Update on the context and trends

In 2021, UNICEF’s global response continued to focus on the COVID-19 pandemic. UNICEF country offices scaled up vaccination campaigns worldwide, though limitations in access – particularly due to travel restrictions and lockdowns – continued. Year on year, UNICEF continues to grow its operational budget, which during COVID surpassed USD 7 billion.

This growth coupled with the challenges of the COVID-19 response posed a particularly tough operational environment for the GSSC. For example, several COVID-19 process workarounds had to remain in place for the entirety of the year, as well as the close monitoring of the centre’s performance to ensure delivery of results regardless of varying regulations and approaches. Several workarounds which mainly involved electronic completion, signature and submission of forms, will remain in place and are a positive side effect of the pandemic. GSSC service levels remained steady, and SLAs for some services were shortened.

Like in other industries, COVID-19 and its secondary impact provided an overall challenge for staff. Much of the GSSC’s workforce remained remote during the year, hindering team building and joint activities. The overall labour market had a higher amount of turnover than usual, and for the GSSC we saw a slight increase in turnover to 9 per cent but still below industry average. The increase of stress due to the pandemic coupled with an increase in volumes was particularly challenging for staff.

The significant increase in UNICEF’s funding volumes and the growth in its overall budget has had a secondary effect on the GSSC, with some service types experiencing an increase in volumes compared to pre-pandemic levels. Our finance processes (payments, invoices and MDM) volume increased over the past year but remained below volume levels seen in 2019. This was likely a readjustment, as global activities began to increase with the loosening of COVID-19 restrictions. Volumes shifted from 1,050,000 in 2019 to 875,000 in 2020 (reduction due to impact of COVID), and in 2021 showed a partial recovery to 980,000. Service levels were upheld with existing resources.

Overall, after six years of operation, the GSSC continues to deliver high-quality service and customer care for all UNICEF staff and offices worldwide – pushing through challenges and seizing on opportunities. The centre remains focused on achieving efficiency, reducing organizational risk, and delivering value-for-money solutions to support UNICEF efforts towards the universal fulfilment of children’s rights.

Major contributions and drivers of results

Performance Analysis

During the reporting year, over 980,000 transactions and service requests were processed in the areas of HR, payroll, finance, and Customer Care (15.01 per cent of these transactions supported countries responding to emergencies). This represents a volume increase of 12.9 percent compared to 2020 (875,000 total transactions). The swings are largely attributable to the COVID-19 pandemic and related lockdowns in most parts of the world, which impacted volumes in 2020. It is possible that transaction volumes will increase further in 2022, as activities continue to pick up. Overall, the GSSC processed transactions for a value of over $9.3 billion.
Performance Analysis
As in previous years, the GSSC was able to deliver above its target of processing 90 per cent of transactions within agreed timing – achieving an annual average performance of 93.4 per cent against SLA targets.

The GSSC is committed to continually improving its processes and performance. It is also working to become increasingly transparent with the rest of the organization. Over the course of 2021, the main achievements in SLA performance were related to:

- Increased efficiency in handling payment cycles
- Improved resource management for education grant peak period
- Improved performance for HR maintenance and HR onboarding, as well as for payroll
- Improved internal onboarding process of sending out offers, with performance improvement from 93.4 to 96.6 per cent

As far as regional distribution, the largest volumes largely correlate to regions where there are large ongoing emergencies and/or significant operations. It is also interesting to note that HQ divisions have the third largest volumes after WCAR and ESAR.

Detailed overview of key achievements in 2021
In addition to successfully delivering against agreed performance targets, the centre continued to drive improvements in line with its key initial business objectives as set out in the OMP. The improvements are broken down around the four major drivers for the GSSC: increasing mission focus, increasing service quality, saving costs and reducing risk.

Increasing mission focus
Redesigned payslips and integration into FIORI: In partnership with ICTD, the GSSC redesigned payslips in 2021. The new payslips are an improvement for staff, as they show cumulative year-to-date earnings, deductions, and information on salary/rental advances. The inclusion of the payslips in FIORI simplifies access for roughly 180,000 payslips issued by the organization annually.

New GSSC training modules to support LFPs: to support local focal points (LFPs), the GSSC developed training modules for finance and master data management, payroll funding and human resources. The trainings are available in Agora and aim to strengthen the technical skills of LFPs.

Staff Leave management: the GSSC reviewed the annual leave balances for staff members globally and undertook a reconciliation exercise of leave balances in FIORI vs ESS. This exercise resulted in correction of around 350 data mismatches.

Increasing service quality
New SLAs: In 2021, the GSSC introduced two new Service Level Agreements (SLAs) to measure the quality of the services provided. The first was the Customer Satisfaction Index, which looks to measure how many customers rated our services as ‘delighted’ or ‘satisfied’. The second SLA measures the percentage of queries resolved by the Customer Care team. The target is that 80 per cent of queries should be handled by Customer Care rather than escalated to other teams to resolve.

Launch of Country Welcome Guides: To improve staff’s onboarding or relocation experience, the GSSC has launched Country Welcome Guides for 11 countries. Each guide offers a comprehensive overview of the economic, cultural, and socio-political background of the countries, and basic administrative information for the UNICEF office.
Employment certificates in French and Spanish: To support staff, the GSSC began offering HR Certificates of Employment in other official United Nations languages. The certificates can be automatically generated with or without salary information.

