



31 March 2009

Human Resources Action Plan

A Roadmap Towards a More Effective Management of Human Resources

Asian Development Bank

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I. INTRODUCTION

1. The Asian Development Bank (ADB) has undertaken a comprehensive review of its human resources (HR) strategy (2005–2007),¹ which was discussed by its Board of Directors on 20 January 2009. The paper presented to the Board identified a number of HR issues that need to be addressed and the HR measures required to support ADB's long-term strategic framework 2008–2020 (Strategy 2020).² While appreciating the review of the HR strategy, the Board requested a discussion paper providing a detailed HR action plan based explicitly on the recommendations by Mercer, an international consulting firm, and clarifying the Board's role and involvement.³

2. ADB presented the status of HR management and its initial formulation of an HR action plan to staff during a town hall meeting on 11 February 2009 and to the Board during an informal Board seminar on 16 February 2009. Staff expressed appreciation of specific HR programs and asked for clarification on some issues (e.g., those concerned with external training, work–life balance, and technical career stream progression up to level 10). The Board reiterated its previous requests from the 20 January 2009 meeting, noting that these had not been fully addressed by the presentation at the informal Board seminar.

3. A paper on the draft human resources action plan was circulated to the Board on 16 March 2009 for review and comments. A copy of the paper was also provided to Staff Council to seek their feedback. Several Board members provided written comments and others provided their views and suggestions at the informal Board seminar on 20 March 2009. The Staff Council also submitted its written comments. The paper was then discussed at a Management Committee meeting on 30 March 2009.

4. This paper⁴ presents a proposed HR action plan, including the formulation of a people strategy and an HR function strategy. The action plan includes a timeline and will act as a framework to guide more detailed project and resource planning, as well as to support behavioral change management activities in 2009 and beyond (Table 1). Its structure follows Mercer's recommendations and incorporates its three critical starting points:

- (i) formulation of a people strategy and HR function strategy,
- (ii) development of competencies (technical skills and behaviors) required to achieve the goals of Strategy 2020, and
- (iii) realignment of HR organization and strengthening of HR technical skills.

II. TOWARD MORE EFFECTIVE MANAGEMENT OF HUMAN RESOURCES

5. The objective of the HR action plan is to build ADB's institutional capacity, productivity, and efficiency by effectively managing its most important asset, its staff. This will in turn enable ADB to respond to the requirements of its developing member countries as described in

¹ ADB. 2008. *Comprehensive Review of the Human Resources Strategy (2005-2007)*. Manila.

² ADB. 2008. *Strategy 2020: the Long-Term Strategic Framework of the Asian Development Bank 2008–2020*.

³ Mercer conducted an independent external review of the implementation of the HR strategy.

⁴ Prepared with inputs from the working group on effective management of HR. The working group is chaired by Bindu N. Lohani, Vice-President of Finance and Administration, and consists of Kazu Sakai, Director General, Strategy and Policy Department; Philip Erquiaga, Director General, Private Sector Operations Department; Juan Miranda, Director General, Central and West Asia Department, Xianbin Yao, Director General, Regional and Sustainable Development Department, and Masayuki Tamagawa, Director General, Budget, Personnel, and Management Systems Department.

Strategy 2020.

6. At the core of the HR action plan are measures to enhance and update HR management to attract, motivate and retain high-quality staff with the technical skills, behaviors and values needed to implement Strategy 2020. This can be achieved by recruiting and developing staff with full commitment to ADB's mission and the proactive attitudes essential for adapting to a changing environment; providing stable and clear mid- and long-term employment with more clearly defined career expectations; and offering an enabling environment in which staff can fully realize their potential to produce high-quality products and services.

7. Given this relatively long-term employment model and the dynamic region in which ADB operates, the knowledge and skills sets of ADB staff need to be relevant and up to date. Recognizing the importance of keeping staff's technical skills sets current, ADB must in turn provide more learning opportunities. This will also support one of the thrusts of Strategy 2020; enhancing ADB's knowledge products and services.

8. A key element in providing such an enabling environment will be for ADB to adopt best HR management practices so its staff and stakeholders recognize that HR is being managed properly and in full support of Strategy 2020. These will include offering attractive and competitive conditions that are in line with those at comparator organizations; implementing HR actions based on performance and merit that are fair, reasonable, transparent and consistently practiced; and providing career development and learning opportunities to enable staff to develop and continually upgrade their skills in an evolving environment. Designing and implementing best HR management practices specific to ADB's culture and context will bring ADB and its HR management into line with the best practices at multilateral development banks.

9. In order to establish closer links between the corporate strategy and HR arrangements, ADB will use the Mercer recommendations as a framework. ADB agrees to implement all 11 recommendations; the six that deal with how to achieve the future or desired state of HR management and the five specifically targeted at improving the HR function (Box 1). A key underlying principle is that collectively all HR measures will be driven by and aligned with Strategy 2020.

10. To achieve its objective, the action plan will be reviewed and updated as appropriate, based on periodic monitoring and measuring of its key indicators and/or outputs. It contains indicative time frames for completion, accountabilities, and intended impacts on ADB and its staff resulting from the various actions. It highlights possible areas for Board involvement and the forms that involvement may take. Unlike the 3-year action plan for the previous HR Strategy (2005–2007) paper, Management will carry out or revise actions in the new action plan as needed (e.g., based on the GCI outcome, changes to staffing and physical resources will be incorporated).

