



## **Organizational Development Assessment of a Collaborative Rural Development Initiative: Knowledge Capture and Strategic Change Management**

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### **Abstract**

An organizational development analysis undertaken for the National Convergence Initiative for Sustainable Rural Development (NCI-SRD) in the Philippines adopted a knowledge management framework within a strategic change management process. The results yielded important strategic issues and strategies as options for the future of this government rural development initiative.

Based on knowledge capture employing action research the potential looks optimistic for NCI as an institution that will mainstream Convergence as a strategy for sustainable rural development in the countryside and even in other areas in the country, towards poverty reduction, increased incomes, and management of life forces. Such potentials outweigh NCI's current weaknesses. This study therefore recommends that the NCI adopts knowledge management in a strategic change management process to act towards transforming its current state of organizational management into a more effective institution, thereby working towards its stability as an organization and a precursor of development strategies within the local areas.

A seemingly muddled understanding of function, role and mandate of NCI and other organizational weaknesses expected of a collaborative initiative show the need for knowledge capture through review, reflection, and taking action in a regular strategic planning process. Some options are offered by the study towards a vision and action of institutionalizing Convergence as a strategy for rural development, which can be adopted through a strategic change management approach.

**Keywords:** Strategic Change Management/ Knowledge Management/ Organizational Development Analysis/ Participatory Action Research/ Convergence/ Rural Development/ Philippines

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## **Introduction**

### **Reform and the Concept of Change in Public Management**

In the Public Administration parlance, “change” has often been associated with reform. Some scholars have considered the newer models or paradigms of Public Administration as “Reformist” as these aim to assess public administration systems in terms of effectiveness and the outcomes they produce, more than just the outputs of program or project or activity implementation. These include the Reinventing, Reengineering, and the New Public Management.

In the last two decades, Osborne and Gaebler (1993) have called on governments to radically change the ways they provide services from the bureaucratic model to a more entrepreneurial type, characterized by flexibility and creativity. Relatedly, Hammer and Champy (1993) championed the reengineering process in government organizations. Similar to Osborne and Gaebler’s reform reinventing government model, their idea of reform is that of a “fundamental rethinking and redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality service, and speed” (Hammer and Champy, 1993, p.32).

However, most scholars of Public Administration have reckoned the concept of reform in the general taxonomy models of “New Public Management” (EROPA Local Government Center, 2004, p. iii). In the same vein, Ocampo (2003, p. 151) has hinted somewhat on the “superiority” of the New Public Management model over the Reengineering and Reinventing models since the former (referring specifically to Business Process Reengineering), he says has “limited application in the public sector, quoting Drucker as saying that government is “not a business”.

Dunleavy and Hood (1994) contend that New Public Management is concerned with the best use of resources in pursuit of objectives that are subject to change. Hence, this outlook characterizes “management” as a “new” way of conducting the functions of the state as opposed to traditional “administration”, which is more concerned with the review of law in an area of public life, its enforcement, and the making of decisions on cases that are submitted to the public service. In this regard the term Public Management is preferred when discussing changes in structures and processes and organizational development, as in this paper. Corroborating this, Pollitt and Bouckaert (2004, p. 8, cited by Ongaro, 2009) refer to Public Management Reforms as consisting of “deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better.”

No doubt, change has been an underlying theme in organizational development and studies on reform and considered by practitioners as a necessary route towards growth for organizations, including public organizations. Managing for change has been a rational and deliberate strategy adopted by managers in order for organizations to stay germane and to become a dynamic learning model that continuously reinvents itself.



## **Managing and Planning for Change**

In managing organizations and any type of reform program steered towards any theory of change that an organization decides to adopt in fulfilling its functions, one popular approach has been the system, or more specifically, the open system concept. Katz and Kahn (1966)'s theoretical model for organizations is that of an "energetic input-output system in which the energetic return from the output reactivates the system". In other words they consider organizations as open social systems whereby the inputs of energy in the system and the conversion of output into further energies loops back into further energetic input, initiating a renewed cycle. The foundation of this energetic nature of the input-output system of an open system theory can be traced to Bertalanffy's postulate, which associates systems with "wholeness" (Bertalanffy, 1968, p. 37). A systems approach to analyzing a change situation is expected to give meaning to the problem owner of a change situation, according to Paton and McCalman (2000). In their definition, the systems approach to change management refers to the "analysis of change situations based on a systems view of the problem" (p. 76), involving not just the physical aspect of change but also the processes and structures.

In analyzing the change situation, Paton and McCalman expound on the necessity for clearly defining the change situation in systems terms so as to etch the nature of the change, such as those to be affected by the change, the scope of the change and the relationships that are to be affected by the change. To this end, the authors introduce a systems-based intervention strategy, which they consider a "powerful" management tool (p. 82).

When planning for change is linked to planning and implementation and to manage an organization in a strategic way and in an ongoing basis, it is considered a *strategic management process*. Pointer and Streib (1999, cited by Bryson, 2004, p. 31) contend that doing strategic management is an expression of a commitment to the organization's vision and mission. Achievement of this vision and mission entails a diagnosis of organizational development and an understanding of the dynamics of changes occurring internally and as a result of the organization's interaction with its environment.

## **Understanding the Changing Situation of a Collaborative Government Initiative on Rural Development**

In the Philippines, a collaborative initiative of the national government towards sustainable rural development was assessed in 2014 in terms of its implementation of programs and activities over the years<sup>1</sup>. The National Convergence Initiative for Sustainable Rural Development (NCI-SRD) was created in 1999 through a Joint DA-DAR-DENR Memorandum Circular that recognized the necessity to develop and operationalize a common framework for sustainable rural development (SRD) to

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<sup>1</sup> Diola, M.F. (2014). *Unpublished report of an organizational development assessment study commissioned by the GIZ-PH and the NCI-SRD.*



facilitate the convergence of the resources of the three agencies and enhance their impact on countryside development.

Given the changes in the policies and moves to restructure the staffing patterns of the individual pioneer convergence government agencies involved, i.e., the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), and the Department of Environment and Natural Resources (DENR), through the agency's Rationalization Plans, the management deemed it vital that an organizational analysis of the NCI-SRD (NCI for short) be conducted to reassess the role of NCI as an inter-agency approach and at the same time sustain its initial gains and ensure the continued participation of NCI-SRD implementers in the convergence efforts, especially on the ground.

