

Government Rationalization Program FORMULATION OF STANDARDS

ACCOMPLISHMENT REPORT

BACKGROUND

In the face of changing social, economic and political environment, the government has to define its proper role in the society. Given scarce resources and public demand for greater accountability, the government must continually improve on its performance and focus its efforts on its core functions. To achieve higher level of government performance in the delivery of core public services, there is a need to institute reforms that would transform the bureaucracy into a more efficient, effective and results-oriented structure. In line with this, President Arroyo issued Executive Order No. 366 directing the strategic review of the functions and organization of all government agencies.

The Rationalization Program aims to:

1. Focus government efforts on its vital/core functions;
2. Improve the quality and efficiency of government services by eliminating/minimizing overlaps and duplication of functions; and
3. Improve agency performance through the rationalization of service delivery and support systems, and organization structure and staffing.

The Program covers all Departments of the Executive Branch and their component units/bureaus, including all corporations, boards, task forces, councils, commissions and all other agencies attached to or under the administrative supervision of a Department. The Department of Budget and Management (DBM), in close collaboration with the Civil Service Commission (CSC), is tasked to lead implementation of this directive.

Tougher challenges can be expected from this government-wide rationalization. Recent pronouncements and concerns on budget deficit have stimulated discourse and spawned speculations on rationalization among the media, Congress, unions and agencies of government. There is a call for reform but even if rationalization is part of the package, it needs good timing. Notwithstanding the urgency of eliminating dysfunctions in government, any program of this nature would require adequate planning and social marketing. Moreover, since rationalization can have high political and social costs, it becomes crucial to make the process as smooth and as painless as possible.

To ensure that the multi-faceted aspects of the Program are properly planned and executed, the DBM has organized the Rationalization Program into five (5) components: (1) Resource Mobilization and Benefits; (2) Technical Assistance; (3) Matching of Personnel; (4) Skills/Livelihood and Investment; and (5) Communication and External Relations.

Furthermore, the DBM has created Composite Teams that will primarily monitor and perform the evaluation of the Rationalization Plans of Departments/agencies. Each Composite Team consists of a management, budget, and personnel classification and compensation specialists. A roving team of consultants consisting of organizational development, human resource management, change management, legal and financial experts shall also be organized to guide and reinforce the Composite Teams.

Although the members of the Composite Team are familiar with the operations of Departments/Agencies, most of them would be undertaking process assistance on rationalization for the first time. Hence, the Program provided capability enhancement interventions with the aim of equipping the Composite Teams and other staff members with necessary skills in conducting strategic and organizational reviews as well as technical and process consulting.

The Composite Teams have identified the urgent need to formulate standards that would guide them in their review of agency rationalization plans, and as part of the Project Management Office, the Development Academy of the Philippines (DAP) participated and assisted the DBM Composite Teams in the designing and conducting a capability enhancement project entitled “**Formulation of Standards**”.

PROJECT OBJECTIVES

The Formulation of Standards aims to:

- (1) Define the areas that have to be considered for functional and structural reform of government, which shall include terms and definitions for: organizational structures, compartmentalization or levels, and relationships of government offices;
- (2) Arrive at agreements on what standards to apply to the review of agency rationalization plans; and
- (3) Agree on a review process for the rationalization.

PROJECT PHASES

Project activities on the formulation of standards were conducted into phases to achieve the set objectives. There were three (3) phases of implementation to be able to come up with the standards, which are:

Phase 1: Conduct of Standards Formulation Workshop

A two-day workshop for the Composite Teams that aims at generating ideas and inputs to draft standards that may be applied to defining structures, levels and relationships of government offices.

This phase was conducted into two parts, since the Composite Teams saw the need to further clarify and agreed on the initial draft of standards being crafted.

Phase 2: Conduct of Validation Workshops on the Draft Standards

A one-day validation workshop was conducted together with the DBM team to refine the initial standards and guidelines and generate more ideas on how to further enhance these initial drafts.

After the one-day validation workshop, Composite Teams have agreed to individually provide their comments on the draft standards and guidelines to further substantiate their outputs.

Phase 3: Finalization of Draft Standards and Guidelines

The DBM Team (OPIB and BMBs) together with the DAP Team conducted a one-day training to finalize the draft standards and guidelines. After several reviews and inputs to the draft standards and guidelines, the Composite Teams have validated and finalized the supplemental guidelines in the preparation of the rationalization plan.

Also, the Composite Team has reviewed the draft organizational and staffing standards drafted in the review of agency organization and staffing pattern.