11. Collectively, these measures are expected to address most of the issues highlighted by staff in the 2008 staff engagement survey. These included career development and progression, performance management, staff development, salary and benefits, work–life balance, and gender initiatives as set out in the third gender action plan.⁵ More effective communication with staff to manage the change is essential for ADB to achieve the intended impact for all actions. A staff engagement survey every 2 years, with the next survey in 2010, will also be an important

⁵ ADB. 2007. *Review of the Second Gender Action Program (GAP II, 2003–2006) and Proposal for the Third Gender Action Program (GAP III, 2008–2010)*. Manila

gauge of progress toward addressing key concerns of staff to ensure their continued engagement with ADB's mission and institutional goals.

**Box 1: Recommendations Resulting from the
Human Resources Strategy Review**

"Future State": People Management at the Asian Development Bank (ADB)

1. Develop a people strategy to help ADB secure, motivate, and manage the workforce it needs to accomplish its business goals. This should set out the optimal configuration of the following:
 - (i) staff capabilities (experience, competencies, and technical and professional skills);
 - (ii) staff behaviors (performance, productivity, teamwork, and cooperation);
 - (iii) staff attitudes (values and beliefs about innovation, commitment, and flexibility); and
 - (iv) specific practices (recruitment, development, performance management, and rewards).
2. Identify and cascade key performance indicators for the business.
3. Develop a new approach to workforce planning.
4. Drive a new skills mix through ADB.
5. Enhance existing human resources (HR) programs to increase employee engagement.
6. Build the capability of managers to support the implementation of HR programs and manage staff effectively.

II. Role and Requirements of the Human Resources Function

1. Develop an HR function strategy and vision.
2. Redesign HR organization.
3. Integrate and streamline HR processes through better use of technology.
4. Increase HR capability through additional hiring and development of existing HR staff.
5. Identify key performance indicators for HR.

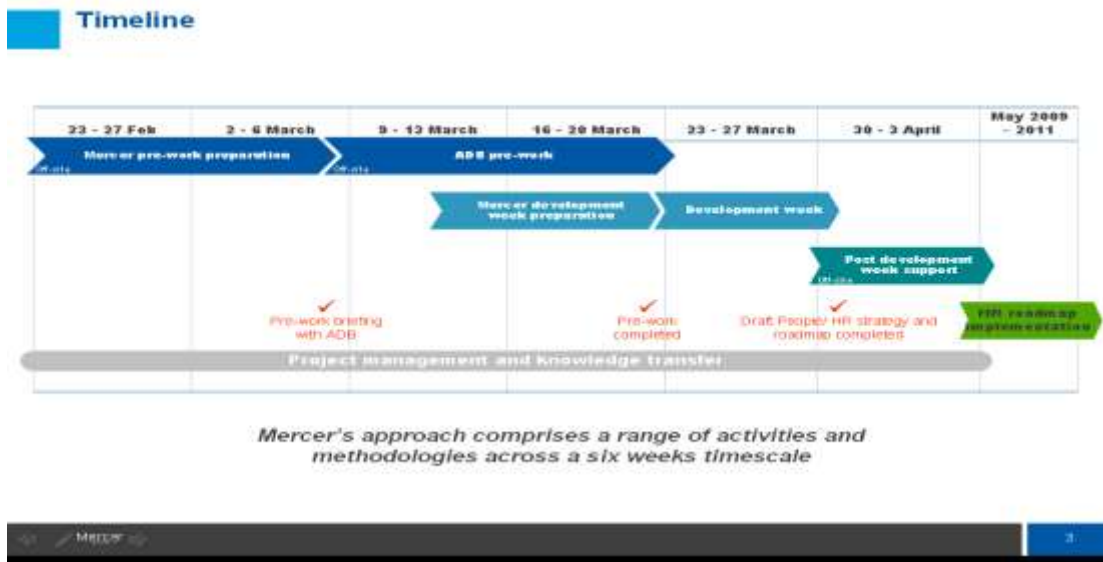
Source: Mercer. 2008. *Comprehensive Review of the Human Resource Strategy (2004-2007) of the Asian Development Bank*.

12. The resource requirements to implement the action plan are expected to be manageable. Mercer has been engaged⁶ to support ADB to prepare the people strategy and detailed plans for its implementation. The process of developing the people strategy has already started (Box 2). The main areas with budgetary implications will likely be the expansion of learning and development activities, changes to compensation and benefits, and implementation of an online HR management information system. These are in the planning stage and the necessary budget allocations will be sought through the annual budget exercise.

⁶ The contract amount of \$500,000 will be allocated from the 2008 budget carryover.

