial benefit of the proposal under discussion, and it noted that UNJSPB itself had so far not taken a position on the deferment of the mandatory retirement age. Moreover, the Commission felt obliged to recommend to the General Assembly not to take any decision regarding the age of retirement until it had received the Commission's views on the matter.

Comparison of total compensation

- 77 - 84 The Commission requested the General Assembly to take note of the results of the total compensation comparison for the period 1 October 1981 to 30 September 1982 of non-expatriate benefits between United Nations officials in grades P-1 to D-2 in New York and employees of the United States federal civil service in General Schedule grades GS-9 to GS-16 and the Senior Executive Service grades SES 1-SES 6 in Washington, D.C., taking into account the cost-of-living differential, based on two assumptions:

- (a) The total compensation ratio would be 116.4 on the assumption that no allowance is made for the difference in length of service applicable on both sides; and 106.8, if United Nations employees would continue to remain at work for a full 5-year period beyond the age of 60 if given the opportunity;
- (b) If the cost-of-living differential were applied only to net base salaries, the total compensation ratio, based on the assumption that no allowance is made for the difference in the length of service on both sides, would be 118.7; and if United Nations employees continued to remain at work for a full 5-year period beyond the age of 60, it would be 109.0.

Paragraph
reference

85

and annex V

As the Commission agreed that the comparison of total compensation should not only be based on non-expatriate elements of compensation but also take into account expatriate benefits applicable on both sides, the General Assembly may wish to request the Commission to undertake the development of a methodology for comparison of expatriate benefits. If so, any such request must be accompanied by the allocation of the necessary resources in the Commission's budget.

Determination of the remuneration of the Professional and higher categories

107-118

Review of the level of remuneration

118

After review by the Commission of ACC's recommendation of a 5 per cent increase in net base salary and other elements of remuneration based on net salary, it was agreed to transmit the views of the Commission for consideration and decision by the General Assembly of the United Nations which are reported in paragraphs 114 to 118.

Supplementary payments to international civil servants and related matters

124

The Commission, after studying the matter further and taking into account the views expressed by the Fifth Committee of the General Assembly at its thirty-sixth session, concluded that it had already dealt with the matter within the limitations of its authority. It therefore requested the General Assembly to take appropriate measures to remedy the situation. In that connexion, it reiterated the recommendation it had made to the Assembly in earlier reports, namely, to call to the attention of all Member States that the practice of supplementary payments was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of Staff Regulations. That recommendation applied to all types of supplementary payments, present and future.

General review of the purposes and operation of the post adjustment system

130

The Commission agreed to report to the General Assembly that the comprehensive review of the post adjustment it undertook in response to General Assembly resolution 34/165 is now basically complete. It, however, wishes to point out that the post adjustment system is continually evolving to meet new economic and statistical requirements and, as such, the fundamental review made by the Commission over the past years will provide a basis for further improvements and adjustments in the coming year. The General Assembly may wish to note developments in the past year reported in paragraphs 130-136 and those activities in which the Commission will be involved in the immediate future reported in paragraph 137.

Paragraph
reference

Education grant

197 - 198

The Commission concluded that the education grant should remain solely an expatriate benefit to be granted to all United Nations expatriate officials and that it should not be extended further in its application to non-expatriate staff. It decided however, to recommend to the General Assembly that application of the grant to nationals returning to their home country following an assignment elsewhere should be allowed for the balance of a school year, not exceeding one full school year after their return from overseas service.

Children's allowance for the Professional and higher categories

213

The Commission decided:

- (a) To recommend to the General Assembly an increase in the current amount of the allowance to \$700 as from January 1983;
- (b) That the currency floor measures would be maintained based on the 12-month average exchange rate ending 30 June 1982 for all duty stations.

Career development: study on concepts of career, types of
appointment, career development and related questions

311
and annex I

The Commission decided to submit its study undertaken in response to General Assembly resolution 36/233 for review and consideration. This is contained in annex I to the present report.

SUMMARY OF FINANCIAL IMPLICATIONS OF THE COMMISSION'S RECOMMENDATIONS
AND DECISIONS FOR THE UNITED NATIONS AND PARTICIPATING ORGANIZATIONS

Comparison of total compensation

85

Should the General Assembly wish the Commission to undertake a comparison of expatriate benefits applicable to both the United States federal civil service and the United Nations, a supplementary allocation should be provided in the Commission's budget. Based on the conservative 1981 estimate of \$350,000 for financing such a study, a provision of \$400,000 should be made for 1983.

Children's allowance for the General Service category

211

The implications of the Commission's decision on changes in the basis for calculating the children's allowance for the General Service category effective 1 July 1982 were \$2.05 million per annum for the United Nations common system based on January 1982 figures.

Paragraph
reference

Children's allowance for the Professional and higher categories

214

The implication of this increase in the children's allowance for the Professional and higher categories from \$450 to \$700 recommended by the Commission effective 1 January 1983 is \$4.9 million for 1983 for the United Nations common system.

General review of conditions of service in the field

242

(a) The financial implication of the increase in the lump sum of the installation grant to \$600 for field staff and their dependents, subject to a total payment of \$2,400 per family, as decided by the Commission, has been estimated at \$2.8 million per annum for the United Nations common system.

242

(b) The increase by 50 per cent in the existing assignment allowance provisions payable to staff at the dependency and single rates, as decided by the Commission, has been estimated to cost \$8,275,000 per annum for the United Nations common system.

CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptances of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly by its resolution 3357 (XXIX) of 18 December 1974, provides that:

"The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute."

During the first seven years of the Commission's existence, its statute was accepted by 11 of the organizations which, together with the United Nations itself, participated in the United Nations common system of salaries and allowances. 1/* Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

2. There has been no change in the situation as regards formal acceptance of the statute since the submission of the Commission's seventh annual report. 3/

B. Membership

3. The General Assembly, at its thirty-sixth session, elected five persons to fill the vacancies that would arise on 1 January 1982 (decision 36/324 of 18 December 1981).

* The notes to the present document are to be found at the end of the text, following paragraph 333.

4. Following the appointments approved on the recommendation of the Fifth Committee, by the General Assembly at its 105th plenary meeting, the membership of the International Civil Service Commission for 1982 was as follows:

Mr. Richard M. Akwei (Ghana)*, Chairman
Mr. Amjad Ali (Pakistan)**
Chief Michael O. Ani, O.F.R., C.F.R. (Nigeria)**
Mr. Anatoly Semënovich Chistyakov (Union of Soviet Socialist Republics)**
Mr. Gastón de Prat Gay (Argentina)*, Vice-Chairman
Mr. Moulaye El Hassen (Mauritania)*
Mr. Ralph Enckell (Finland)***
Mr. Jean-Claude Fortuit (France)***
Mr. Pascal Frochaux (Switzerland)*
Mr. Helmut Kitschenberg (Federal Republic of Germany)***
Mr. Akira Matsui (Japan)***
Mr. Jiří Nosek (Czechoslovakia)*
Mr. Antonio Fonseca Pimentel (Brazil)***
Mr. M. A. Vellodi (India)**
Mrs. Halima Warzazi (Morocco)**

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- * Term of office expires on 31 December 1982.
** Term of office expires on 31 December 1984.
*** Term of office expires on 31 December 1985.

C. Sessions held by the Commission and questions examined

5. The Commission held two sessions in 1982: the fifteenth and sixteenth, which were held at the United Nations Office at Geneva from 1-19 March 1982 and at United Nations Headquarters in New York from 12 to 30 July 1982, respectively.

6. The Commission, at its fifteenth and sixteenth session, examined issues which derived from decisions and resolutions of the General Assembly, as well as from its own statute. A number of decisions and resolutions that had been adopted by the Assembly required action or consideration by the Commission. 4/ The actions taken on decisions by the Assembly are indicated in chapter II of the present report.

D. Subsidiary body

7. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976 pursuant to the authorization given by the General Assembly in resolution 3418 A (XXX), was composed in 1982 of the following members:

Mr. Pascal Frochaux, member of ICSC, Chairman; Mr. Stephen Van Dyke Baer (United States of America); Mr. Janes A. DeSouza (Brazil); Mr. G. K. Nair (Malaysia); Mr. A. F. Revenko (Union of Soviet Socialist Republics) and Nana Wereko Ampem II (Ghana).

8. The Committee held its seventh session from 17 to 28 May 1982 at the headquarters of the IAEA in Vienna, which provided all facilities and services at no additional cost to the Commission.

CHAPTER II

ACTION ON DECISIONS TAKEN BY THE GENERAL ASSEMBLY AT ITS THIRTY-SIXTH SESSION (ARISING FROM THE SEVENTH REPORT OF THE COMMISSION)

9. The International Civil Service Commission took action on decisions taken by the General Assembly at its thirty-sixth session arising from its seventh annual report 5/ and on a number of other matters, as reported below.

A. Study on concepts of career development, types of appointment, career development and related questions requested of ICSC

10. The Commission noted that, by resolution 36/233, the General Assembly reaffirmed "the central role of the Commission within the common system in the development of a single unified international civil service through the application of common personnel standards and arrangements". It further observed with appreciation that the Assembly had noted in section II, paragraph 1, the progress made by the International Civil Service Commission under the authority given to it under article 13 of its statute. The Commission noted section III, paragraph 1 (a), which requested ICSC to give high priority to the study on "the broad principles for the determination of conditions of service with particular reference to the concept of career, types of appointment, career development and related questions, taking into account the views expressed by delegations in the Fifth Committee, all related studies and the relevant reports of the Joint Inspection Unit". The Commission also noted General Assembly decision 36/457 in this regard. As a follow-up to the details presented in its seventh annual report, the Commission's further study of this matter is found in annex I to the present report.

B. Comparison of total compensation

11. The General Assembly, in section III, paragraph 1 (b), of resolution 36/233, requested that high priority be given to the "improvement of the comparison of total compensation between the comparator civil service and the international civil service, taking into account all relevant elements, including the level of pensions, but excluding expatriate benefits applicable to staff members in the Professional and higher categories in the comparator civil service". The Commission's consideration of this matter is found in paragraphs 65 to 85 below.

C. Review of the purposes and operation of the post adjustment system

12. The third high priority item specified in section III, paragraph 1 (c), of resolution 36/233 was a request to complete the "fundamental and comprehensive review of the purposes and operation of the post adjustment system with a view to avoiding distortions in the system and ensuring equity". In addition to the details submitted in last year's annual report, 6/ the report by the Commission on the review of the post adjustment system will be found below in paragraphs 125 to 138.

D. Special index for pensioners

13. The Commission noted that the fourth (and last) high priority item contained in resolution 36/233 was the "elaboration of a special index for pensioners, in collaboration with the United Nations Joint Staff Pension Board, in accordance with General Assembly decision 35/447 of 17 December 1980". Further to chapter III, section B of its seventh annual report, the Commission's consideration of this matter will be found in paragraphs 32 to 48.

E. General principles and methodology for determining conditions of service of the General Service category

14. In section III, paragraph 2 (a) of the resolution, the General Assembly requested the Commission to continue to study the "general principles and methodology for surveys to determine the conditions of service of the General Service and other categories of locally recruited staff members, including staff serving at field duty stations". The report of the Commission in this area will be found in paragraphs 147 to 153 and the methodology adopted for headquarters duty stations in annex II.

F. Dependency allowances

15. Section III, paragraph 2 (b), of resolution 36/233 requested a "review of dependency allowances for all categories of staff". The Commission's report on this matter is found in paragraphs 201 to 222.

G. Education grant

16. The same paragraph (2 (b) of sect. III) requested the Commission to undertake a "review of the scope and purpose of the education grant". Consideration of this matter is dealt with in paragraphs 192 to 200.

H. Training

17. The Commission noted paragraphs 2 (c) and (d) of resolution 36/233 in the General Assembly which requested a study on the "development of interagency co-operation in the field of training with a view to the more efficient and economical use of personnel resources in the common system" and a "thorough evaluation, in close collaboration with the organizations, of the utility of current and proposed training activities in the United Nations system, with special reference to management and related training". The Commission has included these two requests in its work programme for 1983.

I. Staff assessment

18. The Commission noted the General Assembly's request in paragraph 2 (e) of section III of resolution 36/233 to undertake a "general review of staff assessment for the equitable treatment of all categories of staff at all duty stations". The Commission's report on this matter is found below in paragraphs 189 to 191.

J. Supplementary payments

19. The final request in resolution 36/233 was that the Commission undertake a "comprehensive study of the question of supplementary payments to international civil servants and all related matters". The Commission's views on this matter are found in paragraphs 119 to 124.

K. Separation payments

20. The Commission noted the approval by the General Assembly in decision 36/459 of a new definition of separation payments.

L. United Nations Joint Staff Pension Board

21. The Commission noted General Assembly resolutions 36/118 A, B and C, particularly resolution B, which requested "the United Nations Joint Staff Pension Board, in co-operation with the International Civil Service Commission where necessary, to consider alternative courses of action that might be taken" in respect to the actuarial situation of the Fund. The Commission's views on this matter are reported in paragraphs 49 to 56.

M. Matters arising from resolution 36/235 (pertaining to the United Nations Secretariat)

1. Job classification

22. The Commission noted section VIII of resolution 36/235 wherein the General Assembly approved the reclassification of translator and reviser posts.

2. Salary increase of 3 per cent at Geneva

23. The Commission noted, in section XI, the refusal of the General Assembly to endorse the Secretary-General's intention to grant an increase of 3 per cent in salaries to those General Service staff at Geneva to whom the pre-1978 salary scales applied.

3. Contractual status of language teachers

24. In respect to section XV, the Commission decided to take no specific action at this time, as the contractual status of non-staff members in one organization of the common system did not fall within the mandate of the Commission.

4. Child-care centre

25. Likewise in section XVI of resolution 36/235, the Commission decided to take no action at this time in respect of a child-care centre, another item concerning the United Nations Secretariat in New York 7/ since it pertained to only one organization and one duty station.

N. Geographical distribution

26. The Commission noted General Assembly decision 36/456 in respect of equitable geographical distribution of the staff of the United Nations Secretariat.

O. Staff rules

27. The Commission also noted decision 36/458 in respect of amendments to the United Nations Staff Rules.

P. Budget of the Commission

28. The Commission noted with appreciation resolution 36/240 which approved its budget for 1982-1983.

CHAPTER III

PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS AS ELEMENTS OF TOTAL REMUNERATION

A. Indexing pensionable remuneration: report on the weighted average of post adjustment indexes (WAPA) and the United States consumer price index (CPI) as at July 1982

29. It will be recalled that by General Assembly resolution 35/215 A, the system for adjusting pensionable remuneration for staff members in the Professional and higher categories was revised and a dual system of pensionable remuneration was approved, effective 1 January 1981. On the basis of that system, pensionable remuneration amounts for benefit purposes (PR/B) and for contribution purposes (PR/C) were increased by 8.7 per cent effective 1 October 1981, using the movement of the United States consumer price index as at 1 July 1981 and reported by the Commission to the General Assembly at its thirty-sixth session. 8/

30. Some members of the Commission, however, pointed out the fact that from the date of the last increase in real remuneration (January 1975) to January 1982 net salaries and post adjustment of a staff member paid at dependency rates at grade P-4, step V, increased by 60.9 per cent, gross salaries by 58.5 per cent and the cost-of-living in New York by 65.5 per cent but that pensionable remuneration for the same period increased by 93 per cent. This difference in progression stems from the use of WAPA up to January 1981 and will widen still further by the adjustment of pensionable remuneration to take effect on 1 October 1982.

31. The Commission noted that as at 1 July 1982 the WAPA index had reached a level of 97.5 on the basis of September 1980 = 100 and thus pensionable remuneration for contribution purposes would not change as a result of the movement of this index. The Commission further noted that as at the same time the United States consumer price index had reached a level of 107.1 on the basis of July 1981 = 100, thus requiring an increase in the amounts of PR/B by 10 per cent over the current levels with effect from 1 October 1982. Since, according to the decision reached by the General Assembly at its thirty-fifth session, PR/C is not allowed to fall below the levels of those for benefit purposes, the former will also be increased by 7.1 per cent with effect from the same date.

B. Special index for pensioners

32. By its decision 35/447, the General Assembly requested "the International Civil Service Commission, in co-operation with the United Nations Joint Staff Pension Board, to give high priority to the elaboration of a special index for pensioners, including the impact of national taxation, and to report thereon to the Assembly at its thirty-sixth session".

33. In reporting to the General Assembly at its thirty-sixth session, 9/ the Commission noted that the development of a special index for pensioners would be a complex and time-consuming undertaking, the results of which would not be available for its consideration and for making recommendations thereon to the Assembly in the near future. It had decided, therefore, to address the problem in two phases. The first phase would be to undertake a study whereby adjustments would be made to cost-of-living differential factors, and to take into account the effects of lower

rates of national taxation in countries where those differential factors had been applied in accordance with the measures approved by the Assembly at its thirty-fifth session. The second phase would be the development of a special index for pensioners.

Phase I. Adjustments for lower taxes

34. The Commission noted that the most important element which was absent in the pensions adjustment scheme that had been approved by the Assembly was the tax element. It noted further that, where the tax rates were substantially lower than the staff assessment rates implicit in the determination of the base pensionable remuneration or where income taxes were totally non-existent, that factor could not be disregarded in measuring the cost-of-living differentials. It agreed that the study of a solution necessary to redress that anomaly should centre around the reduction of the present cost-of-living differential factor in those countries where the rates of taxation on pensions were lower than the tax rates taken into account in the calculation of base pensions, i.e. the staff assessment rates. Specific proposals would then be made to the General Assembly at its thirty-seventh session, with an effective date of implementation to be 1 January 1983. The relevant proposals, when approved, would be applied to pensions of all retirees in countries where the cost-of-living differential factors were applied regardless of the date of retirement.

35. At its fifteenth session, the Commission considered proposals in relation to the first phase of the development of an adjustment factor to account for low rates of taxation.

Views of the Consultative Committee on Administrative Questions, the Federation of Associations of Former International Civil Servants, and the staff representatives

36. The Chairman of CCAQ stated that, while it was recognized that the decision to approach the matter in two phases had been confirmed by the General Assembly, the organizations continued to consider that the ultimate goal must be the development of a comprehensive special index for pensioners. He informed the Commission that, although some organizations did not consider that the first phase study should be carried out in isolation from the general study, CCAQ nevertheless recognized that the work on the first phase must proceed; it being understood, however, that CCAQ's comments relating to the first phase of the study were to be considered without prejudice to what the organizations would wish to say on the broader question of a comprehensive special index as the studies on this issue proceed.

37. The Chairman of CCAQ noted that the work relating to the first phase of the study was being done within the framework of the Washington compromise and the Committee was of the view that any change in the cost-of-living differential factors which would result in reducing relief provided by the Washington compromise should be kept to the minimum. He also informed the Commission that the Committee considered that there should be a threshold level in order to avoid the necessity for adjusting for small differences in the rate of taxation.

38. The representative of the Federation of Associations of Former International Civil Servants (FAFICS) noted that the effects of lower rates of taxation on cost-of-living differential factors would be overestimated. The representative of FAFICS also pointed out that some of the privileges available to working staff were not available to pensioners and, therefore, the use of post adjustment indices for determining cost-of-living differential factors was not an appropriate measure.

39. The representative of FICSA recalled that, in supporting the idea of a special index as a means of establishing equity among pensioners, FICSA had stressed the need for a comprehensive approach to the problem as envisaged in General Assembly decision 35/447. The Federation regretted that a single element, the effect of taxation, was being considered in isolation, and even that was subjected to a one-sided approach. The staff representative was of the opinion that this partial approach was compounded by the inadequacy of the post adjustment system for measuring cost-of-living differences for pensioners (for example, privileges not available to pensioners were taken into account). The Federation thus reiterated its call for the early establishment of a true special index the purposes of which should be clearly defined and agreed upon.

40. The Co-ordinator of CCISU emphasized that any development of the special index must, as a first step, answer the question of whether the equalization to be sought should be based on compensation of pensioners of the United Nations system residing in different countries or on the United Nations pensioner in relation to the working population of the country of retirement. For that reason, CCISU supported the proposal for a pilot survey to determine the expenditure pattern of pensioners in relation to serving staff and local population. His committee welcomed recognition of the need to account for differences in local tax rates and hoped that a comprehensive special index for pensioners could be developed to take these and other factors into consideration.

Decisions taken by the Commission

41. The Commission decided to recommend to the General Assembly, in the context of the first phase, the procedure outlined below for adjusting cost-of-living differential factors applicable to retirees from the Professional and higher categories in countries where those factors were applied and where the rates of taxation were lower than those which are implicit in the amounts of base pensions. The Commission also agreed that in the use of that procedure the following criteria should apply:

- (a) All calculations should be based on the pension amount of a retiree having a final average remuneration equal to that of P-2, step XI;
- (b) All calculations should be based on 20 years of contributory service;
- (c) Staff assessment and tax amounts should be calculated at the dependency rates;
- (d) Staff assessment should be used for the conversion of gross base pensions to their net equivalents;
- (e) National (Federal), state and local taxes should be taken into account for comparison with staff assessment;
- (f) The reduction factor should be applied directly to the cost-of-living differential factors;
- (g) The following procedures should be made a part of the scheme for adjusting cost-of-living differential factors in respect of pensions; the effective date of the implementation of the Commission's recommendations being 1 January 1983, these procedures would be followed on that date and at the beginning of each year thereafter:

(i) Information on the rates of national taxation would be collected for all countries where the cost-of-living differential factors are applied;

(ii) Reductions, if any, based thereon would be applied throughout the year.

42. The Commission also decided to recommend to the General Assembly that no reduction factor should be applied to the retirees from the General Service and related categories.

43. The procedure to be followed for adjusting cost-of-living differential factors applicable to retirees from the Professional and higher categories in countries where these factors are applied and where the rates of taxation are lower than those which are implicit in the amounts of base pensions is indicated in annex III. Details of application in accordance with the decisions taken will have to be determined by the United Nations Joint Staff Pension Board.

Phase II. Special index for pensioners

44. The Commission placed the matter of the development of a comprehensive special index for pensioners reflecting the expenditure patterns of retirees on the agenda of the seventh session of the Advisory Committee on Post Adjustment Questions (ACPAQ). ACPAQ noted that for purposes of measuring the cost-of-living differentials between the country of retirement of pensioners and the base of the system, the secretariat had suggested two alternative approaches:

(a) Use of indicators of general cost-of-living differentials based on consumer purchasing power;

(b) The modification of post adjustment indices.

45. Following an examination of the matter placed before it, ACPAQ concluded that the secretariat should further study the possibility of constructing a special index for pensioners by adjusting, to the extent possible, the data obtained for post adjustment purposes. It also agreed that it would be appropriate to use expenditure weights of relevant national consumer price indices as the United Nations pensioners were likely to live in the same manner as the citizens of the country of their residence. It requested the secretariat to undertake a study for constructing a special index for pensioners in a number of selected countries, two or three each from developed and developing areas in addition to New York as the basis of comparison.

Views of CCAQ and FICSA

46. The Chairman of CCAQ expressed the organizations' concern at the slow progress relating to the development of a comprehensive special index for pensioners.

47. The President of FICSA noted that the Federation had always expressed the view that the development of a special index for pensioners should not be isolated from the study of the impact of low or zero rates of taxation on cost-of-living differential factors.

Discussion and decisions of the Commission

48. The Commission noted the views expressed by ACPAQ and instructed its secretariat to proceed with the studies requested by ACPAQ with the view to making definitive proposals to the Committee at its eighth session.

C. Actuarial valuation of the United Nations Joint Staff Pension Fund: age of retirement

49. At its fifteenth session, the Commission discussed General Assembly resolution 36/118 which dealt with the intention of the United Nations Joint Staff Pension Board (UNJSPB) to undertake an analysis of all possible measures to improve the actuarial balance of the Fund and which, inter alia, requested UNJSPB, "in co-operation with the International Civil Service Commission where necessary, to consider alternative courses of action that might be taken". At its sixteenth session, the Commission had before it a document prepared by its secretariat, which analysed the personnel policy implications of one of a series of proposals developed by the UNJSPB Standing Committee for eventual review by the Pension Board at its annual meeting. This proposal, which was one of 20 measures considered by the Standing Committee, aimed at raising to age 62 the mandatory age of separation from service, as established in various staff regulations.

Views of CCAQ, FICSA and CCISU

50. The Chairman of CCAQ stated that CCAQ favoured retention of the present mandatory separation age, although some organizations had indicated that age 62 would be acceptable. Most organizations felt that, if the present mandatory retirement age was maintained, extensions beyond that age should be possible in the interests of the organization and at the discretion of its executive head. CCAQ was of the view that contractual extensions beyond the mandatory age of separation should be considered in a liberal spirit. CCAQ was conscious of the fact that extensions beyond mandatory retirement age would be beneficial to the actuarial situation of UNJSPB, and noted that if more staff were to continue in service up to age 62 that could have a significant impact on the actuarial deficit of the Pension Fund. CCAQ therefore requested that the Commission examine the matter and make a firm recommendation in order to comply with resolution 36/118.

51. The President of FICSA remarked that there were three aspects to the question: the impact of an increase in the mandatory retirement age on the actuarial balance of the Pension Fund, the merits of allowing staff to work beyond the age of 60 and the need for a comprehensive retirement policy. FICSA did not consider the first aspect relevant to the work of ICSC and emphasized that FICSA was opposed to the discussion of the question in that context. As to the second point, staff might wish to continue working beyond age 60, especially since the average age of recruitment in the common system was over 40; on the other hand, the effect of increasing the age of retirement on the career prospects and advancement of serving staff had to be carefully weighed, particularly in times of economic retrenchment. Consideration of the issue should take into account not only the actual needs of the organizations, but also the specific needs of the expatriate international civil servants, who spend a considerable part of their career outside their home country. With regard to the third aspect, FICSA took the position that the age of mandatory retirement could only be determined in the wider context of retirement policy, which would encompass elements such as the structuring of work

for staff in the last year prior to retirement, assistance in retirement planning and counselling for the required adaptation processes. On balance, FICSA would not oppose staff being given the option to work for two years beyond the present mandatory retirement age if they so desired, pending the introduction of a comprehensive retirement policy. However, this would have to be at the option of the staff member, not the organization, and should be available to all staff irrespective of category and grade. It should be without prejudice to the existing right of all staff to retire at 60 with a full pension or to take early retirement. FICSA attached the utmost importance to equity of practice in respect of the retirement age.

52. The Co-ordinator of CCISU felt that at the present time the Commission ought to take a strong stand against any premature decision to change the age of retirement so as to reduce the actuarial deficit of the Pension Fund. There was no real evidence as to the effect change in the retirement policy would have on the actuarial deficit. Furthermore, a change in the retirement policy would require close scrutiny from a career development point of view, bearing in mind acquired rights of staff having expectations of retirement and the need for staff/management consultation on all aspects of the matter. CCISU, therefore, welcomed the proposal for further study of the possibility of introducing a more flexible retirement policy in the future.

Views of FAFICS

53. The President of the Federation of Associations of Former International Civil Servants (FAFICS) did not wish to comment on the personnel policy aspects of the question, but did wish to stress some aspects of the problem which were of direct interest to the Federation and its members. There was a growing trend in many parts of the world to maintain persons in active service as long as they were able to make a useful contribution. This was motivated in part by the need to improve the actuarial and financial position of social security and retirement schemes. Members of FAFICS were vitally interested in the financial health of the Pension Fund and supported the suggestion of the Committee of Actuaries to raise the present statutory age limit as one of the ways of reducing the actuarial imbalance of the Fund. Retirement at the age of 60 should, however, remain as a right for those wishing to leave the service under the present provisions.

Views of UNJSPB

54. The Secretary of UNJSPB stated that the title of the document prepared by the ICSC secretariat was misleading, since the issue before the Commission was neither the actuarial valuation of the Fund nor the age of retirement: the real issue at hand was the mandatory age of separation from service. In that context, he pointed out that present policies in the common system were not consistent, as one organization, FAO, had a mandatory retirement age of 62, whereas other organizations had set an age limit of 60. Since the Commission was expected to examine the impact of any change in the mandatory retirement on personnel policies, such an examination should have been based on a comparison between FAO and the other organizations, instead of the general considerations presented by the ICSC secretariat, which were not substantiated by any factual information.

55. The Secretary of UNJSPB could not understand the secretariat's proposal that the one aspect of the issue currently relevant could only be examined in the broader context of retirement policy at the eighteenth session, since the General

Assembly would have to take a decision at its thirty-seventh session, well before the summer of 1983, with or without the benefit of the views of ICSC. He urged that since the General Assembly had, in its resolution 36/118, specifically requested the co-operation of ICSC, "where necessary", the Commission, if it felt that it was necessary in this instance, should state clearly whether or not it could see any personnel implications which would militate against an increase in the age of mandatory separation.

Discussion and conclusion by the Commission

56. The Commission did not consider that it could pronounce itself on the actuarial benefit of the proposal under discussion, and it noted that UNJSPB itself had so far not taken a position on the deferment of the mandatory retirement age. Moreover, the Commission felt obliged to recommend to the General Assembly not to take any decision regarding age of retirement until it had received the Commission's views on the matter. Consequently, while taking into account the views of the organizations, the staff representatives and the Secretary of UNJSPB, the Commission did not consider that it could recommend such a change at this time, the more so since the establishment of a clear rationale for any retirement age, be it 60 or 62, required an examination of this issue in the broader context of an overall retirement policy, which it intends to undertake as step 17 of its work programme, under article 14 of its statute.

CHAPTER IV

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Comparison to be made in application of the Noblemaire principle

1. Evolution of the margin between the remuneration of the United States federal civil service and that of the United Nations system

57. Following the mandate given to it by the General Assembly, the Commission continued to keep under review the relationship between the levels of remuneration of the United Nations and the United States federal civil service, the present comparator. Consistent with past practice, the comparisons were made on the basis of the net remuneration of officials of the two services having a dependent spouse but no children and between the headquarters of the two systems, i.e., New York for the United Nations common system and Washington, D.C., for the United States federal civil service. The comparisons also continued to allow for the differences in cost of living between the two cities. Furthermore, for the purposes of the comparison, the base salary plus post adjustment applicable in New York were included on the United Nations side, and the base salary was included on the United States side.

58. The margin calculations were averaged over the 12-month period, 1 October 1981 to 30 September 1982, using the grade equivalencies approved by the General Assembly in its resolution 34/165, i.e., United Nations grades P-1 to D-2 and the General Schedule grades GS-9 through GS-17 and the Senior Executive Service (SES) grades SES-2 to SES-6 of the United States civil service.

59. Since the Commission's last report, ^{10/} the Commission noted the following developments in the United States federal civil service salary structure:

- (a) An increase in base salary;
- (b) Changes in the United States rates of federal taxation;
- (c) Further implementation of the SES system;
- (d) Bonuses and performance awards issued by those in SES grades;
- (e) Implementation of the merit-pay system.

On the other hand, the only development relating to the United Nations remuneration concerned the application to the base New York of post adjustment class 7 (multiplier 41), with effect from 1 October 1981, and the expected application of post adjustment class 8 (multiplier 48), with effect from 1 September 1982, based on the post adjustment index for May 1982.

60. The result of the margin calculations for the period October 1981 to September 1982 are provided below. For comparison purposes, the corresponding figures for the previous margin period, i.e., October 1980 to September 1981, are also shown.

| | <u>Oct. 1980</u> <u>Sept. 1981</u> | <u>Oct. 1981</u> <u>Sept. 1982</u> |
|-------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Average ratio of net remuneration at matching grades | 124.6 | 126.1 |
| (b) Cost-of-living ratio New York/Washington, D.C. | 105.8 | 106.7 |
| (c) Average ratio, adjusted for cost-of-living differential | 117.8 | 118.2 |

The details of the October 1980-September 1982 margin calculations are shown in annex IV to the annual report.

Views of CCAQ and FICSA

61. The Chairman of CCAQ, while taking note of the results of the margin calculations, once again reiterated the views expressed by the organizations concerning the inclusion of SES levels in the calculations of the margin, i.e., that the margin calculations should be made on the basis of United Nations grades P-1 to P-5 and the equivalent United States federal civil service grades from the General Schedule.

62. The President of FICSA expressed the view that for the time being, pending further equivalency study relating to the SES levels, those grades should be retained in the margin calculations.

Discussion and decisions by the Commission

63. The Commission noted that the margin between the remuneration of the United Nations employees in the Professional and higher categories in New York and the United States federal civil service employees in Washington, D.C., for the current margin period was four tenths of 1 per cent higher than the margin for the previous 12-month period. Once again, the Commission noted that the widening of the margin was attributable to the fact that the increase in salaries as at 1 October 1981 of the United States federal civil service employees had lagged behind the movement in cost of living. On the other hand, the reduction in the rate of federal income taxes by the United States Government had resulted in a slight increase in net take-home pay for the federal civil service employees and had slowed down the rate at which the margin was widening. The Commission further noted that as a result of a combination of factors, such as the 4.8 per cent across-the-board increase in gross salaries with effect from 1 October 1981, the implementation of the merit-pay system and the two-phased reduction in federal income taxes, the overall increase in net remuneration for the federal civil service employees of the United States Government had been approximately 6.5 per cent over the level applicable for the previous margin period.

64. The Commission recalled that, as from 1977, it had monitored the evolution of the margin on a regular basis. The margin figures compiled by the Commission since 1976 are as follows:

| Year | United Nations/ States margin | Movement of United States CPI in previous 12-month period (percentage) | Increase in net remuneration over that applicable for the previous margin period | | Grade coverage | |
|-----------|-------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------|-------------------|-----------------------------------------------|
| | | | United Nations | United States | United Nations | United States |
| 1976/1977 | 113.7 | - | - | - | P-3 to 5 | GS-12 to 15 |
| 1977/1978 | 109.3 | 6.5 | 4.7 | 6.4 | P-3 to 5 | GS-12 to 15 |
| 1978/1979 | 113.9 | 8.8 | 5.6 | 4.7 | P-1 to D-1 | GS-9, 11 to 16 |
| 1979/1980 | 116.0 | 12.4 | 10.3 | 7.0 | P-1 to D-2 | GS-9, 11 to 15, 17, 18, E-V, SES-3 to 6 |
| 1980/1981 | 117.8 | 12.6 | 9.6 | 7.6 | P-1 to D-2 | GS-9, 11 to 17, FS, MC, SES-1 to 6 |
| 1981/1982 | 118.2 | 10.1 | 7.5 | 6.7 | P-1 to D-2 | GS-9, 11 to 15, 17, FS, MC, SES-1 to 6 |

a/ Based on arithmetic average of ratios of grades common for two consecutive margin periods. The movement of United States remuneration includes General Schedule grades only.

In view of the differences in the coverage of grades used during the different periods of margin calculation and the introduction of refinements in the methodology over a period of time, although definitive conclusions concerning the relative levels of salaries applicable on both sides at different times could be drawn, a trend towards a widening of the margin was, nevertheless, evident. With the exception of a drop in the margin for the period 1977/1978, it had continued to widen, and that trend had been consistently attributed to the fact that the salary increases received by the employees of the federal civil service of the United States over periods of time had been considerably lower than the movement of the consumer price index (CPI) in the same periods. If the current policy of the United States Government continued, the margin would continue to widen in the future. However, the widening of the margin should not be interpreted to mean that United Nations employees were receiving net real income increases. On the contrary, the net real income of United Nations officials continued to decline and the widening of the margin must be assigned its true meaning, i.e., that the losses in real income experienced over a period of time by the United States civil service employees were greater than those experienced by United Nations officials. The Commission noted that the consequence of the widening of the margin has been that United Nations salaries have not been reviewed since 1975, while the net real income of United Nations officials continues to decrease.

2. Comparison of total compensation

65. The Commission, at its third session, had agreed that a methodology permitting comparison of total compensation should be developed to include elements such as pension, insurance and other monetary benefits. In its second annual report 11/ to the General Assembly, the Commission had stated its intention to devise a methodology for making the comparison in terms of "total compensation" and this decision was subsequently endorsed by the General Assembly. 12/

66. In its seventh annual report the Commission informed the General Assembly of the progress made on the development of a total compensation methodology. The General Assembly was also informed that the Commission had used the methodology for comparison of total compensation as developed by the United States Government's Office of Personnel Management (US/OPM) after necessary modifications required for the adaptation of that methodology in the context of the United Nations/United States total compensation comparison. Furthermore, the details of the total compensation comparison reported to the General Assembly at its thirty-sixth session were based on non-expatriate elements of compensation applicable on both sides. Brief summaries of the description of the methodology and the conceptual basis relating to some of the assumptions made were provided to the General Assembly. In its report the Commission had requested the General Assembly to note:

(a) The results of the total compensation comparison based on non-expatriate elements only;

(b) That some doubts had been expressed by the organizations and the staff concerning the use of the methodology and also concerning some of the assumptions made in the use thereof;

(c) That the matter would be kept under review by the Commission and that further improvements to the methodology and the use thereof would be made bearing in mind the concerns expressed by the organizations and the staff;

(d) That if the General Assembly wished the Commission to continue its work on the methodology for comparison of total compensation to include expatriate benefits any such request must be accompanied by the allocation of the necessary resources in the Commission's budget.

67. The General Assembly, after its examination of the details of the total compensation comparison provided by the Commission in its seventh annual report, requested the Commission to give high priority to the completion of studies relating to "the improvement of the comparison of total compensation between the comparator civil service and the international civil service, taking into account all relevant elements including the level of pension but excluding expatriate benefits ...".

68. The Commission continued its consideration of the matter of comparison of total compensation at its sixteenth session. It recalled that at the time of its consideration of the matter at its fourteenth session, the organizations had stated that the results of the comparison placed before the Commission had not taken into account the marked differences between the United States and the United Nations services in respect of average length of service and the mandatory age of separation applicable on the United Nations side. The organizations had further pointed out that the approach taken by the Commission's secretariat had completely disregarded both the value of the salary earned during the additional years of service by the United States federal civil service employees (by definition greater than the value of the pension for the corresponding number of years) and the resulting additional benefit of increased pension annuity. Similar views had also been expressed by the staff representatives. The documentation prepared by the secretariat contained further improvements to the total compensation methodology after having taken into account the views expressed by the organizations and the staff representatives as described above. Recent changes in benefit provisions applicable on both sides had also been taken into account in the results of the total compensation comparison.

69. The updated total compensation study departed from the use of the United Nations standard population as a frame of reference for a portion of the study. The use of a specific standard population in the total compensation evaluation is more a function of data availability than it is a function of the quality of the evaluation. Theoretically, almost any standardized population used should provide approximately the same relative difference between any two given benefit plans. In practical terms, however, there has to be a recognition that certain benefit provisions affect population characteristics and, at times, certain population characteristics will affect benefit provisions. The 1981 total compensation study accounted for some of these differences by adjusting the plan values by factors representing differences known to exist due to this work-force/provision correlation.

70. Since a variety of these work-force/provision anomalies exist and since it is in the interest of technical accuracy to account for these distinctions, the current study used both the United Nations and the United States work-forces in evaluating the United States pension plan, and only the United Nations work-force in evaluating the United Nations pension plan. The aim of such a dual evaluation of the United States plan was to:

(a) Demonstrate the impact of the two work-forces on the United States plan values produced;

(b) Account for the impact by using an average of the two values produced.

The dual evaluation thus addressed some of the earlier concerns. The United Nations plan, on the other hand, was evaluated using only the United Nations work-force, since it was necessary to account for work-force differences only once and since the application of the United Nations plan to the United States work-force has very little relevance to this study.

71. As to the difference due to the fact that a mandatory age of separation of 60 is applicable in the case of most organizations of the United Nations common system and that a corresponding limitation does not exist for the employees of the United States federal civil service, the document had argued that while this difference could not be taken into account in the context of the quantification of pension benefits applicable on both sides it nevertheless represents a real total compensation issue which must be addressed. The average length of service of a United Nations employee is approximately 19.6 years. Limiting itself to the analysis of those employees with a full career, the secretariat in its document asked the question - if the mandatory age of separation of 60 was not applicable on the United Nations side how many of the United Nations employees would choose to work beyond the age of 60, and of those who decided to stay in the system what percentage would stay in the system for 2 years, 3 years, 4 years or even beyond? In this connexion, the document had postulated that there is no precise answer to this question and had suggested that in all likelihood if there were no mandatory age of separation applicable on the United Nations side, a large majority of the employees would continue to work at least to age 65. The study had calculated the difference over a 5-year period between the net salary of the United States federal civil service employees and the pension annuity of the United Nations employees. The amount of this difference, being a definite advantage enjoyed by the federal civil service employees of the United States Government, was added to the sum of net salaries and the benefit values of the United States federal civil service employees.

72. The changes in benefit plans applicable on both sides which the secretariat had taken into account had not entailed any methodological change in the comparison made.

Views of CCAQ and FICSA

73. The Chairman of CCAQ noted that the main change introduced into the methodology responded to a criticism made by CCAQ at the Commission's fourteenth session. The organizations had earlier pointed out that a United States civil servant was entitled, if he so wished, to work beyond the age of 60 (whereas a United Nations staff member is compulsorily separated from service at that age), and the resulting financial advantage of receiving salary rather than an annuity during the additional years of employment had not been taken into account in the earlier total compensation comparison. The organizations welcomed the analysis of the problem made by the secretariat and the solution advanced which they found to be an entirely appropriate way of rectifying the specific anomaly in the methodology.

74. The organizations also noted that one of the improvements to the methodology entailed the use of both United Nations and United States populations in the quantification of United States pension benefits. The Chairman of CCAQ stated that the procedure concerning the use of both populations should continue to be used until sufficient data was available showing the effects of the differences in population characteristics on the results of the total compensation comparison.

