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MANAGEMENT SURVEY OF UNICEF

The strengthening of the best traditions of UNICEF:

Report to the Executive Director prepared by the
Scandinavian Institutes for Administrative Research (SIAR)*

* This report was prepared in accordance with a decision of the Executive Board at its 1973 session (E/ICEF/629, para. 142). A note by the Executive Director giving his views and recommendations for UNICEF action is contained in E/ICEF/AB/L.148.

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Mr. H. Labouisse, Executive Director
UNICEF
c/o United Nations
New York, New York 10017
USA

February 25, 1975

Enclosed you will find the final text of our report. We hope that you agree that the title chosen "The Strengthening of the Best Traditions in UNICEF" summarizes the leading idea.

We are also convinced that the implementation will be greatly facilitated by the joint problem solving approach which has pervaded the project and the report writing, although as your consultants we take final responsibility for both the content and formulation.

Let us also assure you that to the extent needed the Institute is prepared to share with you responsibility for a successful implementation.

Yours sincerely,


Jan Lundeberg


David Palin


Eric Rhenman

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CHAPTER 1: INTRODUCTION

The Purpose of the Report:

1. During the last twelve months we have carried out a management survey jointly with staff groups from UNICEF. The purpose was defined by yourself in the terms of reference (attached as Appendix I) as "laying down lines for the development of UNICEF's organization structure for the next five to ten years." As you will remember, we presented a first report in May of last year, mainly to inform the Executive Board about the progress and orientation of the project.

2. The purpose of this report is broader and can be summarized in four points:

- a) to give a further explanation of our approach described in the first report as "joint problem-solving";
- b) to report some observations about problems in UNICEF and our theoretical interpretation of these problems;
- c) to summarize the decisions that have "grown out" of our joint problem-solving discussions and which now seem to be "mature" enough to implement; and
- d) to suggest next steps in your work in improving and developing UNICEF's organization and management.

The Style of the Report:

3. When reading this report you may get the impression that we are only critical of UNICEF. But this is not the case. We therefore wish to make a general comment -- which we hope you will remember all through the text -- about the style we are using.

4. The purpose of a management survey is to deliver improvements. The stronger and healthier an organization is the more open it can be about its problems and shortcomings. Therefore,

since UNICEF is one of the most impressive organizations we have ever met and has a very difficult task, we have not hesitated to be frank in this public document. Only when we have felt that the purpose of the project -- that is, change for the better -- make it desirable, have we reminded the reader of the well-known strengths of UNICEF: its ability to combine a down-to-earth practicality with far-reaching analysis, its flexibility without losing sight of the ultimate goal and its highly motivated and very able staff led by a non-bureaucratic management.

The Outline of the Report:

5. In our progress report we briefly described how, as a result of the first fact-finding phase, which included a very valuable pilot group exercise about management in the Americas region, we decided to concentrate our work on four "attention areas" with the help of groups of staff members selected in conjunction with yourself:

- a) a group of eight UNICEF representatives who have concentrated on the question of "how to strengthen the field organization" -- the "field group";
- b) a group from headquarters working on how to improve personnel administration -- the "personnel group";
- c) a group (also from headquarters) analyzing "how to strengthen the logistics function" -- the "logistics group"; and
- d) a group led by yourself covering a broad spectrum of questions, including those introduced by the other groups, but concentrating on the question "how to improve the basic structure of policy making and coordination?"

6. All these groups have done a very careful job, and each has come to more or less unanimous conclusions. Since we know that you are anxious to act relatively soon on some of the recommendations of these groups, it could seem logical to concentrate our report on a summary of those findings together with our own final evaluation. However, we think that successful implementation depends upon a thorough understanding of the reasoning behind the conclusions.

7. We will therefore devote Chapters 2-5 to a theoretical interpretation of some of our observations in the hope that our report will be of value to you in your continuing discussions with groups that have not yet been involved in the project. Our suggestions are then presented under ten subheadings in Chapter 6. In Chapter 7 you will find a check list of proposed actions.

CHAPTER 2: OUR METHODOLOGY

Why Joint Problem-Solving?

8. When first discussing the outline of this project with the UNICEF Secretariat, we emphasized that we did not believe in a methodology by which the consultant's assignment was to review and recommend, and which left the client to decide and to implement. There are three major reasons which have led us to a basically different approach.

- a) There are in most large organizations experiences and ideas which are not properly used and it should be the first job of the consultant to help the organization to use its own resources.
- b) For the difficult organizational problems, the best solutions are often developed if the client's understanding of the needs of the situation is combined with the consultant's theoretical understanding and technical experience.
- c) Real change in an organization requires not only changes in the formal organization but also, and often much more important, that key personnel develop new behavioral skills and attain a deeper understanding of psychological and sociological aspects of the situation in which they live and act. The interaction with a consultant can, if properly used, be an opportunity to start to experiment with new behaviors, and to get a deeper personal understanding of organizational problems and possibilities. Traditional "expert surveys" are on the other hand often used by the key people to avoid a confrontation with problems caused by their own way of functioning.

The Need to Understand the Wider Context and the History of the Organization:

9. It is our practice in this kind of project to begin our work with a fact-finding and diagnostic phase, which in this case started almost immediately after the signing of the contract with our participation in regional preview meetings in Guatemala and then included visits to about fifteen regional and area offices, interviews at headquarters and a massive

study of documents. During this phase, some of your staff expressed surprise at our keen interest in the history of UNICEF and our tendency to ask questions about the interaction with governments responsible for assisted projects rather than about administrative procedures. This may warrant some explanation.

10. One of the great risks of inviting a management consultant to make a survey of the management of UNICEF is that he might apply standards of what constitutes good management which are too superficial. Experience has shown that the old belief in a universal set of management principles applicable to all military, industrial or government organizations is not valid.

11. Instead, research has proved that high efficiency and effectiveness are achieved when the organizational structure and the management systems are well adapted to the basic values that the organization is promoting (or the task of the organization) and the technology (or the work methods) that the organization is using. In UNICEF this experience is particularly valid, not only because UNICEF is a unique organization, but also because the task of UNICEF varies both between one part of the world and another and at different times.

12. When working with this kind of complex organization, we have also discovered that in many areas there is no single best method to suggest, but rather that it is very important that tasks, technology, structure and management methods form a coherent whole which is well understood. In an organization like UNICEF it is therefore important to understand not only the present structure but also the learning process that has created it. Any changes should, as far as possible, build on or at least be a conscious reaction to, this development process. This theoretical approach makes the task of a consultant very difficult because he cannot evaluate the parts or pieces until he

has understood the historical background, the present task and and the ambitions of the organization for its future.

13. The methods we have used in the first diagnostic phase have been to read documents and to interview people who have been familiar with the historical development. We have also had extensive discussions with present key "actors" in the organization both at headquarters and in selected regions, areas and local field units. It was also possible for us to speak to some Board representatives and to some government officials in countries having projects assisted by UNICEF. Finally, we have used all available opportunities for observation of individuals or teams in action, particularly to try to understand the "interpersonal climate" which generally also reflects the history of the organization.

How to Improve the Self-Correcting and Learning Processes of the Organization:

14. One of the outcomes of this diagnostic phase was the identification of four areas for examination reported earlier and the establishment of joint problem-solving groups for these priority problems. But as you know, this attempt at directly solving problems in your organization has only been one of our strategies. We have also been trying to achieve a more intangible but, maybe, more long-lasting effect.

15. During many years of work we have learned that there are some basic risks involved if the consultant is "too helpful": namely, that more basic problems are not resolved. Thus, one could ask in respect of almost any problem in the "attention areas" why UNICEF has not already solved the problem; we have therefore asked the more basic question of how the self-correcting mechanisms of the organization could be strengthened.

16. In a rapidly changing world, there is also a risk that investigations by an outsider are obsolete before they are imple-

mented. According to this line of reasoning the consultant should have the ambition to do more than simply help the organization to resolve problems of efficiency. If he simply adopts the task of identifying such shortcomings and of making recommendations about improvements, he can perhaps be of some short-run help, but may be at the same time reducing the organization's own ability to learn, change and improve.

17. One of our basic theoretical assumptions in this context is that an organization's ability to learn, change and resolve its own problems is largely dependent on whether power and knowledge are available at the same spot. If this is not the case, either vicious circles or stalemates will develop. Our consultation strategy is therefore to try to identify in our diagnosis such basic shortcomings and then to try to stage a self-reinforcing repairing process which brings knowledge and power together.

18. Since the concept of organizational learning and self-adaptation is rather abstract but also very important for our whole methodology, we would like to share with you some concrete examples from other organizations which we think have a bearing on UNICEF.

CHAPTER 3: SOME EXAMPLES OF HOW ORGANIZATIONS CAN LOSE THE ABILITY TO LEARN AND ADAPT: HEADQUARTERS IN INTERNATIONAL ORGANIZATIONS

19. UNICEF is a remarkable example of an organization that has been able to learn and adapt. We will therefore prefer, when explaining the importance of looking for more basic problems and "vicious circles", to use some of our general experience from consultation with other international organizations.* We have selected the problems of headquarters, since these do to some extent exist -- even if in a milder form -- in UNICEF, but mainly because it is the most common set of problems in all international organizations* that we have studied.