Box 2: Next Steps in the Development of a People Strategy

12–18 March	Interviews. Mercer recommends that at least 16 senior ADB staff (including vice-presidents, the managing director general, and heads of departments) be interviewed.
12–22 March	Analysis. Information from the interviews will be submitted to Mercer for analysis, together with other inputs Mercer gathered during the HR strategy review
23–27 March	Development Week. The Mercer team will be in ADB headquarters to assist in the preparation of the first draft of the people strategy document.
April– May	Validation. ADB will validate the draft people strategy document.
June to August	Finalization. ADB will finalize the people strategy document (including the necessary approvals and dissemination to staff)



III. IMPLEMENTING THE ACTION PLAN

13. **Critical Factors.** The actions that are undertaken under the action plan must have visible, measurable, or demonstrable impact on the organization and its staff and should achieve the desired results and objectives. The actions will not be regarded as successful if the desired results and objectives were not achieved. According to Mercer, "at the root of failures in effective people management strategies in many organizations is the lack of detailed project planning or the oversight of behavioral change management activities." Mercer identifies the following critical factors to ensuring success in implementation: (i) leadership, (ii) clarity of direction, (iii) maintaining HR service, and (iv) approach to change management.

14. **Management Commitment.** Management regards the implementation of more effective HR management to ensure the success of Strategy 2020 to be an urgent priority. Management has clearly stated its commitment to HR changes and improvements⁷ and has demonstrated this through follow-up actions⁸ based on the results of the staff engagement survey and preparations for the HR action plan. Staff demonstrated their commitment to ADB through their high participation rate in the staff engagement survey and by their contributions to the HR strategy review.

15. **Drivers of Change.** Management will drive all change management through the heads of departments with the support and advice of the working group on effective management of HR. The Budget, Personnel, and Management Systems Department (BPMSD) will serve as the secretariat for the people management measures. As chair of the working group and the vice-president responsible for BPMSD, the vice-president for finance and administration will be a key driver in all matters directly relating to Mercer's fifth recommendation, enhance existing HR programs and to all measures relating to strengthening the role of the HR function. In turn, BPMSD, under the guidance of the working group, will (i) take the main initiatives on ADB-wide staffing, compensation, and learning programs; (ii) catalyze and support greater accountability on the part of line managers for the HR management of their staff; (iii) monitor and review progress on implementation. Mercer will assist in the implementation.

16. **Role of the Board of Directors.** Management acknowledges the Board's high-level oversight role over HR management in ADB, and seeks its continued engagement, so that, together with Management's commitment and staff participation, ADB can successfully implement the HR action plan. Specifically, the Board's direct involvement will continue in matters relating to the work plan and budget framework, the salary and benefits of staff, and the forthcoming people strategy. In addition, as the action plan is implemented, Management will regularly report to the Board on its progress. Management will continue to seek feedback and guidance on strategic HR matters. The arrangement will be determined by the outcome of the Board working group's recommendation on the creation of a Human Resource Committee.

17. **Role of Staff Council.** Management will continue to involve the staff through regular communications through the Staff Council and town hall meetings.

⁷ Management's opening and closing remarks during the Board discussion on 20 January 2009 on the Comprehensive Review of the Human Resources Strategy (2005–2007)

⁸ Memos dated 19 June 2008, 15 October 2008 and 17 November 2008 which contained measures intended to begin addressing priority areas for improvement or change.

18. **Action Plan.** This Action Plan will be a living document; the content and timelines will be updated, as may be necessary, in consultation with Management and the Board through regular reports.

IV. NEXT STEPS

19. Collectively, all parts of ADB will work toward putting in place an HR management system and environment that will support the successful implementation of Strategy 2020.

Table 1: Human Resources (HR) Action Plan

The action plan starts with the formulation of the People Strategy and the HR Function Strategy as these will provide the foundation and direction for the subsequent actions to ensure linkage, coherence, and consistency. Although actions and activities are also shown for the other recommendations, some of these will need to be validated, updated, or revised once the People Strategy is finalized.

"Future State": People Management for ADB

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
<p>1. Development of People Strategy (page 41 of Mercer's final report)</p> <p>A People Strategy is a blueprint to help ADB secure, motivate, and manage the workforce it needs to accomplish its business goals. It should set out the optimal configuration of the following:</p> <ul style="list-style-type: none"> • Staff capabilities (experience, competencies, technical, and professional skills) • Staff behaviors (performance, productivity, teamwork, cooperation) • Staff attitudes (values and beliefs about innovation, commitment, flexibility) • Specific practices (recruitment, development, performance management, rewards) 	<ul style="list-style-type: none"> • Alignment with Strategy 2020: will enable agility in the HR programs to reflect changes in the business strategy or operating environment (i.e., "vertical" consistency of HR programs with Strategy 2020) • Congruence in HR programs: ensuring that programs support each other (i.e., "horizontal" consistency across HR programs to support each other) • Strengthen internal communication and staff's understanding towards HR management 	<p>Develop and publish People Strategy linked to Strategy 2020</p> <ol style="list-style-type: none"> WG/BPMSD/Mercer to work on preparation activities resulting in first draft Conduct bank wide consultations (BOD, HODs, staff) on first draft for inputs Seek necessary approvals Publish and circulate Communicate Periodic reporting on agreed key success measures 	<p>WG/BPMSD/Mercer</p> <p>Agreed with staff and Management</p> <p>Approved by Management</p> <p>Communicate to all staff and external applicants</p> <p>HODs and BPMSD to implement all HR programs and decisions on personnel actions</p>	<p>Comments from and discussion with the BOD</p>	<p>Published People Strategy document communicated to all staff, external applicants and BOD, including agreed key measures of success that will be subject to monitoring and periodic reporting</p>	<ol style="list-style-type: none"> Q2 2009 Q2 2009 Q3 2009 Q3 2009 Q3 2009 Annual reporting