75. The organizations also suggested that ratios of benefit values expressed in terms of net base salaries should be obtained on both sides and that these ratios should be used for the purposes of making total compensation comparisons in the interim between comprehensive reviews.

76. The President of FICSA welcomed the improvements outlined in the document which to a large extent took into account the concerns expressed by the staff. None the less, FICSA had reservations concerning the recommendation that any future comparisons should use only the United Nations work-force in pension evaluations. On the assumption that the refinement of the total compensation methodology was an ongoing exercise, FICSA felt that such a recommendation was premature. FICSA would, moreover, still expect the Commission to extend the study to include the expatriate element.

Discussion and decisions by the Commission

77. The Commission agreed that its secretariat had made noteworthy improvements in the methodology for total compensation comparison. It decided that for the purposes of quantification of pension benefits applicable on the United States side both the United Nations as well as United States population characteristics should continue to be used until it is satisfied that the differences in population characteristics of these two civil services have no significant impact on the results of this comparison. It further decided to request its secretariat to develop ratios of benefit values in terms of net base salaries applicable on both sides and to apply these ratios for the purposes of future total compensation comparisons until significant changes relating to benefits and/or population characteristics call for another comprehensive total compensation comparison.

78. Several members of the Commission considered that the fact that the majority of United Nations officials were forced to separate from the service at the age of 60, while no such limitation existed on the United States side, represented a definite disadvantage to the international civil service. Had there been no statutory age of separation applicable on the United Nations side, staff members who wished to leave the service at the age of 60 would still be free to do so while those who wish to remain in service beyond that age for various reasons, personal, financial or otherwise, would be afforded that opportunity and would thus be in a position to earn full salary beyond the age of 60 as opposed to a pension annuity significantly lower than the amount of the full salary. It was further noted that since a mandatory age of separation was not applicable on the United States side United States federal civil service employees who joined the system at an early age were able to leave the system at age 60 and earn an annuity, the income replacement value of which was relatively high in relation to their salaries at the time of retirement. On the other hand, there were other United States federal civil service employees with less length of service who could continue to stay in the system for as long as they wished and earn a full salary as opposed to reduced pension annuities. These members therefore expressed the view that the application

of the mandatory age of separation of 60 represented a distinct disadvantage to the international civil service and that this fact must not be overlooked in any total compensation comparison which accounts not only for the salaries, allowances and benefits but also the differences in conditions of service applicable on both sides. As to the actual difference in the length of service applicable on both sides which should be taken into account in the comparison of total compensation, these members agreed that this was a matter which required the exercise of judgement on the part of the Commission. It agreed that the decision to continue in the system beyond the age of 60 was a highly subjective matter which depended on the particular circumstances of the staff member in question. They were of the view that the secretariat should collect additional information as to the number of staff members that were likely to continue in the system beyond the age of 60 should such an opportunity be given to them.

79. Some members of the Commission, however, considered that a mandatory age of separation did not in any way put an international civil servant in a disadvantageous position, but represented a definite advantage to him inasmuch as he could enjoy his retirement for a longer period of time without having to work. It was further pointed out that a United Nations official with more than five years of contributory service, can take early retirement from age 55, a facility which is taken by a small minority of staff members. ^{13/} These Commission members were, therefore, of the opinion that no adjustment should be made within the context of the total compensation comparison to account for the difference in the length of service applicable on the United Nations and the United States sides. One member was of the view that because United Nations officials are able to enjoy their retirement for a longer period of time, than if any adjustment is to be made, it should be made on the assumption that it is the international civil servant who has an advantage as opposed to the United States federal civil servant.

80. The Commission noted that in its calculations relating to the evolution of the margin, it as always taken into account the differences in cost-of-living between New York and Washington, D.C. With regard to the similar adjustments in the context of total compensation comparison some members were of the view that the cost-of-living differential between these two cities should be applied to all elements of total compensation comparison. Some other members pointed out that the cost-of-living differential ratio should only be taken into account for adjusting net base remuneration and not those other elements of compensation which are not affected by the differences in cost-of-living.

81. The Commission noted that that the total compensation ratios were based on the remuneration package applicable to United Nations officials in grades P-1 to D-2 in New York and that applicable to the federal civil service employees in Washington, D.C., in the General Schedule grades GS-9 to GS-16 and the Senior Executive Service (SES) grades SES-1 to SES-6 using non-expatriate elements of compensation applicable on both sides after due allowance for the differences in the cost-of-living between the headquarters of these two civil services. It further noted that on the assumption that no allowance is made for the difference in the length of service applicable on both sides the ratio was 116.4. On the other hand, if it is assumed that, given an opportunity, United Nations employees would continue to remain at work for a full 5-year period beyond the age of 60 and if this is taken to represent an advantage on the United States federal civil service side then the total compensation ratio stands at 106.8.

82. The Commission further noted that if the cost-of-living differential ratio were applied only to net base salaries, the total compensation ratio, based on the assumption that no allowance is made for the difference in the length of service applicable on both sides, would be 118.7. On the other hand, under the same assumption concerning the application of the cost-of-living differential ratio and on the premise that given an opportunity United Nations employees would continue to remain at work for a full 5-year period beyond the age of 60 the total compensation ratio would be 109.0.

83. One member of the Commission pointed out that if application of the retirement age of 60 is considered as an advantage on the United Nations side then the total compensation margin would be higher than those shown in paragraphs 81 and 82 above.

84. Since the Commission could not reach a consensus as to whether the application of the mandatory age of separation of 60 applicable on the United Nations side represented an advantage or a disadvantage to the international civil service, it requested the General Assembly to take note of the results of the total compensation comparison based on the two assumptions. In the meantime, it has instructed its secretariat to collect additional information with a view to analysing this question further and report to the Commission at its eighteenth session whereupon the Commission will report its conclusions to the General Assembly.

85. The Commission agreed that the comparison of total compensation should not only be based on non-expatriate elements of compensation but that it should also take into account expatriate benefits application on both sides. It further agreed that for the purposes of comparison based on expatriate benefits, the benefits outlined in annex V to the present report should be taken into account. If the General Assembly wishes the Commission to undertake the development of a methodology for comparison of expatriate benefits then any such request must be accompanied by the allocation of the necessary resources in the Commission's budget.

3. Determination of the remuneration of the Professional and higher categories

86. The Commission agreed to address itself to this question in two parts. First, it undertook a review of the basis for the determination of remuneration of the Professional and higher categories; then it addressed itself to the question of the level of the remuneration.

Review of the basis for determination of remuneration

87. The Commission had undertaken a review of the United Nations salary system at its second, third and fourth sessions. As part of that review, it had considered the broad principles for the determination of conditions of service relating to staff in the Professional and higher categories. The Commission had reported its findings, along with various recommendations to the General Assembly, in its first and second annual reports. It may be recalled that in its first annual report, the Commission had reported to the General Assembly that

"having reviewed the history of the Noblemaire principle since it was first formulated in the early days of the League of Nations, the way in which it had

been applied in the United Nations and the deliberations of the Special Committee which led it to the conclusion that there was no ready alternative to the Noblemaire principle, the Commission came to the tentative opinion that, for the international service, only a global salary system could ensure both equity and the necessary mobility of staff. In line with the principle of 'equal pay for equal work', no distinction could be admitted in the remuneration of internationally recruited staff on the grounds of their nationality or of salary levels in their own countries. Since the organizations must be able to recruit and retain staff from all of the Member States, the level of remuneration must be sufficient to attract those from the countries where salary levels are highest - with the inescapable consequence that the level would then be higher than would be needed to attract staff from countries with lower national salary levels and might appear excessive to the Governments and taxpayers of those countries. In order to determine the appropriate level of salaries for the United Nations the preliminary conclusion of the Commission, like that of its predecessors, was that no acceptable alternative could be found to the existing practice of comparison with the salaries of the national civil service of the Member State whose levels were found to be highest and which otherwise lent itself to a significant comparison". 14/

88. In its consideration of the application of the Noblemaire principle, the Commission had noted that

"it has consistently been recognized that, if United Nations remuneration is to be adequate to attract to United Nations service a civil servant of the highest-paid national civil service, it must not be merely equal to that of the civil service, but somewhat higher, in order to compensate for differences in the nature of national service and international service and the fact of, or liability to, expatriation. This is the 'margin'". 15/

89. Following the consideration of various options open to it in the determination of the margin:

"The consensus of the Commission was that, in fixing the level of United Nations remuneration in relation to that of the United States Civil Service, due regard should be had to the differences between the two services, in particular, the predominantly expatriate character of United Nations service. However, in the opinion of the majority of the members of the Commission, it would be inappropriate to define a precise optimum margin between United Nations remuneration and that of the United States. To do so would risk tying United Nations remuneration in too rigidly mathematical a manner to that of a single country." 16/

90. Within the framework of the basic principles outlined above, the salaries of the United Nations officials in the Professional and higher categories have been based on the federal civil service employees of the United States Government, the present Noblemaire comparator, for more than 30 years. In order to compensate for differences in the nature of national service and international service and in particular the fact of expatriation, a margin has been allowed on the United Nations side. The adequacy of the level of the margin has never been defined. The 1971-1972 Special Committee by a majority decision had found a margin of 15 per cent over the pay scales of the United States Government sufficient to attract and retain United Nations staff of high competence and appropriate geographic distribution.

91. In its second and seventh annual reports to the General Assembly, the Commission reported that it had found no evidence to date to suggest that the United States federal civil service should be replaced as the comparator under the Noblemaire principle. In view of this, the United States federal civil service continues to be used as the comparator for the determination of the salaries of staff in the Professional and higher categories. Recently, however, the principle has been questioned in some quarters as the basis of comparison. The reasons for some of the problems encountered by the system in its present form are outlined below.

92. Until 1977, the salaries of the federal civil servants of the United States Government were adjusted annually by strict adherence to the provisions of the Pay Comparability Act of 1970 17/ or similar provisions in effect prior to that date. In between salary reviews, United Nations salaries, on the other hand, are adjusted for the movement of the consumer price index by means of the post adjustment mechanism. Any imbalances over the years between the United States and United Nations salaries caused as a result of faster movement of United States civil service salaries in comparison to those of the United Nations were adjusted by means of periodic reviews of United Nations salaries by the General Assembly.

93. In the secretariat document it was pointed out that the last time full pay comparability in the private and public sectors was established by the United States Government was in accordance with the Pay Comparability Act was in 1977. 18/ Since then, for strictly domestic reasons, the United States Government has granted increases to its federal civil service employees which are considerably lower (by 10.3 per cent for 1981) than those that would have resulted had full pay comparability between the private and public sectors been established. During the period when full pay comparability was established by the United States Government, United Nations salaries were adjusted following periodic reviews by the General Assembly. The last such review was made by the General Assembly in 1975.

94. The margin between the remuneration of the United Nations officials in grades P-1 to D-2 and that applicable to the federal civil service employees of the United States Government in corresponding grades was 109.3 for the period 1977 to 1978, the period immediately following the last date when full pay comparability between the private and public sectors was applied by the United States Government. Since then, the margin has continued to widen, reaching a level of 118.2 for the period 1981/1982. The views of the Commission concerning the evolution of the margin are outlined in paragraphs 57 to 64 of the present report.

95. On the question of the validity of the continued use of the Noblemaire principle, it was suggested to the Commission that it may wish to undertake a review of the continued validity of the principle under current circumstances. In that connexion, it was recalled that the Commission, at its eleventh session, had stated its position that "it could not subscribe, for the time being, to the suggestion made by some of its members that the Noblemaire principle itself should be reconsidered". The ICSC secretariat, nevertheless, suggested several approaches for the comparison of Professional salaries without prejudicing the issue of the applicability of the Noblemaire principle itself and considered alternative bases for comparison of Professional salaries. Following an examination of several possible alternatives, the secretariat reported to the Commission that it had not been able to suggest an improvement on the existing system. It, therefore, recommended to the Commission that the inadequacy or adequacy of United Nations

salaries could be judged only in relation to comparator conditions and no other standards. It was suggested, however, that the problems concerning the Professional salaries might relate to the application of the principle and not to the principle itself. Following an examination of the problems relating to the application of the Noblemaire principle in its current form, it was suggested that the Commission might wish to consider two alternative approaches for the purposes of the application of the principle in the determination of salaries of staff in the Professional and higher categories. Those approaches as viewed by the secretariat are summarized below:

(a) Comparison with actual salaries paid by the comparator

96. The fundamental principle of Noblemaire is that United Nations conditions of service should be such as to attract the nationals of the comparator. It could be argued that comparisons with actual salaries/benefits paid by the comparator to its home civil servants plus an adequate margin to reflect the expatriate nature of the United Nations civil service as it presently exists should be sufficient to attract the nationals of the comparator country. The Commission had already noted that the margin based on the actual salaries of the federal civil service of the United States Government is 118.2. As full pay comparability between United States private and public sectors has not been applied since 1977, United Nations remuneration may not be adequate to attract high calibre candidates from sources other than the federal civil service.

(b) Comparison with the national levels of comparator salaries rather than the actual levels

97. The Noblemaire principle addressed itself to the problem of attracting citizens of the country with the highest-paid civil service. However, if the actual salaries/benefits paid by the comparator to its civil servants are not those which were expected to evolve under the application of the principle of full pay comparability and the salaries/benefits paid to the civil servants of the comparator country are, therefore, not comparable to salaries applicable in other sectors but are the results of domestic considerations which should form no part of the United Nations salary structure, then, it is argued, the United Nations should use as the basis of comparison the United States salaries as they would have evolved had full pay comparability between the private and public sectors been established. To apply this concept it would seem desirable for the General Assembly to review the United Nations Professional salaries automatically every four or five years as was done in the days when those provisions of the Pay Comparability Act concerning full pay comparability were implemented by the United States Government. The margin between the United Nations and United States remuneration based on the United States federal civil service salaries resulting from the establishment of full pay comparability would be 108.1.

Views of the organizations and staff

98. The Chairman of CCAQ informed the Commission that the survey of public sector, private sector and other non-federal remuneration carried out by the Bureau of Labor Statistics of the United States Government in 1981 showed that civil service salaries would have had to increase by 15 per cent in order to restore the comparability with outside pay which is stipulated by the Pay Comparability Act of 1970. The organizations were of the view that it is that level of remuneration which would normally be used to determine the amount of the annual increase of

civil service pay and, in view of that, in the opinion of the organizations, that was the level which reflected, in current circumstances, the level appropriate for the application of the Noblemaire principle. The Chairman of CCAQ pointed out to the Commission that the Noblemaire principle did not say that the organizations must base their pay on that of the civil service of the comparator country. It said, he added, "that they must base their pay on the level which will enable them to recruit the staff they need from the comparator country and other countries". He went on to point out to the Commission that the organizations of the United Nations common system must be competitive not only with the civil service but with the other sectors of employment - failing which they would not be able to recruit and retain staff of the calibre required. The Chairman of CCAQ further stated that the organizations proposed no change in the Noblemaire principle or in the choice of comparator country for the time being, but, in the current exceptional circumstances, account must be taken not only of the modality for applying the Noblemaire principle, which had been found convenient up to now, i.e., the use of the pay of the civil service as an indicator of national pay levels, - but of the essential core of the principle namely, that United Nations remuneration must be comparable to that offered in the comparator country to staff comparable to those needed by the United Nations.

99. With regard to the determination of salaries at the Assistant Secretary-General (ASG) and Under-Secretary-General (USG) grades, CCAQ did not feel that it was necessary to give any conclusions on those questions and proposed that they be postponed until a future session.

100. The President of FICSA noted that no ready alternative to the Noblemaire principle as the basis for determination of Professional salaries had presented itself. The problems which had arisen derived from the interpretation of the purpose and function of the Noblemaire principle. The purpose, i.e. to attract and retain staff of the requisite calibre from all countries, should be the key to the application of the principle, not modalities that had been developed in different circumstances. Thus, FICSA was pleased to note that the proposal advanced earlier by the Federation (i.e., to take as the basis for comparison the salaries that should have been paid to the comparator civil service) had now met with support.

101. With regard to further methodological studies, the Commission's secretariat should continue to explore various options, without prejudice, however, to an urgent solution of the problem that was now confronting the staff. FICSA considered that efforts should be pursued to identify the highest paid civil service. Moreover, the total compensation comparison should be extended to include expatriate benefits, bearing in mind, the fact that some 90 per cent of United Nations officials were expatriates and that the expatriate allowances of other employers, including the comparator, were much more generous. So far as the quantification of the margin was concerned, FICSA had in the past stated that the margin should be of a substantial order of magnitude, but had never favoured a mathematical formula, since FICSA concurred with the Commission's secretariat that it was difficult to assign a value factor to such considerations as relative job insecurity, poor promotion prospects and the "inconvenience" factor.

102. Regarding USG and ASG salary levels, FICSA did not consider these high priority items, but believed that the Commission should pursue its investigations in that regard.

Discussion and decisions by the Commission

103. Following an examination of the information before it, the Commission decided to reaffirm the views that it had expressed earlier that the Noblemaire principle continued to be valid for the determination of Professional salaries. In view of the evidence that the Commission had collected as part of the comparator country study which it had completed at its fourteenth session, and given that no additional information relating to the continued use of the United States federal civil service as the comparator had been brought to its attention, the Commission decided that the United States should continue to remain the comparator under the Noblemaire principle.

104. With regard to the application of the Noblemaire principle, the majority of the members of the Commission considered that in the application of the Noblemaire principle it had always been understood that the comparison of United Nations remuneration should be made with that of the national civil service of the country with the highest pay levels; this was also the case recently when the study of the comparator country was undertaken with the Federal Republic of Germany. In the last 30 years of application of the Noblemaire principle, such a comparison was never made with the salaries other than those paid to the national civil service. Those members were of the view that the United States Government, for reasons of its own, had agreed to use a clause in the 1970 Pay Comparability Act which allowed the President of the United States to make proposals to Congress which might not result in the establishment of full pay comparability between the private and public sectors. Regardless of the reasons, since that was a decision of the United States Government, the resulting levels of remuneration were the only ones which were relevant for the purposes of comparison under the Noblemaire principle.

105. Other members recalled the views expressed by the 1971-1972 Review Committee that the principle "says, in effect, that since there should be no difference in salaries on the grounds of nationality, the conditions of service of the international staff must be such as to attract citizens of the country with the highest pay levels". ^{19/} Those members, therefore, expressed the view that since the conditions of service of international staff must be such as to attract citizens of the country with the highest pay levels, comparison with salaries of the United States federal civil service, which bore no relationship with the levels of salaries in the private sector of that country, was inappropriate. However, use of the salaries of the United States federal civil service, adjusted by the establishment of full pay comparability with the private sector, was an appropriate measure of comparison, inasmuch as it made the United Nations remuneration attractive enough to recruit not only the civil servants of the United States Government but United States citizens from the private sector, i.e., all citizens. The same members further added that until 1977, full pay comparability between the private and public sectors in the United States had been established, and, as a result, no serious difficulties in the application of the Noblemaire principle had been encountered. With the departure by the comparator from its previous practice of full pay comparability, problems had arisen as to the level of Professional remuneration. This departure was the result of the domestic considerations of the comparator and, therefore, should form no part of the United Nations system of remuneration. It was their view that the comparison of United Nations remuneration should not be made with the actual salaries of the United States federal civil service but with the levels resulting from the establishment of full pay comparability between the private and public sectors.

106. In view of the fact that the Commission could not reach a consensus concerning the manner in which the Noblemaire principle should be applied, it decided to postpone consideration of the matter to a future date. It also agreed that all other issues concerning the basis for the determination of salaries in the Professional and higher categories such as the level of the margin, the relationship between salaries and the level of responsibility, would also be considered when it reverted to the entire issue at a later date.

Review of the level of remuneration

107. The Chairman of CCAQ introduced a document which had been unanimously adopted by the executive heads of all the organizations of the United Nations common system at the meeting of the ACC on 5 July 1982. ACC could no longer delay presenting to the Commission and to the legislative bodies a recommendation for an increase in the level of salaries of the Professional and higher categories. ACC considered that the periodic review of the level of remuneration, which was an integral part of the salary system intended to permit correction of the effect of the regressive feature of the post adjustment system, should not be further postponed, considering that eight years had elapsed since the last adjustment of salary (which was an interim one), whereas previously such adjustments had been made on average every four years. The delay had been seen by the staff as an unfair interference with the normal working of the salary system, while the loss of purchasing power of their salary accumulated year by year.

108. ACC had concluded that the extent of the adjustment required could be determined in the light of a number of concurrent indicators, namely:

"(a) The loss in purchasing power of United Nations remuneration at the base of the system of 5.4 per cent since 1971;

"(b) The fact that, if civil service salaries of the comparator country had been adjusted so as to ensure the full comparability with private sector pay required by the Pay Comparability Act of 1970, they would have been at least 10 per cent higher (in gross terms) than they are now and the margin between them and United Nations salaries correspondingly less;

"(c) The contrast between the loss of purchasing power of United States civil service pay (which has led to delay in correcting the loss in United Nations remuneration) and the positive evolution of civil service remuneration in the other headquarters countries, ranging from 7 per cent to 35 per cent gain between 1971 and 1981;

"(d) The contrast between loss of purchasing power of United Nations remuneration and the gains in real income in other international organizations, ranging from 5 per cent in the World Bank to 29 per cent in the European Economic Communities;

"(e) The fact that, notwithstanding the depressed level of United States civil service basic salaries, the remuneration provided to United States civil servants in many duty stations outside the United States exceeds that provided by the United Nations system to its comparable expatriate staff."

109. As ACC noted:

"Taking into account all these indicators and bearing in mind that no adjustment has been made to Professional salaries for over seven years, the executive heads consider that an increase of the net salary scale by 5 per cent, with effect from 1 January 1983, would be fair and reasonable at the present time.

"The cost for 1983 of a 5 per cent increase of net base salary and other elements of remuneration which are based on net salary, is estimated to be, for all organizations and all sources of funds, approximately \$45.5 million, or 1.3 per cent of total expenditures. A corresponding increase, of approximately 6.5 per cent, in pensionable remuneration would result in an increase of approximately \$10 million in the organizations' contributions to the pension fund."

110. CCAQ further proposed that the increase should be uniform for all grades and steps and that there should be no regressivity in the increase granted; accordingly, gross salary should be increased to reflect the application of existing rates of staff assessment to the increased levels of net pay, but pensionable remuneration, which had its own adjustment mechanisms based on the United States CPI and WAPA, would remain unchanged.

Views of FICSA

111. The President of FICSA stated that difficulties arising from the current interpretation of the Noblemaire principle required an immediate solution which should also be seen as an interim one - the 10 per cent increase FICSA had repeatedly urged the Commission to grant in order to redress to some extent the erosion of purchasing power United Nations Professional staff had been suffering for years. FICSA could easily endorse the case presented by ACC in support of a salary increase, since these were arguments that had been put forward previously by the Federation. At the same time, FICSA believed that ACC had failed to reach the conclusions suggested by those arguments. A 10 per cent interim salary increase, retroactive to 1 January 1982, was the minimum acceptable to the staff as compensation for past losses. According to the latest official figures which had just been received, the percentage shortfall between private and public sector pay in the United States was in the order of 20 per cent as at March 1982, this without taking into account such telling factors as the loss of purchasing power at the base of the system, the positive evolution of salaries in other national civil services, and the fact that the level of expatriate benefits paid by the comparator civil service in a number of United Nations headquarters and field duty stations was higher than those paid to United Nations officials. The ACC recommendation was a very conservative order of magnitude which fell short of the staff's justified expectations. The FICSA request was for an across-the-board increase with no differentiation by grade. FICSA regarded this proposal as an urgent interim measure, which was without prejudice to the outcome of such studies as the proposed new equivalency study. The extent to which the built-in vertical regressivity of the post adjustment system was effective in compensating for greater loss of purchasing power at lower Professional grades might have to be examined but further studies should not stand in the way of an interim salary increase, the need for which had now become urgent. FICSA further expressed reservations about the wisdom of adjusting the salary and career grade structure of the United Nations system in

the context of an interim measure. There should be a concomittant increase in pensionable remuneration as a matter of principle and that following prior practice, once the current problems relating to Professional remuneration had been resolved, salary levels should be reviewed on a regular basis.

Views of the CCISU

112. CCISU was convinced that an adjustment to Professional salaries was long overdue and reaffirmed that the staff of the common system had a long-standing position that a 10 per cent increase was necessary, retroactive to 1 January 1982. Considering that problems of recruitment lay in the lower levels of the Professional category, P-1 to P-4, CCISU believed that the increase in basic salaries should be applied only from P-1 to P-5 on a retrogressive scale and that base salary rates above that should be frozen; that the relationship between gross salaries and amounts of pensionable remuneration should be carefully monitored and, if necessary, re-evaluated in the light of the WAPA and United States CPI indices; and that staff assessment should be re-evaluated in the light of the relationship with tax rates in the comparator country and in view of the change which took place effective 1 July 1982. The Committee also requested incorporation of an additional amount of post adjustment in base salary, as was done in 1977 and 1981, in order to increase further pensionable remuneration, which would have a valuation effect on the United Nations Joint Staff Pension Fund and assist in providing greater incentives to attract and recruit qualified professionals not only at Headquarters but in other duty stations.

113. With respect to job content for determining salaries at the USG and ASG levels, the Committee urged the Commission to instruct its secretariat to proceed with its studies on the lines proposed by the secretariat.

Discussion and decisions by the Commission

114. The Commission resumed consideration of the level of remuneration on the basis of the documents prepared by its secretariat at the fifteenth and the sixteenth sessions, the statement adopted by ACC concerning the request for a 5 per cent increase in net base salary and other elements of remuneration based on net salary and the statements of FICSA and CCISU as well as cables received from a large number of staff associations requesting a 10 per cent increase. A few members pointed out that, while the staff had consistently requested an increase at the Commission's recent sessions, it had taken the organizations two years to arrive at a conclusion; that the ACC statement had been submitted only a week to 10 days before the Commission's consideration of the item; and that members had received the language versions only the day before the item was taken up. They, therefore, could not agree to consider the request for a 5 per cent increase in such circumstances but were ready to revert to the matter at the next session of the Commission, following proper analysis and study. Others did not share this view.

115. One member referred to the comparison of salary data of the United Nations system with that of the national civil services in several Member States and questioned the results presented, particularly for his own national civil service, and considered that such data needed further analysis and verification. He considered that the data given for the European Economic Commission (EEC) and for the so-called "Co-ordinated Organizations" (the Organization for Economic Co-operation and Development (OECD), the North Atlantic Treaty Organization (NATO),

Council of Europe, European Space Agency, etc.) had been presented out of context. It had not been indicated that a real income decrease over the next 10 years had been decided upon for EEC officials. Therefore, for the period 1981-1991, in effect, these officials would have a deduction applied to their net remuneration. This deduction would increase progressively from 2.54 per cent in the first year to 12.7 per cent by the end of the fifth year (the matter would then be reviewed at the end of the fifth year). The Co-ordinated Organizations, for their part, had decided on 18 March 1982 that salary adjustment mechanisms would no longer adjust 100 per cent for cost-of-living increases. Another member, in supporting that view, nevertheless, pointed out that there had been a 3 per cent increase in real salaries in the EEC and the Co-ordinated Organizations since 1975. He could not, however, agree to consider the ACC request for restoration of purchasing power in salaries since 1971. In 1975, a 6 per cent increase had been granted following review by the International Civil Service Advisory Board (ICSAB) of an ACC proposal for an increase of 8 per cent; and in 1975 and 1976, the International Civil Service Commission had reviewed the level of remuneration of Professional staff and concluded that it was satisfactory. In the circumstances, he recognized the erosion in purchasing power of 2.8 per cent since 1975, but could only agree to an increase in salary of 3 per cent to restore purchasing power.

116. Other members were not convinced by the arguments to restore the loss of purchasing power of international civil servants, since that of national civil servants had, in many cases, been much greater over recent years, and national civil servants had been called upon to make greater sacrifices. One member of the Commission pointed out that international civil servants were not expected to make the same sacrifices. Several members, on the other hand, considered that the comparison of salaries with those of the European countries and other international organizations was irrelevant as long as the Commission agreed to base United Nations Professional salaries on the Noblemaire principle, which was not disputed by any of the parties.

117. When one member of the Commission asked if problems of recruitment and retention of staff had been a reason for seeking a salary increase, the Chairman of CCAQ replied in the affirmative but noted that in the absence of statistical information on persons who had not applied for United Nations system posts, ACC had not used this point in support of their request for a salary increase for Professional and higher category staff.

118. While some members were of the view that no increase was justified at the present time, the majority of the members of the Commission favoured an increase in salaries for staff in the professional and higher categories. Some members considered that the case for an increase based on application of the Noblemaire principle had been made and regretted the delay of eight years since the last increase. One member, in particular, referred to the periodic reviews and adjustments in base salary for the Professional category in 1962, 1966, 1969, 1971 and 1975, i.e. on an average of every four years. Pending completion of the methodology of total compensation comparison and the review of the margin based on that comparison, he noted that ACC was requesting an interim adjustment by 5 per cent in order to prevent the staff from being kept in indefinite suspense. Others viewed the increase as one to restore purchasing power since 1975 and favoured an increase of 3 per cent. While a few of those members favouring an increase considered that a case could be made for more than a 5 per cent increase some others argued for 5 per cent. Two of those members were of the view that there should be regressivity in the increase granted, i.e. that the percentage

increase in lower grades should be higher than that at the top grades. In view of the Commission's inability to reach a consensus on the size of the increase, several members proposed that the decision on this issue be left to the Fifth Committee of the General Assembly. 20/ Accordingly, it was agreed to transmit the above views for consideration and decision by the General Assembly of the United Nations.

4. Supplementary payments to international civil servants and related matters

119. By resolution 36/233, the General Assembly requested the Commission to undertake "a comprehensive study of the question of supplementary payments to international civil servants and all related matters".

120. At its fifteenth session, the Commission considered the historical background to the problem of supplementary payments as well as the related discussions by the General Assembly.

Views of the organizations and staff

121. The Chairman of CCAQ recognized that little concrete evidence existed on supplements to salaries and deductions made from salaries of individual staff members by Governments of Member States apart from the information obtained by the Commission from three Governments concerning their laws and practices. In the opinion of CCAQ, the Commission should urge the General Assembly, at its thirty-seventh session, to request all Governments to provide such information to the Secretary-General of the United Nations for transmission to the Commission for analysis.

122. The President of FICSA restated the Federation's view that supplementary payments were made to staff essentially because remuneration was inadequate and that it was unworkable to attempt to control such payments through administrative action.

Discussion and decision by the Commission

123. Members of the Commission observed that the General Assembly had referred the matter to the Commission without having taken the action that the Commission had earlier requested on two occasions, namely, in 1980 21/ and 1981. 22/ In considering the mandate contained in General Assembly resolution 36/233, the Commission observed that it did not have direct relations with Member States. In those circumstances, the Commission was not in a position to undertake such a comprehensive survey, and it would be for the United Nations and the other organizations to undertake such a survey if found necessary.

124. The Commission, after studying the matter further and taking into account the views expressed by the Fifth Committee of the General Assembly at its thirty-sixth session, concluded that it had already dealt with the matter within the limitations of its authority. It therefore requested the General Assembly to take appropriate measures to remedy the situation. In that connexion, it reiterated the recommendation it had made to the Assembly in earlier reports, namely, to call to the attention of all Member States that the practice of supplementary payments was

unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of Staff Regulations. That recommendation applied to all types of supplementary payments, present and future.

B. Matters relating to post adjustment

1. General review of the purposes and operation of the post adjustment system

125. By resolution 34/165, section I, paragraph 2, the United Nations General Assembly requested the Commission "to begin urgently a fundamental and comprehensive review of the purposes and operation of the post adjustment system". The progress made by the Commission concerning this review was reported to the General Assembly in the Commission's sixth 23/ and seventh 24/ annual reports.

126. In its resolution 36/233, section III, paragraph 1, while taking note of the report of the Commission, the General Assembly requested that the ICSC "give high priority to the completion of the fundamental and comprehensive review of the purposes and operation of the post adjustment system with a view to avoiding distortions in the system and ensuring equity".

127. At its fifteenth session, the Commission identified a number of issues relating to the operation of the post adjustment system which required further consideration by its Advisory Committee on Post Adjustment Questions. It placed these issues on the agenda of the seventh session of ACPAQ so as to enable the Commission to complete its review of the post adjustment system.

Views of the organizations and staff

128. In reviewing the progress made in the fundamental review of the post adjustment system the Chairman of CCAQ endorsed the progress made in the past two years whilst noting that a number of component studies were still as yet incomplete.

129. The President of FICSA, while agreeing with the general concept that progress was being made in implementing a revised methodology of cost-of-living measurement, cautioned against excessive optimism as regards the success of the exercise. The Federation was also concerned that in the review of the administrative aspects of the post adjustment system ACPAQ had proposed further extension of the four-month rule, on which matter the Federation had expressed long standing misgivings. The representative of CCISU in taking note of the status of the review of the post adjustment system emphasized the need to provide adequate resources to the ICSC Cost-of-living Division.

Discussion and decisions of the Commission

130. Technical aspects of cost-of-living measurement survey. The implementation of the revised survey methodology approved by the Commission at its fourteenth session has proceeded without undue problems. Preparations are now well in hand for the use of the new methodology in a number of duty stations where headquarters or regional offices of the organizations of the common system are located. While the effects of the new methodology will only be seen upon the completion of these and other place-to-place surveys the Commission will monitor the results on a continuing basis.

131. Treatment of housing costs in post adjustment. ACPAQ was able to consider this question in depth at its seventh session and a number of improvements recommended by the Committee have been approved by the Commission. Both ACPAQ and the Commission considered the problem of housing costs faced by newcomers at some of the duty stations which are currently excluded from the application of the rental subsidy scheme. Following an examination of statistics on housing costs of United Nations officials in New York, Washington, D.C., Montreal, Vienna and Rome, the Commission noted that newcomers faced considerably higher rents in relation to those paid by oldtimers at these duty stations. The Commission further noted that ACPAQ agreed that some solution must be found to the problem of high rental costs faced by newcomers at duty stations currently excluded from the application of the rental subsidy scheme. However, ACPAQ was unable to recommend the extension of the rental subsidy scheme to these duty stations as it was not in a position to assess the effects on the post adjustment system of an extension, even to a limited group of staff members (newcomers). The Commission, noting the urgency of the matter, agreed that a working group of two members of ACPAQ together with its Chairman should study the effects of extension of the rental subsidy scheme to duty stations currently excluded both as regards the post adjustment index of the base of the system (New York) and also the post adjustment of other duty stations and report to the Commission at its seventeenth session.

132. Separation of the inflation and currency elements in the post adjustment system. In its initial review of the anomalies in the post adjustment system, the Commission had studied the interplay of currency and inflation but had not been able to come up with an acceptable solution. At the seventh session of ACPAQ the Committee considered a proposal in respect of adjustment to the post adjustment index due to the currency element in cases of local currency fluctuations. The Commission noted that the place-to-place surveys provided a fundamental rebasing of the index to adjust for some of the currency induced distortions and it is of the view that improved place-to-place measurements will assist in the elimination of these distortions. The Commission requested its secretariat to continue further studies in this area, particularly taking into account the complex relationship of several elements that combine with each other to produce losses or gains in cases of currency fluctuations and to prepare a report to ACPAQ at its eighth session. Further information on this matter may be found in paragraphs 142 to 146 below.

133. Treatment of pension contributions in post adjustment. The Commission recalled that it had considered this matter in earlier sessions based on the information provided by its secretariat and ACPAQ. The Commission considers that the treatment of pension contributions is consistent within the context of the definition of consumption expenditure it has adopted and that no change is therefore proposed at the present time. It will, however, revert to this matter at a later date when ACPAQ is able to make some definitive proposals following further study.

134. Possible distortions in high and low cost-of-living areas. The Commission has already made its preliminary views on this matter known to the General Assembly in paragraph 103 of the seventh annual report. Following an examination of the report of the seventh session of ACPAQ, the Commission noted that the distortions are closely linked to currency movements, in low cost-of-living areas as a function of out-of-area costs and in high cost-of-living areas as an in-area element. It further noted improvements resulting from the application of the revised methodology and also those resulting from its further studies relating to the problems due to currency fluctuations will reduce the present distortions. The

General Assembly may however wish to note that, as reported in paragraph 104 of the Commission's seventh annual report, out-of-area commitments are a subject which calls for an administrative solution and not a technical one.

135. Administration of the post adjustment system. At its sixteenth session the Commission approved a number of modifications to present procedures for the administration of the post adjustment system which would have the effect of providing relief in situations of abrupt currency devaluations and excessive inflation.

136. Data processing and computerization. The Commission noted that further improvements in the operation of the post adjustment system would result from the computerization of the work of its Cost-of-living Division now under way.

Concluding remarks

137. The General Assembly may wish to note that the Commission will in the immediate future be involved in the following activities:

- (a) Development of a training programme for local co-ordinators;
- (b) Publication of the booklet for the staff at large and the technical manual for field survey co-ordinators and administrators;
- (c) Further investigation into the use of regression analysis in rent measurements;
- (d) The study of the effects of the extension of the rental subsidy scheme to duty stations which are currently excluded from the application of this scheme;
- (e) Effects of the removal of rental costs from post adjustment;
- (f) Further studies on the possibility of correcting distortions due to currency movements.

138. The Commission agreed to report to the General Assembly that the comprehensive review of the post adjustment system it undertook in response to the Assembly's request made in resolution 34/165 is now basically complete. It wishes to point out, however, that the post adjustment system is continually evolving to meet new economic and statistical developments and, as such, the fundamental review made by the Commission over the past three years will provide a basis for further improvements and adjustments in the coming year. The Commission will continue to guide its secretariat on the long-term studies currently underway or planned.

2. Operation of the post adjustment system and the rental subsidy scheme

139. The Commission continued to perform the function entrusted to it under article 11 (c) of its statute of establishing the "classification of duty stations for the purpose of applying post adjustments". During the period under review, however, no comprehensive surveys were conducted at any headquarters duty station, as the new methodology for cost-of-living measurement was under development. In the foreseeable future there will be surveys in at least five headquarters duty stations.

140. The movements of the classification for purposes of post adjustment of all duty stations and the periodic revision of rental subsidy thresholds are reported to all organizations of the common system by means of monthly circulars issued by the Chairman, acting under the authority delegated to him by the Commission. Similar circulars announce changes in the rates of daily subsistence allowances established by the Commission under article 11 (b) of its statute.

141. At its twelfth session, the Commission had reduced by one class the post adjustment index for Geneva from its October 1979 level and, except for currency fluctuations, had frozen the index until the new index reached a level of 244.1. Those developments were reported to the General Assembly in the Commission's sixth annual report. 25/

142. At its fifteenth session, the Commission considered the issue of the post adjustment for Geneva at the request of the staff unions and associations of the Geneva-based organizations. The staff representatives of the Geneva-based organizations had stated that the decision to lower the post adjustment for Geneva by 5 per cent was based on the results of two surveys which were found to be highly controversial from a technical point of view. The staff representatives further stated that the statistics published by CCAQ showed that the loss of purchasing power of the staff in the Professional and higher categories in Geneva was 10 per cent greater than the loss experienced by staff in New York. That, they stated, was in contrast with the primary purpose of the post adjustment system, which was to maintain parity of purchasing power with the base of the system, New York. The representatives of the staff urged the Commission to reconsider its earlier decision.

143. A representative of the Geneva-based organizations expressed concern at the erosion of the purchasing power of remuneration of staff of the Professional and higher categories at Geneva. Among one of the reasons cited for that loss of real income was the strengthening of the local currency against the United States dollar. He urged the Commission to undertake a new cost-of-living survey as soon as possible, using the revised methodology approved by the Commission at its fourteenth session.

144. The Commission considered that in recent years an erosion of purchasing power might have been experienced by staff in the Professional and higher categories in Geneva over and above that experienced by the staff in New York. That loss, the Commission noted, might be attributable to the regressivity in the amounts of post adjustment per index point, which resulted in an undercompensation in cases of currency appreciation. The Commission, however, was of the view that the case of Geneva was not unique and had to be viewed in the broader context of the problems caused, among other things, by currency fluctuations as one of the sources of distortions and anomalies of the post adjustment system. It, therefore, placed the issue on the agenda of the seventh session of ACPAQ, with a view to recommending corrective measures to the Commission at its sixteenth session.

145. The Commission, at its sixteenth session, noted that several alternative proposals were made to ACPAQ to solve the problems caused by currency fluctuations. In view of the complexity of the problem, that Committee had not been able to reach any definitive conclusion and had, therefore, recommended to the Commission an interim adjustment measure that could be applied to the remuneration of staff at locations where substantial appreciation of local currency had taken place.

146. The Commission agreed with the recommendation made by ACPAQ that its secretariat should continue to study the matter and that, in the meantime, in all countries where local currency appreciation had taken place between the last two place-to-place surveys a remuneration correction factor should be applied. The Commission also agreed that the interim measure recommended by ACPAQ should be used for the modification of post adjustment multipliers of the affected duty stations, with effect from 1 August 1982. The adjustment to the post adjustment multiplier should continue to be made until such time as the result of any new place-to-place survey was available for implementation or a permanent solution to the problem was found.

CHAPTER V

CONDITIONS OF SERVICE IN THE GENERAL SERVICE CATEGORY

A. General methodology for surveys of best prevailing conditions of employment

147. After several years of experience in conducting surveys to determine best prevailing conditions of employment for the General Service and other locally recruited staff under article 12 of its statute, the Commission commenced work on the promulgation of a comprehensive methodology. The General Assembly, in its resolution 35/214 A, had endorsed the Commission's work in this area. The Commission's work on the general methodology had as a broad objective the development of a methodology which would apply the same principles at all headquarters duty stations and, with some modification, to all non-headquarters duty stations while allowing for flexibility in the application of the principles to account for local conditions.