### ***The Conception and Birth of NCI-SRD (1998-2000)<sup>2</sup>***

Revisiting the changing legal framework for the NCI-SRD, it will be noted that this government initiative was conceived with the issuance of Joint Memorandum Circular (JMC) No.1 (1999), under Joseph Ejercito Estrada's regime. This was a product of a 1998 World Bank study, which recommended the merging of the concerned three national line agencies due to *duplication and overlapping of functions resulting to wastage and diffusion of resources, fragmentation, inefficiency and confusion in implementing rural development efforts*. Instead of actual merging, a Sustainable Rural Development (SRD) framework was devised to be carried out through a *Convergence Strategy*. SRD Framework, as a typology of Sustainable Development Theory<sup>3</sup>, was to provide the common route of rural development, which primarily focused on sustainable agriculture. In order to meet the goal of rural development, the three key elements of SRD had been placed under the accountability and *under the responsibility of each agency* – the Department of Agrarian Reform (DAR) for managing agrarian reform communities and social capital formation (**people**), Department of Agriculture (DA) for managing rural economies and market destinations (**economy**) and DENR for managing life forces (**environment**). Some of the original features of the NCI-SRD:

1. In effect, this design has integrated existing national laws such as the Agriculture and Fisheries Modernization Act (AFMA) under DA, Comprehensive Agrarian Reform Program (CARP) of DAR, and environmental laws of DENR. DENR established the approach of the strategy, dubbed as watershed or river basin management approach. In the initial stage, nine (9) sites were identified as pilot *convergence* areas to establish models of implementation of the strategy across ecosystems, production systems, rural poverty sector and small producers in the long run. The strategy is expected to optimize resources in the short run.

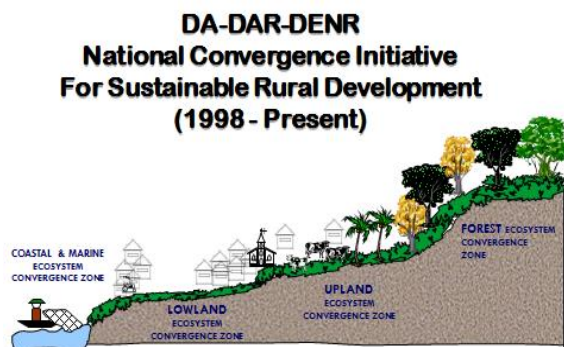
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<sup>2</sup> This account was based on a material provided by NCI's original principal players. Ms. Luz Balibrea

<sup>3</sup> Originally, the Brundtland Commission in "Our Common Future" defines sustainable development as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."



2. **DAR took the lead of convening the committee and its secretariat**, which is composed of the Department Secretaries. National Economic and Development Authority, through its Director General, served as the representative of oversight agencies. The Steering Committee (SC) decided on level of policy, which includes site selection and review of sustainable rural development adherence of programs. The SC was and currently still is composed of the Secretaries as Principals or Undersecretaries as Alternate Members. The Technical Working Group (TWG) is concerned with the actual implementation or the operation of the SRD initiative, focusing on the adherence of projects and programs to its goals, and having a recommendatory function to the SC. The TWG is composed of Assistant Secretaries as Principals or Alternate Members – Director for Planning and Monitoring Service (DA), Special Assistant to the Secretary for Countryside Development (DAR) and Director of Forest Management Bureau (DENR).
3. The same memorandum required the creation of a Secretariat that was to compose of personnel from each department that will do technical and administrative support to the strategy. The legal mandate further stipulated that the **SC must define a coordinating base** among the departments; the Secretariat was to be based at the DAR. This also extended the recognition of the involvement of consultants to periodically assist the NCI. Furthermore, the active participation of Local Government Units (LGUs), Civil Society Organizations (CSOs), the business sector, other stakeholders and other National Government Agencies (NGAs) was also to be sought by the initiative. Hosting of meetings and workshops were rotated among the agencies and presided by whoever had the highest rank of the scheduled agency.
4. Added to the 1999 JMC, the criteria and definition of **Convergence Model Sites** were stipulated, which stated that the sites must be chosen based on their *strategic importance* and *potential* to contribute to the model-building of sustainable rural development. The following considerations are given that are parallel to DENR's *ridge to reef approach*:
  - Completeness of ecosystems/landscape
  - Combination of high productivity zones, in between areas and agropolitan centers
  - Combination of sites across major crops
  - Combination of site across major poverty groups
  - Potential for high impact on increasing farm productivity and income of the rural poor
  - Presence of development-oriented local government leaders
  - Presence of NGOs, POs and an academic/research community



*Source: NCI Presentation Materials 2014*

Fig 1. The Ridge to Reef Framework adopted by NCI

### ***The Reactivation and Expansion Phase (2000-2004)***

JMC No.1, dated 18 October 2004, was issued by the concerned line agencies, which primarily expanded the scope of JMC No.1 (Series of 1999) to become nationwide, mandating all provinces to identify convergence areas. The structure and processes of NCI were substantially carried over and recognized by this new memorandum. The criteria for site identification was extended, having two additional criteria that were aligned with the Medium Term Philippine Development Plan (MTPDP) of 2005-2010 *Goal No. 1* of Gloria Macapagal-Arroyo's regime, which then demanded that 2 million hectares of new lands be earmarked for agribusiness, to create 2 million jobs of a targeted 10 million. As recognized in the new Philippine Development Plan (PDP) 2011-2016, through the efforts of the three rural development agencies under the NCI (DA, DAR, DENR), 1,835,509 ha of lands have been developed for agribusiness, generating about 2.67 m jobs between 2005 and 2010.

Each concerned agency then were to carry a **site-specific leadership** as follows: DAR for Luzon, DENR for Visayas, and DA for Mindanao. The lead convenor focal point was transferred to DA during this period. The memorandum required the Regional Level structure to be aligned with the National Level Structure of NCI. This also emphasized and included the identification of a Focal Person and staff for each of the three departments in the NCI that will serve as additional member of the Regional Secretariat. The following mandates were then expected from the Secretariat:

1. Organize the convergence teams composed of DA, DAR, DENR and concerned LGUs
2. Organize workshops as deemed necessary in respective areas
3. Organize the local Convergence Team meetings once every two months (or as the need arises) to monitor the progress of program implementation
4. Provide administrative, logistical and technical support to the Convergence Teams
5. Document and prepare minutes of meetings/workshops proceedings and safekeep program documents





In 2004 and 2005, NCI activities were allotted with *no specific budget*; rather the funds would have to emanate from the regular budget of the concerned agencies. Thus, it was required that regular programs and projects for NCI will only be considered as such if primarily this involved complementation of time and focus of services in the convergence sites.

