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Organizational Assessment of the National Economic Research and Business Assistance Center (NERBAC) of DTI Region XII and Guideposts for Replication

Investment Enabling Environment (INVEST) Project

Submitted to:

U.S. Agency for International Development/Philippines
Office of Economic and Governance
under Contract No. AID-492-C-11-00005

September 17, 2013

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LIST OF ACRONYMS

ARD	Assistant Regional Director
BIMP EAGA	Brunei-Indonesia-Malaysia-Philippines East ASIAN Growth Area
BIR	Bureau of Internal Revenue
BOI	Board of Investments
BOS	Business Opportunity Seminar
BOSS	Business One-Stop Shop
BPLD	Business Permits and Licensing Division
BPLO	Business Permits and Licensing Office
BPLS	Business Permit Licensing System
BPO	Business Process Outsourcing
BRL	Business Registration Licensing
CDA	Cooperative Development Authority
CDO	Cagayan de Oro
CPDO	City Planning and Development Office
CSR	Corporate Social Responsibility
DILG	Department of the Interior and Local Government
DOH	Department of Health
DOLE	Department of Labor and Employment
DTI	Department of Trade and Industry
EDA	Export Development Act
EDC	Export Development Council
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
GSCCCII	General Santos City Chamber of Commerce and Industry, Inc.
HR	Human Resources
HRMD	Human Resource Management Division
INVEST	Investment Enabling Environment Project
IAN	Investors' Assistance Network
IM	Investment Mission
IP	Investment Promotion
IPM	Investment Promotion and Marketing
IT	Information Technology
JIT	Joint Inspection Team
JMC	Joint Memorandum Circular
JV	Joint Venture
KII	Key Informant Interview
KM	Knowledge Management
LGU	Local Government Unit
LEE	Local Economic Enterprise
LEIPO	Local Economic & Investment Promotion Officer
MINDA	Mindanao Development Authority
MSMED	Micro, Small and Medium Enterprise Development
MPDO	Municipal Planning and Development Office
NEDA	National Economic and Development Authority
NERBAC	National Economic Research and Business Assistance Center
NGA	National Government Agency
NICCEP	National Industry Cluster Capacity Enhancement Project

NSCB	National Statistical Coordination Board
NSO	National Statistics Office
PBR	Philippine Business Registry
PCCI	Philippine Chamber of Commerce and Industry, Inc.
PD	Provincial Director
PEZA	Philippine Economic Zone Authority
PHIC	Philippine Health Insurance Corporation
PO	Provincial Office
PPDO	Provincial Planning and Development Office
RA	Republic Act
RBRDMS	Regional Business Registration and Database Management System
RDC	Regional Development Council
RD	Regional Director
RO	Regional Office
RODG	Regional Operations and Development Group
SEC	Securities and Exchange Commission
SGD	Small Group Discussion
SGS	Sutherland Global Services
SME	Small and Medium Enterprise
SMED	Small and Medium Enterprise Development
SMILE	Supply Management thru Investment for Large Enterprises
SSS	Social Security System
USAID	United States Agency for International Development

I. INTRODUCTION

The National Economic Research and Business Assistance Center (NERBAC) is a public agency created in 1992 under the Department of Trade and Industry (DTI) through Republic Act (RA) 7470. Of its nine organizational functions, all but one refers to addressing the information needs of foreign and local entrepreneurs and investors of any size. The only function that delivers a service that is not primarily and terminally informational in nature but is instead regulatory is that which requires it “to organize and maintain a centralized one-stop shop services or assistance center that shall expedite the processing of all government requirements necessary in establishing a business” (Section 5, Functions, of RA 7470, www.dti.gov.ph, Retrieved February 15, 2012).

The implementation of the NERBAC Law proceeded incrementally through pilot testing and within the DTI structure, as opposed to the law’s intent for the institution to be governed by its own board. It has also been emphasizing the fulfilment of NERBAC’s function of providing, through facilitation, a regulatory service through its centralized one-stop shop services or assistance center for business owners applying for national and local business permits (Cruz, Jan. 30, 2013; Boniao, Dec. 11, 2012.)

However, it was not only NERBAC that provides this service of facilitating the receipt of permits; other public agencies also do. In 2006, Executive Order 587 established the Philippine Business Registry (PBR) to “facilitate a seamless transactional environment for business registration and development across the application systems of various government agencies.” DTI serves as the lead agency of this web-based system and, while it has encountered implementation challenges, DTI’s leadership is intent on realizing its vision. Similarly, various local government units (LGUs) established temporary Business One-Stop Shops (BOSS) often during the renewal of business registration in January. BOSSs have also become a common practice since 2000 when a number of LGUs began streamlining their business permitting processes on their own or with the support of development partners. The trend strengthened when in 2010, the DTI and the Department of the Interior and Local Government (DILG) issued Joint Memorandum Circular 1 entitled, “Guidelines in Implementing Standards in Processing BPLS in All Cities and Municipalities” (JMC 1) which carried as one of its recommended guidelines the setting-up of a BOSS.

In view of the potential of NERBAC to be an effective institutional mechanism to support investment growth at the local level, the Investment Enabling Environment (INVEST) Project of the United States Agency for International Development (USAID) has commissioned a study to assess the operations of NERBAC and propose measures that will strengthen its ability to respond to the needs of LGUs, the regional offices of National Government Agencies (NGAs), and local business groups in investment promotion and generation. The study was also designed to look at the the possible linkages between the NERBAC and the Philippine Business Registry (PBR), which are both managed by DTI, and the BOSS which are usually set-up by LGUs.

II. THE NATIONAL ECONOMIC RESEARCH AND BUSINESS ASSISTANCE CENTER

A. Regulatory Basis, Vision, Mission, and Functions

RA 7470's intent with the creation of NERBACs was to support the policy of the State "to enhance economic growth by providing necessary and strategic economic and business information and research assistance thereby expediting the process of business formation and encouraging the growth of entrepreneurship in the country."¹ NERBAC's inferred organizational mission is therefore to "provide prospective entrepreneurs/investors with the basic information on various business options that are open to them in accordance with the investment priorities of the Government" and to "provide a one-stop action center which shall facilitate the processing and documentation of all paper requirements necessary for the establishment of a business enterprise in the country, including credit services."

NERBAC's mission is aligned with the vision of the DTI: "Together with business, we are an active and leading partner in propelling the Philippines toward an inclusive, dynamic, and thriving economy. Our success is anchored on global competitiveness, with social responsibility and consumer welfare as our platform. In all of these, we adhere strictly to the tenets of professionalism, integrity and transparency." The department's mission is: "The DTI is the primary government agency with the two-pronged mission of: Enabling business and Empowering consumers." (www.dti.gov.ph, Retrieved Dec. 13, 2012.) The operation of NERBAC is listed as one of the programs under the Industry Development and Investment Promotion and Facilitation Services under the DTI's outcome of "Rapid, Inclusive and Sustained Economic Growth."

The following are NERBAC's nine stated organizational functions:

1. To provide information to prospective investors, both local and foreign, on the different kinds of business opportunities that are in accord with set investment priorities of the Government;
2. To establish an updated data bank of all industries and business enterprises in the country;
3. To prepare pre-feasibility studies of existing as well as possible industries in the Philippines that can help entrepreneurs decide on what business to venture into;
4. To organize and maintain a centralized one-stop shop services or assistance center that shall expedite the processing of all government requirements necessary in establishing a business;
5. To monitor technological advances relevant to business and the economy, and disseminate such information to Filipino entrepreneurs and the public in general;
6. To formulate and coordinate the conduct of relevant research projects to help attain the Center's goals;

¹ For an extensive discussion on the legal framework of NERBAC, attention is directed to two documents prepared for DTI in 2010 by USAID-LINC EG – "Pending Issues on the NERBAC Law" and "RA 7470 Legal Framework Review."

7. To monitor and collate economic, technical, and industry research output of all government agencies that has reference to business enterprises, as well as to investors in the country;
8. To collect and facilitate the gathering of information on the kind of technology/machinery needed, their prices, specifications, and where they can be purchased or leased, as well as to help rehabilitate and modernize existing machinery and equipment of essential industries; and
9. To facilitate the gathering of information on how to harness indigenous resources and technology required for our development efforts.” (Section 5, Functions, of R.A. 7470, www.dti.gov.ph, Retrieved February 15, 2012).

These functions were subsequently delineated into three functional areas: Business Registration (BR), Knowledge Management (KM), and Investment Promotion (IP).

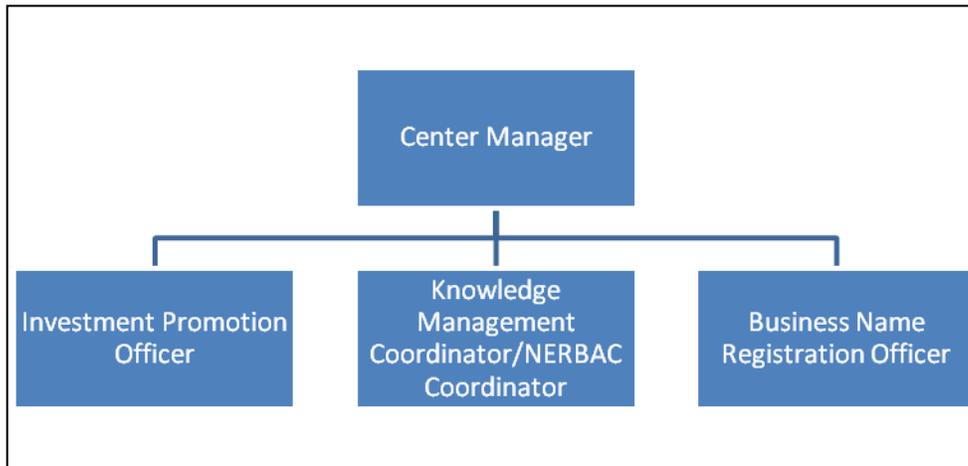
B. Organizational Elements and Characteristics

NERBAC was created within the existing DTI structure with a Board of Governors and an Office of the Director-General, as provided for in RA 7470. The Board has been in existence sporadically while the Office of the Director-General has not been created. Initially, three NERBACs were established in three regions as pilot centers and which implemented three different designs: Region III set-up a virtual NERBAC; Region VII as a provincial-based NERBAC; and Reg. XI as a region-based one. Currently there are 15 NERBACs at the regional level and 78 at the city/provincial levels.

The law mandates all government agencies to coordinate with the Center and for those concerned with business documentation and processing to detail representatives to it. Operationally, the coordination structure varies by region but the breadth of national government partners remains to be extensive. The Region X Center based in Cagayan de Oro (CDO), for example, has 34 “co-operators”. Common among the Centers is a physical structure, whether within or outside the local DTI building, with its own signage.

Within each Center, there is a Center Manager and the position holder varies by region as the regions are free to decide the manpower structure of the Centers. What is common is the functional structure based on the areas of Business Registration, Knowledge Management, and Investment Promotion, as shown in *Figure 1*. The nature of assignments to these positions, whether full-time or concurrent, also varies across Centers. A major reason for the concurrent assignments is the ongoing implementation of the government’s Rationalization Plan (Boniao 2013).

Figure 1. Generic Organizational Structure of NERBACs



NERBAC Centers have no separate budget from the DTI structure (Cruz 2103). Competencies used in recruitment are the same for all DTI personnel. Generally, newly-hired technical staff members have economics, management, or information technology (IT) degrees.

The DTI Regional structure encourages and executes bottom-up innovations (Cruz, Jan. 30, 2013 and Boniao, Dec. 11, 2012). Best practices conceptualized and implemented during the leadership of then-Region XII Director and DTI Undersecretary Merly Cruz, were soon authorized to be replicated in other NERBACs. There are knowledge-sharing sessions across regions (Boniao, Dec. 11, 2012).

III.

STUDY OBJECTIVES, FRAMEWORK AND METHODS

A. Research Questions and Study Objectives

The study aims to answer the following questions:

1. What is the value proposition of NERBAC XII in terms of knowledge management as an input towards effective investment promotion?
2. Given DTI's thrusts for the PBR and the LGUs' use of BOSSs, what is its value proposition as regards the facilitation of business registration?

The study's objectives therefore are to define what these value propositions are and describe the technology that produced it.

B. Study Framework

The study combines elements of two approaches to achieve its objectives. The first is the diagnostic approach of the Action Research Model (Lewin,1946) that assesses the organization's current state through a problem or gap-orientation. The second is the Positive Model that focuses on the best practices of the organization. The application of the Positive Model is suitable in this case due to the widely recognized best practices emanating from select NERBACs, chief among them the Center in General Santos City that DTI Undersecretary Cruz has identified. Among NERBAC XII's programs that she said were worth emulating were its KM process, its SMILE Program and assistance to the development of the *Pangasius* industry. Beyond these are the delivery of results from investment missions: in 2009, it generated investment leads of P501 million and actualized investments of P52 million and in 2010, there was P1.6 billion worth of investment leads and P12.26 million actualized investments. Other achievements of NERBAC XII are considered as givens in this study and will not be detailed separately in the findings. Assistant Regional Director and Center Manager Doris de Lima head the Center. As the subject organization is the NERBAC in Region XII, General Santos City as the organization's environment will be an integral part of the scope of study