148. As reported to the General Assembly in the Commission's seventh annual report, 26/ development of the general methodology for surveys of best prevailing conditions was part of a phased approach in the Commission's review of the principles and methods for application of the principles for determining conditions of employment of the General Service and other locally recruited categories. The first phase of the review was the establishment of a general methodology for surveys of a large number of preselected best employers at headquarters duty stations. The second phase of the review was to include salaries and other conditions of services in field duty stations and periodic adjustments to salaries, other allowances, staff assessment and pensionable remuneration for staff at all duty stations. The third phase would include social security, salary scales for other locally recruited categories, overtime and shift differentials, and other methods for determining the best prevailing conditions.

149. The Commission's secretariat submitted a comprehensive and detailed methodology in respect of headquarters duty stations for the Commission's consideration at its fourteenth, fifteenth and sixteenth sessions. At its sixteenth session, the Commission then began consideration of the general methodology for non-headquarters duty stations, in the light of a preliminary analysis made by its secretariat.

Views of the organizations and of the staff

150. In respect of the headquarters methodology, both the organizations and the staff, at the Commission's fifteenth session, presented comprehensive documents concerning points of detail in the proposed methodology; although the presentation by FICSA covered some matters relating to the non-headquarters methodology as well. The President of FICSA also requested that approval of a final text of the methodology for headquarters duty stations be provisional, thus allowing time for staff consultation prior to the sixteenth session. FICSA reserved its position on the methodology, since its comments were not taken into account in the final text.

151. At the sixteenth session, both organizations and staff presented final comments on the methodology for headquarters duty stations. The representatives of the organizations and staff made preliminary remarks in respect of a general methodology for non-headquarters duty stations.

Discussion and decisions of the Commission

152. At its fifteenth session, the Commission adopted the provisional text of the general methodology for headquarters duty stations and agreed to consider any comments on the provisional text received from CCAQ and FICSA but not to reopen the general discussion of the methodology. At its sixteenth session, the Commission approved the general methodology in its final form, which is attached to the present document as annex II. A review would then be conducted following the second cycle of surveys of headquarters duty stations.

153. As regards the study of a general methodology for non-headquarters duty stations, the Commission agreed with the need to consider all elements relating to the methodology in full and to postpone consideration of a final methodology until its eighteenth session. It provided some broad guidelines to assist its secretariat in its further studies and requested that a status report be submitted at the Commission's seventeenth session. In so doing, the Commission authorized its secretariat to participate in an observer status at the field level, in selected surveys, in order to collect data required by the Commission.

B. Periodic adjustments between surveys of best prevailing conditions of employment

154. In its seventh annual report, the Commission advised the General Assembly ^{27/} as to the phases of implementation for its comprehensive study of the conditions of employment for the General Service and other locally recruited categories. The study of periodic adjustments to salaries formed a part of the second phase, and was considered by the Commission at its fifteenth session.

Views of the organizations and the staff

155. The Chairman of CCAQ noted that while the question of periodic adjustments in relation to headquarters duty stations was under consideration by the Commission, whatever was decided in that regard would be likely to have a spill-over effect on the principles to be applied to field duty stations. He, therefore, emphasized that whatever methodology was agreed to by the Commission, it would apply only to headquarters duty stations and would be without prejudice to further discussions in relation to the field.

156. The representative of FICSA, while noting that the study dealt with interim adjustment procedures to be followed at headquarters duty stations, reiterated the need for a method for salary adjustments between surveys at non-headquarters duty stations where rapid inflation made such an interim adjustment mechanism indispensable. With regard to percentage adjustments to the net salary scale, FICSA stated that the adjustment factor should not fall below 90 per cent of the movement of the selected index.

Discussion and decision by the Commission

157. Following an examination of the issues the Commission endorsed the principle of automatic adjustments between salary surveys in headquarters duty stations. For the application of the principle, it approved the following methodology:

(a) The adjustments should be made by reference to an appropriate index or combination of indexes (wage or price) which has been demonstrated to produce, through its application, salary movements which tend to be confirmed by successive surveys;

(b) The index should be a reputable one, published on a regular (preferably monthly) basis without lengthy delays; it should relate to the same geographical area as covered by the salary survey; and when related to specific economic sectors, it should largely correspond to those covered in the salary survey;

(c) Adjustments to salary scales should be made effective as from the month following that for which the reference index has moved by 5 per cent or more, as measured from the level reached at the time of the most recent adjustment;

(d) The percentage adjustments to the net salary scale should be uniform at all levels, thereby leaving the structure of the salary scale intact, and should be equal to the movement of the reference index reduced by a factor which accounts for the effect of taxation on outside taxable incomes, as determined at the time of the salary survey. Changes in local taxation should be accounted for at the time that the reference index justifies an adjustment to the scale;

(e) In the event that the reference index does not move the required 5 per cent within a period of 12 months, an adjustment should nevertheless be made on the basis of the movement of the index in the 12-month period following the previous adjustment taking into account the tax factor. Changes in local taxation should be accounted for at the time that such adjustments are made.

C. Allowances

1. Language allowance

158. At its thirteenth session, the Commission approved a phased approach to the review of the basis and method for application of the principles for determining conditions of service of the General Service and other locally recruited categories. The Commission included the language allowance as part of the second phase of its review and specified a comprehensive listing of the issues to be addressed in the consideration of this allowance.

159. At its sixteenth session, the Commission examined a document submitted by the organizations which provided a historical perspective of the allowance and described the current practice followed in the determination of the level of the allowance and its administration.

160. The organizations informed the Commission that all organizations except the Universal Postal Union (UPU) provide, in their staff rules, for the payment of a language allowance to General Service staff for proven proficiency in an official language other than their mother tongue or, if the mother tongue does not correspond to any of the official languages, in a language other than that in which they are required to be proficient by the terms of their appointment. The allowance is normally fixed at 5 per cent of the minimum net salary pertaining to the grade of a bilingual secretary, and is increased whenever the salary on which it is based rises, by a least 15 per cent, from the date the allowance was last fixed. An allowance may be paid for proven knowledge of a third language, at half

the rate of the allowance for the second language. 28/ The allowance is a net amount payable in monthly instalments with salary and is included, at its net value, in pensionable remuneration.

161. The Commission was also informed that except in three organizations, the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO) and the International Atomic Energy Agency (IAEA), the allowance is not payable for knowledge of a language other than an official one. In all organizations which make provision for the allowance, official languages are English, French and Spanish, with the addition of Arabic, Chinese, German and Russian, depending on the organization and, sometimes, the duty station.

162. The organizations concluded that the language allowance for General Service staff did not raise any major problem and no major changes in conception or administration of this benefit were, therefore, proposed.

Views of FICSA

163. The President of FICSA stated that the use of several languages by staff should continue to be encouraged through the use of the language allowance. The Federation proposed that a language allowance for the knowledge of up to four official languages be paid and that the amount of the allowance for the knowledge of the third and fourth official languages be the same as that for the second language.

Discussion and decisions of the Commission

164. The Commission noted that while the staff rules of most organizations make provisions for testing, at regular intervals, of continued proficiency in the language(s) for which an allowance is received, the organizations do not as a rule apply this provision strictly. The Commission, however, was of the view that the organizations should enforce the provisions of this rule and arrange for the testing of continued proficiency at regular intervals.

165. The Commission also noted that the procedure relating to the determination of the allowance, i.e., by reference to the minimum net salary of a bilingual secretary, would not pose problems in most cases, but in instances where the organizations employed bilingual secretaries at more than one grade it would be essential to specify the grade which must be used for the application of the procedure. It decided that in such cases the minimum salary of the lowest grade of a bilingual secretary should be used.

166. The Commission decided to endorse the language allowance as it is currently established, defined and administered. In summary it agreed that:

(a) The language allowance should be payable for proven knowledge (but not necessarily the use) of a second or third official language;

(b) The language allowance should not be payable for knowledge of the mother tongue of the staff member, or for proven knowledge of the official language in which he is required to be proficient by the terms of his appointment;

(c) The allowance should be in the form of a net amount (not subject to staff assessment) and the net value should be included in pensionable remuneration;

(d) The allowance should be established on the basis of 5 per cent of step one of the net salary pertaining to the lowest grade of a bilingual secretary, and should be adjusted each time there is at least a 15 per cent increase in that net salary following the date on which the amount of the allowance was last fixed;

(e) Proficiency should be proven through appropriate examination - and continued proficiency should be tested at regular intervals.

2. Non-resident's allowance

167. At its thirteenth session, the Commission approved a phased approach to the review of the principles and methods for application of the principles for determining conditions of service of the General Service and other locally recruited categories. The Commission included the non-resident's allowance as part of the second phase of its review and specified a comprehensive listing of the issues to be addressed in the consideration of this allowance.

168. At its sixteenth session, the Commission examined a document submitted by CCAQ which provided a historical perspective of the allowance, described the current practice in its application and provided statistics on the number of staff receiving the allowance and its levels at the different duty stations. In 1981, 2,260 staff received the allowance at a total cost of \$US 1.8 million.

169. It was noted that the non-resident's allowance has been in existence since 1951, when it was established on the basis of a recommendation of the Committee of Experts on Salary, Allowance and Leave Systems (1949). The Committee recommended that

"In all cases where local salaries and wages are not sufficiently high to attract the necessary staff from other countries, such staff should, in addition to the local salary or wage, receive a permanent non-resident's allowance of a flat amount (subject to review as necessary) which should be fixed at a level sufficiently high to permit recruitment and retention of personnel with the desired qualifications, but, on the other hand, should not be higher than is necessary to achieve this situation."

170. The 1971-1972 Special Committee for the Review of the United Nations Salary System examined the entitlement and noted that it was difficult to correlate the purposes of the allowance with the amounts of the allowance as established at the different duty stations. It recommended that the Commission should study the matter. The study should cover the marked variations in the amount of the allowance among headquarters duty stations, the persistently high level of the allowance at some duty stations, and the definition of "non-resident" for the purpose of the allowance.

171. Currently all organizations make provision in their rules for the possibility of recruiting General Service category staff on a non-local basis in recognition of the fact that there may be certain skills, e.g., knowledge of a required language, which cannot be found in the local labour market. Such non-local status is governed by the basic requirement that the staff member is recruited from outside the area of the duty station and is of a nationality other than that of the duty station. The requirements for non-local recruitment depend to some extent on the duty station and no doubt on the assessment made by the organization of the degree

to which it will need to resort to non-local recruitment. For example, some organizations refuse non-local status to persons who are present in the duty station because the spouse is resident there or who are spouses of staff in the Professional category or of non-local staff in the General Service category. All organizations provide for the cessation of non-local status if the nationality of the duty station is acquired although most consider that acquisition of nationality by marriage is not reason enough to remove non-local status from a staff member.

Views of the organizations

172. Because of the complexity of the issues involved and the diversity of practice in the administration of the non-resident's allowance, the organizations suggested that the Commission consider the following issues:

- (a) The degree to which the basic principle that positions in the General Service category be recruited locally should be balanced against a need to recruit staff with skills not found in the local duty station;
- (b) The purpose of the non-resident's allowance, which traditionally represented a recruitment and retention tool but which may no longer be relevant at certain duty stations;
- (c) The determination of the amount of the allowance, which was based on a number of concepts and, in duty stations outside of Europe and North America, on the practice of outside comparators;
- (d) The rationale for making the allowance pensionable, as is current practice in the light of its representing a degree of compensation for the extra costs of expatriation;
- (e) The establishment of a time-limit for the payment of the allowance.

Views of the staff representatives

173. FICSA recalled its position that the purpose of the allowance was twofold: to attract and retain staff and to compensate for the additional cost incurred by expatriation. FICSA could therefore not at all agree with the suggestion that it might not be necessary to retain the allowance. In some duty stations, the allowance continued to be an important factor in recruitment and retention of staff. In other duty stations, the allowance had regrettably declined to an absurdly low level. It was therefore essential to develop a sound methodology for setting the allowance at an equitable and meaningful rate in all duty stations, both Headquarters and field. There were several possibilities, which should be studied further.

174. The Co-ordinator of CCISU proposed that the allowance be maintained as an inducement to recruitment, where needed, and to compensate for expatriate status. The allowance should provide greater compensation for those at lower salary levels, the cost-of-living differentials between the duty station and the staff member's country of recruitment should be taken into account in the determination of the amount of the allowance.

Discussion and decisions by the Commission

175. The Commission noted the diversity of practice in the administration of the non-resident's allowance and considered that further study was required to develop a rationale for the applicability of the allowance and for its administration.

176. The Commission further noted that, in the case of at least one organization, the payment of the non-resident's allowance was determined by the classification of the post rather than the place of recruitment. The Commission expressed the view that this practice should be further reviewed in the context of the study.

177. The Commission also noted that, during its conduct of surveys of best prevailing conditions of employment for staff in the General Service and related categories it had collected no information on the level of expatriate benefits provided by the outside employers. Such information should be collected in the forthcoming General Service salary surveys and reported to the Commission as part of the comprehensive study on this subject.

178. The Commission decided to:

(a) Reaffirm the principle that staff recruited to positions in the General Service category be locally recruited. Only in exceptional circumstances should General Service staff be recruited non-locally;

(b) Request its secretariat to take into account the analysis and statistics reported by the organizations which would be undertaken on a duty station by duty station basis and to make proposals at the Commission's eighteenth session which would enable the Commission to provide guidelines to the organizations concerning the administration of the non-resident's allowance and the determination of the amount of the allowance.

D. Study on the differences in remuneration between men and women in Geneva

179. In its sixth annual report, the Commission had advised the General Assembly that it would request the Centre d'étude de technique et d'évaluation législatives (CETEL) of the University of Geneva to undertake a study on the extent of the differentiation in Geneva in the remuneration paid to men and women for work of equal value. ^{29/} At the same time, the Commission had reported that the application of an 8 per cent adjustment to salary data, as made in 1977, was the soundest interim approach for the purposes of the 1980 survey. That factor would apply only to the female employees in the "typically" female jobs. Once the results of the CETEL study were available, the Commission would review the matter again to see, at that time, what action was required.

180. It had been agreed by the representatives of the executive heads of the Geneva-based organizations, when discussing the modalities of implementation of the Commission's recommendations in respect of Geneva salary scales, that the salary scales would be revised as soon as the exact impact of the difference was known.

181. At its fifteenth session, the Commission studied a report prepared for it by CETEL on the differences in remuneration between men and women in Geneva.

Views of Geneva-based organization and staff

182. The representative of the Geneva-based organizations, in commenting on the conclusions of the study made by CETEL, said that the Geneva-based organizations relied on the Commission's judgement concerning the percentage which should be retained. He also indicated that the Commission should make known the impact of its decision on the final salary scale. According to what had been agreed to earlier, he stated, the resulting changes should be applied retroactively to 1 March 1980. The representative of the Geneva-based organizations suggested that the modalities of payment of the resulting changes be left to the administrations concerned, who would act in close consultation in order to make the payments in a strictly co-ordinated manner after detailed study of the many problems raised by the retroactivity over a period of more than two years.

183. The representatives of the Geneva staff expressed satisfaction that such a complex study had been completed in a remarkably short time. They noted that the study had confirmed that there was an element of discrimination and that the discrimination varied according to age, sex and level of responsibility. They were pleased to note that CETEL had come to the conclusion that sex discrimination could be quantified. The staff representatives stated that they were willing to accept the maximum factor of 11 per cent referred to in the CETEL study as the bare minimum to account for discrimination. Noting that they had been excluded from various phases of the study, the staff representatives stated their expectation that the Commission, with its seven years of experience, would strive for staff representation at all stages in the future.

Discussion and decision by the Commission

184. The Commission was unanimous in its conclusion that although the CETEL study had confirmed the incidence of discrimination on account of sex in the Geneva labour market, it had failed to provide a precise measure of the level of that difference. On the determination of the discrimination factor and its application, however, the members of the Commission had divergent views.

185. One member noted that CETEL in its study, had not presented convincing arguments for arriving at a particular discrimination factor for application to female salaries and that the Commission would have to exercise its collective judgement in arriving at that adjustment factor. Noting that an 8 per cent adjustment to female salaries was made at the time of the last two General Service salary surveys, that CETEL had suggested a discrimination factor of approximately 11 per cent for application to female salaries and taking into account various approaches suggested by some members during the deliberations of the Commission on the issue, he was of the opinion that a factor falling within the range of from 8 to 11 per cent could be considered. He, therefore, suggested that the female mean salaries from the survey should be adjusted upward by a factor of 9.5 per cent. That proposal was supported by several members. However, others were opposed to it, since they did not feel that the findings of CETEL justified any increase in the existing rate of adjustment.

186. After a long debate it was requested that the proposal of 9.5 per cent should be put to a vote. The proposal was not accepted by 7 votes in favour and 7 against. Another member suggested that the 8 per cent discrimination factor be continued for application to female salaries at all grades with the exception of grade G-3 where a 10 per cent discrimination factor be applied. This proposal was

not accepted by the Commission by a vote of 7 to 4 with 3 abstentions. Two more proposals were subsequently made, one to adjust female salaries upward by a factor of 10 per cent, and the other by a factor of 9 per cent. The proposal for adjustment by 10 per cent was put to the vote and was adopted by 8 votes in favour with 6 votes against.

187. In explaining his vote against the third proposal, one member stated he had voted against it because it contravened rule 28 of the rules of procedure. Four other members explained that they voted against it because the decision had not been taken on the basis of technical data, contradicted the figures reported in the survey and was an outright discrimination against men.

188. In summary, the Commission:

(a) Took note of the useful study carried out by CETEL on the question of the difference in remuneration between men and women in Geneva;

(b) Concluded that the results obtained by CETEL did not lend themselves to direct application to the findings of the 1980 salary survey;

(c) Observed that the commonly espoused claim of sex discrimination in remuneration in Geneva would appear to be valid;

(d) Further concluded that it was not possible to arrive at a single, global figure of the percentage differential in male/female remuneration for work of equal value on the basis of purely objective means;

(e) Decided to adjust female mean salaries upward by a factor of 10 per cent;

(f) Further decided to request its secretariat to work out a revised salary scale for General Service staff in Geneva retroactive to March 1980, the survey's reference date;

(g) Delegated to its Chairman the authority to approve and communicate the new salary scale, as revised, to the Secretary-General of the United Nations and the executive heads of all Geneva-based organizations.

E. Staff assessment for the General Service category

189. The General Assembly, by resolution 35/214 B, invited the Commission to keep under review the matter of staff assessment for all categories of staff. At its thirty-sixth session, by resolution 36/233, section III, paragraph 2 (e), the General Assembly requested the Commission to undertake a general review of staff assessment for the equitable treatment of all categories of staff at all duty stations.

190. At its sixteenth session, the Commission was presented by FICSA with a proposal for revision of staff assessment rates for the General Service category. The Commission was also able to hear the views of the organizations and staff representatives as to the problems perceived by them in the application of the new rates of staff assessment. The Governing Council of ICAO had also requested the Commission to review the problems concerning the present rates of staff assessment for the General Service category.

191. In view of the complexity of the issue, and of the divergence in views of both organizations and staff, the Commission instructed its secretariat to present a comprehensive proposal, in respect of the levels of staff assessment, to its seventeenth session.

CHAPTER VI

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

A. Education grant

192. The General Assembly, by resolution 36/233, section III, paragraph 2 (b), requested the Commission to undertake a review of the "scope and purpose" of the education grant.

193. For this purpose, the Commission reviewed the history and the development of the grant from its establishment in 1946 (at the first session of the General Assembly) through the recent review made by the Commission itself. The secretariat, in its study, had reviewed the history of the education grant and had noted that it had always been regarded as an expatriate element of compensation. The Commission's attention was drawn, however, to two possible areas in respect of which further extension of the grant could be considered:

(a) The upper age-limit to the grant;

(b) Staff members in the Professional and higher categories who received the grant while they are expatriates but lose entitlement to it upon reassignment to their home country.

Views of the organization and of the staff

194. The Chairman of CCAQ recalled that the Committee had committed itself to the collection of appropriate data on education costs, the adequacy of the grant and the purpose for which it was being used, for presentation to the Commission at its sixteenth session. For various technical reasons, however, the study could not be completed in time; the data would be presented to the Commission at its seventeenth session. CCAQ reconfirmed its view that the grant was an expatriate benefit. However, CCAQ favoured extending the grant to those formerly expatriated staff who had returned for a tour of duty to their home country and were, therefore, ruled ineligible for the grant, although often facing schooling problems stemming from their former expatriate service. Extension of the grant to such staff would enhance staff mobility. CCAQ, however, could not support any other extension of the grant.

195. The President of FICSA introduced a document which addressed two problems of concern to the staff: first, the extension of the grant to staff currently not eligible for it and, second, the adequacy of the amount of the grant. The FICSA submission contained statistical background materials, in particular with regard to the level of school costs in a representative cross-section of duty stations which showed that education costs had risen even more sharply than the overall cost-of-living; in fact, school costs had nearly doubled in the last five years. FICSA, therefore, requested the Commission to abandon the current regressive reimbursement formula and return to the 75 per cent reimbursement scheme. At the same time, FICSA proposed that the amount of the grant should be adjusted annually according to WAPA movements. FICSA offered detailed justification for the extension of the grant to non-expatriate Professional staff and to locally recruited General Service staff. Particular problems were identified with regard to Professionals who, after having been expatriates, returned to their home country

and were thus no longer eligible for the grant. A large number of so-called locally recruited General Service staff were, in fact, not nationals of the duty station country, and that resulted in serious inequities in respect of entitlement to certain benefits, among them the education grant. The solution to those inequities should be problem-oriented. FICSA, therefore, called for a study on a duty station by duty station basis. With regard to the age-limit, FICSA proposed that the grant be payable for pre-primary education, recalling that it was one of the solutions proposed by the Advisory Committee on Administrative and Budgetary Questions to deal with the lack of child-care facilities. As far as the upper age-limit was concerned, FICSA felt strongly that deserving cases should be compensated either by the flexible application of rules in organizations where such rules existed or, perhaps, by the elimination of the age-limit. In conclusion, FICSA expressed great disappointment at the failure of CCAQ to complete its study on schedule.

196. The Co-ordinator of CCISU requested that the resources available for the education grant be used for extending it to all staff without discrimination. He considered that the United Nations had adopted a trend towards consideration of the grant as a social policy, and, in support of that, he cited the application of the grant as given in respect of disabled children. He also considered that extension of the grant to all categories would enhance the mobility of all staff and that it would remove a discriminatory benefit currently applied to only one group of staff.

Discussion and decisions by the Commission

197. The Commission, in reviewing the scope and application of the education grant, recalled not only the fundamental principles as established by the General Assembly but its own prior considerations of the matter in 1976 and 1978. It considered the definition of the grant as established by the International Civil Service Advisory Board (ICSAB) in 1955, when it stated:

"Education grants were established in order to help parents meet some of the extra costs involved in educating their children in such a way that they did not become alienated from their national system of education."

It also noted the further progressive development of that definition to the stage where it is currently accepted as a partial assistance to expatriate officials in meeting some of the costs of educating their children. Accordingly, and taking into account the current practice of a number of Governments and organizations, the Commission concluded that the education grant should remain solely an expatriate benefit to be granted to all United Nations expatriate officials and that it should not be extended further in its application to non-expatriate staff.

198. The attention of the Commission, however, had been drawn to one group of non-expatriate staff who were experiencing difficulties as a result of the increasing need for mobility within the United Nations system, namely, those staff who received the grant while they were expatriates but who were then reassigned to duties in their home country. The Commission noted the problems faced by that group. However, the Commission was of the view that further extension of the grant to such staff would create an anomalous situation in respect of the balance of staff, especially in the Professional and higher categories, who were not entitled to the grant. In order to assist the immediate problems of reassimilation of those staff into their home environment, the Commission decided to recommend to the General Assembly, that application of the grant to nationals returning to their

home country following an assignment elsewhere should be allowed for the balance of a school year, not exceeding one full school year after their return from overseas service.

199. The Commission also noted the practice of the organizations, as reported by CCAQ, to administer the upper age-limit of the grant on the basis of four years of post secondary studies with a 25-year cut-off age, subject to the possibility of the executive heads exercising their proper and responsible discretion for genuine and proven exceptions.

200. One member did not consider it appropriate to deal with this matter until the total compensation comparison had been completed.

B. Dependency allowances

201. At its thirteenth session, the Commission approved a phased approach to the review of the principles for determining conditions of service of the General Service and other locally recruited staff. The Commission included dependency allowances as part of the second phase of its review and, at its fourteenth session, approved a list of specific points to be studied.

202. The General Assembly, in its resolution 36/233, requested the Commission to undertake a review of dependency allowances for all categories of staff. The General Assembly, however, did not assign high priority to this matter.

203. At its fifteenth session the Commission began its consideration of dependency allowances for staff in the General Service and related categories, and the Professional and higher categories. As part of its consideration the Commission reviewed a comprehensive discussion of the history of dependency allowances contained in the document submitted by its secretariat.

CHILDREN'S ALLOWANCE

204. The Commission took up the subject of the children's allowance in connexion with its review of the United Nations salary system, on which it reported in its second annual report in 1976. At its eighth session, acting in response to a proposal by CCAQ with regard to the Professional category, the Commission recommended the introduction of a currency floor, with effect from 1 January 1979, to ensure that the established amount of \$450 in local currency was not less than it would have been on 1 January 1975. ICSC also stated that it would carry out further studies on the subject.

205. With regard to General Service category, a number of salary review groups, including the 1949 Committee of Experts on Salary, Allowances and Leave Systems and the 1956 Salary Review Committee, have supported the determination of the children's allowance amount based on prevailing local practices. When the Commission assumed responsibility for the determination of local conditions of service applicable to General Service staff in 1976, it concluded that, in keeping with the principle that remuneration of the General Service category should continue to be established by comparison with best prevailing conditions at each duty station, the allowances and other entitlements (which are part of the remuneration) should also continue to be established by comparison with local

conditions in each duty station. As a result, the children's allowance was, in most cases, based on practices prevailing at the local duty station as determined by the periodic surveys of best prevailing local conditions. The local practices measured consist of the sum of amounts paid by Governments, relief through tax abatement and payments by comparator employers. At those duty stations where there was no local practice in respect of children's allowance the allowance was established at 10 per cent of the net salary at the lowest level of the local salary scale.

206. At its fifteenth session, the Commission considered the children's allowance for both the General Service and Professional categories as part of an overall review of dependency allowances. The Commission considered the issues which were submitted by its secretariat and which were divided into three areas:

(a) The maintenance of the children's allowance as a social benefit available to all staff;

(b) The differentiation of the children's allowance according to Professional and General Service category;

(c) Modifications to the current procedures for setting and adjusting the children's allowance:

(i) With respect to the General Service category, the Commission's secretariat had suggested that if the children's allowance continued to be differentiated according to categories and maintained as a social benefit, the amount should be set duty station by duty station on the basis of a percentage relationship with the midpoint of the local salary scale and periodically reviewed by the Commission. Furthermore, it suggested that a floor amount should be established for application in those duty stations where there was no local practice or in those duty stations where the local practice produced an amount below the floor amount. The Commission determined that the floor amount should be set with reference to the average midpoint of the salary scales of those duty stations where local practice prevailed. The Commission was also requested to review the appropriateness of the limit of six children in respect of whom the allowance was paid.

(ii) With regard to the Professional category, the secretariat suggested that a more systematic procedure be used to determine the amount of the allowance in view of the fact that the current amount of \$450 was largely determined on a judgemental basis.

Views of CCAQ

207. CCAQ considered that the children's allowance should remain a social benefit. A differentiation between General Service and Professional categories should continue to be made because of the difference in the principles governing the setting of salaries and allowances in the two categories. Furthermore, it supported the Commission secretariat's position that an allowance based on the concept of social benefit be established in respect of the General Service category where there was no local practice of paying a children's allowance and that that amount also serve as a floor in duty stations where local practice resulted in an amount below the floor amount. The organizations added that the amount based on

the concept of social benefit should be fixed in relation to the midpoint of the local salary scale. CCAQ supported a universal rate of children's allowance for staff in the Professional and higher categories, including the continuation of currency floor measures, but considered that the calculation of the universal rate should be based not only on the situation in a single comparator country, but also on an assessment of progressive social policy in other countries.

Views of FICSA

208. The President of FICSA reminded the Commission of the need for a number of improvements in dependency allowances, including the modalities applicable to General Service staff in the field and to Professional staff. FICSA recalled its proposal that the age limit for the entitlement to the children's allowance be brought in line with that for the education grant and that in those cases in which no education grant was payable the children's allowance should be payable up to age 25 if the child received educational or vocational training. FICSA indicated its preference for a unified system of dependency allowances for all categories of staff consistent with its belief in a single category structure. It supported the concept that dependency allowances should constitute a social benefit of true significance. This was particularly important for General Service staff: where there was no local practice or where such practice resulted in insignificant amounts, a floor should be established for the allowances. That amount could be calculated as a percentage of the midpoint of the salary scale (including extended General Service levels and longevity steps). For the children's allowance for General Service staff, the percentage should be 5 per cent of the midpoint. Any figure lower than that would not be acceptable to FICSA since it would in fact result in a decrease of the existing allowance at a large number of field duty stations. There should be no limit as to the number of children in respect of whom the allowance was payable. With regard to the children's allowance for Professional staff, FICSA recalled its earlier proposal that the allowance should be increased to \$750 in the light of cost-of-living movements and the development of social legislation as well as tax practices in the seven headquarters duty stations. FICSA also recalled its proposal that the allowance should be linked to the post adjustment system. Alternatively, FICSA would support the continuation of the currency floor arrangements and a regular review of the allowance.

Discussion and decisions by the Commission

209. The Commission decided that the children's allowance should remain a social benefit available to all eligible staff and should continue to be differentiated between the General Service and related categories and the Professional and higher categories.

General Service category

210. With regard to the specific issues raised in the context of the children's allowance, the Commission, at its fifteenth session, decided the following.

(a) The children's allowance should operate as a social benefit with a floor amount specified for those local areas which do not have a local practice or where that local practice produces an amount below the floor. In those areas where a local practice exists and produces an amount above the floor amount, the local practice amount would prevail;

(b) The allowance should be established as a flat rate which, as a proportion of pay, would provide a relatively greater value to employees at lower pay scales than at higher pay scales. The Commission further decided that the allowance should be established on a duty station-by-duty station basis and, where local practice existed, it should continue to be measured as the sum of amounts paid by Governments, relief through tax abatement and amounts paid by employers;

(c) The amount of the children's allowance should be uniform in respect of the age of the child or the number of children, but where local practice exists and there are significant differences based on the age of the child, the number of children, or other factors, which are of a nature or magnitude making averaging inappropriate, some differentiation would be correct;

(d) The amount of children's allowance should be set in relation to the midpoint of the local published salary scale, excluding extended General Service levels as opposed to the current practice based on the minimum of the salary scale. The Commission further decided that the social benefit amount of the children's allowance should be established on 1 July 1982 based on a percentage relationship of 3 per cent. Since the percentage relationship of the children's allowance to the midpoint of the salary scale for those areas where a local practice existed would change over time, the Commission decided to review that percentage relationship every three years;

(e) Since the implementation of the Commission's decision to establish the children's allowance as a social benefit with a floor would result in the allowance in some duty stations falling above and in others below that floor, the Commission decided to increase the allowance to the floor amount for those duty stations where the allowance fell below the floor; for those duty stations where the amount of the allowance determined according to local practice fell above the floor, the Commission decided that the allowance so determined should be used unless, at a future date, the social benefit amount surpassed the local practice amount, at which time the social benefit amount should be used;

(f) Where local practice determines the allowance amount, it would be reviewed annually in conjunction with pay scale reviews, or at the time significant changes occur in the local social security or tax abatement laws, but in any event should not be adjusted unless local practice amount requires a change of at least 5 per cent in the amount of the allowance.

211. The Commission noted that, based on figures made available by the administrations for January 1982, the financial implications are as follows:

(millions of United States dollars)

| | |
|---------------------------------------------------------------------------------------------|--------------|
| For those areas where local practice produces an allowance of less than 3 per cent | 1.825 |
| For those areas where no local practice exists and where the CCAQ formula currently applies | <u>.227</u> |
| Total | <u>2.052</u> |

These figures are annualized costs and, as indicated, represent January 1982 data. Implementation of the revised children's allowance procedure on 1 July 1982 means that somewhat less than half of the above costs would be incurred for the calendar year 1982.

Professional category

212. With regard to the Professional and higher categories, the Commission:

(a) Noted that no systematic approach was used in the determination of the current children's allowance amount of \$450 for each dependent child as set by the General Assembly with effect from 1 January 1975;

(b) Agreed that the amount of the allowance should be based on tax abatement and social security benefits in the seven headquarters duty stations calculated on the basis of a 12-month average exchange rate and weighted by the number of Professional staff at those duty stations;

(c) Noted that the average of the sum of tax abatement and social security benefit using the 12-month average exchange rate for the seven headquarters duty stations ending June 1982 was \$728.

213. The Commission decided:

(a) To recommend an increase in the current amount of the allowance to the General Assembly to \$700 as from January 1983;

(b) That the currency floor measures would be maintained based on the 12-month average exchange rate ending 30 June 1982 for all duty stations.

214. The Commission noted that, based on the most current statistics available from CCAQ, the increase in the children's allowance for Professional employees from \$450 to \$700 had an associated cost of \$4.9 million for calendar year 1983. One member was of the opinion that the allowance should not be increased pending completion of the study on comparison of total compensation.

Application of the allowance

215. At its fifteenth session, the Commission decided in principle that the limit of payment of the children's allowance for the General Service category to six children should be removed but had not wanted to commit itself to such a decision until it had had an opportunity to review the definition of what constituted a dependent child of a staff member. In considering the definition of dependency provided by CCAQ for granting dependency allowances, together with a commentary by its own secretariat, several members noted that in addition to the limit for payment of the allowance to six children for General Service staff prevalent in many field duty stations where no local practice for granting the allowance existed, one organization, UNESCO, had placed a limit of six on the number of adopted children for whom staff could claim dependency status. Noting further the practices followed in some national civil services which paid allowances and travel for two or three children only, the Commission decided to maintain the status quo but to keep the matter under review.

SPOUSE ALLOWANCE

216. Since 1977, salary levels for the Professional category have been expressed at the dependent and the single rate, and a dual staff assessment scale has been in use. The difference in the net base salary figures obtained after the application of staff assessment rates at dependency and single rates represents the amount of the spouse allowance (or first dependent child if there is no dependent spouse).

217. Currently, General Service salaries are determined on the basis of a single rate of earnings. Salary data collected from outside employers are in terms of gross, or pre-tax, remuneration. Local income tax scales are then applied on the basis of tax rates for single persons. A spouse is accounted for through the spouse allowance. The justification for a spouse allowance is determined at each duty station, normally at the time of the salary survey, and the appropriate rate is set by reference to local practice.

Views of CCAQ

218. CCAQ indicated that a spouse allowance for the General Service category should be established as a social benefit and the criteria for its calculation in duty stations where it is not based on local practice should be the same as for the children's allowance. The Chairman of CCAQ also observed that:

(a) The spouse allowance originally began as a benefit available to all eligible staff, before a distinction was made between Professional and General Service levels;

(b) The spouse allowance presently exists as a social benefit for Professional staff;

(c) Local practice warrants a spouse allowance in as many duty stations (including all the headquarters locations) as it does the children's allowance which already is recognized as a social benefit.

He also informed the Commission that the organizations had studied the matter of spouse allowance over a long period of time and had concluded that it should be a social benefit available to all staff of the General Service and related categories.

Views of FICSA

219. FICSA supported the establishment of the spouse allowance as a social benefit in all duty stations. The methodology for the determination of its amount should follow that for the children's allowance.

Discussion and decisions by the Commission

220. Following an examination of the information before it, the Commission decided that it could not find sufficient justification to establish the spouse allowance as a social benefit available at all duty stations. It decided, therefore, to maintain the system currently in use for the determination of the allowance for different categories of staff. It agreed, however, that it had taken this interim decision pending receipt of further information from the organizations and staff and that it would revert to this matter at a later date. The Commission agreed that the amount of spouse allowance for staff in the Professional and higher

categories should be continued to be determined in accordance with the dual rates of staff assessment following a system which had been in effect since 1 January 1977.

221. For staff in the General Service and related categories, the Commission agreed that the spouse allowance should be tied exclusively to local practice. In the determination of the amount of the allowance in accordance with local practice, it agreed that:

(a) Legal allowances, tax abatement rates and the practice of surveyed employers should be taken into account;

(b) Adjustments to the allowance should normally be made at the time of the survey. Where legal or tax provisions undergo changes which result in a substantial impact on the amount of the allowance, interim adjustments between salary surveys should be made effective on the date of change in legal or tax provisions;

(c) If the amount of the allowance determined at the time of a survey or as a result of changes in legal or tax provisions is lower than the amount in effect at the time of the revision, the higher amount should continue to remain in effect until it is surpassed by the results of future revisions.

SECONDARY DEPENDENTS' ALLOWANCE

Discussion and decision by the Commission

222. The Commission postponed the consideration of this matter to its seventeenth session.

CHAPTER VII

CONDITIONS OF SERVICE IN THE FIELD

A. Classification of duty stations according to conditions of life and work

223. The Commission considered at its fifteenth session a document prepared by the secretariat which outlined developments in the classification of duty stations that had occurred since the fourteenth session. 30/ The document noted the further lists of qualifying duty stations which had been promulgated, the estimated costs and further recommendations of the Working Group. The document recommended that the Commission note the results of the Working Group, and review the scheme in the light of the comments of the organizations in respect of the abolition of rest and recuperation leave.

Views of CCAQ and FICSA

224. The Chairman of CCAQ confirmed that all organizations had ceased to grant rest and recuperation leave by 1 January 1982. With regard to the conclusions reached by the secretariat of ICSC, CCAQ had no difficulty endorsing them and in particular agreed with the suggestions relating to the manner of designating groups of eligible duty stations. He further stated that the organizations had agreed that it would be desirable to collect statistics on the use made of the additional entitlements.

225. The President of FICSA said that the staff were pleased to see that the new scheme, which went some way towards providing relief for staff in difficult duty stations, was now fully operative. With regard to the suggestion that duty stations might be designated in groups, she urged caution at this stage, since many staff members felt that the conditions of one duty station were often quite different from others nearby.

Discussion and decisions of the Commission

226. The Commission noted the efforts of the Working Group and the consolidated list of entitlements. It also decided that no further review of the scheme was required in light of the confirmation that all organizations had now abolished that previous rest and recuperation provisions. With regard to the possible manner of designating groups of eligible duty stations, the Commission decided to continue the status quo. The Commission also decided to delegate to its Chairman the power to establish provisionally entitlements of duty stations which had not previously been examined, giving them provisional ratings that would be reviewed in the subsequent annual meeting of the tripartite Working Group.

B. Local or national Professionals

227. In its sixth annual report to the General Assembly, the Commission noted that it had decided to permit the employment of local or national Professionals to continue under conditions proposed by CCAQ. 31/ The Commission, furthermore, decided upon a reporting procedure by which use of such staff could be monitored.

228. At its fifteenth session, the Commission received a progress report from CCAQ concerning the development of a salary survey methodology for the establishment of salary scales for national Professionals.

Views of the organizations and the staff

229. The representative of UNICEF, who introduced the progress report on behalf of CCAQ, stated that, so far, pilot surveys had been conducted in six duty stations in three different regions and that other pilot surveys were planned for the first half of 1982. The objective of those surveys was to compare representative benchmark jobs at the different national officer levels with jobs of similar functions or levels of responsibility among outside employers identified in advance as being among those offering best prevailing rates; and, once job matchings were established, to collect and evaluate data on salaries and other elements of remuneration for the purpose of establishing appropriate salary scales for the national officer category. In the process, the organizations had come to the conclusion that the methodology for the conduct of surveys for national officers need not differ substantially from that for the General Service category. The report also addressed plans for the implementation of national officer scales, and the representatives of the United Nations, UNDP and UNICEF reiterated the intention of the three organizations to act in a co-ordinated manner, using a phased approach that would lead to full implementation by 1983.

230. The President of FICSA recalled the objections of principle to the creation of such a separate category of staff and reiterated the Federation's belief that if staff members were doing work of a Professional nature, they should be remunerated accordingly and otherwise accorded the status of international civil servants. Now that some of the organizations concerned were in the process of establishing salary scales for national officers, however, it was necessary to ensure that this was done with a view to ensuring equity for the staff. The establishment of a methodology was welcome, in principle. If that methodology was to be an extrapolation of the General Service methodology, however, it would have to be co-ordinated within the framework of any other exercise the Commission might undertake concerning a General Service field methodology. While recognizing equity with local comparators as desirable, FICSA reiterated the need to achieve equal pay for work of equal value. FICSA still had questions as to whether the initial survey results provided an adequate basis for proceeding. It believed, on balance, that implementation of salary scales should take priority over methodological shortcomings. Given the length of time that these staff had been working without their own established salary scales, the implementation should be delayed no longer, and the effective date should be established retroactive to 1 January 1982, at least for some duty stations.

Discussion by the Commission

231. Several members stressed the complexity of the problems involved, but the Commission agreed that the time-table proposed, which aimed at the phased implementation of national Professional salary scales by 1983, should be followed as closely as possible. The Commission recalled that the employment of national Professionals was based on necessity and reflected the values and needs of Member States, and it stressed the importance it attached to the establishment of equitable terms of employment for that group of staff. The Commission further reiterated its interest in receiving full statistical reports on the employment of national Professionals, in the format decided upon at its fourteenth session.