Global roll-out of induction training (GLC): Over the course of 2021, the GSSC rolled out a digital Global Induction for most UNICEF regions. The induction aims to provide basic information on UNICEF to new staff across the organization.

Cost savings
The GSSC continued to drive efficiency and business modernization, reduce organizational risk and deliver value for money. Several effectiveness improvements took place in 2021, including:

  · **Introduction of invoice automation:** Robotic Process Automation (RPA) has automated almost 50,000 Purchase Order invoices. This has resulted in internal efficiencies equivalent to 2.5 FTEs (GS-5).

  · **Automation of contract extension and health insurance processes:** Automating roughly 5,000 cases of contract extension and health insurance processes has resulted in internal efficiencies equivalent to 1 FTE (GS-5).

Reduction of overall risk
**Robotics Process Automation (RPA):** In September 2021, the GSSC introduced UNICEF’s first robotics project to increase the efficiency of routine transaction processing. This work is being done jointly with ICTD and the International Computing Centre. This automation will free up team members’ time from repetitive tasks, and allow them to better focus on strategic projects, innovation, and technical work. It will also reduce risk of error, as automation is expected to improve process quality.

Payroll commitment improvements: Over the course of 2021, the GSSC worked closely with other UNICEF divisions and offices to streamline and simplify the payroll funding process. This included the introduction of an additional control measure to effectively manage any payroll funding shortfalls that are not resolved promptly. These changes were supported by the development of a Best Practices series on Payroll, as well as webinar sessions.

Adjustment of chargeback
In 2021, the GSSC adjusted the chargeback rate to better reflect the cost of services provided. The costs have been charged through monthly payroll processing, like the model currently used for attribution of costs of other centrally managed/provided services and attributed across all funding sources, charged to the budget funding the post. The total cost for 2021 amounted to $16.7 million, equivalent to less than 1 per cent of the total annual programme budget of each office.

UN Reform
In 2021, the GSSC continued to support several initiatives related to operational aspects of the UN reform. This included completing the full roll-out of the Business Operations Strategy (BOS) initiative. As per the existing data, BOS cost efficiency projections indicate approximately $100 million annual cost avoidance globally across the United Nations – the GSSC is proud to say that UNICEF has made a significant contribution to this figure.

The GSSC also developed an internal strategy to support UNICEF country offices in pursuing common back offices (CBO) / local shared service centres (LSSC). The development of the strategy was supported by a group of senior operations staff from all regions and HQ divisions who helped ensure that the strategy took a realistic and constructive approach. The strategy was finalized in early 2022.
In early 2021, UNICEF also contributed to the first ever cross-UN Efficiency Report. The goal of the report is to capture savings and highlight the work being done to achieve the target of saving $310M by 2022 set by the Secretary-General. Between 2019 and 2020, annual efficiency gains increased by 57 per cent, reaching $100.7 M.

**Staff well-being and learning**
In 2021, the GSSC continued to invest in staff well-being for over 340 employees, particularly since the pandemic gained momentum in 2020, and as a preventive measure, most staff remained working remotely for 2021.

- Over the course of the year, over 60 staff well-being events were organized with the staff counsellor to support staff morale during a difficult period.
- The Peer Support Volunteers (PSVs) organized several initiatives to support colleagues with addressing work-related concerns or personal difficulties, including monthly online social gatherings.
- The GSSC Staff Association was active in organizing several virtual events and meetings with HR to raise staff well-being issues that need to be addressed proactively.
- Learning and development opportunities continued to be provided for all GSSC staff through a series of trainings tailored to enhance staffs’ skills and support their career paths.

### Lessons Learned and Innovations

**Automation:** the GSSC began using automatic and enhanced robotics to increase efficiency, specifically by using automated software to take care of routine transactions – reducing the volume of manual data input. For example, the Contract Extension process with an annual volume of about 8000 transactions was automated with in-house GSSC expertise.

**New grant management workflow:** In 2021, the GSSC launched an enhancement to the grant management workflow in Service Gateway for field office-signed donor agreements. This was developed jointly with PPD, ICTD and DFAM. The enhanced workflow has improved the tracking of grant agreements – giving a better overview of incoming revenue and donor funds from approval at field office level to PPD clearance to setup in the GSSC. It improved the timeliness of revenue recognition, which was a weakness highlighted by the 2020 audit of the UN Board of Auditors, as well as application of funds received.

**Best practices series:** Traditionally, the GSSC has focused on amending policies, systems, and practices. However, over time it has become clear that there is also an increasing need to focus on users and support behavior change. To address this, the GSSC launched two best practices series: payroll and grant management. The related intranet pages provide a repository of useful information for technical staff to make sure that they are using the optimal approaches for each area. It also serves as a knowledge management repository.

**Support for emergencies:** During the years of the pandemic, there was an increase in countries designated as emergency, including Afghanistan, Syria and other locations, which required extensive support from the GSSC in terms of allocation of team members on stretch assignment as well as implementing emergency SLAs at short notice. A change in implementation of support for emergency locations was made in early 2022 in coordination with EMOPS to ensure emergency flags are applied at the field office level.

**Relocation of ICTD to Valencia**
The ICTD movement to Valencia was supported by GSSC HR Administration during 2021/2022 to ensure smooth transition from New York. The GSSC assigned a dedicated resource on stretch assignment to ICTD HR to provide on-the-ground support for managing the change. There were
additional webinars for onboarding and separating staff members to proactively support their queries and help staff members plan this movement for themselves and family members.