Organizational Redesign Methodology of Regional Sector Directorates Within the Framework of Decentralization

USAID/Peru/Politicas en Salud

Contract No. GHS-I-10-07-00003-00

Revised Draft

October 15, 2011

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This document has been elaborated by USAID|Peru|Politicas en Salud Project, financed by the United States Agency for International Development (USAID) under contract No. GHS-I-10-07-00003-00.

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Initials, acronyms and abbreviations

CAP*	Staffing Chart
DEVIDA*	National Commission for Development and Life without Drugs
DGSP*	MOH General Directorate for Persons-Focused Health
DIRESA*	Regional Health Directorate
HR	Human Resources
LOGR*	Organic Law of Regional Governments
MOF*	Organization and Functions Manual
MOH	Ministry of Health
OCI*	Institutional Control Office
OGA*	General Office of Administration
PAHO	Pan American Health Organization
PAP*	Staffing Budget
PCM	Prime Minister's Office
PHRplus	Partners for Health Reform Plus Project
POLICY	Policy Project
PRAES*	Promoting Alliances and Strategies Project
SWOT	Strengths, Weaknesses, Opportunities and Threats analysis
RG	Regional Government
RM*	Ministerial resolution
ROF	Organization and Functions By-laws
TUPA*	Chart of Administrative Procedures
USAID	United States Agency for International Development
WHO	World Health Organization

* For its initials in Spanish

Thanks

Our deep appreciation goes to all the executives and employees of the regional governments and regional health authorities who take and took part in the redesign activities of their DIRESA, as part of the technical assistance initially done by PRAES and that currently they carry out with the assistance of Health Policies project.

Special thanks to all the people part of the Promoting Alliances and Strategies and USAID Peru / Health Policies projects who were involved in the theoretical reflection regarding the contents of this document and who contributed in the making of it.

Executive Summary

This report was initially carried out within the framework of the line of action of PRAES called "Decentralization of the Peruvian health sector" and thereafter in USAID Peru / Health Policies under the component of "Governance and decentralization in the health sector," aiming to contribute to the health decentralization process, by means of the regional sector directorates adaptation and strengthening. The document aims to provide some methodological guidelines to the regional governments for the organizational redesign and development of their regional sector directorates, to be able to adapt to the transfer of competencies in the decentralization process; this includes, of course, both its executive body as well as their regional sectors as integral parts thereof. The theoretical developments and the methodological and instrumental applications have been formulated based on the experience of PRAES with their work on technical assistance to draw up the reorganization proposals for San Martin, Lambayeque, Cajamarca and La Libertad Regional Health Directorates. We have also got experience gathered over the past two years with the incorporation of the Regional Health Directorate of Cusco.

Clearly, the ongoing decentralization process in our country substantially modifies the framework of public management at regional level, by transferring a significant number of sector competencies and functions to the regional governments and their health sectors, forcing them to readjust their organizational structure to carry out these functions. Thus, regional governments are faced with the challenge of making important organizational changes in their regional sector directorates, within the framework of their constitutional and exclusive competence to set up autonomously their own organizational design. The challenge not only includes the organizational adjustment to the process of decentralization, but also the ones of modernization and democratization of the state.

The first chapter of this document develops the background and context of the political decentralization process that is taking place in our country. It also contains the fundamentals of its legal framework, to finally provide some thoughts on why it is necessary to reorganize the regional governments in said scenario.

The second chapter includes the theoretical framework and the organizational redesign methodology. In this regard, an organization can be defined as a social unit, group or body of two or more people or parts, formed for the purpose of achieving a specific collective objective for which the arrangements, skills and resources required to be able to have a performance aimed towards obtaining it are provided. The theoretical approach taken is comprehensive, stating that the organizational design is a deliberate process of defining the corporate strategy and setting up its structure, processes, incentive systems, policies and human resources practices aiming to create an efficient organization which is capable of achieving its goals. The structuring of the organization is carried out in order to align each of its four components to the established strategy. Usually, *organizational design* and *design of the organizational structure* are mistakenly viewed as synonyms; it is essential to conceptualize the organizational design as an integral task, not only the arrangement of some 'little boxes' in the organization chart.

This chapter develops at length the methodology and tools to make an organizational redesign proposal, covering the definition of the five components mentioned in the previous paragraph: the institutional strategy, shaping the organizational structure, management process analysis, the development of incentive systems, human resources policies and practices. Regarding the design of the organizational structure, the methodological proposal focuses on the selection of *functional specialization criterion* which is most appropriate for its line organizational branches (responsible for the essential functions of each regional sector directorate); while the identification of the support and advisory organizational branch is established based on the respective requirements for the proper functioning of these line organizational branch. The chapter also includes the methodological suggestions for the tools to be used in the development of the various organizational management documents

Finally, the third and final chapter aims to present some considerations and basic elements for an organizational change process in order to take them into account when developing the change plan of a regional sector directorate. In fact, it is not enough to have a new organizational design, but it is necessary to properly design the organizational change and formulate the implementation plan, that in practice represents an institutional development program whose main purpose is to bring about this change, that is to say, moving the current organization of an institution to another future one. This task may be as important as preparing an appropriate organizational design, to the extent that the latter must be implemented. This chapter also includes some methodological recommendations for the preparation of this plan.

1. Introduction

1.1 Purpose of this report

This technical report aims to contribute to the adjustment and strengthening of the sector directorates of the regional governments within the current framework of the political decentralization process of the country.

This document has been drawn-up with the aim to provide general guidance to the regional governments for their organizational redesign and development, in order to adjust to the transfer of competencies in the decentralization process; this includes, of course, both its executive sector as well as their regional sector directorates as integral parts thereof. To that end, it brings forward some useful theoretical and methodological elements for the redesign processes and organizational development of the regional sector directorates, as well as recommendations to develop the plans for organizational change, by implementing these designs.

1.2 Reorganization within the context of decentralization

1.2.1 Background of political decentralization

Peru has had a centralist regime since colonial times, which continued during the Republic, as a result of predominant features in Latin America: a) a lenient attitude towards authoritarianism, promoted by the form of Catholicism practiced in the region, b) profound inequalities in social relationships c) a high concentration of land ownership, d) low educational levels; e) Marginalization of the indigenous peoples from national politics.[1] Thus, throughout most of the republican history the Peruvian State had a tough centralized organization, in order to control the territory and allow social privileges for the dominant groups in the country. This oligarchy-oriented state, restricted citizenship to large segments of the population,[2] most of the time took the form of a dictatorial regime, due to the impossibility to hold a formal democracy based on the social and political exclusion of most of the population. As a result of this, the democratic political regime has been very fragile throughout the Republican period, from its inception this regime has not represented more than thirty years of being in force and under very precarious conditions.[3]

Nevertheless, as a result of democratic development, migrations, urbanization and the democratization of the population social relationships that started in the fifties; intense social claiming mobilizations, since the decade of the seventies, took place, unleashing a deep

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[1]Javed, S.; Perry, G.; Dillinger, W.: *Beyond the center; decentralizing the state*. The World Bank. Washington, D.C., July 1999.

[2]Planas, Pedro: *La difícil integración de las ciudadanías en el Perú (The difficult integration of the citizens in Peru)*. In: *Repensando la política en el Perú (Rethinking politics in Peru)*. Red para el desarrollo de las ciencias sociales (Network for the development of social sciences). Lima, 1999.