Decisions by the Commission

232. The Commission noted with appreciation the progress report on the development of a salary survey methodology for national Professionals submitted by CCAQ. It decided to defer its substantive discussion of the issues raised until after it had completed the review of the general methodology of salary surveys in field duty stations, since that would have a direct bearing on the methodology for national Professional surveys. It requested CCAQ to submit, at the nineteenth session, final proposals on a methodology for salary surveys at field duty stations. The Commission also decided to request CCAQ to provide specific information at the seventeenth session on:

- (a) The number of national Professionals employed by each organization as at 31 December 1982;
- (b) The grade levels at which such staff were employed;
- (c) A descriptive categorization of their jobs according to CCOG;
- (d) The type of contract, nationality and length of service of the incumbents;
- (e) Numbers and types (national or international Professional, General Service) of staff supervised, if applicable.

The above information was to be tabulated by job, country and organization. In addition, CCAQ was requested to include a one-year projection of future employment levels.

C. General review of conditions of service in the field

233. At its fifteenth session, the Commission decided to include the consideration of conditions of service in the field in its future work programme and invited the organizations and the staff to submit specific proposals as regards a possible programme of studies in that area.

234. At its sixteenth session, the Commission considered a document prepared by its secretariat in which was outlined a possible range of subjects for consideration. This included, inter alia, the possibility of a comprehensive review of allowances, benefits and salary elements paid to field staff, job classification, security of personnel, career development and the problems of mobility.

235. At the request of ACC, the Commission was asked to review the levels and applicability of two allowances, both essentially field-oriented, namely, the installation grant and the assignment allowance.

236. In this respect, the Commission considered documents prepared for it by its secretariat, by CCAQ and by FICSA which, inter alia, provided information as to the current levels of the two allowances and their respective views on the need to consider increases. The purposes and amounts of these allowances as paid at present are summarized below.

(a) Installation grant

The installation grant is payable to staff members who travel at the expense of the United Nations or other organizations of the United Nations system to a new duty station on an assignment expected to be at least of one year's duration. It is intended to cover the initial extraordinary living expenses incurred by the staff member and his or her eligible family members immediately following their arrival at a duty station. It consists of:

- (i) the equivalent of 30 days of subsistence allowance at the rate applicable at the place concerned and half of that rate for each dependent accompanying the staff member; the entitlement may be extended up to a maximum of 90 days (e.g., when the staff member has been unable to find permanent accommodation), the rate during the period of extension being reduced to 60 per cent of the normal rate;
- (ii) in designated duty stations (in general, those outside Europe and North America) a lump sum of \$300 for the staff member and for each dependent up to a maximum of four persons, i.e., \$1,200.

(b) Assignment allowance

The assignment allowance was originally introduced in 1957 to compensate staff in the Professional and higher categories serving outside their home country whose household effects were not shipped, primarily to enable them to purchase essential household equipment and furnishings. It has also come to be regarded in the United Nations system, apart from other services, as an incentive for field service. It is normally paid for a maximum period of five years; however, a single extension of the allowance not exceeding two years may be authorized beyond the normal limit of five years when a staff member is maintained in the same duty station at the initiative of the organization. The current rates of the allowance are as follows:

- (i) Duty stations in Europe, Canada, Cyprus, Malta, European portion of Turkey and the United States of America:

| | <u>Single rates</u> | <u>Dependency rates</u> |
|---------------|---------------------|-------------------------|
| | \$ | \$ |
| P-1 and P-2 | 800 | 1,000 |
| P-3 and P-4 | 950 | 1,200 |
| P-5 and above | 1,100 | 1,400 |

- (ii) All other duty stations:

| | | |
|-----------------------|-------|-------|
| P-1, P-2, P-3 and P-4 | 1,600 | 2,000 |
| P-5 and above | 1,900 | 2,400 |

Views of the organizations and of the staff

237. The Chairman of CCAQ, in presenting the views of ACC, emphasized to the Commission the degree of importance and of urgency to which ACC attributed a need to increase both allowances. He drew the Commission's attention to the fact that the basis of establishment of the installation grant had remained unchanged since 1951 and that the lump sum element of the grant had not been increased since its

introduction in 1968. Similarly, the assignment allowance had remained at its present levels since 1957 for duty stations in Europe and North America and since 1975 for all other duty stations. He presented a series of proposals for change to the Commission which included the establishment of a pre-departure allowance to defray certain proven costs on transfer or assignment. This, he stated, was already the practice of a number of Governments and organizations, including the comparator civil service.

238. The Committee stressed the need for the Commission to study modalities for consideration of housing costs outside of the post adjustment system, suggesting, for example, creation of a possible quarters allowance as adopted by the United States Foreign Service. CCAQ considered that, a review of selected allowances and housing problems apart, the other items proposed for study by the secretariat did not require a high priority.

239. The representative of UNDP stressed the concern of his organization that improvements should be made in these two areas. He called to the attention of the Commission the particular problem of UNDP as regards a required mobility of staff and urged that remedial action be taken along the lines suggested by CCAQ.

240. The President of FICSA urged that immediate attention be given to the improvement of conditions of service of field staff, in both the General Service and the Professional category. A number of specific proposals were contained in the FICSA paper, covering the entire range of field staff problems, including those which were being discussed at the level of CCAQ and ACC. FICSA noted that improvements in the assignment allowance and the installation grant were long overdue and had been repeatedly called for by the Federation. There was a need to compensate for the substantial erosion of the purchasing power of those allowances and to provide the incentives for mobility called for by ACC. Detailed proposals were presented to the Commission on these two allowances. FICSA supported the introduction of a pre-departure allowance, as an extension of the existing installation grant provisions. FICSA pointed out a number of other areas where improvements should be made, including treatment of housing costs, security measures, crisis management, career development, training and job classification. The Federation requested the Commission to complete without delay its overall study of conditions of service in the field, concentrating on those areas in which the Commission could most usefully offer policy guidance to the common system. This study should also include a review of the total remuneration package for staff in the field.

241. The representative of CCISU emphasized the issue of safety and security of field personnel in his comments on field conditions and called for special training programmes for administrators which would involve periods of field service. He also called for extension of a number of field allowances to the General Service category. With some suggested modifications, the Co-ordinating Committee supported the need for improvement in the two allowances under discussion.

Discussion and decisions by the Commission

242. A few members considered that the Commission could not review selected entitlements until its secretariat had undertaken a comprehensive study of the package of salaries and allowances applicable to field staff of the United States and other major aid donors, bilateral and multilateral. The Chairman, in response, referred to his participation in meetings of ACC in which certain executive heads

had pressed for immediate action to improve conditions of service of field staff, with particular reference to mobility of staff, as well as to the unanimous decision of ACC to seek improvements in the installation grant and assignment allowance, apart from the separation of the housing element from the post adjustment which would be reviewed separately. After hearing and debating this position, the members agreed to increase existing provisions of the installation grant and assignment allowance and to defer consideration of any innovations (such as the payment of pre-departure hotel expenses, extension of the lump sum to headquarters staff in certain circumstances and approval of a regressive scale for the assignment allowance) until examination of the comprehensive review of field conditions at a future session. The Commission decided to take the following action on the basis of the secretariat's document and the CCAQ and FICSA specific proposals:

(a) To increase the lump sum of the installation grant for field staff to \$600 for staff members and dependants, subject to a total payment of \$2,400 per family, with effect from 1 January 1983 (with financial implications for the common system of \$2.8 million per annum);

(b) To increase the existing assignment allowance provisions payable to staff at the dependency and single rates by 50 per cent with effect from 1 January 1983 (with financial implications for the whole United Nations common system of \$8,725,000 per annum);

(c) To approve a programme of field studies as set forth in its secretariat's document for the various categories of staff concerned to be considered at its eighteenth session on the basis of a report and views to be provided by CCAQ, FICSA and its secretariat, with a progress report to be made at the seventeenth session;

(d) To include the United Nations Field Service and Field Service level staff of other organizations in its programme.

CHAPTER VIII

ACTION BY THE COMMISSION UNDER ARTICLE 13 OF ITS STATUTE

JOB CLASSIFICATION

A. Implementation of the Master Standard (Tier I)

243. At its eleventh session (February-March 1980), the Commission approved the Master Standard (Tier I) of the common system job classification standards for implementation by organizations, beginning 1 January 1981. At its twelfth session (July-August 1980), it decided that each organization would be asked to provide for the fifteenth session a report on the action it had taken during the first year of implementation. The report was to contain information on the total number of positions within the organizations in grades P-1 to D-2 falling within the 65 common fields of work and located at headquarters and established offices in the field; the number of these positions classified during the year by application of the Master Standard; the number of confirmations, upgradings and downgradings that resulted from doing so; the number of any other positions classified during the year by application of the Master Standard and any problems which the organization had experienced in applying the Master Standard.

244. The modalities for providing this information have been subject to close and continuing consultations with CCAQ. Accordingly, organizations were requested to provide statistics for the calendar year 1981 according to a form agreed to with the Commission's secretariat. Organizations not in a position to provide information would be requested to provide oral reports at the fifteenth session of the Commission. All organizations were requested to provide information about any difficulties that they might have encountered in implementing the Master Standard.

245. At its fifteenth session, the Commission considered statistics submitted by organizations which covered 80 per cent of the total number of professional posts established under the regular budgets of the common system. Statistics from organizations reporting indicated that, overall, the Master Standard had been applied to about 15 per cent of the total posts. Statistics also indicated that rates of confirmation of existing grades of posts through application of the Master Standard came close to the results achieved in testing the Master Standard: 85 per cent of previously established grade levels were confirmed (compared with 82.8 per cent in testing), 10 per cent were upgraded (compared with 7 per cent in testing), 5 per cent were downgraded (compared with 10.2 per cent in testing). The Commission was informed that a likely rationale for the lower percentage of downgradings in implementation was that encumbered posts were not being downgraded until actually vacated.

246. As regards difficulties that the organizations had encountered in implementing the Master Standard, some organizations in submitting statistics reported no difficulties. A few organizations indicated that difficulties in applying the Commission's Common Classification of Occupational Groups had affected their reporting of statistics reflecting implementation of the Master Standard occupation by occupation. Some organizations described, or referred to, aspects of the Master Standard which needed to be clarified in relation to its application. Two organizations indicated that their resources were not adequate to support rapid implementation of the Master Standard.

247. The President of FICSA drew to the Commission's attention views expressed by FICSA in the context of the broader concern of career development, particularly as regards the need for adequate classification appeals bodies with joint staff management representation. She further affirmed the value of workshops on the Master Standard as a means of increasing the flow of information to the staff on an important element of personnel management policy.

248. The Commission further reviewed the statistics provided by the organizations in detail, and while it concluded that implementation had been somewhat slower than anticipated, it considered that a satisfactory rate of progress had been attained taking into account difficulties described by CCAQ and the organizations individually.

249. The Commission decided to request the organizations to continue to provide annual statistical reports in the agreed format, especially by CCOG category, with narrative discussion of problems of implementation. Furthermore, it instructed its secretariat to carry out a comprehensive study, based on the statistics provided for the first three years of implementation, examining the possible effects of such factors as location of duty station, size of organizations, types of occupation and grade level on the rates of implementation of the Master Standard for eventual review by the Commission at its twentieth session.

B. Development of standards for common fields of work (Tier II)

1. Standards for the technical co-operation administrator field of work

250. At its sixteenth session, the Commission considered the draft Tier II standards for technical co-operation administrators that had been developed according to a methodology approved at its fourteenth session. In accordance with that methodology, the United Nations Development Programme, a major employer in that field of work, acted as lead agency to produce a preliminary draft standard. Following consultation, the draft was circulated to organizations for comment and the final draft was endorsed by the Chairman of CCAQ, who stated that it reflected the comments which CCAQ had made through its Sub-Committee on Job Classification. The President of FICSA endorsed the final draft for adoption, pointing out that staff participation in the consultative process had been meaningful and that their comments had been taken into account. The Commission decided to establish the Tier II standards for the field of work of technical co-operation administrators and to approve their promulgation. These standards would have immediate effect and would be used in conjunction with each organization's use of the Master Standard.

2. Standards for the electronic data processing field work

251. At its fifteenth session, the Commission considered draft Tier II standards for the electronic data processing field of work developed in accordance with an improved methodology for consultation approved at its fourteenth session. The Commission noted that CCAQ had endorsed the standard, since it had taken into account detailed comments provided by the CCAQ Sub-Committee on Job Classification, and that FICSA had expressed no difficulty with the substance of the standard, since the Federation had been represented in the extensive consultations involved in its development. The Commission decided to establish the Tier II standards for the field of work of electronic data processing specialists and to approve their promulgation.

3. Plan for development of additional Tier II standards

252. The Commission noted that development of Tier II standards for field of work of civil engineers and accountants and auditors was such that those standards would be presented for consideration at its seventeenth session.

4. Job classification users' manual and training workshops on ICSC job classification standards

253. At its fifteenth session, the Commission was informed that four training workshops had been conducted by the secretariat on the use of the Master Standard (Tier I) of common system job classification. The Commission welcomed the organizations' intentions to jointly organize and conduct future workshops on the application of the Master Standard at non-headquarters locations, and it pledged the support of the Commission's secretariat in the three areas of concern to CCAQ, namely, that its secretariat would continue to conduct workshops at headquarters locations, adapt the headquarters workshop format for presentation at the regional level, and develop and conduct a training-for-trainers workshop to provide job classification specialists from the organizations with the in-depth understanding which will enable them to conduct workshops at non-headquarters locations.

254. At its sixteenth session, the Commission received the ICSC job classification users' manual which it had authorized its secretariat to issue. The manual consolidated material relevant to job classification already approved by the Commission, and presented it for convenient use by administrators. The Commission was informed that CCAQ had welcomed the manual and had accepted it for immediate use with the understanding that amendments could be made in the light of progressive experience in implementation of the Master Standard.

C. Development of classification standards for the General Service category in New York

Background

255. At its fifth session the Commission, in reference to the General Service category, agreed that "within a single duty station (such as Geneva), it was essential to ensure that equivalent work was equally remunerated in all organizations through a common grading structure and grading standards." The Commission again stated this principle in its fifth report to the General Assembly. 33/

256. In its sixth report to the General Assembly the Commission, responding to indications that the United Nations, UNDP and UNICEF were moving towards development of separate systems for the classification of General Service jobs in New York, authorized its Chairman to request the Secretary-General of the United Nations to ensure that a common approach be undertaken by the three organizations to develop proposals regarding the establishment of classification standards and revisions to the grade structure for the General Service in New York. 34/

257. The Commission was informed, at its thirteenth session, that a United Nations/UNDP/UNICEF Co-ordination Committee which included representatives of the administrations and staff of all three organizations had been formed for the

purpose of developing job classification standards for the General Service and related categories in New York. At that time the Commission authorized its secretariat to provide technical advice to the Co-ordination Committee. At its fifteenth session, the Commission defined the relationship between development of job classification standards and the undertaking of a salary survey in New York.

258. At its sixteenth session, the Chairman of the Co-ordination Committee for Development of Classification Standards for the General Service Category in New York presented to the Commission a report on the work done to determine the appropriate number of grade levels (levels of work) and to develop job classification standards.

259. The Committee had unanimously agreed that it would not adopt any existing classification system unless underlying assumptions of it could be proved valid for application in New York. It was also agreed that the number of grades and the classification standards would be based on real jobs that existed in the three organizations in New York. In its report, the Committee unanimously recommended the adoption of the job classification standards it had developed for a seven-level grade structure for General Service posts in New York. The Committee indicated that it would continue its work on development of additional standards for the related categories and report thereon to the Commission at its seventeenth session.

Views of the organization and of the staff

260. The representative of the United Nations administration commended the proposed standards to the Commission and noted that their adoption would constitute an essential step in providing the General Service staff with a sound classification system, a rational framework for pay comparison and more meaningful career development possibilities.

261. Representatives of the administrations of the United Nations, UNICEF and UNDP stated that in order to meet agreed deadlines so that representative benchmark posts could be identified for the scheduled salary survey, the standards would have to be established at the sixteenth session of the Commission. If the Commission could then approve standards for related categories (e.g., Manual Workers) at its seventeenth session, this sequence of activity would make it possible to present to the Commission at its eighteenth session truly typical and representative benchmark jobs for use in the salary survey.

262. The representative of the administration of UNICEF urged that the standards be promulgated without delay. She assured the Commission that although UNICEF had already established classification standards the importance of a more realistic grade structure in New York was such as to fully justify classification of jobs in UNICEF headquarters using the standards now proposed.

263. The representative of the administration of UNDP reminded the Commission of the lengthy and painstaking process undergone to produce an acceptable classification standard and requested the Commission to approve the standards without delay provided they were acceptable.

264. The President of the United Nations Staff Committee stated that the Commission should not at this time approve the standards proposed since they covered only positions in the General Service and not in related categories of work, nor had there been enough time to judge the quality of the standards proposed. The terms

of reference of the Committee explicitly required that the Committee develop standards for the General Service and related categories, therefore its work had not been completed. She stated that it was not clear at present whether a review of the jobs in these related categories, as a separate standard was developed, might reveal some reason to revise the General Service standards proposed. For these and other reasons she suggested that the Commission should have before it all of the standards developed before it took a final decision.

265. The representative of the UNDP Staff Association reported that the staff of UNDP was fully satisfied with the results of the Committee's work, particularly in respect to the impressive consensus achieved by all six parties involved. The UNDP staff was committed to continue its participation in order to help the Committee to complete its work and to develop additional classification standards for the related categories. He noted that the Committee had proven its effectiveness and suggested that such a mechanism would be useful for the salary survey.

266. The representative of the UNICEF staff supported the statement of the UNDP staff representative, particularly in respect to the acceptability to staff of the standards now proposed and to the use of a mechanism similar to the Committee for the salary survey.

Discussion by the Commission

267. In responding to some of the comments made, the Chairman of the Co-ordination Committee observed that the categories of work included in "related categories" had been found to be so distinct from the General Service category as to require different job classification standards and that separate job classification treatment of these categories reflected current and historical practice in the New York labour market.

268. The Commission considered the technical acceptability of the grade structure and the standards proposed. The basic principles guiding the Commission's deliberations, along with relevant prior decisions, are given in annex VI to the present report. The Commission noted the many exceptional circumstances prevalent in New York that affected this exercise. One of particularly great impact was the fact that most jobs had not been graded previously in consideration of their job content, and therefore the number of jobs regarded as equitably placed in a level on the basis of job content was too small to provide a criterion on which to base a classification standard. To overcome this, the Committee had been required to develop such a basis through a whole job-ranking exercise. Another exceptional circumstance was that individual jobs contained an unusually broad range of different levels of work, making determination of the grade level of such jobs by individual raters less consistent.

269. With respect to determination of the appropriate number of grade levels, the Commission reviewed its own previous pronouncements on that subject as well as those of ACC and of ICSAB and noted that these criteria imply that the grade structure should have the following characteristics:

(a) Each grade (level of work) should be recognized as marking different levels of responsibility, i.e. clearly distinguishable one from the other;

(b) Each grade should be defined broadly enough to encompass all jobs similarly regarded as to level of responsibility but not so broadly as to include several levels of responsibility;

(c) The number of grades should provide an efficient and effective framework for salary comparison with the external market;

(d) The number of grades should be sufficient for the management needs of the organization (e.g., to provide reasonable opportunity for career development and promotion within the General Service).

270. In considering the proposed standard, the Commission noted that it had been tested in order to determine its validity and reliability and that the tests were sound. The highest validity had been guaranteed by adding guidelines for grade level determination to the standards and by developing example jobs and a training programme for raters. The Commission further noted that an acceptable rate of reliability in application of the standards had been achieved by the process of more than one rater rating each job and arriving at a consensus rating.

271. The Commission also considered the broader implications of approving the proposed standards at this time. Some Commissioners recalled the many previous attempts to develop acceptable classification standards for the General Service category in New York. The Commission noted the impressive consensus reported by the Committee and the fact that the standards themselves were acceptable to all parties involved. It further noted the assurances given by the Committee that it would continue its work and would develop standards to cover all related categories in New York by the seventeenth session.

Decisions by the Commission

272. The Commission noted with appreciation and high praise the work done by the United Nations/UNDP/UNICEF Co-ordination Committee and the level of participation and consensus that characterized the effort of the three organizations.

273. The Commission decided that the seven-grade level structure proposed by the Co-ordination Committee should be established for classification of General Service posts in the three organizations based in New York (United Nations, UNDP and UNICEF). The basis for this decision is appended as annex VI to the present report.

274. In respect to the job classification standards developed by the Committee, the Commission:

(a) Endorsed the Committee's selection of non-quantitative method as the most appropriate to circumstances in which mixed-level jobs are prevalent and where the process of obtaining information on jobs is not fully developed;

(b) Decided that the highest rate of validity achieved in the testing was sufficient, especially in view of the particular difficulties inherent in the exercise and in consideration of the fact that the Committee had taken steps to ensure that application of the standards would be characterized by the highest validity that had been achieved;

(c) Noted that, in order to achieve the highest rate of reliability, all elements of the classification standards (grade level definitions, factor level definitions, glossary, conversion guidelines) had been applied in the context of example jobs and based on a consensus of at least two raters;

(d) Promulgated, under the authority of article 13 of its statute, for application to jobs in the General Service category in New York, all elements of the classification standards developed by the Committee and annexed to its sixteenth sessional report;

(e) Recommended that the standards only be applied together with procedures that ensured their reliability (e.g., rating by a consensus of at least two raters and, until benchmarks have been established, with reference to example jobs);

(f) Requested the three organizations based in New York further to ensure the quality of the standards by developing common benchmark jobs which, while initially intended for the envisaged New York salary survey, can also serve as classification benchmark jobs.

275. With respect to categories of work not covered by the standards promulgated, the Commission requested the Co-ordination Committee to proceed immediately to develop standards for these categories and to complete its mandate by the seventeenth session in order that a number of jobs sufficiently large and representative to permit selection of salary survey benchmarks could be classified in time for the Commission to approve them at its eighteenth session.

CHAPTER IX

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

A. Human resources planning

276. The Commission considered the tenth item on its work programme under article 14 of the statute: human resources planning. Its secretariat provided an analysis of the role of human resources planning and its importance for individual staff, the organizations and the common system; it further described the components of the human resources planning process and made recommendations to facilitate the further review of the issue by the Commission.

Views of CCAQ

277. The Chairman of CCAQ stated that the document prepared by the ICSC secretariat contained an interesting exposé on the theory of human resources planning, but stopped short of establishing links between the theory and the circumstances of the organizations. It was recommended that the paper should be transmitted to the organizations for review and analysis, with proposals to be submitted at the seventeenth session of the Commission. In those circumstances CCAQ had taken note of the paper, remarking that the approach was very academic, and had undertaken to provide the requested synopsis and comments to the Commission at its seventeenth session.

Views of FICSA

278. The President of FICSA said that the document eloquently argued the case for human resources planning as a tool for enabling organizations to translate their policies on a variety of personnel issues (recruitment, retirement, promotion), into an integrated action programme. It seemed that to a greater or lesser extent all parties involved in that dialogue were committed to the need for human resources planning. The Staff had for a long time been urging a more rational, coherent approach to the whole gamut of human resources management issues in order to provide an equitable career structure for staff in all categories. Human resources planning would go a long way towards the integration of the various elements of management and the balancing of the needs of the organizations with individuals' aspirations to develop their own capacity. She noted that the organizations, for their part, bearing in mind that over 70 per cent of their budgets went to staff costs, had agreed that, at least in the larger organizations, provision should be made for more systematic machinery for human resources management.

279. Consequently, there was a measure of consensus on the need for human resources planning. The challenge was now to translate that need into specific recommendations for action, applicable to the context and realities of the international organizations, to ensure that the necessary resources were available. In that connexion, FICSA believed that it might be helpful for small organizations to envisage some form of cost sharing if lack of resources posed a constraint. FICSA did, of course, continue to believe that the staff should be considered not as the organizations' largest liability, but as their major asset. The Federation regretted the organizations' continued reluctance and hesitation to increase or rechannel allocations to the area of human resources management. In

conclusion, the President of FICSA expressed the hope that the application of human resources planning in the organizations would now be seen as an urgent necessity, not a subject for leisurely study. FICSA would review the question further with its members and come back with specific comments and proposals at the seventeenth session.

Views of CCISU

280. The Co-ordinator of CCISU welcomed the introduction of human resources planning into the Commission's agenda for it was its firm belief that organizational requirements and use of staff resources had to be considered simultaneously. Although the organizations had survived until now without a coherent policy and long-range strategy for using their human resources, stop-gap measures were no longer sufficient. Human resources management presented a major renovation in the thinking and operation of the common system. The need to expand upon General Assembly resolution 35/210, which calls for a computerized roster of employees in the United Nations Secretariat, should be recognized and implemented through a system-wide approach.

281. Professional development inside and outside the organizations was essential to ensure that knowledge and skills were updated and enhanced and policies and incentives should be introduced to facilitate such development. In defining and prescribing the goals of human resources planning in relation to the recruitment of women and nationals from under-represented States, CCISU would like to see a programme of action developed for enhancing the career prospects of those groups so that the organizations could simultaneously benefit from the development of their own personnel and serve as a training ground for an international civil service. CCISU, while endorsing as a whole the concept of human resources planning, had reservations on the use of special remuneration packages, as the legitimate need to attract and retain qualified staff should be weighed against the danger of creating a group with special privileges.

Discussion and decisions by the Commission

282. The members of the Commission welcomed the introduction of this new subject into its work programme, but questioned to what extent it would be desirable or possible to apply human resources planning to the common system as a whole in common fields of work, and why there had been little progress in that area at the level of individual organizations. The Commission decided to:

- (a) Transmit its study on human resources planning to the organizations and the staff representatives for their further analysis;
- (b) Request CCAQ to provide it with a synopsis of the human resources planning practices or mechanisms which exist within the organizations, to provide information on their personnel data systems, to identify those factors that so far had hampered progress in the area of human resources planning, and to indicate whether an inter-organizational approach would be desirable and possible in those fields of work where common jobs exist;
- (c) Request CCAQ and staff representatives to provide their further comments and proposals on the subject at the seventeenth session of the Commission.

B. Career development: study on concepts of career, types of appointment, career development and related questions

283. The Commission, at its sixteenth session, had before it a study on the concepts of career, types of appointment, career development and related questions which had been submitted by the ICSC secretariat in response to the Commission's request, at the fifteenth session, to receive a further paper on the subject to be "prepared in consultation with all concerned". An outline of the study placed before the Commission had been made available to CCAQ and FICSA, and a member of the secretariat attended the special session of CCAQ held from 1 to 4 June 1982 at Geneva, where a draft statement on the issues was prepared for consideration by the executive heads of the organizations. Discussions also took place with FICSA on that occasion.

284. The study had been prepared for the Commission for review and submission to the General Assembly at its thirty-seventh session, in accordance with Assembly resolution 36/233, and it aimed at placing the "broader principles for the determination of conditions of service", as reflected in the Charter and Staff Regulations of the United Nations and in the corresponding instruments of the other organizations, and, particularly, the "concepts of career, types of appointment and career development", within the context of integrated human resources management, by identifying their interaction with "related questions", such as recruitment, job classification, promotion policy and training.

285. The study took into account General Assembly resolution 35/210 on the matter, which had resulted from its consideration of personnel questions in the United Nations Secretariat; the views of the Joint Inspection Unit (JIU), as expressed in documents JIU/REP/81/1 and JIU/REP/82/3; the position of the organizations, as formulated by the Consultative Committee on Administrative Questions (CCAQ) and the Administrative Committee on Co-ordination (ACC) and presented to the Commission; the position of the Federation of International Civil Servants Association (FICSA), as reflected in the Commission's annual reports to the General Assembly and other documents; the views expressed by delegations in the Fifth Committee; and a number of related studies, some of which preceded the establishment of the Commission.

Views of the organizations

286. The Chairman of CCAQ recalled that the Commission had three documents presented by the organizations. The first of those contained the collective responses of the organizations to a questionnaire sent out by the ICSC secretariat, together with a statement of the views of the organizations regarding the scope of system-wide action to standardize or harmonize personnel policies and the role of ICSC in this respect. The document was provided to the Commission at the fifteenth session but was not discussed; CCAQ attached considerable importance to the statement of the organizations' views, and it, therefore, trusted that the members of the Commission would give the document the attention which it merited. Because CCAQ felt that its replies to the series of questions posed by the Commission's secretariat gave a rather disjointed and somewhat negative impression of its views, CCAQ had promised the Commission that it would provide, for the sixteenth session, a more coherent, balanced and positive statement. That second document, as approved by ACC, was submitted at the sixteenth session. It contained little that CCAQ had not already said to the Commission on previous occasions; CCAQ, however, did commend it to the Commission's attention as the considered expression of the views of the executive heads as to what was desirable and what was feasible concerning the matter.

287. CCAQ had also made available to the ICSC secretariat, for the information of Commission members, a third document, which was the text of the comments drawn up by ACC on the relevant reports of the Joint Inspection Unit; those comments would accompany the JIU reports when they were presented to the General Assembly and other legislative bodies. With reference to the study prepared by the Commission's secretariat, CCAQ recognized that the secretariat had attempted to place the response to the specific requests for studies made by the General Assembly in a broader conceptual framework, and it welcomed that attempt.

288. As a general comment, to which it attached considerable importance, CCAQ noted that a number of the views expressed previously by the executive heads had been reflected in the draft study; however, the organizations were surprised to find that, contrary to the practice followed by the Commission in all its other reports to the General Assembly, where the views expressed by the organizations and the staff were recorded separately, in the study under consideration there was no reference to the views of organizations and staff. That omission seemed particularly regrettable, given that the subject-matter, personnel policy, was one in respect of which the Commission's role was limited to making recommendations and that the power of decision belonged to the competent organs of each organization. CCAQ, accordingly, requested that the Commission, in presenting its own report to the General Assembly and other legislative bodies, append to it the formal statements which had been made to it by ACC. CCAQ believed that to be necessary, so that the legislative bodies might know what the organizations themselves considered to be appropriate and feasible.

289. The Chairman of CCAQ then focused on points which were either not covered in its own statement and documents or which CCAQ would wish to amplify in the light of the views expressed in the ICSC study. As a general matter, CCAQ noted that the study contained a certain number of conclusions for adoption by the Commission. Some of them were rather far-reaching, and CCAQ hoped that the Commission would give them the attention they deserved before it accepted the conclusions which had been proposed.

290. The conclusion in the section dealing with "career development as a function of integrated personnel management" called for no particular comment other than that CCAQ had reservations concerning the statement that "the objective of establishing systematic career development for all categories in the common system can only be made through systematic, forward-looking human resources management based on an integrated set of policies in the areas of budgetary planning, job classification, recruitment, types of appointment, performance evaluation mobility, promotion and training". CCAQ would prefer that that somewhat categorical statement be toned down to reflect that the situation varied from organization to organization and that the mix of these various elements might not be the same in each organization.

291. On the other hand, the conclusion to the section on "human resources planning as the basis for career development" met the requirements of the organizations much better, since it provided for an organization-by-organization approach to the concept of human resources planning. The organizations had to assume their responsibilities in that area in the first instance, but they would, of course, co-operate fully with the Commission in its study programme.

292. CCAQ had somewhat more substantial comments on the conclusions to the section on "job classification and career development". CCAQ understood the thought expressed therein on the identification of stepping-stones on the career path to mean no more than the identification of a hierarchy of posts which gave rise to career possibilities. The organizations would not be able to accept an interpretation that those stepping-stones constituted some kind of guarantee for individual staff members to be promoted. The Chairman of CCAQ recalled that the organizations had, on several occasions, proposed that the Commission recommend to the governing bodies that the executive heads of the organizations have the authority to establish the classification of posts. That authority existed in some organizations, but CCAQ agreed that a recommendation in that sense from the Commission, once again, would serve a useful purpose in respect of those organizations where the classification of posts was still the prerogative of the legislative body. Finally, with regard to linked grades, the Chairman of CCAQ recalled that the views of the organizations on the use of linked grades were divided and that if a common approach to this question was to be arrived at, it would have to develop naturally through exchange of experience among the organizations and could not be imposed in the name of uniformity. CCAQ, therefore, urged the Commission not to take a decision which would ban linked grades as a means of classifying posts. Since the comments of CCAQ on the "concept of career service" were contained in the statement to be submitted by ACC, the Chairman of CCAQ did not add anything to what was said therein, except to point out, in relation to the secretariat's conclusions, that it should not be presumed that a clear statement of the prospects of newly recruited staff would necessarily diminish the sense of insecurity that was alleged to prevail among so many of the staff.

293. The issue with regard to "types of appointment" was not really so much one of the ratio of fixed-term and permanent staff but, rather, of a number of other considerations which made it impossible sometimes to avoid the repeated extension of fixed-term contracts as an alternative to permanent contracts. CCAQ drew attention to the statement of the executive heads supporting the establishment of an end-of-service grant, which the Commission had twice recommended, and urged the Commission to return to that question at a suitable early opportunity, since the phenomenon of service on a series of fixed-term contracts was not likely to disappear.

294. The comments of ACC on recruitment matters were contained in its statement, which made the point that systematic recruitment required that needs be anticipated sufficiently in advance and that sufficient resources be made available for recruitment. With regard to performance appraisal, CCAQ informed the Commission that it was in the process of studying means for providing appropriate awards to meritorious staff.

295. The representative of UNESCO stressed the need for flexibility in matters of personnel policy, in general, and career development, in particular. Referring to the chapter in the secretariat's document dealing with linked grades, he regretted the categorical terms in which that part of the draft study was couched and hoped that the Commission would not adopt that chapter in its initial form but would have it rewritten in a more balanced vein. UNESCO had a considerable number of posts, particularly in the General Service category, the grades of which were linked, and it proposed to explore further the possibility of linking grades in the Professional category. The advantage UNESCO saw in that practice was to allow for a limited degree of career progression, through promotion on the basis of clearly

defined criteria from the lower to the upper level of a post with coupled grades. The representative of UNESCO considered that the Commission did not have authority under article 13 of its statute to take a decision which would, in effect, amount to an injunction against several organizations prohibiting the use and further exploration of a managerial technique which they considered necessary for the administration of their staffs. In conclusion, the speaker agreed with the position taken in the matter by the Chairman of CCAQ in introducing the statements submitted to the Commission on behalf of ACC. He appealed to the Commission to refrain from seeking to impose upon the organizations a common practice in the name of uniformity but, rather, to encourage them to pursue their quest for harmonization by a natural process and through the exchange of their respective experience.

Views of FICSA

296. The President of FICSA recalled that the main features of the Federation's position regarding human resources management had already been set before the Commission in documents submitted to ICSC at its ninth and fifteenth sessions. FICSA would thus confine itself at this juncture to the examination of those aspects of its earlier policy statement which it felt had not been adequately reflected in the report. The Federation strongly believed in the need for an integrated approach to that complex and interrelated area. At the same time, a career development programme built step by step, as ICSC intended to do, must be capable of being modified where necessary; it should be a set of policy guidelines, subject to regular review and appraisal. Cases in point were the ICSC's earlier decisions on performance appraisal, and the context in which classification schemes were implemented.

297. The draft study prepared by the ICSC secretariat was a largely successful attempt to reconcile often divergent views. On the other hand, there were some areas in which the Federation's concerns had not been satisfied. FICSA stressed that more specific advice should be offered in respect of the career development problems of General Service staff, both at Headquarters and in the field, and made a number of proposals in that regard. With regard to project staff, FICSA trusted that its earlier proposal for a core of project staff on permanent appointments would be pursued. FICSA continued to believe that a substantial proportion of officials employed by the United Nations common system should hold permanent contracts; that core of career staff should include project staff. Staff on fixed-term contracts should be kept to 25 per cent of the total, although the actual proportion between permanent and fixed-term appointments should be determined by the work pattern of each organization, according to clear-cut criteria.

298. The practice, widely resorted to by some agencies, of employing staff on a series of fixed-term appointments was evidence of the organizations' lack of coherent staffing policies and should be halted as being inequitable, inefficient and incompatible with sound, enlightened management practice. To alleviate the difficulties of serving staff caught in that situation, the Commission should recommend the introduction of an end-of-service grant. FICSA stressed that the Commission should develop clear-cut guidelines for recruitment and promotion policy before reaching any decision on the question of linked grades.

299. There was an urgent need to increase resources for recruitment; if new influxes of funds could not be obtained, existing resources should be reallocated. Imagination and commitment could do much to improve existing procedures, and there should be far greater use of in-house expertise.

300. FICSA was a firm advocate of staff mobility at all levels of the system and had participated in various schemes designed to enhance mobility. The interrelationship between training and career development was an area of vital concern to the Federation which had prepared a questionnaire on the subject.

Views of CCISU

301. The Co-ordinator of CCISU presented a statement on career development and related items. CCISU felt that the concept of career development was one which had been greeted by staff and administration alike with positive expectations but limited results. Career development had to be seen as a fundamental part of human resources planning to increase the pool of skills, efficiency, productivity and output of the organizations. A system-wide approach should be taken to increase the pool of resources, further the uniformity of practices and allow for long-range solutions to the problems of inefficiency, misallocation of resources and decreasing staff morale.

302. CCISU requested that a system-wide computerized roster be established under the auspices of the ICSC secretariat to act as an inventory of skills for the organizations.

303. The Committee underlined the need to identify career paths and to define occupations in a way which would allow for cross-occupational expertise. It took strong issue with the concept of "linked grades" as proposed by JIU. That idea was a negation of career development and amounted to a crude attempt to underrecruit qualified personnel. To be of any real value, the idea of linked grades must be carefully defined and limited to specialists who were difficult to recruit or transfer to other occupations.

304. In respect of recruitment practices, the Co-ordinator of CCISU emphasized the preference given in United Nations staff regulation 4.4 to qualified internal candidates. He agreed with the ICSC secretariat's conclusion that a scrutiny of the results of competitive examinations was needed before applying it more broadly. Preliminary experience suggested that exclusive reliance upon examinations might be extremely detrimental to certain groups. Improvements in recruitment techniques should begin with the enhancement of the role and responsibilities of those interviewed as well as with more uniform screening of candidates.

305. The Committee commended the introduction of the Vacancy Announcement Bulletin published by the ICSC secretariat and urged that a similar publication be introduced for all categories of staff. The CCISU also urged the adoption of a clear policy of recruitment at the junior Professional level to avoid grade creep and to provide career paths for service to the organizations.

306. The major obstacle for the General Service was a two-tiered, highly rigid personnel structure. The Committee, therefore, recommended that national examinations for Professional posts be open to qualified candidates within the General Service category, that the ceiling on the number of posts allocated be raised and that the ratio of such posts be fixed to avoid their diminution to near zero. A number of additional suggestions related to General Service staff were also made.

307. The CCISU expressed alarm at the growing use of fixed-term contracts over extended periods of time. The resulting uncertainty and lack of long-range planning was detrimental to both the staff and management. The Committee, therefore, endorsed the ICSC secretariat's recommendation that a career appointment be granted to staff members completing five years of service. In addition, the Committee affirmed the need for a system-wide directive on the use of fixed-term appointments, holding these to 25 per cent of total staffing requirements.

308. The Committee also urged a simplified format of performance evaluation, coupled with access to other career planning and evaluation techniques. In respect of training, the Committee outlined an approach that would provide individual incentives at the least cost to the organizations in order to achieve concrete results.

309. In conclusion, CCISU stressed the importance which the staff attached to the question of career development, which was central to both individuals' needs for growth and the organizations' need to develop their human resources.

Discussion and decisions by the Commission

310. Regarding the views expressed by CCAQ and ACC, FICSA and CCISU, the Commission decided, as was its custom, to include a summary of their comments in its annual report after consultation with the parties concerned.

311. The Commission, having considered the views of the organizations and the staff representatives, decided to approve the submission of the proposed study to the General Assembly, duly amended to reflect a number of changes in format and substance. Those changes have been incorporated in the text of the study, which is attached to the present report as annex I.

C. Training

312. At its fifteenth session, the Commission considered a status report on training developments since the fourteenth session, which, inter alia, noted the many references made by delegations to the Fifth Committee during the thirty-sixth session of the General Assembly to the possibilities of increasing co-operation in common training programmes and funding. This, in turn, had led the General Assembly to note "the Commission's consideration of training as reflected in sections of its report", and to request the Commission to continue studies on "development of interagency co-operation in the field of training with a view to the more efficient and economical use of personnel resources in the common system", and undertake "a thorough evaluation, in close collaboration with the organizations, of the utility of current and proposed training activities in the United Nations system, with special reference to management and related training". 35/

Views of CCAQ and FICSA

313. The Chairman of CCAQ recalled the views expressed at the fourteenth session on the co-ordination of training policies. CCAQ felt that the principal function which could be performed by the Commission in implementing article 14 of its statute was the formulation of policy guidelines on training. The organizations, in referring to General Assembly resolution 36/233, again raised the question of

the appropriateness of the legislative organ of one of the organizations of the common system requesting the Commission to carry out a study which would then have an effect on the activities of other organizations, which had not been consulted on the matter. CCAQ would return to this point in dealing with the review of the statute and rules of procedure. Nevertheless, CCAQ stood ready to co-operate closely with the secretariat of ICSC in those studies in the area of training which it is best suited to carry out. The Chairman of CCAQ stated that its Sub-Committee on Staff Training had been addressing, or was planning to address, some of the issues singled out for study by the General Assembly.

314. The President of FICSA stressed that the concerns of the staff were twofold: first, the need for increased funds for training; and secondly, the need for the strongest possible linkage between training and career development. Training must be recognized as being in the interests of the organizations themselves, not just the staff members. Adequate funds for training should be determined by taking into account the practices of outside employers; increased training would also help to reduce turnover. Training funds should also be divided equitably between Headquarters and the field, and field staff should be brought to Headquarters for training when feasible. With regard to General Assembly resolution 36/233, which called for ICSC to undertake an evaluation of existing training facilities, FICSA felt that this should not be a high priority item for the Commission, given that the agencies themselves were undertaking this exercise. It welcomed, however, the Assembly's call for the development of interagency co-operation.