**OUTPUT's
CONTRIBUTIONS
TO
GOVERNANCE
OUTCOME**

The outputs of this standards formulation project would be key principles in functional, organization design and structure for government, and specific guidelines for organization and staffing.

These outputs will serve as guide to the Composite Team in reviewing agency plans in accordance with the set standards and process. Guided by these standards the Team would be able to define core functions of agencies, identify appropriate structures to support these core functions, and have concrete basis of staffing in consideration of principles and position categories.

**MAINSTREAMING
OF HUMAN
RIGHTS AND
GENDER-BASED
APPROACH**

The project implementers (DBM, DOF, DAP) are fully aware that there is a need to respect, protect and fulfill the rights of the civil servants as part of the state obligation.

In the development of the standards and guidelines, the rights of the employees to information, consultation, and choice are being taken into consideration throughout the process. Gender-sensitivity was also observed in the formulation of guidelines and standards wherein gender-based principles were incorporated in the design of the agency forms and drafting of standards. These forms comprise the profiles of the affected employees reflecting the age, gender, tenure in government and their preference where to be transferred among others.

The right to information is also one of the major concerns of the project in order to cushion the effects of the rationalization program on affected employees. The DBM has already prepared mechanism to ensure that these rights would not be suppressed through the development and provision of information materials and conduct of orientations/consultations with the Change Management Teams (CMTs).

PHASE 1: CONDUCT OF STANDARDS FORMULATION WORKSHOP

STANDARDS FORMULATION WORKSHOP – PART 1

List of Participants

DBM

1. Undersecretary Laura B. Pascua
2. Dir. Amelita D. Castillo
3. Director Myrna C. Chua
4. Asst. Dir. Jocelyn M. Isidro
5. Usec. Cynthia Castel

6. OIC-Dir. Gloria E. Lauzon
7. OIC-Asst. Dir. Magdalena B. Aruta
8. Ms. Clotilde L. Drapete
9. Ms. Ma. Delia M. Meimban

10. Mr. Edgardo M. Macaranas
11. Mr. Lorenzo C. Drapete
12. Ms. Sharlene Raquitico
13. Ms. Imee L. Cabrera

DAP

1. VP Magdalena L. Mendoza
2. Dir. Ramonesa R. Ricardo
3. Ms. Mercedita A. Rosetes

Workshop Objectives

1. To define the areas that have to be considered for functional and structural reform of government, which shall include terms and definitions for: organizational structures, compartmentalization or levels, and relationships of government offices;
2. To arrive at agreements on what standards to apply to the review of agency rationalization plans; and
3. To agree on a review process for the rationalization.

Schedule of Activities

Time	DAY 1
PM 5:30 – 6:00	Arrival/Registration
6:00 – 7:00	Dinner
7:00 – 7:15	Workshop Overview
7:15 – 7:45	Determining the Relevant Functions of Government
7:45 – 8:00	Spheres of Government <ol style="list-style-type: none"> 1. National 2. Regional 3. Local <ol style="list-style-type: none"> a. Provincial b. Municipal c. Barangay
8:00 – 9:00	Typology of organizations in the National Government (Executive Branch) <ol style="list-style-type: none"> 1. Council 2. Office 3. Department 4. Government –Owned and/or Controlled Corporation (GOCC)

Time	DAY 2
AM 8:30 – 10:00	Levels of structure within a Department/GOCC <ol style="list-style-type: none"> 1. Service 2. Staff 3. Institute 4. Center 5. Bureau 6. Division 7. Section
10:00 – 12:00	Staffing the Structures of Government <ol style="list-style-type: none"> 1. Principles 2. Ratios 3. Standards
12:00 – 1:00	Lunch
1:00 – 4:00	The Rationalization Program Review Process <ul style="list-style-type: none"> • Supplemental Guidelines • Forms

Highlights of the Workshop

The workshop started at around 9:30pm, with a 15-minute presentation of the intended flow of the workshop and the major sessions to discuss for the 2-days. DAP Facilitator, Dir. Ramonesa R. Ricardo, leveled-off the participants' expectations and understanding of the workshop. The facilitator highlighted the things to be done, the givens, and the outputs to be accomplished by the group for two (2) days.

The participants have agreed that the rationalization program, the principles and parameters of governance (found in the pink book written by Former Secretary Salvador Enriquez) and other DBM documents were the identified givens, while they also saw that the outputs needed to be accomplished were guidelines for the review of the following: core functions, disposition of structural units, staffing complement, and GOCCs financial performance. The discussion ended at around 10:30pm.

