

Summary of Proceedings

Focus Group Discussion on Planning for Effective Change: Challenges, Practices and Lessons from the Rationalization Program

26 April 2006, Richmond Hotel, Pasig City

Batch 1 & 2

*The Department of Budget and Management
with assistance from the GOP-UNDP Programme
in cooperation with
the Development Academy of the Philippines*



GOP-UNDP PRI
FOSTERING DEMOCRACY
UNIVERSITY OF THE PHILIPPINES
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**FOCUS GROUP DISCUSSION ON
PLANNING FOR EFFECTIVE CHANGE:
Challenges, Practices, and Lessons from the Rationalization Program**

26 April 2006

Richmonde Hotel, Ortigas Center, Pasig City

Batch 1: 830 am – 1130 am

INTRODUCTION OF PARTICIPANTS

Ms. Baby Ricardo, Facilitator, welcomed everyone to the Focus Group Discussion organized by the Department of Budget and Management (DBM) in partnership with the Development Academy of the Philippines (DAP) and with funding support from the GOP-United Nations Development Programme (UNDP). She said the FGD aims to capture the valuable experiences of agencies in the implementation of the Government Rationalization Program or Executive Order 366.

The facilitator introduced the guests/ observers from DBM, members of the DAP Team, and participants from selected agencies. She added that many of the participating agencies represented have submitted their plan to DBM for comments/approval. She then asked Assistant Director Magdalena Aruta of the Budget and Management Bureau – D of DBM to render the welcome remarks

WELCOME REMARKS

DBM Assistant Director Magdalena Aruta welcomed participants to the FGD. She said that since the issuance of the Implementing Rules and Regulation of EO 366 or The Government Rationalization Program a year ago, many agencies have complied with the IRR. These agencies are now in various stages of completion of their rationalization plan.

She shared that as of date, the following institutions have received DBM approval of their Rationalization Plan (RP):

- Civil Service Commission
- Office of the Vice President
- Technology and Livelihood Resource Center
- Sugar Regulatory Administration

Assistant Director Aruta explained that the FGD was organized to provide an opportunity for agencies to share their experiences in preparing and implementing their rationalization plan. She added that the main outcome of the activity is to come up with a guide on change management that can be used by agencies that are still preparing or improving their plan. She thanked each one for participating in the discussion.

PERSPECTIVE SETTING

To set the perspective of the discussion, Ms. Baby Ricardo asked participants which is more important when taking a journey: *Is it the destination? Or is it the journey itself? Are you a type of person who asks first about the details of the journey such as its purpose and specific activities upon reaching the destination? Or are you a person who asks about other people going with the journey and the means and route to reach the destination.*

She took note of the participants' responses to the questions. She then briefly explained the difference between the destination person and journey person: if you are a destination person, you think of the fastest way to reach the destination; if you are a journey person, you prepare for the things needed for the travel.

She explained that the question of destiny or journey itself is similar with the rationalization program of the government or any major change an institution may be going through. She added that people may have differing perspectives about change and thus, may respond differently to it.

For the purpose of the discussion, she urged participants to focus on the journey aspect of the rationalization program. She asked participants to look at their journey in three stages: 1) Plan preparation, 2) Plan approval, and 3) Plan implementation

Ms. Ricardo explained that the ultimate destination of the Rationalization Program is an organization that will be able to deliver effectively and efficiently the government services. However, before reaching that ultimate destination, the agency has to go through each stage of the journey. She added that issues about the Rationalization Program may be raised in the FGD, but it may not be the proper venue to resolve them. She encouraged agencies, even if they are in different stages of the rationalization process, to share their experiences, issues, concerns and good practices in each stage.

DISCUSSION PROPER

To start the discussion on plan preparation, Ms. Ricardo asked representatives: *What are the challenges, difficulties and approaches used, if any, during the preparation of the plan.* Agency representatives took turns sharing their experiences in preparing their plan.

A second round of sharing followed which focused on agency experiences during the approval process and implementation of the plan. Ms. Ricardo asked the following: *For those who are still waiting for the approval (and implementation) what are you now doing? Or what are the things (activities) you are doing to let employees know that you are now in this stage, waiting for feedback/ approval. What are the most important things that you have to do to remind them that once there is feedback then the plan may be implemented soon? How much of the implementation have been considered in your rationalization plan? It is supposed to be a transition time to identify people that have to be separated because their positions were already*

declared redundant. Other than things mentioned are there some lessons that may be culled from the whole journey?

Department of Foreign Affairs (DFA)

Teresita Berner, Director – Foreign Service Institute (FSI)

1. The experience of DFA on plan preparation was somewhat complicated because of its foreign service posts. The agency plan considered inputs from attached agencies and from the offices abroad, which were required to submit their plans.
2. The DFA Change Management Team (CMT) is composed of representatives from the 23 major divisions in the home office. The process of getting inputs from various offices took time. The CMT had 15 meetings in the home office. In each meeting, inputs have to be gathered, processed, and synthesized into the overall plan according to a set of criteria.
3. In these meetings, it was observed by the CMT that all foreign service offices and home divisions requested for additional staff. But in the informal consultation with the CSC Chair, the CMT learned that DFA has no mandate to increase the number of staff support. But with its evolving mandate, the agency felt it has to address various issues, local and international, and downsizing the number of support staff may not only hamper the resolution of these issues but may negatively affect the efficiency of operations.
4. Given the comment from the CSC Chair, the CMT tried to refocus the functions (e.g. poverty alleviation) by looking at department's core functions without reducing the number of staff support. Though it has streamlined some offices to adhere to the rationalization plan, it still has to strengthen frontline offices to address various issues. The agency is now waiting for the comments of the CSC and DBM.
5. The CMT did not hold any "townhall" type of meetings because it was easier to communicate through administrative orders. It did not observe any agitation from employees.