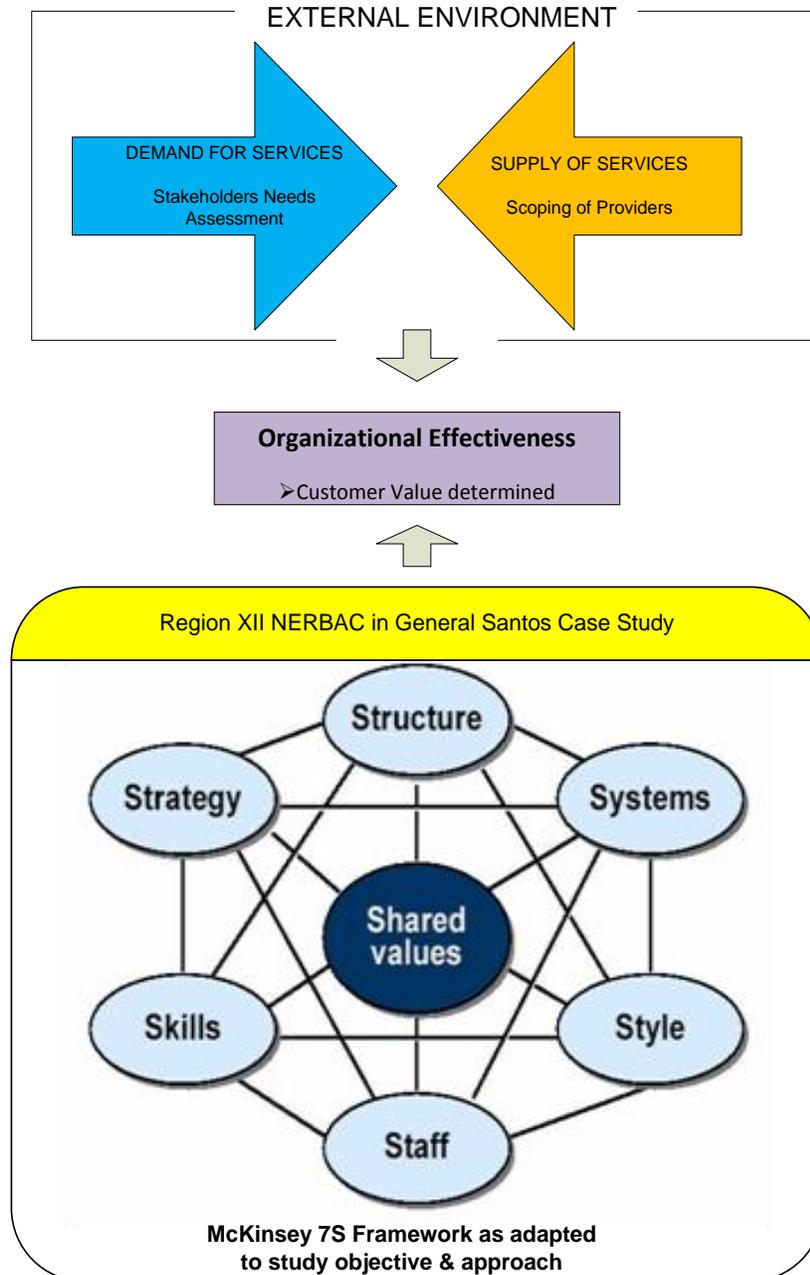
Figure 2 shows the study's methodology. The study approach proceeds from an external environment scan that seeks to describe (1) the demand for investment services, including registration support, from investors, the LGUs of General Santos City and Koronadal City, and government; and (2) the supply of these services by NERBAC and other public and private providers. Demand is operationalized as articulated needs of stakeholders. The resulting analysis will assist in defining the value proposition (Treacy and Wiersema, 1993) of NERBAC to its key clients.

The data gathering method for describing the demand will use secondary data and primary data through the conduct of Focus Group Discussions (FGDs) and key informant interviews (KII).The study will identify, summarize, and integrate through thematic analyses the investors', LGUs' and NGAs' responses as the basis for describing the demand for NERBAC's services. FGD responses will be processed according to the extensiveness of the theme that the responses fell under, specificity and intensity of responses, and frequency of the responses and themes

(Krueger & Casey, 2000). The NGAs are included as stakeholders because of their partnership with NERBAC.

The supply of providers will be scoped through secondary data research and key informant interviews for validation purposes to determine which other groups provide investment services and facilitation of business registration in the area.

Figure 2. Study Methodology



The study then referred to McKinsey's 7S framework to assess the organizational effectiveness of NERBAC. This framework was designed to highlight the critical role of coordination of various organizational elements in determining organizational effectiveness. (http://www.mckinseyquarterly.com/Enduring_ideas_The_7-S_Framework_2123, March 2008). It outlines seven organization factors – structure, strategy, staff, skills, systems, style, staff and shared values – that must be analyzed interdependently and aligned with each other to enable a determination of what particular factors work and what don't and, subsequently, influence an organization's ability to, among other capacities, produce output from inputs. The seven organizational factors are defined as follows:

- Strategy refers to “plans for the allocation of a firm’s scarce resources, over time, to reach identified goals. The analysis of the organization’s environment, competition, and customers fall under this factor” (Ateneo Graduate School of Business, Powerpoint presentation). In current practice, the key issue is how organizations become adaptive by evolving strategies.
- Structure refers to authority relationships and to the way the organization's units relate to each other.
- Systems refer to the “procedures, processes, and routines that characterize how important work is to be done” (Ibid). Financial, Human Resources, and communication systems fall under this category.
- Skills refer to the institutional and individual capabilities of personnel, including implications on its acquisition.
- Style refers to the culture of the organization and the behaviour of managers in achieving the organization’s goals” (Ibid); it focuses on informal rules.
- Staff refers to the intrinsic talents within people, the quantity, quality and diversity of personnel within the organization.
- Shared values refer to super ordinate goals; “what the organization stands for, what it believes in, and what it is trying to achieve” (Ibid). It is at the center of the framework because it is critical to achieving success in all the other elements and in the alignment of the six others. (http://www.mckinseyquarterly.com/Enduring_ideas_The_7-S_Framework_2123, March 2008, accessed February 14, 2013).

C. Study Methods

1. Data-Gathering Methods

The study employed five methods for gathering the data it needed:

a. Focus/Small Group Discussions

Two focus group discussions (FGDs) were conducted, for two different purposes. The first was undertaken to identify the needs of public sector member agencies of the Investors' Assistance Network (IAN), the outcomes produced by such needs being

satisfied, and the needs of these agencies that have yet to be met. IAN is a network established by NERBAC XII in April 2009 to extend its reach when the region only had one NERBAC, the one still based in General Santos City (GenSan). Its membership is composed of provincial government offices, LGUs, Investment Promotion Centers, and national government agencies (NGAs) involved in business registration, statistics generation, and local business chambers. NERBAC XII organized it in three sub-groups, mirroring the structure of NERBACs -- Business Registration and Licensing, Knowledge Management, and Promotion (Gumana, March 2013). The IAN can be viewed as NERBAC XII's structural response to the legal mandate for it to coordinate with NGAs. Those who participated in this FGD were four representatives from the Koronadal City government, one representative each from GenSan's Investment Promotion Center and Business Permits and Licensing Division, the Board of Investments (BOI), the Cooperative Development Authority (CDA), DILG, and National Economic Development Authority (NEDA).

The second FGD was conducted among six staff members of NERBAC XII. It focused on the programs initiated by NERBAC XII and how these were implemented, the staff members' opinions about the various aspects of the Center's operations, and the behaviors that were exhibited by the leadership of the Center.

b. Survey

After the FGD among the Center's staff members, a questionnaire was distributed for them to answer. This questionnaire had 13 items of positively worded statements on the characteristics of the respondents' jobs and their work environment, these items being indicative or descriptive of the seven organizational factors used in McKinsey's 7S organizational assessment framework. The respondents were asked to rate their opinions about these statements using a 5-point scale with "1" expressing strong disagreement; "2" disagreement; "3" indecision; "4" agreement; and "5" strong agreement. It also included four open-ended questions, one on the reason for their working at the Center, the second on the values exhibited in their workplace, and the last two on the leaderships traits of Center head De Lima that either hinder or contribute to the Center's effectiveness as an organization. The purpose of the questionnaire was to solicit the employees' perceptions and attitudes towards their jobs through a medium where participation is equal and confidentiality provided, unlike the FGD. The results served triangulation purposes. A sample of the questionnaire is found in *Annex 1*.

c. Key Informant Interviews

The majority of the data in the study was gathered through interviews of key informants. The most important of these informants were Doris De Lima, the DTI Assistant Regional Director of Region XII and concurrent Manager of NERBAC XII, and Ethel Gumana, NERBAC XII Division Chief. Both were interviewed extensively on the operations of NERBAC XII, the principles that underpin such operations, as well as the programs that have been implemented and are ongoing. DTI Undersecretary Merly Cruz was also interviewed regarding her perspectives and insights on the operations of all NERBACs in the country, and that of NERBAC XII.

The DTI officials most involved in the NERBACs located at the regions or provinces of the INVEST partner cities were also interviewed. Their interviews focused on the operations of the NERBACs in their respective jurisdictions and how investment

promotion is carried out. The results of these interviews gave a clearer idea of what the value proposition of the NERBACs in these areas should be.

The various heads or representatives of the different business groups in Region XII were also key informants for the study. The Executive Director of the GenSan Chamber of Commerce and Industry, Inc. (GSCCII), the President of the Producers' Association of Region XII, and the representative of PhilExport in Region XII were asked to describe the most important needs of the members of their respective organizations and who or what the suppliers of these needs are. *Annex 2* lists down the study's key informants.

d. Secondary Data Research

The study reviewed various documents on the programs and projects as well as the operations of NERBAC XII. The most significant of these documents were the records of the expressed needs of the Manila-based firms during one-on-one company meetings conducted as part of the NERBAC XII Investment Missions of 2011 and 2012.

2. Data Analysis Methods

Data were analyzed mainly through qualitative means. These were identified, summarized, and then integrated through thematic analyses, with FGD and KII responses being processed according to the extensiveness of the theme that the responses fell under, specificity and intensity of responses, and frequency of the responses and themes (Krueger & Casey, 2000).

The only statistical procedure undertaken for the study was the computation of the mean for the responses to the questionnaire items whose possible responses fell in a range of 1 to 5, with 5 signifying the highest degree of agreement.

C. Limitations

The identified needs of businesses were limited by the availability of data. While the most important excerpt of a survey made by GSCCII was cited in this study, efforts to secure the complete copy of the survey results have been unsuccessful. Thus, the question asked of respondents in that survey in generating the top issues can neither be presented nor solicited. The interview with the PhilExport director produced limited data. Some of these needs, however, surfaced in the KIIs and FGDs with NERBAC members within the context of particular situations and from secondary data from the NERBAC XII Investment Missions.

IV. FINDINGS, ANALYSIS, AND CONCLUSIONS

A. External Environment Scanning

NERBAC XII's value proposition would come from the demand for investment services and business registration facilitation from investors, the LGUs of GenSan City and Koronadal City, government agencies, and other stakeholders, on one hand, and the supply of providers catering to this demand, on the other.

1. Findings

a. Demand from the Private Sector

Demand is operationalized as articulated needs of stakeholders. A sample of needs of five large groups of private sector stakeholders is presented below in *Table 1*. These groups of stakeholders are: (a) small to large business enterprises who are members of the GenSan City Chamber of Commerce and Industry, Inc. (GSCCCII);² (b) exporters who are members of PhilExport;³ (c) micro-businesses who are members of the Producers Association of Reg. XII;⁴ and (d) a sample of Metro Manila-based business firms selected by NERBAC XII as potential investors for their investment missions. *Table 1* also presents an enumeration of the expressed needs of customers and the list of public and private providers catering to these needs based on data coming from KILs with the Executive Director of GSCCCI, the GenSan City representative of PhilExport, and the President of the Producers Association of Reg. XII.

Table 1. Demand and Supply of the Needs of the Private Sector in Region X, 2012

Customers	Demand (Expressed Needs)	Supply (Providers)
Small to Large Business Enterprises Gen. San. City Chamber of Commerce & Industry, Inc. members	Top Issues that Government Should Address: <ul style="list-style-type: none"> ▪ Power ▪ Fuel ▪ Increasing Criminality ▪ Fishing Ban ▪ Increased Flooding ▪ Lack of Incentives ▪ High Cost of Permits ▪ High Cost of Real Estate 	<ul style="list-style-type: none"> ▪ GenSan City Economic Management & Cooperative Development Office ▪ GenSan City Investments and Promotions Board ▪ Small and Medium Enterprise Development (SMED)

² The GSCCCII was established in 1974 and currently has around 150 individual and corporate members encompassing small to large business enterprises in the city.

³ PhilExport is the umbrella organization of Philippine exporters accredited under the Export Development Act (EDA) of 1994. It is a non-stock, non-profit private organization born out of the unification of the Philippine Exporters Foundation and the Confederation of Philippine Exporters on August 1992.

⁴ The Producers Association of Reg. XII is a non-stock, non-profit organization of micro enterprises and producers. Its membership is fluid, with members joining specific activities based on interest. It has been in operation for 10 years and is managed by a set of five officers.

Customers	Demand (Expressed Needs)	Supply (Providers)
	<ul style="list-style-type: none"> ▪ Worsening Traffic ▪ Long Processing of Permits ▪ Poor Infrastructure 	<ul style="list-style-type: none"> ▪ Council, Inc. ▪ NERBAC XII and other government agencies and councils ▪ Various industry associations ▪ Notre Dame Business Resource Foundation, Inc.
Exporters – PhilExport members	<ul style="list-style-type: none"> ▪ Promotion of products abroad ▪ Assistance in exhibits ▪ Packaging ▪ Supply of sunflower and soya oil, iodized salt and chlorine that Region XII does not have and are consequently still being sourced outside the region 	<ul style="list-style-type: none"> ▪ DTI ▪ NERBAC XII ▪ Chamber ▪ Export Development Council
Micro-businesses – Producers Association of Reg. XII	<ul style="list-style-type: none"> ▪ Quality production practices ▪ Packaging ▪ Financing ▪ Marketing ▪ Promotion ▪ Capacity to undergo & secure government licensing requirements ▪ Physical plant needs ▪ Information on packaging and labeling suppliers 	<ul style="list-style-type: none"> ▪ DTI City Office ▪ Private micro-financing firms ▪ SMED Council, Inc. ▪ DOH Food and Drug Administration ▪ Gen San City Economic Management & Cooperative Development Office ▪ Notre Dame Business Resource Foundation, Inc.
Metro Manila-based Business Firms	<p>32 cited needs clustered into:</p> <ul style="list-style-type: none"> ▪ Production inputs (raw materials, land, technical assistance) ▪ Trade functions (selling outputs) ▪ General investment opportunities for expansion ▪ Government clearances ▪ Access/proximity to airport &/or port ▪ Industry information ▪ Information on Mindanao safety & security 	(not raised in discussions)

b. Demand from the Public Sector

During the FGD among the representatives of the member-government agencies of the IAN, the most frequently cited need of a government agency that was satisfied by its being a member of NERBAC XII through the IAN was access to data and information. The type of data and information referred to depended on the objectives of the organization, with the GenSan City participant referring to data on investment, the BIR representative to data on new business registrants, the National Statistics Office (NSO) representative to the list of establishments, and NEDA staff member to data on investments in the region.

Learnings through capacity building programs and program roll-outs were another extensively and frequently cited benefit from membership in IAN, with the LGU participants particularly citing the BPLS streamlining roll-out and guidelines (i.e., Unified Form) and ideas (i.e., JIT) espoused by the DTI-DILG Joint Memorandum Circular No.1 (JMC), which was promoted by NERBAC XII. The Cooperative Development Authority (CDA) participant cited trainings for cooperatives while the DILG participant pointed to capacity building for Local Economic and Investment Promotion Officers (LEIPOs) as benefits from being IAN members.