[3]Dammert, Manuel: *La democracia territorial, Hacia la refundación nacional descentralista (Territorial democracy, Towards the decentralized national re-foundation).* Lima, June 2001.

political crisis. At the end of the seventies, this social and political evolution of the country resulted in the institution of the universality of citizens' rights in the 1979 political constitution of the country. This constitution laid the foundations for a democratic and decentralized state, representing the country's wish to transform the political regime, introducing a fundamental change in the state's relationship with its citizens.[4, 5]

Since 2000 the social and political forces have been promoting a come back to a democratic regime and to a political transition process. It is under these circumstances, when in 2002 a political decentralization process began in the country. This process is more complex than in other Latin American countries because the legal framework establishes three levels of government (national, regional and municipal), having to add to this that the municipal level in turn is divided into provincial and district levels. On the other hand, decentralization is a long-time desire of the population in the interior of the country, in this sense; the current legal framework opens up tremendous opportunities for the democratization and modernization of the State.

1.2.2 Decentralization legal framework

The current decentralization process was started by passing a constitutional amendment by the Congress of the Republic which regulated the structure and organization of the State in a democratic, decentralized and de-concentrated fashion, having three levels of government: national, regional and local.[6] Subsequently the decentralization basis law was promulgated, defining the process of decentralization, establishing that the territory of the republic is made up of regions, departments, provinces, districts and populated centers, where the State and the government at national, regional and local levels are constituted and organized, according to their own competencies and autonomy. Thus, this law created regional governments and strengthened the competencies of the existing local governments. Likewise, it set up a preliminary stage between June and December 2002, where a set of laws were to be approved: organic laws of the executive power, of the regional governments and the municipalities; organization and territorial delimitation, incentives for the integration and creation of regions.[7]

Regional governments come under that legal framework and specifically under its organic law[8] and its modifying law[9]; stipulating that they are the governmental agencies in the

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[4] Ibidem.

[5] Dammert, Manuel: *El Perú: tarea pendiente (Peru: unresolved task); Bases para un proyecto nacional descentralista.(Basis for a national decentralist project) Lima*, Centro Nacional de Estudios y Asesoría Popular. (National Center for Studies and Peoples Advisory) Lima, August 1992.

[6] Congress of the Republic: *Constitutional reform law of the XIV chapter, title I, on decentralization; Law Nº 27680*. Lima, March 7, 2002.

[7] Congress of the Republic: *Decentralization basis law; Law Nº 27783*. Lima, July 17, 2002.

[8] Congress of the Republic: *Organic Law for Regional Governments; Law Nº 27687*. Lima, November 16, 2002.

[9] Congress of the Republic: *Ley Nº 27902, law that modifies the Organic Law for Regional Governments Nº 27687. To regulate the participation of provincial mayors and civil society in the regional governments and to strengthen the decentralization process and regionalization*. Lima, January 1st, 2003.

regions who are responsible for organizing and conducting regional public management, with political, economic and administrative autonomy in matters within their competence; formulating a budget sheet. Their purpose is to promote a sustainable overall regional development, promoting public and private investment and employment, as well as ensuring full exercise of rights and equal opportunities for their inhabitants, as per the national, regional and local development plans. Their constitutional competencies are:[10]

- To approve their internal organization and their budget, as well as administering their goods and incomes.
- To formulate and approve the regional development plan agreed with the municipalities and the civil society.
- To regulate and grant authorizations, licenses and rights over the services under their responsibility.
- To promote regional socio-economic development and to carry out the relevant plans and programs.
- To dictate the norms inherent to regional management.
- To promote and regulate activities and services related to agriculture, fishery, industry, agro-industry, trade, tourism, energy, mining, communications, roads, education, health and environment.
- To promote competitiveness, investment and financing for the execution of projects and infrastructure work of regional scope and impact.
- To present legislative initiatives in matters and topics within their competence.

Likewise, the organic law establishes the specific sector functions, which are carried out based on the regional policies in agreement with the national policies, in regards to the following matters: education, culture, technology, sports and recreation; work, promoting employment and small and micro enterprises; health; population; agriculture, fishery, environment and land use, industry, trade, transport, telecommunications; housing and sanitation, energy, mines and hydrocarbons, social development and equal opportunities, civil defense; administration and adjudication of land owned by the state, tourism; handicrafts. It falls within their competence to draw-up, adopt, carry out, evaluate and manage sector policies and regional sector plans, as well as to promote, regulate, incentivize and supervise public services within their jurisdiction. Their functions are:[11]

Regarding health matters:

a) To formulate, approve, carry out, evaluate, manage, control and administer the health policies of the region in agreement with the national policies and the sector plans.

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[10] Congress of the Republic: Op. cit. *Constitutional reform law on decentralization*. Lima, 2002.

[11] Congress of the Republic: *Organic law for the regional governments; Law Nº 27687*. Lima, November 16, 2002.

b) To formulate and carry out, in a concerted manner, the health regional development plan.

c) To coordinate the integral health actions region-wide.

d) To take part in the Coordinated and Decentralized Health System, as per the current legislation.

e) To promote and carry out as top priority health promotion and prevention activities.

f) To organize the health care and administration levels of the State health care entities that provide services in the region, in coordination with the local governments.

g) To organize, implement and maintain the health services for the prevention, protection, recovery and rehabilitation in health matters, in coordination with the local governments.

h) To supervise and control the public and private health care services.

i) To manage and carry out in coordination with the relevant organizational branches the prevention and control of risks and damages in emergencies and disasters.

j) To supervise and control the production, commercialization, distribution and consumption of pharmaceuticals and related products.

k) To promote and preserve the environmental health of the region.

l) To plan, finance and carry out the health infrastructure and equipment projects, promoting the technological development in health region-wide.

m) To make available to the population, useful information on the management of the sector as well as the supply of infrastructure and health services.

n) To promote education, training and human resources development and to articulate the health services within the teaching services and research and community outreach.

o) To periodically and systematically evaluate the achievements in health matters.

p) To carry out, in coordination with the local governments of the region, effective actions that will contribute to increase the nutritional levels of the population of the region.

Regarding sanitation matters:

a) To formulate, approve and evaluate the regional plans and policies in sanitation matters, in line with the development plans of the local governments, and in accordance with national policies and sector plans.

b) To carry out promotional activities, technical assistance, training, scientific and technological research in sanitation matters.

c) To offer technical and financial support to the local governments in providing sanitation services.

d) To take on the execution of sanitation programs at the request of local governments.

Finally, according to the modification of the organic law of regional governments of 2006[12] the Regional Health Directorate is a body under the authority of the social development regional management, being responsible for specific functions of the health sector at regional government level. It is under the responsibility of the Regional Director who holds a position of trust. It should be emphasized that to be a Regional Director proof of being a qualified professional with experience in health matters, by means of a selection process, is required. The appointment and redundancy of this professional is the responsibility of the Regional President on the recommendation of the Social Development Manager.

On the other hand, new competencies were assigned to the local governments within their new organic law passed by Congress in May 2003. This law defines local governments as the basic entities of the territorial organization of the State and immediate channels of neighborhood participation in public affairs, which autonomously institutionalize and manage the self interests of the relevant localities. The municipalities are the government bodies which promote local development, with legal status of public law and full capacity to fulfill its purposes. Local governments represent the neighborhood and promote the adequate provision of local public services and the overall, sustainable and harmonious development of their jurisdiction; they also have political, economic and administrative autonomy on matters within their competence. [13] The decentralization basis law specifies the scope of this autonomy:[14]

- *Political autonomy*: it is the specific attribution to adopt and agree on the policies, plans and rules on matters within its competence, as well as to approve and issue its organizational branch, take decisions through their government bodies and develop the relevant functions.
- *Administrative autonomy:* it is the specific attribution to internally organize themselves, as well as to determine and regulate the public services under their responsibility.
- *Economic autonomy*: it is the specific attribution to create, collect and administer their own income and revenue and to approve their institutional budget as per the law of budget management of the state and the annual budget laws. To put it into practice entails recognizing the right to receive the resources allocated by the state in order to comply with their duties and responsibilities.

Their duties are:[15]

- To approve their internal organization and their budget.
- To approve the local development plan agreed with civil society.

