CASE STUDY
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

1. Introduction

In today´s rapidly evolving world, organizations like the United Nations Industrial Development (UNIDO) play a significant role in driving global progress through a sustainable industrialization. As UNIDO continues to champion industrial development, innovation, and sustainability, it is essential to continually assess and enhance its performance to effectively meet the challenges of our time. As a multilateral Organization with widespread operations across the globe, UNIDO is a complex entity with multiple stakeholders and interests, offering vast opportunities for impact.

This case study is developed as the academic final project of the International Master of Business Administration at Rennes School of Business. It integrates the approaches, tools and methods learned throughout the Master´s courses within the 5i framework, which defines five critical dimensions to be strengthened by global leaders: Insight, Intelligence, International, Innovation, and Impact, as well as insights derived from seven years of work in the field office in Colombia.

Section 2 provides a general presentation of the Organization to offer an overview and understanding of the activities that UNIDO undertakes. The document presents a series of strategies and actions that can enhance UNIDO´s operational efficiency, foster innovation, optimize human resources, and reinforce its commitment to sustainability. Grounded in a thorough analysis of UNIDO´s existing operations and aligned with its goals.

The analysis conducted highlights significant opportunities for the integration of headquarters and field offices, as well as the enhancement of communication activities. These recommendations function as a strategic roadmap to propel the organization toward even greater heights of impact and excellence. It is important to note that the implementation of these recommendations will require a phased approach and further analysis to ensure sustainable and enduring outcomes.

2. United Nations Industrial Development Organization - UNIDO

The United Nations Industrial Development Organization (UNIDO) is a specialized agency of the United Nations system. Established in 1966 as part of the United Nations and transformed into a specialized agency in 1985, UNIDO has the mandate of promoting and accelerating sustainable industrial development in developing countries.

The mandate of the Organization was reaffirmed by the declarations in the General Conferences of 2013 in Lima, and 2019 in Abu Dhabi, where a new vision of inclusive and sustainable industrial development (ISID) as driver for economic growth was emphasized.

ISID integrates the three dimensions of sustainable development – economic, environmental, and social – in a balanced manner to enhance productive capacities, encourage economic growth and the creation of decent jobs.

Considered the driver for economic growth and income generation, ISID enables continuous improvements in living standards for all individuals while offering technological solutions for environmentally sustainable industrialization.

In this context, "inclusive" emphasizes that industrial development should encompass all countries, individuals, and stakeholders, providing equal opportunities and benefits to everyone. "Sustainable" refers to the importance of securing prosperity from industrial activities but minimizing natural resource use and mitigating negative environmental impacts.

The relevance of UNIDO mandate and ISID as an integral approach are recognized in the Sustainable Development Goal 9: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", for which UNIDO serves as the custodian agency.

In this way, the Organization provides support to its 171 Member States through four main functions:

- Technical cooperation.
- Action-oriented research and policy advisory services.
- Normative standards-related activities.

- Fostering partnerships for knowledge and technology transfer.

UNIDO´s priorities

Accordingly, UNIDO´s work is focused on three major priorities for action set by the Director General Gerd Müller since 2022 to address current global challenges:

- Ending hunger: By reducing post-harvest losses and fostering the development of agribusiness value chains.
- Limiting climate breakdown: Through the adoption of renewable energy and energy-efficient practices to reduce industrial greenhouse gas emissions.
- Supporting sustainable supply chains to ensure equitable treatment for producers in developing countries and preserve scarce resources.

In addition to the main priorities, technology and knowledge transfer, digitalization, investment promotion, training and skills, circular economy, and women´s economic empowerment, are cross-cutting themes to the whole Organization work. Figure 1 provides an overview of the Organization activity.
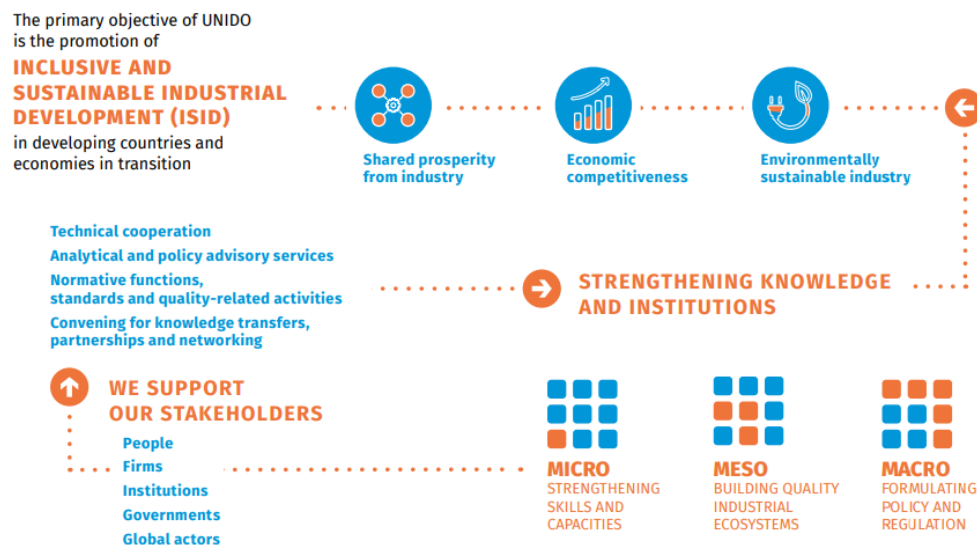

Figure 1. UNIDO´s activity in brief. (United Nations Industrial Development Organization, 2023)

Organizational Structure

     Policymaking organs

Member States guide the actions of the Organization through the Policy making organs. UNIDO has two main organs that play a crucial role in setting the strategic direction of the Organization, they ensure that UNIDO´s activities align with its mandate and contribute to the achievement of SDGs.

- **General Conference (GC):** The representatives of all Member States meet every two years to determine the guiding principles and policies of the Organization. They also approve the budget and work programme and elect the Director General every four years.

- **Industrial Development Board (IDB):** The 53 country members of the IDB meet once a year, the members are selected on a rotational basis for a four-year term. The Board is responsible for reviewing the implementation of the programme, regular and operational budgets, and making policy recommendations to the GC, including the appointment of the Director general.