The Mixture of Service and Supervision:

20. The most obvious and maybe also the most important reason why so many headquarters in international organizations* have difficulties in performing well, is that they have different functions which require quite different attitudes in relation to the field; while this is not reflected in the structure or in the management methods developed. It is thus very common that headquarters have both a supervisory role and a service role, and too often neither headquarters nor the field can make the distinction. The result is that all people from headquarters are regarded (and regard themselves) as superiors of a kind, with a supervisory function. An easy way of seeing if an organization is suffering from this misunderstanding is to discover who determines which visits from headquarters are desirable and when they should take place.

* We use the term "international organization" to cover both intergovernmental organizations (public law bodies) and multinational firms (private law bodies).

21. The risk involved in this mixture of two functions and two quite different attitudes and relationships is that headquarters' service deteriorates. An equally dangerous risk is that the myth is maintained that the field is adequately supervised while actually it is only separate functions of the field offices which are subject to some kind of supervision, and too few visitors do the most important supervision, namely that of overall performance.

The Ambiguous Status of Headquarters:

22. The efficient performance of either supervisory or service functions is severely hampered by the ambiguous status of headquarters that we have observed in almost all international companies or organizations. In its simplest version our observation is that people from headquarters are generally regarded in the field as more powerful than would be justified by their knowledge of the requirements of each field situation. This gives them in one sense high status but in another sense low status. This is sometimes interpreted as some kind of personal or even moral deficiency among senior staff in headquarters, but a more careful analysis will show that the reasons are found in the structure and are indeed very simple.

23. By being in headquarters, the staff member naturally gains a good understanding of the internal functioning including the internal politics of the organization. This makes him look powerful to the people in the field who are often feeling very isolated from the rest of the organization (for reasons that we will amplify below). If at the same time the key tasks of the organization (whether they are production, marketing or services to children) are performed in the field, it means that the staff member in headquarters is isolated from "the real thing". In concrete terms we have thus found in many such organizations that the staff member at headquarters is often more able than

the staff member in the field to take care of his short-term interests relating to promotions, postings, allowances, etc., while the staff member out in the field, particularly if he is given an opportunity to rotate, in the longer run makes the more successful career.

The Vicious Circle of One-Way Communication:

24. All organizations have unique problems to solve. These problems appear as decision issues often recurring repeatedly but also changing over time in relation to changes both in task and environment. The process of successfully resolving the decision issue is largely a function of the development of adequate concepts and frames of reference; the development of an adequate language for expressing the issue. In the healthy organization this language will be unique to the extent that the problems are unique and will change in relation to task and environment changes. Also the language will be most useful when influence over its development can be exercised by those people nearest to the decision issues, as well as those with the responsibility to make the decisions. An illuminating example of the importance of this was provided some years ago when we had an interesting opportunity to study an international company which had been the world's leader in its industry but failed to identify early enough the technological revolution which changed some of the basic processes on which its products were based. Interestingly enough, one of the subsidiaries had for many years been very well aware of what was going on but been unable to communicate this to its headquarters simply because there was not a language or a frame of reference within top management that made it possible for the subsidiary to describe the technological revolution taking place.

25. The process of language development requires organizational support. One way of testing whether such support exists is via questions such as "who determines the agenda of the meeting?", "who makes the first outline?", and "who is then asked to use these outlines as the basis for comments?"

26. The problem we have seen in many international companies and organizations is that the answer to these questions is that headquarters has the dominating control over both language and communication channels. Headquarters sets the agenda, determines what is important and, most importantly, makes the drafts and asks the field to comment, and it is the problems perceived by headquarters that are problems common to the organization and for which a specialized jargon is developed.

27. Even if this control over language and communication channels is convenient to headquarters, a high price must be paid for it. If there is not enough sensitivity in the language to make a faithful description of the problems of the field available to headquarters and the field has not enough control over the agendas to make it possible to see that these are brought up, headquarters may gradually come to know less and less about what is actually happening in the field. This will mean that the messages it sends to the field will seem more and more irrelevant and when drafts are submitted to the field, too few comments are made.

28. Of course, this isolation will increase the tendency to use the internal language to describe headquarters' needs and problems and to discuss these in the internal communications systems. This vicious circle is particularly dangerous if the key task is performed in the field and if it is important to be able to understand in depth the particular situation in each country, since the quality of the organization's services is dependent on a genuine understanding of each situation. One reason why so many international conglomerates have been in severe problems during the last years is no doubt exactly this failure to understand the differences between their many subsidiaries. (See Diagram 3:1.) Another consequence of this vicious circle and in particular the concentration on headquarter's perceived problems combined with field criticism of headquarters, is that there is often a tendency for headquarters functional services to swell.

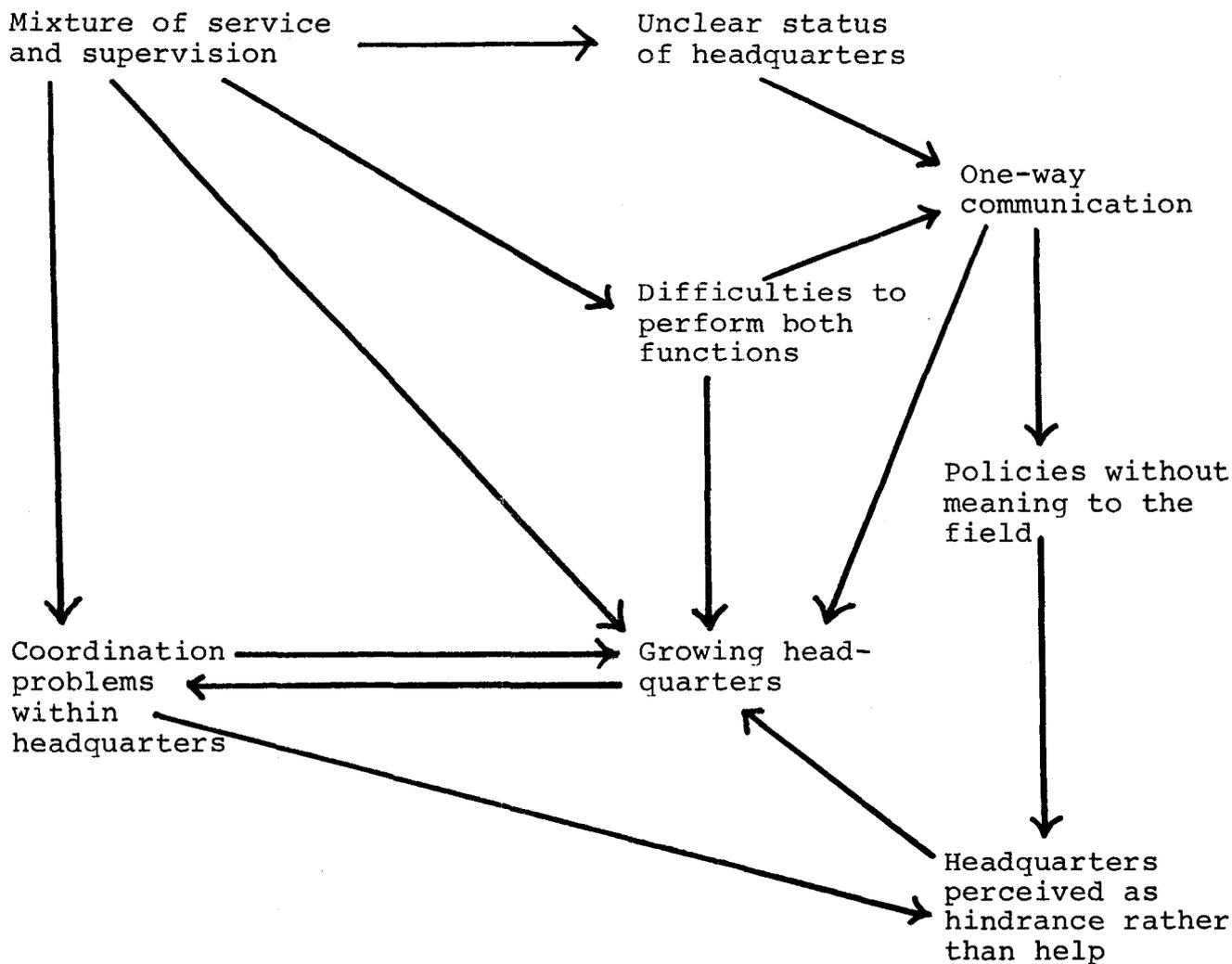


Diagram 3:1 Some vicious circles often found in complex international organizations.*

* See footnote on Page 8.

Policies Without Meaning

29. A special case of this vicious circle of one-way communication is found in the field of policy-making. Policies are expressions of values and norms in terms that can guide actions. This means that they not only reflect the basic values of organizations but also the experience and knowledge that the organization has about how these values can best be promoted. They should also reflect the priorities set between competing goals.

30. One of the consequences of too much one-way communication from the top to the bottom -- at the cost of communication in the other direction -- is that experience in the field cannot be adequately used in policy-making. Instead, policies are developed by abstract deduction or by imitation of other organizations. This can lead to all kinds of problems. It is not uncommon for the policies of the organization to be regarded as abstract or irrelevant, and even to represent one of the most serious constraints for efficiency in a "local" market.