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<p>2. Identify and cascade key performance metrics for the business (pages 41-42 of Mercer's final report)</p> <p>Adopting key performance metrics (i.e., high level measures for the Bank) send a clear message to staff regarding what performance is valued which can assist them in directing their efforts</p>	<ul style="list-style-type: none"> Consistent measurement of performance throughout the Bank Implementation and linkage of Strategy 2020 with individual performance priorities 	<p>a. Refine appropriate performance metrics and cascade to Departments, Divisions, Units, and staff (based on SPD's Results Framework and Departments'/Offices' Key Results Areas)</p> <p>b. Establish basic concept on individual performance to support Strategy 2020 and share with staff</p> <p>c. Revise competency framework</p>	<p>Management and HODs define and communicate to staff</p>	<p>Key components will be incorporated in the People Strategy</p> <p>Changes in Results Framework will be discussed</p> <p>Update and report once a year or as required</p>	<p>Consistent monthly/quarterly performance measurement across ADB</p> <p>Linkage of Strategy 2020 with individual staff work plans and performance development plans</p>	<p>Q2 2009</p> <p>Periodic reviews as needed, linked also to any changes to ADB's Results Framework</p>
<p>3. New approach to workforce planning (pages 42-43 of Mercer's final report)</p> <p>An organizational-wide review of resourcing, comprehensive workforce planning exercise, including a talent and succession planning review, is required for ADB to ensure workforce alignment to the requirements of Strategy 2020</p>	<ul style="list-style-type: none"> Forecast of people resources required by Strategy 2020 Current vs. required skills and capabilities Active monitoring and management of people resources 	<p>Conduct enhanced workforce planning in line with Strategy 2020 and GCI scenarios</p> <p>a. BPHR involved at the beginning of the WPBF process (including budget formulation)</p> <p>b. Identify staff resources needed for Strategy 2020 and conduct gap analysis of current vs. required skills and capabilities</p> <p>c. Develop and integrate continuous monitoring and management of staffing requirements needed into the current WPBF process</p>	<p>BPMSD to assess (i) aggregate requirements for staff size and skills mix based on work programs (2010-2012) and workload to achieve Key Results Areas and (ii) analyze skills mix of the current workforce</p> <p>Departments to identify and propose the staff requirements to deliver their work programs</p> <p>BPHR and all staff to maintain Skills Database</p> <p>BPMSD and HODs monitor and manage</p>	<p>HR related matters will be clearly addressed in the 2009 WPBF</p>	<p>Demonstrate staff requirement and improvement of skills alignment under Strategy 2020</p>	<p>Q2-Q4 2009</p> <p>Continuous monitoring</p> <p>Periodic reviews as needed</p>

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		<p>d. Develop succession planning exercises (e.g., forecast number of age 60 retirements as part of the WPBF to determine recruitment or promotion actions)</p> <p>e. Develop monitoring and reporting mechanisms to show institutional capacity (through skills of staff on board) and progress of skills alignment</p>	staffing needs			
<p>4. Drive a new skills through the Bank (pages 43-49 of Mercer's final report)</p> <p>Develop a new "ADB Employee Model" that is needed for Strategy 2020 that will have the following:</p> <ol style="list-style-type: none"> 1. Technical Skills 2. ADB Behaviors 3. ADB Values <p>Strengthen the infrastructure that supports the required skills mix:</p> <ol style="list-style-type: none"> 1. Competency Framework 2. Recruitment practices, including Strategic and Flexible Recruitment 3. Career paths and progression (including Technical 	<ul style="list-style-type: none"> • Workforce with the skills and behaviors required for business success • Redeployment of skills where possible and reduction in any skills now redundant to ADB 	<p>Clarify basic concepts on technical skills, behaviors and values needed under Strategy 2020</p> <p>Develop skill inventory analysis tool and present detailed analysis</p> <p>Link skill concepts with workforce planning, assignment, recruitment, performance management and staff development programs</p> <p>Define what type of staff we seek by identifying technical skills, competencies, and values</p> <p>Design and implement HR programs based on</p>	<p>BPMSD develops a new "ADB staff model"</p> <p>BPMSD designs HR programs based on the "ADB staff model"</p> <p>BPMSD communicates to HODs how to implement in all staffing decisions</p>	<p>Update and report once a year or as required</p> <p>Update and report once a year as required. Board feedback on report.</p>	<p>Skills inventory developed and maintained as the core database to support HR management</p> <p>High % of new hires confirmed and converted to regular appointment</p> <p>Narrow skills gap each year (taking into account also external market conditions)</p> <p>Client satisfaction with ADB staff they deal with</p>	<p>Work on defining technical skills, behaviors and values completed by end Q3 2009</p> <p>Skills inventory developed by Q4 2009</p> <p>Mainstreaming and periodic review activities will be ongoing</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
Career stream) 4. Learning & Development 5. Skills Inventory Tool		the foundation of the type of staff ADB seeks. <ul style="list-style-type: none"> • Assignment • Recruitment and Selection • Career development • Performance management • Learning and Development (These and other initiatives are elaborated in more detail under 5. Enhancing existing HR programs to increase employee engagement.)				
5. Enhance existing HR programs to increase employee engagement (pages 50-54 of Mercer's final report) The need for effective communication runs underneath all of these programs	HR programs, measures, initiatives, and actions need to be consistent and coherent with Strategy 2020 and the People Strategy Address 4 key areas: performance management, employee development, career management, talent management, as well as effective communication	WG/BPMSD/Mercer	Management with WG advice oversees the development and implementation of HR programs BPMSD designs the HR programs, with feedback from HODs and with assistance from external experts as needed BPMSD works with HODs on implementation.	Update and report once a year or as required		
a. Assignment	<ul style="list-style-type: none"> • Transform from position based assignment to job based assignment • Jobs are more clearly defined and assignments of 	a. Clarify and redefine, as necessary the tasks to be performed in each job. b. Assign the most suitable person among those with required skills sets to best complete	HODs/BPMSD	Update and report once a year or as required	Revised job descriptions and job titles Improved job description for lead professionals, practice leaders,	Q2 2009 to Q2 2010 Some measures are ongoing b. commence Q2 2009