- **Programme and Budget Committee (PBC):** It comprises twenty-seven members elected for a two-year term and meet once per year. It serves as a subsidiary organ of the IDB and provides assistance in preparing and examining the work programme, budget and other financial matters.

- **Constitution:** The Constitution of the United Nations Industrial Development Organization was adopted on 8 April 1979 in Vienna. It provides the legal framework that governs the Organization and outlines its objectives, principles, and functions.

UNIDO Secretariat Structure

The Secretariat of UNIDO is responsible for implementing the work programme and the budget approved by the General Conference, as well as providing technical cooperation to the Member States. It is based in Vienna, with liaison offices in Brussels, Geneva and New York that maintain direct and close contact with Member States and other United Nations organizations. The presence

of UNIDO in the field has gained importance through its forty-eight regional and country offices across the globe, aligned with the decentralization processes of decision-making process at the national level (Figure 2).

Figure 2. UNIDO worldwide. Field network (United Nations Industrial Development Organization, s.f.)

During the first half of 2022, the Director General Gerd Müller introduce a reform to the Secretariat Structure of the Organization. This Reform is aimed at the modernization and strengthening of UNIDO aligned with the novel needs and priorities of its Member States. A leaner organizational structure, shown in Figure 3, concentrate UNIDO services into four Directorates:

- Corporate Services and Operations (COR), responsible for handling in-house administration and the critical operational support services, including financial services, human resources, procurement, general services, logistics and information technology services.

- Partnership and External Relations (GLO) focuses on building and maintaining relations with Member States and partners, including overseeing the current field office network.

- Technical Cooperation and Sustainable Industrial Development (TCS), ensures the ongoing provision and expansion of existing technical cooperation services.

- SDG Innovation and Economic Transformation (IET), responsible for delivering services in areas of renewed significance related to its name.
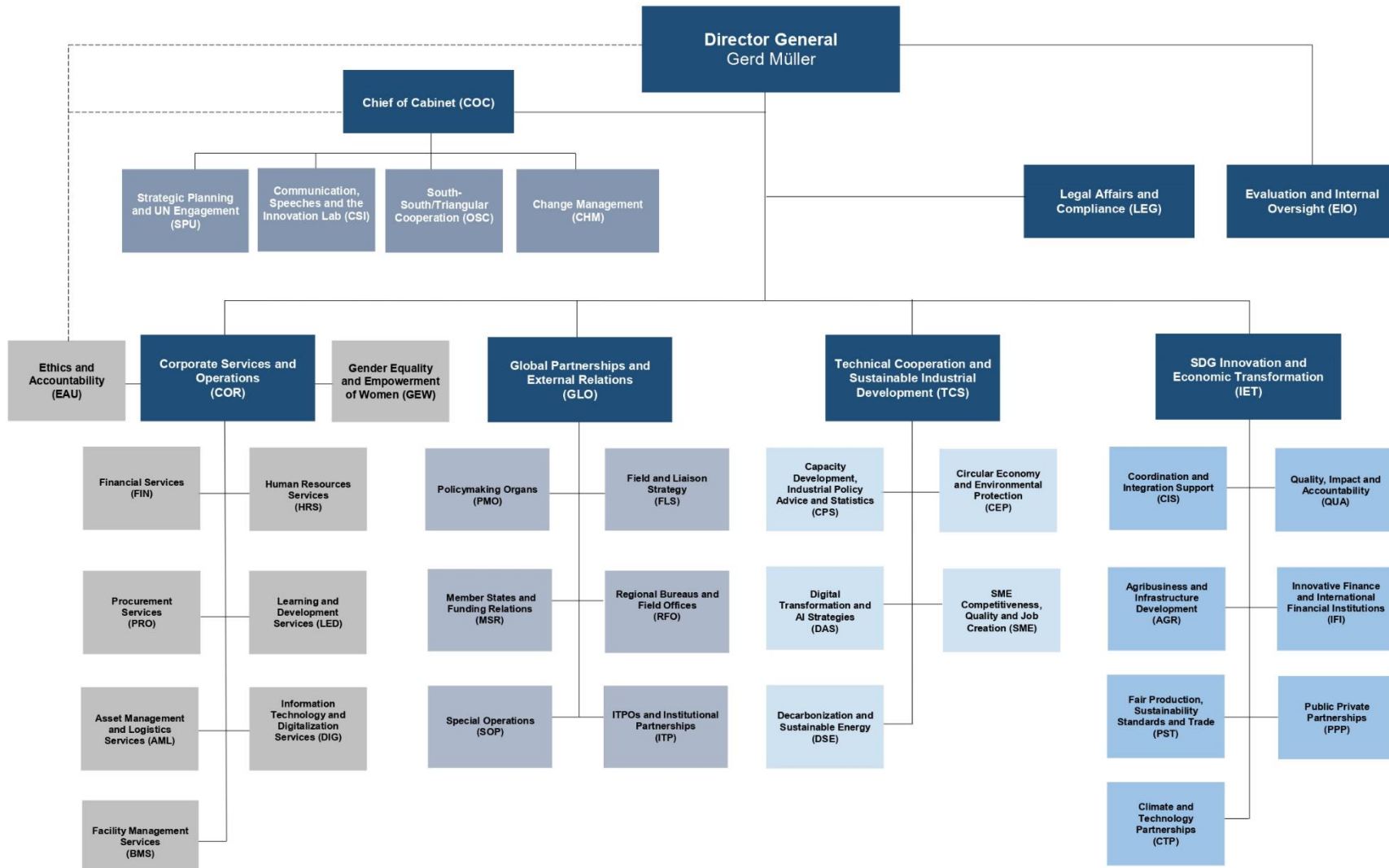
Figure 3. UNIDO Organizational Structure. (United Nations Industrial Development Organization, 2023)