Un-coordinated Coordination

31. Another consequence of these communication problems and the emphasis on one-way communication is a growing need for communications in written form. Headquarters cannot avoid discovering that its policies and messages are not regarded as particularly important, and that in a very genuine sense it is losing control over the field. This is interpreted as a need for more detailed instructions, and it is often decided that special training courses must be arranged in order to better indoctrinate key field representatives. In multi-national companies it is usual at this stage of the organization's development to place special, reliable inspectors from headquarters in each subsidiary. The system of internal auditing is extended. The growing feeling of the impotence of headquarters leads to the conclusion that new specialist departments must be established; experts and consultants are brought in; etc.

32. We are not denying that sometimes there are good reasons for creating specialist departments at headquarters, but from the point of view of the field, the development is seen as a growing number of instructions which seem to be less and less coordinated. In one international company that we studied the table of contents of what in UNICEF would be called the Field Manual was alone as thick as the telephone book of a large city. At headquarters, the development is first seen simply as growth, but after some time worry about internal coordination develops. People start to feel that no one really understands "the whole", and instead of problem-solving, internal politicising becomes the most important method of getting decisions made.

CHAPTER 4: THREE REASONS WHY ORGANIZATIONAL LEARNING
IS VERY IMPORTANT IN UNICEF

33. We have wanted to share with you these experiences from other organizations because they elucidate the need for continuous adaptation and learning in an international organization. In the case of UNICEF this is such an important aspect of your situation that we want to discuss it in a special chapter of this report. As we see it, there are three major reasons why the need for learning and adaptation throughout the organization is so extremely high in the case of UNICEF. These are:

- a) the country orientation;
- b) the nature of the task; and
- c) some major unknowns about the future demands on the organization.

The Country Orientation

34. Historically, one of the major differences between UNICEF and almost all other U.N. organizations is that, whereas the latter have tended to embrace the principle of field orientation in recent years, UNICEF, from its inception, has been a field oriented organization where the basic task of the organization has been performed by field units and the role of headquarters has been to support, coordinate, develop policies and raise funds. This was very much the case during the first years of operations in Europe, and when attention was turned to the developing countries, one of the first acts was to set up a field office in Bangkok. It is in this context important to note that, historically, the regional structure in UNICEF is not a layer that has been added as a link between the field and headquarters but rather the residuum of the first network of field units.

35. UNICEF also introduced the concept of the country approach, thereby also adapting itself to the strengthening of national in-

dependence, in the sense that each country would be helped to adopt a strategy for social development concerning children. Since the mid-60's UNICEF has also adopted a policy of differentiating its support with the degree of development and with the purpose of directing its material assistance more particularly to disadvantaged areas and the least developed countries. Recent events regarding the prices of oil, staple foods and manufactured goods have added another dimension to the growing complexity of UNICEF's tasks and the need for flexibility and country orientation.

36. As seen from this summary, the country orientation does not mean simply a differentiation of material assistance according to the needs of the individual country, but has a much deeper significance. The most essential aspect of the concept is the recognition that projects are designed at the country level and in discussion with the ministries implementing the project as the most influential party (the other party or parties being UNICEF and, where appropriate, one or more of the specialized agencies or bilateral agencies).

37. The country orientation leads to a number of consequences for UNICEF and its staff:

- learning and the development of human resources is best made at the country level;
- communication channels that facilitate lateral interaction between countries and areas are important;
- the empirical experience at country level should be a prime resource in policy development.

The Nature of the Task

38. The need for learning and adaptation is also a consequence of the nature of the task of UNICEF. The organization's conception of its task has evolved remarkably over the years. UNICEF, for example, has become aware that assistance to children, in order to be effective, must be supported by a strengthening of the social systems within the country which have a direct bear-

ing on children; that this action, again, tends to alter the position of children (and mothers) within society and the state, thereby necessitating a long-term adaptation to these changing relationships; that evolving administrative structures in some countries -- for example, such as those in zonal "development areas" -- demand new types of action at different points of impact in order to be of longer-term benefit to children. There are also more general and possibly more important factors requiring constant adaptation such as the country's general policy of development and its general relations with the outside world regarding aid.

39. With this increased understanding of how to promote the welfare of children and mothers has followed a growing importance of the advisory role and the catalytic effects of participation in country programming. This again has made the intangible aspects of the task even more important and raised new questions. It has not only increased the demands on the quality of the UNICEF staff, but also it has made it necessary to develop working methods and knowledge in a number of new areas. The development of new functions (e.g., for planning) has been one method of adding new competence to the organization. On the whole, this seems to be only the beginning of a continuing upgrading of the whole organization to fit new tasks.

The Unknown Future

40. A third factor in UNICEF's strategic situation which emphasizes the need for an organization with a maximum ability to learn and adapt is the existence of some major unknowns of the future. The size of future resources available to UNICEF is one such uncertain factor. As we see it, management of UNICEF must aim at a substantial increase of resources available to the organization, but must also be prepared for this not being realized.

This uncertainty applies particularly to the planning of UNICEF's long-term assistance.

41. Related to this uncertainty is the question of the degree of involvement in emergencies. Here the uncertainty is not only the one inherent in this task but also the whole question of how various governments and the U.N. family will organize themselves for the substantial assistance that will be necessary to avoid the present world crisis developing into a disaster for the children of a number of countries.

42. A third important unknown factor relates to the extent to which resources other than contributions for general resources, coming from funds-in-trust, cost-sharing and multi-bilateral arrangements will be channeled to the Third World through UNICEF.

43. A fourth important unknown, which we have already touched upon, comes from the shift in world economic resources owing to commodity price changes. To what extent will UNICEF develop an advisory role in the countries where material resources are newly available, but where major problems still need to be resolved in the organization and utilization of these resources? What effect does this have on the direction of thrust and the organization of fund-raising activities?

44. Whatever the outcome will be of these and other questions which will ultimately determine UNICEF's task for the years to come, the organization will in many cases have to resolve problems of a size and nature of which it has only limited experience. This will again add to the need for an ability to develop and use its human resources, to transfer knowledge from one area to another and for co-operation and co-ordination between functions and units.

CHAPTER 5: UNICEF AT ITS BEST

Leadership as an Emancipatory Process

45. Interestingly enough, there is "a UNICEF" which is extremely well adapted to these needs to learn, to adapt and to be flexible. The purpose of this chapter is to try to describe those aspects of organization management within UNICEF upon which we think you should build.

46. Our description in an earlier chapter of the vicious circles we have seen in many international organizations* was not, let us emphasize, a caricature of UNICEF, although (as you are well aware) some of these problems are found in your organization. Rather it describes traps into which UNICEF, like so many other growing organizations, could fall unless you take some very conscious counter-measures. Leadership in an institution like yours has sometimes, and we think rightly, been described as a continuous emancipatory process. The following chapter is meant to suggest guidelines for the struggle of your organization to free itself from self-imposed constraint and realize its potential.