The establishment of linkages and coordination was another frequently cited benefit from IAN membership, particularly linkages among LEIPOs across the region and coordination with NGAs. The GenSan participant said, "It would have been difficult to address the need for coordination with NGAs without NERBAC. *Napakalaking tulong ang NERBAC* in terms of establishing rapport *at respeto sa isa't isa*, like (in the case of) BIR. (NERBAC has been of great help in terms of establishing rapport and respect, like (in the case of) BIR)." (Zamora, Small Group Discussion, March 2013).

The creation of groups was another frequent response, with the Koronadal City participant citing IAN's formation of a management study team on local economic enterprises (LEEs) and the association of Business Permits and Licensing Department (BPLD) officers in the region.

In terms of programs initiated by IAN, investment promotion projects (i.e., development of LEEs, the production of project briefs, and investment missions) and business registration initiatives were extensive responses. Apart from these, knowledge management in various forms was also cited.

Among the remaining needs cited was the response from the GenSan City participant on Region XII having an "image challenge as an investment destination." Citing his fifteen years' experience in investment promotion, he said, "We should promote (the region) as one. If you promote (your LGU) alone, (investors) will not mind you. So, we have to put our acts together... We are not Davao or Cebu. We are not yet at that level. So we should put our acts together and IAN should help us build an image that Region XII is a good place to invest."

This point was supported by the representative from Koronadal City who said, "We need the collaboration of all the LGUs and other different stakeholders... While we still have competition among ourselves, it is a healthy one. For example, if we promote Koronadal City, investors from Manila cannot go directly and (would have to) pass the nearest entry

point which is General Santos City. So we need to promote the entire region as one area for investments.”

Annex 3 contains a summary of the needs of IAN members that were met by their membership to the said organization.

c. Supply Sources (Providers)

Apart from IAN, other organizations or bodies addressing these needs of customers in whole or in part include the Regional Development Council (RDC), Mindanao Development Authority (MINDA), and various industry-specific associations like the Association of Tourism Officers. A participant noted that, while the RDC brings together agencies, it is not focused on investment generation alone. While the scope of MINDA is much broader in that its coverage is the whole of Mindanao, LGUs and NGAs are also its members. The Association of Tourism Officers is focused on promotion and identification of tourism investments.

2. Analysis

The demand for investment services from local and foreign investors range from external factors at the macroeconomic level, such as infrastructure, to internal factors at the microeconomic level such as production inputs. The GSCCCII members have identified power as their most important need, mainly because of the seven-hour power outages that GenSan City was experiencing during the survey period and the projections that the power supply in Mindanao will fall severely short of demand, especially if investment inflows dramatically increase.

Of the 32 needs raised by Metro Manila-based firms, 10 were external and 22 were internal factors. The external factors were on general expansion interests, regulatory concerns, and infrastructure needs. Based on the value chain framework, the internal factors pertained to the provision of specific inputs and trade functions. The representative of PhilExport identified the needs of exporters as largely concerned with the four chain links (provision of specific inputs, production, transformation, and trade). The needs of members of the Producer’s Association, meanwhile, related to all five chain links, including the last, final sale, as well as external factors such as the capacity of producers to undergo regulatory processes.

Three out of the 11 needs of small to large business enterprises are related to NERBAC XII’s functions in business registration facilitation and investment promotion (including information needs as inputs). These three were the lack of incentives, high cost of permits and the long processing of permits. Of the exporters’ needs, two were related to investment promotion. Meanwhile, micro-businessmen expressed the need for support in promotion and access to information on suppliers of packaging and labeling services. Of the needs of Metro Manila-based firms, two clustered responses were on information needs while another was on government clearances.

The demand from LGUs and national government agencies in the region converged on the need for data, information, and knowledge as inputs to the fulfillment of organizational functions. Some of these functions pertained to investment generation for the region while the others were regulatory in nature. The need for coordination and its effective use in a single, inter-agency body was also identified.

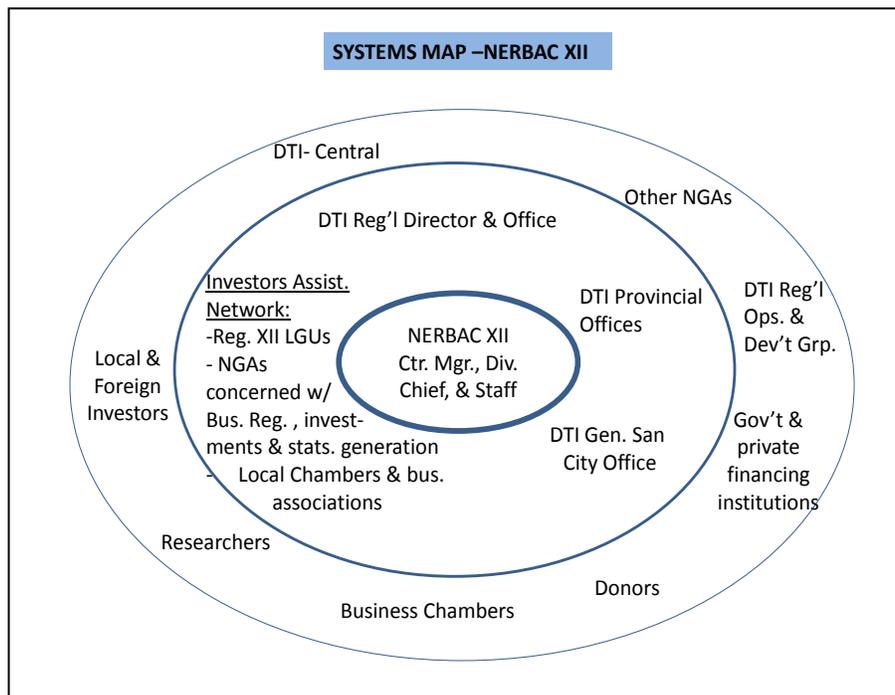
The supply providers that can address the identified needs, while many, are all focused on particular services in the area of investments and, in the cases of NERBAC XII and the Notre Dame Foundation, data generation. Notre Dame, an academe-based organization, has a more limited menu of services on data generation, as compared to NERBAC XII. It, however, also provides micro-financing.

B. Organizational Assessment

1. Systems Map

Figure 3 is a systems map that provides the context within which NERBAC XII operates. It shows the Center in the innermost sphere as a focal group interacting with its stakeholders in the macro system (outer sphere). A set of stakeholders within the macro system is the IAN, which is a part of NERBAC. Both the focal group and the macro system interact with the members of its mega system.

Figure 3. Systems Map of NERBAC XII



2. 7S Organizational Elements

Table 2 presents a summary of the study's findings on the 7S organizational elements in NERBAC XII. An elaboration of each of the elements follows using the results of the methods described earlier. Annex 4 contains a summary of the responses of the NERBAC XII staff to the survey questionnaire, which reflects their opinions and attitudes towards the 7S organizational elements in NERBAC XII.

Table 2. Summary of Descriptions of the 7S Elements in NERBAC XII

7S Elements	Descriptions
Shared Values	Being hardworking and focused on work; striving for excellence; having integrity and being honest; professionalism; being customer-focused; valuing learning were values shared in NERBAC XII.
	The Informality and low power distance between managers and staff were also shared values in the Center.
Strategy	The main strategies adopted by NERBAC XII were service differentiation and customer focus; harmonization of its mission and goals with those mandated by law (See Part I. B.); and the translation of its goals into individual goals of staff members and the monitoring of these goals.
	The staff found NERBAC XII's goal to be clear. It also believed that NERBAC XII's strategies will help it achieve its goal.
	The Center also ensured that IAN members, as stakeholders, knew and bought into its directions.
Structure	NERBAC XII had a flat, largely service-based organizational structure. Within this structure, horizontal decision-making was encouraged and enabled by internal information sharing that is automated and rapid. Moreover, within the KM service line, staff assignments were apportioned by customer segment.
	The Center fulfilled a distinct but integrated role within the DTI regional office structure.
	The inter-agency nature mandate of the Center was fulfilled by the formation of the IAN which was an adjunct to it.
	Staff workloads were made reasonable by the behaviors of the Center's leader, particularly her intense focus on the KM service line. Staff members found these reasonable despite assuming double functions. This attitude was likely engendered by the recognition among the staff members of the existence of institutional constraints (e.g., the government-wide Rationalization Plan).
Systems	The systems in NERBAC XII included the website that houses KM products, the Business Registration and Licensing (BRL) Unified Form and the Regional Business Registration and Database Management System (RBRDMS), the Quality Management System (Google Apps for internal communication and reporting systems), the Business Opportunity Seminars databank, the Performance Management System, and the Fund Management System.
	The system of project conceptualization, planning & budgeting, execution, & review was followed. The staff viewed this system favorably due to its participatory nature & a high degree of autonomy accorded to them in planning & budgeting compared to other offices. The planning system between NERBAC XII & provincial NERBACs was also functional.
Style/ Leadership	The Center Manager demonstrated behaviours of a transformational leader & was perceived to be such, She fostered close & aligned relationships with higher-ups in the person of the Regional Director as well as with her subordinate in the person of the NERBAC Division Chief. She also demonstrated intense focus on the KM service, a bias for informed action and experimentation and closeness to customers.
	The Division Chief demonstrated task- and relations-oriented behaviors. She was perceived by the staff as being able to sustain NERBAC's track record should the Manager be assigned greater responsibilities elsewhere.
Staff	NERBAC XII had 6 personnel and a 1:1 permanent to contractual staff ratio. Most of the personnel assumed functions in addition to those they fulfilled in the Center and found these functions to be clear. The Center's staff received institutional recognition & rewards through the DTI system. There was low turn-over.

7S Elements	Descriptions
	<p>The Center's structures were supportive of career growth, with succession protocol following that of the national government.</p> <p>The organization had all the kind of personnel it needed, except for an IT programmer. This gap was likely a function of the job market.</p>
Skills	<p>The qualifications of the Center Manager and the staff were a college degree in economics & management, marketing, sociology, or IT. A recruitment factor for the staff was writing proficiency due to the KM nature of their jobs. Generally, the staff had skills in research, training, program implementation & communication. The Center lacked the IT skills it expected from an IT programmer. There was often a need to outsource IT programming skills.</p> <p>The Center Manager demonstrated conceptual (e.g., strategic management), technical (e.g., IT, value chain analysis), and human skills (e.g., persuasion, change management).</p>

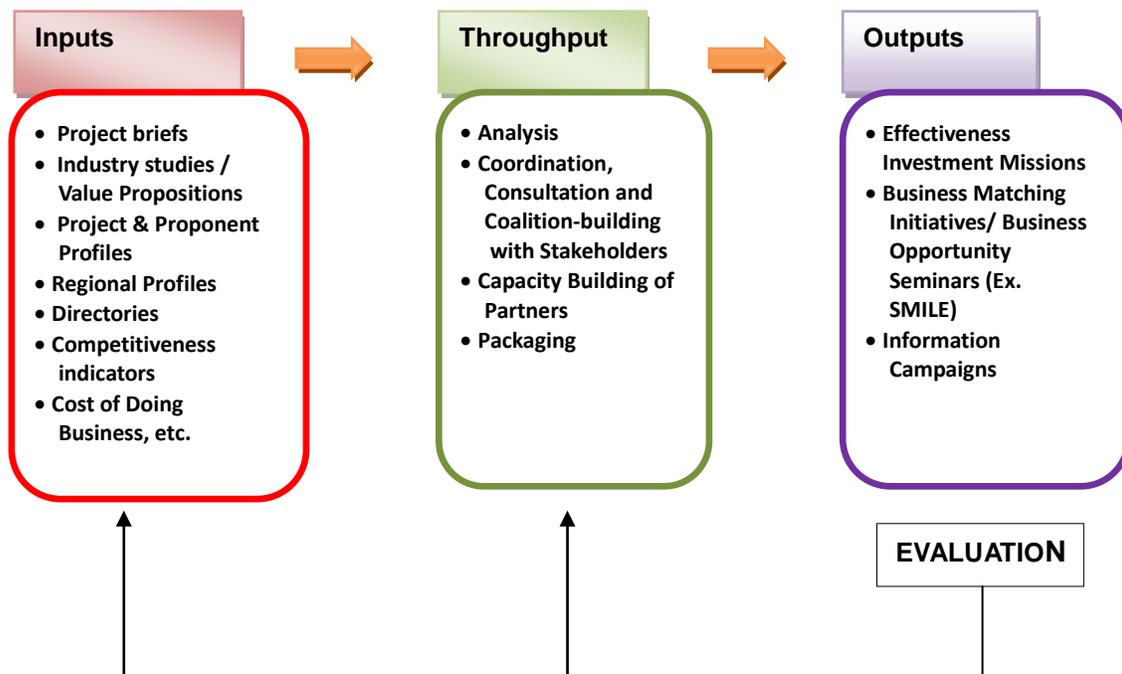
a. *Shared Values*

NERBAC XII's personnel described Center Manager and ARD Doris de Lima as "hardworking, striving for excellence, having integrity and honesty, and professional" and that these characteristics in de Lima contribute to NERBAC's effectiveness. During the FGD, the staff described a norm of informality or lack of protocol in interactions between them and De Lima and how this facilitates openness in communication and decision-making. This norm is indicative of a low power distance culture within the organization. Power distance is the extent to which the less powerful members of organizations expect and accept that power is distributed unequally (Hofstede, 1980).

b. *Strategy*

The strategies of NERBAC XII are service differentiation and customer focus. From its establishment in 2008 onwards, De Lima focused on planning and concentrating resources on executing the Center's mission of providing business information services. She differentiated this service through the build-up of a database of information (the 'inputs' in *Figure 4*) that she believed investors needed and sought to be able to invest in a business. Her thinking and manner of communicating NERBAC's reason for being to her officer, staff, and outsiders were usually presented diagrammatically through a process map focused on the Knowledge Management function. *Figure 4* presents a reconstruction of her diagram with elaboration from practices in the organization described from primary and secondary data.