Partnerships

UNIDO implements projects around 120 of its 171 Member States. For 2023, the portfolio comprises 636 projects for US$1,350m, from reducing mercury use in several countries, including Colombia, Burkina Faso, and China, to strengthening the formal private sector in Algeria, Egypt, Jordan, Lebanon, and Morocco. For 2022, in addition to the European Union, the Global Environment Facility (GEF), and the Multilateral Fund (MLF), Japan, Switzerland, and Italy were at the top of funding countries (see Figure 4).
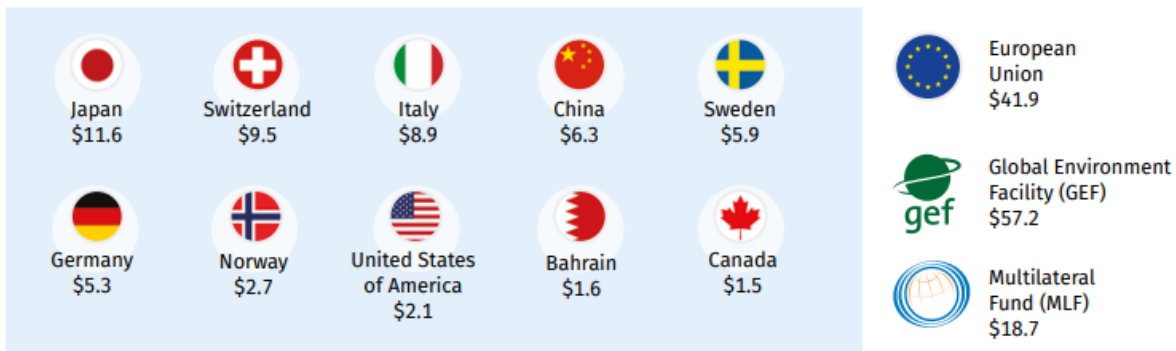

Figure 4. Top funding partners for UNIDO programmes and projects in 2022. (United Nations Industrial Development Organization, 2023)

It is important to note that each Member State provides assessed contributions to the Organization to fund the regular budget and the organizational operations. On the other hand, the costs of the projects are, almost entirely, met by voluntary contributions negotiated on a project-by-project basis, according to the priorities defined by each country donor. The inform Scaling up UNIDO technical assistance while raising operational efficiencies, mention how UNIDO is shifting to larger, multi-year, and multi-country programmes to enhance the operational and cost efficiency (United Nations Industrial Development Organization, 2019).

Beyond its Member States, UNIDO collaborates with various development partners to enhance the impact of its technical cooperation and promote important development issues. Some of them are:

- UN agencies such as the Food and Agriculture Organization (FAO), and the United Nations Environment Programme (UNEP).

- BRICS group of major emerging economies and the Group of 77 (G77), the largest intergovernmental organization of developing countries un the UN:

- As an official recognized knowledge partner, UNIDO actively participates in multiple working groups and ministerial meetings of the G20.

- The European Union

- The Global Environment Facility (GEF)

- The Multilateral Fund for the Implementation of the Montreal protocol in about seventy countries.

The Organization is also partnering with the business sector to achieve significant development impact through their collective efforts. Additionally, UNIDO is a member of several global and regional networks supporting analytical functions, among others.

- United Nations Development System.

- United Nations Sustainable Development Group and other inter-agency coordination mechanisms.

- Circular Economy Coalition.

Competitors

As a specialized agency of the UN system, UNIDO operates in a unique and specific domain. While there are no direct competitors that operate in the same capacity and under the same mandate, there are other organizations and entities that work in related fields or focus on specific aspects of development and industry promotion. Some of these may include:

- World Bank, provides financial and technical assistance to developing countries for a wide range of development projects, including infrastructure, agriculture, education, and health.

- United Nations Development Programme (UNDP), works on various aspects of development, including poverty reduction, governance, and sustainable development.

- United Nations Environment Programme (UNEP), works on environmental issues, including sustainable consumption and production, climate change, and biodiversity conservation.

- Regional Development Banks, such as Asian Development Bank, the Inter-American Development Bank that provides financial assistance for development projects in developing economies.
- Bilateral development agencies from various countries, USAID, GIZ, JICA, UKAID, etc., which implement and support technical assistance in developing fields.
- International consulting firms specialized in development projects.

These organizations and entities compete for funds and partnerships with countries and governments. While they may have some overlapping areas or focus with UNIDO, it is important for UNIDO to seek building partnerships to enhance the impact of its developing projects and enlarge the scope.

3. Organization diagnostic

Along this section, the five dimensions proposed by the 5i framework will be reviewed in order to propose further recommendations to enhance the organization's performance. Special attention will be given to those related to intelligence in business.

The 5i framework includes five essential dimensions for running operations in challenging and dynamic environments: Insight, International, Intelligence, Innovation, and Impact.

3.1 Insight

The efficient and effective management of human resources is critical for a successful organization, and UNIDO is aware of that. According to Organization´s Annual Report, as of 31 December 2022, the Organization employs 684 staff members as well as 1,610 consultants on ISA contracts from 152 countries. To fulfill the Organization´s mandate qualified personnel are required to provide support and corporate functions, as well as technical expertise required in the field.

It is important to note that under the Staff category, there are civil servants who hold fixed positions and functions within the organization, while qualified individuals who provide specialized professional services or national support are hired under ISA contracts. The type of contract is more related to the nature of the function than to the duty station, with both staff and ISA positions found in UNIDO HQ as well as in the field offices network. The workforce has remained stable during 2022, despite the changes that came with the structural reform implemented in 2022, which reduced the hierarchies and the number of Directorates from 5 to 4 (see Figure 3).

In addition, organizational restructuring also generates employee movements through the Directorates, the creation of firm pipelines for all areas, and the establishment of a baseline of core resources with room for growth. This, in turn, led some staff to assume their new role and responsibilities when there is still no new person assigned to their previous responsibility.

The generation of further career opportunities for staff, especially young and experts, within the organization is supported by new learning and development services, established to upskill and reskill the workforce, also in response to the new UNIDO approach "Progress by innovation". Staff have access to formal and informal learning, growth and co-creating opportunities for personal and professional development in topics such diversity, cybersecurity, risk management, collaboration software among other relevant topics.

Also, a new office for Change Management is in place, responsible for supervising and executing both structural and cultural transformations within the Organization. It is in charge of communicating and explaining the "why" and the "how" of the change while providing guidance to staff regarding work improvement initiatives, fostering the prioritization of efficient service delivery. It is worth noting that a restructuring and optimization process for field network, which includes field offices, will take place.

The above-mentioned training and growth opportunities are available only for staff, for individuals hired under an Individual Service Agreement (ISA) a different framework applies.

As part of the communication function, several activities have been deployed aiming for a two-way communication between staff and management; however, these activities are conducted in HQ with minimal involvement of the field offices.