The second day of the workshop commenced at 8:40am, Dir. Ramonesa R. Ricardo (DAP Facilitator) recapitulated what was discussed on the first day of the workshop. The initial discussions revolved around the spheres of government (national, regional or local – provincial, municipal or barangay) in terms of its regulatory function, service provision and, standards and policy formulation. The participants focused on the principles that can be adopted and applied to government directions. They wrapped up the discussion by identifying the primary role of the government and its functions.

The facilitator VP Magdalena L. Mendoza then presented the draft matrix of governance, which aimed at showing the ideal distribution of functions to the national government, local government, government-owned and controlled corporations and the private sector. The participants provided their inputs on the draft matrix by identifying and listing down per sector the functional coverage of the government, LGU and the private sector in terms of policy making, regulation/enforcement and service provision.

This was then followed by a presentation of the functional, organization design and structure of government culled from the book on "Principles and Parameters". The presentation highlighted the government's eight (8) primary responsibility, the seven (7) principles of government, and the principles of

organization design and staffing. Questions were elicited from the participants to further enhance these principles and parameters. There were twelve (12) principles on organization design presented to the group by the facilitator, and each of these principles were critiqued and edited. Recommendations were noted for inclusion to the draft standards.

The group identified their next steps by assigning teams that will work on the drafting of the organization and staffing standards (for NGs and GOCCs), guidelines for GOCCs to include financial review. Below were the identified team grouping:

NEXT STEPS			
Working Groups to Draft the Organization and Staffing Guidelines			
National Government		Government-Owned and Controlled Corporation	
Myrna	Egay	Bing	Imee
Amlet	Cloty	Larry	Usec. Castel
Madel	Usec. Castel	Myrna	Usec. Pascua
Jo	Usec. Pascua	Sharlene	
Glo			

Attachments for Workshop Part 1:

- ❑ Draft Template of Matrix of Governance
- ❑ Formulating Standards: Functional, Organization Design and Structure for Government (revised by DBM)

STANDARDS FORMULATION WORKSHOP – PART 2

List of Participants

DBM

1. Usec. Laura B. Pascua
2. Dir. Amelita D. Castillo
3. Dir. Myrna S. Chua
4. Asst. Dir. Magdalena B. Aruta
5. Asst. Dir. Jocelyn M. Isidro
6. Ms Clotilde L. Drapete
7. Ms. Gloria E. Lauzon
8. Ms. Ma. Delia P. Meimban
9. Ms. Emelita M. Bailon

DAP

1. VP Magdalena L. Mendoza
2. Dir. Mary Geraldine C. Naraja
3. Dir. Ramonesa R. Ricardo

Workshop Objectives

By the end of the one-day workshop, the participants would have:

1. Reviewed the principles of organizational design and staffing and translated them into standards;
2. Formulated guidelines that may be used in the application of these standards to the review and rationalization of an agency.

Schedule of Activities

Time	Activity
8:30-9:00	Registration
9:00-10:00	Overview Of The Day's Activities

Time	Activity
	<ul style="list-style-type: none"> ▪ Expected outputs ▪ Process ▪ Recall of 27 May Workshop Outputs; Completion of Matrix of Governance <p>Presentation: Organizational Structure and Design</p>
10:00-10:15	<i>Morning Break</i>
10:15-12:00	<p>Review of the Principles</p> <p>Workshop 1: Identification of Standards and Appropriate Guidelines for each of the Principles</p> <p>Guide:</p> <ul style="list-style-type: none"> ▪ Identify the standards that may be used to deploy each of the principles. ▪ Formulate guidelines to apply each of the standards.
12:00-1:00	<i>Lunch</i>
1:00-3:00	<i>Outputs: Standards and Guidelines for each of the Principles</i>
3:00-3:15	<i>Afternoon Break</i>
3:15-5:00	<p>Plenary discussion of the workshop outputs, finalization and agreements</p> <p>Next Steps</p>

Highlights of the Workshop

The workshop started at 9:00am with an Invocation led by Assistant Director Magdalena Aruta of DBM-Bureau D.

The workshop was opened by Director Ramonesa R. Ricardo, DAP Facilitator, and presented the schedule of activities and then gave a quick review of the initial workshop conducted for drafting the standards. There was a recap of the draft matrix of governance that was drafted and discussed by the group during the initial standards formulation workshop. The facilitator then moved to a presentation of output clusters on: primary responsibilities of government and the principles of government. During the presentation the participants from time to time gave their comments, clarifications and inputs to the draft outputs. Participants came into agreements and issues were clarified during the discussions.