At the Regional Level, TWG was to be organized by the concerned agencies and a Presiding Officer assigned in their site of convergence. Meetings then were to be chaired by the Presiding Officer or the Focal Person of the assigned department in his/her absence. Further, the TWG had to choose a Chair among the members in case of absence of a Focal Person. LGUs were considered important, thus they were to be represented during regular meetings. Other personnel of the concerned agencies were also expected to mobilize and take on program- related tasks in agreement with the SC or TWG. Costs of workshops and other activities would have to be charged to the budget of the host agency. It was also during this period when a Memorandum of Agreement was signed between the NCI and the Union of Local Authorities of the Philippines (ULAP).

In November 2004, DA, DAR, and DENR signed a Joint Resolution (no.1, s. 2004) to tap the rural development and natural resources management program of the German Development Cooperation (GIZ) to support the Convergence Strategy of the three focal agencies. Since then major activities supporting policy advocacy, capacity-building, knowledge management, and agro-enterprise clusters development was supported by GIZ. The structures of the sub-national structures were to mirror the national component activities.

### ***The Current NCI Focus and Set Up (2010 to date)***

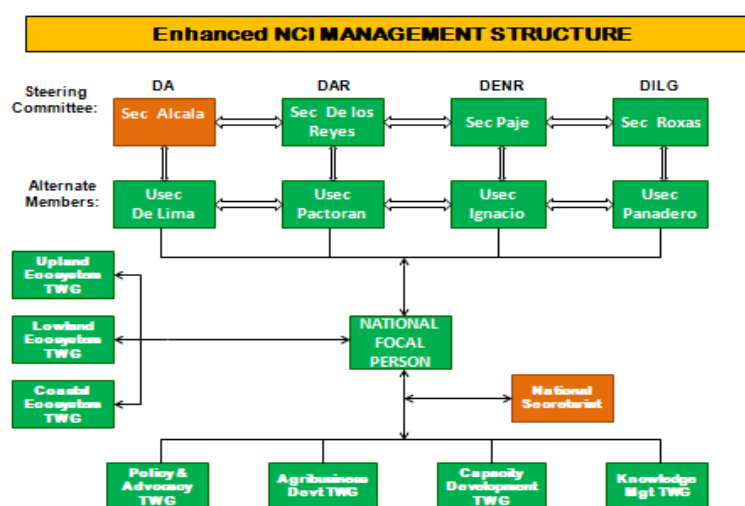
Carrying over the initial objective of achieving sustainable rural development and poverty reduction, the most recent JMC No.1 (dated 17 November 2010) highlights the importance of the agricultural, agrarian reform and natural resources (AARNR) subsector. Countryside development is considered a poverty reduction strategy of the current Benigno Aquino regime. This was an offshoot of the reported 1.82 million hectares of land or 89% of the target 2.05 of the MTPDP, translating to 2.65 million jobs of the targeted 2.87 million.

In 2011, 10 Local Convergence Agro-enterprise Clusters (LCAECs) were launched. However, with the impact of Climate Change, the use of the Integrated Ecosystem Management (IEM) approach was re-emphasized, and the launching of LCAECs was stopped. Through a memorandum the *watershed and ecosystem management approach* was adopted. This management approach entails holistic, collaborative, multiple use and sustainable management of resources, though regulatory, management and jurisdictional mandates remain distinct.

At the national level, the National Steering Committee (NSC) retained its function as the highest policymaking body in the implementation of the SRD Framework and in approving the selection of convergence agro-enterprise clusters. With this Memorandum, the NSC was to be chaired by the DA Secretary with the Secretaries of

DENR and DAR as co-convenors. Undersecretaries of each agency may be appointed as representative. The NCI TWG retained its advisory function to the NSC in terms of implementation. It is headed by a National Focal Person (NFP) together with Chairpersons of the four component teams and Secretariat Head. Component Working Groups (CWG) or teams correspond to the four components of NCI-SRD i.e., *Agribusiness and Agro-enterprise Development Clusters*, *Policy Advocacy*, *Knowledge Management*, and *Capacity Development*, which were to be manned by directors from the three agencies, DA, DAR, DENR, and a Chairperson and a Coordinator to be identified from the same agency.

The Memorandum (JMC 1) mandates that the NCI Secretariat was to be chaired by DA with a Coordinator of each CWG as members plus permanent members from each agency. Support Government Line Agencies and Offices are to work together closely with the NCI as an Organization. For the sub-national level, regional, provincial and municipal TWGs are to be created in parallel with the NCI TWG. Regional Directors of the three agencies comprise the RCI TWG plus a Regional Focal Person. The Regional body may include Provincial LGUs if necessary. At the provincial level, the TWG may be headed by provincial heads of DAR or DENR, co-chaired by the Provincial Governor with Provincial Officers for Environment and Natural Resources, Agrarian Reform and Agriculture, and Planning and Development Coordinator. At the municipal level, TWG may be chaired by Municipal Agrarian Reform Officer or Community or Environment and Natural Resources Officers, co-chaired by the Mayor with Municipal Officers for Environment and Natural Resources, Agrarian Reform and Agriculture, and Municipal Planning Coordinator. The current set-up for the enhanced NCI structure is shown in **Fig. 4** below.



Source: Balibrea, L.B. NCI Presentation material for the NCI Pre-Summit (March 18-19, 2014)

Fig. 2. Current set-up of the Enhanced NCI

Funding for the program was to come from the budget of the concerned line agencies, while also considering funds coming from grants, donations and assistance either public or private in nature. LGUs are encouraged to take part on the implementation cost. Monitoring and evaluation would have to be executed based on performance





indicators to be developed in accordance with the Monitoring for Development Results (MfDR) approach. This design will be based on an agreed common *plan*. The plan must ensure attainment of MfDR goals and objectives.

### **Defining and Assessing a Change Situation**

With the NCI's ultimate aim of sustainable convergent rural development in mind, an organizational development assessment of the NCI was conducted in 2014 to: (1) take stock of the current understanding of Convergence as an approach and the NCI-SRD as the platform for sustainable rural development and to (2) offer policy recommendations for possible changes in NCI's implementation strategies and structures.