Under the slogan "Progress by Innovation", the organizational culture is defined by a set of three core values and four key competencies:

Core values

- Act and integrity.
- Professionalism.
- Respect for diversity.

Key Competencies

- Focus on people.
- Focus on results and responsibilities.
- Communication and trust.
  Think out of the box and innovate.

Those are communicated throughout the recruitment processes and spread across the organization. This, along with other cross-cutting information, is available for UNIDO personnel through the Organization´s intranet; however, it contains several outdated versions.

Human Resources management is under the Corporate Services and Operations Directorate, and as a critical support function, it serves the entire Organization, including field offices. In 2022, UNIDO field network covered more than 156 countries, resulting in human resources from more than 152 different countries.

3.2 International

As a multilateral organization that responds to the needs and priorities of its 171Member States, UNIDO operates within the broader context of international relations and global politics. The

Organization must then manage the challenges related to geopolitics but also with cultural diversity.

Since becoming a specialized UN agency in 1985, UNIDO has undergone significant evolution in respond to profound changes in the geopolitical distribution of industrial activity. International milestones, including the introduction of the term "Sustainability" in 1987, the geopolitical tensions of the nineties, and the post-Cold war reshaping of the international system, have prompted UNIDO to make necessary adjustments to its scope and processes. In more recent times, global events like the 2008 financial crisis, the reduction of public budgets in industrialized countries, and the growing urgency to address climate and social challenges have shaped the widely recognized Agenda 2030 and its 17 Sustainable Development Goals. Significantly, the specific objective of SDG 9 plays a significant role in guiding UNIDO´s current activities.

Geopolitics play a key role in shaping UNIDO´s programs and projects in several ways:

- Funding and donor countries: As mentioned before, the funding and support UNIDO receives from member countries are conditioned by donor´s interests and priorities. This influences the allocation of resources to specific regions or projects.

- Partnerships and networks: As mentioned in section 2, besides partnership with donor countries, UNIDO also collaborates with a wide range of international organizations, institutions, and private sector entities. These partnerships leverage the knowledge, resource and expertise exchange as well as enhance the efficiency and effectiveness of efforts to address global challenges. Some of these networks are:
    - Circular Economy Coalition
    - United Nations Development Group
    - United Nations Global Compact

- Regional and interregional actions: South-South and triangular cooperation is one example of these actions. This cooperation consists of a partnership between two developing countries, or the partnership supported by a developed country or a multilateral organization to implement development projects or programmes. UNIDO is engaging with

the BRICS (Brazil, Russia, India, China, and South Africa) to develop strategic cooperation activities to support other developing countries.

- Multilateral Environmental Agreements (MEAs) implementation: UNIDO has gained a strong reputation within the international community for its expertise and technical assistance in implementing MEAs.

In addition, UNIDO has a strong engagement in global governance providing expertise in multiple working groups and ministerial meetings in the G20 and BRICS group, among others.

Regarding cultural diversity, UNIDO recognizes it as an asset and actively promotes and inclusive and supportive work environment where employees from more than 150 countries, with diverse cultural backgrounds, can thrive and contribute to the organization´s mission. This is reflected as part of the core values of the organization "We respect diversity". The official working languages of the organization are English, French, and Spanish, although communications are also produced in several other languages, including Russian, Arabic, Portuguese, Chinese, etc. In several cases, UNIDO and its technical programmes leverages the skills of its personnel to translate relevant materials into local languages. About the relationship with local governments, public and private actors, the field offices, and their assigned Representatives, as well as the technical consultants, are responsible for representing UNIDO´s interest, maintaining close contact, identifying industrial trends, development needs and donor priorities. In this way, UNIDO leverages the human resources as local players well acquainted with the country´s culture.

3.3 Intelligence

"Digital transformation as a process where digital technologies create disruptions triggering strategic responses from organizations that seek to alter their value creation paths while managing the structural changes and organizational barriers that affect the positive and negative outcomes of this process" (Vial, 2019) is a significant trend offering opportunities for increased efficiency and sustainable production, but it also presents challenges perpetuating biases and inequalities. UNIDO faces rising data management requirements and information security risks. A self-assessment

revealed UNIDO´s late adoption of technology and digital solutions. To address this, a new framework was developed with five pillars: collaborative environment, information security, resilience and business continuity, digital innovation, and digital skills and adaptability.

In 2022, UNIDO made several changes to move towards the new framework incorporating cutting-edge technologies to automate processes, enhance efficiency, control, risk management and coordination. These changes include the creation of a new digitalization team with the required technical skills to support the transformation; the implementation of Microsoft 365, including Teams, to enhance the efficiency of communication and collaboration; the Cybersecurity Awareness Programme was expended and now includes training and frequent phishing tests; and a new e-recruitment system launch called SAP SuccessFactors.

Moreover, Robotic process automation was introduced in close cooperation with the financial services, resulting in 67% reduction in approval tasks for senior management. This implementation helps mitigate the risk of human error and ensures compliance with financial rules. Additionally, UNIDO is testing the use of machine learning and AI with technical cooperation project documents. The goal is to enhance data quality and demonstrate the impact of UNIDO´s support to Member States.

Regarding the indicators report, several actors in HQ and field offices participate, and the input comes in Excel sheet format then is consolidated and uploaded to the system.

The Organization has made special efforts to train personnel in the use of these new tools and systems to facilitate processes. However, as mentioned before, the training strategies and system deployment lack proper communication with the field offices, resulting in delayed information and guidance received by them. In addition, it is important to mention that UNIDO HQ, Field offices and technical projects must report to different stakeholders at various levels of information, according to specific requirements. There may be similarities among the data requested for reporting. being possible to have similarities among the data requested for reporting.

As an information repository, the Organization provides personnel with access to internal resources and organizational information, including official guidelines, templates, and a personnel

directory through Intranet. Additionally, it uses the OpenText solution with SAP modules to integrate and automate content processes. OpenText stores documents related to crucial business processes for ongoing development projects, ensuring timely availability. Selected documents are automatically available for Member States through an extranet, promoting transparency.