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
	<p>persons into jobs become more transparent.</p>	<p>the tasks of the job.</p> <p>c. Communicate to staff the basic procedures and rules for job-driven assignment.</p> <p>d. Rename, if necessary job titles to better capture the requirements of each position</p> <p>e. Clarify further the job descriptions for senior positions (lead professionals, practice leaders, advisors)</p> <p>f. Allow some flexibility in level complement system to provide HODs greater ability to recommend assignment of the most appropriate person to the job.</p>			advisors	<p>c. Q2-Q3 2009</p> <p>d. Job titles by Q4 2009</p> <p>e. ongoing</p> <p>f. ongoing</p>
b. Recruitment and Selection	<ul style="list-style-type: none"> • Improved recruitment to ensure staff hired into ADB are in line with the "ADB model staff" • Transparent decision making regarding recruitment and selection • Candidates understand the selection criteria required for success at different levels 	<p>a. Develop more proactive recruitment strategy and practices to align skills mix requirements for Strategy 2020</p> <p>b. Recruitment policies and procedures will be clarified and widely communicated</p> <p>c. Internal and external candidates will be considered simultaneously when a</p>	HODs/BPMSD	Update and report once a year or as required	Monitoring of approved metrics	<p>Q2 2009 to Q2 2010</p> <p>Some measures are ongoing</p> <p>b. Q3/Q4 2009</p> <p>e. Q3-Q4 2009</p> <p>f. Q4 2009</p> <p>g. Q4 2009</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
	<ul style="list-style-type: none"> Minimize time that a position is vacant and better communication with applicants Anticipate critical vacancies Maximize ADB's employment branding 	<p>job vacancy has been posted</p> <p>d. Expand pool of candidates through more use of search firms/outreach activities</p> <p>e. Develop skills checking methods for new recruit</p> <p>f. Use of i-recruitment for processing recruitment procedures and communicating with applicants</p> <p>g. Continue pilot spouse recruitment program ; identify and evaluate the scope for current Professional Staff</p>				
c. Career development and progression	<p>Career Management</p> <ul style="list-style-type: none"> Clear career paths offer staff the opportunity to specialize and develop expertise in their given field, or expand into other areas that are related to skills they already have <p>Transparent decision making regarding selections/promotions and focused on matching capabilities with job requirements</p>	<p>a. Elaborate basic concept of career development at ADB and share with staff</p> <p>b. Basic procedures and rules for progression will be clarified and communicated to staff.</p> <p>c. Develop further non-managerial career stream.</p> <p>d. Enable greater internal mobility.</p> <p>e. Assign the role of career development</p>	HODs/BPMSD	Update and report once a year or as required. Board feedback on report.	<p>Improved staff awareness of own career prospects</p> <p>Improved matching of jobs with staff</p> <p>Improved score in Staff Engagement Survey</p>	<p>Q2 2009 to Q2 2010</p> <p>Some measures are ongoing</p> <p>b, c and e... Q2 to Q3 2009</p> <p>h. Q4 2009</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
	<ul style="list-style-type: none"> Staff understand the different skill sets required for success at different job levels ADB able to maximize available talent pools by offering career opportunities <p>Talent Management</p> <ul style="list-style-type: none"> Leadership success defined, linked to Strategy 2020 Early identification of potential talent Future leaders identified, developed, managed, and retained 	<p>counseling through a network of senior staff.</p> <p>f. Link career development with staff learning and training program</p> <p>g. Enhance the role of Assessment and Development Centers</p> <p>h. Commence talent management and succession planning.</p>				
d. Performance management	<p>Performance Management</p> <ul style="list-style-type: none"> Performance management system focused upon building and recognizing the capabilities required by ADB Staff have a realistic picture of their current performance and are given guidance on development and improvement Managers have the autonomy and accountability to manage the 	<p>a. Link measurement of performance to results under Strategy 2020 and assess competencies against standards set by ADB</p> <p>b. Revise PDP to incorporate change in competency framework</p> <p>c. Refine PDP procedure to simplify and rationalize the process (recognize PDP as one element of long term overall performance assessment)</p>	Working Group/ BPMSD/HODs	Update and report once a year or as required. Board feedback on Report.	<p>Improved feedback of performance to staff</p> <p>Improved feedback to staff on areas to improve (e.g., skills and behaviors)</p> <p>Improved staff satisfaction in Staff Engagement Survey</p>	<p>Q3 2009 to Q1 2010</p> <p>Some measures are implemented for the 2009 PDP</p> <p>a to g Q2 to Q3 2009</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
	<p>performance of their staff</p> <ul style="list-style-type: none"> Transparent and meaningful process for managers and staff 	<p>d. Review and align relationship between performance and HR actions (promotion, salary increase, bonus, awards and recognition, etc.)</p> <p>e. Enhance assessment of managerial skills of Directors and stress the critical importance of their managerial competencies</p> <p>f. Improve PDP Online to support revisions to PDP process and include other types of formal performance reviews (e.g., 6-month and 1-year reviews)</p> <p>g. Refine IGA and other separation schemes</p>				
e. Compensation and benefits	<ul style="list-style-type: none"> ADB's compensation package remains appropriately competitive 	<p>a. Conduct comparative review of benefits package with other IFIs including regional banks</p> <p>b. Revise eligibility and review other features/provisions under Staff Retirement Plan</p> <p>c. Review/update RM benefits package especially for hardship duty stations.</p>	<p>BPMSD</p> <p>BPMSD and Pension Committee</p> <p>BPSMD</p>	<p>Submission of salary paper to BOD for approval</p> <p>For pension plan amendments, approval by Pension Committee is also required prior to seeking BOD approval</p>	<p>Low rejection rate of job offers (benchmark to be determined)</p> <p>Low turnover rate with salary and benefits as the primary reason for leaving (benchmark to be determined)</p> <p>Improved staff satisfaction in Staff Engagement</p>	<p>a. Q1-Q2 2009; key findings will be included in PS salary paper in Q3</p> <p>b. Q1-Q2 2009</p> <p>c. Q2-Q3 2009; submission to BOD for approval</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
					Survey	
f. Learning and development	<ul style="list-style-type: none"> • Staff development and learning program enhanced by focusing upon core development needs of the workforce • Ensure alignment to ADB's broader knowledge management initiatives 	<p>a. Develop learning and development action plan for learning and development under Strategy 2020</p> <p>b. Enhance and review in house learning and development programs addressing core development needs including:</p> <ul style="list-style-type: none"> i. technical skills ii. behaviors iii. leadership and managerial skills <p>c. Enhance learning opportunities for staff through:</p> <ul style="list-style-type: none"> i. collaborating and coordinating to make other knowledge platforms available to staff ii. arranging external training iii. enhancing secondment arrangements <p>d. Provide staff guidance and consultation for further development and learning</p> <p>e. Enhance knowledge sharing and contribute to capacity development</p>	<p>WG, BPMSD, Mercer and knowledge management committee</p> <p>BPMSD in close collaboration with HODs and Practice Leaders</p> <p>BPMSD and related Department and Offices</p> <p>HODs and BPMSD</p> <p>BPMSD and related Department and Offices</p>	<p>Update and report once a year or as required. Board feedback on Report.</p>	<p>Clear and relevant action plan</p> <p>Established partnerships with CoPs, Practice Leaders and relevant institutions</p> <p>Delivery of relevant learning programs</p> <p>Enhanced learning culture in line with Strategy 2020</p> <p>Annual DMC Orientation programs offered and other learning opportunities for DMC</p>	<p>a. Q2-Q3 2009 onwards</p> <p>b. Q2-Q3 2009</p> <p>c. Q2 2009</p> <p>d. Q3 2009</p> <p>e. Q3 onwards</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
		of the DMC officials through: i. revising DMC orientation program ii. developing new programs and arrangements inviting DMC officials to ADB and related facilities				
g. Promote ADB values	At the core of People Strategy to be developed since this sets the foundation for the types of people, regardless of skills sets, that we want to attract, develop and retain.	a. Define ADB values and share with staff b. Enhance programs to promote and share ADB values among staff c. Enhance measures and arrangements related to integrity and ethics issues	Management, HODs, Staff and BPMSD	Update and report once a year or as required. Board feedback on Report.	Articulated in ADB's People Strategy	Q2 2009 to Q2 2010 Along with development of the People Strategy
h. Workforce environment	At the core of promoting good staff morale and welfare which is essential for maintaining a workforce that is highly motivated and committed to development work in Asia and the Pacific	a. Enhance internal communication b. Encourage and promote collegial workplace environment c. Enhance awards and recognition programs d. Enhance learning opportunities for staff e. Continue improvements to physical infrastructure	HODs/BPMSD Solicit further proposals by Staff Council	Update and report once a year or as required	Improved score in Staff Engagement Survey	Q2 2009 to Q2 2010
i. Work-life balance	At the core of addressing the various personal or family situations among staff	a. Review piloted work-life balance initiatives (work from home arrangements; flex-time) at the end of the pilot period and prepare	BPMSD/HODs Solicit further proposals by Staff Council	Update and report once a year or as required	Improved score in Staff Engagement Survey	Q3 2009 to Q2 2010