Sugar Regulatory Administration (SRA)

Aida F. Ignacio, Deputy Administrator

1. The SRA has been preparing for the rationalization plan as early as 2002 because of an Executive Order that significantly decreased its government subsidy from 200 Million pesos to 50 Million pesos. The agency is currently in the implementation stage of its approved rationalization plan. The rationalization plan streamlined the structure of the agency. It has been approved by CSC and DBM with 419 plantilla positions in the rationalized structure.

2. The CMT members went to various regional offices to conduct consultations. During the preparation of the plan, they realized that it was better to involve only a few people in the process. The initially had a big CMT but later decided to decrease the number to avoid turfing problems.
3. The most difficult part of the preparation stage was the submission of the draft plan to the employees for their acceptance, and managing their reaction to the plan. The CMT planned to seek the acceptance of the draft plan by the employees as early as the plan preparation stage. After its approval by top management, the draft plan was submitted to employees for their acceptance. The CMT thought the employees would have no problem accepting the streamlined structure even without the Executive Order 366 and given reduced budget of the agency, but employees still had difficulty accepting the changes.
4. While waiting for the approval of its plan, SRA decided to stop promotions except for a few positions. The agency has identified 250 people for separation.

Ms. Ricardo asked how the agency chose those members of the CMT. Deputy Administrator Ignacio replied that the head of agency appointed the head of the union and heads of the central and regional offices to be members of the CMT.

National Statistics Office (NSO)

Paula Monina Collado, Deputy Administrator

1. The agency has twin functions of providing statistics and civil registration services. It has frontline offices providing vital documents. It has 1,500 staff assigned in the central office and 96 provincial/ regional offices.
2. When it received the guidelines for EO 366, the agency was not sure if it had to form a separate CMT considering that it is an attached agency of NEDA. It was not clear whether the agency will prepare its independent plan or draft it together with NEDA. After the initial meeting with DBM, the agency understood the rationalization plan as a streamlining initiative that conforms with the austerity measures of the national government.
3. It proceeded to organize a Task Force instead of a CMT. The Task Force did not put in its Terms of References the task of addressing the mitigating factors (e.g. livelihood activities and training) as it did not see it as its role as an attached agency. It decided to simply prepare the agency plan and disseminate it (for employee information/acceptance). It thought of giving other functions to its regular administrative staff. The Task Force consisted of directors of the national offices, two (2) representatives (directors) from the field offices and their alternates, and two (2) union representatives. The Task Force inventoried all the functions and their corresponding issuances and decided whether to submit a rationalized structure or a structure that conforms to the agency's function (including its new mandated functions). Based on the signals received from DBM, the agency has to expand or right size since it would be the recipient of personnel

from other rationalized agencies. These personnel may help improve the number of staff in the frontline offices.

5. The CMT observed that people, especially in the central office, tried to protect their own turf during the preparation of the plan. The agency has implemented different processes in the central and field offices. In the central office, each department director was asked to draft its own organizational chart and plantilla based on work load. These outputs were presented to all senior staff who served as reviewers. There were some questions and opposition to the proposals leading to some changes but generally the presented (sub) plans were accepted. Functions were emphasized during the presentation rather than incumbents or personalities. The division chiefs/ directors tried to revise their plans to come up with an integrated central office rationalization plan. For the field offices the procedure was more or less standardized. Four (4) regional directors were asked to participate in the review of the structure/ plantilla. They were oriented on the standards (e.g. required number of personnel per function, forecast, etc).
6. The draft rationalization plan was submitted to DBM last December 2005 through NEDA. The agency followed up the result with NEDA last February 2006. Since NEDA's rationalization plan was still being reviewed at the department level, NSO requested that it be allowed to submit its plan to DBM similar to what other attached agencies did. The NSO plan was submitted to DBM but NEDA recalled it due to the "changing of guards" at NEDA and DBM. At present, NSO is not sure what happened with the plan.
7. The agency disseminated some information about the plan (e.g. the organizational chart, discussion results and general principles to follow in the rationalization plan) to all employees including the union representatives. It confined the preparation of the plantilla positions to the small group. During the deliberations of plantilla positions, all communications were secured (e.g. scratch papers were shredded) even if no issues on promotions or level upgrades were discussed. It was done primarily to protect the privacy of people who will be affected by the plan.

Ms. Baby Ricardo summarized the NSO experience as follows:

- *NSO, being an attached agency of NEDA, initially did not have a clear understanding the roles specifically whether to prepare a plan independent of or complementary/integrated to the plan of its mother agency.*
- *NSO sought clarification with DBM on the objective and guidelines on rationalization for attached agencies.*

DBM Assistant Director Aruta asked if the agency identified the workload prior or during plan preparation. NSO Deputy Administrator Collado explained that it was done during the plan preparation. Division chiefs/ heads and directors were asked to identify regular workload and the intermittent workload. Through this exercise, the agency determined the need for additional personnel to deliver the regular functions. As it was a valid concern, DBM Assistant Director Aruta explained that the hiring of temporary/ contractual workers would address the concern.