Discussion and decisions of the Commission

315. The Commission noted the views expressed by CCAQ and FICSA and also the many references to training in the Fifth Committee, culminating in the two sections of General Assembly resolution 36/233 referred to above. Some members attached particular significance to the CCAQ views on this matter. One member of the Commission felt that measures relating to staff training should not be enlarged since Governments were expected to provide fully trained staff members. The Commission agreed that CCAQ should be requested to pursue its work in this area and that the existing mandate of the secretariat should be renewed to enable further consultations to be carried out in the light of the most recent developments in the field of training. The Commission decided to take up the two questions of the General Assembly at a later session.

D. Inter-organization arrangements concerning transfer, secondment or loan of staff 36/

316. The Commission continued its consideration of exchange and movement of staff, as an aspect under its work in the area of career development on the basis of a document prepared by its secretariat which contained a report on a meeting of an ICSC/CCAQ/FICSA working party. The secretariat suggested that the Commission consider 12 major comments and conclusions of the working party, which might lead CCAQ to revise their voluntary Agreement on interorganizational transfers or secondments. The secretariat also suggested that the Commission request CCAQ to pursue these recommendations and to report to it on future developments. Finally, the document suggested that the Commission might wish to reconsider its previous decision 37/ concerning a draft annex to the Agreement.

317. The Chairman of CCAQ stated that the informal consultations reported upon confirmed the view which CCAQ had expressed at the fourteenth session, namely, that the interorganization Agreement on transfer, secondment or loan had been freely entered into by the organizations and any changes in it should be made by the organizations. The organizations, therefore, welcomed the recommendation that the responsibility of amending the Agreement should be left to CCAQ, which would review the various suggestions made in the document and make amendments considered appropriate. CCAQ also welcomed the suggestion not to pursue the question of adding an annex to the Agreement to deal with the broader question of the enhancement of interorganization exchange; the organizations felt that the Agreement dealt with procedures for handling interagency movement whenever it took place and was not, nor should it become, an instrument for enhancing such movement. The organizations recognized the benefit of interorganization movements. CCAQ felt that the recently introduced circulation of vacancy notices would help to ensure that staff interested in transfer learned of possible openings. The organizations considered, however, that the encouragement of interorganization movements had to remain subordinated to the fundamental policy imperative that each organization had to recruit staff best qualified to contribute to the performance of its specific mission. An increase in interorganization movements without regard to actual individual cases and requirements was not necessarily desirable.

318. The President of FICSA felt that the organizations should have a positive, constructive approach to the matter and that the Agreement should be binding on the organizations. FICSA's objectives in the working party were the provision of incentives, and removal of disincentives, to exchange as a means of fostering career development. She therefore expressed concern that the working party had been unable to recommend a change in connexion with promotions upon or during secondment. FICSA felt that those probation requirements which at present existed should be waived in cases of transfer of staff members with permanent contracts. In cases of loan or secondment, staff members should preserve on return to the releasing agency any improvements in their status or contractual situation that they might have acquired in the other agency. In essence, the President of FICSA supported the conclusions in the document, and trusted that the recommendations would be pursued.

Discussion and decisions of the Commission

319. A number of members of the Commission suggested that data should be collected in the future to determine if any increase in movements occurred among the organizations. One member considered that interorganization movements should not be allowed to impede progress towards equitable geographical distribution; in reply to that point, the representative of WHO stated that geographical representation was taken into account in his organization during the selection process before the determination of the most suitable candidate, thus there was no conflict between the application of the Agreement and the principle of equitable geographic distribution.

320. The Commission decided to take note of the work done in the working party, the comments and conclusions reached therein and to transmit these to CCAQ and the organizations for their positive consideration in the hope that work relating to interorganization exchange of personnel would continue. The Commission also recommended to CCAQ and the organizations that they once again consider ways and means in which releasing organizations might be able to recognize a promotion within a receiving organization. CCAQ would be requested to inform the Commission at a later session of results in this area.

CHAPTER X

OTHER BUSINESS

A. Review of the statute and rules of procedure of the Commission

321. It will be recalled that the Commission reported last year on the various aspects of its review of its statute and rules of procedure at its thirteenth and fourteenth sessions, and that it had agreed to give CCAQ and FICSA the opportunity to provide comments thereon at its fifteenth session.

322. While CCAQ had no formal amendments to offer concerning the Commission's statute or rules of procedure, apart from a possible minor modification of rule 4, it did, nevertheless, comment on the application and interpretation of the Commission's statute and rules of procedure.

323. Similarly, the President of FICSA had no formal textual amendments to the statute and rules of procedure to offer but made a number of comments concerning them.

324. The Commission was pleased to have the opportunity to review its working methods after seven years of operation; noted that there was no need to amend its statute and rules of procedure; and decided to continue to review its methods of work at future sessions, as required. The Commission reiterated the need for co-operation, understanding and co-ordination among the various organizations composing the United Nations system, in order to further and fulfil the objective of the concept of common system embodied in its statute. In that connexion, close co-operation should be developed further, not only individually with executive heads but collectively through ACC. One suggestion was made that before the annual report of the Commission was considered by the Fifth Committee of the General Assembly, the Secretary-General of the United Nations might take the opportunity of utilizing the forum of ACC to go over the recommendations contained in the report of the Commission, so that he would be able to present to the Fifth Committee a clear and co-ordinated account of the position of ACC on ICSC recommendations.

325. At its sixteenth session, the Commission considered two requests from staff representatives to participate in the Commission's sixteenth session and address it on matters that concern the common system, in accordance with rules 36 and 37 of the Commission's rules of procedure. The Commission considered that it should benefit from the views of ACC as well as from individual organizations and various staff groups before taking any decision on the principles of staff representation in the future or on any amendments to its procedures.

326. In considering the further request of the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISU), the Commission noted that the United Nations Staff Union had conducted a referendum at Headquarters which had resulted in the Union's withdrawal from FICSA, that the Committee claimed to represent some 17,000 United Nations staff serving in the world at different locations (more than one third of the existing United Nations common system staff) under the administration of the Secretary-General of the United Nations. The Secretary-General had communicated to the Chairman a request that the Commission admit participation of the duly constituted CCISU which he recognized. Pending consideration of the overall question of staff representation in the Commission's sessions, the Commission decided to invite CCISU to participate

in selected meetings of interest to United Nations personnel at its current sixteenth session under paragraph 2 of rule 37 of its rules of procedure. The Commission also decided to advise the Secretary-General of its decision.

327. The Commission, however, did not agree to the latest request of the Federation of Associations and Unions of the International Civil Service (FAUICS), to participate in its work. In so deciding, the Commission did not consider that the latest additional information provided by FAUICS was sufficient justification for it to address the Commission at its sixteenth session on matters of concern to the common system as a whole.

328. Following its review, the Commission instructed its secretariat to prepare a study, in consultation with organizations and staff representatives and the United Nations Legal Counsel, to assist it in reaching a solution concerning staff representation at future sessions.

B. Surveys of local conditions relevant to the conditions of employment of area staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

329. In its sixth annual report, 38/ the Commission informed the General Assembly of the request from the Commissioner-General of UNRWA that ICSC undertake the responsibility for carrying out surveys to determine the local conditions by reference to which the pay and other conditions of service of the UNRWA area staff should be established. The Commission also informed the Assembly of its decision to undertake responsibility for a survey of local conditions in the occupied territories, to be carried out with the assistance of a consultant to be engaged by the Commission at the expense of UNRWA, and to delegate to a panel of its members the responsibility for examining the survey report, hearing the views of administration and staff and submitting recommendations, in the name of the Commission and on its behalf, direct to the Commissioner-General of UNRWA, with a copy to the Secretary-General. The Commission also informed the Assembly of the progress with regard to the survey in the West Bank, of the plans for the first meeting of the Panel and of the arrangements for surveys to be undertaken in the Syrian Arab Republic and Lebanon.

330. In its seventh annual report, 39/ the Commission provided a progress report on the surveys conducted in the Syrian Arab Republic and Lebanon and outlined the nature of discussions held between the Chairman and the Commissioner-General of UNRWA regarding modifications required in the structure of the UNRWA salary scales.

331. At its fifteenth session, the Commission received a report from the Panel of Commission members who had been delegated the responsibility for in-depth examination of the survey results. At the same time, the representative of the Commissioner-General of UNRWA and the representatives of the area staff drew to the attention of the Commission their respective positions on the technical aspects of the survey and, in particular, the results of excluding United Nations salaries in the relevant areas. The Commission also considered the request of the Commissioner-General of UNRWA that it continue to be involved in further assistance to UNRWA beyond the current period.

332. The Commission decided to:

(a) Take note of the report of the Panel on the recent surveys conducted in the Syrian Arab Republic and Lebanon but did not consider it appropriate to modify the practice which the Panel was following with regard to the exclusion of United Nations employers in salary surveys, although it agreed that the Panel could collect the salaries of United Nations offices to use in a suitable, pragmatic way;

(b) Accept the responsibility for further assistance to UNRWA in matters relating to the conditions of service of its staff, including the establishment of appropriate salary scales through salary surveys, mini-surveys and/or spot checks of surveyed employers, advice on interim adjustments and the development of policy on other non-salary conditions of service, the scope of such assistance to be periodically reviewed by the Commission, with the details to be agreed upon between UNRWA and the Chairman.

333. In so doing, the Commission accepted further responsibility for UNRWA area staff salary surveys, on the basis of its decision reported to the General Assembly at its thirty-sixth session. The Commission noted that its further involvement should not represent any expense to the limited budget of ICSC; nor should the activities interfere with the day-to-day functioning of the secretariat. In that respect, UNRWA would provide the Commission funding for one full-time staff member at the P-3 level, one month per year of temporary secretarial assistance and related travel costs of the staff and Commission members for mutually agreed missions, and would also cover incidental expenses.

Notes

1/ International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, World Health Organization, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, International Maritime Organization, World Intellectual Property Organization and International Atomic Energy Agency.

2/ General Agreement on Tariffs and Trade and International Fund for Agricultural Development.

3/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1). Previous reports were as follows: first report, ibid., Thirtieth Session, Supplement No. 30 (A/10030); second annual report, ibid., Thirty-first Session, Supplement No. 30 (A/31/30); third annual report, ibid., Thirty-second Session, Supplement No. 30 (A/32/30); fourth annual report, ibid., Thirty-third Session, Supplement No. 30 (A/33/30); fifth annual report, ibid., Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1); sixth annual report, ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2).

4/ The decisions and resolutions of the General Assembly at its thirty-sixth session which required action by the Commission were as follows: resolutions 36/118, 36/233 and 36/235, and decisions 36/456, 36/457, 36/458 and 36/459.

5/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1).

6/ Ibid., chap. IV, sect. B.

7/ For the Commission's previous consideration of this subject matter in a more general context, see A/31/30, paras. 18-21.

8/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 18-20.

9/ Ibid., paras. 21-36.

10/ Ibid., paras. 37-44.

11/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 30 (A/31/30), para. 131.

12/ General Assembly resolution 31/141 B, sect. II, para. 2.

13/ Such an early retirement benefit is payable at the standard annual rate for a retirement benefit, reduced for each year or part thereof by which the age of the participant on separation was less than 60, at the rate of:

- (i) 1 per cent per year if the contributory service of the participant was 30 years or longer, or
- (ii) 2 per cent per year if the contributory service of the participant was 25 years or longer, or
- (iii) 6 per cent per year if the contributory service of the participant was less than 25 years.

14/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 30 (A/10030), para. 29.

15/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30), para. 168.

16/ Ibid., para. 184.

17/ This Act establishes the principle that civil service pay shall be comparable to that paid for comparable work in other sectors of employment in the United States. A survey (the National Survey of Professional, Administrative, Technical and Clerical Pay) is conducted annually by the Bureau of Labour Statistics. On the basis of its findings, the officials designated as the President's Pay Agents recommend to the President the amounts by which civil service salaries should be adjusted in order to restore parity with outside rates. If the President accepts the Pay Agents' recommendation, the salary increase takes effect automatically; but the President may also decide on a different amount, in which case his decision goes into effect unless overturned by Congress within 30 days.

18/ For example, in 1978 the Pay Agent recommended a salary increase under the Pay Comparability Act of 8.4 per cent, while 5.5 per cent was actually granted.

19/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 (A/8728 and Corr.1), vol. I, para. 139.

20/ As indicated in paragraph 109 above, the cost for 1983 of a 5 per cent increase in net base salary and other elements of remuneration based on net salary is estimated to be for all organizations and all sources of funds, approximately \$45.5 million, or 1.3 per cent of total expenditures. By comparison, a 3 per cent increase is estimated to cost approximately \$27.3 million, or amount to .78 per cent of total expenditures, and a 7 per cent increase approximately \$63.7 million or 1.82 per cent of total expenditures.

21/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 115-123.

22/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 85-94.

23/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 124-145.

24/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1) paras. 95-111.

25/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 146.

26/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 122-125.

27/ Ibid., paras. 123 and 124.

28/ According to the most commonly accepted designation of "second" and "third" languages, the second language is the first language in addition to the mother tongue or language in which the staff member is required to be proficient by the terms of his appointment, and the third language is the second language in addition to the mother tongue or language in which the staff member is regarded to be proficient by the terms of his appointment.

29/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 167.

30/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 150-162.

31/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 303.

32/ The amounts of the financial incentives applicable in certain duty stations classified according to conditions of life and work are not affected by this measure.

33/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), para. 189.

34/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 264.

35/ General Assembly resolution 36/233, sect. II, para. 2 and sect. III, para. 2 (c) and (d).

36/ The full title of the interagency Agreement on this matter is "Inter-Organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries and Allowances".

37/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1) para. 231.

38/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 324-327.

39/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 242-245.

ANNEX I

Study on the concepts of career, types of appointment,
career development and related questions

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I. INTRODUCTION

1. This study has been prepared by the International Civil Service Commission in response to General Assembly resolution 36/233, which, inter alia, states:

"The General Assembly,

"Recalling that it established the Commission for the regulation and co-ordination of the conditions of service of the United Nations common system as set forth in article 1 of the statute of the Commission,

"Reaffirming the central role of the Commission within the common system in the development of a single unified international civil service through the application of common personnel standards and arrangements,

"1. Requests the International Civil Service Commission to give high priority to the completion of the following studies and to report on them to the General Assembly at its thirty-seventh session:

"(a) The broad principles for the determination of conditions of service with particular reference to concepts of career, types of appointment, career development and related questions, taking into account the views expressed by delegations in the Fifth Committee, all related studies and the relevant reports of the Joint Inspection Unit."

2. The study takes into account General Assembly resolution 35/210 on the matter, which had resulted from its consideration of personnel questions in the United Nations Secretariat; the views of the Joint Inspection Unit (JIU), as expressed in documents JIU/REP/81/1 and JIU/REP/82/3; the position of the organizations, as formulated by the Consultative Committee on Administrative Questions (CCAQ) and the Administrative Committee on Co-ordination (ACC) and presented to the Commission; the position of the Federation of International Civil Servants Association (FICSA), as reflected in the Commission's annual reports to the General Assembly and other documents; the views expressed by delegations in the Fifth Committee; and a number of related studies, some of which preceded the establishment of the Commission.

3. The overall approach of this study aims at placing "the broad principles for the determination of conditions of service", as reflected in the Charter and Staff Regulations of the United Nations and in the corresponding instruments of the other organizations, and particularly the "concepts of career, types of appointment and career development", within the context of integrated human resources management, by identifying their interaction with "related questions" such as recruitment, job classification, promotion policy and training. The principles set forth in this study are equally valid for General Service and related categories of staff as well as for the Professional and higher categories, although their application may vary in accordance with staff members' functions.

4. In this connexion, the Commission wishes to make a clear distinction between, on the one hand, elements of personnel policy that have already been reviewed by the Commission, and on which recommendations have been made or are being made in their study, and, on the other hand, those areas that require further study, as outlined by the Commission in its work programme under article 14 of its statute, which was submitted to the General Assembly previously. Before thoroughly

considered recommendations on these yet unexplored topics can be made, the Commission intends to consult to the fullest extent possible with the organizations and staff representatives as required by its statute.

5. The Commission recalls to the General Assembly that it has so far made many recommendations to the organizations with respect to 9 of the 17 areas of personnel policy contained in its work programme on career development and related issues; a summary of these recommendations can be found in appendix I of this study.

6. In presenting this study, the Commission wishes to emphasize that the efficient management of human resources in the international civil service requires a comprehensive approach, where elements of personnel policy are not applied in isolation, but in the broader framework of an integrated system, within which interrelationships between various elements are clearly described. In developing recommendations for such an integrated system, the Commission has, by necessity, been required to break into the circle by reviewing one particular area of personnel policy at a time, gradually broadening its scope as it proceeded with the various stages of its work programme. The system as such, however, can only be considered completed when the areas of human resources planning, recruitment policy and promotion policy have been fully examined, and at that time, the recommendations previously made as well as those contained in this study will gain additional relevance as they are reinforced and complemented by further recommendations which will close the circle.

7. The Commission's detailed considerations on each of the subjects related to the General Assembly resolution are contained in appendix II of this study; appendix III summarizes the work programme adopted by the Commission for review under article 14 of its statute.

II. CAREER DEVELOPMENT AS A FUNCTION OF INTEGRATED PERSONNEL MANAGEMENT

8. Careers and career development cannot exist in isolation; they are the end product of a soundly integrated personnel management system which responds equally well to the staffing requirements of organizations as to the developmental potential of staff members. The fundamental principles for such a system are set out in the Charter and Staff Regulations of the United Nations, and in corresponding instruments of the other organizations.

9. These fundamental principles need to be translated into a distinct recruitment policy, common job classification standards, a common pay policy and salary system, a promotion policy, a contractual policy, a training policy, a budgetary planning system linked to job classification and, above all, a human resources planning system to organize the interrelationships between these areas and to transform these policies into action.

10. The Commission therefore reiterates the central role of those "related questions" to which the General Assembly has referred in its resolution 36/233, and takes the position that the objective of establishing systematic career development for all categories of staff in the common system, whether they serve on long-term or short-term appointments, can only be met through systematic, forward looking human resources management based on an integrated set of personnel policies.

III. HUMAN RESOURCES PLANNING AS THE BASIS FOR CAREER DEVELOPMENT

11. Staff costs represent at least 70 per cent of organizations' budgets; human resources management requires the same amount of foresight as financial management does, to prevent waste. To ensure that organizations will have adequate numbers of qualified personnel available at the proper time and location, performing jobs that meet the needs of those organizations and provide satisfaction to the individuals involved, some extent of forecasting and planning is essential.

12. Such forecasting and planning, however, require adequate information about jobs and staff, both as they are now and as they may develop; furthermore, policies are required that reflect the organizations' staffing needs and set its priorities. In this context, the Commission welcomes various recommendations made by the JIU concerning career paths, occupational groups and equitable rates of advancement, as they would be of considerable use in developing the assumptions for a human resources planning exercise, although they should never be restrictive on the development of individual staff members.

13. At its sixteenth session, the Commission has initiated its detailed study of human resources planning as step 10 of its work programme under article 14 of its statute; as the dialogue with the organizations and the staff on this issue progresses, the Commission intends to develop a series of detailed recommendations in this area, which will provide options for the use of a human resources planning approach in different organizational settings.

14. The various options and approaches to be studied should find common grounds, however, in the underlying purpose of human resources planning: to reflect the individual goals or objectives of organizations so that they may respond flexibly and rapidly to change, and to provide the basis for personnel action plans (such as recruitment plans, training programmes and individual career development planning) which will allow organizations to translate their overall programme requirements into individual decisions concerning staff, taking into account their experience and potential.

15. The Commission therefore recommends to the General Assembly and the governing bodies of the organizations that they consider the concept of human resources planning as a basis for a systematic approach to integrated personnel management and that they pursue the development of a planning process based on the particular needs and capabilities of their organization in close co-ordination with the Commission's further study programme in this area. In this context, certain recommendations made by the JIU concerning standard career paths in clearly defined occupational groups, desirable percentages for external recruitment, and average rates of advancement, may have particular relevance.

IV. JOB CLASSIFICATION AND CAREER DEVELOPMENT

16. When the Commission assumed its responsibilities in the areas of personnel policy, it gave high priority to the establishment of common job classification standards for staff in the Professional and higher categories, since such standards would enable organizations to objectively determine the level of posts, thereby creating a sound basis for the analysis of the organizations' human resources management systems, for the determination of salaries in accordance with the Noblemaire principle and finally for the control of budgetary processes.

17. Job classification can serve, however, as a management tool with additional functions. Since job classification is based on extensive information about jobs, obtained by collecting and comparing job descriptions and often supplemented by job audits, it also serves as a valuable source of data which can contribute directly to various elements of an integrated personnel management system, and thus contribute to career development by strengthening job design, facilitating planning, counteracting "grade creep", specifying recruitment requirements, providing a basis for promotion decisions, identifying training needs and improving staff morale.
18. The Commission believes that common job classification standards will provide a solid foundation for integrated personnel management in the common system, and that the job information derived from the job classification exercise can provide a valuable data base for other elements of such an integrated system aimed at career development. Proper classification of jobs implies the proper structuring of work, and thereby the identification of clearly distinct stepping stones on the career path.
19. The Commission recommends that governing bodies ensure that organizations have the necessary flexibility, within certain confines such as the overall grade-mix, to implement classification decisions, both upward and downward, within the duration of a given budgetary period, in the interest of maintaining a proper structure of jobs at grade levels reflecting the reality of work.
20. The Commission further recommends that organizations maintain adequate links between their job classification activities and their budgetary processes, recruitment programmes, training programmes, human resources planning programmes, career planning programmes and promotion machinery, in order to ensure that the job information generated by job classification is used to maximum advantage.
21. The Commission concludes that the use of linked grades is incompatible with the concept of the Master Standard; it would render the present system of salary determination meaningless, jeopardize staff performance, reduce the incentives for recruitment, and reward stagnation and complacency by providing virtually guaranteed salary increases for lengthy periods. Linked grades are no substitute for career planning.
22. The Commission intends to examine, however, in its studies on recruitment and promotion to what extent special policies on "recruitment for partial fulfillment" or "personnel promotions" could meet exceptional management needs where a temporary discrepancy between the level of a post and the level of an incumbent is required in the interest of sound personnel management.
23. The Commission considers that linked grades should not be used to classify posts to which the Master Standard applies. It further recommends that solutions for the managerial problems that have led to the use of linked grades be sought through adjustments in the recruitment and promotion policies of organizations.

V. THE CONCEPT OF CAREER SERVICE

24. The Commission is very much aware of the constraints on the development of a career service enumerated by the organizations, but at the same time, it recognizes that the need for a core career staff remains valid and that there are many

advantages to a career service, both in terms of staff quality and cost effectiveness, which should induce organizations to keep their needs for a core career staff under constant review. In particular, the existence of a core career staff would have a positive impact on the ability of organizations to attract candidates; reduce recruitment and separation costs; increase the effectiveness and productivity of staff members as they become more familiar with the nature of international service; increase staff morale and motivation based on a sense of job security; and enable organizations to plan their use of human resources more systematically.

25. The Commission therefore recommends that organizations, to the extent possible, prepare forecasts of their human resources requirements, and reassess their needs for permanent and fixed-term staff on an ongoing basis in conjunction with this forecasting process, taking into account, inter alia, the nature of the functions to be performed, whether continuing or non-continuing. This would preclude the use of pre-determined ratios based upon decisions taken in the past under circumstances that may no longer be valid, and this would obviate the present practice in some organizations of employing staff for lengthy periods without providing an element of job security. This recommendation would encourage the alignment of programme needs with contractual policy.

26. The nationality of a serving staff member should not be a criterion in the decision whether or not to grant permanent status; the nationality factor is taken fully into account at the time of recruitment and should not thereafter be a factor in the determination of the staff member's career, which should be decided solely on grounds of the organization's needs and the staff member's merits.

27. The Commission also emphasizes that many elements of a career service, such as training opportunities, career counselling and planning, promotion opportunities, lateral reassignments, interorganizational exchange and retirement benefits need not be reserved for that relatively restricted group of core staff but should be equally available to staff who are employed for periods of an unforeseen or relatively short duration.

28. The Commission recommends that organizations do their utmost to inform staff, at the time of recruitment, what their intentions are as regards the most likely period of employment, subject to any changes in the requirements of the organizations' programmes and to fully satisfactory performance on the part of the staff. In this manner, they will allow those staff members who are not brought in for a possible career with the organization to plan their careers in another context, building on to their common system experience at a stage where such planning is still possible. Once again, human resources planning should enable organizations to undertake such forecasts.

VI. TYPES OF APPOINTMENT

29. The Commission intends to pursue the development of a common terminology and a standardization of the various existing types of appointment in accordance with article 15 of its statute; the organizations have stated their interest in participating fully in this process.

30. The Commission believes that the organizations must come to grips with the practice of granting successive fixed-term contracts over an extended period of time, as this creates a climate of anxiety and insecurity among staff which is not in the interest of sound management.

31. The granting of a permanent contract does not necessarily imply an unconditional commitment to employ a staff member for the rest of the member's working life, as career appointments can be terminated if the interests of the organizations so dictate. The financial implications of such terminations are laid down in the staff regulations, and the indemnities foreseen are no more than equitable in the light of the commitments long-term staff have made to the organizations.

32. Five years would appear to be a reasonable time for organizations to decide whether a staff member should be permanently retained or not, both in terms of determining if the work to be performed is of a continuing nature or not and evaluating the suitability of the staff member. Several organizations use approximately this period of time for converting staff members to permanent appointments. The Commission has previously recognized a period of employment up to five or six years as representing a normal duration for fixed-term employment. In this respect, the position of the Commission would not appear to be incompatible with that of the JIU.

33. The Commission recommends that, upon completion of five years of service, each employee be given every reasonable consideration by the employing organization for a career appointment. With regard to staff on secondment, the majority of the members of the Commission stressed the need for each organization, in situations when it wished to retain the services of the staff member beyond the period of the initial agreement, to take fully into account the views of the releasing government. The other members, while not objecting to this, felt that this should not in any way prejudice the individual rights of the staff member.

34. By adopting such a policy, organizations would assume responsibility for their long-term employees, rather than shifting the burden of continued uncertainty to the staff. The recommended policy does not by any means restrict the flexibility of organizations to determine their ratio of permanent staff and fixed-term staff according to the particular needs of their programme: if the ratio truly reflects their operational reality, the phenomenon of long-term staff on short-term contracts should disappear.

VII. THE ROLE OF RECRUITMENT IN CAREER DEVELOPMENT

35. The relationship between recruitment and career development in the common system is a very basic one: it is the quality and nature of the recruitment process that determines the quality and potential of the staff, and consequently the extent to which this potential can be developed into careers. The quality of its staff, in turn, determines the quality of an organization: the staff members translate an abstract organizational concept into a living organism and are largely responsible for the quality of that organization's final product.

36. Every recruitment decision implies a major commitment of funds for an organization. The common staff costs of a mid-level two-year fixed term professional appointment are in the range of \$125,000, and, unlike the purchase of equipment, the purchase of staff services comes without a guarantee, maintenance contract or buy-back clause. At the end of the contractual period, the investment made has no residual value beyond the tangible results of a staff member's work.

37. The Commission has, in previous annual reports made fourteen recommendations to improve the recruitment process, which are reproduced in appendix I (section (e)). These recommendations are, however, preliminary to a full examination of all major aspects of recruitment, which the Commission intends to undertake as step 13 of its work programme under article 14 of its Statute, scheduled for 1984.

38. At this time, the Commission believes that it has to request organizations to reflect before they adopt the use of competitive examinations as the sole selection instrument for recruitment at the P-1 and P-2 level, as recommended by the JIU.

39. Such a recommendation seems premature without an evaluation of the experience gained in the United Nations, which has now developed and applied a model for such examinations. Such an evaluation should not only probe the extent to which competitive examinations can determine a candidate's skills but also ask the broader question to what extent excellent skills, taken in isolation, can serve as an indicator of a candidate's suitability as an international civil servant. It would seem to the Commission that the Charter's emphasis on "efficiency, competence and integrity" covers a much wider range of qualities than may be discerned by a written examination developed primarily to test professional skills. A recruitment process that screens out most candidates before taking into account past performance and achievements or ability to function in an international and intercultural setting and that does not test a candidate's motivation, managerial skills, articulateness and similar qualities can only be seen as a very narrow one, and not necessarily as the best method of identifying true quality and potential.

40. While the Commission would not wish, at this stage, to anticipate the outcome of its study on recruitment, it would already take the position that the lack of staff resources and funds for thorough, in-depth prospection may be a serious constraint for organizations.

41. A well equipped recruitment programme, with adequate and timely information about forthcoming vacancies, broad contacts with recruitment sources, up-to-date rosters, trained interviewers, travel funds, strong support and assistance from line managers and other staff, and with adequate clerical assistance, would already go a long way to produce a sufficient flow of candidates from all Member States who meet the highest standards. The Commission therefore recommends that organizations allocate sufficient resources to their recruitment programmes.

VIII. PERFORMANCE EVALUATION

42. It is important to keep in mind the ways in which the performance appraisal process can be used to strengthen the personnel management process. The main objectives of performance appraisal relate to work improvement, the identification of development and training needs, the establishment of communication between staff and management, and the determination of inputs for administrative decisions such as promotions, annual increments, contract extensions, and merit awards. As such, the importance to career development and human resources planning cannot be underestimated.

43. After a period of study and consultations which took three years, the Commission in April 1981 recommended to the organizations of the common system that a new appraisal system and form be put into effect on 1 January 1982 which reflects

those considerations. In this respect, the Commission also recommended that the organizations should study means for providing appropriate awards within the current steps and range of the salary scale.

44. As indicated in last year's annual report, the Commission has requested organizations to report at the nineteenth session on their experience after two years. The Commission will consequently report further in respect of performance appraisal in its tenth annual report (to the thirty-ninth session of the General Assembly in 1984).

IX. PROMOTION POLICY: A CORNERSTONE FOR CAREER DEVELOPMENT

45. To generate a process of career development in organizations, it is necessary to define by what rules staff can be promoted, how promotions tie in with the classification of jobs, and how staff are identified for higher levels of responsibility. The Commission intends to examine these issues as Step II of its work programme under article 14 of its Statute, and it intends to pay particular attention to the concepts of "efficiency, competence and integrity" (Article 101 of the United Nations Charter), the concepts of "seniority" and "merit", the possible use of "personal promotions", and the options for promotion machinery.

46. The Commission considers that the granting of personal promotions may be in the interest of organizations to recognize exceptional situations.

47. The Commission believes that promotions are to a large extent determined by the organizations' selection processes for internal vacancies, and that, as a consequence, fairness in the promotion process implies fairness in the allocation of higher level posts to staff. This again argues for some extent of career planning, to identify and nurture talent. The Commission, therefore, strongly urges organizations to ensure that their promotion processes are aligned with their career development policy, and requests the organizations to pursue this goal in close co-ordination with the Commission as it carries out its further studies in this area of personnel policy.

X. MOBILITY

48. The Commission recalls staff regulation 1.2 of the United Nations, and similar provisions in the corresponding instruments of the organizations, which state that staff members are subject to assignment by the Secretary-General or the executive heads "to any of the activities or offices" of the organization.

49. The Commission, in accordance with resolution 35/210 of the General Assembly, recommends that the concepts of lateral movement and job mobility be applicable to all staff, be they General Service or Professional, in accordance with the nature of their functions. This can be realized through job rotation for locally recruited staff, and in addition through moves between duty stations, both within organizations and between organizations, for internationally recruited staff.

50. The Commission at this time wishes to recall the far reaching measures that it recently recommended to the organizations and which were approved by the General Assembly - namely the classification of duty stations according to conditions of life and work. Such administrative measures, in an approach similar to that of the

post adjustment system, endeavour to even out the impact of reassignments between duty stations for staff, and to create world-wide, equitable terms of employment, thereby enhancing staff mobility. The Commission, moreover, continues to review financial and non-financial incentives for encouraging staff rotation, in particular assignments from headquarters duty stations, and for removing impediments to mobility, all concerns which are shared by ACC.

51. Finally, in respect to mobility, the Commission, in accordance with General Assembly resolutions 35/210 and 36/233, intends to continue its work and study in this area in accordance with, inter alia, steps 8 (inter-organization exchange programmes) and 14 (exchange programmes between national and international service) of its work programme.

XI. TRAINING AND DEVELOPMENT

52. The Commission would draw attention to several recommendations it had previously made in respect of training, which are summarized in appendix I. In particular, the Commission recommends to the organizations that they stimulate an assessment of staff training needs by furthering a dialogue between supervisors and staff members in order to identify realistic training objectives which should assist career planning and provide the organizations with the staff skills and knowledge needed to achieve their programme objectives.

53. The Commission's last annual report led, in respect of training, to the General Assembly's adoption of section III, paragraphs 2 (c) and (d) of resolution 36/233 calling upon the Commission to continue its studies on "interagency co-operation in the field of training" and to undertake a "thorough evaluation" of training activities "with special reference to management and related training". Work and discussions have commenced in these areas. The Commission expects to take up these items during 1983 in order to report to the organizations and the General Assembly during the thirty-eighth session.

Compendium of relevant previous recommendations of the Commission

1. The Commission wishes to recall to the General Assembly and to the organizations that it has made during its existence at least 30 recommendations to the organizations relating to the career concept, types of appointment, career development, and related questions. These are very briefly summarized hereunder, in the order of the chapters of this report. Foot-notes refer the reader to the locations of the Commission's decisions. Some recommendations, of course, refer to more than one substantive item.

(a) Human resource planning

2. As virtually all recommendations which will be enumerated hereunder apply (in some way) to human resource planning, they will not be listed here but rather under the further subheadings.

(b) Job classification

3. The Commission has provided the framework necessary for career planning and development by promulgating a Common Classification of Occupational Groups (CCOG) for identification of career fields and by establishing the Master Standard (Tier I) and Tier II standards for grading Professional jobs. It has also commenced similar work for the General Service and related categories. Further, the Commission has defined the relationship of job classification to other areas of personnel management explicitly in order to permit development of comprehensive personnel management systems of which career development and recruitment are also parts. 1/

4. Identification of career paths: To this end the Commission has identified 65 fields of work common to two or more organizations in the common system 2/ which may indicate some career paths both within and between these groups.

(c) Concepts of career

5. All members of the Commission agreed that a core career staff was required in the international civil service and that this core would vary in size from one organization to another depending upon each organization's specific needs. 3/

6. The Commission considered it essential that the determination of the proportion of permanent and fixed-term staff be made on an organization-by-organization basis, so as to reflect not only the differing functions and needs of the organizations but also the policy decisions of their own governing bodies. The Commission considered that some of the criteria by which the needs for permanent or fixed-term staff should be determined are, inter alia: the nature of the functions to be performed, whether continuing or non-continuing; the structural pattern of the organization; and the source of funding of posts. 4/

7. The Commission has concluded that both career and non-career staff should be provided with career development programmes, on the grounds that even within a span of four or five years' service with an organization, there is a possibility of developing the temporary staff member's capabilities, introducing him or her to responsibilities of a broader scope or at a higher level and so both obtaining the

maximum benefit for the organization from his or her period of service and enhancing his or her usefulness upon returning to national service. While the importance of planned development of the capacity in which, the levels at which, an individual renders service to the organization obviously increases with the length of time the individual is expected to serve, there is, none the less, no reason why the service of staff expected to remain with an international organization for a short span of years should necessarily be regarded as a purely static work experience; 5/

8. Career development objectives and benefits: The Commission has defined career development as meeting mutual objectives of management and staff and as providing benefits to each. It has stressed both the organizational needs fulfilled by career development measures as well as those of the staff member. 6/

9. Components of career development programmes: The Commission has identified seven components or steps to be taken in developing careers and has recommended their incorporation in organizations' career development programmes. 7/

(d) Types of appointment

10. See paragraph 6 above.

11. The Commission has previously requested, on the basis of a preliminary study of divergencies existing in the regulations and rules, that organizations, through CCAQ, examine the divergencies of substance and reach agreement on a common solution for as many of them as possible. 8/

(e) Recruitment

12. The Commission has made the following recommendations: 9/

- (i) Internal filling of vacancies should not be based on "recruitment by word of mouth" which tends to reinforce clique mentality and perpetuate groups presently employed. Vacancies should be announced and should be communicated to all staff members;
- (ii) Application by all staff members should be encouraged by considering applications from organizational units and duty stations outside that in which the vacant job is located and by providing adequate time for the receipt of applications. Application procedures should not be set by administrative convenience but in order to obtain the best possible person;
- (iii) Qualification requirements stated in vacancy announcements should be reviewed beforehand to ensure that they are job-related, necessary and non-discriminatory. Education, training, health and years of experience requirements should be related to requirements of the job on the basis of job analysis;
- (iv) Terms identifying sex, age and nationality should be removed from internal vacancy announcements. 10/ Reference to the incumbent as "he" or "she" should be removed as well;

- (v) **Announcements should be published in all working languages of the organization;**
- (vi) **Selection should not be based on sex, age, nationality, physical appearance or any consideration not relating to merit. Seniority with the organization should not in itself be a factor of consideration for advancement except in those specific cases in which it is not possible to distinguish between two or more applicants on the basis of qualification requirements and merit. In such cases the applicant with greater years of service should be given consideration;**
- (vii) **If examinations are used as a basis for internal placement decisions they must be constructed in such a way that they do not have the effect of discriminating on the basis of sex, age, nationality, culture, etc.;**
- (viii) **Interviews used in the selection process should be structured. They should all be conducted in a like manner so as to maximize objectivity and to prevent overall personality-related assessments which can be open to prejudice. Check lists of useful questions to be asked and training in interviewing techniques should be given to the personnel officers and managers who conduct interviews;**
- (ix) **Cross-cultural training should be encouraged for managers and others occupying positions of career-related decision-making. Programmes that increase inter-group awareness and co-operation should be implemented. Managers should be reminded to guard against the tendency to select someone resembling themselves rather than to seek characteristics related to the job;**
- (x) **Persons chosen as career counsellors should have undergone rigorous selection procedures to ensure that they are objective and free of prejudice. They should know, and be capable of communicating to all staff members in the organization, the qualifications required, the education and training programmes available and other information related to career development;**
- (xi) **Executive heads, chiefs of personnel, career development and placement, specialists and managers should resist pressures from any national government to show favouritism in the development of careers of its citizens. The executive head should appeal to the Member States of his or her organization to refrain from exerting such pressures;**
- (xii) **Positions within an organization should not be designated (either formally or informally) as the specific domain of any country or group of countries;**
- (xiii) **Common prospectation procedures should be used effective 1 July 1981 which would require first seeking qualified candidates from within, then from other organizations of the common system, and finally from outside sources; 11/**
- (xiv) **A standardized notice-of-vacancy form should be used by all organizations effective 1 July 1981 in order, among other things, to facilitate application procedures for staff members of the common system. 12/**

13. The Commission has also instituted on an experimental basis effective 1 October 1981, a Central Vacancy Announcement Bulletin in which notices of vacancies are collected from the organizations and relevant details of these published expeditiously in this career development tool which is sent to all major offices of the organizations. 13/

14. The Commission has instructed its secretariat to consider proposals for the operation of a central candidate-referral service. Career development-related information might be collected on common-system staff members by the Commission and referred to organizations when relevant vacancies occurred. 14/

15. See paragraph 17 below.

(f) Performance evaluation

16. The Commission has recommended the introduction of a career-planning exercise in conjunction with the annual performance appraisal aimed at implementing the steps of the career planning process indicated in paragraph 9 above and has developed an appropriate form for this purpose. 15/

17. The Commission has developed and recommended for use in the common system a standardized performance appraisal form which would facilitate understanding of a staff member's previous performance when being considered for career opportunities in another organization. 16/

(g) Promotion policies

18. See paragraph 12 (xiii) above.

19. See paragraph 12 (xiv) above.

20. See paragraph 13 above.

21. See paragraph 14 above.

22. See paragraph 17 above.

23. The Commission has supported the merit principle as being the basis of the career development system; that is, "that staff members should be considered for lateral transfer, promotion or other career development actions on the basis of their past performance within the organization and their ability to undertake new assignments". 17/

24. See paragraph 37 below.

(h) Mobility

25. See paragraph 12 (xiii) above.

26. See paragraph 12 (xiv) above.

27. See paragraph 13 above.

28. See paragraph 14 above.

29. The Commission has made various policy statements supporting the concept of interorganizational exchange and its increase within the common system, identifying the benefits to be derived from such exchange and calling on organizations to make efforts to increase such exchange. 18/

30. Inter-Organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries and Allowances: The Commission has reviewed this agreement and has concluded that as an instrument to facilitate and regulate the movement of staff the agreement worked well, but that it did not promote interorganizational exchange. It established a working party to identify ways of promoting interorganizational exchange and will continue its work in this area. 19/

31. The Commission has made policy statements encouraging mobility within the organizations both within the duty station and between duty stations and has encouraged lateral transfers (movement between jobs of the same grade) in addition to upward mobility (promotion). 20/

32. See paragraph 4 above.

33. See paragraph 12 (ii) above.

34. See paragraph 17 above.

35. See paragraph 23 above.

(i) Training and development

36. The Commission has recognized the value of training in fostering career-development objectives of both the organization and staff members. It has considered the objectives, forms, content and design of training programmes and discussed the need for training resources. It has stressed the need to evaluate the utility to the organization, and the tangible results training activities are expected to achieve before they are extended or introduced. The Commission has stressed the need for management training and has identified elements of a model management-training programme. It is in the process of investigating the most appropriate manner for the provision of training services in the common system. 21/

37. Removal of discriminatory action affecting career development: The Commission has recommended that organizations "not institute special career development programmes which would either single out and 'groom' for higher grades or establish target quotas at given grade levels for women, young people, certain nationals or any other group to which any staff member of the organization is not eligible to belong". 22/ It has supported, however, the introduction of special measures for women, young people or certain nationals which are aimed at removing any and all obstacles that may be created by adverse discrimination in order to ensure that the same career-development opportunities are available to the entire staff. 23/ It has also recommended the implementation of 13 specific measures to ensure that adverse discrimination did not play a role in the careers of staff members. 24/

38. See paragraph 12 (iii) above.

39. See paragraph 12 (ix) above.

40. See paragraph 12 (x) above.

41. As a component of career counselling provided to all staff members, members of groups against which discrimination may exist should receive separate counselling. Such counselling would aim at making these staff members aware of the form(s) of (illegal) discrimination which may exist or other problems which they may face and be able to recognize specific instances of discrimination or unfair treatment so that they may be reported and investigated. 25/

Notes

1/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30), paras. 219-227.