Figure 4. Process Map Focused on KM function



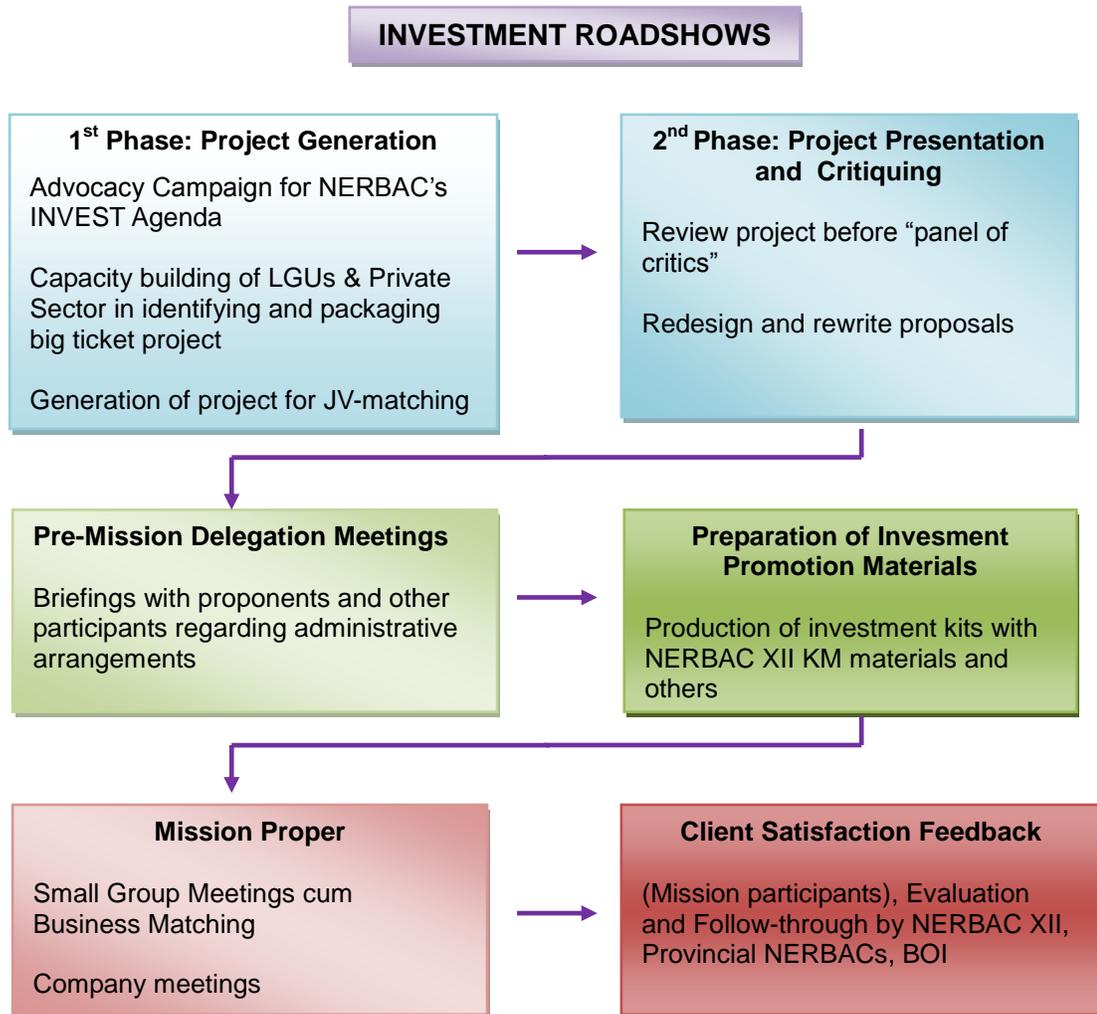
The KM function process map also demonstrates NERBAC XII's strategic differentiation as a division of the regional office (RO). Within RO XII, NERBAC XII is tasked with delivering its Major Final Output 2, which is Investor Promotion. The mandated mission is thus an input to promoting the region.

De Lima's service differentiation was focused intensely on investor's needs which NERBAC XII has identified from close contact with existing and potential investors. The strategy on customer-focus was embedded into the Center's programs and activities and the practices of its members. These programs included Business Opportunity Seminars (BOS), the SMILE Program, directory build-up that includes potential investors, and the extensive preparatory activities for the investment missions. De Lima ensured that the focus on this service was maintained by redirecting unrelated DTI directives to the regional office or other offices with functions that relate more to these directives. Explaining her actions, she said, "We don't conduct activities not needed in this (service) line. When one is focused, one can deliver something."

The practices of NERBAC XII's members that demonstrate closeness to the customer included initiating face-to-face meetings with companies to consult with them on their needs or potential business opportunities on a "continuous basis" (De Lima, March 2013), distributing cell phone numbers to customers for their queries, being open to requests for assistance, and acting on such requests. In the survey, the staff strongly agreed with the statement that they often interact with business investors in their work.

The 'throughput' activities required significant coordination among NERBAC XII's many stakeholders. *Figure 5* describes how the whole NERBAC XII organization, including IAN, prepared for and executed investment missions (IMs). These missions – a main output - aimed to promote big-ticket projects in the region for joint venture matching. In 2012, NERBAC XII exceeded its IM objective of generating investment leads of PhP 500 million when it generated PhP 10.24 billion. Of this amount, PhP 570 million has been realized.

Figure 5. NERBAC XII Technology and Approach to Investment Missions⁵



Source: NERBAC Post Activity Report, August 2012 and Key Informants Interview

Another dimension of strategy is goal clarity and buy-in of the strategy. During the survey, NERBAC XII personnel strongly agreed that the Center’s goals were clear and that they believed that its strategy was effective. Goals were translated into individual level targets and their achievement monitored. For example, NERBAC XII organic personnel were producing project briefs with each being expected to produce three per month. De Lima set these targets.

⁵ Reconstruction from NERBAC Post Activity Report, August 2012 and Key Informants Interview with Gumana, March 2013

Investors' Assistance Network (IAN) members' commitment to the strategy can be similarly inferred from their responses to the Small Group Discussion (SGD) question on the reasons for their participation in IAN. *Table 3* highlights selected quotes.

Table 3. Selected Reasons of IAN Members for Participating in the IAN

Participant	Reasons
BIR	Access to data on business names (new registrants)
Gen San, BPLD	Commitment given at the start, the inter-agency composition of the organization enables quick action on problems, the BPLS Association. was organized and regularly meets thru IAN, and " <i>malaking tulong ito</i> ".
Koronadal City, Admin Officer	For investment generation in the whole region; It strengthens our role as administrative center of Reg. XII.
BOI	To have an organized group to refer investors to, leading to matching of investors' needs with supply. It makes it easier for investors to network among IAN member organizations for their needs; their "hassle cost" is reduced. Yet, coordination costs are low for IAN members.

De Lima invested time and effort in achieving goal clarity and strengthening the commitment of IAN members to NERBAC XII's goals. One of the first activities undertaken by NERBAC XII before going on an IM was conducting a meeting with LGU leaders and the heads of various locally-based NGA offices. The objectives of these meetings were to: (1) generate support for Region XII's investment promotion program; and (2) come up with an Investment Promotion Agenda. In the March 2013 meeting, which was attended by General Santos Mayor Custodio, De Lima presented the results of previous IMs at the output (investment leads) and outcome (actual investments realized) levels. She then discussed the IM goals and strategy (described in Figure 5) and then asked for the participants' inputs to achieve the meeting's twin objectives. She then presented a draft program of the IM for discussion. From the agenda of this meeting, it is clear that the purpose of the activity is not just consultation and coordination but also coalition-building.

NERBAC XII had also adopted the twin strategy of service differentiation and customer focus in performing its function of business registration (BR) facilitation through a one-stop action center.

The BR facilitation was the first function (out of the eight others on information service provision) to be performed by NERBACs. However, De Lima experienced early on during the implementation of the One-Stop Action Center the limitations of DTI's authority as the lead agency over the NERBAC member-NGAs. The department could not compel the other NGAs to report consistently, a problem shared across NERBACs and subsequently experienced in the LGUs' implementation of the Business One-Stop Shops (BOSS).

To ease the business registration process in NERBAC XII, De Lima initiated the development of a unified application form and subsequently convinced 50 LGUs to use it. NERBAC XII also centralized information on NGAs' and LGUs' registration requirements and made these available in its website.

Since DTI Central has issued directives to support PBR, NERBAC XII has stopped requesting for NGAs' presence in their Center. Instead, it decided to continue:

- i. with its registration services via the PBR;
- ii. conducting outreach for the use of the PBR;
- iii. centralizing registration requirements of national agencies and LGUs and packaging these;
- iv. facilitating BPLS reform programs through the IAN;
- v. convening agencies for business registrants that ask for such assistance;
- vi. advocating reforms before city governments; and
- vii. communicating to DTI Central on location-specific characteristics for which the current IT system is less responsive.

NERBAC XII's technology for the conduct of IMs had benefited from the lessons of past missions and the process of participative review and monitoring within the Center that De Lima instituted. The most salient of these lessons was that *Regional Investment Conferences* do not generate investments at the volume and pace desired and needed. NERBAC XII thus shifted to a highly targeted marketing approach. More specifically, under this approach, it aggressively identifies and pitches to particular potential investors outside the region. In the first IM conducted under the new approach, three discrete activities were implemented, one of which was a company meeting with Sutherland Global Services, a leading BPO provider. Sutherland Global Services opened a recruitment and training center a month later and put forward the possibility of establishing a call center facility in the future. More importantly, it showed NERBAC XII that this was the more effective marketing strategy.

Starting from the DTI- or national government-identified priority industries and/or industry clusters, NERBAC XII and its IAN partners formulated a Regional Investment Promotion Agenda and Program. It then undertakes extensive preparations for its Investment Missions (IMs). It is a highly collaborative and coordinated process that proved to also be highly successful. The August 2012 mission yielded investment leads of Php 10.24 billion from the successful business matching of five proponents with investors.

c. Structure

NERBAC XII's Structure. NERBAC XII's organizational chart (*Annex 5*) shows a small-sized organization with a flat structure that was largely organized according to the twin services it provided, namely, (1) investment promotion and facilitation and (2) business registration and licensing. The exception was a finance and administrative section organized by function. There were also two non-DTI positions in the structure that are stationed in NERBAC – an Intellectual Property Office specialist and a Board of Investments specialist. The two specialists delivering the KM service are assigned by particular customer segments; one for micro and the other for large business enterprises. The chart also reveals horizontal decision-making which was enabled by a swift exchange of information across the organization through an automated internal communication system that is the practiced mode of communication. The lack of protocol in interaction among the leader, the manager (the Division Chief) and the staff also facilitated horizontal decision-making.

Center Manager De Lima did not carry out her functions in NERBAC XII on a full-time basis. She held concurrent positions in the Regional Office and through the years, she had been assigned to lead projects by DTI Regional Operations and Development Group Undersecretary, Merly Cruz.

Part of the characterization of the structure is the nature of the workloads of the organization's members and the way they perceive these. While the organization chart clearly shows that they, including De Lima and Gumana assumed multiple functions, NERBAC XII personnel still perceived their respective workloads to be fairly reasonable. This was evidenced by their responses to the pertinent questionnaire item, with their responses having the mean score of 4.35 in a scale with 5 as the highest value indicating the strongest agreement possible. During the FGD, this seeming contradiction was explained by the personnel's appreciation of the nature of work in government, given the policies implemented through the Rationalization Plan at the DTI. Meanwhile, NERBAC XII personnel also perceived their work as having variety, with their responses to the relevant questionnaire item having a mean score of 4.35.

Aside from its core personnel, NERBAC XII organization included the IAN, which gives it its inter-agency, multi-sectoral character (Center Managers Presentation, October 2012). IAN was a network of provincial government offices, LGUs, investment promotion centers and NGAs involved in business registration, statistics generation and coordination with local chambers. IAN's structure was patterned after the three functions/services of NERBAC. *Figure 6* shows the support agencies from the NGAs and the LGUs under each function.

Figure 6. Investors' Assistance Network Composition

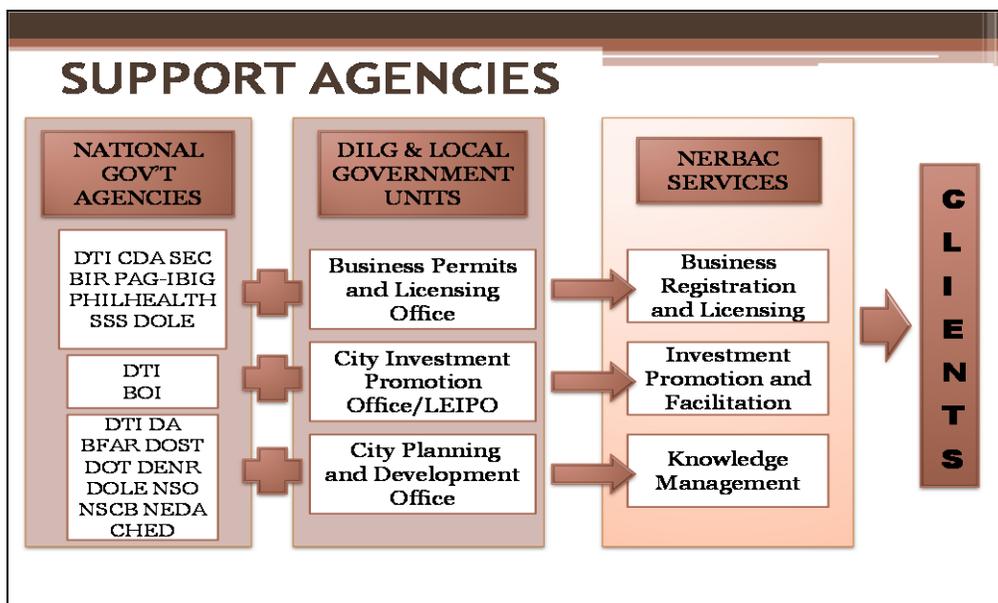


Figure 7 lists the tasks of IAN while *Figure 8* presents Local Economic and Investment Promotion Officers (LEIPOs) as IAN's core group. The creation of LEIPOs vested in the LGU the task of investor promotion at the LGU level. In practice, NERBAC XII partly depended on them to identify investor's needs. De Lima said the capacity of the LEIPOs to lead investment promotion was still weak and hence NERBAC XII's capacity-building activities (i.e., identifying and packaging big-ticket project proposals, strengthening presentation skills, and conducting orientations on template encoding) for this group.