8. NSO Deputy Administrator Collado shared that while preparing their plan, they learned that another agency submitted a rationalization plan which claimed some of NSO's functions and personnel. This agency included the "additional" function in the rationalization plan they submitted to DBM without consulting NSO. To counter this move, NSO prepared a position paper clarifying its mandate and functions. NSO hopes that DBM will review this matter carefully.
9. While waiting for the approval of their plan, NSO decided to further review its structure and plantilla. It also requested DBM for exemption to hire 600 casual positions because it really needed additional human resources. It can no longer create new positions because all positions needed were already created through the scrap and build principle of the plan.
10. An important lesson learned for NSO is that CMT members should be equipped with the appropriate knowledge and skills to prepare the plan. Since most of them are statisticians and economists, they decided to request some regional directors with expertise on organizational management to conduct lectures/ training for the CMT members.

Technology and Livelihood Resource Center (TLRC)

Lauren Teena D. Velasquez, Group Manager

1. The agency has started reviewing its organizational structure since 2003 due to low demand for its services. It formed an organizational study group that regularly communicated with the Civil Service Commission (CSC). When EO 366 was issued, the organizational study group was reconstituted. The study group refocused its work on the functions and core services of the agency before dealing with the staffing pattern. As a result, the agency was able to establish benchmarks and reduce administrative units under each group. It also decreased the number of operating groups from 8 to 2; from 2 support groups to only 1. It no longer renewed contracts and has decreased the number of plantilla positions. During plan preparation, the agency had 800 employees consisting of 300 regular and 500 contractual employees.
2. Due to frequent communication through various channels, employees have already accepted the urgency for change. Employees showed willingness to communicate, and to cooperate because the agency has exhausted all means to disseminate clearly the need for change and to help affected employees lessen the impact of change.
3. The involvement of more people in the process of the plan preparation was viewed as an advantage because the CMT was able to explore the needed changes together. The CMT membership increased from the original 12. There were communication difficulties when at times the employee association representative to the CMT was sending a different message to the employee association than what was agreed in the CMT. The CMT contracted a consultant to validate their process. Based on the consultant's recommendation, it redeveloped units as

business units or earning units. However, it sought due consideration for some identified positions from DBM.

4. There were some downside to the rationalization process. First was the emotional toll on its employees. Second, the actual retirement process dragged on because of some deficiencies that had to be addressed between the agency and the Government Service Insurance Service (GSIS).

Ms. Ricardo noted that the size of the CMT and the refocusing of functions worked to the advantage of TLRC. The agency manifested honesty and transparency to improve communication at various levels. She noted the importance of caution on how and what messages are communicated from one level to another. She expressed admiration for the CMT working as a collegial body.

5. While waiting for the approval of its plan, TLRC decided to implement the plan. People who are supposed to be placed were advised to occupy new positions. The atmosphere was not healthy because while it was working on the reducing the occupied space from two floors to only one floor, it has to take care of its retirees who are not actually moving. The retirees still have to be placed somewhere without telling them to move out. In addition, there were some petty quarrels because some of them insisted on keeping their position. Since there were some changes at top management, another orientation had to be made for the new incumbents. These also contributed to the confusion on whether the rationalization plan will be implemented. However, the CMT assured everyone that the plan will be implemented and convinced people to go through the process. It explained that the retirees are the priority and the last to move out will be those in the Property Division. During employee meetings, the CMT emphasized that change is not just about structures but about employee attitude; if TLRC has to survive then it has to move fast to reinvent itself because time is of the essence. TLRC has established a number of training and livelihood programs for all affected employees.
6. TLRC also has difficulty with the GSIS. Employee records do not conform to the existing records of GSIS. The CMT met with GSIS representatives to respond to their situation. The GSIS was accommodating and recognized its shortcomings. In fact, it confirmed that it is still “testing” some process and procedures. Because of a big number of retirees that will require assistance in availing of the GSIS retirement benefits, the GSIS will incur additional expenses which will take some toll on its financial resources.

Department of Transportation and Communications (DOTC)
Rowena Quiogue, Director

1. DOTC is a big agency composed of 16 offices, 4 sectoral offices and attached agencies. Upon the issuance of the EO 366, the agency conducted an orientation among the officers of the central office with assistance from DBM representatives. Even prior to the release of the IRR, the agency issued an Order creating a Mother CMT and sub-CMTs. The Secretary heads the mother CMT while the sub CMTs are managed by the Undersecretaries as the lead secretaries for each sector. A Technical Working Group (TWG) was also formed by virtue of an Order to

prepare details of the agency rationalization plan. The Secretariat of the mother CMT is composed of two divisions (Personnel and Training).