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[12]Congress of the Republic: *Law that regulates the transient regime of the regional health directorates of the regional governments; Law Nº 28926*, Lima, December 1st, 2006.

[13] Congress of the Republic: *Organic Law of Municipalities; Law Nº 27972*. Lima, May 27, 2003.

[14] Congress of the Republic: Op. cit. *Decentralization basis Law*. Lima, July 17, 2002. Article Nº 9.

[15] Congress of the Republic:: Op. cit. *Constitutional reform law on decentralization.* Lima, 2002. Article Nº 195.

- To administer goods and income.
- To create, modify and abolish taxes, fees, local taxes, licenses and municipal rights, according to law.
- To organize, regulate and administer the local public services within their responsibility.
- To plan the urban and rural development within their jurisdiction, including zoning, urban planning and land use.
- To promote competitiveness, investment and financing in order to carry out the projects and local infrastructure works.
- To develop and regulate activities and services regarding education, health, housing, sanitation, environment, sustainability of natural resources, public transport, road circulation and traffic, tourism, conservation of archaeological and historical monuments, culture, recreation and sports, according to law.
- To provide legislative initiatives on matters and issues within their competence.
- To carry out other attributions inherent to their function, according to law.

All of which are detailed as exclusive competencies in the decentralization bases law[16]. The legislative and executive powers cannot affect or restrict the exclusive constitutional competencies of regional and local governments.[17] These are:[18]

- To plan and promote urban and rural development within their jurisdiction, and to carry out the relevant plans.
- To regulate the zoning, urban planning and land use planning as well as the shanty towns.
- To administer and regulate the local public services aimed to meet local collective needs.
- To approve its internal organization and its institutional budget according to the budget management law of the state and the annual budget laws.
- To formulate and approve the local development plan in agreement with their community.
- To implement and oversee local public works.
- To approve and provide mechanisms and opportunities for participation, coordination and oversight of the community in municipal management
- To create regulations regarding issues and matters within their responsibility and to propose relevant legislative initiatives.

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[16] Congress of the Republic: Op. cit. *Decentralization basis law*. Lima, July 17, 2002. Article Nº 42.
[17] Op. cit. Artículo Nº 10.
[18] Op. cit. Article Nº 42.

- Any others deriving from their attributions and relevant functions, and the ones prescribed by law.

On the other hand, within the framework of their competencies and specific municipal functions, the role of provincial municipalities entails:[19]

- The overall planning of local development and land use planning, at province level. The provincial municipalities are responsible for promoting and driving the planning process for the overall development within the scope its province, taking into consideration the proposed priorities within the district-related local development planning processes.
- To permanently promote the strategic coordination of the overall plans for the districts development.
- To promote, support and implement investment projects and municipal public services that objectively present externalities or economies of scale at province level, for which purpose, relevant agreements are signed with the respective district municipalities.
- To issue the general technical standards regarding the organization of physical space and land usage, as well as environmental protection and environmental conservation.

In the case of several municipalities that form a functional urban unit, the local public services, which by their nature serve the whole of such crowded built-up areas, must have coordination mechanisms regarding planning and the provision of such services amongst the municipalities involved, so as to ensure maximum efficiency in the use of public resources and an adequate supply to the community.[20]

Local governments have exclusive or shared competence in the organization of the physical space, the local public services (environmental sanitation, salubrity and health; traffic, transit circulation and public transport; supply and commercialization of products and services; social programs, defense and promotion of citizens' rights, among others), environmental protection and conservation, development and the local economy, community participation, local social services and the prevention, rehabilitation and fight against drug use.[21] The exclusive functions assigned to them can only be carried out by local governments; if carried out by other authority this constitutes a usurpation of functions.[22]

Taking into account their status as a provincial or a district municipality, the municipalities assume their competencies and carry out specific functions, exclusively or jointly, in the following matters:[23]

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[19] Congress of the Republic:: Op. cit. *Organic law of municipalities* . Lima, May 27, 2003. Article Nº 73.
[20] Ibidem.
[21] Ibidem.
[22] Op. cit. Article Nº 75.
[23] Op. cit. Article Nº 73.

Protection and conservation of the environment:

- To draw-up, approve, carry out and control the local plans and policies regarding environmental issues, in agreement with regional, sectorial and national policies, regulations and plans.
- To propose the development of environmental conservation areas.
- To promote education and environmental research in their areas, as well as encouraging citizen participation at all levels.
- To participate in and give support to regional environmental commissions in carrying out their duties.
- To coordinate with the different national, sectorial and regional government levels, the correct local application of the planning and environmental management instruments within the framework of national and regional environmental management.

Regarding local development and economy matters:

- Planning and provision of infrastructure for local development
- Encouraging private investment in projects of local interest.
- Promoting job creation and development of urban or rural micro and small enterprises.
- Promoting sustainable local handicraft industry and tourism.
- Promoting rural development programs.

Regarding community participation:

- To promote, support and regulate community participation in local development.
- To set up monitoring tools and procedures.
- To organize the records of social and community organizations within their jurisdiction.

Regarding local social services:

- To administer, organize and carry out the local programs to fight against poverty and for social development.
- To administer, organize and carry out the programs for local assistance, protection and support for the population at risk, and others who contribute to the development and welfare of the population.
- To set up coordination channels between residents and social programs.
- To spread and promote the rights of children, adolescents, women and the elderly; by promoting spaces for their participation at municipal authority level.

Prevention, rehabilitation and fight against drug abuse:

- To promote prevention and rehabilitation for drug abuse and alcoholism and to create eradication programs in coordination with the regional government.

- To promote international cooperation agreements in order to implement eradication programs for illegal usage of drugs.
- At the initiative of the municipality, multi-sector committees for the prevention of drug abuse will be able to be organized, with the participation of the resident communities, in order to design, monitor, supervise, coordinate and implement programs and projects to prevent drug abuse and risk behavior at local level, being also able to rely, for the achievement of this purpose, on the technical assistance of the National Commission for Development and Life without Drugs - DEVIDA.

1.2.3 Why is it necessary the reorganization of regional governments?

When representing the decentralization process, a substantial state reform, *organizing, organizational redesign and development* at all levels of government, should be one of the central tasks of the decentralization process. Decentralization should not only be conceived as a bureaucratic transfer of competencies and resources, but also as the redistribution of power among the different government levels in the country, the change of the relationship of the State with the citizenship and the reorganizing of the public institutions based on all of these processes. Therefore, this necessarily implies a reform, modernization and democratization process of the State at regional level.

Thus, decentralization establishes an important challenge for the regional governments in as much that it demands from them to adjust their internal organization, as well as the one of their sector dependencies, to be able to incorporate the functions to be transferred in the long and short-term. Under these circumstances, regional governments are facing the challenge of driving a process of organizational change in the medium term, which will be accumulating progressive innovations. These changes must be made, both in the regional sector directorates as well as in the regional government executive organ, which will need to adapt by developing functions that will allow progressively carrying out and articulating these sector functions from a regional point of view. In practice, for the regional government, this means to incorporate the health sectors that used to operate as de-concentrated bodies from the different ministries, into their executive organ, so that the latter may lead and articulate all sectors.

For all the above, reorganizing of the regional government and of its health sectors requires an important technical work and a strong political support, representing a sustained, medium-term, large-scale management effort, aimed at changing the structure and institutional performance. This requires for it to be extremely feasible as well as a strong political will from the same regional government office and their regional sector directorates, furthermore when any change process generates fears and uncertainty that could thwart it. [24] To achieve this viability the following is required:

- The organization must be confident that change is important and necessary.

[24] Harrington, H.: *Mejoramiento de los procesos de una empresa (Business process improvement).* Mc Graw-Hill. 1986.