Figure 7. Investors' Assistance Network Tasks

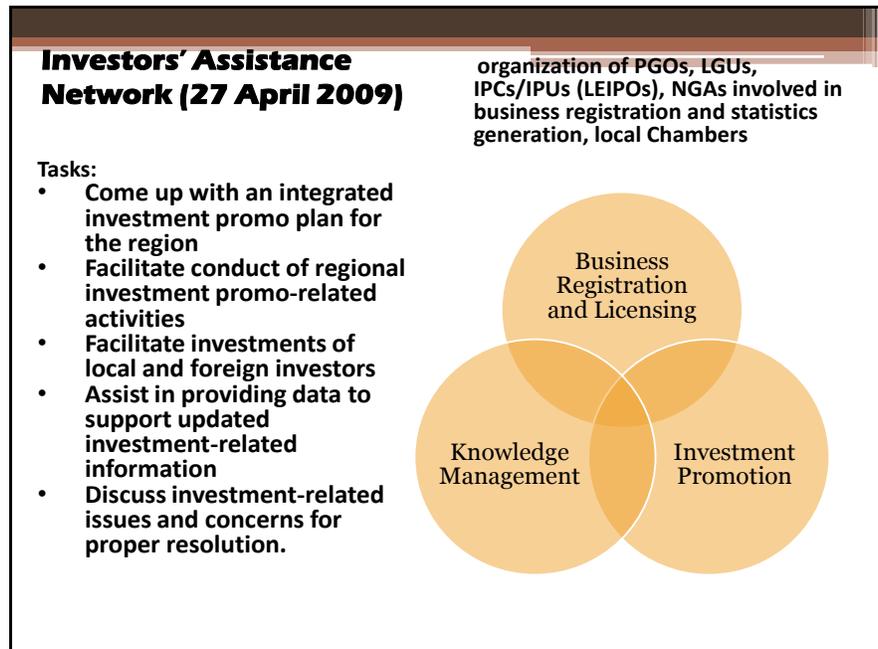
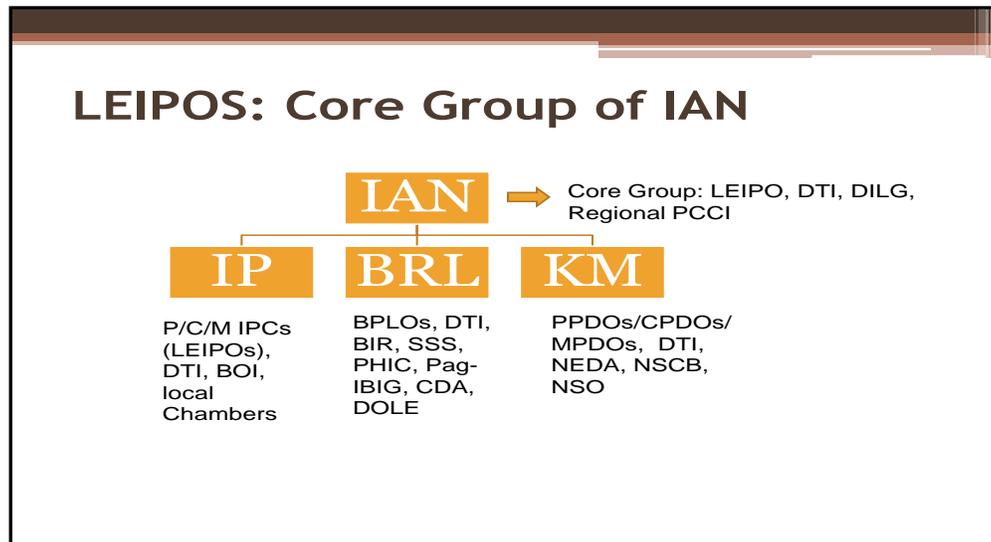


Figure 8. Role of Local Economic and Investment Promotion Officers for the IAN



Source: Gumana Presentation, NERBAC XII, March 2013

NERBAC XII within the DTI Regional Office XII Structure. An integral part of NERBAC XII's structure was its distinct but integrated role within its 'parent' unit, RO XII. Service lines and customer segments had been delineated and distributed within RO XII's offices. For example, in terms of service line, the regional office (RO) had been assigned to focus on industry development, NERBAC XII on investment promotion, and the provincial and city offices on business development support services. In terms of customer segments, NERBAC XII had been assigned to largely focus on small to large businesses and its IM's objectives to cater to the large businesses while the provincial

and city offices cater to micro-businesses. Thus, when potential projects identified in the Investment Roadshows were within the estimated costs that micro-businesses work with, NERBAC XII was to refer these projects to the provincial and city offices that should then interface and assist in the development of this customer segment. NERBAC XII still had the responsibility of assisting this segment, however, through its SMILE Program and Business Opportunity Seminars. The technology of this program was the same as the IMs except that the target investors were large businesses in the region which had supply needs that may be provided by micro and small businesses in the region.

In 2013, this role delineation was affirmed when it was agreed that it is the provincial and city offices that were accountable and would report on the achievement of investment targets, with NERBAC XII providing a means – its activities - by which the POs can achieve the regional targets.

In its operations, NERBAC XII was strategic by utilizing the DTI regional structure and its various offices to expand its capacity. “We double staff by networking within DTI,” De Lima explained.

d. Systems

The systems in place in NERBAC XII, excluding DTI Central-initiated systems, were designed and, to some degree created, by De Lima, are automated, and are fully usable except for the Philippine Business Registry (PBR), the Business Registration and Licensing (BRL) Unified Form, and Regional Business Registration and Database Management System (RBRDMS).

The RBRDMS was set up to address the needs of business registration applicants of Region XII as they apply for the various permits and licenses required by NGAs and LGUs for registering their businesses and renewing their business licenses. In particular, these needs are centered on reducing the time it took to fill-up and submit the numerous forms, travel to and from government offices for the application processes, follow-up the application in the different offices, and other process problems.

The RBRDMS had auto-populating capability which eliminated the need to repetitively encode redundant information on the different business registration forms of NGAs and LGUs. It also provided instructions on how to comply with the documentary requirements for registering a business. The applicant and users could monitor the application as it was being uploaded. All LGUs in Region XII were linked to the RBRDMS and the data sourced from the completed Unified (BRL) Form were already in the system. It was hosted at www.investinr12.com until around October 2012.

The most important limitations of the system were: (1) that the retrieval and use of the stored data to generate information for analysis and decision-making could not easily be done to suit the needs of the users, in particular the administrator who is NERBAC XII; (2) the uploading by LGUs of business applications could not be accomplished simultaneously at a given time; and (3) that there was no documentation of the system except for a User’s Manual. The programmers who developed the system had finished their assignment with NERBAC XII at the time the study was conducted. There was a system administrator among the staff.

De Lima has sought INVEST's assistance to upgrade the RBRDMS as a short to medium-term measure until the full implementation of the PBR. Not all LGUs had the capacity to connect with the PBR due to certain system requirements. Considering that all LGUs in Region XII were already linked to the RBRDMS, De Lima was of the opinion that the RBRDMS's upgrading as a complement to the PBR was worthwhile.

Upgrading the RBRDMS would likewise make possible the analysis of the data sourced from the completed Unified (BRL) Form already in the system and thus strengthen the KM and investor promotion programs of NERBAC XII. De Lima's project objective was to deliver a database system that would capture the data encoded in the forms to be able to generate information on investments for analysis and decision-making.

Website. NERBAC's website started in 2010 with the aim of housing all the Center's KM products. The Business Opportunity Seminars (BOS) databank, which is imbedded into the site, is a repository of information uploaded by companies which are interested in business matching. The site's clients are current and potential foreign and local investors, registrants, IAN members, staff members of NERBAC XII and other NERBACs, and researchers. Subsequently, to address the site's low capacity, De Lima spearheaded the use of Google Apps.

Communication, Planning and Finance sub-systems. Integral parts of the system component of an organization are the communication policies and practices, and planning and financial sub-systems. All such systems had been found by the staff to be facilitative of the efficient and successful operations of the Center. In NERBAC XII, communication is carried out through face-to-face and virtual media and the staff strongly agreed that communication is effective in the Center. Meanwhile, the Center has a P1.5 M annual budget. This fund was successfully channelled to the Center by De Lima successfully, with the Regional Director's approval, from the budget of the RO as it had been 'mainstreamed' into the regional budgets. Apart from salaries of personnel, this budget funds their activities. Finally, the staff valued and considered empowering the Center's planning cycle which had been embedded and continually executed successfully each year.

d. Style/Leadership

The study findings show that De Lima demonstrated transformational leader (Burns, 1978; Bass, 1990) behaviours and other leader attributes that impacted positively on the effectiveness of NERBAC XII. Part of her effectiveness as a leader was the astuteness in developing and tending to her relationship with Region XII Director Ibrahim Guiamadel and with her Division Chief. The results of these dyadic relationships and the effective management team it created, was part of her success. 'For her part, FGD results show that NERBAC XII's Division Chief Ethel Gumana demonstrated effective task and relations-oriented behaviours. The integration of these two styles – task- and relations-orientations – has been found in literature to be associated with the satisfaction of followers and increases in performance. Literature also teaches that practicing one style while disregarding the other negatively affected productivity.

The staff also cited the close coordination and communication, as well as the unity in direction between Gumana and De Lima. Gumana's actions also demonstrated a bias for action and experimentation as well as closeness to the customer (Peters & Waterman, 1982).

Table 4 shows the behaviours of De Lima as perceived by her staff and its classification according to the transformational leader framework (Kouzes & Posner, 1987; Bass & Avolio, 2003). Transformational leadership studies often describe leader behaviours through their affect and effect on followers.

Table 4. NERBAC XII's Transformational Leader Behaviors Observed in De Lima and NERBAC XII Personnel's Opinions and Attitudes Towards Them

Transformational Leader Behaviors from Literature (Kouzes & Posner,1987 unless indicated)	Indicators	Perceptions of Staff of De Lima's Attributes & Behaviors & its Effect on Them & the Organization
<ul style="list-style-type: none"> • Challenging the Process • Fostering/Strengthening Intellectual Stimulation (Bass & Avolio, et.al. 2003) 	<ul style="list-style-type: none"> • Searches for innovative ways to improve the organization; Experiments & takes risks to find better ways of doing things • Solicits new ideas & creative solutions to problems from followers who are included in the process of addressing problems & finding solutions; Does not ridicule or publicly criticize individual members' mistakes. 	<ul style="list-style-type: none"> • "I have a comparison to make between the two offices I've been to... here you can easily go and knock on the door of ARD or shockingly you can chat with her, through Gmail." • "This helps us a lot. If there are queries raised by clients that we cannot answer, we can call her or chat with her anytime." • "We have benchmarking activities; also company visits to large corporations and immersions." • "We brainstorm during the planning ... & as the need arises. Although Ma'am Doris sets a direction for us, we can suggest on what (KM) material could we come up with." • The results of the FGD show that De Lima is perceived by her staff to practice open communication, is willing to listen, is open-minded, and is approachable. • The results of the survey show that the staff find that suggestions are considered and, when warranted, implemented. The responses to the two relevant items in the questionnaire scored means of 4.5 and 4, respectively.
<ul style="list-style-type: none"> • Inspiring a Shared Vision 	<ul style="list-style-type: none"> • Pursues a vision, goal, or purpose • Mobilizes follower support toward future possibilities 	<ul style="list-style-type: none"> • "I was here in 2008, <i>kabubukas pa lang</i> (when it just opened)... The good thing is, we already identified our purpose for being here." • "May purpose <i>siya</i> (De Lima) why we came out with that data book (De Lima has a purpose; that's why she came up with the data book). Visiting students & the private sector get these. <i>Sa ibang regions, tsaka pa</i>

Transformational Leader Behaviors from Literature (Kouzes & Posner,1987 unless indicated)	Indicators	Perceptions of Staff of De Lima's Attributes & Behaviors & its Effect on Them & the Organization
<ul style="list-style-type: none"> • Enabling Others to Act • Providing Inspirational Motivation (Bass & Avolio,et. al. 2003) 	<ul style="list-style-type: none"> • Fosters collaboration & teamwork • Creates an environment of choice & empowerment • Behaves in ways that motivate those around them by providing meaning and challenge to their followers' work. Individual and team spirit are aroused. 	<p><i>lang magre</i>-research (Other regions research only upon request for data is made)]. Us, we are prepared.”</p> <ul style="list-style-type: none"> • “We have open communication. What is good in our leaders is they are supportive of on one another (referring to RD & De Lima). We have a mother and a father in DTI 12 that support us.” • “What strikes me here is we are given independence in making decisions. For 13 years, I was in (another office), regular staff never did planning and budgeting. So it gives you the independence to chart your own course for the year. And whether you fail or succeed, it's actually really up to you, because you're the one who made the plan for the year. So you have to make sure that you can deliver as well.” • “You will have the chance to learn from the experience you get.” • “We already researched competitiveness indicators before (NCC) even called for it ...That is one proof that it is advanced here. Other regions don't have that.” • “Due to the target of 4 PBR registered-businesses in a month, they (staff in charge of PBR & mgt.) brainstormed. Naye (staff) did outreach by orienting bookkeepers. That's also not being done by the other regions... it's one example of proactive leadership. You do something that makes sure that something happens.” • The survey results show that the personnel feel confident in giving suggestions to achieve goals (mean of 4.6). • The survey also found out that the staff strongly agrees that their jobs challenge them (mean of 5).

Transformational Leader Behaviors from Literature (Kouzes & Posner,1987 unless indicated)	Indicators	Perceptions of Staff of De Lima’s Attributes & Behaviors & its Effect on Them & the Organization
<ul style="list-style-type: none"> • Modeling the Way or Providing an Appropriate Role Model (Podsakoff,1996) • Providing idealized Influence (Bass & Avolio,et.al. 2003) 	<ul style="list-style-type: none"> • Sets a personal example through consistency of words & actions • Steers projects toward attainable courses of action • Shares risks with followers and is consistent in conduct with underlying ethics, principles, and values. 	<ul style="list-style-type: none"> • De Lima is perceived by her staff to be honest & a person of integrity, hardworking, persevering, & striving toward excellence. • “Right from the start we were oriented on professionalism, that it is a must in the organization.”
<ul style="list-style-type: none"> • Encouraging the Heart 	<ul style="list-style-type: none"> • Recognizes contributions for a job well done. • Finds ways to celebrate accomplishments 	<ul style="list-style-type: none"> • “Ma’am Doris would give us feedback regarding what Usec Cruz would say regarding our accomplishments and it’s gratifying to know that our work is appreciated. <i>Maganda sa feeling ang naa-appreciate kami.</i> (It feels nice to be appreciated).”

In addition, De Lima also demonstrated the behaviours supportive of “Intellectual Stimulation” when she devised an incentive mechanism for the DTI field offices to produce project briefs, not an easy task considering it would require additional work on top of fulfilling regular functions. After funding for its production by an outsourced provider ran out, she provided a small amount (PhP2,500) per project brief that can be produced. The amount went into that office’s funds. This generated an additional 21 project briefs. She also formalized On-the-Job Training arrangements with local academic institutions for the production of project briefs.