Furthermore, the Open Data Platform[1] offers unrestricted access, displaying all ongoing and completed programmes implemented by UNIDO worldwide, along with key information related to budget, donors, areas of implementation, countries, etc. However, it is important to note that documents and information must be manually uploaded to the above-mentioned solutions by personnel (Staff and ISA from HQ and field offices), which can lead to documents not charged, duplicated or outdated.

In addition, there is a lack of clear guidance or instruction for new and even old employees on how, when, and why to use these solutions. This has resulted in personnel, especially in field offices, storing project and organization documents on local computers and sharing them via email when needed.

The solutions implemented in 2022 have the potential to replace or enhance the performance of existing solutions in the Organization. However, there are no direct instructions yet on how to migrate or stop using some of the old solutions. An exception is the sharing of files and documents, where the previous system called Xfiles was disabled, and the information was migrated to the OneDrive application included in the implemented Microsoft 365.

3.4 Innovation

UNIDO´s slogan "Progress by innovation", reflects the Organization commitment to rethink development cooperation approaches and leverage technology for human prosperity, as response to global challenges. The Organization recognizes the impact of technology as enabler for innovation to unlock novel tools and methods. To support Member States, the structural reform

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[1] https://open.unido.org/

implemented in UNIDO since 2022 established the Division of Digital Transformation and Artificial Intelligence Strategies (DAS). This Division is responsible for implementing technical cooperation projects and disseminating normative products to foster productive transformation through digitalization and AI. Alongside AI, the DAS also covers technologies such as cloud computing data, big data, blockchain and more.

Additionally, the DAS also promotes innovative ecosystems and enhances competitive industries in Member States, particularly in manufacturing, services, and digital firms. Additionally, it supports a smooth transition to cyberphysical industrial systems and a smart society, while mitigating any negative impact on employment and work quality. Through the DAS services, less developed countries and SMEs have the opportunity to catch up technologically and avoid falling behind more advanced nations in industrial development.

Besides the establishment of the DAS, the Organization integrates the digital transformation and innovative approach through its work under the different priorities of the organization, circular economy, environment, energy transition and agribusiness are some of the working areas mentioned by UNIDO. The developed programmes are adapted considering the context and regional differences to ensure that digital transformation and AI are adopted to achieve greater development impact.

Alongside the creation of the DAS, the creation of the Innovation Lab aims to drive discovery, generation, and scaling of innovative development solutions within the Organization, while improving the efficiency and impact of UNIDO´s operations. The Lab also promotes collaboration between the Organization´s division and serves as a platform to engage with external stakeholders, including Member States, knowledge and innovation communities and others. Furthermore, the Lab provides a secure environment for generating ideas, experimentation, and developing novel approaches. Currently, the Innovation provides an Open innovation platform with four distinct programmes:

- Innovation challenge
- Incubation and acceleration

- Ecosystem support
- Knowledge and learning

The Organization will gradually introduce more programs to integrate and promote creativity and collaboration within the organization culture.

Regarding the technical support provided by the Organization to the SMEs, UNIDO provide also training and skill sharing on how, among others, to increase innovation and digital transformation. The guide for SMEs "Empowering SMEs of Developing Countries through 4IR Technologies- Artificial Intelligence"[2] on how to use and integrate AI and advanced technology into business, is one of many developed initiatives within the work of the United Nations High-Level Inter – Agency Working Group on AI.

Besides the guide, the Knowledge Hub[3] of UNIDO, an online learning hub that offers unrestricted access to training courses and technical material developed under thematic modules focused that includes innovation management, business coaching, and skills for managing digital transformation.

The Organization also assists governments in building innovative ecosystems that unlock the countries' potential and facilitate the transition of developing economies towards technology adoption. A key component of achieving this is the adoption of best practices, and UNIDO provides training on diverse topics related to innovation and management. The training involves international experts and real-life case studies observed during study tours. For instance, one such study tour took place in Slovenia, where delegates from the Innovation and Development Agency of Azerbaijan visited the country to learn about mechanisms for entering the European market and developing a start-up ecosystem.

It is important to emphasize that all programmes, materials, and resources related to innovation are not limited to a specific division within UNIDO. Innovation is a cross-cutting priority present in the work of the complete Organization.

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[2] Available on https://hub.unido.org/node/11791
[3] https://hub.unido.org/training-modules

3.5 Impact

As a UN agency, UNIDO is actively committed to achieving the Agenda 2030 and its 17 Sustainable Development Goals by promoting inclusive and sustainable industrial development. SDG 9, which emphasizes the role of industry, innovation, and infrastructure in sustainable development, holds a special significance for UNIDO. However, UNIDO´s activities have far-reaching impacts and contribute to multiple SDGs due to their interconnected nature.

In 2022, UNIDO implemented its first result-based budget to effectively communicate and demonstrate the outcomes of its initiatives. The targets and monitoring system are defined at micro, meso and macro levels. The micro level, related to the actions aimed at strengthening SMEs skills and capacities, the meso level involves those activities oriented to create and revise national and international policies, and the Macro level to regulation advisory. Notably, 41% of ongoing projects implemented by UNIDO in 2022 made significant contributions to gender equality and women empowerment.

Despite its nature, there are no specific references to internal goals concerning the environmental impact of UNIDO activities at the organizational level. However, public information indicates that UNIDO HQ building received the certificate of climate neutrality for seven consecutive years and reveals Organization´s efforts to reduce emissions and enhance operational efficiency by updating technological devices such as transformers, cables, elevators, irrigation pipes and more.

Regarding gender and diversity impact, the Organization reviewed and updated its Policy on Gender Equality and the Empowerment of Women in 2019. The Policy commits UNIDO to implement gender-targeted actions and promote gender mainstreaming. At the Organizational level, UNIDO has Zero tolerance for sex and gender-based discrimination, and follows good practices, including flexible working arrangements and family-friendly policies. The main goal is to achieve gender parity within the Organization by 2030, while other related goals are primarily at the project execution level.

4. 5i analysis and actions for improvement

This section presents a set of actions that aim to enhance UNIDO´s performance and support the organization´s initiatives to improve efficiency based on the diagnostic presented in Section 3. The proposed actions are guided by a systematic approach, which means that a proposed action can generate improvements in more than one dimension, and they may be linked to other actions as catalyst for improvement or to ensure the sustainability of the impact.