To capture current understanding and make sense of the organizational development of the NCI, management concepts of strategic planning and change management are applied in this study. The objective of this paper is to highlight and explore the possibility of proposing a framework that merges knowledge management concepts within a strategic change management process in assessing and understanding the organizational development of an organization. The study proposes that the first important step in any change management would have to be the capture of available knowledge in order to understand and define the change situation and then to eventually transform this knowledge into practical knowhow to make decisions about future action.

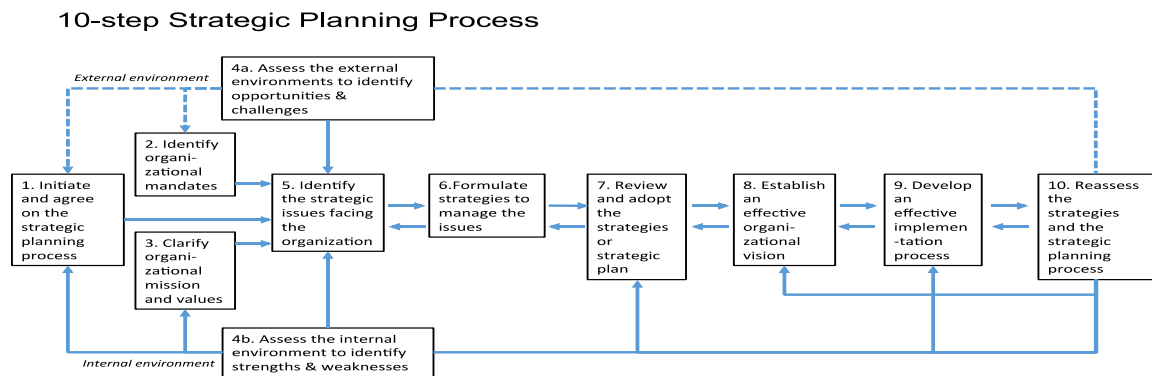
Applying this framework to the NCI organizational development diagnosis, the following research question is framed: based on the present situation of the NCI, how can it transform operationally into an ideal organization that adopts Convergence as an approach in attaining its vision of sustainable rural development and management of natural resources?

### **Strategic Change Planning and Knowledge Management as Analytical Frameworks**

Moore (1995) cited in Bryson (2004, p.8) mentions that searching for “public value” can be one purpose of strategic planning. Denhardt (1993) further says that a strategic planning's purpose is to “pursue significance”. In fact it can be surmised from various literature reviewed on strategic planning that redefined or clarified organizational goals based on strategic planning can help foster or guide organizational innovation and effectiveness.

With regard to the management of change, one of the more effective and comprehensive strategic planning approaches is the *Strategy Change Cycle* by Bryson (2004, p. 31), which encompasses different types of organizations, services and communities. The 10-Step Strategic Planning Process by Bryson outlines the following steps: (1) Initiate and agree on the strategic planning process; (2) Identify organizational mandates; (3) Clarify organizational mission and values; (4) Assess the external and internal environments to identify strengths, weaknesses, opportunities and threats; (5) Identify the strategic issues facing the organization; (6) Formulate

strategies to manage the issues; (7) Review and adopt the strategies or strategic plan; (8) Establish an effective organizational vision; (9) Develop an effective implementation process; and (10) Reassess the strategies and the strategic planning process. Below is an illustration of this model (Fig. 3).



Source: Bryson (2004)

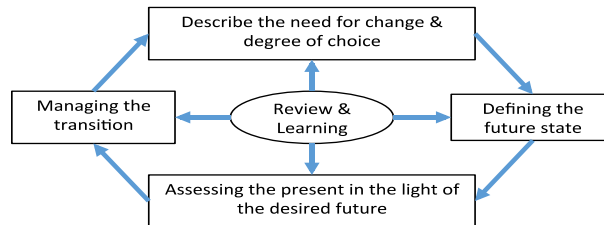
Fig. 3. Bryson's 10-Step Strategy Change Cycle

As clearly illustrated above, the 10-step strategy change follows a cycle, implying an iterative process. Not only is the process cyclical; it is also intended to be the foundation for stability of an organization, which implies a results-orientation. As can be deduced above, important thinking processes are to be engaged in and results produced before the next steps are propelled and appropriate action undertaken. For example, identification of organizational mandates, mission and values (steps 2 & 3 above) imply defining a desired future state. However, before taking action to reach a desired state, defining a transition change needs to be planned.

Corollary to strategic change planning, Coghlan and Brannick (2014, p. 78-79) in their planning for action research book stress on the importance of the process of defining a future state in order to manage a transition or change situation. They cite Buono and Kerber (2008) in describing three approaches to change: (1) *directed change*, where there are tightly defined goals; (2) *planned change*, where the leader devises a road map based on a clear goal and vision of the future and influences how it is reached; and (3) *guided changing*, where the approach to change approaches that of postmodernism founded on dialogue and conversation about change.

A planned change management approach (no. 2 above) is thus adopted in this paper because of its goal-orientation focus; its emphasis on assessing the internal dimension of the organization, which this paper primarily examines; and determination of work or action to be done. Fig. 4 below shows the simple model illustrated by Coghlan and Brannick (2014), depicting four major phases of planned change by Beckhard and Harris (1987) and Beckhard and Pritchard (1992), which effectively encompasses the 10-steps of strategic planning, but portrays the management of change or transition and the centrality of a learning process.

### The Process of Change



Source: Coghlan and Brannick (2014) depicting Beckhard's 4 Phases of planned change

Fig. 4. Four Phases of Planned Change

However, it should be noted that in working towards a desired state, an Implementation Plan or a Plan of Action is needed where clearly defined strategies are formulated as indicated in Fig. 5 below.

### The Strategic Change Planning Process with Outputs

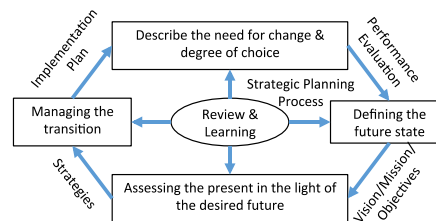


Fig. 5. Strategic Change Planning Indicating the Need for Developing Strategies For an Implementation Plan

Clearly, a learning process is central to the management of change as shown in the figure above. This paper thus suggests that knowledge management or managing the learning process is an appropriate step and is an inevitable process that needs to be given attention in managing change that an organization wants. From Fig. 5 above, this knowledge management is labeled as review and learning processes, a major focus in managing for planned change.