2. When the Secretariat monitored the progress of the plan preparation, it found out that the sub-CMTs were not holding their respective meetings. Thus, it issued a communication to all attached agencies and sectoral offices to proceed with the preparation of their respective plans. Director Quiogue issued a memo signed by the Secretary identifying the guidelines, timeline, format, procedures/ process, etc. so they could submit their respective plans and integrate it with the main rationalization plan.
3. The agency through its Secretariat had constant coordination with the DBM Team from November to December 2005. It requested DBM presence especially during the sectoral presentation. There were two sessions per sector presentation attended by the DBM Team including DOTC Undersecretaries. It was clear to the agency CMT that the objective of the rationalization plan was right-sizing considering the available resources on hand.
4. The agency targeted January 2006 as the date for submission of the main rationalization plan. The Secretariat upon reviewing the respective plans of each sectors/ offices submitted comments through the assigned Undersecretaries. Despite the clearly communicated due date and guidelines, some sectors/ offices persisted in focusing their plans on expansion. Others simply refused to give up function and positions including their personnel. Knowing these, the Secretary gave the go signal for the submission of its main rationalization plan with the expectation that DBM will return it for revision. Upon receipt of the DBM comments, the Secretariat immediately issued a communication asking all attached agencies and offices to review their respective plans and to study further the DBM guidelines. The Secretariat recognized that some offices really need strengthening but some also had to be downsized. It referred to the DBM Team those attached offices/sectors/office that have other related questions on plan preparation.

Ms. Ricardo noted the good practices of DOTC:

- *It held meetings with the Secretary and Usecs to set policy direction.*
- *It determined the levels of CMT, the right mix of people and the composition and terms of reference of the TWG and the Secretariat considering the sectoral groupings. Still some attached agencies and offices did not follow the guidelines but the Secretariat still tried to help them. Attached agencies and sectors with questions were referred to the DBM contact team/ persons.*
- *The TWG and Secretariat regularly meet with the CMT to take up pertinent issues.*

DBM Assistant Director Aruta asked whether the level of supervision extended to GOCCs under the DOTC was similar to the rest of the attached agencies and offices, or whether the GOCCs were left on their own in preparing their plan. Director Quiogue explained that GOCCs under DOTC had independence in preparing their respective plan through their own CMTs but they were given the same guidelines as others DOTC offices to follow.

Commission on Higher Education (CHED)

William Medrano, Executive Director

1. CHED is a small organization composed of 601 employees in the central and regional offices. It looks at the rationalization program as a way to position itself to become an effective agency that is able to contend with the increasing demand for its services. Early in its existence, it monitored only a few hundred schools. However, the number of higher education institutions has grown fast through the years but the number of employees remained the same. Yet it is faced with greater challenges and opportunities abroad (e.g. quality assurance, international benchmarking and job opportunities). Thus, one of the measures to address these challenges is the strengthening of its regional offices and legal offices.
2. The restrictions of EO 366, i.e. no increase in the number of positions, no filling of vacant positions to meet the growing challenges have posed difficulties for the CMT in preparing the rationalization plan. The CMT needs DBM to help clarify the following concerns/questions:
 - How to strengthen regional offices when they cannot get or fill vacant positions
 - Renaming of existing positions contributed to the 67% increase of administrative positions as against technical positions (e.g. computer operator to administrative staff)
 - Reconciling the functions of the organization and the need and requirements of the organization. Although the rationalization plan is function-based, it finds discipline-based planning more effective for at least one of its divisions (e.g. agriculture, fishery courses).
 - Right sizing means expansion and positioning for CHED. It is not clear to the CMT how their organization could be strengthened while at the same time it is trying to reduce the number of positions/ incumbents. For example, the legal division needs a good number of lawyers to deal with legal cases but since most plantilla positions have low salary grade levels, CHED is able to attract very few good lawyers.
3. CHED employees fully accept the rationalization plan and its process but with some opposition especially when the agency tried to shift from discipline based to function based.

Ms. Ricardo summarized the concerns of CHED:

- *Organizational size may not automatically mean an advantage in preparing the plan. For CHED right sizing means strengthening and positioning. Thus, how does an agency strengthen itself when it is required to reduce personnel under the rationalization program?*
- *CHED's main constraint in plan preparation is reconciling the need of the organization and the requirements/parameters of rationalization. The CMT is requesting further assistance from DBM to clarify concerns/questions.*
- *The employee association is generally very helpful except for some opposition when it tried to shift from function based to discipline based.*

***Department of Labor and Employment (DOLE)
Amuerfina Reyes, HRDS Director III***

1. Upon receipt of the EO 366, the Secretary issued a memo creating the DOLE CMT as the mother CMT, and sub-CMTs in each office, attached agencies and regional offices. It also conducted several orientations on EO 366 to all offices and asked the office (heads) to prepare their respective plans for submission to the CMT. By February 2005 the CMT crafted the working plan for presentation to the Executive Committee and other senior officials. Consultations were made to address comments on the working plan. The CMT later realized that its pace was fast considering that the IRR have yet to be issued and some gray areas have to be clarified with other CMTs and members of the organization. Thus, when the implementing rules of EO 366 were received, the CMT conducted orientation on the IRR for all the central and regional offices for all Directors. In between orientation sessions on the guidelines, the CMT worked on the rationalization plan while the sub-CMTs prepared their respective proposals. The objective was to get an idea of what the DOLE plan should be and compare it with the proposal of sub-CMTs.
2. Different levels of consultations were conducted: office level and cluster level. The cluster level was headed by an Undersecretary while the Execom Level was composed of top management from the Secretary down to the Assistant Secretary level. The organizational structure was finalized and disseminated to all offices only after approval at the Execom level. Afterwards, the CMT worked on the staffing pattern through a small group composed of the FMS, HRDS and Planning Service. This process was followed for almost a month to avoid turfing issues especially at the sub CMT level whose proposals did not show any change in the staffing pattern.
3. The draft staffing pattern was presented to the Execom for approval. The CMT went from one cluster head to another for the approval of the staffing pattern for their respective group/cluster. The rationalization plan together with the staffing pattern was finally completed sans the placement of particular persons. The CMT asked all its attached agencies to submit comments on the plan within 10 days prior to submission to DBM.
4. The DOLE rationalization plan has been submitted to DBM. The agency hopes to get DBM approval because the plan has less number of plantilla positions. In the plan, divisions under each bureau were standardized from 5 to 3 divisions. The 4 to 5 divisions in the field/ regional offices were decreased to only the Technical Support and Administrative divisions. The rest (of the divisions/functions) will be decentralized to the field offices.
5. To mitigate the impact of rationalization, DOLE together with CSS and GSIS started with the career orientation seminar and counseling program for 5 batches. It has started livelihood training programs such as handicrafts-making immediately after the plan was submitted to DBM.