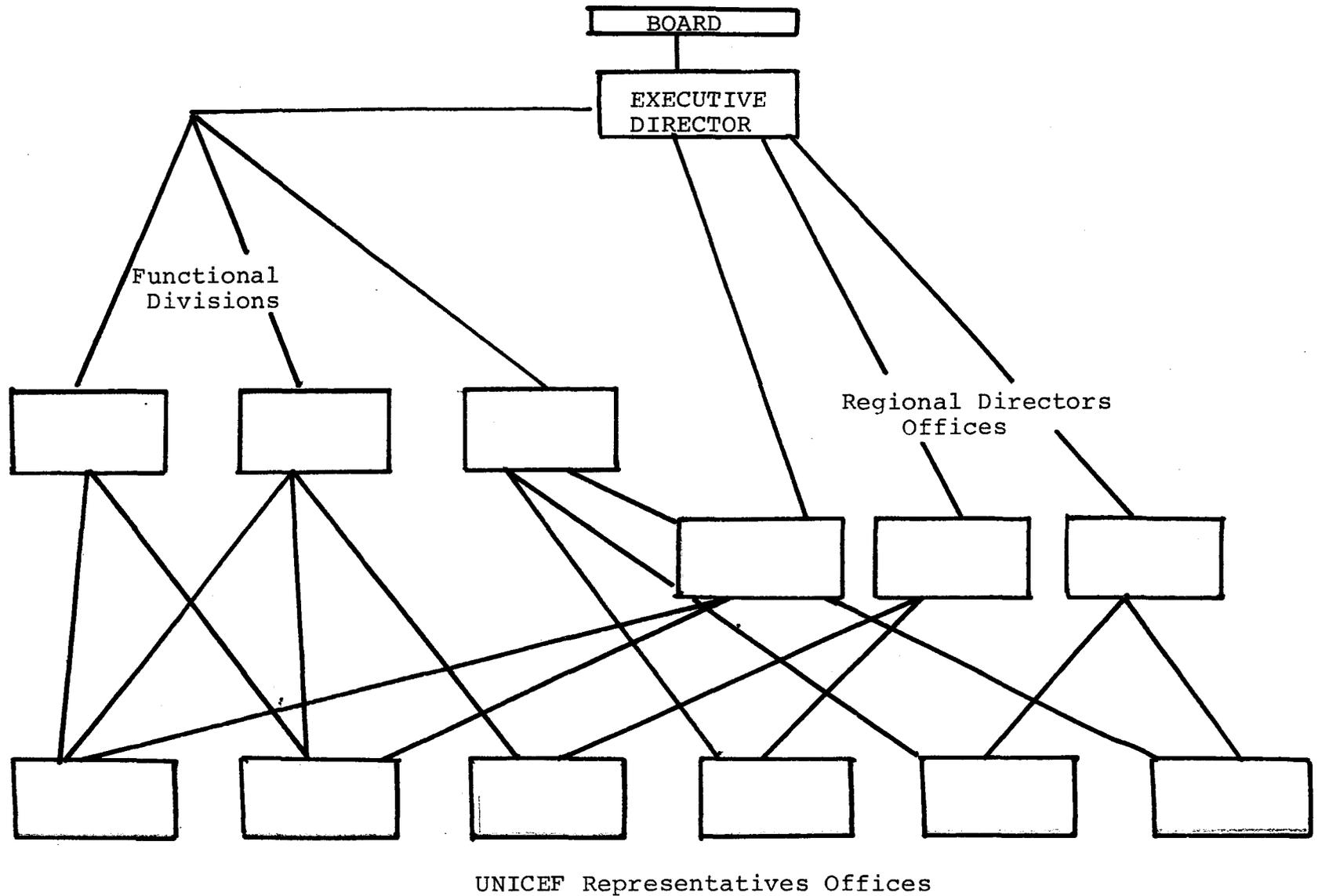
The Basic Structure

47. The formal organizational structure in UNICEF to some extent corresponds to the classical three-tier structure with step-by-step delegation from the top via regional directors and with functional supervision as illustrated in Model I (Diagram 5:1). Headquarters divisions regard themselves, partially, not as service units but as functional superiors with the responsibility to give instructions and to supervise their function in the field operation; and the regional director and his staff sometimes

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See footnote on Page 8.

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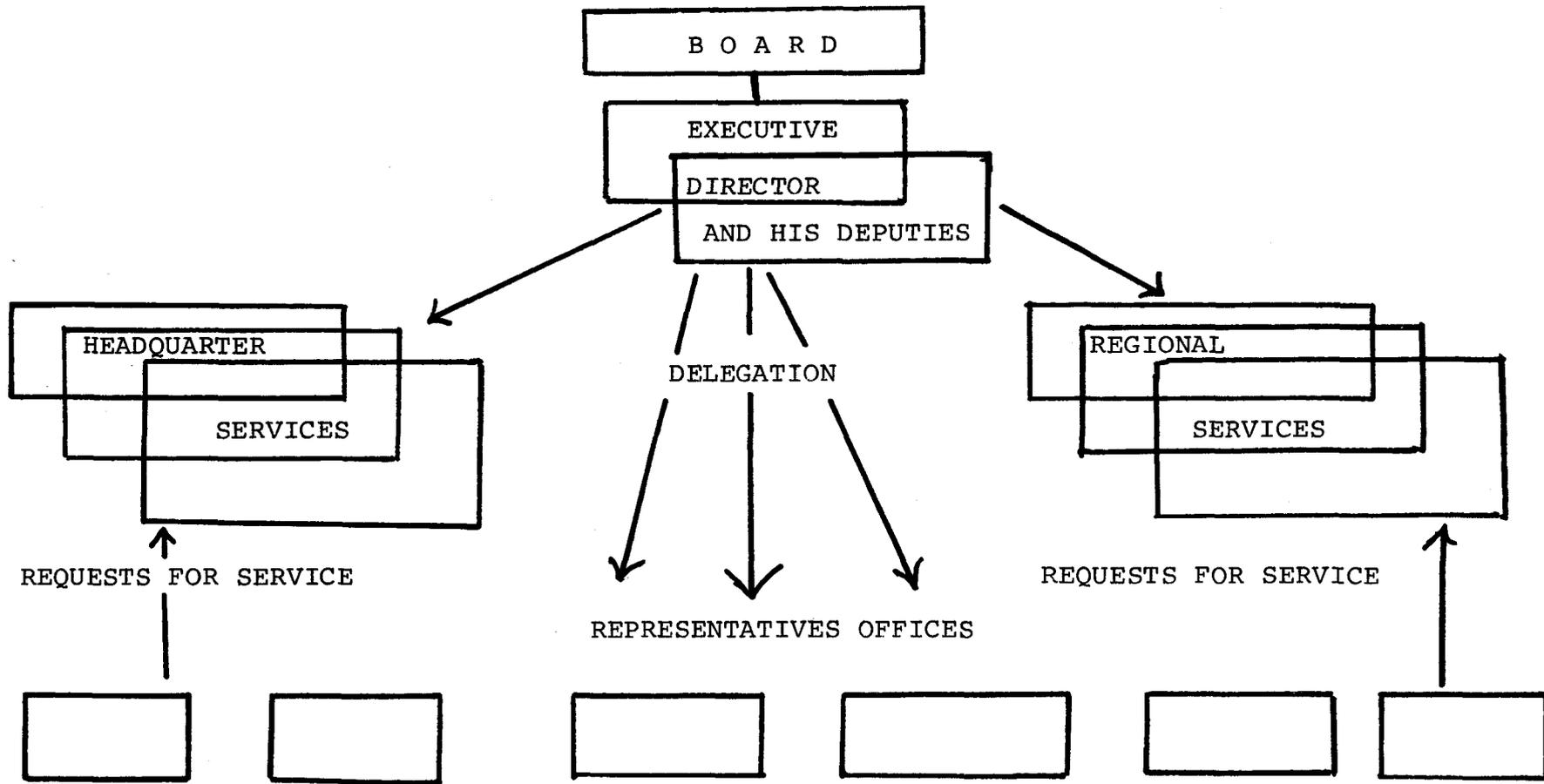
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Diagram 5:1 UNICEF as a traditional three-tier organization (Model I)

take on similar supervisory attitudes and roles. When functioning according to this model, the result is described by the field in very negative terms. They seem to receive many and sometimes divergent functional instructions. Too many visitors from headquarters seem to be qualified in their own specialities rather than the general workings of the office, and to be more interested in instructing the field office than in listening to their problems. The regional office may be perceived as a constraint rather than as a helpful service unit.

48. This is only one part of the story. There is another way of functioning within UNICEF which is better described by Model II (Diagram 5:2), and this means that heavy emphasis is put on the whole range of the responsibilities of the UNICEF representatives and their staff in the country or area offices. These responsibilities are perceived as delegated direct from the Executive Director as a formal confirmation of the fact that it is in the country, in discussion with the government, that the most important decisions take place, and the most valuable learning is possible. When UNICEF is functioning according to this model, headquarters divisions and the regional offices accept the judgment of the field based upon knowledge with the same sincerity as in a market-oriented company where the customer is the king.

49. This does not mean that experience or expertise is withdrawn but that it is given at the request of the field and with the attitude "this is our experience, but you know the local situation and must make the ultimate decision." It also means that the regional director is not acting as a formal boss in a hierarchical structure but as a professional senior who is respected because he can be helpful. When this model is functioning, and we have seen it work in many instances, the communications channel is



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Diagram 5:2 UNICEF as a Field-Oriented Organization (Model II)

being used for information both going from the field to regional offices and headquarters because management wants to learn and going from regional offices and headquarters to the field.

Team Work in the Field

50. In parallel with the distinction between the alternatives for the basic structure that we have just discussed, one can see in the field offices two management concepts more or less purely applied. One is a traditional hierarchical structure with functional or regional division of responsibilities. Each programme officer and the staff working with him are responsible for a type of project, for example, assistance to child health, or for assistance to projects in one or two of the countries served by the office. For both the professional and general staff this can sometimes mean that tasks are limited and a feeling of lack of understanding both of UNICEF as an organization and of the larger task context.

51. The second management concept can be described as an interactive or team structure. Here the dominant management theme is of participation and learning by all members of the staff so as to create a highly capable and skilled team. The concrete way of overcoming the static hierarchical structure and moving towards the team structure must be different in each field unit, dependent on the resources available and the structure of the tasks but a specific example can be illustrative. In one field unit where the morale was particularly high the area representative described his management principles along the following lines:

52. "We all try to understand the whole task of the office and to participate in it to the full. This applies to the general service staff as it does to the professional staff. Each of us is better at one sort of job than another and we like to contribute our skills so that they complement each other. Although we each have one or two countries for which we have special programming responsibility, we can contribute our specialized

knowledge to the programs of other countries. We learn faster this way. . . It's the same with the general service staff; we are trying to break down the partitions between different functions so that everyone knows what the others are doing and can see and understand the whole task of the office, so that they can then use their initiative in seeing how their own skills can make the best contribution. We try to give them the opportunity to visit the projects, although we don't do nearly enough of this. . . ."

Resources for Policy and Technical Guidance

53. The traditional structure for policy making in both governmental organizations and international firms can be described as center-periphery and symbolized as in Diagram 5:3; it is to some extent applied in UNICEF. It is related to the hierarchical nature of most organizations and also to the world map of the past with one capital-center and dependent regions and territories. In practical terms it has meant that research units, planning departments and other resources for developing policy and technical guidelines have been concentrated in one center, the headquarters. The periphery has been the receiver -- either directly or indirectly -- of these plans, products or policies and may be given the opportunity to modify them to fit local circumstances.