The session on organizational structure and design followed. The facilitator divided the group into two, and asked them to identify the standards and guidelines for the six (6) principles and the principles for organizational design and organizational staffing with the use of the group's practice/experience and the handouts as references. The two (2) groups were given enough time to work on their respective team assignments. The presentation of the team's outputs was conducted through a plenary presentation. In plenary, each of the items were

presented and clarified by the concerned team. The outcomes of the workshop were agreements on the appreciation of the participants of the distinctions between and among the three functions of government, the general picture of agency directions vis-à-vis these functions, and appreciation of the theoretical bases for organization, structural design and staffing.

The group identified the following next steps to further substantiate the draft outputs of each team:

1. Prepare 2 Matrix of Governance – ideal and existing. Validate thru interview with BMBs. (Adir Jo, Cloty, Melu and Madel)
2. Clean up standards and guidelines output of group of Dir. Castillo, Dir. Chua, Adir. Aruta, and Ms. Lauzon and after 2 weeks give it back to them to complete the list.
3. DAP to clean up write up of office nomenclatures and forward to Dir Castillo's group.

Attachments for Workshop Part 2:

- List of Primary Responsibilities and Principles of Government
- Initial Draft Standards and Guidelines

PHASE 2: CONDUCT OF VALIDATION WORKSHOPS ON THE DRAFT STANDARDS

VALIDATION WORKSHOP WITH BMBs

List of Participants

DBM

Usec. Laura B. Pascua
Dir. Amelita D. Castillo
Dir. Myrna S. Chua
Dir. Recalinda N. Adriatico
Dir. Luz M. Cantor
Dir. Gil P. Montalbo
Dir. Nora C. Oliveros
OIC-Dir. Gloria E. Lauzon
Asst. Dir. Jocelyn M. Isidro
Asst. Dir. Magdalena B. Aruta
Ms. Clotilde L. Drapete
Ms. Emelita M. Bailon
Ms. Ma. Delia P. Meimban
Ms. Rowena A. Magpusao

DAP

VP Magdalena L. Mendoza
Dir. Ramonesa R. Ricardo
Ms. Mercedita A. Rosetes
Ms. Mary Geraldine C. Naraja

Workshop Objectives

To validate the draft supplemental guidelines and discussed the initial draft of the organizational and staffing standards.

Highlights of Workshop

The workshop started at 10:00am and opened by Dir. Ramonesa R. Ricardo, DAP Facilitator. The facilitator welcomed the participants of the workshop and explained the objectives of the workshop.

Then the facilitator called on Dir. Amelita Castillo to lead the group in critiquing the draft principles of governance and guidelines on organization design and staffing. Dir. Castillo discussed each of the principles and elicited comments and suggestions from the participants to enhanced the content of the guidelines. Some these principles that were highlighted were as follows: appropriateness of role of government, prioritization of core functions, affordability, good organization and efficiency, decentralization and devolution, reciprocity and complementarity, and accountability.

The discussion on the guidelines covered the topics on general policies, departmental organization, administrative field organization, and other guidelines on position ratio. The participants raised issues and concerns and these were resolved through clarification by the concerned group. Agreements were also achieved in some of the items being discussed.

Before the workshop ended, the group agreed to provide additional inputs to the draft guidelines and for submission to OPIB.

Attachments for Validation Workshop:

- Draft Principles of Governance and Guidelines on Organization Design and Staffing
- Revised Matrix of Governance
- Proposed Configuration of a Department
- Proposed Configuration of an Attached Agency

PHASE 3: FINALIZATION OF DRAFT STANDARDS AND GUIDELINES

Enhancing Capacities of Composite Teams In Reviewing Agency Rationalization Plans (19 October 2005 – DAP)

List of Participants

DBM

- | | |
|---------------------------------|----------------------------------|
| 1. Usec. Laura B. Pascua | 15. Ms. Ma. Isabel A. Bermejo |
| 2. Dir. Amelita D. Castillo | 16. Mr. Aurelio M. Gloria |
| 3. Mr. Ed Coronel | 17. Ms. Sarah Amabelle A. Milla |
| 4. Asst. Dir. Jocelyn M. Isidro | 18. Mr. Bienvenido B. Bautista |
| 5. Ms. Clotilde L. Drapete | 19. Ms. Glenda F. Señor |
| 6. Ms. Emelita M. Bailon | 20. Mr. Eligio S. Mendoza |
| 7. Ms. Ma. Delia P. Meimban | 21. Mr. Gerald R. Janda |
| 8. Ms. Ellen M. Tumang | 22. Ms. Jocelyn J. dela Cruz |
| 9. Ms. Judith Valdez | 23. Ms. Kristine Carol S. Chavez |
| 10. Ms. Micaela G. Alvarez | 24. Ms. Mylene N. Monton |
| 11. Ms. Lucita S. Hontiveros | 25. Ms. Rowena A. Magpusao |
| 12. Ms. Belma G. Martinez | 26. Ms. Carmina D. Dela Cruz |
| 13. Ms. Angelica M. Pasco | 27. Ms. Belma G. Martinez |
| 14. Ms. Imee L. Cabrera | |