6. The DOLE route towards completion of the plan was not an easy one. The agency faced the following challenges:
 - Size of the organization. DOLE has 7 services, 6 bureaus in the central office and the Office of the Secretary, including 16 regional offices and 11 attached agencies. It could not just centralize the preparation of the rationalization plan because it recognizes that those who know better (because it is their own organization and actual experiences) should prepare the plan.
 - Buy in of people in the organization. The CMT has to convince people that the rationalization is not simply transferring people to other departments/offices. Because employees knew little of EO 366, they felt worried and uncertain. To address feelings of uncertainty, the CMT conducted a series of orientations.
 - Policy direction from the top management. The Secretary and the Execom wanted a leaner and meaner central office that would focus on policy and program development, and regional offices that would concentrate on program implementation. Apparently, some bureaus still perform line functions and the Department wants to de-sectorize all the line functions to the field offices.
 - Reconfigure the regional offices into leaner and meaner offices. Most people with plantilla positions have to be transferred to the provinces (regional/ field offices). DOLE increased its field offices from 67 to 89 and most plantilla items as proposed in the plan are now in the field offices. Convincing regional offices/ employees may be less difficult at this time because advocacy has already started since 2001 (when it submitted to DBM the Personnel Restructuring Program). It proposed the creation of director position for regional offices and the movement of some people on the ground. It prohibited the filling of vacant positions in the central office from salary grade 1-14 so it can transfer some positions to the field offices and collapse some items for the creation of some needed positions in the provinces.
 - Time management and work prioritization. CMT members had their own regular jobs and priority programs to handle. Director Reyes suggested that there should be one office concentrated only on the task of putting the plan together for consideration of the CMT. If an adhoc committee is tasked to do this, it takes time before any decision is made.

Ms. Ricardo noted that three months prior to the release of EO 366, DOLE came up with a working draft rationalization plan. It formed multi-level CMTs because of its size; it also experienced turfing problems.

7. While waiting for approval of their plan, DOLE did not fill up positions particularly those with salary grade 1 to 14. Some of its regional offices have already implemented the decentralization of functions but on an interim or temporary basis. The move was not forced and done in close consultations with employees.

Office of the Press Secretary (OPS)
June Versoza, Director

1. The agency is originally composed of 6 bureaus, an attached agency and a GOCC (PTV 4). Due to EO 364, the agency later disintegrated into 5 clusters. With the receipt of EO 366, the agency sought clarification on the preparation of the



rationalization plan --whether to include its bureaus and the GOCC. It got clearance to prepare a plan only for the OPS because the other clusters will prepare their own rationalization plan.

2. The agency created the CMT and the TWG. The TWG served as the secretariat of the CMT. The CMT was headed by an Undersecretary with the Assistant Secretaries and union representatives as members. The TWG was composed of bureau representatives. Though it looked like they worked separately, these two groups really worked as one. The CMT immediately sought policy direction from the head of the OPS because its function was more inclined towards the function of the Presidential Spokesperson. The direction received was to prepare a status quo of the structure for the rationalization plan. Hence, the CMT submitted a “status quo” rationalization plan to DBM.
3. During the consultation meeting, DBM advised OPS to review its mandate because a status quo plan is not acceptable. The CMT went back to the head of OPS seeking a clear policy direction. The entire CMT and TWG met to re-draft the plan with a clear policy direction from the OPS head. The plan focused on the functions. The CMT segregated its thrusts into 3: Presidential Coverage (TV Crew, Reporters, Photographers, and Information Officers), Broadcast Monitoring and Administration and Finance. It abolished and merged some of the OPS functions and positions until it was able to draft a rationalized structure. The rationalized structure was presented to the general assembly for feedback. The CMT received a white paper criticizing the plan as top heavy because it maintained all the levels of the undersecretaries and assistant secretaries but abolished 2 director positions.
4. To date, 56 employees have signified interest to be included in the retirement program. The office expects to receive comments from DBM by the end of April 2006.

Ms. Ricardo asked how the office was able to manage the white paper. Director Versoza explained that the CMT decided to talk to the author of the white paper. The author, who is also a member of the CMT, explained that the paper only wanted to express other sentiments and queries of employees. She added the need for top officials to strengthen communication with the people through various means like dialogues.