54. In some of the most advanced international organizations* -- and UNICEF is undoubtedly one of these -- one can observe an emerging new structure based on the assumption that new ideas for products or policies and techniques can develop anywhere in the international network of the organization, with the result that different centres emerge in different places for different purposes and it becomes less and less meaningful to speak of one center. The role of a headquarters, whose functions are changed is, therefore, to be very sensitive to such new emerging ideas and, instead of always trying to develop resources within head-

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See footnote on Page 8.

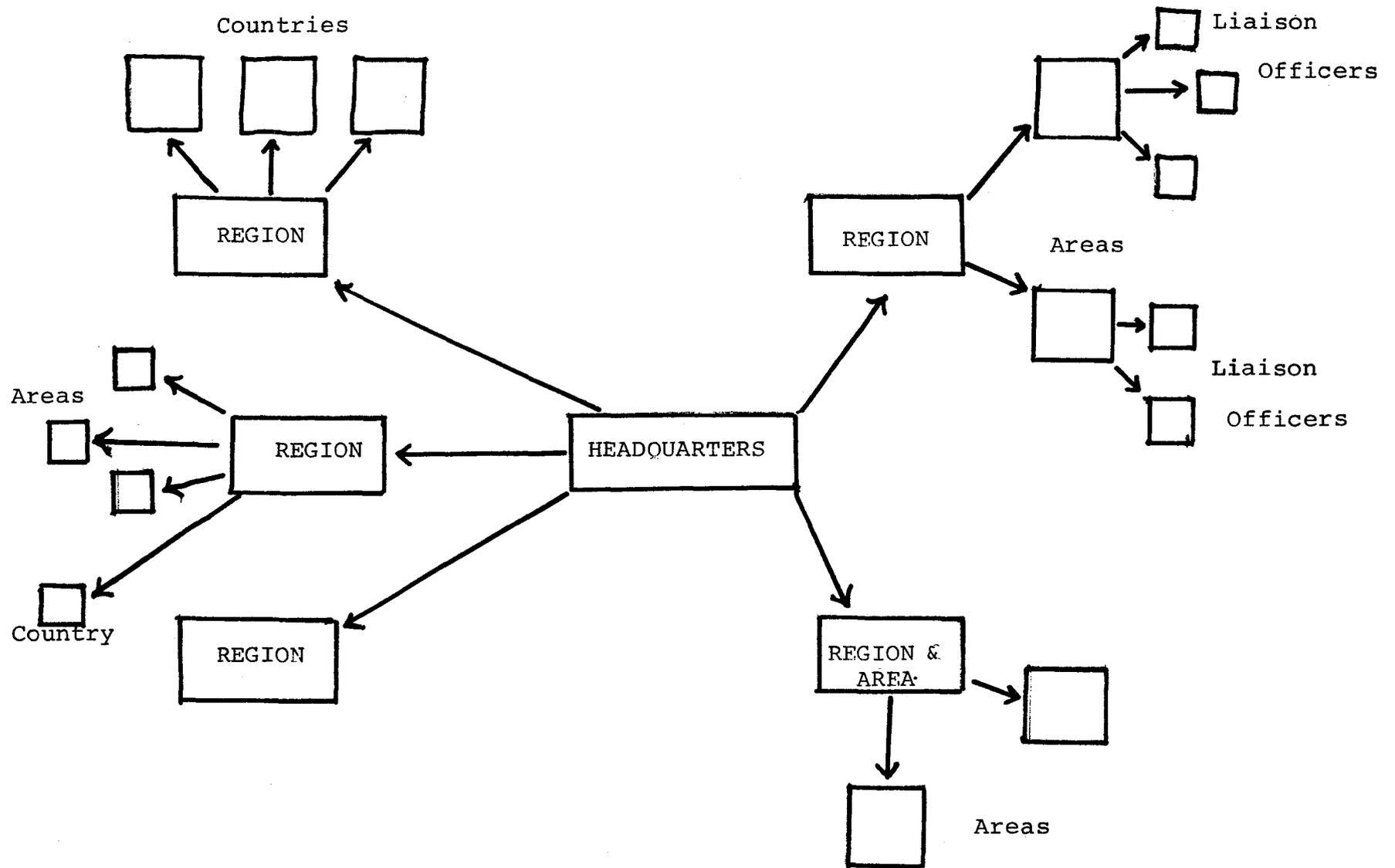


Diagram 5:3 The center-periphery model assumes that resources for policy making should be concentrated in headquarters. In UNICEF regions can have different structures.

quarters, to allocate them to the local unit that takes the initiative or otherwise seems best fitted. Since this may mean that new ideas or policies to be applied within the whole organization can be developed in many local centers, this structure is best described as the multi-center organization. For obvious reasons, most exchange of experience, technical knowledge and staff support is among neighboring offices (within or between regions). These links are illustrated in Diagram 5:4A. In addition, however, staff who are working in a particular field of assistance throughout the whole organization may be in touch, and one or more centers may be given resources to take the lead in development and exchange of information in this field. This is illustrated in Diagram 5:4B.

55. In Diagram 5:4B the Center (Nairobi) may have shown some initiative or expertise in a given field which has sparked off interest in other places, including headquarters. Nairobi takes the leadership in a knowledge network of programme officers specialized in a particular field. More is said about this in Chapter 6:5 and a graphic representation of the office/knowledge matrix is shown in Diagram 5:5.

56. The important things to note here are:

- that what we have in our discussions called "knowledge networks" will form on the knowledge dimension, provided as stated below in Chapter 6:5, that the geographical dimension is characterized by a high degree of interaction between centers;
- that these knowledge networks may be composed of individuals, small groups or whole office groups;
- that the very dispersion of the members will tend to generate variety within the group and will ensure that it has a wider experience to draw upon;
- that formulation of policy recommendations through a selection of the various possibilities put forward will tend to be carried out where the most knowledge is present;

The Multi-Center Organization

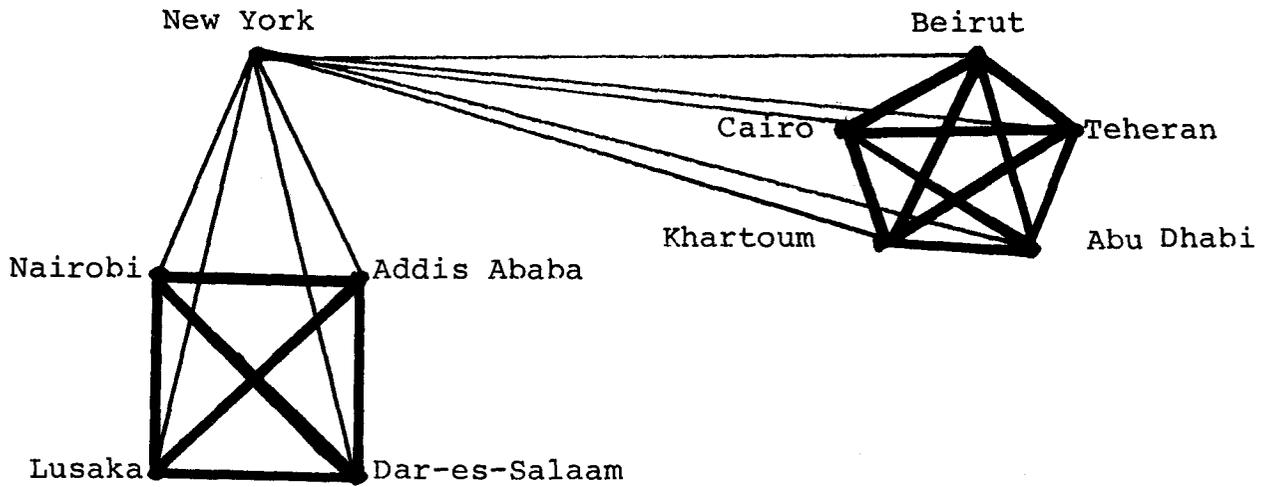


Diagram 5:4A Geographical dimension. Staff in neighboring offices exchange information and support.