- There should be a shared vision of change within all the organization.
- Real and potential obstacles must be identified and controlled.
- There should be a strong corporate commitment towards change and its strategy.
- Leaders must lead the change process.
- People in the organization should be trained to be able to fulfill their new duties and to correct unwanted behavior.
- There should be evaluation systems to quantify the results as well as the feedback.
- There should be recognition and incentive systems to reinforce desired behavior

The institutional reorganizing process basically encompasses two types of work: a) organizational redesign; and, b) to produce and carry out an organizational change plan. To that end, it is recommended to follow the organizational redesign methodology on chapter Nº 2 and the organizational change plan scheme on chapter Nº 3. The suggested methodology is based on the processes' analysis,[25] which provides a logical analysis sequence: input, process, output, thereby maintaining consistency in the sequence of processes as well as prioritizing the problems and the approaches. Thus, a process is made up of sub-processes, the sub-processes in turn of their activities and the latter ones of tasks, existing therefore, a hierarchy that goes from general to more specific matters. [26]

It is necessary to take into consideration that the organizational redesign of a regional sector directorate should respond to the strategic objectives and definitions within their respective sectorial institutional development program, which in turn should be part of the relevant regional government program, inasmuch as it assumes its vision, mission and strategic objectives. In addition, such redesign must necessarily be prepared using as a basis the sectorial functions and specific attributions being transferred in the decentralization process as well as the regional sectorial policies guidelines, which define policy priorities in the relevant sectors. It is on the basis of the organizing plans and the organizational redesign that the diverse organizational management documents are produced. Said documents are the ones in which an entity relies to manage itself in and orderly, programmed and efficient fashion, both in its organizational aspect as well as in the fulfillment of its purposes and goals[27]. These documents should be worked as follows: The organization and functions by-laws (ROF), the organization and functions manuals (MOF), the Staffing Charts (CAP) and the staffing budgets (PAP). All these organizational management documents only formalize

[25] It is understood as a process the group of sub-processes or activities that have a determined logical sequence, that transforms certain resources and the needs of its internal or external users of an organization (input), into products and services (output), with an added value that covers of the users, using the resources of the organization, with the purpose of achieving definite results.

[26] Harrington, H.: *Mejoramiento de los procesos de una empresa (Business process improvement).* Mc Graw-Hill. 1986.

[27] Prime Minister's Office / Secretariat of Public Management: *Manual to make the organization and functions by-laws (ROF).* Lima, May 2007.

the organizational designs. The chronological sequence in which these organizational management instruments should be developed is shown in Graph 1.

The organization and functions by-laws (ROF) constitute a technical normative document for institutional management, that formalizes its organizational structure, which should be aimed towards institutional effort and the achievement of its mission, vision and goals, specifying its general functions and its main organizational units, defining its essential roles and specific functions, as well as establishing its relationships and responsibilities.[28] The organization and functions by-laws must be formulated for the medium and long term periods and regarded as the basic parameters of the institutional organization which to allow decision margins to adapt them to the needs of a given situation or circumstance. Due to this reason, they ought to be sufficiently generic and flexible to allow the necessary organizational adjustment based on the needs of the institutional context; otherwise these by-laws will turn into straitjackets that would restrict development and organizational performance.

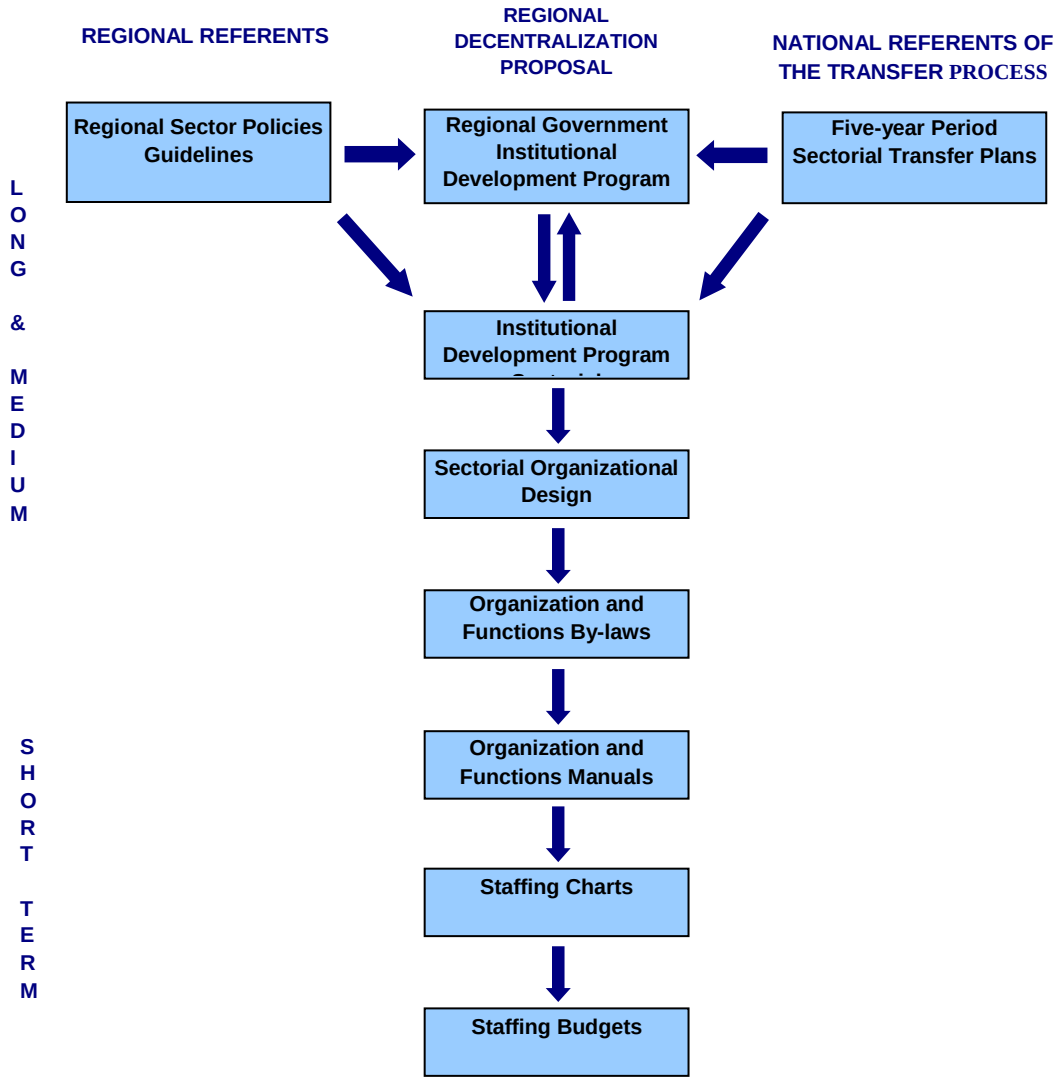
The organization and functions manuals (MOF) are institutional management technical documents which describe the overall functions of the different organizational units that are part of the organization, defining their nature, extent and field of action, as well as specifying their hierarchical and functional interrelations. Likewise, they define the charts for positions or jobs, detailing their specific functions, relations, and levels of authority, coordination and responsibilities, as well as the minimum performance requirements. The preparation of these manuals is based on the ROF.

The Staffing Charts (CAP) are the institutional management documents that contain the positions or jobs defined and approved by the institution, based on their current organizational structure previously taken into consideration in its ROF. It is understood as a position the basic element of an organization, stemming from the classification previously seen in the CAP as per the nature of functions and the level of responsibility that the fulfillment of requisites and the qualifications for the coverage require. The staffing budgets (PAP) are institutional management documents that take into account the posts and the budget for the specific services of the permanent and temporary staff as per the available budget. It is understood as post the allocated budget taking into account for the payment of the permanent and temporary staff; which will allow opening up the job positions taken into consideration in the CAP.[29]

[28] Prime Minister's Office / Secretariat of Public Management: *Guidelines to make and approve the organization and functions by-laws (ROF) by the public administration entities.* Supreme Decree Nº 043-2006-PCM. Lima, July 21, 2006

[29] Prime Minister's Office: *Guidelines to make and approve the Staffing Chart – CAP*. Supreme Decree Nº 043-2004-PCM. Lima, July 17, 2004.