DAP

1. VP Magdalena L. Mendoza
2. Dir. Mary Geraldine C. Naraja
3. Ms. Mercedita A. Rosetes

Training Objectives

At the end of the 1-day training, the composite teams will be able to:

- Understand and explain the Supplemental Guidelines to the Change Management Teams;
- Agree on organization and staffing standards to be applied in the review of the Agency Rationalization Plans;
- Gain better understanding of their own styles and develop appreciation of the work styles of each member of the team; and
- Understand the team's strengths and weaknesses and learn how to overcome potential team dysfunctions.

Schedule of Activities

Time	Activity
8:30 – 9:00 am	Registration
9:00 – 9:30 am	Opening Program <ul style="list-style-type: none"> • <i>Invocation</i> • <i>National Anthem</i> • <i>Welcome Remarks</i> • <i>WS Objectives/Schedule of Activities</i>
9:30 – 10:00 am	Developing a High Performing Composite Team 1: Personality Style Characteristics
10:00 – 11:00 am	Understanding the Supplemental Guidelines <ul style="list-style-type: none"> • <i>Outline of Rationalization Plan</i> • <i>Process of review</i> • <i>Forms</i>
11:00 – 12:00	Agreeing on Organizational and Staffing Standards <ul style="list-style-type: none"> • <i>Hierarchy of Organizations</i> • <i>Scope of Functions</i> • <i>Minimum Staffing/Position Requirements</i>
12:00 – 1:00 pm	Lunch
1:00 – 1:30 pm	Developing a High Performing Composite Team 2: Assessing Your Team
1:30 – 4:30 pm	Agreeing on Organizational and Staffing Standards (cont) <ul style="list-style-type: none"> • <i>Guidelines on Position Classification/Reclassification/Conversion</i> • <i>Policies on Hiring/Renewal of Consultants and Contractuals/Casuals</i> • <i>List of DBM related Organization and Staffing Guidelines</i>
4:30 – 5:00 pm	Next Steps/Closing

Highlights of Training

The training started at around 9:30am, with Ms. Kristine Carol S. Chavez of DBM did the Invocation and followed by a Welcome Remarks by Ms. Amelita D. Castillo, DBM's Director for Organization Productivity and Improvement Bureau (OPIB).

The session started with an unfreezing activity where the DAP facilitator, Director Mary Geraldine C. Naraja, administering a one-page inventory to the participants. The inventory contains different shapes and participants were asked which amongst the shape they like best and which they like least. The facilitator then asked the participants to share their individual responses within their respective composite groups. This was followed by the presentation of the interpretation of each shape or the Personality Style Characteristics and the typical jobs associated with each of the shapes. The activity was intended to get to know the participants and each of their team members better.

The second session was on the presentation of the draft supplemental guidelines. The DAP Vice-President, Ms. Magdalena L. Mendoza facilitated the session. The facilitator highlighted that the draft supplemental guidelines was aimed at providing process and content guide in the strategic review of agencies, facilitate the preparation of plan documents, and facilitate review of agency rationalization plans.

The facilitator also presented to the group the Roadmap of the Rationalization Program highlighting the current state of the bureaucracy and the vision to achieve its desired state on the following areas: the lean and mean structure of the bureaucracy, focus its efforts on the core functions, efficient allocation of resources (people and assets), and having efficient and effective service delivery and improved government performance. This was followed by a discussion and clarification on the process overview, process guide, and the outline of the rationalization plan. After incorporating some of the comments from the group, the supplemental guidelines were finalized and ready for distribution to agencies.

The last session was on the draft organization and staffing standards. DBM-OPIB Budget and Management Analyst, Ms. Rowena Magpusao facilitated the session. She presented one-by-one the contents of the draft standards and elicit comments from the participants to further enhance the contents. The group then agreed to individually review again the draft standards and provide their inputs on the document that would be submitted to Ms. Magpusao. In this process, comments from various DBM Budget and Management Analysts will be incorporated to the document before its finalization.

The group decided to schedule a Composite Team meeting to discuss again the draft organization and staffing standards.

Attachments for the Workshop:

- Composite Team Profiling (Personality Style Characteristics)
- Finalized Supplemental Guidelines
- Draft Organization and Staffing Standards