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
		<p>recommendations to Management</p> <p>b. Evaluate expanded flex-time arrangements</p> <p>c. Review leave provisions (e.g., family leave, maternity leave); this is linked also to the comparative study of PS benefits package with other IFIs, including regional banks</p>				
j. NOAS-specific issues	Recognizes and clarifies the roles and functions of NOAS as well as more properly addresses the issues unique to them.	<p>a. Review job descriptions of NOAS in HQ</p> <p>b. Elaborate career development roadmap for NOAS</p> <p>c. Engage in more proactive assignment and recruitment of NOs with high technical skills and productivity</p> <p>d. Review job titles of NOAS in HQ</p> <p>e. Review grading systems of NOAS in HQ</p> <p>f. Reintroduce management driven promotion for NOAS (i.e., conduct annually the present incumbent only (PIO) promotion exercise)</p>	HODs/BPMSD	Update and report once a year or as required		<p>Q2 2009 Q2 2010</p> <p>d. link with review of Professional Staff job titles Q4 2009</p> <p>f. Every March or April after the PDP exercise</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
k. RM-specific issues	Provide HODs with larger pool of qualified candidates to assign to RMs	<u>Professional Staff:</u> a. Career development of PS (during tenure at RMs and after returning to HQ) b. Review/Update RM benefits package especially for hardship duty stations c. Review of logistical arrangements, shipping and storage provisions, support to staff's dependents especially for non-family duty stations d. Enhance preparatory and technical training National Officers and Administrative Staff <u>(NOAS):</u> a. Review roles and job description b. Review job titles c. Constant monitoring and review of competitiveness of remuneration policies d. Proactive recruitment of staff with high professional skills at RM e. Enhance technical training and regional role of NO and review	HODs/Country Directors/BPMSD and related departments	Update and report once a year or as required	Improved score in Staff Engagement Survey Improved pool of applicants for assignments to RMs/ROs Improved clarity on RM assignment as part of career development NOAS Recruit and retain qualified NOAS	Professional Staff: a. Q4 2009 to Q1 2010 b. Q4 2009 c. Q3 2009 d. Q4 2009 NOAS: Q1 2010