Roberts (as cited in Bass, 2008) described more specific behaviours for “Intellectual Stimulation” that are appropriate for situating leadership within a public sector context. Five of the nine were used to frame actions described by De Lima from a leadership framework. The five are: (1) mobilizing and building support for their ideas; (2) circulating their ideas through various media available to them; (3) collaborating with other highly visible and reputable groups and organizations; (4) creating demonstration projects; and (5) positioning and developing supporters in the government.

De Lima demonstrated all these behaviors, except the fourth, when she met with the General Santos City Mayor in March 2013 as part of the preparatory activities for the investment mission. A day after that meeting, she related to this author that the Mayor “adopted the DTI-NERBAC regional IP agenda effort” and that this would result in a “big impact because (the Mayor) can then require concerned agencies to work with us and we get information.” Mindful of the region’s performance targets, she added that the Mayor’s buy-in will help them achieve one of these targets.

The IAN and its activities were concrete examples of De Lima’s practices in mobilizing supporters; advocating ideas; and collaborating with, and positioning of, supporters in government. She used her influence towards meeting targets when she successfully persuaded 50 LGUs in the region to upload the business registration application form into NERBAC XII’s business registration system and convinced them to use the Center-initiated unified form. By intent or sheer recognition of her performance and/or personal relations, she also had a champion in DTI Usec. Cruz. Finally, she was a practitioner of the creation of demonstration projects as a way of winning over initially indifferent or resistant individuals to change. When the change “is a hard sell like the automated, virtually shared files, I demonstrate it first through NERBAC XII or by myself. In this case, I did the templates myself.”

There were indications that De Lima demonstrated “individualized consideration” defined as when “followers are developed to successively higher levels of potential.” New learning opportunities were created along with a supportive climate in which to grow. Individual differences in terms of needs and desires were recognized. She institutionalized workload discussions with her staff and is mindful of doable workloads. One example was how project briefs were produced. While every member was given targets, including herself and the division chief, she also thought of distributing its production among the staff of NERBAC provincial offices and on-the-job trainees from local academic institutions.

De Lima has exhibited other leadership attributes. An example of De Lima's bias for action and focus on customer needs was how the SMILE Program was conceptualized. Started in 2011, De Lima said, "I myself tried the project assumptions by going to the companies' purchasing officers and asking them for their big volume supply needs that are still sourced outside the region. The project assumption was that Corporate Social Responsibility (CSR) is a strategy companies can profit from." One need that was identified were rags that some companies were sourcing from Manila under their CSR programs. Manila suppliers can supply in scale and cheaply. De Lima secured the companies' commitment to order in volume from local suppliers if it could be proven that these suppliers can produce in the required quantities and at the same or lower prices. She then worked with the DTI provincial offices to gather micro and small business entrepreneurs in Region XII who were interested and capable in supplying the rags. Then NERBAC XII conducted its BOSS where the market matching occurred.

Another example was how NERBAC XII singled out a common need for available and titled lands cited by potential investors during the IMs. It subsequently proposed a land inventory that would involve relevant NGAs.

Being problem- or gap-oriented, one of De Lima's problem-solving approaches was tapping networks – the IAN – and other agencies that could assist customers. One example was when *Pangasius* fishpond operators approached her regarding their problems. She addressed one of their problems by facilitating their contacting the National Irrigation Administration. Another was when she suggested and helped them organize an industry forum to convene stakeholders for information-sharing and problem-solving among the operators themselves. She thus used the capital of her official position to bridge stakeholders without using NERBAC or DTI budgets. She also utilized her personal contacts and took on work herself to facilitate the formulation of solutions by entrepreneurs who approach her for assistance. In the case of the *Pangasius* fishpond operators, the approach was empowering because she provided avenues for customers to find solutions themselves.

De Lima also used imagery in persuading stakeholders and in helping her staff visualize NERBAC's reason for being ("Think of NERBAC as a manufacturer. For us to sell our product which is service, we must know it very well."). Her staff perceived her to be an efficient manager ("does things efficiently and is good at time management; a good financial manager & manages resources well"). She was consultative but pragmatic. She practiced the so-called 20-50-30 rule in convincing regional office employees to use the virtual reporting system; that is, work with the 20% who agree with you and the 50% who are indifferent and disregard the 30% who disagree with you. She said that once people see the benefit to themselves, they would be convinced to change. She was likewise adaptable and experiments. "I go by gut feel then change it when there are many gaps....If it doesn't work, I change it." She created the opportunity for her manager and staff to reflect and analyze, then she talked to them. She also used her analytical skills in value chain to develop insights that lead to results for customers and her IT interest and skills to develop solutions that ease NERBAC XII's and the RO's work.

Staff

The small organization that was NERBAC XII had a low turn-over rate and had the kind of people it needed, except an IT programmer. Nonetheless, some concern was expressed by the staff concerning what had been perceived to be the small size of the organization, limiting the latter's effectiveness in fulfilling its objectives.

In the open-ended question in the questionnaire on their reasons for working at NERBAC XII, each of the staff members gave at least one economic reason. All of them also pointed out to the need they have for personal achievement and self-actualization. This indicates that NERBAC XII staff has high "growth-needs strength," which is defined as the extent to which employees see their job as a means for satisfying growth needs (Alderfer and Maslow as cited in Jex, 2002).

NERBAC XII's staff is motivated. The constructs of the Job Characteristics Theory of Motivation (Hackman and Oldham, 1976 and 1980) provide likely reasons for this conclusion. Essentially, the theory proposes that core job dimensions are linked to "critical psychological states" or what employees experience psychologically when they perform a job and that this, in turn, is linked to personal and work outcomes, one of which is internal motivation (Jex, 2002). These linkages are moderated by the growth-needs strength of employees. The causality from the core job dimensions to the "critical psychological states" and to personal and work outcomes is affected by the levels of growth-needs strength.

While the study did not intend to determine whether NERBAC XII's staff members are motivated or not and the reasons behind it, the results indicate that, to a certain extent, the major components of the theory may be present and this may explain certain outcomes existing in NERBAC XII.

Under the Core Job Dimensions construct of the theory that refer to characteristics of a person's job, study results indicate that its dimensions of skill variety, task identity, autonomy, and feedback exist in the NERBAC XII staff's jobs. There is, however, no data to assess the dimension of task significance, the other dimension in the theory. FGD results surfaced that staff psychologically experience the critical states that the dimensions are linked to – experiencing meaningfulness from having skill variety and task identity; feeling responsibility from autonomy; and knowing results from feedback mechanisms in the organization. The staff's high levels of growth-need strength would, following theory, create the psychological states from the core job dimensions and that this, in turn, would lead to outcomes of internal motivation, low turn-over, and job satisfaction. There is no data from the study to include the other outcomes in the theory – performance quality and low absenteeism.

f. Skills

De Lima explained that when NERBAC XII was operationalized and she was given the flexibility to man the Center from among the regional office personnel, she deliberately chose those who were proficient in writing since the work was

primarily KM. The staff members were also chosen who had degrees in economics, marketing, sociology, and IT. Generally, therefore, NERBAC XII has the skills it needs except for IT programming skills. This skills set was outsourced previously when it was needed. Currently, while this skills set is needed by NERBAC XII, its lack is likely a function of the job market.

In terms of training and development, staff members were trained in some IT applications skills by the outsourced IT professional. Self-learning was also encouraged and frequent benchmarking and exposure activities addressed staff development needs.

3. Alignment of the 7S Organizational Elements

While it is striking that the values of “being hardworking, striving for excellence, having integrity and honesty, and professionalism” that the NERBAC XII staff held as important were among the same values they identified in describing the leadership characteristics of De Lima, it is not surprising. Selznick (as cited in Peters, 1982) and other management theorists offer an explanation of how shared values cohere an organization and integrate its social dimensions. Elaborating on the interrelations of institutions, organizational character (precursor of “organizational culture”), and distinctive competence, he states that “all refer to the ...transformation of an engineered, technical arrangement of building blocks into a social organism” -- organization into institution as the former is infused with values. “The infusion provides a distinct identity” (Ibid., pp. 98-99).

Thus, while NERBAC members joined the organization with their own “patterns of thinking, feeling and potentially acting” (Hofstede, 1991), their orientation into the organization, the espoused principles they see being enacted through leadership acts of every member and their leaders, and the affirmation of these values through the organizational elements, generates that “distinct identity”.

Shared values between leaders and followers are also a necessity for the leader to be effective (England & Lee, 1974). Thus, while De Lima was instrumental in forming the organization and shaping its identity, her leadership style and that of Gumana’s also became effective because of it.

The shared values enabled the customer-focused strategy, lean staffing, and flat structure to be effective. Extensive automation across internal functions and external services, despite current limitations, supported the structure and made possible the horizontal decision-making processes preferred by the leader.

The structure, with its reliance on IAN that is an expansive and functioning form of network organization, was aligned with the strategy and was instrumental in its execution. An essential part of the IAN was the different DTI offices in the region. The division of work among these offices and De Lima’s ensuring that they work together harmoniously to deliver the KM service line was an essential part of NERBAC XII’s organizational effectiveness because it allowed De Lima to focus on the Center’s value proposition.

Financial constraints limit service delivery. This was most evident in the RBRDMS’s lack of functionality. While De Lima’s and the Regional Director’s collaboration led to

NERBAC XII's use of its own funds, for other NERBACs, the financial policy of "mainstreaming" NERBAC's budget (limited as it is to PhP1.5 million) likely weakened service delivery and its alignment with their own strategies.

C. NERBAC XII's Value Proposition

First, the value proposition of NERBAC XII lies more in its delivery of its knowledge management services as essential inputs towards effective investment promotion than in the delivery of its business registration facilitation services. The external scan and organizational assessment analyses showed that while KM outputs are felt and appreciated by IAN stakeholders and Metro Manila-based firms, and its outcome, effective investment promotion is being realized, the problems that business registration facilitation seeks to address remain.

More specifically, this KM value proposition meets the needs of NERBAC XII's multiple clients:

1. DTI Central and Region XII for the generation of investment leads and actual investment inflows;
2. large, micro, small, and medium enterprises, whether regional, local or foreign, investment-related information;
3. LGUs in the region and government partners for data, information and knowledge as inputs to their achievement of their organizational functions; and
4. researchers.

This KM value proposition derives from NERBAC XII's intense focus on the design, execution and review of its KM Process Map. This technology, the transformation of inputs to outputs, results from an effective alignment of its organization elements. Among these are a strategy of service differentiation and customer focus, a flat structure with horizontal decision-making processes, a distinct but integrated role within the regional office structure, and systems that enable it and its partners to respond fairly quickly to its environment. It has an adaptive capacity for strategy-setting and planning and efficient and effective execution due to transformational leadership behaviors by De Lima and Gumana, management team cohesion, skills set that fit the organization's KM focus, and as internally motivated staff. The fact that the technology was produced iteratively is proof of its adaptability. This focus has allowed it to achieve organizational effectiveness.

Another aspect of its value proposition derives from NERBAC's inter-agency nature which NERBAC XII utilizes for its convening function; made possible through its creation and nurturing of IAN. This presents value to investors interested in the region.

Meanwhile, the persistent problems that limit NERBAC XII's organizational effectiveness in providing a physical one-stop center where the different NGAs involved in business registration would be present is a reality outside the Center's control. Given this, De Lima instead addressed the root problem of a highly fragmented regulatory context that solutions like one-stop centers were conceptualized for. She developed the RBRDMS which if upgraded and made functional once more, can provide NERBAC XII's value proposition on business registration facilitation.

The value propositions of NERBAC XII make it effective as an organization because it is able to offer a distinct service to its stakeholders and customers. At the core of this service is its capacity to aggregate and customize data into usable information to support its three functions. The study results suggest that no other provider supplies the KM value proposition (i.e., depicted in the process map) that NERBAC XII's technology has designed. This technology allows it to maintain a close "fit" with its external environment and is an appropriate response given constrained resources.

D. Recommendations for the NERBAC XII Proposition

The recommendations below address the few gaps that the study surfaced in NERBAC XII's practicing of KM.

1. Systematic Needs Identification

While each of its members has regular contact with enterprises who express their needs which then get acted upon by the organization through its programs, there does not seem to be a systematized process of storing and integrating these needs for use in external analysis, strategic planning, or other uses. For example, pieces of information generated from such contacts are not subsequently fed into a data bank prior to being acted upon.

Gumana acknowledged this gap and said that NERBAC XII currently relies on existing structures such as the LEIPOs, the chambers within the IAN, and the DTI POs, for needs identification. It is unclear, however, how purposive these needs identification activities are or whether these needs are assumed to be addressed by the programs proposed by partners.

The values of a systematized needs identification and storage process are many and varied: to fit services to the actual needs of customers in the region; to test nationally-mandated programs and identified industry clusters; and to monitor program design and effectiveness, among others.

Meanwhile, the findings from the external assessment conducted under this study may be of use to NERBAC XII as a base of such a systematic-needs identification and as a check to remaining gaps that it can address, as appropriate. One such gap for NERBAC XII to consider acting on is the recognition by its IAN partners of the need for NGAs to streamline their respective business registration processes.

2. Staff Training

While there have been few resources for training for NERBAC XII's staff, the very small number of personnel, and the high volume of work in the Center make leaves for training seem luxurious, providing such opportunities will further increase job satisfaction. Furthermore, choosing trainings with learning objectives that can be immediately applied in the work place will redound to NERBAC XII's benefit. Trainings on-line that are provided free of charge should be explored for the staff.

3. *Promotional and Informational Materials*

The model of academe-NERBAC XII partnership for the production of industry profiles can be applied to improving the design of promotional and informational materials in hard copy and those on the website. Schools in the region with Fine Arts and Design programs can be tapped for this.

V. GUIDEPOSTS FOR REPLICATION

There are doubts at the DTI National Office and even among regional DTI personnel about the value of NERBAC as a distinct program, much more a distinct organization within the DTI structure. Opinions were expressed that what NERBACs do can also be done, and indeed are being done, by the ROs and the POs. The Micro, Small and Medium Enterprise Development Plan 2011-16 does not mention NERBAC. NERBAC Central Managers themselves gathered together in August 2012 to discuss the centers' identity and their strategic positioning. The manner by which some NERBACs have been implemented lends basis to former DTI Undersecretary Merly Cruz's opinion that it has been mainstreamed into non-existence.

Yet, as this study has determined, NERBAC XII's focus on KM has been effectively utilized towards the achievement of Region XII's strategic outcome target of jobs generation through investment promotion. The Center has undertaken extensive KM activities for its own purposive action – the conduct of investment missions and regional investment generation programs – as opposed to producing KM products only for the occasions when investors access these. There are reportedly other NERBACs that have undertaken good practices.