2/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 248 and annex XV.

3/ Ibid., Thirty-fourth Session, Supplement No. 30, para. 206.

4/ Ibid., para. 207.

5/ Ibid., para. 209.

6/ Ibid., Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), para 212.

7/ Ibid., para. 217-218.

8/ Ibid., Thirty-second Session, Supplement No. 30 (A/32/30), paras. 231-232.

9/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 291.

10/ The ICSC Common Classification of Occupational Groups may be consulted for guidance in this regard.

11/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 297 and ICSC/R.167, paras. 136-139.*

12/ See ICSC/R.217 and ICSC/R.267, paras. 136-140.*

13/ Ibid.

14/ Ibid.

15/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 217-226 and appendix II, para. (n).

* ICSC/R. series documents are available for consultation through the ICSC secretariat.

16/ Ibid.

17/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 288.

18/ Ibid., paras. 297-298, and ICSC/R.267, para. 135.*

19/ See ICSC/R.256, ICSC/R.267, paras. 131-135, ICSC/15/R.18 and ICSC/15/R.26, paras. 188-192.*

20/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 291 (b) and 295 (b).

21/ Ibid. (A/35/30 and Corr.1 and 2), paras. 293-296; ICSC/R.254 and ICSC/R.255; ICSC/R.267, paras 111-130;* Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 199-216 and appendix IX; ICSC/15/R.19 and ICSC/15/R.26, paras 192-196.*

22/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), para. 289.

23/ Ibid., para. 290.

24/ Ibid., paras. 291-292.

25/ Ibid., para. 291 (j).

* ICSC/R. series documents are available for consultation through the ICSC secretariat.

APPENDIX II

Detailed considerations of the International Civil Service
Commission on the concepts of career, types of appointment,
career development and related questions

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I. CAREER DEVELOPMENT AS A FUNCTION OF INTEGRATED PERSONNEL MANAGEMENT

1. The concepts of career and career development cannot be studied in isolation. Careers, and the developmental process that leads to careers, are the end result of a well integrated personnel management system, and any review of career development, to be meaningful, must concentrate on the intricate chain of personnel policies and procedures that enables organizations to respond to their staffing requirements as well as to the developmental potential of staff members.

The broad principles for the determination of conditions of service

2. In the common system this process is based on a number of fundamental principles, which are laid down in the Charter and Staff Regulations of the United Nations, and in corresponding instruments of the other organizations (as summarized by CCAQ):

"(a) in recruitment, the paramount consideration is the necessity of securing the highest standards of efficiency, competence and integrity, due regard being paid to the importance of recruiting the staff on as wide a geographical basis as possible. Selection of staff members is made without distinction as to race, sex or religion, and, so far as possible, on a competitive basis;

"(b) appointments are made to posts which are defined in terms of category, level, commencing rate of salary and scale of increments;

"(c) salary increments within the grade are granted periodically on certification of satisfactory service. As regards advancement to a post of a higher grade, the paramount consideration that governs recruitment also applies to promotion. Moreover, in filling vacancies, persons already in the service of the organization, or of any organization in the United Nations system, are normally given preference, 'without prejudice to the recruitment of fresh talent at all levels';

"(d) once appointed on a career basis, a staff member remains in service until retirement or until separation for cause; and

"(e) any administrative action affecting a staff member's right under his or her terms of appointment may be appealed in accordance with procedures which, among other things, implement the principle of being judged by one's peers, and is ultimately decided by an independent tribunal." 1/

3. These broad principles have always been the point of departure for the Commission in its deliberations on personnel policies, including the concepts of career, types of appointment, and career development.

The need for an integrated approach

4. From these principles flow the need for a distinct recruitment policy, for common job classification standards, for a common pay policy and salary system, for a promotion policy, a contractual policy, and, by deduction, for a training policy (to prepare staff for more responsibility), for budgetary planning (to ensure that the definition of posts in terms of category and level reflects the needs and priorities of the organization), and for a human resources management system (to co-ordinate all these elements in a forward looking manner).

5. For such a co-ordinated effort, however, the interrelationship between these various policies has to be defined, since none can function in isolation, and since each element of personnel policy has a direct bearing on all the others.

6. The Commission has, from its very beginning, recognized the close links between the various elements of personnel policy covered under articles 13 and 14 of its statute. Specifically at its seventh session, in considering the study prepared by the United Nations Institute for Training and Research on the career concept and career development, 2/ and again at its eighth session, the Commission reaffirmed its own role in questions such as career development and recruitment, and emphasized that these were two complex areas having many interrelated aspects and a significant bearing on other areas of personnel policy. The Commission noted that it was not by accident that article 13 preceded article 14 in its statute. In order to improve recruitment and career development, the nature, types, levels and duration of jobs within the organizations had first to be determined, i.e. there was a need for a common job classification system, for a common classification of occupational groups, and for a human resources planning approach. Once this was done, the Commission stated, career development possibilities should be identified. The areas of job classification, career development and recruitment were therefore corner-stones of sound personnel management and consequently vital to the organizations' ability to meet their responsibilities towards the Member States. 3/

7. At its ninth session the Commission endorsed a plan of action which listed all the issues to be considered in the areas of career development/recruitment, indicated the order and method in which these issues would be taken up by the Commission and established the time-table for doing so. Subsequently, the work programme of the Commission for career development/recruitment was presented to the General Assembly as annex XVI of the Commission's sixth annual report. 4/ An updated version of this work programme, indicating which elements have been completed, which are under review, and which are to be studied at future sessions, is attached as appendix II of this document.

8. The need to conceive the approach to the question of careers and career development in an integrated systematic basis has also frequently been emphasized by the Joint Inspection Unit. For example, its report on personnel policy options to the thirty-sixth session of the General Assembly, states:

"... the issues involved are not simply technical ones. What is required is a study of the approach to the personnel system as a whole in the organizations of the United Nations family. Career questions or types of appointment cannot be separated from the context of personnel questions as a whole". 5/

9. The executive heads, in their statement to the sixteenth session of the Commission, struck a similar note: "Career development supposes some degree of systematic career planning." They amplify this by stating that "the process of career planning should involve the staff member, both present and potential future supervisors and personnel management"; and they continue:

"The organizations are aware that the translation of generally acceptable principles into concrete career development processes is not easy in the context of changing programmes, budgetary constraints and policy directives within which administrations must work. The medium-term plans which most

organizations have do provide a framework on which a forecast of the organizations future development and staffing requirements can be based with a certain degree of probability; career development activities, to be meaningful, must be related to those plans." 6/

The executive heads, in this context, also draw attention to the importance of staff training and performance appraisal to career development.

Conclusion

10. The Commission therefore reiterates the central role of those "related questions" to which the General Assembly has referred in its resolution 36/233, and takes the position that the objective of establishing systematic career development for all categories in the common system, be it for short-term or long-term staff, can only be met through systematic, forward looking human resources management based on an integrated set of policies in the areas of budgetary planning, job classification, recruitment, types of appointment, performance evaluation, mobility, promotion and training.

11. In the following chapters, the Commission will outline its views on human resources planning as the most orderly and efficient approach to such integrated personnel management, and it will examine the impact of various elements of the Commission's work programme under articles 13 and 14 of its statute on the areas identified by the General Assembly in resolution 36/233: the concepts of career, types of appointment and career development.

II HUMAN RESOURCES PLANNING AS THE BASIS FOR CAREER DEVELOPMENT

12. The Commission has, in the previous chapter, described how career development must be seen as the outcome of an integrated approach to personnel management, based on a coherent and balanced set of policies and procedures. This chapter deals with the methodology that enables organizations to translate their individual policies into action programmes: human resources planning.

13. The executive heads, in their statement to the sixteenth session of the Commission, have reiterated the prominent role of staff costs in their budget: personnel expenditures account for at least 70 per cent of their outlay. 7/ Given the financial implications of personnel management, it would follow that some form of forward planning is as important in managing human resources efficiently as it is in financial management, since each under-utilized staff member, each post filled by an unsuitable candidate and each erroneous upgrading or promotion represents a real loss to the organizations and their programmes.

14. To ensure that organizations will have adequate numbers of qualified personnel available at the proper time and location, performing jobs that meet the needs of those organizations and provide satisfaction to the individual involved, some extent of planning is essential. In this context it should be emphasized that human resources planning is not a rigid concept, but rather an organized way to respond appropriately to continuous change: staff turnover, changing programmes, expanding or diminishing financial resources, shifts in priorities and similar variables.

15. Human resources planning is based, first of all, on factual information: organizations can gather data about their job requirements and about their staff skills, and draw the balance in terms of shortages and surpluses in each field of work and at each level. The second element required for human resources planning is a set of policies that reflects the organizations' needs: How long, for example, should staff members stay in certain functions or locations? At what age should they retire? What types of staff should be kept for permanent employment? What types should be engaged for short-term or medium-term assignments? At what level should recruitment concentrate?

16. With factual information available and policies clearly enunciated, organizations can make projections, and on that basis, they can consider alternatives. What would the organization look like in one or two years' time if recruitment was halted? How will different promotion rates affect the staffing two or five years hence? What is the optimal rate of advancement to obtain an even promotion pattern over the years? Which training programmes deserve priority to ensure an adequate supply of internal candidates for projected vacancies in a certain occupational group?

17. It is in this context that certain recommendations made by the Joint Inspection Unit in its second report on the career concept gain particular relevance, as they deal directly with the parameters for a planning process. In identifying the elements of a personnel management system that should define a career, the JIU mentions inter alia: 8/

- (a) Standard career paths in clearly defined occupational groups;
- (b) Equitable promotion opportunities and an average rate of advancement that is known beforehand for each occupational group;
- (c) Lists of occupational groups as the basis for standard career paths;
- (d) Rules regarding the average rate of advancement among the P-2, P-3 and P-4 grades.

While the Commission does not maintain the view that such standard career paths or average rates of advancement should be restrictive on the development of individual staff members, such devices would be of considerable use in developing the assumptions for a human resources planning exercise, as they would facilitate the projections of supply and demand in each occupational group.

18. Other assumptions or variables in the planning or forecasting process will have to be derived from the budget, job classification, recruitment policy, contractual policy, promotion policy, mobility or reassignment policy, training policy and retirement policy. As different assumptions are tested out in a planning model, indicators will emerge for the most attractive options in each of these areas.

19. The Commission considers the underlying principles of human resources planning of great value for the development and maintenance of an integrated personnel management system. The approach is uniquely suitable to meet the individual and often divergent realities of the different organizations, since each organization can base its forecasts on assumptions derived from its own particular programme

needs. It is also eminently suitable for large and small organizations alike, since the basic approach can be translated into systems of greater or lesser sophistication and complexity, ranging from simple manual bring-together systems to highly refined computerized models. This has been recognized by the executive heads in their statement to the sixteenth session of the Commission, in particular in their call for "improved manpower planning and management"; 9/ their statement that "career development supposes some degree of systematic career planning", 10/ and in their previously cited description of the career planning process, where they conclude that "the medium-term plans which most organizations have to provide a framework on which a forecast of the organization's future development and staffing requirements can be based with a certain degree of probability; career development activities, to be meaningful, must be related to those plans". 11/

20. It is in this spirit that the executive heads conclude "if the very considerable resources required for the time-consuming process of individual career planning cannot immediately be made available, it should still be possible for the larger organizations to envisage more systematic machinery for human resource management, and they look forward to ICSC's examination of this subject". 12/

21. At its sixteenth session, the Commission has initiated its detailed study of human resources planning as step 10 of its work programme under article 14 of its statute. 14/ As the dialogue with the organizations and the staff in this issue progresses, the Commission intends to develop a series of detailed recommendations in this area, which will provide options for the use of a human resources planning approach in different organizational settings.

22. The various options and approaches to be studied should find common ground, however, in the underlying purpose of human resources planning: to reflect the individual goals or objectives of organizations to allow organizations to respond flexibly and rapidly to change, and to provide the basis for personnel action plans (such as recruitment plans, training programmes, individual career development planning) which will allow organizations to translate their overall programme requirements into individual decisions concerning staff, taking into account their experience and potential.

Conclusion

23. The Commission therefore recommends to the General Assembly and the governing bodies of the organizations that they adopt the concept of human resources planning as a basis for a systematic approach to integrated personnel management and that they pursue the development of a planning process based on the particular needs and capabilities of their organization in close co-ordination with the Commission's further study programme in this area.

III. JOB CLASSIFICATION AND CAREER DEVELOPMENT

Job classification as a job information system

24. When the Commission assumed its responsibilities in the area of personnel policy, it gave high priority to the establishment of common job classification standards for staff in the Professional and higher categories, since such standards would enable organizations to objectively determine the level of posts, thereby

creating a sound basis for the analysis of the organizations' human resources management systems, for the determination of salaries in accordance with the Noblemaire principle (based on the equivalencies determined for grade levels P-1 to D-2 in the common system compared to the highest-paid civil service), and finally for the control of budgetary processes.

25. Job classification can serve, however, as a management tool with additional functions. Since job classification is based on extensive information about jobs, obtained by collecting and comparing job descriptions and often supplemented by job audits, it also serves as a valuable source of data which can contribute directly to various elements of an integrated personnel management system, and thus contribute to career development, as follows:

(a) Job information obtained through job classification can facilitate the balanced allocation of human resources, the efficient structuring of organizational units, and the identification of areas where existing functions overlap, do not related properly, or are not consistent internally. It can serve as an important data base to determine the exact nature of the "demand side" in human resources planning.

(b) Job classification may counteract potential "grade creep" in organizations. By setting specific standards for the determination of grades, it makes it mandatory to demonstrate increased job content and responsibility to obtain upward reclassification. It may also provide the arguments to downgrade jobs when their job content no longer justifies the higher grade. At an earlier date, in the context of the United Nations programme budget proposals for 1976-1977, ACABQ had expressed serious concerns in respect of reclassifications:

"As for the proposed reclassifications to grades D-1 and below, the Advisory Committee, in the absence of a consistent job classification structure in the United Nations, had no objective yardstick for determining whether all the requests were really justified in terms of qualifications and responsibilities." 14/

However, by 1980, in its ninth report to the General Assembly, which dealt specifically with the question of reclassifications, 15/ ACABQ, after having reviewed the link between job classification systems and promotion practices, voiced the expectation "that, after the implementation of the job classification standards established by the ICSC and bearing in mind that the procedures referred to [...] should give the Secretary-General some flexibility in adjusting the staffing tables, requests for upward reclassification would be submitted in exceptional circumstances only". 16/ In this context, the Commission feels that organizations should have the necessary flexibility, within the grade-mix determined for a given budgetary period, to adjust the levels of individual posts upward or downward in order to reflect classification decisions.

(c) Job classification provides job information that can serve as a tool for recruitment and for career planning by clarifying job content and requirements.

(d) Job classification, by objectively determining the level of responsibility of posts, provides key information for the promotion process, which may be linked in various ways to the classification exercise. Reference will be made to this in the chapter on promotion policies, as well as in paragraphs 3 to 13 in the context of a review of "linked grades". Suffice it here to say that the use

of job classification standards to determine the level of posts does not necessarily determine the grade of the incumbents (pure "rank-in-post" approach). Other elements may also have an influence on the value of a staff member to an organization, and, apart from the level of the post, organizations may wish, in considering promotions, to take a staff member's "efficiency, competence and integrity" into account, as stated in Article 101 of the United Nations Charter.

(e) Job classification also provides a valuable tool for the determination of training needs and training programmes, since it describes the job content and the skills and qualifications needed to do a job.

(f) Job classification can provide an important source of improved staff morale, if it makes the management process more visible to staff, and if it creates confidence by its objective application, especially when staff have a role in the job classification process through participation in the grading exercise, in the appeals machinery, or both.

Linked grades

26. Briefly stated, a linked grade approach provides for the application of the salary scales of two or more grades to a position whose value to the organization is equal to that signified by only one of the grades; thus, grades P-2 and P-3 might be linked to administer the salary of an incumbent performing a job evaluated at either the P-2 or the P-3 level.

27. Some organizations have made strong pleas for the use of linked grades in the name of promoting career development by providing opportunities for advancement to staff members who remain in the same job for a considerable period. The Joint Inspection Unit (JIU) has also advocated linked grades, which it feels are "perfectly compatible with the job classification methods" 17/ and it has justified their use by suggesting that systematic underrecruitment to the lower of two linked grades would achieve economies and that linked grades would enable some staff members to remain in the same job for say, 8 to 10 years with possibilities for promotion. The JIU expressed a concern that job classification might lead to too frequent job changes, and that organizations might find it difficult to retain staff members in positions where their expertise is required. Moreover, the JIU considers that the use of linked grades would improve financial management by reducing the demand for reclassifications "on the most diverse pretexts". 18/

28. On the other hand, there are many arguments against the use of linked grades which lead to the conclusion that it is an approach that is incompatible with the concept of job classification, and that its introduction would play havoc with most other personnel management subsystems, especially salary administration, recruitment and career development.

29. A linked grade approach makes meaningless the principles applied for the determination of the remuneration of both General Service and Professional and higher categories. As regards the Professional and higher categories, the current application of the Noblemaire principle requires that an equivalent United States Civil Service grade be established for each of the United Nations common system grades from P-1 to D-2. Grades in the two services are deemed to be equivalent when the value of the work performed in the jobs in one grade is measured to be the same as that of the other grade. At present, P-5 is determined to be the equivalent of GS-15. If the P-4 grade were linked with P-5 or P-3, then the incumbents who perform work, the measured value of which is compensated for under

the present system by the payment of P-4 level remuneration, could, in a linked grade situation, be either overpaid or underpaid (if their salary were administered at the higher or lower level) - thus, either raising or lowering the margin in remuneration between the common system and the comparator country for work of the same level. The linked grade approach, therefore, would invalidate the control on Professional and higher category remuneration which the Commission exercises by monitoring the evolution of the margin.

30. Similarly, as regards the General Service category, application of the principle of best prevailing rates requires that benchmark jobs be compared with those of local jobs deemed to be of the same value in job classification terms. With a linked grade situation, the same sort of distortion would take place.

31. The practice of systematically creating linked grades for recruitment purposes, by, for example, advertising a post classified at the P-3 level as P-2/P-3, and by recruiting against that post at the P-2 level, might lead to some savings for organizations, but these savings would be made at great expense. At the P-2 level, candidates would be brought in who are either not fully qualified, and who would consequently not perform the P-3 job satisfactorily, or who do have the required qualifications and experience, and who could, therefore, be systematically underpaid. Such a practice would certainly not be an incentive to join the organization, as the salaries offered to qualified candidates (P-2 wages for P-3 work) would no longer be competitive.

32. When a genuine management need exists, in exceptional case, to fill a post with a candidate who is not fully qualified in all respects, the solution should not be sought by tinkering with the job classification system, but rather in the area of recruitment policy. One could foresee the possibility, for example, that a P-3 post could be filled by a candidate recruited at the P-2 level, with a number of additional conditions: the candidate would be given the P-3 job description with a rider indicating how the actual duties and responsibilities would initially be modified and restricted; the candidate would receive a training programme to reach the required qualifications, and the timeframe for promotion and complete fulfilment of all duties would be determined from the outset. Such a policy of recruitment under "partial fulfilment" conditions might exceptionally be of interest to organizations where candidates of great potential are identified from underrepresented target groups. The Commission intends to explore these aspects further in its study on recruitment policy, which are planned as steps 13 to 16 of its work programme under article 14 of the Statute.

33. The use of grades linked upward, e.g., a P-3 job with a P-4 extension, would be detrimental to the concept of career development, as it would provide an incentive for stagnation and complacency by providing a virtually guaranteed salary increase for up to 20 years (e.g., P-3/1 to P-4/12). It would, in a similar fashion, deter organizations from structuring work by distributing responsibilities over jobs at different levels, depending on their nature, and jobs would end up amorphous, a mix of more and less responsible tasks, to be performed ad nauseam.

34. Linked grades are no substitute for career planning. Where progression is planned for staff within a given occupational group, career paths should be charted to reflect a genuine increase in responsibility, and work in organizational units should be structured accordingly.

35. All this does not exclude the possibility that there may be certain staff members in an organization whose personal value to that organization exceeds the value of the job they perform. In such cases, and under strictly defined conditions, a personal promotion might be called for. Examples for such exceptional cases could be found in the following situations:

(a) The organization wishes to keep a staff member in a certain field duty station for a protracted period, in the interest of the organization's programme, whereas the staff member would normally have had an opportunity to progress to functions at a higher level;

(b) The organization wishes to temporarily keep a staff member in a certain narrow field of specialization in order to retain a certain expertise that has become crucial to the programme, while the staff member has the potential to take up broader responsibilities at a higher level;

(c) A staff member has shown truly exceptional merit, and is expected to be assigned to a higher level post in the foreseeable future;

(d) A staff member has served the organization well for many years in an occupational group that has a low "career ceiling", e.g., translators, editors, and has developed an "institutional memory" that the organization taps for exceptional purposes (e.g., research).

These examples are meant to demonstrate that a solution for such exceptional cases should be sought in the area of promotion policy, not job classification. The value of a job may not always be identical to the value of a staff member, but then the adjustment, if any, should be made on an exceptional basis in the personal sphere, not by artificially extending the upward range of a post. The Commission intends to pursue this concept further in its study on promotion policy, which is step 11 of its work programme.

36. The Advisory Committee on Administrative and Budgetary Questions (ACABQ), noting arguments that certain long-run economies may be derived from the use of linked grades, has cautioned that such practices, unless strictly controlled, "can easily lead to the wholesale promotion of staff of average competence" 19/ thus resulting in increased costs arising from promoting staff beyond their level of ability. This effect may often be perceived as "grade creep" as certain staff devalue the original grade level because they are unable fully to perform all of its duties and responsibilities. The problems and pitfalls inherent in automatic promotion practices have been studied and described by JIU with reference to the promotion of General Service staff in Geneva 20/ and it has been stated by ACABQ that comparable problems would arise from the automatic promotion of Professional staff from the lower to the higher of linked grades. 21/

Conclusions and recommendations

37. The Commission believes that common job classification standards provide a solid foundation for integrated personnel management in the common system, and that the job information derived from the job classification exercise can provide a valuable data base for other elements of such an integrated system aimed at career development. Proper classification of jobs implies the proper structuring of work, and thereby the identification of clearly distinct stepping stones on the career path.

38. The Commission recommends that governing bodies ensure that organizations have the necessary flexibility, within certain confines such as the overall grade-mix, to implement classification decisions, both upward and downward within the duration of a given budgetary period, in the interest of maintaining a proper structure of jobs at grade levels reflecting the reality of work.

39. The Commission further recommends that organizations maintain adequate links between their job classification activities and their budgetary processes, recruitment programmes, training programmes, human resources planning programmes, career planning programmes and promotion machinery, in order to ensure that the job information generated by job classification is used to maximum advantage.

40. The Commission considers that linked grades should not be used to classify posts to which the Master Standard applies. It further recommends that solutions for the managerial problems that have led to the use of linked grades be sought through adjustments in the recruitment and promotion policies of organizations.

IV. THE CONCEPT OF CAREER SERVICE

41. The Commission has, in previous reports to the General Assembly, 22/ stressed that a career comprises many elements, such as the opportunity to work through a series of successively more responsible positions within an organization, developing one's expertise through both formal and on-the-job training, or the opportunity to dedicate a lifetime of work to a specific goal, such as international economic and social development. A career, to some, may mean a sufficient number of promotions; a career can be developed within an organization or within a profession that requires changes in employment as one progresses.

42. The Commission has encouraged the view of a career in the larger context of fulfilling one's personal development needs, developing one's personal abilities and aptitudes to the full, and contributing one's talents to the organization in a most productive way. 23/ The Commission has therefore considered that the development of careers is beneficial both to the organization and staff member and has defined career development as:

"a systematic approach contributing to the efficient and effective utilization of human resources in which the personal (work-related) development needs of the individual and the needs of the organization to develop its personnel (work force) are identified and mutually beneficial strategies leading to the maximum possible fulfilment of these needs are designed and implemented." 24/

43. The career concept was first spelled out in the 1945 report of the Preparatory Commission of the United Nations, whose recommendations were endorsed by the General Assembly when it adopted first the provisional and later the permanent staff regulations. 25/ It has been reaffirmed on many occasions by expert committees 26/ and representatives of the organizations and of the staff. 27/

44. For many years, there have been debates about the desirable proportions of staff with permanent and fixed-term appointments. The Special Committee for the Review of the United Nations Salary System, established by the General Assembly in 1970 by resolution 2743 (XXV) and which reported in 1972 to the twenty-seventh session, stated the underlying issue, that is,

"the need in all organizations for a true career cadre. The size of the requisite cadre will probably vary from one organization to another; in many it need not be large. In the view of the executive heads (at that time), the need for a recognized career core (was) undoubted. Without it, systematic junior professional recruitment and training is difficult. Without it, a high proportion of seconded or relatively short-term staff creates the risk that the secretariats will lack continuity and efficiency, because, in various fields of work, there are posts, including many at senior levels, that cannot be filled effectively by persons from outside with no experience of the peculiar problems of international work". 28/

45. The United Nations system inherited a concept of career service from the League of Nations and the International Labour Office, which were themselves based on patterns that had developed in national civil services, and initially it was taken for granted within the United Nations system that security of tenure for most of the staff provided the best means of ensuring the highest standards of independence and impartiality. Over the years, however, the ratio of staff with tenure has gradually declined, and there are different interpretations of career service. The executive heads, in their statement to the sixteenth session of the Commission, saw three main reasons for this decline:

"(a) Over the past 25 years the organizations have needed to keep a measure of flexibility in the composition of their secretariats in order to be able to adjust to the changing requirements of equitable geographical distribution; while this flexibility will be less needed as progress is made toward the achievement of equitable distribution, it is still and is likely to continue to be for some time a significant consideration for most organizations.

"(b) Some Member States do not wish their nationals to serve in international organizations for more than limited terms; such staff usually serve on secondment from their country's own career service.

"(c) Above all, the functions of the organizations as they have evolved over the years, require, particularly for specialized technical work and in operational activities, but also in other functions of limited duration, staff who do not serve a full career with the organization. The training and experience such staff must have cannot be provided within the secretariat, so that they are precluded from being appointed before middle-age (the average age of recruitment of the Professional and higher categories is over 40 years) and are consequently appointed at levels higher than the normal entry grades; the organization's functional need for each one's particular combination of qualifications and experience may not last for more than a few years, e.g. the life of a single project or of a special conference; many such specialists themselves do not wish to spend more than a limited number of years in international service, preferring to return to the actual exercise of their profession rather than its application to international co-operation. Such staff, whose numbers vary from organization to organization but tend to increase in all organizations, cannot fit in to the conventional pattern of full career international civil servants. Furthermore, the proportion of staff employed in posts financed from voluntary contributions, which carry no guarantee of continuation, has grown; and the organizations are generally wary of the uncertainties of the present times in building up their permanent staff." 29/

46. The administrations, in their statement do however renew their endorsement of the principles set out by the Commission in 1979, that "a core staff was required in the international civil service and that this core would vary in size from one organization to another depending on each organization's specific needs", and that "the determination of the proportion of permanent and fixed-term staff be made on an organization-by-organization basis". 30/

47. The position of FICSA on the concept of a career service is quite unambiguous. It feels that an international civil service built around "the concept of a long-term career" is anchored in the principles of the United Nations Charter. In the exercise of their functions, international civil servants should remain independent of any authority outside the United Nations system. None of these fundamental requirements of the Charter can be met properly unless the United Nations system of organizations is staffed in the main by career civil servants. FICSA has reiterated its view that the majority of jobs (both General Service and Professional) within the organizations are of a continuing nature and should, therefore, in accordance with the Commission's own criteria, be filled by career staff. FICSA feels that the core of career staff should be no less than 75 per cent. FICSA has also advocated the establishment of a core of project staff with continuing contracts. In stating its position, FICSA has stressed the need that organizations take the positive effect into account that a career service would have on their own efficiency and effectiveness, and that they compare the costs of high staff turnover to the benefits of career appointments. 31/

48. The Joint Inspection Unit does not directly pronounce itself on the optimal ratio between career and non-career staff, but it does note that "to a very great extent, fixed-term contracts are renewed for periods equivalent to a career in an organization", and it concludes that "the differing practices of the organizations as regards the respective proportions of permanent contracts and short-term contracts are without real significance or justification in these circumstances. It is not because of technical reasons corresponding to real needs that the organizations follow such a variety of practices". 32/ The JIU strongly urges that organizations make a clearcut distinction between career staff and non-career staff, and that staff, at the time of their recruitment, should be informed of their prospects and of the organization's intentions as regards their employment. 33/

49. The nationality of a serving staff member should not be a criterion in the decision whether or not to grant permanent status; the nationality factor is taken fully into account at the time of recruitment and should not thereafter be a factor in the determination of the staff member's career, which should be decided solely on grounds of the organization's needs and the staff member's merits.

50. The Commission is very much aware of the constraints on the development of a career service enumerated by the organizations, but at the same time, it recognizes that the need for a core career staff remains valid and that there are many advantages to a career service, both in terms of staff quality and cost effectiveness, which should induce organizations to keep their needs for a core career staff under constant review. In particular, the existence of a core career staff would have a positive impact on the ability of organizations to attract candidates; reduce recruitment and separation costs; increase the effectiveness and productivity of staff members as they become more familiar with the nature of international service; increase staff morale and motivation based on a sense of job security; and enable organizations to plan their use of human resources more systematically.

51. The Commission therefore recommends that organizations, to the extent possible, prepare forecasts of their human resources requirements, and reassess their needs for permanent and fixed-term staff on an ongoing basis in conjunction with this forecasting process, taking into account, inter alia, the nature of the functions to be performed, whether continuing or non-continuing. This would preclude the use of pre-determined ratios based upon decisions taken in the past under circumstances that may no longer be valid, and this would obviate the present practice in some organizations of employing staff for lengthy periods without providing an element of job security. This recommendation would encourage the alignment of programme needs with contractual policy.

52. The Commission also considers that many elements of a career service, such as training opportunities, career counselling and planning, promotion opportunities, lateral reassignments, interorganizational exchange and retirement benefits need not be reserved for that relatively restricted group of core staff but should be equally available to staff who are employed for periods of an unforeseen or relatively short duration. This was stated earlier in the Commission's fifth annual report, 34/ and remains equally valid today.

53. Finally, the Commission recommends that each organization do its utmost to inform staff, at the time of recruitment, what its intentions are as regards the most likely period of employment, subject, obviously, to any changes in the requirements of the organizations' programmes and to fully satisfactory performance on the part of the staff. In this manner, staff members who are not brought in for a possible career with the organization can plan their careers in another context, building on to their common system experience at a stage where such planning is still possible. Once, again, human resources planning should enable organizations to undertake such forecasts.

V. TYPES OF APPOINTMENT

54. In the previous chapter, the Commission has examined the concept of career service and stated some broad principles to guide organizations in their determination of the optimal proportions of permanent and short-term staff to reflect the needs of their programmes. This chapter enters into some more detail as regards the various types of appointment that may result from such determinations.

55. Any decisions on the concept of career service will have obvious ramifications on the various types of appointment which do and should exist in the common system. As was pointed out in previous documentation, 35/ there are more than 14 types of appointment in the common system. Since there is considerable overlap in the types of appointment used by the organizations, and since "short-term" and "long-term" appointments are each defined in at least five different ways 36/ it would appear that the number of types of appointment could well be reduced.

56. The Commission intends to consider this issue further in accordance with article 15 of its statute; this is consistent with the conclusions reached by the Commission at its fifth session. 37/ At that time it was noted that "the development of a single unified international civil service through the application of common personnel standards, methods and arrangements" (article 9 of its statute) was one of the basic purposes of the Commission. More recently, the organizations have again indicated that they stand "ready to try to eliminate unnecessary

discrepancies in the designation and conditions of the types of appointment in use". 38/ Consequently the Commission plans to proceed expeditiously in the area of types of appointment as part of the Commission's work under article 15 of its statute.

The utilization of fixed-term contracts

57. It is interesting to examine some statistics on the years of service of staff members holding fixed-term contracts. The Commission previously has noted that as of 31 December 1978:

(a) In the United Nations Secretariat, 33 per cent of fixed-term staff members had five or more years of service;

(b) In the organization which traditionally has the highest percentage of fixed-term staff, the International Atomic Energy Agency (IAEA), 40 per cent of staff members who were retained on fixed-term contracts had over five years' service;

(c) In the World Health Organization (WHO), of Professionals who had fixed-term contracts, 56 per cent had five or more years of service;

(d) In the United Nations Educational, Scientific and Cultural Organization (UNESCO), of Professionals who had fixed-term contracts, 55 per cent had five or more years of service. 39/

58. It is the combination of a number of factors that accounts for the marked differences between the organizations in the proportion of staff holding career appointments. The present regulations and rules of most organizations describe the conditions of eligibility for a career appointment in terms of the personal suitability of the staff member and the general procedures governing the determination of suitability. A staff member is normally required to serve an initial probationary period of two years before he or she is granted a career appointment, and the granting of that appointment is often subject to review by a joint advisory body. Many staff members pass their initial period of service not on a probationary appointment, which carries with it an expectancy of conversion to a career appointment, but on a fixed-term appointment. They thus have no general rules by which to be guided in terms of career expectations although a large number of such staff members do in fact stay until retirement, and hence by the most liberal definition, a career. Generally, a decision on conversion to permanent status is taken in each case in the light of the circumstances prevailing at the moment, a practice which has adversely affected the very concept of career service in the international secretariat.

59. Whereas the majority of the General Service staff in the organizations are employed on a career basis, the proportion of Professional and higher-level staff so employed ranged in 1981 from a low of 8 per cent in IAEA to a high of 91 per cent in the Universal Postal Union (UPU). There is no readily discernible correlation between the type of functions an organization performs and the proportion of career staff it employs to perform them. For example, WHO and the International Telecommunication Union (ITU), which are both highly technical and specialized agencies, have radically different proportions of career and non-career staff (WHO has 19 per cent career and 81 per cent non-career and ITU, 70 per cent career and 30 per cent non-career). This area of uncertainty regarding eligibility

for a career appointment will need to be removed as part of the implementation of the career concept. Once an organization has determined which posts are open to recruitment for service on a career basis, it will have gone a long way towards doing so.

60. In general, the percentage of the fixed-term staff in 17 organizations has gradually increased over the past 10 years, as a review of the following table will demonstrate:

Percentage of professional staff (excluding Projects)
on fixed-term contracts a/

(Listed according to use of such contracts at the end of 1981)

| <u>Year (end)</u> | <u>1975</u> | <u>1978</u> | <u>1981</u> | | <u>1975</u> | <u>1978</u> | <u>1981</u> |
|-------------------|-------------|-------------|-------------|----------------|-------------|-------------|-------------|
| IAEA | 82 | 87 | 92 | UNICEF | 39 | 40 | 40 |
| UNESCO | 67 | 76 | 84 | United Nations | 34 | 36 | 39 |
| WHO b/ | 71 | 75 | 81 | UNDP | 54 | 37 | 35 |
| WMO | 50 | 62 | 66 | UNRWA | 16 | 38 | 33 |
| UNHCR | 36 | 61 | 59 | FAO | 31 | 27 | 30 |
| IMCO | 56 | 57 | 55 | ITU | 16 | 25 | 30 |
| ICAO | 47 | 44 | 51 | GATT | 33 | 36 | 18 |
| WIPO | 11 | 33 | 49 | UPU | 9 | 16 | 11 |
| ILO | 36 | 37 | 49 | | | | |

a/ Source: data computed from CCAQ statistics. Project staff are virtually all on fixed-term contracts except for 6 per cent of such staff in FAO and WHO/PAHO.

b/ Not including PAHO, the figures for which, however, are very similar.

61. The Commission and the JIU believe that the organizations must come to grips with the practice of granting successive fixed-term contracts over an extended period of time. 40/ While some individuals have no doubt been able to experience productive and satisfying careers in such situations, the practice deserves reconsideration, particularly in light of problems relating to the psychological dimensions of security and morale of staff members. The Commission has previously observed the "misuse of the fixed-term appointment in cases where the organization, for whatever reason and with whatever justification, retained an employee in its service over a considerable number of years renewing his fixed-term appointment every few years three, four or more times in succession" 41/ and has characterized it as "an employment practice for which no parallel was to be found in national practice in either the public or the private sector". 42/ The organizations of the United Nations common system, as good employers, should remove such anxiety and uncertainty by providing responsible, clearly-defined employment policies. There should be a clear policy on the timing of appointment: if there is a decision that all appointments are initially made on a fixed-term or probationary

basis, the point of decision on whether a career appointment will be made should be a matter of stated policy and uniform application. Consequently, it is recommended that upon completion of five years of service, each employee be given every reasonable consideration by the employing organization for appointment to career service. Since, in any case, the Administrative Tribunal of the United Nations has ruled that long-term service on non-career appointments has given rise to a legal expectancy of continued employment, 43/ there would be, financially, no increased burden in adopting such a policy.

62. Such a decision by an organization to grant a career appointment would not in any case necessarily imply an unconditional commitment to employ that staff member for the rest of his life. This is so because the staff rules of the organizations stipulate that they can also terminate a career appointment, if necessary for:

- (a) Abolition of post or reduction of staff;
- (b) Unsatisfactory service or misconduct of a nature which does not warrant summary dismissal;
- (c) Incapacity for further service due to impaired health;
- (d) The good administration or greater efficiency of the service, provided that the termination is not contested by the staff member concerned.

63. The indemnities payable in cases of termination vary according to the type of appointment that was terminated, the reason for termination and the length of service at the time of termination. The scale is found in annex III of the Staff Regulations of the United Nations; similar provisions exist in other organizations. The standard amount for permanent appointees ranges from three months' pay after two years' service to a maximum of 12 months' pay after 15 or more years' service. For fixed-term staff the amount of the indemnity is at first related to the unexpired portion of the contract, at the rate of one week per unexpired month of contract but following the recommendation made by the Commission in 1976, after six years of service the indemnity is based on completed years of service rather than on the unexpired portion of the contract; from nine years' service the scale becomes the same as that for staff members with permanent appointments.

64. Consequently, the fear, often-expressed, that career staff will be more difficult to terminate even in times of financial difficulty, is offset by the power of the organization mentioned under paragraph 9 (a) above.

65. Five years would appear to be a reasonable time for organizations to decide whether a staff member should be permanently retained or not, both in terms of determining if the work to be performed is of a continuing nature or not and evaluating the suitability of the staff member. Several organizations use approximately this period of time for converting staff members to permanent appointments; some use two fixed-term contracts of two years duration followed by a probationary appointment of either six months or one year. The Commission has previously recognized a period of employment up to five or six years as representing a normal duration for fixed-term employment. 44/ In this respect, the recommendation of the Commission would not appear to be incompatible with that of JIU. 45/

Conclusion and recommendation

66. The Commission recommends that, upon completion of five years of service, each employee be given every reasonable consideration by the employing organization for a career appointment. With regard to staff on secondment, the majority of the members of the Commission stressed the need for each organization, in situations when it wished to retain the services of the staff member beyond the period of the initial agreement, to take fully into account the views of the releasing government. The other members, while not objecting to this, felt that this should not in any way prejudice the individual rights of the staff member.

67. By adopting such a policy, organizations would assume responsibility for their long-term employees, rather than shifting the burden of continued uncertainty to the staff. The recommended policy does not by any means restrict the flexibility of organizations to determine their ratio of permanent staff and fixed-term staff according to the particular needs of their programme: if the ratio truly reflects their operational reality, the phenomenon of long-term staff with short-term contracts should disappear.

VI. THE ROLE OF RECRUITMENT IN CAREER DEVELOPMENT

68. The relationship between recruitment and career development in the common system is a very basic one: it is the quality and nature of the recruitment process that determines the quality and potential of the staff, and consequently the extent to which this potential can be developed into careers. The quality of its staff, in turn, largely determines the quality of an organization: the staff members translate an abstract organizational concept into a living organism and bear a large share of the responsibility for the quality of that organization's final product. One cannot overestimate the importance of the recruitment process for the well-being of an organization, and the Commission, the Joint Inspection Unit and ACC have unanimously and repeatedly stressed this crucial role.

69. Every recruitment decision implies a major commitment of funds for an organization. The common staff costs of a mid-level two-year fixed term professional appointment are in the range of \$125,000, and unlike the purchase of equipment, the purchase of staff services comes without a guarantee, maintenance contract or buy-back clause. At the end of the contractual period, the investment made has no residual value beyond the tangible results of a staff member's work.