Center of International Trade Expositions and Missions (CITEM)
Aurelia Cruz, OIC Corp. Services Group/ Acting VP

1. Being an attached agency of the DTI, CITEM decided to form a sub-CMT. The sub-CMT saw its challenge in crafting an organizational structure that is relevant to the market sector in the long run. In preparing its plan, it first consulted the industry sectors to determine their service needs. It also held some consultations with its various offices about the functions and positions. Collective learning gathered during those consultations was presented to top management for policy directions. When the sub CMT received the policy directions it came up with the ideal structure and staffing pattern. Problems arose when they started placing

people, especially when many did not have the skills to meet the qualification requirements. Thus, adjustments in the plan were made before presenting it to the Undersecretaries for comments and directions. It was an iterative process. As of date, the plan was submitted to DBM through the DTI.

2. When the plan was finally been approved, it was presented to the CITEM Board. The Board on the other hand required the sub CMT to present the plan to the employees for consultation/ acceptance. Employees had mixed feelings about the plan; some had fears while others welcomed the changes and even volunteered for early retirement.
3. The agency also implemented some mitigating measures, e.g. livelihood seminars which were made available at DTI for those employees who would be affected. The CMT faced challenges such as CMT members receiving death threats from union employees, lack of technical people in the CMT, and time for people to accept changes in the organization.

CITEM VP Cruz clarified if employees are allowed to volunteer to avail of the early retirement program under the rationalization program. Ms. Ricardo explained that because the rationalization program following the EO 366 is function-based, employees could not be forced to avail of the retirement program. The agency has to assess the fitness of its employee with regards the functions; if a position is found to be relevant and does not overlap with another position then the incumbent could neither be asked to nor could he apply for retirement.

SRA Deputy Assistant Administrator Ignacio tressed that during the preparation of the plan, CMTs should first focus on the plantilla position not on the person, though it is difficult to do.

4. While waiting for DBM approval of their plan, CITEM sought the approval of the Board to partially implement the plan (at the Operations Group). The employees were made to understand that they have to take on positions reflected in the plan and to carry on with their programs/functions temporarily until approval of the plan is received.

Ms. Ricardo noted that the actions of CITEM might help employees recognize the certainty of plan implementation. The action does violate the rationalization program because only the assignments were changed to carry on the programs reflected in the plan.

Department of Trade and Industry (DTI)
Ireneo Vizmonte, Director

1. The DTI finds its experience almost similar with that of DOLE. Even without the IRR of EO 366, it set up the CMT and the Information Research Team (IRT). The IRT was tasked to gather data for the plan preparation. It served as information repository and channel. It identified strategies for communication. The DTI process was long, tedious and iterative. It started with the defining the process of crafting the plan: all bureaus to create sub-CMTs, conduct orientations, conduct

consultations, and submit recommendations. However, between the time of the release of EO 366 and the IRR, the CMT focused on information gathering, finalizing the process and understanding of the rules.

2. During the process of preparing the plan, the CMT asked DBM to conduct an orientation on the IRR. Some seminars were also held for CMT members including union representatives. The agency allowed its bureaus to submit their proposed rationalization plans which the mother CMT tried to integrate to ensure there is no overlapping of functions.
3. At the start of the process and leveling off expectations, the department conducted an exercise to get the hopes and fears of employees. The department saw the communication plan as a very important element of the success of the process. It tasked a member of the CMT to manage the communication plan to address queries and loose talks, and more importantly to ensure that the right information is transmitted to those concerned.

National Council for the Welfare of Disabled Persons (NCWDP)
Leovigilda Oasin, Administrative Officer V

1. When NCWDP consulted with its mother agency, the DSWD, on how to implement EO 366, it was informed that the streamlining process was already completed. The agency thus thought that the rationalization plan of DSWD already covered them. But when it received the IRR of EO 366, the NCWDP Executive Director decided to consult with their Undersecretary at DSWD and with the DBM if their agency was indeed already covered by the rationalization plan of its mother agency. The Executive Director was informed by DBM that the NCWDP has to submit a separate plan. The agency started to prepare its plan only in October 2005.
2. The Executive Director created the CMT with the division chiefs as members. The head of CMT suggested they review the EO and seek policy directions before crafting the plan. The CMT also sought a meeting with DBM and CSC for orientation on the EO. The process was not difficult for the agency since it only has 54 employees, except for its concern about its Management Information System (MIS). The agency wanted to strengthen its MIS by placing it in the frontline of one of the divisions. To make this happen, the CMT gave up some vacant or unfilled positions.
3. After the plan was submitted, DBM asked the CMT to revisit their plan. DBM advised them that they could not just give up some vacant positions to accommodate the request for the permanent positions for driver and data controller. DBM explained to them that once a vacant position is given up, no budget will be allocated to it. A position could only be scrapped and built for the 57 (permanent) staff. The CMT met to discuss revisions to the plan and discussed the steps to be taken about the incumbents of the casual positions to be placed in the plantilla/ permanent position. The agency head insisted on placing these casuals into permanent positions. To try to resolve the issue, the CMT presented some computations on retirement packages/ separation benefits to employees

should they avail of the program but unfortunately employees wanted to hold to their positions. Thus, the CMT decided to maintain the “status quo”. The two casual positions were retained. At the same time, the CMT conducted a series of orientations and consultations but employees became even more worried. DBM has accepted the agency’s position for a “status quo” plan. The CMT is waiting for the DBM approval of their plan.