Graph Nº 1: Coordination between the organizational redesign and the organizational management documents and the regional decentralization proposal



1.3 Basic concepts[30][31]

- *Organization*: Social unit, group or body of two or more persons or parts formed with the intention of achieving a specific collective purpose, for which the arrangements, skills and resources required to achieve a performance aimed towards the attainment of this purpose are provided. Every organization is an "open" human system that interacts with

[30] Prime Minister's Office: *Guidelines to make and approve the Staffing Chart – CAP*. Supreme Decree Nº 043-2004-PCM. Lima, June 17, 2004.

[31] Prime Minister's Office: *Guidelines to make and approve the ROF*. Op cit. 2006.

its environment. [32]

- *Organizational Design*: Deliberate process of defining the institutional strategy and set up its structure, processes, incentive systems, policies and human resources practices with a view to creating an effective organization capable of reaching its goals. The set up of the organization is carried out in order to align each of its four components to the established strategy.
- *Organization and functions by-laws (ROF)*: It is a technical normative document for institutional management of an entity that is formalizing its organizational structure, which should be aimed towards the institutional effort and the achievement of its mission, vision and goals, specifying its overall functions and its main organizational structures, also defining its essential roles and specific functions, as well as establishing its relationships and responsibilities.
- *Organization and functions manual (MOF)*: It is an institutional management technical document which describes the overall functions of the different organizational structures that are part of the organization, defining its nature, extent and field of action, as well as specifying its hierarchical and functional interrelations. Likewise, they define the charts for positions or jobs, detailing their specific functions, relations, and levels of authority, coordination and responsibilities, as well as the minimum performance requirements.
- *Staffing Charts (CAP)*: It is the institutional management document that contains the positions or jobs defined and approved by the institution, based on their current organizational structure previously taken into consideration in its ROF
- *Staffing budget (PAP)*: It is the institutional management document that takes into account the posts and the budget for the specific services of the permanent and temporary staff as per the available budget.
- *Position*: It is the basic element of an organization, stemming from the classification previously seen in the CAP as per the nature of functions and the level of responsibility that the fulfillment of requisites and the qualifications for the coverage require.
- *Post*: It is the allocated budget taking into account for the payment of the permanent and temporary staff; which will allow opening up the job positions taken into consideration in the CAP. The posts are taken into consideration in the PAP.
- *Attribution*: Specifically conferred authorization to someone who holds a position regarding decision-making concerning any administrative action within his/her responsibilities and to carry out his/her functions.
- *Competence*: The material or territorial responsibility of the entity as a whole, established as per its constitutional or legal mandate.

[32] Hanlon, John; Pickett, George: *Public health; Administration and practice*. Times Mirror / Mosby College Publishing. Missouri, 1984.

- *Entity*: It includes the institutions pointed out in the sub-sections 1 to 7 of the article I of the preliminary title of the General Administrative Procedure Law (Law Nº 27444). It should be understood as entities those organizations that perform permanent character functions; that is to say, that they have been created by regulation with law status which confers them a legal status.
- *Organizational structure*: It is a group of organizational branches/units rationally interrelated with each other in order to perform pre-established functions geared towards the objectives stemming from the entity's goals.
- *Structural organizational chart:* It is a graphical representation of the organizational structure of the entity and shows a schematic overview of its hierarchical levels, its formal communication channels, lines of authority and their relevant relationships.[33]
- *Specific attribution:* Right granted to an entity, organizational unit or someone to perform certain actions.
- *Attribution*: Specifically granted authorization to someone who holds a position regarding decision-making concerning any administrative action within his/her responsibilities and to carry out his/her functions.[34]
- *Process*: A set of activities related to each other, which are developed in a series of sequential stages that transform resources adding value, in order to deliver a specific outcome, good or service to a target group, external or internal client, optimizing the resources of the organization.[35]
- *Function*: A set of related and coordinated actions that belong to the entity, its organizational branches and organizational units in order to achieve their goals.
- *Overall function*: A set of actions that the entity should carry out leading to the achievement of the objectives and goals of its administrative management. These stem from the substantive organizational branch related to the entity.
- *Specific function*: A set of actions that the organizational branches/units and the organizational units must carry out, aimed towards the achievement of the objectives of the entity and the goals of its administrative management.
- *Activity*: A set of actions which are part of the responsibilities that belong to an organizational branch or unit as well as to the positions that they encompass, as part of their specific functions. [36]
- *Task*: A coordinated series of work elements and instructions used to obtain an identifiable and definable result.[37]

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[33]Prime Minister's Office / Secretariat of Public Management: *Manual to make the ROF*. Lima, May 2007.
[34]Ibidem.
[35]Ibidem.
[36]Ibidem.
[37]Ibidem.

- *Hierarchy*: It is the continuous line of authority that extends from the highest levels in the organization down to the lowest link in the chain, also known as chain of command.
- *Organizational level:* It is the category within the organizational structure of the entity that shows the dependence between the organizational branches or units according to their functions and attributions.
- *Hierarchical level*: It shows the hierarchical dependence of the positions within the organizational structure of the entity.
- *Organizational branches:* They are the organization bodies that make up the organizational structure of the entity. They are classified as follows: a) top management; b) line organizational branches; c) advisory organizational branches; d) support organizational branches; e) de-concentrated divisions.
- *De-concentrated divisions*: They are bodies of the entity with specific functions, which are assigned based on a given territorial environment, acting on behalf and representing the entity within the territory of their jurisdiction.
- *Organizational unit*: It is the basic unit of the organization that makes up the organizational branches contained in the organizational structure of the entity.

2. Organizational redesign

2.1 Chapter objective

This chapter's main objective is to provide overall methodological guidelines to formulate an organizational redesign for the regional sector directorates under the current process of decentralization, i.e., the task of outlining its new institutional organization based on the functions specified in the law of organization and functions of the regional governments[38] and its modifying laws[39,40], as well as in the relevant specific attributions to be transferred. Awareness should be made of the limitations of this document, in as much that it only carries basic recommendations that cannot in any way replace the competencies of specialized technical assistance in this professional field.

2.2 Theoretical framework for the organizational redesign

An organization can be defined as social unit, group or body of two or more persons or parts formed with the intention of achieving a specific collective purpose, for which the arrangements, skills and resources required to achieve a performance aimed towards the attainment of this purpose are provided. Every organization is an "open" human system that interacts with its environment.[41]

The organizational design is a deliberate process of defining the institutional strategy and setting up its structure, processes, incentive systems, policies and human resources practices with a view to creating an effective organization capable of reaching its goals. The set up of the organization is carried out in order to align each of its four components to the established strategy. In fact, the organizational redesign is a technical process for institutional planning, where an entity designs and sets up the organization model that better suits it to be able to comply with its functions and goals[42]. Usually, *organizational design* and *organizational structure* are mistakenly viewed as synonyms, it is essential to regard the organizational design as a comprehensive task, not only as the arrangement of some 'small boxes' of the institutional organizational chart. The redesign components are summarized in Graph 2:[43]

Within the current decentralization process, the redesign of the regional sector directorates must stem from the setting up of a new institutional strategy within the framework of the one defined by the regional government, i.e., going from a strategy that depends on a ministry to