Furthermore, the study found out that micro, small, medium, and large enterprises have multiple and varied needs and that there is no single provider that can meet these needs, leaving many of these needs unanswered. There is thus a need to use existing structures while ensuring that their functions are clearly delineated from each other and that they complement each other towards the attainment of goals. Conversely, duplication of structures, such as the creation of new ones with the same or similar functions as well as strengthening one, or the duplication of functions, should be avoided. Once applied, the principle of delineation and complementation, not duplication, of DTI sub-organizations would enable such structures to achieve DTI's mission of "enabling business."

The study recommends the replication of NERBAC XII's KM Process Map - its technology - that generates its value proposition. For replication to take place, the following authorizing actions are needed:

- A clear and unequivocal acknowledgement from the DTI Secretary or the DTI Undersecretary of the Regional Operations and Development Group (RODG) of the value of NERBACs within the current policy directions and priorities of DTI; and
- The delineation of NERBACs as distinct groups within the DTI ROs that have their own intermediate target as support to the PO's jobs generation target and its own distinct but complementary programs and services to achieve this target. Delineation and complementation and not duplication or, worse for NERBAC, being subsumed into non-recognition, should be the guiding principles.

It is worth noting that NERBAC XII has a staff that may be small but its members have been assigned full-time to the fulfilment of functions and that this contributes to its effectiveness. Conversely, other NERBACs that operate with less definite targets and services have staffs that assume functions in the RO or PO while serving in the Centers. While the Rationalization Plan is a real constraint to DTI managers' ability to properly distribute workload, DTI Central management should seriously consider assigning full-time staff, even at very few numbers, to NERBACs.

- The purposive organization and active use of NERBAC's inter-agency nature as an implementation mechanism and not simply as a coordinating and planning mechanism. Doing so, as NERBAC XII has done, can provide a distinct service that other inter-agency bodies, like the Regional Development Councils, do not seem to fulfil.

Relatedly, one value of this study is that it provides a persuasive positioning for NERBACs. A review of NERBAC Center Managers' presentation on its Strategic Positioning (August 2012) showed that while it positions itself as a "regional investment arm" and as a "primary source of economic information/data," it does not present persuasive metrics on the value it generates for DTI's critical indicators. It also does not state how such value is already being achieved by Centers like NERBAC XII. There are good practices shared across NERBACs, including NERBAC XII, but it presents these practices as distinct activities as opposed to an integrated and logical chain - the technology - depicted in NERBAC XII's process map (*Figure 4*).

A. Enabling Factors

As the study showed, NERBAC XII's organizational effectiveness results from a KM value proposition that is formed from each organizational element and its coordination with each other. This confluence derives from the 'hard' (structure, systems, strategy) and the 'soft' elements (shared values, style, staff and skills), two categorizations which are equally important. The 'hard' elements are more directly influenced by management and can therefore be mandated while the 'soft' are harder to mandate because these are influenced more by organizational culture. Nonetheless, shared values are at the core of alignment and are thus more important than the rest.

Following this principle, the enabling factors identified and described in the organizational assessment section of this report are singled out by element in *Tables 5 and 6* as guideposts towards effective replication. Recommendations to the Undersecretary-RODG, Regional Directors and other NERBAC Center Managers, some practical while others are more structured, in terms of instituting certain inter-organizational and organizational practices, are also provided.

**Table 5. Enabling Factors, by Organizational Element,
and Recommendations to the DTI Undersecretary-RODG
for the Enhancement of these Factors**

Organizational Elements	Enabling Factors in NERBAC XII	Additional Recommendations to DTI Undersecretary-RODG
Strategy	Service Differentiation & Customer Focus	Given the pre-determined mandate of NERBACs (information service provision & business registration facilitation) & its weak control over the business registration service line, focus more effort on the KM service.
	Organization's intense focus on core functions.	Enable this focus by working for clear delineation of roles among DTI offices & active use of NERBAC's inter-agency nature.
Systems	Use of P1.5 million 'NERBAC' budget	After the recommended authorizing actions are issued, particularly the delineation of NERBACs' intermediate targets and corresponding programs & services, instruct the RDs to allocate & release the P1.5m NERBAC budget from the regional budget.
Style/ Leadership	Bias for action & experimentation, honest stocktaking & regularity of quality customer contact	Instruct DTI Central Human Resource Management Division (HRMD) to include these and other leadership characteristics described in the study in its success profiles (that becomes the bases for competencies DTI managers are assessed against).

**Table 6. Enabling Factors by Organizational Element
and Recommendations to the RDs & NERBAC Center Managers
for the Enhancement of these Factors**

Organizational Elements	Enabling Factors in NERBAC XII	Recommendations to RDs & NERBACs
Shared Values	Work values that are aligned with members' work motivations.	Set recruitment criteria that would align applicants' work values w/ the nature of the work & system constraints. Process applications at the regional level.
	Shared values between leaders & members.	Use recognition & intrinsic rewards (given government constraints) to align values.
	Values that fit with the nature of work and system constraints.	Demonstrate role modelling.
	Norms of informality between managers & staff & low power distance facilitate flexibility & adaptability to changing conditions	Reduce or abolish practices that manifest formality, hierarchy & bureaucracy. Simple examples are the ways by which staff can communicate to leaders, whether this is required to be by appointment or not or whether staff feels free to communicate to leaders through technology.
Strategy	Service Differentiation & Customer Focus	Focus more effort on the KM service (vs. the business registration service) & differentiate it from other providers' service in the region.
	Organization's intense focus on core functions.	Enable this focus by working for clear delineation of roles among DTI offices & the active use of NERBAC's inter-agency nature.
	Translation of organizational goals into individual goals & their active monitoring.	Use technology to facilitate usage & simplify formats to make it user-friendly. Undertake effective strategic planning.

Organizational Elements	Enabling Factors in NERBAC XII	Recommendations to RDs & NERBACs
Structure	In NERBAC, a flat structure w/ horizontal decision-making power enabled by communication systems & reduced hierarchy.	Practice shared decision-making with members and delegation of decisions to those with customer contact, as appropriate.
	Clear delineation of roles among DTI offices in the region that avoid duplication and facilitate synergy.	If such clarity in role assignments is absent, for the RD or Center Manager to initiate inter-group development interventions like Redesign of Team Structures followed by Responsibility Mapping.
	Purposive & active use of IAN to achieve goals	Using NERBAC's mandated inter-agency nature, establish a network form of organization or "pooled relations" (Winter, 2006) and make it functional & programmatic.
Systems	System of project conceptualization, planning & budgeting, execution & review are embedded in practice, It is characterized by honest stocktaking towards improved action.	Improve the system's utility to participants by making it relevant & implementing agreements & by ensuring that organizational members have the time & energy to undergo the process.
	High degrees of automation realized mostly through the use of inexpensive platforms such as a website that houses extensive KM database.	Implement automation wisely & prudently, resisting expensive options that cannot be sustained.
	Use of P1.5 million 'NERBAC' budget	For the Center Manager to convince RDs of the value of NERBAC in the achievement of regional targets. Work for the allocation of the P1.5m from the regional budget.
	Highly participative planning system and the design of workload	Widen participation in planning system & empower organization members by

Organizational Elements	Enabling Factors in NERBAC XII	Recommendations to RDs & NERBACs
	distribution	giving greater autonomy.
Style / Leadership	Regional management cohesion enabled by buy-in of NERBAC's value from Regional Director.	For the Center Manager to communicate results of demonstration projects that exemplify NERBAC's value or NERBAC XII KM value proposition & results. Depending on the state of relationships, undertake team and leadership interventions, as appropriate.
	<p>Complementary leadership styles of Center Manager & second level leader.</p> <p>Bias for action & experimentation & regularity of quality customer contact Center Manager's deliberate use of the DTI reg'l structure, IAN, & academic OJT arrangements to achieve reasonable workload distribution towards goal attainment.</p>	Heighten self-awareness by Center Manager on leadership & management strengths & weaknesses to improve recruitment or selection of second level leader & facilitate complementation.
	Center Manager's deployment of technical, human and conceptual skills to achieve goals through the organization and its members.	<p>Undergo leadership training or reading of leadership books & immediate experimentation/trial of these behaviours in the work environment.</p> <p>Establish regularity of customer contact & the activities that bring these about.</p> <p>Organize & systematize data on customer needs generated from these contacts.</p> <p>Implement OJT arrangements for KM database build-up.</p> <p>If needed, review conceptual and technical skills needed for work (i.e. value chain analysis) and place equal</p>

Organizational Elements	Enabling Factors in NERBAC XII	Recommendations to RDs & NERBACs
		importance on human skills.
Staff	Process of induction into NERBAC that clarifies goal & that presents a logical definition of the org.'s process map or 'technology' (input-throughput-output & how it evaluates).	Adopt induction practices for new recruits or as a refresher for current members.
	Full-time designation of staff for NERBAC XII, particularly given limited number of staff	Review and discuss workloads & assignments at the regional level to enable full-time designation.
	Staff development provided by regular benchmarking, immersions & self-learning	Implement these staff development interventions.
Skills	Recruitment criteria emphasizing skills set that "fits" with KM tasks	Revise, as needed, recruitment criteria at the regional level.

While it is the KM value proposition that is being proposed for replication, the upgrading of the Regional Business Registration and Database Management System (RBRDMS), if successful, may also present a value proposition for NERBAC's business registration service, even as an intermediate measure before the full functionality of the PBR.

Notwithstanding DTI Central's directives and plans for the PBR, the execution of the PBR and the LGUs' BOSSs thus far encroach on only some aspects of the registration functions that a strong NERBAC can offer as a value proposition. Currently, the PBR provides the primary registration requirements (issues the business name or registration numbers) of the BIR, DTI, SSS, Home Development Mutual Fund, Philhealth, and Securities and Exchange Commission. However, the functionalities to provide for the secondary registration requirements of other NGAs, the Mayor's Permit requirements, as well as the other requirements by LGUs are still at an incipient phase. Moreover, while the PBR system is available on-line, there is reportedly a designated time when certain services can be accessed. Operationally and in terms of generating a business name, the PBR exceeds the time standard of 15 minutes. Thus, in the DTI in CDO, for example, the staff often has to shift to the earlier established Business Name Registration System to be able to meet the published performance standard.

Meanwhile, there is wide variation in the conceptual understanding, and hence implementation of, BOSSs across LGUs. Some provide space for NGAs to deliver registration services while others provide only local registration services. Some LGUs have fashioned formal arrangements with regional NERBACs or accepted such offers from the NERBACs to delineate registration services according to process (new business or renewal) or by level of government (NGA registration requirements or local). Other LGUs have no institutional links with the regional NERBAC at all.

Given these current limitations, the relevance of the business registration facilitation function of NERBAC is still cogent. The value proposition can be concretized through the RBRDMS. However, converting the RBRDMS into an off-the-shelf system that can then be adopted by other NERBACs requires further study into the factors that constitute effective IT replication. It is worth noting that the utility of the RBRDMS to Region XII stakeholders was achieved after De Lima successfully persuaded all 50 LGUs to use its unified form and thus share and update its data. Any expectation therefore that the system can be easily replicated elsewhere and achieve the same results would be unrealistic.

B. Recommendations for the INVEST Cities

The cities of Batangas, Iloilo and Cagayan de Oro (CDO) share the goals of DTI and NERBACs of investment growth. The findings presented below describe the state of practice of NERBAC functions in investor promotion (IP), including investment agenda-setting, business registration facilitation and KM. The findings are from interviews with Regional Directors and Center Managers of the regions where the three cities belong.

1. Investment Promotion

As the study showed, NERBAC XII's strategy for undertaking IP, which it had tested and had produced results, is worth adopting by other parties. However, the DTI regional offices and the NERBACs of IV-A, VI and X do not have the same 'technology' of undertaking IP that NERBAC XII has. What is common between these offices, on one hand, and NERBAC XII, on the other, is the use of priority industries identified through the DTI industry clustering approach and through the regional Medium-Term Development Plan in identifying investment priority areas. Beyond this, however, differences are stark between what exists in terms of IP in NERBAC XII and the other three regions.

a. Findings

i. Region IV-A (Batangas City)

The RO assumes a largely monitoring or oversight function in the implementation of IP by LGUs, other concerned NGAs (e.g., BOI), and DTI POs (and NERBACs). While the RO spearheaded a Luzon Investment Conferences (I-CON) a year or two ago and a New Wave Cities Conference on ICT, it does not foresee holding the same events regularly. IP for large investments and joint ventures are assigned to BOI and DTI POs while IP for SMEs are assigned to DTI POs. In the I-CON, the NERBAC Center Manager for Laguna and concurrent NERBAC RO manager assisted LGU project proponents through the provision of project proposal templates and advice.

The NERBAC lodged at the RO does have a staff but its members work at the Center on a part-time basis. KM materials seem much more limited than what NERBAC XII has. While DTI scaled-out NERBACs to the POs a few years ago, there is no clear delineation between PO and NERBAC functions within the PO, although there is a space allocated for the business registration functions of NERBAC. The DTI Provincial Director (PD) of the

Province of Batangas said that the NERBAC in the province is not engaged in IP largely because the functions related to it are fulfilled anyway by the DTI PO. Unlike NERBAC XII, which has the IAN, and NERBAC X which has its “cooperators,” NERBAC IV-A’s way of coordinating with other NGAs is through the RDC, under which it is lodged..

ii. Region VI (Iloilo City)

The function of IP is lodged in the PO for specific industries, with ICT being assigned to Iloilo City, and not promoted on a regional scale. IP for large, BOI-types of investments at the local level are the responsibility of BOI Cebu. Those for SME-level investments are lodged at the PO level and the past two investment roadshows were undertaken in partnership with LGUs and the private sector.

While KM is viewed as a means towards IP, not much has been organized in the region toward strengthening capacities in the area. The NERBAC in the PO centralizes the LIICs of cities & municipalities in the province, their City Land Use Plans, company profiles, and project briefs/situationers.

iii. Region X (CDO)

IP responsibilities are shared among BOI and the DTI offices in the region, with NERBAC X being considered and operating as a special program of the DTI RO. BOI and the Philippine Economic Zone Authority (PEZA) take the lead for large foreign and Joint Venture investments while DTI offices are responsible for SME development. Within the DTI regional structure, POs are primarily responsible for developing CDO’s competitive advantage in the poultry industry for Mindanao and in the bamboo and *Pangasius* industry clusters. The POs provide training to SMEs within these clusters.

NERBAC X services have diminished in terms of IP for SMEs. In terms of implementing the industry clustering approach, for example, it assumes no role. In implementing Region X’s SME Caravans, NERBAC X supports the POs by identifying resource persons for it and tapping its inter-agency nature for coordination needs with other NGAs.