4.1 Insight

As mentioned in Section 3.1, UNIDO´s work is conducted by personnel contracted as staff or under ISA modality, both at the Headquarters and in the field network. The following interrelated actions are proposed to enhance the performance of the Organization under the Insight dimension.

- Increase the involvement of the field network.
- Strengthen the Knowledge management system.
- Generate strategies for expertise retention/attraction (capacity building, growth opportunities)

With more than 50 years of technical experience, UNIDO possesses a significant amount of knowledge. Some of this knowledge is stored in the repositories of the Organization as explicit knowledge, while other is linked to the personnel as tacit knowledge.

Teams on the ground, where the technical cooperation programmes are implemented, can provide valuable insights to the Organization to enhance its operations. However, most of these are under ISA contracts, which means:

1. Once their job is done, they will leave the Organization, along with the knowledge and lessons gained through experience.
2. They do not receive a proper induction, resulting in a lack of awareness, sense of belonging, and poor representation of the organization in the field.
3. They do not have growth opportunities within the Organization.

A first action to improve the performance of the Organization, which was not evident during the diagnostic section, is the **involvement of field offices** as valuable providers of feedback for HQ administrative operations. Teams on the ground are in close contact with several Organization´s stakeholders and have firsthand knowledge of the local environment for doing businesses. Considering how each country does business, the local regulations, administrative processes, etc., is critical when implementing a technical cooperation project.

For an Organization like UNIDO, with projects covering more than one hundred countries, leveraging the expertise of the field teams can improve their operations and the adjust several administrative processes that currently do not consider the particularities of each country, leading to reprocessing, delays, and reputation damage.

To achieve this integration, **strengthening the knowledge management system** of the organization is crucial. A proper strategy will allow retaining tacit knowledge within the organization by implementing strategies such as training the trainer or documenting project implementation to transform, when possible, tacit knowledge into explicit one, serving as training material for new or existing personnel in both technical and administrative functions. Additionally, this must be accompanied by a debugging and upgrading the Organization´s repository platforms (e.g., Intranet, OpenText) and clear communication, including an ABC guide for personnel to understand the Organization and know how it works, and where and how to find relevant information required for their functions.

Once the personnel understand the organization they work with, their sense of belonging and understanding will increase, facilitating their participation, especially teams on the ground, in providing valuable feedback. However, efforts for involvement should go beyond sharing long digital surveys with low response rates; it must be accompanied by meetings, both face-to-face and virtual, where ISA personnel in the field can interact with ISA and staff of the HQ to share experiences, lessons, and suggestions. Importantly, to close the loop, and maintain the sense of relevance, feedback received should be shared, allowing for debate or constructive contributions, and indicating how it will be used or addressed by the Organization.

The last, but not least, important action proposed within the framework and allowed extension of this case study, refers to the **generation of strategies for attracting and retaining human resources**. As mentioned in the UNIDO Annual Report for 2022, the mission of UNIDO demands critical thinking and qualified people who, in some cases, are not easy to find due to the fields of expertise required for the Organization and for the hiring processes time.

Therefore, the generation of growth opportunities within the Organization is highly important to attract young and qualified individuals but also to retain them. Although this is one of the objectives of the structure reform introduced in 2022 by the Director General, it is not clear how it will function and if it will include both ISA and Staff in HQ and in field offices. UNIDO needs to work on capacity-building strategies, reinforcing current programs such as mentoring, but these efforts must be accompanied, as mentioned before, by effective internal communication.

As a global organization, understanding and managing cultural complexity is extremely important for UNIDO to contribute to the transformation it is seeking. With personnel from more than 150 countries, UNIDO possesses a wealth of cultural diversity, but it also faces the challenge of how to leverage that diversity effectively. Using frameworks such the developed by Hofstede[4] can help team leaders understand their teams from different cultural dimensions. These dimensions include the attitude toward inequalities and hierarchies (Power distance), the degree of interdependence (Individualism), what motivates individuals (Masculinity), their attitude toward ambiguity or unknown situations (Uncertainty avoidance), their relation with the past while dealing with the challenges of the present and the future (Long term orientation), and the extent to which people try to control desires and impulses (Indulgence).

Other frameworks, like The Culture Map, can also be applied to provide valuable insights that can be integrated into various areas of the organization´s operations, from scheduling to negotiation.

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[4] https://www.hofstede-insights.com/

4.2 International

In this way, applying frameworks that help Directives **understand and address the cultural complexity** is also valuable for building lasting relations and trust with current and potential Member States, which are crucial to strength diplomatic and multilateral engagement. Being in close contact with the Member States and leveraging the insights provided from the groundwork allows **UNIDO to align its work with global agendas,** ensuring the relevance and effectiveness of its efforts.

Like it or not, cultural awareness is becoming a must as culture influences international relations. The Culture Map framework developed by Meyer (2014), provide valuable insights to manage those differences and support diplomacy and multilateral engagement. It is recommended to apply the framework, starting with top and potential partners, to understand how culture influences:

- **Communicating:** Understand differences in communication styles, identifying whether the counterpart´s communication is low context (simple, clear) or high context (rich with deep meaning in interactions. This enables UNIDO to adapt its communication approach when interacting with others, contributing to clearer and more effective communication.

- **Evaluating:** Recognize variations in feedback styles and evaluation norms, whether they are direct or indirect. UNIDO can tailor its feedback to proposals, comments or observations received from main partners or Member States, thereby enhancing the effectiveness of both received and provided feedback.

- **Persuading:** This dimension plays a significant role in UNIDO´s international relations. The Culture Map provides insights into persuasive techniques that resonate with diverse cultures. UNIDO can leverage this knowledge to influence partners, whether they prefer specific cases and examples, or holistic, detailed explanations.

- **Leading:** Understanding leadership style, whether they are egalitarian or hierarchical, enables UNIDO to adapt its leadership approach, fostering effectiveness while enhancing collaboration.

- **Deciding:** Understanding decision making-norms such as consensus or top-down decisions, helps UNIDO navigate decision-making processes and ensure strategic and right people are involved.

- **Trusting:** Culture vary on how they build trust, either task-based or relationship-based. The insights provide it under this dimension guide UNIDO´s trust-building efforts enhancing cooperation and relationship building.

- **Disagreeing:** Different cultures handle disagreements in different ways, either directly or avoiding them. UNIDO can use The Culture Map to navigate disagreements and conflicts effectively, ensuring that diverse viewpoints are respected.