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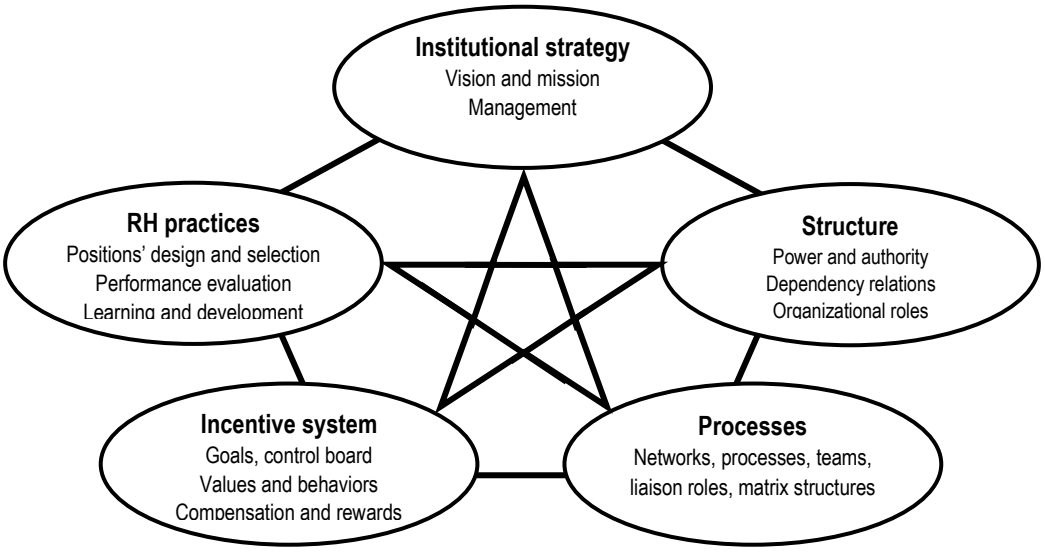
[38] Congress of the Republic: *Law Nº 27867, Regional governments' organic law*. Lima, November 18, 2002.
[39] Congress of the Republic: *Law Nº 27902*. Op. cit. Lima, 2003.
[40] Congress of the Republic: *Law Nº 28926*. Op. cit. Lima, 2006.
[41] Hanlon, John; Pickett, George: *Public health; Administration and practice*. Times Mirror / Mosby College Publishing. Missouri, 1984.
[42] Prime Minister's Office / Secretariat of Public Management: *Manual to make the ROF*. Lima, May, 2007.
[43] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association.USA, 2002.

another one that meets the regional government guidelines as one of their specialized technical bodies.

Graph Nº 2: Organizational design components (star model)



Source: Galbraith, Jay: *Designing Organizations: An Executive Briefing on Strategy, Structures, and Process.* Jossy-Bass. San Francisco, 1995.

The *institutional strategy* sets out the raison d'être of an organization, stating its vision, mission and institutional principles, giving an aim to their actions within the environment where it operates. The *structure* of an organization, in turn, can be defined as all possible ways in which their work can be divided in different tasks, achieving coordination with each other[44]. The definition of the *processes* allows the appropriate coordination between the various components of the organizational structure, whereas the *incentive system* seeks to align behavior and individual performance with the institutional goals, based on a measurement system for the compliance of the goals and the setting up of appropriate incentives. Finally, the *human resources corporate practices* create the institutional capacities based on of individual skills.[45] The methodological sequence to develop an organizational redesign is as follows:

2.3 Organizational redesign methodology

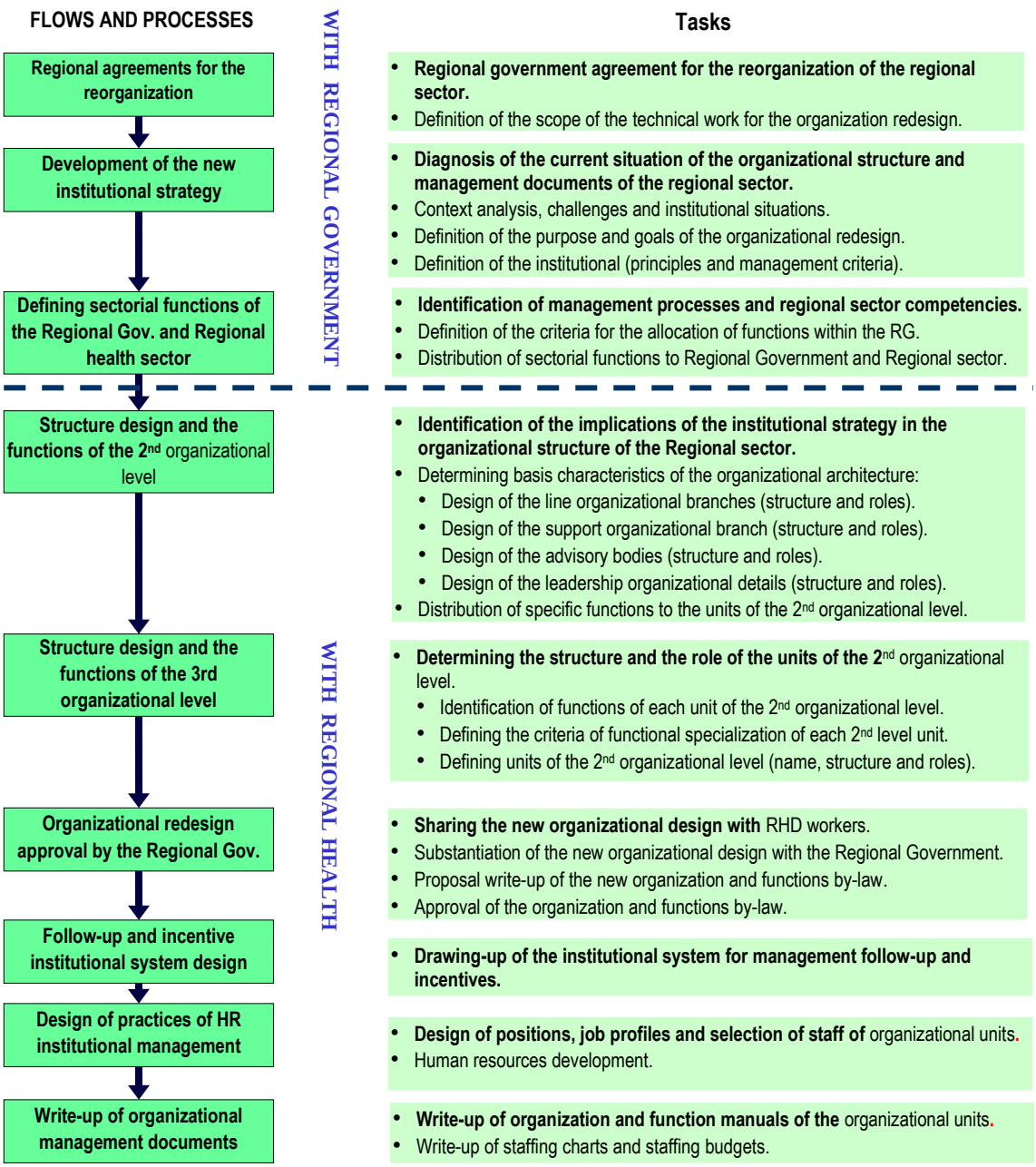
The following chart (Chart No. 3), in a flowchart shape, summarizes the sequence of the main steps and their related tasks to carry out the organizational redesign. It represents a general guide subject to the necessary adjustments to each regional context. This methodology is the result of the work systematization carried out by PRAES regarding decentralization in the health sector and the technical assistance provided to the regional governments and the regional sector directorates in their work environment; nevertheless, it

[44]Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.

[45] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association.USA, 2002.

may be applied to any state sector at regional level. In this sense, the main text carries out a methodological abstraction applicable to any regional sector directorate, whereas the interspersed shaded boxes with the text contain the results obtained through the application of the health sector methodology, used as an example.