70. Not only the financial implications of the recruitment process give it such a prominent role; the impact of deficient recruitment is twice felt: in the loss of funds to unproductive purposes, and in the damage inflicted upon an organization's programme by a staff member's lack of competence. All this argues for the careful and farsighted planning of an organization's recruitment programme.

71. How then can organizations ensure that "the highest standards of efficiency, competence and integrity" will indeed prevail in their selection of staff? The executive heads of the organizations, in their joint statement to the Commission 46/, have recognized the need for improved methods of recruitment, and they have stressed the urgency of "improved manpower planning and management" (in order to anticipate staffing requirements sufficiently in advance) as well as the

need for "more resources available for recruitment" (for more thorough prospection and screening). In its statement, ACC came to the conclusion that "devoting more resources to recruitment could certainly be a sound investment in the future efficiency of the staff".

72. The Joint Inspection Unit has, in a similar vein, and over a period of many years, emphasized that the existing recruitment methods are not compatible with a genuine career development system, 47/ and it has made concrete recommendations how objective methods of recruitment can be developed. 48/

73. The Commission has, in previous annual reports made fourteen recommendations to improve the recruitment process; these are reproduced in appendix I (section (e)). These recommendations are, however, preliminary to a full examination of all major aspects of recruitment, which the Commission intends to undertake as step 13 of its work programme under article 14 of its Statute, one which is scheduled for 1984.

74. In doing so, the Commission will endeavour to review the broad policy implications of various recruitment aspects, and it intends to pay particular attention to:

(a) the development of recruitment sources, including national recruitment services;

(b) the establishment and maintenance of rosters, and the possibilities of collaboration between organizations in the exchange of information;

(c) the extension of common prospection procedures;

(d) the relative role of selection mechanisms such as interviews, tests, performance evaluation, reference checks, review of education credentials (with particular attention to the validity of competitive examinations as a screening mechanism, both in isolation and in conjunction with other selection methods);

(e) the development of interviewing and testing techniques;

(f) proper recruitment measures for women, young people, nationals from under-represented Member States, and handicapped persons;

(g) the need for specific recruitment policies for project personnel and for general service staff.

75. At this time, the Commission believes that it has to request organizations to reflect before they adopt the use of competitive examinations as the sole screening instrument for recruitment at the P-1 and P-2 level. The JIU recommendation 49/ seems premature without an evaluation of the experience gained in the United Nations, which has now developed and applied a model for such examinations. Such an evaluation should not only probe the extent to which competitive examinations can determine a candidate's skills, but also ask the broader question to what extent excellent skills taken in isolation, can serve as an indicator of a candidate's suitability as an international civil servant. It would seem to the Commission that the Charter's emphasis on "efficiency, competence and integrity" covers a much

wider range of qualities than may be discerned by a written examination developed primarily to test professional skills. A recruitment process that screens out most candidates before taking into account past performance and achievements, ability to function in an international and intercultural setting, and motivation, managerial skills, articulateness and similar qualities can only be seen as a very narrow one, and not necessarily the best method of identifying true quality.

76. Such an evaluation should also review how competitive examinations can be made accessible to Member States which may not have the resources and the sophisticated administrative support systems to identify and assemble candidates to appear at a given time at a given place, often outside their own boundaries. The evaluation should further review to what extent competitive examinations are biased towards candidates who have had the privilege of an outstanding education, while screening out candidates with possibly more potential but less academic finesse.

77. The Commission concurs with the Joint Inspection Unit that written examinations or tests may prove to be a useful recruitment tool, but there again, a word of caution has to be added. First of all, tests should never be used in isolation, but always as a component of a broader range of selection tools, including reference checks, interviews, and a review of educational background and academic achievements. Furthermore, written tests are difficult to develop, and even more difficult to validate. For each type of skills, or aptitude, separate tests must be used, and in order to ensure confidentiality, new tests must constantly be produced. While tests can be useful to identify certain aptitudes or skills, they do not reveal lack of motivation, lack of social adjustment, lack of professional interest, personal difficulties and constraints or other elements that could preclude recruitment. Testing is expensive, and unless one can justify that the addition of tests to a selection procedure visibly improves that process, testing may prove to be a waste of funds. Testing concepts and methods must also be reviewed in terms of reliability, consistency, standardization of testing conditions and test validity.

Conclusion

78. The Commission has, in previous annual reports made fourteen recommendations to improve the recruitment process, which are reproduced in appendix I (section (e)). These recommendations are, however, preliminary to a full examination of all major aspects of recruitment, which the Commission intends to undertake as step 13 of its work programme under article 14 of its Statute, scheduled for 1984.

79. At this time, the Commission believes that it has to request organizations to reflect before they adopt the use of competitive examinations as the sole selection instrument for recruitment at the P-1 and P-2 level, as recommended by the JIU.

80. While the Commission would not wish, at this stage, to anticipate the outcome of its study on recruitment, it would already take the position that the lack of staff resources and funds for professional and thorough, in-depth prospection may be as much of a constraint on organizations as the lack of new methods. A well equipped recruitment programme, with adequate and timely information about

forthcoming vacancies, broad contacts with recruitment sources, up-to-date rosters, trained interviewers, travel funds, strong support and assistance from line managers and other staff, and with adequate clerical assistance, would already go a long way to producing a sufficient flow of candidates who meet the highest standards from all Member States. The Commission therefore recommends that organizations allocate sufficient resources to their recruitment programmes.

VII. PERFORMANCE EVALUATION

81. Within the context of integrated personnel management, a well functioning performance appraisal system is indispensable, since organizations need information about the quality and nature of staff members' work to facilitate the structuring of staff members' tasks, and to indicate ways in which staff talents can best be nurtured and utilized to the mutual benefit of employers and employees.

82. The Commission has previously identified the major objectives of a performance appraisal system. 50/ In summary, they are:

- (a) To provide a means for management to ensure that assigned work is properly carried out (improving productivity and efficiency, helping to assign work and planning work assignments);
- (b) To provide a means for helping to develop the staff member and his or her career and consequently the workforce of the organization by:
 - (i) identifying training needs;
 - (ii) providing opportunities to indicate career goals;
 - (iii) identifying career possibilities (e.g., exchange);
 - (iv) identifying strong and weak points (thus assisting human resources planning);
 - (v) determining potential (promotion possibilities);
- (c) To provide communication between supervisor and subordinate by:
 - (i) enhancing dialogue and feedback;
 - (ii) establishing expectations (on both sides);
 - (iii) providing motivation;
- (d) To provide data on which to base future administrative decisions affecting the organization's workforce by:
 - (i) updating job information (job classification);

- (ii) serving for incremental and possible merit awards (pay related aspects);
- (iii) identifying possible transferees (mobility);
- (iv) assisting to determine completion of probationary requirements and possible extension or terminations of contract in the case of satisfactory or unsatisfactory service (career, types of appointment);
- (v) providing bases for promotion or demotion;
- (vi) serving as a basis for staff reductions (human resource planning);
- (vii) providing information for future employers (recruitment, mobility and promotion).

83. In order to assist the organizations to meet these objectives in establishing performance appraisal systems, the Commission has also enumerated a number of principles to be borne in mind when developing performance appraisal policies:

(a) Appraisals should be objective, i.e., they should be made on the basis of work done by the staff member, not personality traits;

(b) Peer appraisal and subordinate appraisal should be discouraged. However, second-level supervisors should be involved in the appraisal process, to ensure objectivity and consistency;

(c) The institution of appeals machinery is important;

(d) The staff member should be given a complete copy of the appraisal; the report should be given to future employers only with the agreement of the staff member; 51/

(e) Appraisal should be a continuous process, and annual performance reports should summarize the appraisal communication which took place throughout the year;

(f) Performance reports should be based on a positive approach;

(g) Appraisal methods should not be so time-consuming that they would be avoided entirely or done in a cursory manner for lack of time. The proper balance should be struck in developing an appraisal method that was relatively simple to apply but that required the investment of time necessary to achieve appraisal objectives. 52/

Conclusion

84. After a period of study and consultations which took three years, the Commission in April 1981 recommended to the organizations of the common system that the new appraisal system and form be put into effect on 1 January 1982 which reflects those considerations. 53/ In this respect, the Commission also recommended that the organizations should study means for providing appropriate awards within the current steps and range of the salary scale. 54/

85. As indicated in last year's annual report, 55/ the Commission has requested organizations to report at the nineteenth session on their experience after two years. The Commission will consequently report further in respect of performance appraisal in its tenth annual report (to the thirty-ninth session of the General Assembly, 1984).

86. In conclusion, it is important to keep in mind the ways in which, as has been detailed above, the performance appraisal process can be used to strengthen the personnel management process. The main objectives of performance appraisal relate to work improvement, the identification of development and training needs, the establishment of communication between staff and management, and the determination of inputs for administrative decisions such as promotions, annual increments, contract extensions, and merit awards. As such, the importance to career development and human resources planning, 56/ cannot be overestimated.

VIII. PROMOTION POLICY: A CORNER-STONE FOR CAREER DEVELOPMENT

87. To generate a process of career development in organizations, it is necessary to define by what rules staff can be promoted, how promotions tie in with the classification of jobs, and how staff are identified for higher levels of responsibility.

88. The executive heads, in their statement to the sixteenth session of the Commission, have identified the promotion policy issues at stake in describing how the career planning process might be structured:

"The staff regulations generally assure serving staff of priority of consideration for vacancies for which they are qualified, although the modalities of implementation of this provision vary as between organizations; the existing policies and practices of many organizations would not allow them to go further in the direction of reserving particular posts in the context of career planning, for example, by excluding them from outside recruitment or by placing limits on outside recruitment at levels above the normal entry grades. However, it is clear that career planning will be facilitated insofar as outside recruitment at the normal entry grades can be encouraged, in preference to direct entry at higher levels, whenever this is appropriate." 57/

89. The Commission plans to examine promotion policy as step 11 of its work programme under article 14 of the statute, and at that time, it intends to pay particular attention to the following elements:

(a) The concepts of "rank-in-person", whereby promotions are granted on the basis of merit and seniority, and of "rank-in-post", whereby selection for a post at a higher level automatically implies promotion;

(b) The relationship between post levels as determined through job classification and personal grades as determined in the promotion process;

(c) The concepts of "efficiency, competence and integrity" (Article 101 of the United Nations Charter) as well as "seniority" and "merit" as a basis for promotion policy;

(d) The possible use of "personal promotions" to recognize the value of staff members to organizations for reasons beyond pure job content;

(e) Options for promotion machinery, taking into account the need for adequate staff representation and proposals such as the JIU's concept of "peer reviews within occupational groups";

(f) The use of "minimum-time-in-grade" requirements;

(g) The validity of establishing different promotion rates for different occupational groups, as suggested by the JIU, or of establishing overall guidelines as indicators that should aim at equalizing promotion rates between occupational groups;

(h) The determination of "optimal promotion rates", either for organizations as a whole or for separate occupational groups, through human resources planning;

(i) Promotion from the General Service to Professional category.

90. The Commission believes that promotions are to a large extent determined by the organizations' selection processes for internal vacancies, and that, as a consequence, fairness in the promotion process implies fairness in the allocation of higher level posts to staff. The Commission therefore strongly urges organizations to ensure that their promotion processes are aligned with their career development policy, and requests the organizations to pursue this goal in close co-ordination with the Commission as it carries out its further studies in this area of personnel policy.

91. In this context, the Commission queries whether average rates of advancement should be determined separately for each occupational group, as recommended by the JIU. 58/ While the JIU has shown that at least in the United Nations Secretariat considerable differences exist in promotion prospects between various occupational groups, organizations might wish in their promotion policies, to take measures that counterbalance such factors, rather than to institutionalize them.

92. There may also be elements of a budgetary nature that determine promotion prospects within organizations, and factors such as the expansion and rapid growth of a programme or alternately reductions in staffing can have a big impact. It is for this reason that human resources planning should be used to set the parameters for the average rates of advancement, in order to even out the short-term effects of such variables.

93. The Commission considers that the granting of "personal promotions" may be in the interest of organizations to recognize exceptional situations where the value of staff members to the organization demonstrably exceeds the value of their work as determined by job classification. This may occur when organizations wish to retain staff members in certain functions or locations for protracted periods; when

organizations wish to recognize merit by anticipating planned assignments to higher level posts; or when organizations wish to respond to particular problems that may occur in occupations with a low "career ceiling".

IX. MOBILITY

94. The rules and regulations of the organizations of the common system are accepted by all staff members as a precondition to employment. Regulation 1.2 of the United Nations Secretariat (which is similar in the other organizations) states that staff members are subject to assignment by the Secretary-General "to any of the activities or offices of the United Nations".

95. The Commission, in previously defining career development, has made it clear that this includes mobility and lateral movement. 59/ The General Assembly has similarly made its intentions and philosophy clear: it recently reiterated "its request to the Secretary-General that Professional staff of the United Nations should be encouraged to work at more than one duty station and that satisfactory performance during such tours of duty should be considered an additional positive factor in evaluating them for promotion". 60/ Several organizations, particularly UNDP, UNHCR, ILO and WHO, find it useful and necessary to encourage geographical mobility and hence have fairly well-defined policies in this respect.

96. The Commission believes that the concept of lateral movement and job mobility should be applicable to all staff, be they General Service or Professional, in accordance with the nature of their functions. This can be realized through job rotation for locally recruited staff, and in addition through moves between duty stations, both within organizations and between organizations, for internationally recruited staff.

97. It was for these reasons, inter alia, that the Commission has considered the movement of personnel to be of considerable importance and consequently it has studied thoroughly transfers, secondments, loans and exchanges. 61/ Its work in this area has not yet been concluded. 62/ It has, however, already taken a number of related decisions which will enhance mobility - the creation of a vacancy announcement bulletin, for example. 63/

98. The Joint Inspection Unit also obviously considers mobility to be an important element of career development. It is implicit in recommendations 3 (e), to "introduce as speedily as possible systems for consulting the staff on career development and planning", 1 A (i), "standard career paths", and 1 A (v), "procedures enabling the staff to take part in determining how their career will be shaped" which are to apply to all categories of staff. 64/

99. The Commission believes that the JIU recommendations do not require any special arrangements at the present time as they can be accommodated as necessary (as is, in fact, being done at present by many organizations) within the existing administrative framework of the organizations. 65/ The concept of alternating secondments, as foreseen by the JIU in recommendation 4 (ii), may require review in the broader context of the Commission's further study of types of appointment under article 15 of its statute.

100. The Commission at this time wishes to recall the far-reaching measures that it recently recommended to the organizations and which were approved by the General

Assembly - namely the classification of duty stations according to conditions of life and work. Such administrative measures, in an approach similar to that of the post adjustment system, endeavour to even out the impact of reassignments between duty stations for staff, and to create world-wide, equitable terms of employment, thereby enhancing staff mobility. The Commission, moreover, continues to review financial and non-financial incentives for encouraging staff rotation, in particular assignments from headquarters duty stations, and for removing impediments to mobility, all concerns which are shared by the ACC.

101. Finally, in respect to mobility, the Commission, in accordance with resolution 35/210 and 36/233, intends to continue its work and study in this area in accordance with, inter alia, steps 8 (inter-organization exchange programmes) and 14 (exchange programmes between national and international service) of its work programme.

X. TRAINING AND DEVELOPMENT

102. The overall function of training has been defined as "the process of aiding employees to gain effectiveness in their present and future work". 66/ As such it is an indispensable part of career development. The training specialist, on behalf of the organization, must look at the total human resources plan and identify gaps, needs and requirements that could be filled by training.

103. It was for this reason that the Commission placed the "relationship of training to career development" relatively early in its work programme. As a result, at its thirteenth session, the Commission considered two documents submitted by CCAQ in response to the Commission's decision that CCAQ provide proposals on training policy. The subjects of those two reports were training policy and its relationship to career development and the elements of a model management training programme. The first document outlined the objectives, form, content and design of training, analysed the relationship of training to career development and discussed the need for training resources. The Commission's detailed consideration of these aspects were described in the Commission's last annual report. 67/

104. The second document provided a specific proposal on a model management training programme. 68/ This is one concrete example of the type of training all organizations need since it impacts so greatly on development of staff, both supervisors and supervised. The performance, attitudes, loyalty, permanence, and growth of subordinates are a direct reflection of the quality of supervisory leadership. The investment stakes and return increase proportionately with higher management levels. Every individual's immediate supervisor represents management to that individual. The supervisor has a far greater influence on the work life of the subordinate than all other factors combined. The supervisor becomes the key to new forms of motivation as revealed by behavioural scientists - recognition for good work, work relationships, the ability to interact, fuller use of potential, and the provision for individual employee needs. Serious gaps exist when traditional supervisors, while hard-working and oriented toward getting the work done, are only superficially trained in the delicate skills of human leadership. Consequently, the Commission has recommended that far more attention should be given to this type of training. 69/

105. In the context of this study, the Commission would draw attention to at least six recommendations it has previously made in respect of training, inter alia. These are to be found in appendix I (section (i)) and hence will not be enumerated here.

106. Nevertheless, the Commission would specifically draw attention to one of the tools it has recommended which would be particularly useful for future training needs analysis - and consequently for career development - namely, Part III of its recommended performance appraisal form. 70/ The reason for the Commission's inclusion of this portion of its recommended performance appraisal form was, inter alia to assist the organizations and staff members to come to grips with developmental needs of the staff member and the organization. In the approach chosen by the Commission, staff members can begin the process by describing their career aspirations (which should by and large remain consistent from year to year). These long-term career aspirations can then be defined in shorter-term goals and in a career guidance process the supervisor and the staff member can agree on realistic training objectives which should assist management in its training needs analysis.

107. The Commission's last annual report led, in respect of training, to the General Assembly's adoption of part III, paragraphs 2 (c) and (d) of resolution 36/233 calling upon the Commission to continue its studies on "interagency co-operation in the field of training" and to undertake a "thorough evaluation" of training activities "with special reference to management and related training". Work and discussions have commenced in these areas. It is expected that FICSA will present detailed views as a result of their recent questionnaire to the organizations in respect of training. The Commission expects to take up these items during 1983 in order to report to the organizations and the General Assembly during its thirty-eighth session.

Notes

- 1/ ICSC/R.178, para. 17.*
- 2/ ICSC/R.112.*
- 3/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 30 (A/33/30), paras. 309-313.
- 4/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2).
- 5/ A/36/432, para. 5.
- 6/ ICSC/16/R.17/Add.1, paras. 30-34.*
- 7/ A/36/168, para. 1 (1980 figures).
- 8/ JIU/REP/82/3, para. 36.
- 9/ ICSC/16/R.17/Add.1, para. 26.*
- 10/ Ibid., para. 30.*

11/ Ibid., para. 32.*

12/ Ibid., para. 33.*

13/ ICSC/16/R.18.*

14/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 8 (A/10008), chap. I, para. 61.

15/ A/35/7/Add.8, paras. 30-34.

16/ Ibid., para. 42.

17/ JIU/REP/82/3, paras. 52-53.

18/ A/36/432, annex VI.

19/ A/35/7/Add.8, p. 12, para. 38.

20/ A/31/137, annex, para. 64.

21/ A/35/7/Add.8, p. 11, para. 37.

22/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), paras. 212-213; and ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30), para. 288.

23/ Ibid., para. 288.

24/ Ibid., Thirty-fourth Session, Supplement No. 30 (A/34/30), para. 212.

25/ Report of the Preparatory Commission of the United Nations (His Majesty's Stationery Office, London, PC/20, 23 December 1945), p. 92, para. 60.

26/ Report of the Salary Review Committee, "United Nations salary, allowance and benefits system", Official Records of the General Assembly, Eleventh Session, Annexes, agenda item 51 (1956 A/3209); and report of the Sixth Annual Stanley Foundation Conference on United Nations procedures (1975).

27/ Report of the Special Committee for the Review of the United Nations Salary System (Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 (A/8728)), vol. 2, pp. 30-31; ICSC/R.164; and ICSC/R.178, para. 15.*

28/ A/8728, loc. cit.

29/ ICSC/16/R.17/Add.1, para. 4.*

30/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30), para. 206-207.

* ICSC/R. series documents are available for consultation through the ICSC secretariat.

31/ ICSC/15/R.17/Add.1.*

32/ JIU/REP/81/11, para. 26.

33/ Ibid., para. 44.

34/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30), para. 207.

35/ ICSC/R.288, para. 42.*

36/ ICSC/R.71, annex p. 3, para. 4.2.*

37/ ICSC/R.77, paras. 133 to 137.*

38/ ICSC/16/R.17/Add.1, para. 12.*

39/ ICSC/R.288, para. 46 gives a further breakdown.*

40/ A/36/432, paras. 26-27.

41/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 30 (A/33/30), para. 168.

42/ Ibid., para. 167.

43/ For example, see the decisions in Lawrence - United Nations Administrative Tribunal Judgement No. 185 (1974); and Bhattacharyya - Judgement No. 142 (1971).

44/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 30 (A/33/30), para. 168.

45/ A/36/432, paras. 52-55, and JIU/82/3, para. 64.

46/ ICSC/16/R.17/Add.1, para. 8.*

47/ JIU/REP/82/3, para. 38.

48/ Ibid., para. 48.

49/ JIU/REP/82/3, para. 46.

50/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30), paras. 275-276.

51/ Ibid., para. 269.

52/ Ibid., paras. 271-273.

* ICSC/R. series documents are available for consultation through the ICSC secretariat.

53/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30), para. 226 and annex X.

54/ Ibid., para. 221.

55/ Ibid., para. 226.

56/ See ICSC/16/R.18.*

57/ ICSC/16/R.17/Add.1, para. 31.*

58/ JIU/PER/82/3, para. 37.

59/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30), para. 288.

60/ General Assembly resolution 35/210, sect. VI, para. 3.

61/ See ICSC/R.217;* Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30), paras. 297-298; ICSC/R.256; Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30), paras. 227-231; and ICSC/15/R.18.

62/ See ICSC/15/R.26, paras. 188-192.*

63/ The 13 measures recommended by the Commission in its sixth annual report may also be seen as enhancing (opportunities for) mobility. See Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30), para. 292. A summary, for ease of reference, is affixed as appendix I.

64/ JIU/REP/82/3, pp. 24, 22 and 13, respectively.

65/ As mentioned earlier, the latter two JIU recommendations were previously considered and discussed over a three-year period (1979-1981). See the previous chapter for elaboration.

66/ Ray A. Killian, Managing Human Resources (New York, American Management Association, 1976), p. 90.

67/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30), paras. 200-206.

68/ Ibid., paras. 207-209 and annex IX.

69/ Ibid., para. 206.

70/ Ibid, pp. 125-126.

* ICSC/R. series documents are available for consultation through the ICSC secretariat.

| <u>Steps</u> | <u>Items</u> | <u>Action</u> |
|--------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------|
| | E. Effect of performance on career advancement in relation to years of service))) | |
| | (ICSC follow-up report to thirty-sixth General Assembly with recommendations on specific policies) | Sent to thirty-sixth General Assembly |
| 7 | Special development programmes | |
| | A. Women, young people, nationals of particular categories of countries))) | Completed, twelfth session |
| | B. Management training programmes) | |
| 8 | Inter-organization exchange programmes) | |
| | A. Methods for co-operation) | |
| | B. Safeguards against excessive competition)) | Discussed at thirteenth session - to be continued |
| 9 | Relationship of training to career development) | |

HUMAN RESOURCE PLANNING

| | | |
|----|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 10 | Human resource planning | Discussed at sixteenth session on basis of Secretariat paper - to be continued |
| | A. Usefulness of such programmes | |
| | B. Components of such programmes | |
| 11 | Promotion policy | Discussed at sixteenth session on basis of Secretariat paper - to be continued |
| | A. Qualifications for promotion | |
| | B. "Personal promotions" | |
| | C. Promotion of General Service staff to Professional category | |
| 12 | Rules governing internal announcement of vacancies | (to be discussed on basis of Secretariat paper) |
| | (ICSC follow-up report to the General Assembly with recommendations on specific policies) | |

| <u>Steps</u> | <u>Items</u> | <u>Action</u> |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| RECRUITMENT POLICY | | |
| 13 | General recruitment policy | Discussed at sixteenth session on basis of Secretariat paper - to be continued |
| | A. Proper geographical distribution B. Proper number of women C. Proper number of young people D. Policy concerning the handicapped | |
| 14 | Prospection | (To be discussed on basis of Secretariat paper) |
| | A. Proper use of advertisements B. Methods for inter-organization co-operation (i) Common recruitment procedures (ii) Central recruitment rosters C. Safeguards against excessive inter-organization competition D. Exchange programmes between national and international service | |
| 15 | Evaluation and selection | (To be discussed on basis of CCAQ paper) |
| | A. Evaluation procedures including use of competitive examinations B. Role of line management, staff and personnel department C. Role of Governments D. Recruitment of over-qualified candidates | |
| 16 | Appointment and employment | (To be discussed on basis of CCAQ paper) |
| | A. Grade of initial appointment B. Duration of initial appointment C. Probationary arrangements (i) Length of probationary period (ii) Probationary requirements (iii) Methods for evaluating success and failure (iv) Procedures for terminating contracts D. Duration of subsequent employment (i) Extended service under fixed-term contracts | (To be discussed on basis of Secretariat paper) |
| | | (To be discussed on basis of CCAQ paper) |

Steps

Items

Action

- (ii) Qualifying for permanent contract
- (iii) Conversion of fixed-term to permanent

(ICSC report to General Assembly on overall career development/recruitment policy)

17

Retirement Policy

(To be discussed on basis of Secretariat paper)

ANNEX II

General methodology for surveys of best prevailing conditions of service of the General Service and other locally recruited categories: headquarters duty stations

Introduction

1. The methodology described in the following pages represents the culmination of the experience gained and decisions taken by the International Civil Service Commission (ICSC) during the course of the Commission's involvement in the initial series of headquarters duty station salary surveys for General Service and other locally recruited categories. The Commission decided to assume its responsibilities for such salary surveys from the close of its fourth session and duly notified participating organizations of that decision.
2. The responsibilities of ICSC in this regard are specified under the following statutes:
 - (a) Under article 10 (a) of its statute, to make recommendations to the General Assembly on "broad principles for the determination of the conditions of service of the staff";
 - (b) Under article 11 (a), to establish "methods by which the principles for determining conditions of service should be applied";
 - (c) Under article 12, "at the headquarters duty stations and such other duty stations as may from time to time be added at the request of the Administrative Committee on Co-ordination," to establish "the relevant facts for, and make recommendations as to, the salary scales of staff in the General Service and other locally recruited categories".
3. The principle for setting the salaries of the locally recruited staff was initially promulgated by the Committee of Experts on Salary, Allowances and Leave Systems, known as the Flemming Committee, in 1949, and generated a document produced by CCAQ in 1952, "The guiding principles for the determination of conditions of service for the General Service category", which governed the salary determination process for General Service staff from 1952 until the first salary survey conducted by the Commission in 1977. Those guiding principles were largely followed by the Commission in the surveys conducted at headquarters locations since that time. At its fifteenth session, the Commission endorsed the updated version of the principle, which is as follows: "It is stated under Article 101 of the Charter of the United Nations that 'the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity'. To comply with the standards established by the Charter as regards the employment of locally recruited staff, the organizations of the United Nations system must be competitive with those employers in the same labour market who recruit staff of equally high calibre and qualifications for work which is similar in nature and equal in value to that of the organizations. Remaining competitive in order to both attract and retain staff of the high standards requires that the conditions of service for the locally recruited staff be determined by reference to the best prevailing conditions of service among other employers in the locality.

The conditions of service, including both paid remuneration and other basic elements of compensation, are to be among the best in the locality, without being the absolute best."

4. The Commission's involvement in General Service salary surveys has produced a wealth of experience which constitutes the basis for the following methodology. The methodology described herein was comprehensively discussed at the Commission's fifteenth session, with the active participation of both CCAQ and FICSA. The Commission provisionally approved the methodology at its fifteenth session, and final approval was given at the Commission's sixteenth session.

5. It should be noted that the establishment of conditions of service of staff in the General Service and other locally recruited categories, as represented in the following methodology, is a complex and lengthy exercise requiring the co-operation of all parties involved. Accordingly, the methodology emphasizes the involvement of staff representatives in the survey process in conjunction with the organizations and the ICSC secretariat. It is only through concern for the views of the parties involved in the salary survey process that General Service staff will realize remuneration that is both equitable to staff and justifiable to legislative bodies.

6. In the development of this methodology, ICSC attempted to strike a balance between consistency of approach in the application of a general methodology to all headquarters duty stations and the flexibility needed to address local conditions in each headquarters duty station. It is expected that this methodology will not require modification for some time to come, although it is recognized that changing conditions over time will eventually necessitate improvements. It should be recognized that the current methodology does not adequately address the consideration of certain elements of remuneration in the survey process, namely, annual leave, holidays, overtime and shift differentials. It is expected that a detailed methodology for the consideration of these elements in the survey process will represent one of the modifications in the general methodology in the near future. As a result of the experience gained in the application of the general methodology in the second round of headquarters duty station surveys, modifications to the general methodology may be required. The Commission agreed to undertake a review of the general methodology following the completion of the second round of surveys at which time the organizations and staff representatives would be able to outline problems encountered in the application of the methodology and suggest appropriate modifications.

7. The general methodology survey process which is described in this document can be viewed as having four phases:

(a) The preparation phase, which consists of consultations with representatives of staff and administration on the choice of jobs, selection of employers, preparation of job descriptions and questionnaire and review of survey methodology in relation to the particular duty stations. Formation of survey teams and preparation of materials and letters to employers are also included.

(b) The data-collection phase, which is under the secretariat's overall responsibility and should be carried out by teams composed of members of the ICSC secretariat, administration and staff. The data-collection phase ends with the completion of the teams' survey reports, consisting of the completed master questionnaire for each employer, initialled by all team members, signifying their joint agreement with its contents (subject to any comments that any team member may wish to make).

(c) The data analysis phase, which is carried out by the secretariat. It is desirable, also, to turn over, on a confidential basis, the survey salary data to representatives of the administration and staff, to permit their simultaneous but independent analysis. The only limitation should be on the master questionnaire, copies of which should not be made available outside the secretariat on the grounds that they represent restricted documents which the secretariat is unable to make available, in accordance with the Commission's pledge of confidentiality to employers. The conclusion of the analysis stage is the preparation of the report on the survey for presentation to the Commission. Prior to that, it is advisable to undertake informal consultations with representatives of the staff and administration, either on the basis of an outline of the report or the draft report itself. The views of staff and administration may permit corrections to the report and modifications in the analysis or may be reflected in the report as differing views on the relevant subject-matter.

(d) The salary scale construction phase, which consists of the review of the survey results and is carried out by the Commission. In the construction of the salary scale, the Commission emphasizes the balancing of external comparability with internal alignment considerations. It is indispensable to hear and take into account, when justified, the views of the representatives of the administrations and staff, orally and/or in writing. The decisions with regard to the salary scale are submitted as recommendations to the executive heads of the organizations concerned in the form of a report.

The sections of the methodology which follow proceed in the order of the four phases described above.

I. CRITERIA FOR SELECTION OF EMPLOYERS TO BE SURVEYED

8. The selection of employers plays a key role in the determination of the levels of remuneration. There is no guideline that can be easily established that guarantees that the selected employers are, indeed, representative of and among the best in the labour market. It is, however, essential to have the best possible sample of employers, so that the salary scales resulting from the survey are consistent with the principle of best prevailing rates. While an employer might be unsuitable for the survey because his or her salary rates are too low in relation to those prevailing among other employers, no employer should be ruled out of the survey because of salaries that are too high, provided the other criteria are met.

9. In the selection of employers, to identify in advance those employers who offer the best overall conditions of employment, research, contact and consultation with the representatives of organizations and staff should be carried out. Other recent salary surveys conducted in the area for similar categories of employees will also be valuable sources. Additionally, the lists of employers from previous surveys conducted by the Commission and, before those, by the organizations are of particular relevance. Continuity among the employers surveyed should be sought from one survey to the next, while attempts should be made to replace the lower-ranking employers with more attractive ones. Proposals for inclusion of employers deemed to be among the best employers should be accepted a priori, subject only to the criteria mentioned below and to limiting the overall sample to a manageable number. Some form of preliminary inquiry among potential best employers is not to be ruled out, but when undertaken, whether formally or informally, it should have the prior consent of the Commission or its representative(s), and its format should be agreed upon in advance.

10. The specific criteria followed with regard to employer selection should be applied with a reasonable degree of flexibility to meet the individual circumstances of each survey. The employers selected should be reputed to be among those offering the best overall conditions of employment in the locality and should employ staff in jobs comparable to those of the organizations.

11. The employers should represent a reasonable cross-section of competitive economic sectors, including the public service or parastatal institutions, with no one sector unduly dominating the sample. The employers should have established pay policies and should have been established in the locality for at least several years prior to the survey to ensure that their salaries are not temporarily pegged at an artificially high level for the purpose of recruiting staff away from other best employers. It would also be desirable that the employers have a system of job evaluation. The minimum number of office employees for each selected employer should normally be 50. Employers smaller than that tend to have an insignificant number of comparable jobs and job matches, and have salary rates which often are geared to the individual rather than the job.

12. The number of employers from which the salary data is to be utilized in the analysis of the survey should be fairly constant from one survey to the next, so as not to risk biasing the results and introducing substantial fluctuations in the salary scales on the basis of the amount of data available. A main and reserve list of employers should be utilized to arrive at the desired number of employers for the purpose of data analysis.

II. CRITERIA FOR SELECTION OF JOBS TO BE SURVEYED

13. The effectiveness and reliability of any salary survey are largely determined by the way in which jobs are selected, described and then matched. While the collection of salary and benefit data, and their subsequent analysis, the decision on which salaries and benefits to retain and the method of calculation of the outside matching salary will determine the level of the resulting scales, it is the job selection, job description and job matching which determine whether those salary levels are appropriate for all staff in all jobs within the organizations and whether they truly reflect the outside conditions.

14. Ideally, a survey would cover all grades and a large number of jobs in each grade, so as to be highly representative of the jobs of the organizations. In practice, it is not feasible or desirable to cover too many jobs, and a balance must be struck to include a sufficient number of the right jobs so as to be representative and not too many so as to be unwieldy from the point of view of data collection. For a job to be representative of its grade level it must reflect the mean or average level of work performed in the jobs of that grade. It would not be representative, for purposes of the survey, to select a job which is particularly strong or particularly weak in relation to the normal level of work performed at the given grade level. The selection of the jobs from each grade will be a more reliable exercise if the organizations concerned grade jobs in a systematic way. Hence, the implementation of a job classification system for the General Service category is directly linked to the successful conduct of a salary survey. The concept of best prevailing rates will be devoid of meaning if the principle of equal pay for work of equal value is not applied internally. Equity can best be achieved if both common grading standards and common salary scales are applied. Within a single duty station the same standards should be applied to staff of all

the different organizations who are paid according to a common scale. In those locations where common standards do not already exist, organizations should normally proceed to develop such standards prior to the conduct of future surveys.

15. Given the existence of job classification standards, the choice of representative jobs becomes a more meaningful exercise. Statistics on all jobs need to be compiled as a first step, a process which can be accomplished effectively when job titles are carefully applied and in similar fashion by all organizations. In this regard, the Common Classification of Occupational Groups (COOG) can be an important aid.

16. Once accurate statistics on the types and numbers of jobs existing at each grade level in a duty station are compiled, it is possible to identify the principal occupational groups (the ones with the largest numbers of staff) and the most populous jobs for each grade. Principal occupational groups should be represented in the survey by jobs at different grade levels (ranging from the lowest to the highest), since it will be these jobs that make up a significant part of the entire General Service category and because matching is more accurate when jobs in a series are compared with outside jobs. The representative jobs for the different grades would consist of jobs from the principal occupation groups and other jobs which, in terms of their numbers, are significantly representative. Jobs which are part of a series, however, should preferably not be surveyed in isolation from other jobs at other levels in the same series. All or most of the grades should be covered in the survey. Grades with but a handful of jobs would normally be excluded. The lower grades are particularly good to include, since they usually consist of entrance-level jobs which are relatively easy to match with outside jobs and for which the salary rates are a good indicator of the competitiveness of the organizations' salaries for recruitment purposes.

17. The upper grades contain jobs which are often more difficult to survey. The work performed at the highest grades in the General Service category is often of a nature which places it near the work of the lower levels of the Professional category. Before a survey and either in conjunction with an overall classification exercise or separately, a careful distinction should be made between jobs which belong in the higher levels of the General Service category and those which belong in the lower levels of the Professional category. It is useful to survey jobs at the higher General Service levels, particularly when they represent the top grade in an occupational series, so as to permit a more accurate definition and matching of the jobs immediately below them in their respective series.

18. While all or most of the grades should be covered and there should be at least two jobs for each grade surveyed, it is not possible to fix a strict requirement on the number of jobs to be surveyed. There must be flexibility in this respect so as to accommodate the special circumstances of each duty station, and there must be a balance between the number of jobs covered and the length and scope of the survey. In any case, the tendency towards a reduced number of jobs is not advisable. Although it might simplify the data collection, it also risks reducing the accuracy of comparison and, hence, the consistency between inside and outside rates, thus putting in jeopardy the very principle for the determination of General Service salaries. The ultimate choice of jobs should provide a good overall coverage of the total population of jobs in the General Service category and of the population at each grade level. While the percentages will necessarily vary from duty station to duty station, the normal practice should be to account for at least half the total population with the surveyed jobs and for at least from 40 to 50 per cent of the population in each surveyed grade.

19. The selected jobs should be representative of their grades in all the organizations in the duty station. If they are chosen on the basis of a common classification system and are representative of their grades in one organization, then, by definition, they would be equally representative for all organizations. Controversial jobs or jobs the classification of which are under appeal should not be used.

20. Each job selected should apply to one grade only, and the corresponding job description should reflect this. Jobs chosen for the survey should preferably not be composite jobs. If composite jobs are unavoidable, they should combine jobs in the same occupational series at the same grade level and should be described carefully so as not to imply a level of responsibility or type and variety of work which would be representative of a higher or lower grade level.

21. When jobs are being selected, particular attention needs to be placed on the likelihood of finding comparable jobs among outside employers. Jobs peculiar to the United Nations organizations but relatively uncommon outside should not be chosen. In this regard, the experience gained in previous surveys in a duty station and the knowledge gained from the continuing contacts and exchange of information with outside employers are useful. In general, there should be a high degree of consistency among jobs included from one survey to the next in the same duty station.

22. Finally, an approach must be chosen for those occupations which might tend to fall outside the mainstream of the General Service category, such as manual workers, security service and laboratory workers. This may differ among duty stations, depending on the extent to which these occupations are similar to or different from those which normally make up the General Service category. Assuming that job classification standards at a particular duty station take into account the prevailing relativities among jobs, the internal relativities and the operational requirements of the organizations, and if such standards cover the jobs for the other occupational groups mentioned, then there would be no reason to treat the jobs in those groups any differently from other jobs in the General Service category. The normal criteria for representativeness would apply to all jobs. (In such circumstances, it follows that a single salary scale would be appropriate for all occupational groups at the duty station.) On the other hand, if the circumstances are exceptional and the job classification standards do not cover one or more of the mentioned major occupational groups, then separate standards should be developed for those major occupational groups. Separate salary scales would probably apply, and job selection would be made independently for each category. This approach might be necessary, for example, when for a certain group of jobs the salary policies and practices of outside employers differ markedly from those for office employees.

III. SALARY AND OTHER DATA TO BE COLLECTED

23. The comparison of job descriptions and the matching of comparable jobs is the first and foremost aspect of the data collection. Once the comparability of jobs is established, other data must be obtained upon which to base the survey analysis. Data should be collected on the following: salary data for comparable jobs, number of employees in each comparable job, other elements of remuneration, employers' pay policies, hours of work and leave, fringe benefits and social security provisions.

24. The type of salary data to be requested can be restricted to average or individual salary data and range minima and maxima. The use of data on the average of salaries actually paid would normally apply to those duty stations and labour markets where it is not the general practice to utilize salary scales with systematic and fixed step increases. Individual salary rates would be equally useful and should not be excluded as a possibility if these data are readily available and their collection does not place an undue burden on the employers.

25. Range minima and maxima, where available, are useful data. They serve as a check on the consistency of the actual salary data, and they may serve as the basis of the data analysis when it is the normal practice among outside employers to utilize scales and ranges with systematic and fixed increases.

26. Data on age, sex and seniority may be collected by the survey teams where necessary for the purpose of verifying anomalous salary data. Other data may be required for a survey in a particular duty station, and the survey questionnaire should be developed accordingly.

IV. ORGANIZATION OF DATA COLLECTION

27. It is important to emphasize the need for the most thorough of preparations for the survey. There must be sufficient time to ensure the full and active participation of representatives of the administrations and staff representatives, and to anticipate the lengthy process of deciding on employers, selecting jobs and preparing suitable descriptions. Adequate time must be allowed for the printing of survey material and for getting in touch and setting up appointments with employers. The creation of some form of joint working group, composed of representatives of administration(s) and staff, to deal with survey preparations and serve as interlocutors with the Commission's secretariat is an effective approach which does not restrict the right of either administration or staff to have its separate views heard by the Commission at the appropriate times.

28. Job descriptions need to be prepared with the utmost care and must be accurate reflections of those jobs surveyed, which, in their turn, represent all the remaining jobs in each of the respective grades. The job descriptions must be clear and concise, be geared to job content and indicate the duties actually performed. They should describe the average or typical job within the given occupation and grade level. They should be neither so precise that most outside jobs would fail to be found comparable nor so general that widely diverse outside jobs would all fit the description. They should be drafted so as to be readily understandable by employers in the local market. Job titles should be related to the work performed rather than connote status or rank-in-person, and should be drawn from the list of occupational groups established by the Commission, while avoiding terminology internal to the organizations. A standard format should normally be followed which includes the title, a brief organizational setting, qualifications, duties and responsibilities and supervision received and given. Above all, the job descriptions should be consistent with the job classification standards of the duty station.