- **Scheduling:** The Culture Map provides insights into attitudes toward time, ranging from a linear view of time and punctuality to a more flexible approach. Understanding these cultural norms allows UNIDO to schedule important meetings, projects or events in a timely manner while respecting cultural sensitivities.

It is important to note that The Culture Map serves as a framework to provide a general understanding of cultural behaviors, which can vary from individual to individual within the same culture.

Leveraging international networks and partnerships within UN system, international organizations, and development partners, especially with the private sector, enables UNIDO to leverage resources, expertise, and knowledge, thereby expanding the impact of its programmes.

UNIDO is aware of the importance of geopolitical matters in its work and is deploying strategies to respond to the needs of its Member States and the current geopolitical context. Initiatives such as the structural restructuring, and the multi-year and multi-donor agreements to fund projects, are examples of this commitment.

4.3 Intelligence

As seen in section 3.3, in 2022 UNIDO initiated the digitalization of several internal services to provide an innovative and secure working environment for HQ, field networks, Member States, partners and beneficiaries.

Digitalization encompasses mainly recruitment, finance services and data visualization on dashboards. However, two key actions could further enhance the benefits of these digitalization efforts:

As highlighted in earlier sections, UNIDO initiatives often remain detached from ground activities. The same situation extends to the monitoring system, where each project and country office faces numerous data and results reporting requests from project stakeholders, country offices, local governments, and HQ.

Since 2016, UNIDO has integrated the Integrated Results and Performance Framework (IRPF) throughout its operations. This framework employs a two- tier approach, outlining UNIDO´s expected contribution to global development results aligned with the Agenda 2030 in the first tier. The second-tier outline´s UNIDO´s organizational performance, utilizing a set of indicators for monitoring and reporting. Since its introduction, IRPF´s indicators have been refined with established baselines and monitoring targets. The Open Data[5] platform, visually presents these IRPF indicators.

The proposed improvement action aims to enhance the consistency and efficiency of data collection processes to ensure the quality of reported data. Digitalizing the collection process will:

- Enhance the consistency of reported information.
- Prevent information duplication.
- Minimize reprocessing and reduce processing time.

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[5] https://open.unido.org/

This digitalization would replace the current process of requesting data and information via e-mail in Excel files.

UNIDO could leverage shadow management information systems and monitoring policies developed as part of technical cooperation projects and field offices work to be aware of available and required information for reporting to different stakeholders, integrating them into the collection template. It is important to acknowledge that significant differences may exist from country to country or project to project, but the success of the integration will stem from a flexible and tailored solution.

With the **digitalization of this collection process**, information will be accessible periodically for anyone who needs it, meeting required parameters and enhancing process efficiency. This, in turn, will free up personnel time to focus on strategic tasks. Improved data quality will also enhance decision –making processes, strategy formulation, and the development of new technical projects based on accurate information.

It is well known that the performance of a system depends on how effectively the user can use it, not the IT developer. This is why a bottom-to-the top approach that integrates solutions already developed in the field can have huge significance.

If the first improvement action is related to the information system, the second one is related to **effective communication and user training.** As the digitalization strategy is being deployed within the Organization, an effective communication strategy should encompass all personnel, not just direct users at headquarters, but also in field offices. This strategy should address:

- **What** process are being digitalized.
- **Why** these processes are being digitalized and what the benefits are.
- **How** the digitalization process will unfold
- **When** the digitalization will take effect and when the current process will be deactivated

The digitalization process undergoes a development and pilot stage, during which system is tested by users in different countries, projects and offices. This ensures proper feedback that would be

integrated into the last version. The system must also be flexible and tailored to allow reporting users to select the features that correspond to the data they are reporting.

For example, a project implemented in Colombia and oversight by the Colombia Field Office should report information to its Steering Committee, the country office (which, in turn, includes it the report to the local government), and to the Directorate at headquarters.

However, not all requesters need the same information presented in the same way. The Steering Committee may be interested in gender-disaggregated participation in training activities, while the country office may request region and topic disaggregation, and the Directorate in the HQ will request it disaggregated by those who obtained competences certification. The project should collect the data with all its features from the contact with participants, but the system must have the flexibility to allow the insertion of new features in case local government changes or new priorities emerge which will lead to modifications in the requested information.

For the system to be successful, training is also essential. To ensure the efficiency of training, guides should be developed to integrate explicit knowledge and make it easily accessible through the organization's information repository. Training sessions should involve personnel at various stages and functions. This not only trains them but also gathers feedback and identifies improvement opportunities. In a later stage, personnel from technical and administrative functions can exchange the type of requests they handle and why they receive them. Finally, communication regarding the results of the digitalization should be transparent, showcasing the development´s impact and the integration of feedback for fine-tuning.

4.4 Innovation

Beyond the organizational structure adjustments introduced by the 2022 reform to support the slogan "Progress by innovation", UNIDO still faces a significant task of fully integrating and ingraining innovation into its organizational culture, ensuring it goes beyond mere words.

Promoting innovation as a mindset among UNIDO personnel is essential. Non-directive personnel should perceive their work environment as a safe space to propose novel ideas and approaches for problem-solving and capitalizing opportunities. As mentioned by Salter & Alexy (2014), Organizations needs to develop routines to support creativity, providing autonomy but also a tolerance of failure and forgiveness culture. To achieve this, a straightforward and transparent **innovation policy** is needed, one that incorporates the recently established Innovation Lab and the Division of Digital Transformation and AI strategies, thus securing a firm place for the innovation mindset within the Organization. This policy should aim to **foster a culture of innovation** that encourages creativity and innovation by recognizing and rewarding innovative ideas and approaches.

UNIDO is constantly exploring ways to design projects and programmes that efficiently address the needs of its Member States while achieving widespread impact. **Strengthening cross-departmental collaboration** is vital for promoting a comprehensive and unified approach to develop initiatives. This approach not only advances **innovation and knowledge sharing** but also entails sharing best practices, lessons learned, and successful problem-solving approaches among personnel. Furthermore, the organization and its personnel should remain vigilant about the evolving environment, staying informed of the latest developments and trends that can serve as inspiration for generating innovative solutions. The creation of fluid and dynamics teams that bring together expertise from distinct functions and disciplines into integrated development teams, is a characteristic of innovative organizations (Salter & Alexy, 2014).