Graph Nº 3: Organizational design methodological scheme



2.3.1 Regional agreements for the reorganization

A reorganization of a regional sector directorate requires for the political authorities of the regional government and the key executives of the relevant regional management and of the

involved regional sector directorate, to assume the necessary political commitments to achieve that purpose. This commitment includes the set-up of the change process management, its legitimacy and the allocation of the necessary resources. In order to assume this it is necessary to know the implications of the process in terms of the advantages and the difficulties and risks of change.

It is known that the reorganization processes create a high level of uncertainty and anxiety among the authorities, executives and employees, who become very wary of the motivations of those who promote the change, believing that a change produces significant financial, social and political costs. Nevertheless, evidence shows that public and private institutions can be substantially enhanced, at a reasonable cost; usually terrible mistakes are made in the change design.[46] To implement a change in an organization it is absolutely necessary to understand and manage the human behavior of its members, the key for this is an appropriate planning and handling of the transition stage and of all implicated persons.

Having this in mind, it is necessary in the first place to try to identify together with the regional government authorities and executives the possible advantages of the change process. It is most important to specify if there is a lenient attitude towards the current situation from the regional sector directorate, carrying out a quick evaluation of its institutional performance, achievements, as well as the fulfillment of its goals. Likewise, it is important to determine if there is a feeling of urgency for the change and how many share this sentiment. The authorities must point out their perception, scope and how decided they are to promote the reorganization.

The agreements that the authorities and executives should reach are related to the following:

- To specify the overall objective of the redesign process and organizational change to be developed, pointing out their key reasons and scope, in as much that both will guide and will provide a scope to said process. This objective must clearly specify the broad political approach for organizational change. As previously mentioned, one of the main reasons for the organizational design is to adapt the institutional organization of the regional government and its regional sector directorates to allow the incorporation of the functions that will be transferred during the decentralization process. , there may be other relevant justifications, as for example, developing the capacities related to the fulfillment of their mission in relationship to the integral and sustainable development of the region, as well as increasing the levels of democratization of public management or to start up a process of institutional modernization. These parameters can be obtained from the institutional development program and from the institutional context analysis contained therein.
- Define the deadlines, both to carry out the organizational redesign, as well as for the drawing-up of the change plan and its corresponding implementation and organization.

[46]Kotter J.: *Leading Change*. Harvard Business School.1996.

- To create the coalition that leads the change, that should meet the following requirements: Trust among its members; power of decision; technical skills; credibility and leadership for the change. At first it is necessary to establish a commission responsible for leading and organizing the activities for the write-up of the proposed redesign and organizational change plan. Experience suggests incorporating members of the commission to labor union representatives of the regional sector directorate, thus contributing to the future sustainability of the proposal. In the previous "redesign" proposals ", the public institutions would carry out their projects for management documents through a small group of people in the planning office without any involvement of other offices and even less of the employees' representatives of the institution. As a result many workers of the institution are unaware of their institution's current Organization and functions by-laws.

It is desirable that these agreements of the regional authorities be ratified by a regional norm that formalizes them, setting up an institutional redesign commission by means of a regional executive resolution or a Regional Council ordinance. The latter option provides a broader scope and commits the whole of the Regional Government to take part in the approval stage of the change proposal as well as its implementation, although this option may involve an investment of time, hence, the advantages and disadvantages must be weighed for each specific case. Formalization is an important task insofar as it commits different executives into taking part in the redesign technical work. With these political agreements with the Regional Government, the next step will be to define with the authorities the scope and responsibilities of the technical work for the organizational redesign: the activities to be performed; the expected products; the deadlines, the responsibilities of the organizers of the activities; room for reviewing and decision-making on the work progress of the organizational design. Based on these decisions, the reorganization commission and the ones responsible for technical assistance will have to prepare the work plan for the organizational redesign and the draw-up of the change plan.

2.3.2 Diagnosis of the situation and institutional performance

It would be advisable to carry out a participatory diagnosis of how the institution is under the current organizations, in order to have available evidence to substantiate the need to reorganize the regional sector directorates and to be able to deal with resistance to change during the stage of the drawing-up of the organizational redesign proposal as well as during the implementation one. Hence, it is important to involve the workers and executives in this diagnosis. This will permit, that in general, both the executive body of the Regional Government as well as the ones in the regional sector directorate will be able to justify the redesign. This need can be solved with a preliminary work carried out by the redesign committee, using some simple tools that will permit a quick assessment of the previous situation. The following can be considered as assessment points:

- The current situation of the exercise of sectorial functions transferred to the regional governments through monitoring and evaluation instruments. In the case of the health sector there is an instrument for the Monitoring and Evaluation of Decentralization (MED). It is necessary to create similar tools for other sectors.

- Progress in the incorporation of the transferred functions and updating of management documents, mainly in the Organization and functions by-laws (ROF), Organization and Functions Manual (MOF), Staffing Chart (CAP) and the Chart of Administrative Procedures (TUPA). This includes seeing if its current ROF clearly establishes the functions that are relevant to each organizational unit without recurrence and duplicity in the exercise and seeing if the function of the regional sector directorate is clearly incorporated in the management documents.
- The alignment of the management documents (ROF, MOF, CAP, and TUPA) with the institutional strategic plan, and this one, in turn, with the regional coordinated development plan.

Box Nº 1: Monitoring and evaluation of the health decentralization system – MED HEALTH (MED SALUD)

The MED is a tool that permits to monitor and evaluate the extent of the exercise of the regional governments of the health functions which have been decentralized, as well as its performance in the exercise of said functions. Through the MED it is possible to analyze how the essential functions are being performed (sectorial regulation, organization and management of public health services, human resources sectorial management and promotion, protection and guarantee of health citizenship rights as well as citizen participation), leadership functions (issuing policies, strategic and operational planning and institutional organization) and auxiliary functions (financial resources management, institutional human resources managements, physical resources management, management of medicines and goods, insurance management, investment management, information management and research management).

Assuming the transferred functions means implies that the Regional Governments develop efficiently and appropriately the processes and activities related to the various organizational functions (institutional and service-oriented), the management ones (financing, physical and human resources) and the governance ones (regulation, planning) in order to obtain the desired results. Within this context, to monitor the health decentralization at regional level implies the routine follow-up of the information related to the compliance of the required processes for the competent exercise of the decentralized functions by the regional sanitation authority. The monitoring of the decentralization is important as it allows:

- To determine the extent of the exercise of the health decentralized functions by the Regional Government, i.e., what percentage of the required activities and processes are been carried out as per the standard criteria.
- To identify the limiting factors which are affecting the exercise of the decentralized functions, i.e., to see if they are related to resources, institutional or management capabilities, in order to introduce corrective measures to strengthen the organization, management and governance of the health system.

The reorganization committee should have an office work to previously carry out the document revision. In Table Nº 1 below, we can see a series of variables that can be used for the evaluation of management documents.