DBM OPIB Chief Clotilde Drapete clarified that ‘status quo’ as applied to the case of NCWDP means no incumbents were declared redundant but vacant positions were actually given up.

National Printing Office (NPO)

Evelyn Perlado, Acting Chief of Administrative Division

1. The experience of NPO could be described as complicated although it is only a small organization. From the time it received the EO 366 to the time it submitted its rationalization plan, the agency has had 4 CMTs and 4 policy directions. (Participant is the only one of the original CMT members remaining). Considering the work that has already been done, the current CMT decided to assert its plan to the head of agency. The agency plan was finally submitted to DBM. The DBM already provided some comments, i.e. segregation of reclassified positions and the re-titled positions. With the grueling experience behind them, the CMT is pleased that its work is finished.
2. The CMT members faced difficulties during the preparation of the plan. CMT members were put under union surveillance. There were also frequent changes in the leadership of the agency. Every time a new director came, a new plan would be prepared. Employees feared that the process was being undermined.
3. In the case of NPO, there were plenty of redundant positions; the average age of incumbents was 41 years old. Thus, many have expressed interest in the retirement program. In its plan, 63 positions were rationalized. Of the 550 filled positions, 529 positions were left although it created 13 positions for Marketing. With the plan submitted, employees have been asking if the rationalization program will really push through.

Ms. Ricardo asked if it was the entire membership of the CMT that recognized and agreed to assert to the Director the desire for the completion of the plan. Ms. Perlado claimed that the entire CMT agreed to collectively assert for the completion of the plan. On how the union took such position to complete the plan, Ms. Perlado shared that the union was represented in the CMT. When the Director agreed to the completion of the plan, the CMT also involved the different divisions in the plan preparation. Each division head was tasked to orient/ consult their respective staff about the rationalization plan.

Housing and Urban Development Coordinating Council (HUDCC)
Lourdes Ureta, Board Officer III

1. Upon receipt of the EO 366, the agency immediately formed the CMT headed by an Assistant Secretary, with two directors, a Secretariat, and a union/ employee association representative as members. The CMT held a series of meetings to identify the core and non-core functions and policy shifts. In early March 2005, the CMT requested CSC to conduct an orientation not only for HUDCC but also for the whole housing sector.
2. The CMT did not receive any negative or violent reaction to its work. When asked by employees, they usually explain that the agency will only revert to the old structure based on EO 93 that created HUDCC. Last December 2005 there was an initial discussion on the draft plan with CSC and DBM. The final draft of the plan was submitted in February 2006. With the initial comments received from DBM as early as March, the CMT plans to hold a validation workshop to further improve the plan based on comments (staffing pattern vis-à-vis amount).

DBM Assistant Director Aruta added the plan preparation does not only involve a review of the agency functions but also a review of the financial condition of the agency. The agency has to show that it is financially viable in the medium term. The challenge for HUDCC is to come up with sustainable structure and staffing pattern, with less assistance from the national government. DBM required the agency to submit business and financial plans.

ISSUES AND CONCERNS

1. GSIS Support

- DBM Assistant Director Aruta suggested that agencies assign a point person to focus solely on coordinating with the GSIS.
- TLRC Manager Velasquez added that retirees have different circumstances. Some retirees have to decide whether they will pay a particular loan to avail of the benefit or not. She added that with the big number of retirees, the point person may just be overwhelmed with huge volume of documents and coordination work with GSIS.
- Ms. Ricardo noted that the agency could do well by starting the work of checking internal records of affected employees to help GSIS in the reconciliation and processing of claims.

2. Salaries of employees placed in the CSC pool:

- SRA Assistant Administrator Ignacio asked if DBM will provide for the salaries of employees placed under the pool. He asked that being a GOCC, TLRC can no longer provide for the salaries of these employees once released from the roll since it does not receive any fund from the national government. She said that approximately 20 people are considering applying for inclusion in the pool.

- Ms. Ricardo explained that employees placed in the CSC pool will bring with them their respective position and corresponding salary.

3. Casuals/Contractual Employees and Incentives

- DOLE Director Reyes emphasized that the main concern of the agency is the status of casuals/contractual employees. A DBM circular released in January 2006 states that the expiration of contracts of 400 casuals/ contractual employees ends upon approval of the rationalization plan or on June 30, 2006 or whichever comes first. The dilemma of the agency has to do with the availability of separation packages/ incentives for those affected if the plan approval was delayed. Does this mean they will receive their separation packages/ incentives by June 30, 2006?
- DBM Assistant Director Aruta explained that two things may happen, i.e. either the amount required will be provided immediately so that by end of June 2006 they will really have to be separated or the agency could request for extension if their services are still needed (with the premise that the plan is still with DBM for approval). For an agency whose plan is already approved, DBM assures that additional benefits are available and these may even come in ahead of the GSIS benefits.
- DOLE Director Reyes clarified if an agency could still apply for the extension of services of those casual employees until the approval of the plan. DBM Assistant Director Aruta assured her that the agency could still do so if the services are really (badly) needed.
- DFA Director Berner shared that the matter of contractual employees has to be addressed immediately so that consular services are not paralyzed. Contractual employees handle passports processing work.