Integrating personnel into the innovation challenges presented within the framework of the Innovation Lab will stimulate them to propose inventive resolutions to specific issues faced by the Organization. Simultaneously, a protocol needs to be established to manage the received proposals, ensuring the sustainability of the initiative and its remarkable outcomes.

Conducting open innovation workshops serves as a practical training approach where personnel can engage with external experts, practitioners, and stakeholders to exchange insights and experiences regarding innovation trends, technologies, and best practices. These workshops should follow an interactive format, encompassing a mix of presentations, panel discussions,

brainstorming exercises, hands-on activities, and networking opportunities. This approach facilitates knowledge sharing, develops the innovation mindset among the personnel, and encourages collaborative projects that extend beyond workshop itself.

Implementing these actions should be a **gradual process** to avoid disrupting the Organization´s functions and to prevent resistance to change. Therefore, it is crucial to start with directives and team leaders, as they play pivotal roles leading and guiding the transition toward an innovation-oriented culture.

To realize the goal of becoming an innovative organization, innovation should permeate all processes and activities, going beyond designated spaces intended to expedite creative processes. It is imperative for team leaders to be conscious of each employee´s workload, ensuring a balanced allocation that allows room for innovation activities as an integral part of their daily responsibilities, rather than an extra burden. This shift will help transform the innovation process into a skill-development effort, rather than an additional, heavy task without meaningful impact.

Finally, UNIDO should begin to consider a remodelation of its facilities to create physical spaces that align with the openness, sharing and innovation culture advocated by the Organization.

4.5 Impact

Considering the triple bottom line approach, UNIDO should establish a comprehensive sustainable policy for the Organization and reinforce its existing gender and inclusivity policy.

As a first step, **implementing a holistic sustainable policy** to put together individual actions will significantly contribute to fostering the Organization´s sustainability impact and mitigating its global operation footprint. To chart a clear path forward, understanding the Organization´s current position on sustainability is essential. Thus, **conducting an assessment** to define sustainable goals, necessary actions and an effective monitoring and reporting system becomes the foundational starting point.

The diagnostic conducted in section 3.5 indicates that the Organization is actively working to reduce its impact through technological updates, primary in facility maintenance and operation at its HQ, which, as previously highlighted, has achieved climate-neutral certification.

However, alongside these updating efforts, complementary practices such as the adoption of energy-efficient technologies, waste reduction, paperless initiatives, and responsible procurement must be also implemented, both at HQ and filed offices.

The integration of energy–efficient technologies should encompass the entire IT inventory, including desks computers, laptops, and servers used by the Organization under a sustainable IT strategy. "Sustainable IT is an umbrella term that describes an environment-focused approach to the design, use, and disposal of computer hardware and software applications and the design of accompanying business processes" (Capgemi Research Institute, 2021). This approach will effectively reduce the carbon footprint under scope 1 and 2 emissions.

Another significant action aimed at enhancing the Organization´s environmental impact is the promoting of **green procurement practices**. UNIDO´s ongoing projects worldwide have executed procurement processes exceeding a total value of US$101.50m by mid-2023. By prioritizing environmentally friendly procurement of products and services, UNIDO can reduce its carbon footprint within the Scope 3 emissions and contribute to enhancing sustainable supply chains.

The Organization´s travel policy presents an opportunity to contribute to the reduction and mitigation of UNIDO´s environmental impact. The climate effect of non-CO2 emissions from aviation is much greater than the equivalent from other modes of transport. This aspect should also be assessed, and optimization actions being incorporated into the sustainability policy.

A fundamental principle in sustainability is that progress cannot be achieved without proper measurement. Thus, establishing clear metrics to evaluate the Organization´s sustainability progress becomes paramount. These metrics will act as guiding parameters for actions at both the HQ and in field offices.

The sustainability policy should provide precise directives and goals for the HQ, while also offering guidelines for field offices to formulate their tailored policies aligned with the major goals set for the organization. This coordinated approach ensures a unified commitment to sustainability across the entire UNIDO network.

Sensitizing the personnel about sustainability is critical within the framework of a long-term strategy. The successful implementation of the policy demands consistent and enduring dedication. When personnel are sensitized, they are more likely to stay engaged and committed to sustainability goals over time. Additionally, being part of an organization that prioritizes sustainability generates a proud feeling and fosters elevated morale and job satisfaction. This serves as a catalyst for behavioral change and nurtures a culture of shared responsibility.

Lastly, all these efforts, along with future additions, need effective communication. Thus, the publication of an **Annual Sustainability Report** which transparently communicates UNIDO´s advancements, achievements, challenges, and future goals related to sustainability, can be a potent tool for accountability and engagement with stakeholders.

In this way, beyond the contributions UNIDO made to the achievement of the 17 SDG across the world through the technical support it provides, the Organization also.

5. Conclusions

As a multilateral Organization with several stakeholders around the globe and personnel from over 150 countries, UNIDO possesses the richness of cultural diversity, but also faces the challenges of cultural complexity. Its most valuable asset resides in its human resources. Properly managing this resource becomes a critical endeavor for the organization, which must cultivate an environment of innovation and creativity to enhance efficiency and effectiveness.

By adopting a bottom-up approach to innovation, UNIDO can tap into diverse expertise within its personnel and promote a continuous cultural improvement. Strengthening digitalization efforts,

particularly in data collection and reporting processes, will enhance accuracy, efficiency, and informed decision-making.

Moreover, it is crucial to emphasize the profound importance of integrating sustainability into the very core of UNIDO´s operation, inside doors. The establishment of a comprehensive sustainability policy, along to the incorporation of energy-efficient technologies and the promotion of environmentally conscious procurement practices, would improve the Organization´s footprint.

It is important to note that recommendations provided are not intended to replace the reforms and digitalization transformation that UNIDO has been implementing since 2022. Rather, they are proposed to complement and enhance the desired results: efficiency and effectiveness. To ensure these outcomes, the organization needs to strengthen its organizational communication and integrate its field network into the process. This is essential as the field network serves as key feedback providers and internal clients of these processes.

Finally, transparent communication through tools like an Annual Sustainability Report will not only hold UNIDO accountable for its actions but also engage stakeholders while showcase the organization´s progress.

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