The organizational development assessment of the NCI conducted in 2014 aimed at taking stock of the current understanding of Convergence as an approach and the NCI-SRD as the platform for a convergence approach towards sustainable rural development and offering policy recommendations for possible changes in implementation strategies and structures. With this as aim, the paper proceeds with adopting knowledge management as framework.

Using knowledge management literature as references, a seminal work used by this paper is that of Dalkir (2005, p. 26) who contend that in order to solve problems, such as the identification of change or reforms needed for an organization; make decisions; or act based on the best possible knowledge foundation, effective knowledge management is a must. It requires that an organization identify, generate, acquire, diffuse, and capture the benefits of knowledge that will bring a definite and strategic advantage to an organization, according to Dalkir (2005, p. 26). To show how knowledge management can intertwine with strategic planning for change, the Fig. below is illustrated, drawing from Coghlan and Brannick's (2014) basic 4-phases of the Process of Change:

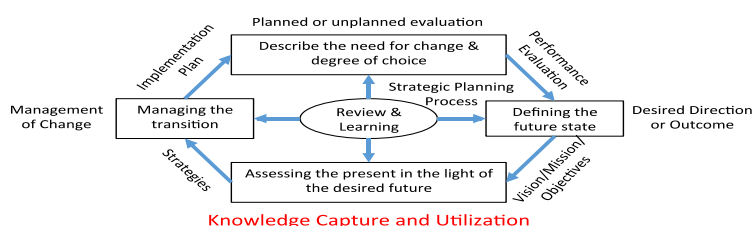


Fig. 6. Knowledge Capture and Utilization in the Strategic Planning Process

Dalkir (p.50) describes some of the more holistic approaches to knowledge management in terms of being comprehensive, i.e., taking into consideration people, process, organization, and technology dimensions; having been reviewed and discussed extensively in knowledge management literature by scholars, practitioners, and researchers; and in their having been tested for validity and reliability are: the von Krogh and Roots Model of Organizational Epistemology (1995); the Nonaka and Takeuchi Knowledge Spiral Model (1995); and the Choo Sense-Making Model (1998), that is largely based on Weick (2001), knowledge creation by Nonaka and Takeuchi (1995) and decision making, largely based on Simon's (1957) bounded rationality.

Dalkir's (2005, p. 43) own integrated model of knowledge management lists three major stages: (1) knowledge capture and/or creation; (2) knowledge sharing and dissemination; and (3) knowledge acquisition and application. Dalkir explained that in the transition from knowledge capture/creation to knowledge sharing and dissemination, knowledge content is assessed. *Knowledge capture* is a particularly critical phase in knowledge management in Dalkir's model as it is the "initial stage" of identification and subsequent codification of existing (usually previously unnoticed) internal knowledge and know-how within the organization and/or external knowledge from the environment. See Fig. 6 above to refer how knowledge capture can be a significant process in the management of change.



### **Action Research as Overall Methodology in Understanding a Change Situation**

This paper's main goals were the proposition of a theoretical framework for Knowledge Management (in particular knowledge capture) or a process design to better implement or improve on a Convergence approach to sustainable rural development. This study is a work-in-progress that is part of an ongoing strategic management process. This study also demonstrates how action research can be applied in making sense of collaborative development projects when planning for change.

Action research stresses not so much a methodology as a type of orientation to inquiry, to which Barbury is cited by Coghlan and Brannick (2014, p. 43) as declaring that action research belongs to a "family of practices of living inquiry...". One of the significant features of this approach is its capacity and intention for practical knowing. As traced by Coghlan and Brannick, the origins of action research can be attributed to Kurt Lewin, one of the founding fathers of social psychology (Burnes and Cooke, 2012), and the likes of Paolo Freire's emphasis on consciousness-raising (Chevalier and Buckles, 2013) and the more Marxist and feminist (Brydon-Miller et al, 2003). However, the extensive work of Coghlan and Brannick on Action Research (2014, p. 46) single out Kurt Lewin's and his co-scholars work for their emphasis on a collaborative and cyclical process of defining a change situation or problem, gathering data, taking action and again fact-finding about the results of an action and a spiraling action taking. The authors declare that the action research uses a scientific approach to "study the resolution of important social or organizational issues together with those who experience these issues directly" (p. 46).

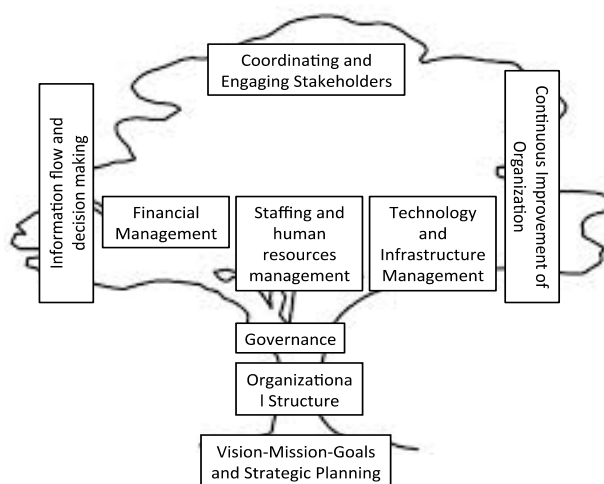
Since this study assesses organizational development of the NCI, action research is considered an apt approach. This presupposes the involvement of the members of the organizational system in the research. The interaction with and participation of the members was born from the insight that it is not enough to try to explain things, but that one had to try to change them. The way to get better data and to effect change was to involve them.

Thus the data gathered for this research has involved a series of activities and data collection methods involving some of the members of the NCI-SRD organization, mainly through focus group discussions; review of related documents and literature and desktop analysis; eight (8) key interviews and two phone patch interviews with NCI focal persons who were not available in a face-to-face encounter; analysis of returned questionnaires; observation at the NCI Pre-Summit last 18-19 March 2014 and interaction during NCI workshop. A technical assistance study in the form of a **rapid appraisal** and **sense-making** (a general approach of knowledge management) of the NCI-SRD experience over the past 15 years was conducted starting last March 18-19, 2014 (Pre-NCI Summit) and formally completed by 15 May 2014. The study posits that "Convergence" as an approach or strategy to rural development is the way to go and therefore natural resources can be managed more effectively by adopting "Convergence" as a strategy. As planned by this researcher, the results of this study shall continue to be validated among members of the NCI-SRD.