4. Interim Implementation of Plan Prior to Approval

- Ms. Ricardo asked if the agency could implement the plan temporarily. She added that by June 30, 2006, for instance, the casuals would be separated if their positions will be rationalized. Thus, partial implementation would mean that even before June 30, they no longer have to be renewed provided DBM could give them the incentives. She asked if concerned agencies/ bureaus may further discuss this matter with DBM and if DBM could make a policy pronouncement.
- SRA Deputy Administrator Ignacio believed that the implementation of the plan while it is not approved involves risk. It may give employees false hopes and thus must be managed properly.

5. Objectives of Rationalization

- OPS Director Versoza commented that rationalization plan is becoming personality-based more than issue/ mandate-based. She added that the approved plan should be a long-term plan and address needs beyond the current Administration. The agency should continue to perform the function/s as approved in the plan even if the current administration is no longer in power. Otherwise its delivery of services may be affected negatively in the long term. For instance, the OPS management tends to see the rationalization

program as fitting the existing structure to what is being performed in the present Administration.

- SRA Deputy Administrator Ignacio stressed that it is important to contextualize the government rationalization program by looking at the experiences of the private sector in the preparation and implementation of the agency plan.

6. Legislative Requirements of Rationalization

- CHED Executive Director Medrano of CHED asked if there are higher-level changes in the bureaucracy that require legislation. DBM Assistant Director Aruta explained that this rationalization program has taken the administrative track, as it is more feasible in the shorter term. After the completion of the rationalization program by virtue of EO 366, changes requiring legislative intervention will be addressed.

7. Balance of Top and Lower Positions

- OPS Director Versoza commented that the rationalization plan affects mostly the lower rank employees. She wanted to know how the balance (in size of management and rank and file) can be checked in the overall rationalization plan, when the issue is not normally discussed in the CMT meetings.
- DBM Assistant Director explained that the CMT could easily check the balance of the overall plan because the IRR prescribes a specific number of undersecretaries, assistant secretaries, among others. If an agency really believes there is an excess in top level positions, it can discuss the matter with DBM.

8. CMT Challenges and Lessons

- DBM Assistant Director Aruta explained that it is a requirement for all CMT members to sign the plan before it is submitted to DBM. She asked if there were CMT members who did not want to sign the plan prior to submission. Agency representatives said they did not encounter such problem or situation in their agency.
- Ms. Ricardo asked representatives to identify their most difficult experience as CMT member. SRA Deputy Administrator Ignacio shared they had most difficulty in assuring affected employees of the certainty of tenure and benefits/ package.
- Ms. Ricardo asked if any of the agency CMTs met to celebrate the approval of the plan. DTI Director Vizmonte shared that their CMT simply celebrated its (founding) anniversary. The other agency representatives said they have not really thought about celebrating the approval of their respective plans.

SYNTHESIS

Ms. Ricardo identified some common hurdles in the stages of the plan: preparation of the plan, DBM feedback, approval of the plan and plan implementation. She also noted some good practices that may be applicable in some organizations:



1. **Size of CMT:** Is it a function of the size of the organization? Or is it a function of the complexity of the organization? Or is it a function of culture within the organization? Or readiness of people for change?
2. **Communication:** Clear communication is very important. Although honesty or transparency is good, must everything be told? Considering the DTI experience, not everything should be revealed. It is critical to guard against leakage in communication.
3. **Clear Standards and Policy.** People could easily and quickly follow if there is a clear policy direction from authorities.
4. **Level of CMT:** A high level CMT is seen as more effective. The Secretariat could be tapped to do the “dirty” work since the high level CMT may be too busy with other programs of the organization. The Secretariat should have some degree of position and power to do its work until it becomes credible to staff. The complexity of the CMT is actually dependent on the complexity of organizational structure (e.g. bureaus, attached agencies).
5. **Consultation:** In addition to constant communication, consultation is important and should be done regularly. However, the CMT must agree on how much information should be divulged. It must be clear about the kind of consultation to be made and the kind of information to be gathered in a consultation. DTI used the Information Resource Team primarily for the rationalization plan to aid the CMT. It served as information repository and channel; it identified strategies for communication.
6. **Roles and Personalities:** There are people who dictate the function of the organization. The role of top management, the CMT and others directly involved in rationalization must be clear. It is important to identify who must initiate, lead, and sustain the change.

CLOSING

Ms. Ricardo thanked everyone for their active participation. The FGD ended with lunch at 12:20 in the afternoon.

PARTICIPANTS

NAME	POSITION TITLE/ DESIGNATION	AGENCY
1.Teresita V. Berner	Director - FSI	Department of Foreign Affairs
2.Amuerfina Reyes	Director III - HRDS	Department of Labor and Employment
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5.Adelaida Inton	Executive Director	Department of Trade and Industry
6.Rowena F. Quiogue	Director	Department of Transportation and Communications
7.June Versoza	Director	Office of the Press Secretary
8.William C. Medrano	Executive Director	Commission on Higher Education
9.Lourdes Ureta	BO II	Housing and Urban Development Coordinating Council
10.Leovigilda G. Oasin	Administrative Officer V	National Council for the Welfare of Disabled Persons
11.Evelyn Perlado	Acting Chief, Administration	National Printing Office
12.Paula Monina G. Collado	Deputy Administrator	National Statistics Office
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NAME	POSITION TITLE	AGENCY
16. Magdalena Aruta	Assistant Director - BMB-D	Department of Budget and Management
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