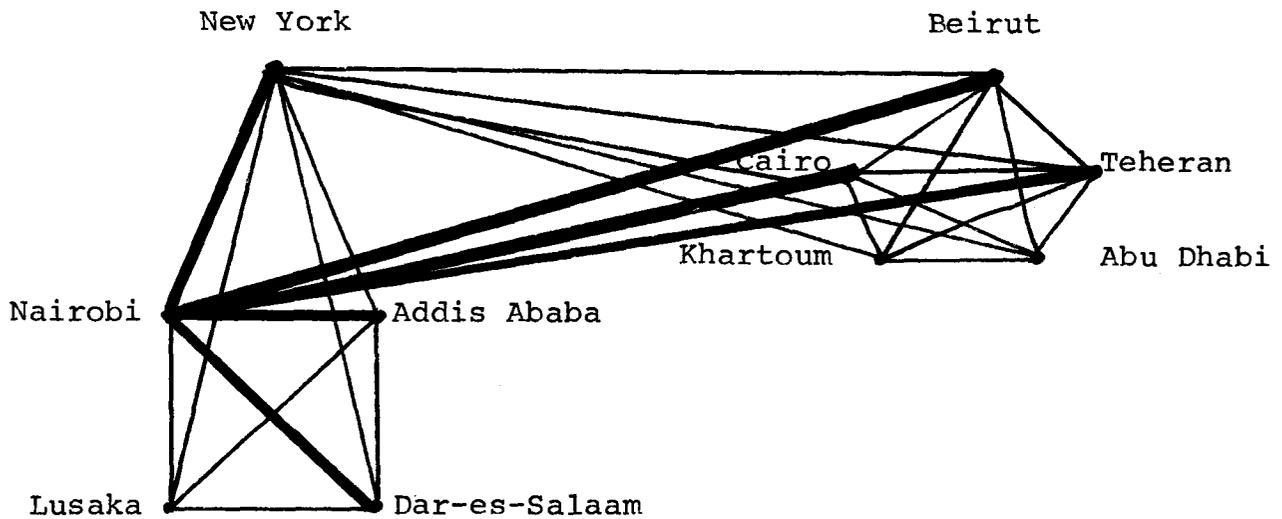


Diagram 5:4B Knowledge network. Example of how staff members specializing in a particular programme area, with Nairobi taking the lead, may work together.

Offices (Ex- amples of) Knowledge Groups Assis- tance to	1	2	3	4	5	6	7	8	9	Etc.
CHILD HEALTH PROGRAMMING	X	X	X	X	X	X	C					
VILLAGE-LEVEL WATER SUPPLY				X		C		X				
NUTRITION POLICY FOR CHILDREN	X	C	X		X			X				
SERVICE DELIVERY SYSTEMS FOR CHILDREN					X		X	C				
MONITORING EVALUATION	X	X	C	X	X	X	X	X	X			
HIGHER-INCOME COUNTRIES			X		C		X	X				
POPULAR PARTICIPATION			X	C			X	X				
CHILDREN IN NATIONAL PLANNING	C	X	X	X		X	X	X				
CHILDREN IN POORER URBAN AREAS	X		X	X	C		X	X				
ETC.												

X: Where programme officers dealing with this type of project are exchanging professional information with C and each other.

C: "Center" taking the lead in developing a particular type of project.

Diagram 5:5 A matrix organization shows what resources are used and developed and where. A matrix is often the best way to describe a multi-center structure.

- that the results of policy decisions will be seen immediately by those who have participated in them, thereby providing immediate "feedback" for a continuous policy-reformulation process.

57. The role of headquarters in the knowledge dimension is mainly to encourage the formation of knowledge networks; to allocate financial and human resources to those knowledge networks (groups or individuals) which take initiatives and develop real knowledge; to encourage inter-office communication, and to prepare or review and approve any recommendations for policy change.

Interpersonal Relations

58. The area where today the most radical changes are taking place within successful organizations is probably that which is vaguely described as "interpersonal relations". For some years it has been clear from research in the field that traditional norms like "subordination", "one man - one boss", suppression of emotions and an unwillingness to accept the inevitability of some tension and conflict, or of its constructive value in some circumstances, represent values which still may work in a hierarchical organization implementing well-known and well-defined tasks. However, these values hinder success in an organization heavily dependent on learning in the field, often involved in a task no one has performed before and where mistakes must be accepted rather often as necessary for progress. Again, we are impressed by the fact that there is in UNICEF an almost intuitive understanding of what it has taken several decades for the social sciences to discover.

Interest in Both Tasks and People

59. In the administrative literature much attention has been devoted to the question of how important it may be for efficient management to take an interest in people. Research findings were for a long time not conclusive, and it was sometimes

reported that a strict authoritarian and task-oriented leadership style seemed to give better results than a more democratic and people-oriented one. The conflict between these two schools of management is now resolved since it has been shown that neither task orientation nor an interest in people alone makes management efficient. It is the combination of both hard-driving task orientation and genuine interest in the people of an organizational unit that makes the successful leader.

60. This is exactly the kind of leadership style that is relatively often found in UNICEF, and it could in many respects be said to be the UNICEF management style. It is important for us to emphasize this since we will later have many suggestions to make about the personnel administration in UNICEF, but it would be a complete mistake to interpret the shortcomings of the organization in this field as a lack of interest in its people. As we shall show, the reasons are quite different.

Knowledge Gives Authority

61. In another way also, UNICEF is one of those organizations which have intuitively known what is now becoming more and more accepted: that too much emphasis on formal structure, procedural rules and regulations is very dangerous for efficiency. Instead, there is a genuine tradition that formal status is relatively unimportant in comparison with the real status that knowledge gives.

62. Particularly in cases of emergencies, it is not unusual in UNICEF to find people out in the front line giving commands, quite without consideration of formal relationships, to people "above them" both in regional offices and headquarters. As one staff member put it: "It is in such situations, when the organization is really working and only the task is of importance, that you are proud of your organization." The consequence of this emphasis on knowledge as a source of authority is that the formal

organization is often informally adapted and rules are "interpreted" rather freely in order to increase its efficiency and effectiveness. This also means that the organization has a good ability to function in different ways in different situations or in different parts of the world.

63. It is typical that relatively little importance is given to formal organization charts and job descriptions and that those which are found are, in most cases, obsolete. Of course, for such a way of functioning to be really efficient, considerable emphasis must be given to the introduction of new staff members, the development of new leaders, efficient communications and the ability to identify the critical needs of the formal structure.

64. There is in all organizations subject to critical review from the outside, a tendency to report successes rather than failures. In UNICEF the importance of the task and the fact that the funds are all voluntary contributions can sometimes create a feeling that one simply cannot afford to make mistakes and least of all to make them known.

65. Despite these pressures, we have seen in UNICEF a very constructive attitude towards risk-taking and joint learning from problems, mistakes and failures, particularly in lateral contacts between peers. We have seen this in the working groups and also in some of the less structured sessions in regional meetings and other gatherings. This is a major explanation of the innovativeness that UNICEF has shown over the years.

CHAPTER 6: SOME CONCLUSIONS FROM THE JOINT PROBLEM-SOLVING GROUPS

Work Cycle Centered Around the Country's Development Programme

66. During the meetings in the different working groups, we have freely and constructively talked about problems and weaknesses of UNICEF, and also about ways of overcoming them. As we have tried to describe in the previous chapter, many of these critical evaluations, and also our recommendations for improvements, can be summarized by contrasting one efficient and one inefficient structure and management philosophy which, as is the case with most organizations, are both present within UNICEF.

67. This means that what we are handing over to you is not a set of independent recommendations, but rather a blueprint for what we think would be a beneficial overall approach to organization and management in UNICEF. This comprehensive approach has some important consequences.

68. As is well known, many so-called reorganizations remain on paper, or lead to quite other consequences than those planned, owing to what is then described as "resistance to change." The real meaning of such problems is, of course, that the change process initiated has been based on unrealistic assumptions, and most probably on insufficient understanding of the stabilizing forces in the social organization. The stability of an organization is not only the result of the conservatism of individuals or of the formation of more or less open political groupings to defend the status quo, but also a consequence of the interdependences between parts of a social system which render change difficult or inefficient unless it covers all aspects of the organization.

69. In the case of UNICEF there is, for instance, a close interdependence between the Board's working methods and the whole series of activities in the field described as "preparations for the Board session." The rhythmic work cycle that follows from this has a strong influence on methods of communications between the field and headquarters, and also (to some extent unconsciously) on methods of evaluation. Similarly the administrative services and program support budgets are all closely related to internal control systems and will thus have considerable impact on the control of resources, which in turn will affect, for example, the relationship between field units and service units.

70. We have, therefore, generally supported a strategy of change based on a careful selection of strategic decisions by which change can be initiated, and where partial changes will create an imbalance which, because a return to the status-quo is difficult, will initiate the next steps in the change process.

71. There are ten such high priority areas to which we wish to draw your attention with suggestions for the direction of change, some of which have already been initiated:

- 1) the work cycle for field offices centered to the extent possible on the country's development program;
- 2) a two-tier structure with central and local service units oriented to serve the field instead of a three-tier structure;
- 3) a headquarters structure to achieve strengthened team work for coordination;
- 4) supervision of the field through extended field visits by senior staff exercising broad rather than just functional responsibilities;
- 5) emphasis on the multi-center principle for the development of staff, and the preparation of operational guidelines and policy recommendations;
- 6) emphasis on "professional" attitude, type of work, and career;

- 7) regional directors working more as professional seniors and less as administrative supervisors;
- 8) personnel management as a key function separated from budget control and office administration;
- 9) internal communications systems emphasizing dialogue, problem-solving and learning rather than reporting, controlling and explaining; and
- 10) budgets and other control systems based on the principle of the cost responsibility of the user units within UNICEF.

These sub-systems are discussed in turn below.

6:1 Work Cycle Centered Around Country Programming

72. There is no system of greater importance to the functioning of UNICEF than the annual programming work cycle. Historically, the concept of a cyclic programming calendar was developed to provide stability and coordination within a complex system. It also provided a practical solution to the complex task of supervising programming in a great number of countries and it made it possible in the Board sessions to link concrete decision-making with policy development.