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
I. Gender	<p>Linkage with the Gender Action Program (GAP) III</p> <p>Ensure GAP is followed</p>	<p>opportunities for further career development</p> <ul style="list-style-type: none"> ▪ Increase representation of women PS and leadership by women by diversifying recruitment and retention strategies , increasing visibility of women PS and enhancing career development programs for women ▪ Improve organizational culture including initiatives that will foster more flexible work arrangements ▪ Increase manager's accountability in addressing organizational gender issues 	VPs/HODs/Directors/ BPMSD (BPHR-PP)	Update and report once a year or as required. Board feedback on Report.	<p>Percent of women in professional positions</p> <p>Percent of senior positions held by women</p> <p>Gender ratio as one of the institutional effectiveness indicators under Strategy 2020</p>	On going (2008 – 2010)
<p>m. Staff communication</p> <ul style="list-style-type: none"> • Staff understand the role of communication and what they can expect communication on from management • Active management of employee communication • Changes to HR programs explained to staff 	<ul style="list-style-type: none"> • Enhanced flow of relevant information in a more timely manner 	<p>a. Constant communication with staff on HR programs, initiatives, and benefits.</p> <p>b. Integrate and consolidate HR and Benefits intranet sites and redesign to be more client oriented and user friendly</p> <p>c. Conduct town hall briefing sessions when making important changes or rolling out</p>	Management, HODs, Staff and BPMSD	Update and report once a year or as required	Improved score in Staff Engagement Survey	Q2 2009 onwards

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
		<p>new initiatives</p> <p>d. Communicate important organizational matters to staff to reinforce their knowledge and understanding of ADB's mission, vision, and business goals</p> <p>e. Constant communication on change management activities during implementation period of various HR actions</p> <p>f. Establish formal networks of staff to enhance communication efficiency throughout the ADB</p>				
<p>6. Build capacity of managers to effectively support the implementation of HR programs and manage staff (page 54-56 of Mercer's final report)</p> <p>To become successful and enable ADB to successfully deliver the HR programs, it is critical to build line manager capability by:</p> <ul style="list-style-type: none"> Developing clear roles and responsibilities for people management 	<ul style="list-style-type: none"> Managers empowered with the skills and tools to effectively manage their people Managers held accountable for the effective management of their people Staff empowered by being able to provide anonymous feedback to their managers on their manager's strengths and areas for development 	<p>a. Clearly define the role of managers in effectively managing their people</p> <p>b. HR supports operational managers in the completion of their critical role in managing people</p> <p>c. HR contacts available to assist in the management of urgent and ongoing staff issues, such as non-performance and employee assistance</p>	<p>BPHR and Mercer continue to implement Assessment and Development Center for PS level 6 and Assessment Centers for Directors</p> <p>BPDB designs and implements learning and development programs to support Center participants</p> <p>HODs support PS level 6 and Directors' development</p>	<p>Update and report once a year or as required</p>	<p>Directors and Senior PS participation in learning and development programs on Developing to Grow Future Leaders.</p>	<p>Q4 2009</p>