29. Another element of the preparation for the survey is the questionnaire. The questionnaire should be prepared in accordance with the guidelines on data to be collected, discussed earlier, based on a standard core questionnaire which can be modified slightly in the case of each survey to fit the particular needs of the duty station and labour market. Simplification of the questionnaire should be sought but not at the risk of sacrificing the accuracy of the survey.

30. Surveys at the headquarters duty stations should be conducted under the responsibility of the ICSC secretariat. Normally, survey teams, consisting of administrations, staff and the ICSC secretariat, would be set up, under the secretariat's leadership, and all members should be released from their regular duties full-time for the length of the survey and placed at the disposal of the secretariat for the duration of the data collection, during which time they would no longer represent their normal constituencies (i.e., administration and staff). Safeguards for the confidentiality of the data must be assured. Survey team members should be conversant in the language spoken by outside employers.

31. Job matching is at the heart of the data-collection process. Principles in job matching need to be established in advance and followed in the interview and job-matching exercise. Also it is important that there be consistency of approach among the different survey teams.

32. The survey team members should have practical experience in the conduct of salary surveys and be at least familiar with job classification principles. When necessary, training in job matching and interview techniques should be provided before beginning the data collection, in connexion with the normal pre-survey briefing and job audits.

33. The data-collection process, primarily as concerns the survey interviews, should be streamlined and intensified, limiting the questionnaire to the essential information, with more emphasis placed on discussion with the employer of jobs and job matching. The data-collection and decision-making process regarding job matching should be well documented and based on specific guidelines and practical tools for that purpose.

V. CRITERIA FOR RETENTION AND ELIMINATION OF EMPLOYERS, JOBS AND JOB MATCHES

34. It is necessary to distinguish between the quality and the quantity of the data. The quality of the data can be assured by the survey team through accurate job matching. Assuming that the data collected will represent acceptable matches only, it is desirable to retain as much data as possible, subject to some limitations. Salary data which represent single matches (i.e., one employee in the job) for an employer should be excluded, because the job cannot be considered to be typical of the employer. Employers would normally be expected to match at least several of the surveyed jobs. However, in order to retain the data, the employer must provide data for at least two comparable jobs. The survey result for a particular job is very much affected by the number of employers providing data for the job, whether the analysis is based on actual salary data, individual salary data or range minima and maxima. In a survey covering 25 or 30 employers, it is expected that for each job there will normally be a majority of the employers who can provide usable data. In a survey that covers a reasonable number of pre-selected best employers (at least 20 in total), at least one fourth of the surveyed employers should provide salary data for the job in order to retain it for the analysis.

35. In addition to the guidelines on what constitutes sufficient data for retention of a job or employer, it may be necessary to provide for the exclusion of data on other grounds. Data could conceivably be excluded if an employer was found to present unreliable information or if an employer's salaries were found to be

consistently and significantly below those of the other employers. Unreliable data may result when an employer is unco-operative, is unknowledgeable about the jobs in his or her organization or whose approach to pay and grading is totally ad hoc and unsystematic. Instances of an employer's salary levels being consistently and significantly below the others should be dealt with on a case-by-case basis by the Commission at the time of the data analysis. An employer might be excluded if, taking into account base salary plus other elements of remuneration and quantifiable fringe benefits which have been added to salary, it is the lowest ranked for every job for which it has provided data. Salary data for part-time employees should have already been excluded during the data-collection phase.

VI. SALARY DATA - TYPE OF DATA TO BE USED, ESTIMATES, UNIFORMITY, DATE OF DATA

36. The appropriate salary data to use depends on the normal approach to salary determination in the labour market. Minima and maxima should be used when it is the common practice, in a duty station, among almost all employers to grant automatic and periodic increases according to fixed incremental values. The data of employers who utilize ranges with minima and maxima but follow a practice of merit increments would normally not be suitable for an analysis based on minima and maxima. When minima and maxima are considered suitable for the data analysis, account should be taken of the number of years required to reach the maximum salary among outside employers and inside the organizations. When data based on salaries actually paid are more appropriate for the analysis, individual salaries and averages of salaries paid are equally suitable.

37. There may be occasions when the salary data can only be estimated by the employer. There is no reason a priori, to exclude estimated data, but the survey team should take special care to check the reliability of the estimates. Range midpoints may be suitable estimates for some jobs but probably not for entrance level jobs. Grade averages can be suitable when the surveyed job is typical for the employer's grade. Salary data from a representative department may be usable, provided the department is typical as regards turnover and promotion, and the salaries are neither abnormally high or abnormally low for the employer as a whole, as regards the jobs in question.

38. Salary data for a job which are uniform and do not exhibit a wide spread tend to be more credible and certainly well suited to analysis than data which are spread over a wide range. A wide spread may indicate either an imprecise job description or simply that pay rates are less sensitive to market factors. It is important that the survey team carry out the job matching with a high degree of precision and scrutinize the salary data collected to ensure its consistency and reliability. That salaries are high or low is not, by itself, a reason to exclude them.

39. On the issue of the date to which the survey data applies, the approach of utilizing a standard reference month which is convenient to the employers and also recent is the appropriate way to obtain a picture of the best prevailing rates at one point in time. If salary data obtained are current at the time of the survey, there is no basis for further adjustment. Current can be defined as meaning that the rates or scales of the employer are within their normal period or cycle and are not overdue for an adjustment. In the event, however, that an employer's scale is out of date and negotiations are under way for an increase which would be

retroactive to a date prior to the survey, it would then be appropriate to make a suitable adjustment to the employer's salary data. Additionally, where an employer has salary scales and adjusts them at fairly regular intervals on the basis of an index, consideration could be given to the employer's pay cycles in relation to the date of the survey. Salary data should be expressed in gross annual terms at the outset of the analysis.

VII. OTHER ELEMENTS OF REMUNERATION

40. Those elements of remuneration which are paid in cash, separate from fringe benefits in kind dealt with in the following section, are relatively easy to compare with the remuneration of the United Nations organizations, which, with few exceptions, do not pay extra allowances in addition to base salary.

41. The criteria for adding other elements of remuneration to salary cannot be stated simply in terms of their quantification or taxability. They must relate to the frequency with which the other elements are paid and when in the employee's career; to how many and which employees receive them; to whether the amount is constant or variable from year to year. While it is not possible or necessary to cover every situation and recognizing that the variations from one duty station to another necessitate some flexibility, general guidelines which govern many of the common occurrences of other elements of paid (cash) remuneration are set out below according to the different criteria:

(a) Payments to all employees on a regularly recurring basis and in constant amounts. These allowances may be paid once a month, such as a transport or meal allowance, or once a year, such as a year-end, Christmas, Easter or vacation allowance. They may be expressed as a constant percentage of the monthly or yearly salary or as a flat amount in local currency. Extra month of salary would also be included under this category. These payments should be added to salary.

(b) Payment to all employees in a job or grade or category, or varying in amount from job to job or grade to grade. Provided that such payments are otherwise like those in (a) above, they should be added to salary of all employees on a job-by-job or grade-by-grade basis, as appropriate.

(c) Payments varying in amount from year to year, based on the profitability of the employer. Payments which vary in amount from year to year based on the earnings, profits or productivity of the employer should normally be added to salary as long as it is a well-established practice of the employer to make such payments and to make them to all employees. (These are not to be confused with payments which vary according to the productivity or performance of the employee.) The amount of the payment in the previous year should be utilized if it is consistent with the normal magnitude of the allowance, or else the average of the three preceding years should be determined.

(d) Payments which are either paid to some individuals only or which vary among individuals. These payments are usually made according to the performance, merit or productivity of individuals. When the payments are of a very exceptional nature, such as for a suggestion award programme, an award for generating economies for the employer or a bonus paid to a very restricted number of employees for outstanding achievements, they should not be taken into account. On the other hand, when a bonus is periodic and paid to a large number of employees on the basis

of their performance, the payment can be considered as being similar to or part of the merit-based pay systems and should be added to salary. A common form of such payments is the linkage of profit-sharing with the performance or productivity of individual employees. Provided that the payment is generalized (to at least half of all employees), the amounts can be accounted for either by taking into account the actual amounts paid to individuals or the average amount paid overall. As it may vary from year to year, the criteria mentioned in (c) above should be applied.

(i) Another payment made to certain individuals is lump-sum amount in lieu of overtime. Such payments should not be added to salary since overtime is compensated for by a separate condition of service within the organization. Only in the exceptional case, when the payment has become generalized and overtime work is no longer a condition for receiving it, would it qualify for being added to salary.

(ii) Other exceptional payments made to a restricted number of individuals for very special reasons should not be taken into account either. Examples would be the reimbursement of travel expenses from distantly located residences to the city limits; housing allowance for individuals required to relocate for work purposes; and bonuses for marriage, birth of a child or obtaining a school diploma.

(e) Payments which are based on seniority and longevity. A typical longevity payment would be, for instance, a one-time cash bonus after 20, 25 and/or 30 years of service. Since longevity payments are made by employers to reward long service and fidelity, it would be a distortion to add it to salary and thus compensate staff with short service for this type of bonus (even when employers can identify those employees who actually receive the bonus in a given year and can add the corresponding amounts to individual or average salaries). Longevity bonuses should normally not be taken into account for purposes of analysis of salary data. Only in the case that longevity payments or seniority-based allowances are the generalized practice in the locality, for instance by law or by virtue of collective agreements, should the practice be of concern to the survey, and, in such a case, it would be more appropriate that a recommendation be made to the United Nations organizations to offer a similar benefit rather than to reflect it in the salary.

VIII. FRINGE BENEFITS AND OTHER CONDITIONS OF SERVICE

42. "Fringe benefits" are defined in the restrictive sense as the tangible non-cash goods and services, usually of a non-social nature, provided by employers. "Social benefits" will be taken to mean the payments (in cash and in kind) and the services and guarantees provided by the employer for the well-being and welfare of the employee and his or her family members. "Other conditions of service" will, by elimination, mean those which are not salary, other elements of remuneration (i.e., those referred to in the preceding section), fringe benefits or social benefits, but will not include the abstract, work-related aspects, such as security of service, prospects for promotion and career development, job satisfaction and motivation, and recognition and evaluation of work, as well as job training.

43. The "other conditions of service" would cover hours of work, time away from duty (including annual leave, holidays and special leave), and pay supplements (including overtime and shift work). Annual leave, holidays, overtime and shift work for which data should be collected, if applicable to United Nations staff, can only be considered on the basis of comparable provisions, pending further study.

44. "Social benefits" are considered to include health insurance and other health-related matters; provisions for sickness, disability, accident and death; occupational safety and health provisions; maternity and paternity benefits; pension and retirement benefits; unemployment benefits; all benefits in relation to family members; and provisions for education. These issues are not dealt with in this document.

45. For the most part, it will be sufficient to undertake comparisons within each of the categories defined above, i.e., fringe benefits, social benefits and other conditions of service, but not between categories. The exception would be for salary, other elements of remuneration and fringe benefits, which tend to permit a comparison as a package since they are all of a tangible and non-social nature.

46. Given the restrictions on comparisons between different categories of conditions of service, fringe benefits would either be subject to quantification and added to salary or be left for a general, overall comparison with fringe benefits offered by the organizations of the United Nations system.

47. Fringe benefits, although not offered in cash, should be subject to roughly the same criteria as those established in the preceding sections, for the purpose of determining whether they should be converted to the remuneration side of the analysis. It is to be understood that a benefit is to be evaluated at its normally recognized or computed market value and not as the cost to the employer.

48. To determine which fringe benefits (defined, in paragraph 42 as non-cash benefits, and not cash benefits which were dealt with in the preceding section nor social benefits, other conditions of service or the abstract, work-related aspects mentioned above) should be quantified and added to remuneration for the purpose of analysis and which would be looked at in an overall comparison, the five guidelines given in paragraphs 41 to 43 should first be applied. Thus, the gold bar given yearly to all employees or given to all secretaries could be added to salary; if the same gold bar is awarded only after 25 years of service or is given to the employee with the best attendance record, it would not be taken into account in salary. Such benefits are usually recognizable as being the in-kind equivalent of an allowance or cash payment. Free or subsidized meals constitute a typical such benefit that would be added to salary. In this case, the value of the benefit over and above or below the comparable United Nations benefit should be determined. If the United Nations offers a subsidized cafeteria (subsidized being defined as permitting a price below normal market value) and an employer does not, the value of that benefit should be deducted from the employer's salaries.

49. Other subsidies or benefits may have to be judged on the basis of whether they are given to all or nearly all of the employees. In the case of in-kind subsidized transportation, use of the urban buses and subways free of charge (or at reduced fare) would normally qualify as a benefit to be added to the salary; bus service for a handful of staff from distant locations to the city limits would not normally qualify.

50. A complex class of fringe benefits are those which are made available across the board to all employees but are not taken advantage of by all or nearly all employees, usually because the employees are required to share the cost of the benefit. The following series of tests should be applied, and all would have to be passed for a benefit to be quantified and added to salary:

- (a) The benefit must be offered across the board to all employees and under similar conditions;
- (b) The benefit must be taken advantage of by the large majority of employees;
- (c) The benefit, or a close equivalent, must be offered by a sizeable number of surveyed employers, so as to be considered a prevailing outside benefit.

51. Benefits should be determined to be either taxable or non-taxable, for the purpose of calculating net remuneration at a later stage in the analysis. Illegal benefits should be excluded from consideration. Benefits which have not been added to salaries would be compared in a general, overall review with those of the organizations which have not already been taken into account, and the extent to which these two groups offset each other would be determined. It is not expected that any differences would enter into the matter of determining salaries, unless there was a large and clearly recognizable difference one way or the other. Significant differences in annual leave may also be accounted for within the overall comparison of conditions of service between the outside employers and the organizations. As for the other categories mentioned earlier, such as social benefits and other conditions of service, comparisons would normally be made within each category and appropriate recommendations formulated as necessary. Where possible, organizations may attempt to align their practices with best prevailing outside practice on a category-by-category basis.

52. Some of the elements of remuneration mentioned in section VII as well as some fringe benefits mentioned in this section are considered as "non-pensionable" by the outside employers. In exceptional cases, when these elements constitute a significant part of the remuneration package, establishment of a separate, non-pensionable allowance may be considered.

IX. HOURS OF WORK

53. Hours of work should be understood to mean the length of the work week, including officially recognized lunch and other breaks. Differences in the reported hours of work between surveyed employers and the United Nations should be taken into account. The calculation of the difference should be based on a straight proportional adjustment to salaries, accounting precisely for the full difference in hours worked. This adjustment should be made on an employer-by-employer basis as opposed to averaging the work hours of all surveyed employers and then making an overall adjustment.

X. OUTSIDE MATCHING SALARIES PER JOB

54. The job selection, job description and job matching should ensure that the jobs surveyed are truly representative of the organizations and that the data collected are for comparable jobs among outside employers and thus secure the

technical reliability of the survey. The establishment of outside matching salaries based on technically reliable data is the process which will determine at what absolute level the salaries will ultimately be fixed and, therefore, has direct implications on the ability of the organizations to recruit and retain staff. This, then, is the step of the salary survey exercise which links the result with the principle for determining salaries of the General Service category.

55. The method chosen for selecting the outside matching salaries must be one which permits the organizations to compete quite favourably with the surveyed employers (and others of the same general salary level) and normally to retain staff, once recruited. The manner for choosing the "right" set of matching salaries is best determined through experience over time by pragmatic considerations. In this regard, it is the sample size of surveyed employers, the method for establishing the outside matching salaries and the choice of internal matching points which, taken together, will ultimately have the greatest influence on the salary levels resulting from the survey.

56. There must be consistency, from survey to survey, for each of the three factors just mentioned, in order to ensure an effective approach to salary administration and a stable but favourable position in the overall labour market of the locality. If the experience of the organizations over a number of years has indicated a successful recruitment rate and an acceptable turnover rate (and for this purpose organizations should actively maintain and analyse statistics and qualitative data on recruitment and turnover), then, from the compensation point of view, it can be said that the survey sample size, the outside matching salaries and the internal matching points are correct for the survey, which, in turn, is effectively serving the organizations for their personnel management.

57. In the analysis of survey data, two analytical methods have responded well to the needs of the organizations for the determination of salaries: the method of the 75th percentile for selecting the outside matching salaries and, an approximation to it, the average of the above-average rates. The 75th percentile or the average of above-average rates should be utilized for determining the outside matching salaries in surveys at headquarters duty stations. Such an approach means that the matching salaries would be determined on a job-by-job basis, ranking all the usable survey data for the job from all the retained employers. With the 75th percentile method, the salary data for each job are ranked in descending order, and the point at which 25 per cent of the data is higher and 75 per cent lower would be the 75th percentile.

58. The other recommended method utilizes the average of above-average rates for determining the outside matching salaries. Whether average salaries or minima and maxima are obtained from the employers, these are ranked for each job, and the job average is determined. The employers whose rates are above the job average would constitute the selected group of employers for that job. The average of the rates of those employers is then calculated and taken as the outside matching salary for the job.

59. Either method can be employed with the collection of individual or average salaries or minima and maxima salary data. The use of the average of the above-average rates, however, implies the application of some weighting technique in the calculation of an "average". The issue is one of whether the size of employers and, by implication, the number of employees in each comparable job should be taken into account in analysing the survey data, and, if so, to what

extent. Giving full weight to the number of employees in the job or giving equal weight to the data of all employers is not advisable, since both represent extremes as weighting techniques and may bias the results. An approach which is considered the most appropriate is the use of the logarithm of the number of matches in the weighting. Weighting the salary data by the logarithm of the number of matches provided by the employer for each job should be done, provided that the data on numbers of employees are available.

XI. DOMINANCE

60. Dominance is most likely to occur when individual salaries are collected and utilized or if full weighting is used for salary data representing averages or minima and maxima. As was stated above, full weighting need not be applied, since weighting by the logarithm of the number of employees will reduce any possibly distorting effects while maintaining general relativities in size. It is possible to adopt an ad hoc approach to surveys with individual salary data whereby, if the survey data are considered to be distorted due to dominance by one or more employers, either the data could be converted to averages of individual salaries and logarithmic weights applied or exceptional measures could be devised case by case, as appropriate.

XII. OUTSIDE MATCHING SALARY PER GRADE

61. Outside matching salaries per job should be converted into outside matching salaries per grade by weighting the matching salary for each job in the grade by the number of staff in the job in the organizations.

XIII. NETTING DOWN OF OUTSIDE GROSS SALARIES

62. Outside gross salaries should be converted to net salaries by the application of the appropriate tax rates to which outside employees in the locale are subject, as appropriate for single persons. It is desirable to carry out the netting down at a late stage in the analysis, preferably after the outside matching salaries for each grade have been determined (provided there is no distorting effect), in order to simplify what otherwise is the lengthy process of applying the tax rates to every outside salary.

63. Benefits and allowances which are taxable should be added to gross salary before the tax rates are applied, and those which are not subject to taxation should be added to after-tax amounts. Subject to verification that no distortion will occur, non-taxable benefits could alternatively be converted to taxable equivalents and added to the other taxable amounts, so as to enable the analysis to be carried out on gross salaries and taxes to be calculated only on the matching salaries for each grade.

64. In converting from gross to net, deductions, exemptions and rebates should be taken into account in amounts which are typical and appropriate for the category and/or grade levels of employees concerned. This may be done through standard deductions or average itemized deductions. For duty stations where lengthy tax formulas have been utilized in the past and conversion from gross to net has been carried out salary-by-salary, attempts should be made to simplify the methods of calculation for future surveys, or the calculations should be carried out by computer.

65. As current and reliable information on tax laws, regulations and tables is vital for the conduct of surveys, for the determination of dependency allowances and for the implementation of interim adjustments to salary scales, the organizations should collect and maintain up-to-date information on local taxation for such usage in connexion with the surveys.

XIV. ADJUSTMENT FOR LANGUAGE, SEX DISCRIMINATION AND OTHER FACTORS

66. Under normal circumstances, the job-matching process of the survey should ensure that the data collected are for comparable jobs, and then the analysis should determine the matching outside salaries on the assumption that the other unquantified elements of compensation of outside employees are roughly equivalent to those of the organization's employees. Only in exceptional circumstances, then, would adjustments to the survey results be called for.

67. The need to account for major differences in language requirements between the organization and outside employers has been shown by experience to be one such exception. In places where the local language is a working language of the organization, there is no justification for any addition to best prevailing rates in the base of locally recruited staff required to work only in the language of the duty station. The salary survey should normally cover monolingual jobs, with bilingual jobs being dealt with through the job classification system in the grading of the jobs. When all the jobs are bilingual, however, consideration may be given to adjusting the survey results, thereby compensating the bilingual requirement through the scales.

68. In cities where the local language is not a working language of the organization it would be reasonable to fix the pay scales at a level slightly higher than best prevailing rates outside, if the latter related to outside staff who are required to work only in the local language.

69. In bilingual localities, where it is reasonable to suppose that local salary scales based on best prevailing local conditions will, by themselves, suffice to attract staff with some knowledge of a second working language, there would be no reason in establishing the salary levels to make any addition to outside best prevailing rates in respect of the language factor.

70. Salaries established according to best prevailing conditions should not, as a matter of principle, reflect discriminatory treatment of female employees by outside employers. The organizations, for their part, should seek actively to ensure that no discriminatory treatment is practised within the United Nations organizations themselves, as regards recruitment, promotion, career development and the full range of personnel areas. The determination of discriminatory practices and/or differentiation in remuneration paid to men and women among outside employers should generally not form part of the survey methodology but could be dealt with, exceptionally, should the conditions of the duty station so justify.

XV. INTERNAL MATCHING POINTS

71. The selection of internal matching points is an essential element of the analysis which affects two major features of the resulting scale. On the one hand, the choice of internal matching points affects the absolute level of salaries in

the scale. On the other hand, the internal relativities and structure of the resulting scale are also largely determined by the choice of internal matching points. This is the point in the analysis where the need to reflect closely outside best prevailing rates and the need to achieve a certain structure of the scale for the purpose of proper internal personnel management are brought together and where a satisfactory mix of these two constraints must be sought.

72. The concept of the gradually rising step is an approach which combines the need to reflect outside salaries and, at the same time, maintain an adequate structure of the organizations' scale. Lower matching steps would be used for lower grades and higher matching steps for higher grades, thereby reflecting the normal career progression internally and the likelihood that the salaries obtained from the survey represent lower points in the outside ranges for the lower-level jobs, to which people are often assigned by means of recruitment, and higher points for higher-level jobs, which are normally reached by promotion and seniority.

73. The application of this approach requires judgement, and the precise matching steps should normally be determined after due regard has been given to the internal distribution of staff in the surveyed jobs and grades, as well as to any available information on age and seniority among outside employees. Finally, but of great importance, there must be a high degree of consistency from survey to survey in the selection of the internal matching points, so as to prevent sharp and unrealistic fluctuations in salary levels and to avoid unwanted aberrations in the structure of the scale.

XVI. CONSTRUCTION OF SALARY SCALE

74. Recognizing that there are differences in job relativities in the various labour markets and that different national economic and social policies also have a bearing on the overall structure of outside salaries, and in view of the fact that the organizations reflect these to some extent and have internal organizational needs that vary from duty station to duty station, there are difficulties inherent in attempting to standardize the structure of the salary scales of the organizations. The shape of the scales (in terms of the number of grades and steps) may have evolved over time in each of the duty stations to one which is appropriate for the particular location and for the organizations concerned.

75. It is important that the scales resulting from the surveys attempt to reflect outside practice and to respond to the internal needs of the organizations. Reflecting outside practice would imply surveying as many grades as possible and utilizing, to the extent possible, the results for each of those grades. At any rate, the resulting scale should be in line with the best prevailing rates at beginning grades and steps and at higher grades and steps.

76. Rigid application of the survey results, however, will not normally provide a scale with a desirable structure. The needs of the organizations will have to be taken into account by establishing a coherent scale with sound personnel and pay policies which is responsive to staffing requirements. These needs can be reflected in the intergrade relatives, within grade spans and grade overlaps. Deficiencies should be corrected, even if only gradually, with particular emphasis on the problem of grade overlaps. Sharp fluctuations from one scale to the next should be avoided when possible.

77. The construction of the scale should normally be based on net salary values, using, as necessary, methods of linear regression, smoothing and rounding. Extrapolation should be carried out to determine the salaries for those grades which have not been surveyed, again allowing for the internal needs of the organizations.

XVII. EFFECTIVE DATE OF SURVEY RESULTS

78. Every survey will have a reference date to which the survey date should correspond, so it follows that the recommended scales based on the survey results would relate to that reference date. The data collected represent the best prevailing salaries at that point in time of the reference date and, from a technical point of view, would be most appropriately applied as of that same date. However, there may be reasons, other than technical ones, for establishing a different effective date, such as for administrative convenience, a prior understanding with staff representatives or financial restrictions. The actual decision with regard to the effective date of the scales is part of the process relating to the implementation of the survey recommendations and should rest with the organizations concerned.

XVIII. RESPECTIVE ROLES OF THE SECRETARIAT, ADMINISTRATIONS AND STAFF IN THE SALARY SURVEY

79. Each survey is structured by means of a series of phases discussed earlier, during which the participation of the representatives of the administration and staff should be provided for and which should constitute a significant input before the conclusion of a particular phase and advancement to the next.

ANNEX III

Special index for pensioners

The following is the procedure for adjusting cost-of-living differential factors applicable to retirees from the Professional and higher categories in countries where these factors are applied and where the rates of taxation are lower than the staff assessment rates applicable. Only one reduction factor should be calculated for each country. National, state and local taxes applicable in the city having a headquarters or a regional office of one or more organizations of the common system would be taken into account. If no organization of the common system has its headquarters or a regional office in a given country, then the national, state and local taxes applicable in the capital city would be taken into account.

Step 1

- (a) Calculate staff assessment on dollar base pension;
- (b) Calculate local currency base pension using an average of the exchange rates applicable over the previous 36 months;
- (c) Calculate local taxes on local currency pension in (b) above;
- (d) Convert local taxes in (c) into dollars using a 36-month average exchange rate;
- (e) Compare staff assessment in (a) with local taxes in dollars in (d). If staff assessment is equal to or lower than the local taxes in dollars, no adjustment to cost-of-living differential factor is necessary;
- (f) Calculate net pension after the application of local taxes, i.e. dollar base pension less tax amount in (d) above;
- (g) Determine the cost-of-living differential factor which will give net pension after the application of staff assessment equal to the amount in (f) above;
- (h) The cost-of-living differential factor in (g) represents the tax advantage factor. Subtract this tax advantage factor from the original cost-of-living differential factor to arrive at the revised cost-of-living differential factor;
- (i) If the revised cost-of-living differential factor in (h) equals 1.0000, no further adjustment is necessary;

Step 2

- (j) Calculate gross pension using cost-of-living differential factor in (h) above;
- (k) Calculate local taxes in dollars on pension amount in (j), using the procedure outlined in (b) to (d) above;

(l) Compare amount in (k) with the staff assessment amount in (a). If staff assessment in (a) is higher than or equal to the amount in (k), no further adjustment is necessary, and the tax advantage factor (g) above is the reduction factor to be applied throughout the year;

(m) Calculate net pension after the application of local taxes corresponding to cost-of-living differential factor in (h) above;

(n) Calculate the difference between local tax amount in (k) and the staff assessment amount in (a);

(o) Increase net pension in (m) by the amount of difference in (n);

(p) Determine the cost-of-living differential factor corresponding to net pension after the application of local taxes equal to the amount in (o) above. This is the cost-of-living differential factor for application at the duty station;

(q) Calculate the difference between the unadjusted cost-of-living differential factor and the cost-of-living differential factor calculated in (p) above. This is the reduction factor to be applied throughout the year.

ANNEX IV

Comparison of average net remuneration of United Nations officials in New York and United States and United States officials in Washington, D.C. based on implementation of SES in June 1982

(October 1981 to September 1982)

(Forecast as at June 1982)

| Grades | United Nations, New York | | United States, Washington, DC | | | Ratio United States/ United Nations (United States/ Washington = 100) | Weights for calculation of overall ratio ^{c/} |
|--------|-----------------------------------|---------|------------------------------------------------|---------------------|------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------|
| | Net remuneration ^{a/} | Grade | Net remuneration per grade ^{b/} | Weight ^s | Weighted net remuneration | | |
| P-1/1 | 20 783 | GS-9/1 | 16 541 | 100 | 16 541 | 125.6 | 2.1 |
| P-2/1 | 26 240 | GS-11/1 | 19 585 | 62 | 20 851 | 125.8 | 12.6 |
| | | GS-12/1 | 22 916 | 38 | | | |
| P-3/1 | 31 584 | GS-12/1 | 22 916 | 45 | 24 880 | 126.9 | 24.3 |
| | | GS-13/1 | 26 486 | 55 | | | |
| P-4/1 | 37 712 | GS-13/1 | 26 486 | 33 | 29 141 | 129.4 | 21.8 |
| | | GS-14/1 | 30 448 | 67 | | | |
| P-5/1 | 45 369 | GS-15/1 | 34 807 | 64 | 36 139 | 125.4 | 21.8 |
| | | SES-2 | 41 731 | 5 | | | |
| | | SES-4 | 44 223 | 11 | | | |
| | | SES-5 | 45 099 | 6 | | | |
| D-1/1 | 50 051 | GS-16/1 | 39 572 | 6 | 43 510 | 115.0 | 7.8 |
| | | SES-1 | 40 484 | 13 | | | |
| | | SES-4 | 44 223 | 75 | | | |
| | | SES-5 | 45 099 | 6 | | | |
| | | GS-17/1 | 45 076 | 7 | | | |
| | | GS-18/1 | 51 289 | 9 | | | |
| D-2/1 | 56 612 | SES-4 | 44 223 | 50 | 45 260 | 125.1 | 2.7 |
| | | SES-5 | 45 099 | 29 | | | |
| | | SES-6 | 45 965 | 5 | | | |
| | | | | | | | |

Weighted average ratio, before adjusting for cost-of-living ratio New York/Washington, DC 126.1

Cost-of-living ratio New York/Washington, D.C. 106.7

Weighted average ratio, adjusted for cost-of-living 118.2 (margin)

^{a/} Includes post adjustment of 11 months at class 7 (multiplier 41) and 1 month at class 8 (multiplier 48).

^{b/} Based on published salary rates effective 1 October 1981 (including bonuses and special awards where applicable).

^{c/} These weights correspond to the United Nations common system staff in grades P-1 to D-1 inclusive serving at Headquarters and established offices as at 31 December 1981.

ANNEX V

Comparison of total compensation - expatriate elements of compensation

(Suggested list of elements for further study)

| UNITED NATIONS | UNITED STATES |
|------------------------------------------------------------------------|---------------------------------------------------|
| 1. Post adjustment (at duty stations other than New York) | 1. Post allowance |
| 2. Education grant | 2. Education allowance |
| 3. Rental subsidy | 3. Housing allowance/rent-free government housing |
| 4. Repatriation grant | 4. - |
| 5. Financial incentive of \$2,400 per year for qualifying duty station | 5. Post differential based on hardship areas |
| 6. - | 6. Separate maintenance allowance |
| 7. - | 7. Danger pay |
| 8. Assignment allowance | 8. - |

ANNEX VI

Analysis of the determination of the number of grade levels for the General Service category in New York

Criteria for number of grade level

1. The Commission and its predecessor organizations have had some history of considering criteria appropriate for use in determining number of grade levels. The Administrative Committee on Co-ordination (ACC) submitted document ICSC/R.64 to the Commission at its fifth session in relation to the assumption by the Commission of its functions relative to article 12 of its statute. That document, entitled "Composition and characteristics of the General Service category", presented information to support the Commission's efforts in that respect and included the following comments about number of grade levels:

"As originally defined, in the report of the 1949 Committee of Experts on Salary, Allowance and Leave Systems (A/C.5/331 and Corr.1), the General Service category was to comprise those posts which involved clerical, secretarial and routine administrative duties. It was to contain a minimum of five levels, the objective being to have no more than could readily be recognized as marking different levels of responsibility. The length of the scale for each salary level was to be such as to assure the staff that given satisfactory performance and good conduct they would have the prospect of a regular advance in remuneration. The number of incremental steps at each salary level was to correspond to the length of time which a staff member might be expected to remain in a given kind of job."

2. The guiding principles for determination or revision of conditions of service of staff in the General Service category, which were regarded by ACC as current at the time the Commission assumed its functions in respect to General Service staff under articles 10, 11 and 12 of its statute, incorporated the 1965 recommendations of the International Civil Service Advisory Board and included the following comments on a criterion for numbers of grades:

"Strictly speaking, the grading structure should correspond to the local outside practice - that is, jobs which are paid more or less the same rates in outside employment should be in the same grade in the organizations. This would mean that the grading structure could not be decided until outside rates had been ascertained. However, outside employers are not likely to have identical views about the relative importance or rates of pay of jobs, and in practice the overriding consideration for the organizations is the need to evolve a grading structure which will suit the internal needs of the offices as regards the relative importance of the jobs. While there may be some differences between different places, the grading pattern of jobs shown in the addendum has been found by experience to be appropriate in most of the larger offices. ... It is essential to keep the number of grades at the minimum which is consistent with efficiency and the provision of reasonable opportunity for promotion within the limits of the category for staff who have the necessary qualifications. Small offices may not need to use all the grades listed in the addendum, but on the other hand, there may be reasons to add higher grades."

3. The Commission, in its third annual report, reviewed the guiding principles and accepted the broad principles provisionally, until it had gained experience in conducting salary surveys. In the course of considering appropriate methodology for establishing internal salary scales, the Commission recognized

"that the salary scale could not be constructed solely on the basis of the rates found by outside comparison for the different grades. The scale must have a certain internal balance in the intervals between grades, the span of grades and the points of overlap between them, and those relationships must not fluctuate unduly as a consequence of differing results found outside by each successive survey. The construction of the scale must therefore be a matter of judgment, reflecting trends observed outside in the relativities between pay levels for different jobs, but preserving internal harmony and avoiding the distortions which might be produced by too rigid application of the survey results. The basis for construction of the scale should be the classification structure derived from organizational and management needs as well as from the market situation; consequently, the number of grades and the number of steps in each grade might vary from duty station to duty station". 1/

4. The overall theme with regard to criteria for construction of the grade level component of a salary scale has been that the scale should be such as to strike a balance between clear and rational internal relativities among grade levels of jobs and relativities which are exactly reflective of the external labour market; that is to say, the number of grade levels should be that number which is most useful for internal management purposes while, at the same time, offering the best basis for external comparison. These criteria imply that:

(a) Each grade (level of work) is recognized as marking different levels of responsibility, i.e., clearly distinguishable one from the other;

(b) Each grade is defined broadly enough to encompass all jobs similarly regarded as to level of responsibility but not so broadly as to include several levels of responsibility;

(c) The number of grades provides an optimal framework for salary comparison with the external market;

(d) The number of grades is sufficient for management needs of the organization (e.g., to provide reasonable opportunity for career development and promotion within the General Services).

Determination of number of grade levels

5. In order to satisfy criteria (a) and (b), the Co-ordination Committee, with the advice of the Commission's secretariat, undertook a whole job-ranking exercise. The exercise called for the Co-ordination Committee to rank a sample of jobs representative of the General Service work force in New York in order of the relative difficulty and responsibility of each job. The sample was drawn from a total of more than 2,500 completed job information forms obtained through the census. It was drawn at random but so as to include 36 General Service occupations and a total number of 193 jobs, about 5 per cent of the total General Service work force in New York. Jobs ranked did not include guides, security workers, reprographic machine operators or certain labourers and craftsmen. 2/ In the ranking process, current grade levels of the jobs were not identified, and jobs

were ranked only on the basis of information from the job information forms. Rankings were determined on the basis of job-to-job comparison. The entire Co-ordination Committee worked intensively for a considerable period of time to accomplish that ranking and to reach consensus on it.

6. To proceed with the ranking, the Co-ordination Committee divided itself into four groups. Each group independently ranked about one fourth of the jobs in the sample. Included among the different jobs ranked by each group were the same 17 "control jobs", which were not identified as such but later served as the basis for the integration of the jobs ranked by each group back into a composite, ranked total sample.

7. In the deliberations of each group during the ranking process, a pattern emerged. Whereas most jobs could be associated with particular groups of jobs which were clearly higher or lower than other groups of jobs, the relativities of other jobs were very much debated. When the rankings of the four groups were merged to produce a ranking of the total sample of jobs, there were seven such clearly distinguishable groups of jobs, but in between each of the seven groups of jobs, there were collectively more jobs which were the subject of much debate. In order to resolve the debate over the relative rankings of these jobs, particular jobs were identified which the Committee agreed seemed to define the limits of the clearly distinguishable groups in the sample. The jobs which were the subject of the debate were considered again in respect of the jobs which defined the limits, and most were thereby associated with a distinguishable group.

8. A few jobs continued to be subject to debate and, on further analysis, it became clear that information about the jobs available on the Committee's initial job information form was not adequate to resolve the debate, as its source lay in the different assumptions Committee members had made about the nature of work of the jobs. Those jobs were discarded from the sample. Two jobs had been identified as Professional. Those, too, were withdrawn from the sample, leaving a total of 183 jobs which had been ranked by a consensus of the whole Co-ordination Committee into seven clearly identifiable and clearly distinguishable levels of responsibility and difficulty.

9. The levels are best illustrated by reference to jobs exemplifying each level. Such examples are incorporated in the guidelines for applying the common job classification standards developed by the Co-ordination Committee and will be included in its final report.

10. The Co-ordination Committee has gathered information concerning the number of grade levels used by nine major employers in the external labour market which will also be annexed to its report. It was determined that eight employers surveyed had used more than seven levels in the part of their grading structure applicable to the types of jobs similar to those in the General Service category. This indicates the criteria which requires that the number of grade levels be such as to provide the best comparison with the external labour market would be met in New York by including at least the seven clearly distinguishable grade levels in the General Service grade structure.

11. The secretariat wishes to remind the Commission that it had received, at the eleventh session, a clear indication of internal management needs in New York in the form of a proposal that the number of General Service grades used to interpret results of its 1979-1980 salary survey be increased, on the grounds that the current five grades did not sufficiently reflect the span of occupations and different levels of responsibilities of jobs in the General Service category.

12. The secretariat, therefore, considers that the grade level structure for General Service staff proposed by the Co-ordination Committee is consistent with the four criteria outlined in paragraph 12 above.

Development of the basis for a common job classification system

13. As stated at the Commission's fifth session, in the context of preparing to assume its role under article 13 of its statute, "the application of a uniform system of salaries and allowances ... does not, in itself, suffice to ensure 'equal pay for equal work' unless grading standards are also uniformly applied". In order to serve the purpose of uniform application, job grading (classification) standards must provide guidance sufficient to ensure uniform judgements. In order to serve as a means towards achieving "equal pay for equal work", job classification standards must reflect correctly the relative difficulty and responsibility of different levels of work; that is, standards must accurately reflect what is regarded as "equal" work within each grade level. A job classification standard will be adjudged to be successful to the extent that it can be demonstrated that its application accomplishes these results. Such a demonstration is usually achieved through the testing of a proposed job classification standard.

14. As it was in developing the Master Standard, so it is most often true that the process of developing classification standards takes place in circumstances where relativities among salaries paid to jobs prior to the development of those standards are established and regarded as equitable in a large enough proportion of jobs to provide a criterion for testing. In other words, the jobs that are regarded as being paid appropriately in respect to job content (i.e., properly graded) can be used as the criterion for testing of a classification standard. A job classification standard is considered to be valid to the extent that its application to criterion jobs can produce the same (correct) relativities among the jobs as can be derived from their relative pay levels. When the Master Standard was tested by application to jobs regarded by organizations as correctly graded in respect of job content, it resulted, worldwide, in a rate of 82.8 per cent confirmation in respect of its criterion (i.e., in respect of correctly graded jobs).

15. In New York, the circumstances of standards development differed from the usual in one important respect; a sample of "correctly graded" jobs suitable for use as a criterion was not available. UNICEF considers that its General Service grade levels are relevant to levels of work because they follow an established classification standard. UNDP grade levels are indicative but do not totally correspond to the levels of work, because existing grades were based mainly on rank of person. United Nations grades are also based largely on rank of person and, therefore, bear little or no relation to levels of work, except that a distinction possibly could be made between G-5 and non-G-5 posts. Therefore, the Co-ordination Committee had to establish correct relativities in the sample of jobs that would be used as a criterion. On the advice of the Commission's secretariat, the Co-ordination Committee accomplished that by completing the whole job-ranking exercise described above in paragraphs 13 through 17. Through that exercise of comparing each job with the other jobs, each job's relative level of difficulty and responsibility was established.

16. The exercise produced not only the criterion necessary to test the validity of the standard but a foundation for the development of the standard. As the members of the Co-ordination Committee had discussed their judgements in respect to

comparing jobs in the course of establishing job relativities, they had already identified characteristics of work (factors) which contributed to determining whether a job was at a greater or lesser level of difficulty and responsibility in respect of other jobs. Those characteristics of work were identified as the factors to be used in development of the common job classification standards for General Service staff in New York. The Co-ordination Committee proceeded on that basis to develop and test common job classification standards to apply to General Service staff in New York.

Notes

1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 30 (A/32/30), para. 100.

2/ In all cases enumerated, the work was not only so distinct from other work characteristic of the General Service as to require separate job classification standards but was also concentrated within only one of the three agencies. The Committee, therefore, did not include those types of jobs in its exercise.