73. With the introduction of country programming and particularly with the development of the 3-5 year projects in many countries, the system has step by step been modified, and it no longer imposes a rigid timetable all through the year for many countries.

74. But even if the rhythmic work cycle has been modified, the field often perceives a conflict between the concept of country programming and a work cycle centered on the annual Board session. The dialogue between the UNICEF field officer and the government representatives within the framework of the government plan may be interrupted pending the preview discussions, then resumed for the preparation of a proposal for headquarters, who review it and sometimes modify it for presentation to the Executive Board. Fixed preview dates can also hamper prompt responses to urgent or rapidly changing needs.

75. This has led to the conclusion and recommendation that the present interdependence between preparations for the Board session and country programming should be reduced as far as possible. Project recommendations should be prepared in the country concerned by means of meetings with the partners involved; ministry representatives, UNICEF representatives and, where appropriate, the representatives of other U.N. agencies or bilateral agencies. However, we also support the position maintained by many in UNICEF, regarding the need for discussion of project proposals with the participation of persons not connected with the UNICEF representative's office. Finally, when it comes to the implementation phase (delivery of approved project assistance), there should be an almost complete delegation of responsibility to the UNICEF representative.

76. Project preparation requires direct participation in discussions in the UNICEF representative's office, rather than in regional meetings. This discussion should, as far as possible, be at the time requested by the field. The people who can really make an additional contribution will depend on the nature of the project. They may include some of the following: the representatives of UNDP specialized agencies; senior staff member(s) from headquarters or the regional office; a senior neighboring UNICEF representative; or a senior Programme Officer specializing in a particular field of assistance.

77. The Executive Board has agreed to a substantial reduction in documentation in recent years, as shown in Table 6:1. This has been brought about by two changes. Firstly, what were presented in 1969 and 1970 as separate assistance projects for child health, child nutrition, etc. in the same country, are now usually presented as a single country project. Further, projects are being presented to cover them for three to five years.

These changes reduced the number of project recommendations by one third, from approximately 100 to approximately 65.

TABLE 6:1

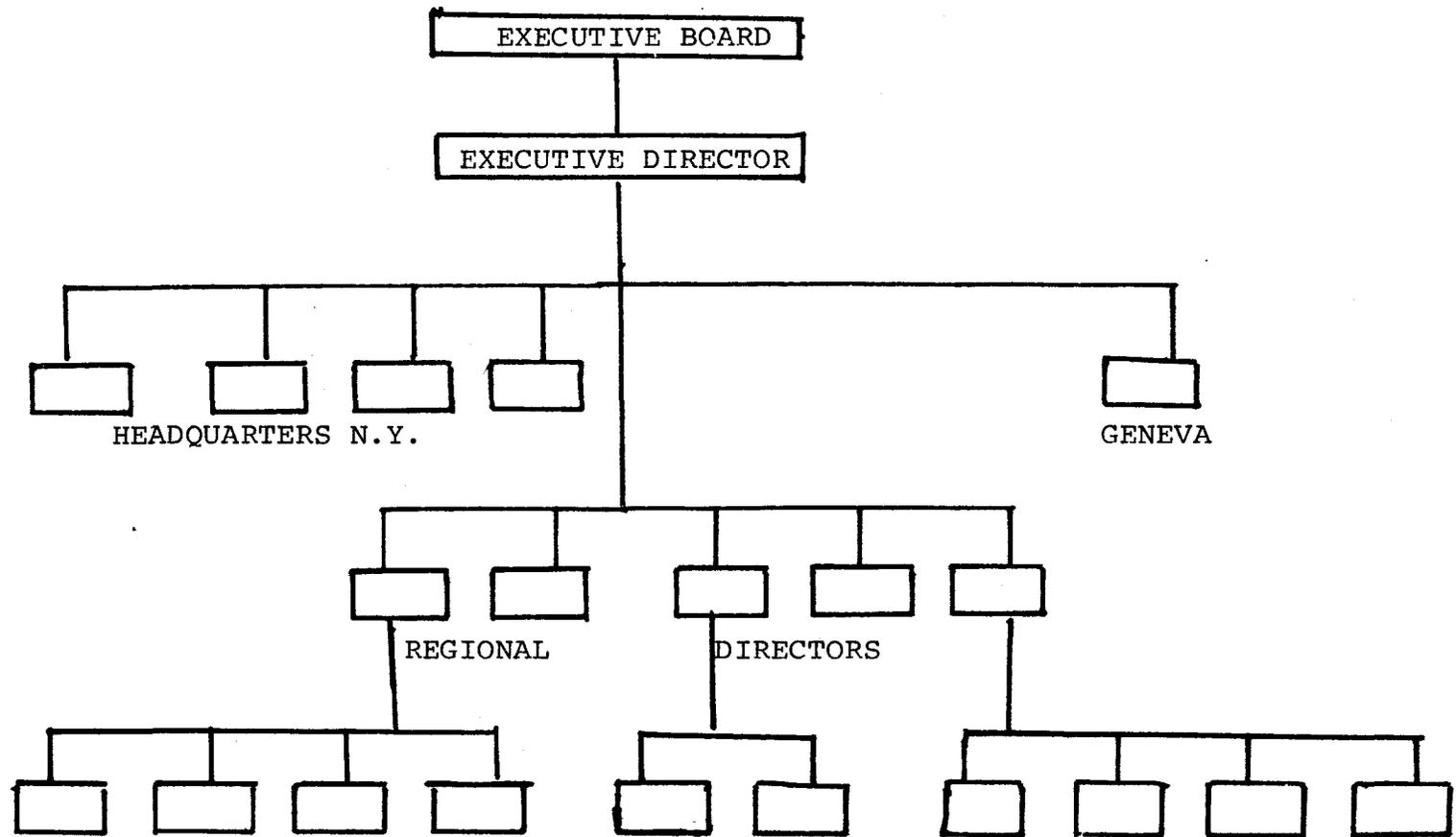
Number of Project Recommendations
To Annual Board Sessions

	<u>1975</u> (Prelim)	<u>1974</u>	<u>1973</u>	X X X X X X	<u>1970</u>	<u>1969</u>
Long presentation	10	8	11			
Short-form presentations	<u>54</u>	<u>60</u>	<u>49</u>	X		
	64	68	60		111	97

78. Secondly, only about 10 of these are now presented in "long-form." The remainder are presented in one or two paragraphs in the "Summary of Programme Assistance Recommended by the Executive Director to the _____ session of the Executive Board" and the accompanying "short-form presentation." Some adaptation of working methods along the lines we have suggested, will enable the full advantage of these developments to be realized in a reduced paper work-load in the field. Adjustment of timing to Board sessions can be made by use of existing authorities for limited over-expenditure of commitments, or advance procurement. New procedures will be tested out during 1975.

6:2 A Two-Tier Structure with Central and Field Service Units

79. The choice between the present three-tier structure (with regional offices in between headquarters and the UNICEF representatives' offices for a number of functions as illustrated in Diagram 6:2) or a two-tier structure (with the UNICEF representatives' offices directly reporting to headquarters) is the issue that has evoked most discussions and also most feelings in this project. It was also the key question raised in the last management survey (the Michelmore study) at the beginning of the sixties.



UNICEF REPRESENTATIVES OFFICES

Diagram 6:2 Principle sketch of UNICEF's present three-tier organization structure.

80. As you know, the group of 8 UNICEF field representatives have argued very strongly for the complete abolition of the regional organization. The arguments in support of this view have been very clear, namely that the regional offices are at present a hindrance for efficient communication between headquarters and the field and that they do not provide any services that could not be better organized (through, for example, decentralizing them directly to the UNICEF representatives' offices) even if this would mean that UNICEF representatives' offices were sometimes sharing an expert or in some other way helping each other.

81. The main counter-arguments have been that the abolition of the regional layer would add to centralizing tendencies, that some UNICEF representatives at present need more support than could be given from headquarters, and that significant regional duties have to be carried out. You have yourself in the context pointed out that it would be extremely difficult for the Executive Director (even if he organized the executive team as described in a later section) to supervise directly the field organization which soon may have forty units, and that the regional director performs a very important function of policy interpretation, guidance and supervision, particularly where there are rapidly changing needs and problems and where common approaches are needed in zones served by different UNICEF representatives.

82. As we see it, this intense discussion is largely a pseudo-conflict caused by the language used to describe the alternatives. This is best illustrated by listing what there is general agreement on:

- a) The most important problem-solving and decision-making is in the dialogue with the ministries concerned. This means that the UNICEF representative's office is the key field unit and should be given as much authority and responsibility as possible, but also support.
- b) For the majority of UNICEF representatives it is very useful to have access to a senior professional colleague as a listener, adviser, and sometimes also for support in critical negotiations concerning the regional services in his office.
- c) It is desirable to have a senior official responsible for dealing with regional matters, including regional organizations and to act for the Executive Director in special situations.
- d) The experience of regional offices as "middle men" in direct operational command is generally very negative and there is no difficulty in designing control systems that do not require a three-tier structure. See Section 6:7.