Mercer Recommendation	Key Deliverables to ADB	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Outcomes/Indicators	Timeframe/Frequency
<ul style="list-style-type: none"> • Skills development through management development training • Support from the HR function 		d. Skill development through management development training and assessment and development centers				

The Role and Requirements of the HR Function

Mercer Recommendation	Summary of the Recommendations	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Timeframe/Frequency
<p>1. Development of HR function strategy and vision (pages 58-60 of Mercer's final report)</p>	<p>Develop an HR vision and an HR function strategy aligned with the Strategy 2020 and People Strategy requirements</p> <p>Validate the leadership role and the HR function's role in supporting the people management of the Bank</p>	<p>Develop and publish HR function strategy and vision</p> <p>a. WG/BPMSD/Mercer to work on preparation activities resulting in HR function strategy and vision which may be incorporated into the People's Strategy.</p> <p>b. Publish and communicate HR function strategy and vision document</p>	<p>WG/BPMSD/Mercer</p>	<p>Comments from and discussion with the BOD</p> <p>Update and report once a year or as required</p>	<p>a. Q2 2009</p> <p>b. Q3 2009</p> <p>c. Q3 2009</p>
<p>2. HR organization re-design (pages 60-63 of Mercer's final report)</p> <p>Moving away from functional silos to one that is organized around 3 main building blocks will allow HR to support the business better through fast, effective delivery of services and effective implementation of HR programs and practices.</p>	<p>Measures/arrangements to secure clearer division of roles between HR and Budget</p> <p>Realignment of HR division</p>	<p>a. Appointment of DDG in charge of HR matters and an externally recruited HR Advisor</p> <p>b. Realignment of current unit structure and functions for HR division</p>	<p>Management with advice from Working Group.</p>	<p>Update and report once a year or as required</p>	<p>a. Q2 2009</p> <p>b Q3 to Q4 2009 following the completion of the HR function strategy and vision.</p>
<p>3. Integrate and streamline HR processes with better leveraging of technology (page 64 of Mercer's final report)</p> <p>These critical activities will underpin the ability of HR to deliver the various HR programs.</p>	<p>Extend usage of technology solutions (e.g., Oracle iRecruitment) to support processes</p>	<p>a. Design, configure and implement Oracle iRecruitment</p> <p>b. Implement Manager Self Service screens</p>	<p>BPMSD, OIST</p>	<p>Update and report once a year or as required</p>	<p>Q4 2009</p>
<p>4. Increase HR capability through additional hiring and the development of existing HR staff (pages 64-65 of Mercer's final report)</p>	<p>HR staffing plan (hiring, training)</p>	<p>a. Develop HR staffing plan (as part of workforce planning)</p> <p>b. Develop existing HR staff capability, including NOAS, in order to secure skills and</p>	<p>BPMSD</p>	<p>Update and report once a year or as required</p>	<p>c. Vacancy posting for 2 HR professionals will be filled by Q2 2009</p>

Mercer Recommendation	Summary of the Recommendations	Actions/Activities	Responsibilities/Accountabilities	Board Involvement	Timeframe/Frequency
		<p>capabilities to deliver recommended programs</p> <p>c. Recruit additional HR professionals/specialists</p> <p>d. Active use of external HR professional on consultant arrangements</p>			d. As additional needs identified and approved by management
<p>5. Identification of key performance metrics for HR (pages 66-68 of Mercer's final report)</p>	<p>Develop the HR results framework focused on 4 specific items:</p> <ul style="list-style-type: none"> • HR customer satisfaction • HR efficiency/effectiveness • HR functional practice • Organization effectiveness 	<p>a. Develop new HR functional results framework</p> <p>b. Refine the level 4 of Strategy 2020 Results Framework (organizational effectiveness including HR) as key performance metrics for HR are defined and agreed</p> <p>c. Validate HR performance metrics with HODs, Directors and Staff Council to properly capture client satisfaction on HR services and support.</p> <p>d. Develop monitoring and reporting mechanisms</p>	Working Group with Mercer	<p>Results Framework reported to the Board</p> <p>Update and report once a year or as required</p>	Q2 2009

ADB = Asian Development Bank; BOD = Board of Directors; BPDB = Staff Development and Benefits Division; BPHR = Human Resources Division; BPHR-PP = Policy and Planning Unit, Human Resources Division; BPMSD = Budget, Personnel, and Management Systems Department; CoP = Community of Practice; DMC = Developing Member Country; DDG = Deputy Director General; GAP= Gender Action Plan; GCI = General Capital Increase; HOD = Head of Department; HR = Human Resources; HQ = Headquarters; IFI = International Financial Institutions; IGA = In the Interest of Good Administration; NOAS = National Officer/Administrative Staff; OIST = Office of Information Systems and Technology; PDP = Performance Development Plan; PIO = Present Incumbent Only; PS = Professional Staff; RM/RO = Resident Mission/Representative Office; SPD = Strategy and Policy Department; WG = Working Group; WPBF = Work Program and Budget Framework