As a continuing research process, specific Convergence Initiative cases from the ground (i.e. Regional Convergence Initiatives and other local Convergence Initiatives) are expected to be subsequently done and validated in order to come up with future emerging frameworks for defining and understanding better the “Convergence” approach to rural development – as a commitment to participatory action research. However, the scope of this study has not permitted the review and analysis of actual planning and implementation of Convergence Initiatives (CIs) in Local Convergence Areas (LCAs). Partnerships at local level have not been investigated and analyzed and therefore not included in the report.

### **Organizational Development Analysis: Results of the Performance Assessment of NCI in Achieving a Desired State**

Performance analysis towards the achievement of a desired goal as depicted in Fig. 6 above is an important phase in knowledge management and strategic planning process. In order to assess how the NCI has performed as an organization in trying to achieve its desired goals and towards knowledge capture on the NCI, the figure below was constructed, approximating a systems approach to organizational diagnosis, but still focusing on internal dynamics. As already explained above, a planned change management approach was adopted in this paper because of the study’s goal-orientation focus and its emphasis on assessing the internal dimension of the organization.



Source: F.L. Diola constructed for the organizational development analysis of the National Convergence Initiative 2014. Core pillars adapted from Mines Action Canada (n.d.)

**Fig. 7. Organizational Development Core Pillars**

The framework described above was adapted from the Mines Action Canada (n.d.) tool, with some of the pillars renamed to suit the objectives of this study. In diagnosing the general strengths and weaknesses of the NCI, the tool was used based on the theory of organizations, basically premised on the organizational development of an entity, referring to an internal capacity development process that the organization undergoes in order to sustain itself. Note however, that some of the





pillars, especially 'engaging the stakeholders' denote an organization's interaction with the external environment. This is because the systems approach to organizational development analysis also adopts a systems approach. The 'continuous improvement of the organization' pillar implies the fundamental need for change.

As mentioned above, for this study the Organizational Development Analysis toolkit developed by Mines Action Canada was adapted to be able to go through the Analysis of Strengths and Weaknesses, and to be able to extract Policy Issues and give Policy Recommendations, as appropriate to the NCI experience. Note that in the OD Pillar No. 6 on Coordinating and Engaging the Stakeholders, for example, the Goal and sub-goals stipulated in the Philippine Development Plan (PDP) 2011-2016 was added as indicators. The nine pillars of Organizational Development are portrayed in Fig. 7 above, which the researcher adapted for this study. These nine pillars, where some have been renamed for this study, as follows:

1. Vision-Mission-Goals and strategic planning
2. Organizational Structure
3. Governance
4. Information flow and decision making
5. Staffing and human resources management
6. Coordinating and engaging stakeholders
7. Technology and infrastructure management
8. Financial management
9. Continuous improvement of organization

Two approaches to action research were adopted in this study in its knowledge capture analysis: *appreciative inquiry* focusing on what already works (Reed, 2007; Ludema and Fry, 2008, cited in Coghlan and Brannick, 2014, p. 56) and a *clinical inquiry approach*, emphasizing in-depth observation of learning and change processes; emphasizing the effects of interventions; operating based on models that may illustrate ideal functioning and deviations from such ideals; and building theory and empirical knowledge through the development of concepts that capture the situation (Coghlan and Brannick, p.57).

The Organizational Development (OD) Analysis of the NCI, considered as performance analysis in this study, adopted a self-assessment tool adapted from the Mines Action Canada (n.d.) and illustrated in Fig. 7, culling out the **Strengths** and **Weaknesses** of each pillar, based on the OD Analysis, which basically is a result of a meta analysis of six data sets from previous meetings and conferences and this study's own results. The following rating scheme for a qualitative analysis of findings was devised for this study:



1	None
2	Traces exist but not explicitly expressed
3	Exists but not fully understood / implemented / operational
4	Exists and fully understood / implemented / operational

Using the rating above, results for each pillar yielded the following scores below.

**Table 1.** Summary of the Organizational Development Assessment of the NCI-SRI

			1	2	3	4
1	Vision-Mission-Goals and Strategic Planning	2.11				
2	Organizational Structure	2.80				
3	Governance	3.00				
4	Information Flow and Decision making	2.17				
5	Staffing and Human Resources Management	2.18				
6	Coordinating and Engaging Stakeholders	2.63				
7	Technology and Infrastructure Management	3.29				
8	Financial Management	2.55				
9	Continuous Improvement of Organization	1.57				

### Summary of Strategic Issues Derived from Organizational Assessment

As discussed in the Introduction, strategic management for change entails devising strategies to be laid out in a Plan of Action or in an Implementation Plan. The following have been culled out as strategic areas for intervention for NCI-SRD:

#### Defining Convergence

Convergence, in a sense, has been in a sense incorrectly perceived as the framework rather than an operational scheme. In general, it is argued as an *approach* and a *platform*. There is no clear delineation as to when *convergence strategy* enters the dynamics of the three agencies in service delivery. Thus, in effect, the “programs” tagged under NCI-SRD are evaluated in terms of *convergence* as response or conduct of particular offices. As a consequence, targets are not achieved and have been loosely identified. An operational meaning for what may be considered as Convergence needs to be immediately formulated.

#### Area Identification in the NCI-SRD

The goals and focus of the NCI-SRD has changed or shifted in many cases – *agribusiness* in 2000 to 2004 and *integrated ecological system* or *watershed framework* from 2010 to date. This is a manifestation that the NCI-SRD is loosely defined in terms of its framework and strategy. Nevertheless, there are common points as to where NCI-SRD is applied or perceived to be applied, which are on: areas of the poorest population segment and area where all agencies are with concerns or



operations The above illustrates that NCI-SRD is still considered as the way or manner to resolve the existing issues on public management of services. Area identification must be properly conducted that it is aiming to resolve poverty and inefficiency on public service delivery.

However, even with proper area identification, services provided by each agency may still be restricted by the agency's particular mandate, i.e., DAR only caters to ARCs, nearby sites serves as *catchment*. These restrictions, may have led to the specific program/intervention designs, which can be an indication that the implementation of NCI-SRD is not conducted in a genuine idea of complementation and integration. Area identification as primordial in the implementation of NCI-SRD. Thus, issues on scope and jurisdiction must be settled on the onset of programs or projects. The instruments used in delineations must be revisited, i.e., all areas over 18 slope is under DENR.