83. The conflict around the regional structure is the kind of organizational problem that indicates some kind of "vicious circle." One possible cause of such a situation is the basic inconsistency between a professional structure and a traditional administrative hierarchy. A professional senior is completely dependent on superior knowledge and understanding as the basis of his authority. In a bureaucratic hierarchy the source of authority is delegated power to make decisions. At present, the regional director has some such delegated powers, and it is only natural that this leads to defensive reactions, at least in certain situations, which make it more difficult for the regional director to function as a professional adviser (see Diagram 6:3).

84. Our conclusion is therefore that the arguments against a two-tier structure are very weak and that it is actually only within such a basic structure that the regional directors can function well as professional seniors and as managers of the advisory services located in regional officers. We, there-

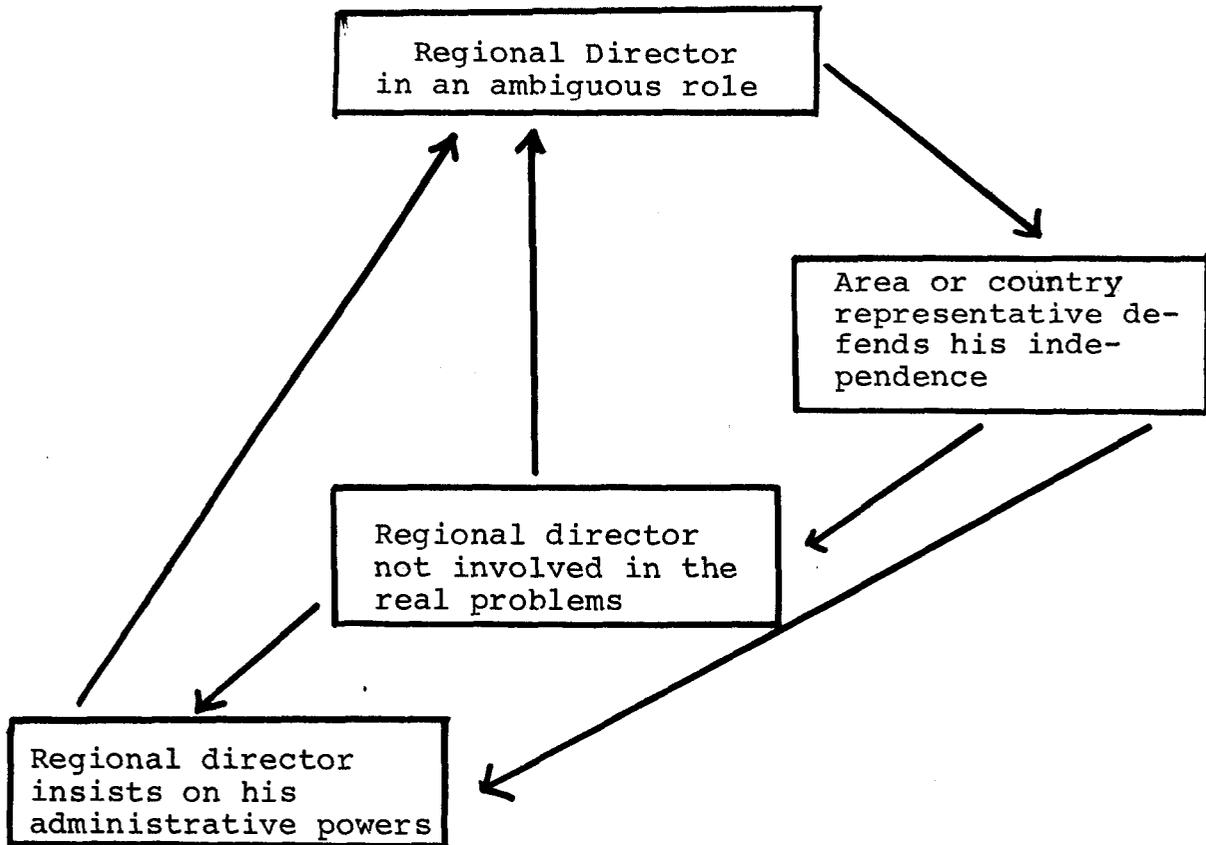


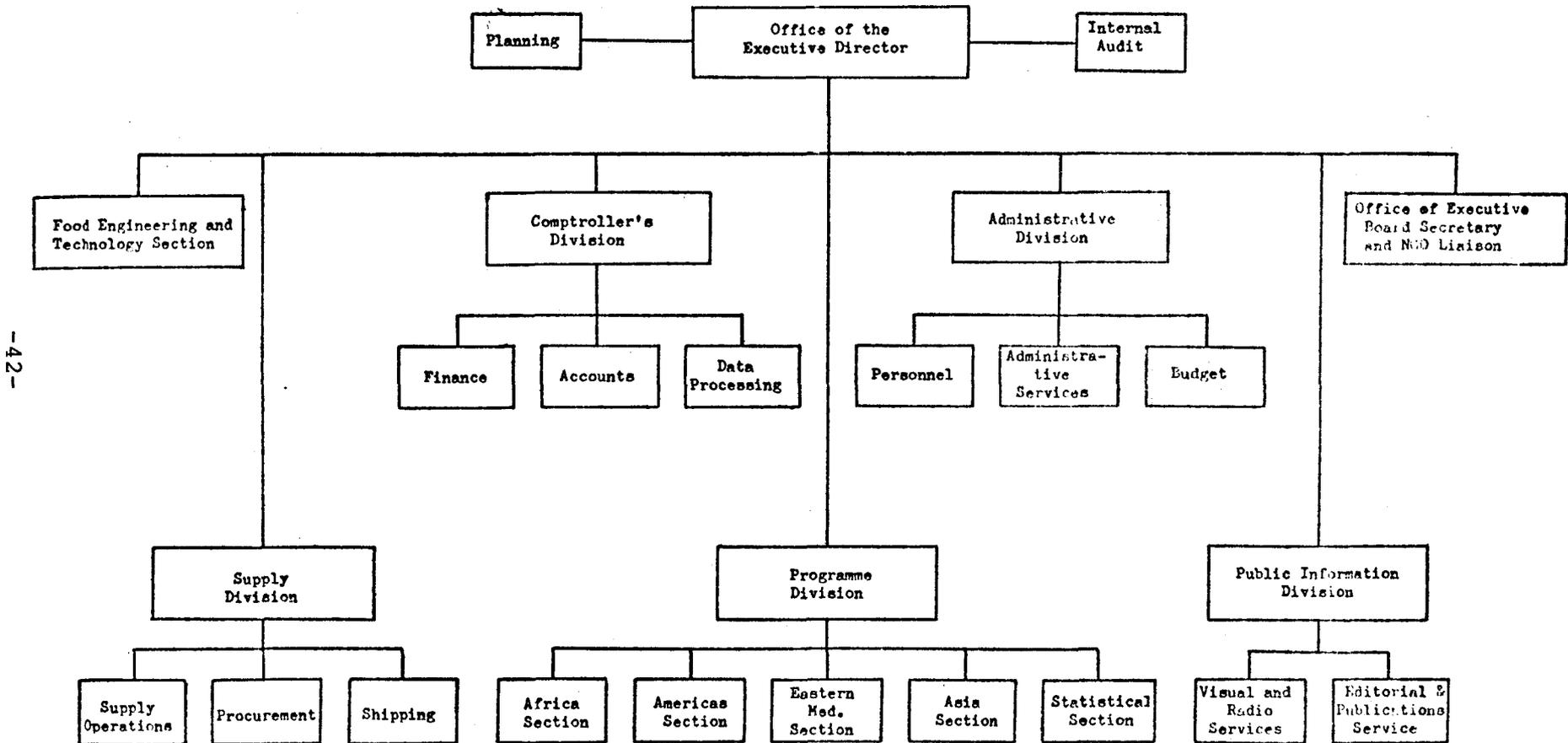
Diagram 6:3 A vicious circle that may develop in a three-tier structure.

fore, recommend essentially a two-tier structure so far as line authority is concerned, which is also the only concept which is consistent with our other recommendations about the functioning of headquarters, work cycle, policy-making, communications and the budget. An organization is presented in Diagrams 5.2 and 6.5. Further discussion of regional directors is presented in Chapter 6:7. The important things to emphasize here are that the two-tier structure is the one that fits the way in which UNICEF carries out its task by working with governments and that, under the guidance of the Executive Director, it is the UNICEF representative in a country who carries the responsibility.

6:3 The Structure of Headquarters

85. The official organization chart of the N. Y. headquarters (as described in the 1975 budget estimates) is reproduced in Diagram 6:4. As a description of the functions performed by headquarters, it is however, a simplification, since it does not include the Geneva Office, which is largely an extension of headquarters, while the advisors from the specialized agencies attached to headquarters and a number of units such as fund-raising, the emergency coordinator and some specialized resources such as advisors on water, family planning, transport are not separately indicated.

86. An organization which, like UNICEF, emphasizes flexibility and informality, will always look very complex in an organization chart, and no other conclusion can be drawn from this observation save that coordination in headquarters must be a difficult task. This task is now largely performed by yourself and your senior deputy Executive Director. To some extent meetings with the directors in headquarters serve a coordinating function, but compared to many other organizations that we have seen these groups play a less significant role.



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Diagram 6:4 Organization of UNICEF Secretariat - New York Headquarters