Two years ago it led preparations for the investment road show conferences for the Mindanao Business Conferences and the Brunei-Indonesia-Malaysia-Philippines East Asia Growth Triangle (BIMP-EAGA). For this, NERBAC X prepared investment modules (one-page documents with pre-feasibility investment data) on potential power, tourism and palm oil investments. Similar with other NERBACs, it held business matching activities during the conference and it monitored post-road show leads. However, the Center is not expected to do the same set of activities again since the DTI Secretary has limited IP outbound missions to those funded by other agencies, NERBAC X does not provide capacity-building for LGUs in the region.

KM is considered as a means towards investment generation. However, there is currently no statement on its link with outputs because of the vagueness of this metric in the PO scorecard. Among the available KM

products are a list of establishment from partner LGUs, the Cost of Doing Business material, and investment modules for priority clusters that contain details that investors usually ask, e.g. estimated return on investments.

b. Recommendations

An IP technology similar to that of NERBAC XII does not exist in the three regions where INVEST cities belong; neither does the clear delineation of functions and targets among the DTI regional units/programs that made possible NERBAC XII's value proposition in IP. If the IP technology and its structural enabler were present, it would have been possible for INVEST cities to assume more of an active participant role as opposed to an initiator and program designer role. Since this is not the case presently and current DTI Central directions suggest that this will also not be the case in the short term, the study instead recommends that the cities assume the latter role.

In particular, the cities can assume the lead coordinating role in replicating the good practices of NERBAC XII that fit the environment and actual and potential organizational capacity with which they work. The IP technology that the study describes can be the model for the planned cities' investment centers. The cities may even seek technical assistance and advice from De Lima in their respective efforts to adopt NERBAC XII'S IP technology.

After thorough internal planning on what can be replicated given current capacities, the cities can request for the DTI RO or PO to convene the inter-agency organization of their NERBACs so that they can tap into the different NGAs' services (BOI's and the PO's orientations and trainings) and existing NERBAC KM products (investment modules, project briefs, etc.)

In terms of the capacity building that the investment centers' staff would need, the cities can look at the study's recommendations under the section on Staff to improve the fit between staff recruitment or selection and the skills that the centers would need. Moreover, besides INVEST's capacity building assistance, the cities can tap existing programs offered by NGAs and other donors.

Similarly, the cities can examine each enabling factor discussed in this report under each organizational element to assess whether these are applicable to their current organization and what customization would be required to ensure effective replication or even, innovation.

2. Investment Agenda

As earlier recommended to INVEST management, it may be helpful for the INVEST cities to be actively involved in the DTI's National Industry Cluster Capacity Enhancement Project (NICCEP) assuming that they are not yet involved. As the program claims to have undertaken consultations in identifying priority industries, INVEST cities may benefit from having added knowledge complementing INVEST's own industry studies. INVEST may benefit from using existing and available resources that emanate from government.

3. *Business Registration and Licensing*

As with investment promotion, it seems that the NERBACs in the cities of Batangas and Iloilo are not providing much value-added in terms of facilitating registration. The PO that interfaces with Batangas City was cooperative in the implementation of the 2013 streamlined renewal and new business registration process. The NERBAC in Iloilo provides Business Name registration and makes available SSS and CDA registration services once a week when these agencies' representatives report to its offices. INVEST's assessment of the 2012 business registration renewal process showed that the two cities' NERBACs had very limited impact on easing the registration process for applicants. However, the renewal one-stop shop operations in CDO did impact and can have greater impact in easing the volume of registrants at the city hall. This is due to the presence of a City Hall officer that receives and processes renewal applications in NERBAC X. It has been earlier recommended to INVEST that the CDO city government market the NERBAC BOSS as a second BOSS during the renewal period.

Annex 1. Questionnaire

Questionnaire

Please complete this form to let us know your reaction to certain organizational elements. Your feedback will help us to describe how NERBAC 12 functions. Thank you.

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Undecided</i>	<i>Agree</i>	<i>Strongly Agree</i>
	1	2	3	4	5
1. My workload is reasonable.					
2. There is variety in the work I do.					
3. My job challenges me.					
4. NERBAC's goal is clear to me.					
5. I believe NERBAC's strategy will help it achieve its goal.					
6. I feel confident in giving suggestions to help us achieve our goal.					
7. My suggestions are seriously considered.					
8. My suggestions are implemented.					
9. I can decide for myself what is the best way to do my own work.					
10. I can take calculated risks in my work.					
11. Self-learning is encouraged in NERBAC.					
12. Communication is effective in NERBAC.					
13. I often interact with business investors in my work. *Bus. investors - micro to large;incl. potential bus. owners					
I work because: (up to 5 reasons)					
What work values are exhibited by NERBAC 12 personnel? (top 5)					
What are the leadership traits of ARD DeLima that contribute to NERBAC's effectiveness? (top 3)					
What are the leadership traits of ARD DeLima that limit NERBAC's effectiveness? (top 3)					

Annex 2. List of Key Informants

1. Abad, Dominic, DTI Region VI Regional Director
2. Boniao, Linda, DTI Region X Assistant Regional Director
3. Cruz, Merly, DTI Undersecretary
4. De Lima, Doris, DTI Region XII Assistant Regional Director and NERBAC XII Manager
5. Gonzales, Ruel, DTI Batangas Provincial Director
6. Gumana, Ethel, NERBAC XII Division Chief
7. Into, Fely, Producers Association of Reg. XII President
8. Malones, Wilhelm, DTI Iloilo City Provincial Director
9. Palo, Susan, NERBAC Center Manager for Laguna and concurrent NERBAC RO Manager
10. Tacumba, Bench, GSCCCII Executive Director
11. Toledo, Marilou, DTI Region IV-A Regional Director
12. Tolimao, Eileen, PhilExport Representative in Region XII

Annex 3. Summary of Small Group Discussion Responses of IAN Members on Needs Met through Membership in IAN

Agency	Specific Needs met	Outcome need addresses	Remaining needs
<u>LGU-GENSAN</u>	<ul style="list-style-type: none"> Linkage established among local investment promotion officers in reg. Xii 	<ul style="list-style-type: none"> Greater information sharing within ligus in region on invest. Climate & potential invest. Contributions to gen san 	<ul style="list-style-type: none"> Actual registration at nerbac office for sss, phic, pag-ibig without going to the concerned agencies
	<ul style="list-style-type: none"> Establishment of bpld officers 	<ul style="list-style-type: none"> Info. Sharing & analysis 	
	<ul style="list-style-type: none"> Access to data of other regions & provinces 		<ul style="list-style-type: none"> Image challenge as investment destination
	<ul style="list-style-type: none"> Better coordination with the other member ngas - difficult w/o ian 	<ul style="list-style-type: none"> Lesser steps. Lesser time to issue busines permits and less face to face interaction between applicants and lgu service providers 	<ul style="list-style-type: none"> Put the region's act together
	<ul style="list-style-type: none"> Additional learnings from the roll-out of the streamlining of business (e.g. Jit) permits & licensing systems issuance which were implemented 	<ul style="list-style-type: none"> Faster issuance of business permits 	
	<ul style="list-style-type: none"> Acceptance of unified form (2) 	<ul style="list-style-type: none"> Increased local revenue collection, thru no.of registered business 	<ul style="list-style-type: none"> Registration of new businesses after issuance of mayor's permit
<u>LGU-Koronadal</u>	<ul style="list-style-type: none"> Stressed importance of leipo for investment promotion & marketing (ipm) 	<ul style="list-style-type: none"> Greater awareness of ipm Thru tri-media 	
	<ul style="list-style-type: none"> Investment promotion of lees & thru dev't of project briefs 	<ul style="list-style-type: none"> Increased Investments 	
<u>CDA</u>	<ul style="list-style-type: none"> Creation of mgt. Study team to oversee the implementation of activities for the promotion & establishment of lees 	<ul style="list-style-type: none"> Increased revenue collection 	
	<ul style="list-style-type: none"> Registration of different types of cooperatives 	<ul style="list-style-type: none"> Increased membership 	<ul style="list-style-type: none"> Further increase no. Of new coop. Members & set-up businesses
<u>BIR</u>	<ul style="list-style-type: none"> Access to info & trngs. For members 	<ul style="list-style-type: none"> Sustainable cooperatives 	

Agency	Specific Needs met	Outcome need addresses	Remaining needs	
<u>NSO</u>	<ul style="list-style-type: none"> Registration of new businesses 	<ul style="list-style-type: none"> Attainment of annual goal in registrations 		
	<ul style="list-style-type: none"> Physical presence in nerbac 	<ul style="list-style-type: none"> Increase taxable and collection of registration fees (rf) 		
	<ul style="list-style-type: none"> Benchmarking 	<ul style="list-style-type: none"> Identification / classification of business registrants 		
	<ul style="list-style-type: none"> Good source of the list of establishments 	<ul style="list-style-type: none"> Sampling frame improvement 	<ul style="list-style-type: none"> Linkage with the ian output to nso sampling frame preparation 	
	<u>DILG</u>	<ul style="list-style-type: none"> Quality data gathering 		<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Capacity building interventions for leipos 	<ul style="list-style-type: none"> Business friendly & competitive lgus 	<ul style="list-style-type: none"> Benchmarking of good practices for possible replication 	
	<ul style="list-style-type: none"> Streamlining of bpls in the lgus 		<ul style="list-style-type: none"> Simplification of transactions-based services (eg. Revenues) 	
<u>BOI</u>	<ul style="list-style-type: none"> Use of unified forms by lgus 		<ul style="list-style-type: none"> Led should be institutionalized 	
	<ul style="list-style-type: none"> Support & complementation of ipm projects eg. Outbound missions Boi's physical presence in nerbac Inter-agency body that can attend to investor's concerns 	<ul style="list-style-type: none"> Stronger investment promotion 	<ul style="list-style-type: none"> Need to increase FDI in the region 	
<u>NEDA</u>	<ul style="list-style-type: none"> Data on investment in the region 			

Annex 4. NERBAC XII Questionnaire Results

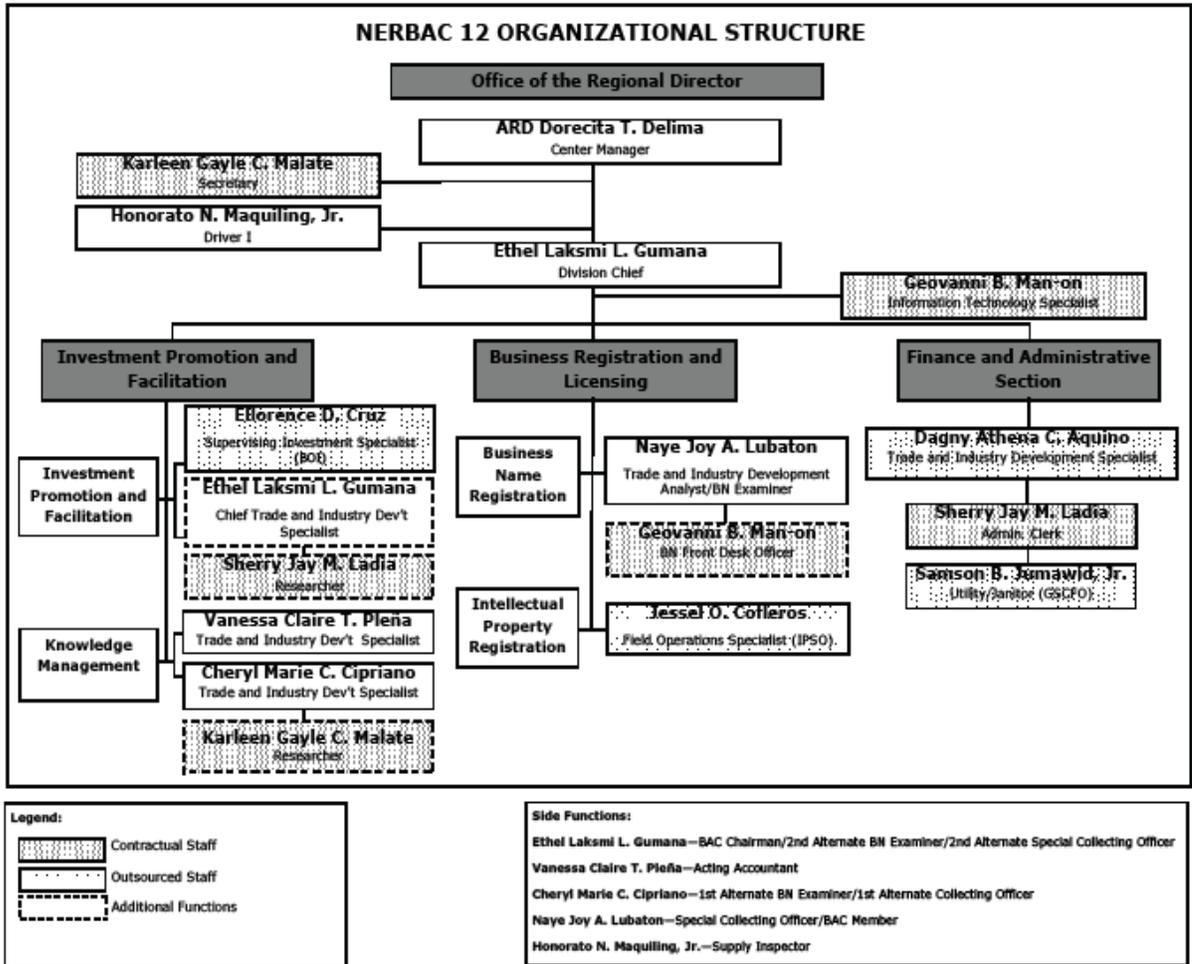
NERBAC XII STAFF QUESTIONNAIRE RESULTS

(N= 6)

5-point scale with
1 - expressing strong
disagreement,
2- disagreement;
3- indecision;
4 - agreement, and
5 - strong agreement.

	<u>Mean</u>
1. My workload is reasonable.	4.33
2. There is variety in the work I do.	4.33
3. My job challenges me.	5
4. NERBAC's goal is clear to me.	4.5
5. I believe NERBAC's strategy will help it achieve its goal.	4.67
6. I feel confident in giving suggestions to help us achieve our goal.	4.6
7. My suggestions are seriously considered.	4.5
8. My suggestions are implemented.	4
9. I can decide for myself what is the best way to do my own work.	4.2
10. I can take calculated risks in my work.	4.2
11. Self-learning is encouraged in NERBAC.	5
12. Communication is effective in NERBAC.	4.8
13. I often interact with business investors in my work.	4.8

Annex 5. NERBAC XII Organizational Chart



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