### **Program-based NCI-SRD**

Appraising NCI-SRD without proper appreciation of the SRD as framework and Convergence as a strategy entails program-based appraisal. These programs require specific qualifications to be considered under NCI-SRD, thus not all programs/projects can be qualified as convergence initiatives. The current trend shows that programs attributed to the NCI-SRD are just offshoots of particular agency rather than a product of workshop/planning among concerned agencies, i.e., Balik Probinsya Program (BPP) is conceptualized by DENR and been appraised under the NCI-SRD without consensual agreements before its operation. There is no systematic manner as to how NCI-SRD programs are conceptualized and 'selected'. Further, programs under the NCI-SRD Secretariat are usually forum-type, while those implemented on site are managed by a particular agency. Reports on these on-site projects are crafted by the certain concerned agency. Programs must be designed under the NCI-SRD and developed as a result of genuine collaboration and complementation processes.

### **Funding for NCI-SRD**

Funding for NCI-SRD is solicited among the concerned agencies. Budgeting must be program-based aligning with the Department of Budget and Management, relinquishing the output-based budgeting. Per program budgeting will lead to particular and shared accountability, and will encourage more interest. Commodity-based budgeting in the case of most DA-led activities must be aligned with the focus of the identified NCI-SRD sites.

### **LGUs' Role in the Convergence**

Existing local plans in the municipal level, such as Comprehensive Land Use Plan (CLUP) and Forest Land Use Plan (FLUP), must be taken into consideration in the identification of sites and formulation of Convergence Area Development Plan (CADP), as provided for in the Manual of Operations. On the other hand, National Government Agencies (NGAs) with programs that are aligned with the NCI-SRD



realm must be absorbed. Convergences in the LGUs are usual of its operations for its small area and limited resources. There are postulations that NCI-SRD must be managed primarily in the regional or provincial level for its scope a larger area and budgeting sources.

Empowerment of TWGs in the regional level will likely ensure the implementation of NCI-SRD. Further, the Secretariat must be led by an Undersecretary, preferably in the Operations Division, so as to have more budget flexibility. Thus more focus and direction must be given to TWGs at the regional and local levels.

### **On Policies and Legal Basis**

Memorandum of agreement provides loose mandate to NCI-SRD. An Executive Order (EO), and eventually a Republic Act (RA), will forge the institutionalization of NCI-SRD. At the local level, special orders are released and a sufficient basis to hold accountability. However, a local executive order is still the preferred for any individual appointment to the NCI-SRD TWGs.

### **Identified Fundamental Issues on the Implementation of Convergence Strategy**

The **programs** of DA, DAR and DENR initially experienced duplication and overlapping, which in the end still resulted to *gaps* at the level of **delivery of social services**. Differentiation on the primary mandates of each agency provides issues on jurisdiction and scope, depending on the particular laws that define these programs or services. This ‘disintegration’ plays as an agency-specific response, while complementation under the NCI-SRD is the move towards integration. In effect, DA caters to the AFMA, DAR has pushed for CARP/CARPER, while DENR espouses all environmental laws. This aligns to the issues identified by the 1999 JMC that created the *Sustainable Rural Development (SRD) as a framework and Convergence as a strategy*. The 1999 JMC had been carried over on the succeeding issuances of JMC to reaffirm and continue the so called “NCI-SRD”.

### **Options for the Future: Desired Organizational Structure and Mandates For NCI**

The potential for NCI as a driving force to mainstream Convergence as a strategy in pushing for sustainable rural development in the countryside and even in other areas in the country, towards poverty reduction, increased incomes, and management of life forces, outweighs its current weaknesses, based on reflections on the assessment of NCI’s performance viz-a-vis its goals. Hence this study recommends the utmost support from the Executive Branch of the government to ensure NCI’s stability as an organization as precursor of development strategies from the local areas. Stemming from what appears as confusion on the functions, role and mandate of NCI and clarifying these roles, below are options towards the future institutionalization of NCI.



## On NCI's mandate

**Table 2.** Proposed Mandate of NCI

Mandate	Proposed Services	Proposed NCI Lead Office
Policy and Advisory	<ul style="list-style-type: none"> <li>• Facilitation</li> <li>• Research</li> <li>• Advisory</li> </ul>	Legal Office
Capacity Development	<ul style="list-style-type: none"> <li>• Facilitation</li> <li>• Coaching</li> <li>• Training</li> <li>• HR support, headhunting</li> </ul>	Human Resources Office
Knowledge Management	<ul style="list-style-type: none"> <li>• IEC materials</li> <li>• Training</li> </ul>	Knowledge Management Office
Agro-Enterprise Cluster and Agribusiness Development	<ul style="list-style-type: none"> <li>• Facilitation</li> <li>• Project management</li> </ul>	A separate office / Project Managers and Facilitator/Coordinators*

\* Agro-Enterprise Cluster and Agribusiness Development. Since this appears to be one of NCI's main function in rural development, the nature of the work of NCI must be clarified / decided. Three options are offered as regards NCI's roles:

1. NCI as **Lead Institution** in developing convergence areas (CAs), actively planning for and implementing plans for the development of CAs
2. NCI as **Implementor** of the PPAs in convergence areas, implementing selected PPAs
3. NCI as **Facilitator**, being a part of the Management Team of each PPA, looking after the implementation of convergence strategies

**Table 3.** Proposed NCI Functions and Performance Measures

NCI Functions/ Roles	Service	Measures/Outputs	NCI Lead Office
As Resource Center for Convergence	Policy Advisory	<ul style="list-style-type: none"> <li>• MoAs facilitated</li> <li>• policy recommendations arising from resolution of policy conflicts or overlaps</li> </ul>	Legal Office
	Capacity Development	<ul style="list-style-type: none"> <li>• number of trainings conducted/facilitated</li> <li>• assistance in identifying resource persons</li> </ul>	Human Resources Office
	Knowledge Management	<ul style="list-style-type: none"> <li>• IEC materials produced</li> <li>• Summits/seminars organized</li> </ul>	Knowledge Management Office
As Convergence Facilitator	Project Facilitation, Project Monitoring	<ul style="list-style-type: none"> <li>• MoAs facilitated</li> <li>• CI-PPA monitored</li> <li>• CI-PPA closed-out</li> </ul>	NP Coordinators (to be hired)
As Convergence Initiative (CI) PPA Implementor	Project Management	<ul style="list-style-type: none"> <li>• Delivery of the PPA outputs and impacts</li> <li>• MoAs facilitated</li> <li>• CI-PPA monitored</li> <li>• CI-PPA closed-out</li> </ul>	Professional Managers (to be hired)

Illustrating the possible future organizational structure for NCI-SRD, depicting its possible functions, offices, personnel and overall expected outputs, Fig. 8 is constructed. Fig. 9 is a quick look at a possible national level organization structure for NCI-SRD.

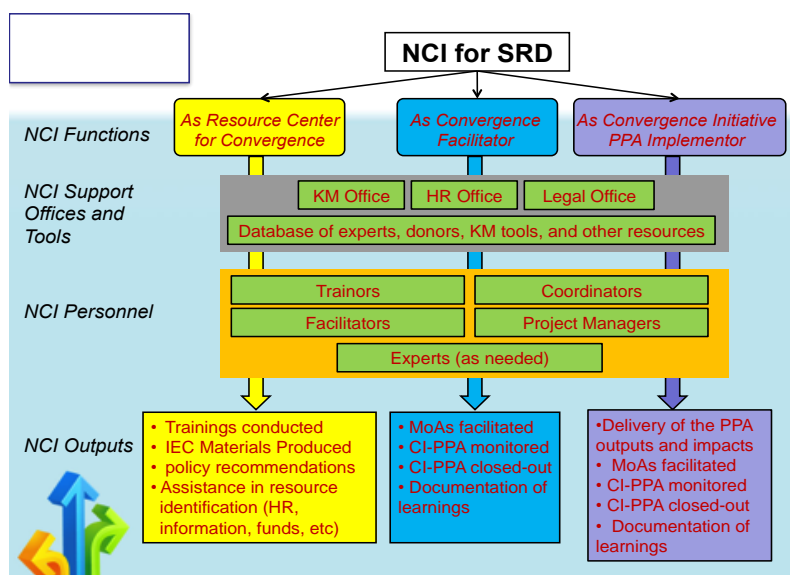


Fig. 8. NCI Functions and expected outputs

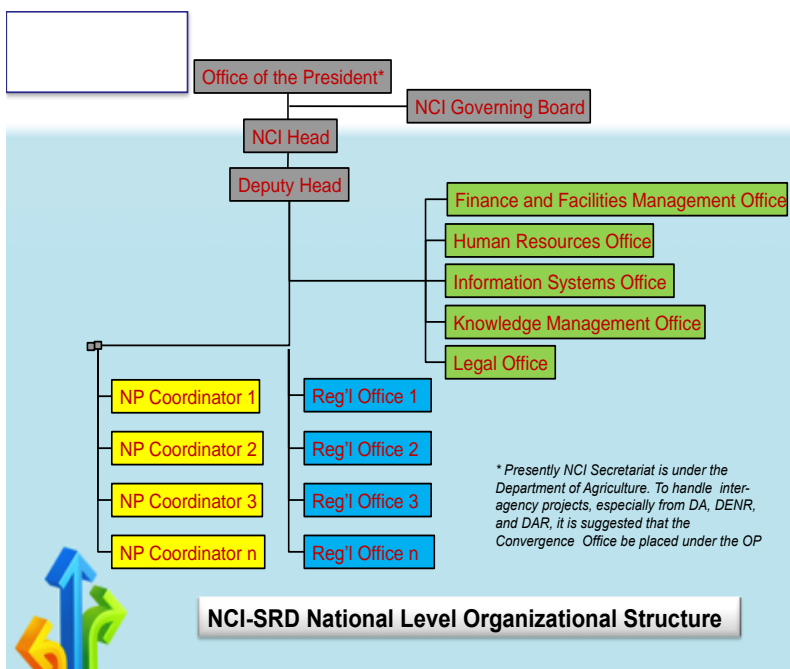


Fig. 9 Proposed NCI-SRD National Level Organizational Structure



## Conclusion

This study has shown the significance of adopting knowledge management; in particular, knowledge capture and utilization, within a strategic change management process. In particular, a desired goal (NCI's mandated tasks under the Philippine Development Plan and based on various policy documents) was defined and the NCI's organizational development performance towards the achievement of the goal of sustainable rural development was assessed.

The following framework is thus proposed as a nexus for knowledge management (knowledge capture and utilization with desired outputs) and strategic change management, which could be used in assessing performance of organizations and devising strategies for change management. The Strategies can then serve as main inputs for an Implementation Plan. The basic framework is adapted from Coghlan and Brannick's (2014) process of change model:

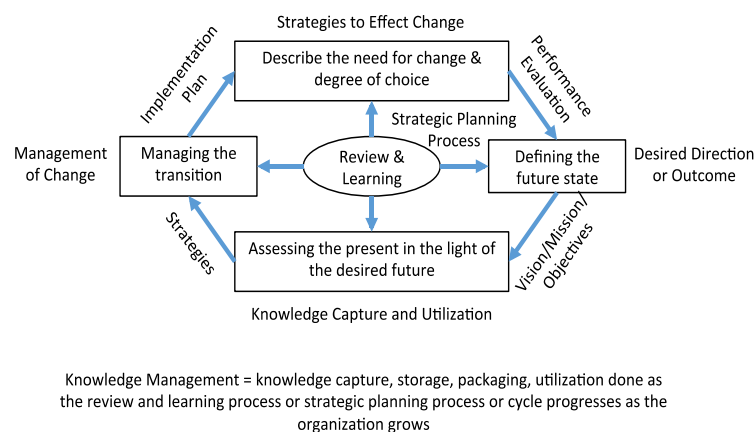


Fig. 10. Knowledge Management Approach in Strategic Change Management

Referring now to the devised framework above, the following main phases of knowledge capture and utilization have been adopted in this study:

1. The **need to conduct an organizational development assessment was communicated**, with specific terms of reference for the required outputs.
2. Organizational performance assessment was conducted to evaluate and make sense of the current strengths and weaknesses and **describe or define the desired direction for the organization**
3. **Strategic issues** were identified for the NCI to come up with options with regard to the future.
4. Proposed **implementation plan** for a future NCI structure and mandate.

Through a learning orientation, initiatives that have been already adopted and issues faced in the NCI are surfaced. This study has shown how knowledge capture could possibly be done in a strategic change management process. Systematic problem



solving, constant sharing of new insights with other members of the community, and adoption or experimentation of new or improved strategies are elements of the knowledge culture. Managers who want to be more effective in preparing strategic change management plans and need to instill a knowledge culture within the organization and among its stakeholders, preferably through action research planning, which presupposes a iterative process of reviewing, reflecting, and engaging members of the organization or through constant validation.

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