Table Nº 1: DIRESA management document's analysis

Dimensions of the analysis	Analysis parameters	Variables to be evaluated
Structure design (ROF)	Design of line organizational branches	• Correct identification of the main processes[47] • Applying organizational specialization criteria (be it vertically or horizontally) • Compliance with the regulations to set up units (DS 043-2006-PCM)
	Design of support organizational branch	• Correct identification of support processes • Applying criteria for organizational specialization • Accuracy in the naming of the support organizational units • Compliance with the regulations to set up units
	Design of advisory organizational branches	• Correct identification of advisory processes • Application of criteria for organizational specialization • Accuracy in the naming of the support organizational units • Compliance with the regulations to set up units
	Design of De-concentrated Divisions	• Correct identification of the main processes to be de-concentrated into the networks and hospitals • Correct identification of support and advisory processes to be de-concentrated • Application of criteria for organizational specialization • Correct identification of specific functions, assigned according to a specific territorial scope. • Compliance with the regulations to set up units
	Design of the organizational details for institutional leadership	• Correct identification of the organizational processes related to institutional leadership • Correct definition of the institutional role of the leadership organizational unit.
Roles design (ROF y MOF)	Nature Naming of the organizational unit Scope of responsibility Responsibilities in the media and processes management	• Adequacy in the definition of roles • Correct identification of the nature of the units • Accuracy, unicity and complementarity in the definition of the scope of responsibility • Accuracy, unicity and complementarity in the assignment of attributions the media and processes management
Job positions design (MOF y CAP)	Identification of positions Description of the position Functions and main tasks Identification of skills Profile of the skills for the position	• Correct identification of the positions • Accuracy, unicity and complementarity in the description of the position • Accuracy, unicity and complementarity in the description of the main functions and tasks • Correct identification of skills • Accuracy, unicity and complementarity in the description of the profile of the skills for the position

[47] Main processes in health: sectorial regulation, Organization and management of health public services, human resources sectorial management and promotion, protection and guarantee of the health citizens' rights and citizens participation.

In the case of the health sector it is necessary to review how the service networks are carrying out their functions and how they are organized for said purpose. It should be kept in mind that in many cases its institutional capacity is very limited, restricting its role to a mere process and data transfer unit or otherwise they act independently without any kind of coordination with DIRESA. In general it is known that the service networks that function as executive units tend to work autonomously without coordinating with its respective DIRESAs. Besides the analysis of the management documents that is being proposed on table Nº 1, in the case of networks and micro networks, an assessment of their current situation and of their problems should be made. The ones listed in Table Nº can be taken as parameters.

Thus, the reorganization committee should take to the first workshop the review mentioned in the previous paragraphs, as an input. The methodology being currently used for the first workshop can be enhanced, in the analysis of the context, with the information that the committee will provide and that finally will be discussed in a participative space within the workshop. One of the main objectives of this workshop should be that the executives of the regional government and the Regional Health Directorate assume the necessity of an institutional redesign after the analysis carried out.

Regarding the review and definition of the vision and the mission, it is recommended that the DIRESA previously works on it under certain guidelines that incorporate the raison d'etre of the DIRESA, taking into consideration the regional directorates have as main functions the following:

- The provision of comprehensive health care public services
- The regulation and sectorial enforcement of services and goods related to health
- Health promotion and control of the determinants related to health

It is worth mentioning, due to the way in which the health sector has been organize, that usually in most regions only appears the provision for the health public services, being left out the definition of the governing function attached to the regional government through DIRESA as a technical entity. As a result, the institutional vision and mission are generally speaking incomplete. It is suggested that this work is also done by the reorganization committee with the methodological recommendations that appear in the section containing the definition of the new institutional strategy.

Table Nº 2: Assessment of the current problematic of health networks and micro networks (MR)

	Scope	Organizational Structure	Functions	Administrative Arrangements	Response Capacity
Health network	1. Has the delimitation been up-dated taking into consideration the new economic and social corridors and the scope of the network? 2. Does the current delimitation of networks facilitate the coordination with local governments?	1. Has it been give priority, in the organizational structure, to the presence of technical units for the support to the health care services? 2. The current organizational structure takes into consideration line organizational branches that comply with the institutional strategy of the networks. 3. Has it been taken into consideration in the management documents (CAP y ROF) the human resources with skills for the management of the network?	1. Do the functions assigned to the network correspond to its role? 2. Don't the functions assigned to the network overlap with the ones of the regional directorate? 3. Do the functions assigned to the networks facilitate the decentralization process? (further coordination with the local governments, decision-making level closer to the population)	1. Is the network and executing unit? 2. Is there autonomy in its budget programming and expenses? 3. Does the network keep informed DIRESA about the expenses it makes and to what result is it aimed?	1. Is there health care response capacity of an intermediate level? 2. What is the state of the communication system inside the network? 3. What is the state of the reference and counter-reference system inside the network? 4. Does the network have specialists in the health facilities I-4 y II-1? 5. Have the network Health Facilities (EESS*) been categorized taking into account the technical regulations?
Health micro-network	3. Has the delimitation been up-dated taking into consideration the new economic and social corridors and the scope of the network? 2. Does the current delimitation of networks facilitate the coordination with local governments	1. Is there an organizational structure for the micro-network? 2. Does the CAP allocate the necessary staff for the MR management? 3. Is the HR allocated to the MR?	1. Are there management documents that show the Health Micro-network (MR*) functions and their areas? 2. When the Health Micro-network (MR*) functions are defined, do the functions with the network get duplicated?	1. Does the Health Micro-network (MR*) know how much economic resource produces and prioritizes where the expenses go? 2. Does the Health Micro-network (MR*) control the administration of its HR?	1. ¿Cómo se encuentra el sistema de comunicación al interior de la MR? 2. What is the state of the reference and counter-reference system inside the Health Micro-network (MR*)? 3. Which is the HR gap in the Health Facilities (EESS*) of the Health Micro-network (MR*)?

*For its initials in Spanish

2.3.3 Development of the new institutional strategy

The next step is the setting up of the institutional strategy, which should be regarded as the intermediation of the strengths between the organization and the institutional environment.[48] It implies and interpretation of the regional situation and the development of consistent patterns of institutional decision-making to be able to handle it. It is composed by the mission and the vision and the institutional principles that rule the regional sector directorate as part of the regional government. These statements must bring together and enhance those ones that were created in the institutional development program. Firstly it is necessary to develop these statements for the regional government as a whole and then set up the ones corresponding to the sectorial organizations, inasmuch as the latter ones should incorporate these elements into their specific organization within their responsibilities.

The development of a new institutional strategy for a regional sector directorate entails a set of steps which purpose is to begin to adapt the strategy to the institutional environment in the mid-term future:

- Analysis of the current context, current and future challenges and the situation of the institution.
- Defining the purpose and goals of the organizational redesign.
- Defining the institutional doctrine (management principles and criteria).
- Defining the new institutional strategy (vision, mission, strategic goals and institutional roles).

2.3.3.1 Context analysis, challenges and institutional situations

We should start from a quick analysis of the current institutional context, pointing out the political and social moment, mainly characterized by an ongoing decentralization process in the context of a limited reform of the Peruvian state and a political transition towards democratization of the society and the state, but with a great social movement of the population (migration, urbanization). It is most important to try to characterize the specific sectorial context, which must be addressed directly by the relevant regional directorate. This analysis is complemented with the identification of the major institutional challenges that the sectorial directorate should undertake for the medium and long term, being one of the most important, as already noted, the one related to the incorporation of the functions to be transferred during the decentralization process, which will involve an autonomous leadership of the sectorial policies, planning, organization and direction in order to cover the regional needs, and to also generate more territorially-integrated management models, rather than only sectorial ones.

[48]Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.

Box Nº 2: Mid-term health institutional challenges

- Autonomous management of resources in order to cover regional necessities. Need for an efficient transfer of national government resources. Strengthening of financial management.
- Management processes integration as per results.
- Sectorial leadership in the region.
- Transition of the recuperative health care model to one of comprehensive health care.
- Epidemiologic challenges determined by the demographic and epidemiologic transitions.
- Organization as per the health rights of the population.
- Inter-sectorial and inter-governmental coordination.
- Citizen participation in health management.
- Prioritize health in the political and social agenda.
- Extension and strengthening of the health network. Strengthening of the investment management.
- Decentralization process for local governments.

Finally, it is necessary to carry out a brief evaluation of the institutional situation of the regional government in the specific state sector, both in the seat of the regional government, as well as in the regional sector directorate. This analysis should come from the evaluation of the current sectorial institutional performance, in terms of the fulfillment of its goals and the accomplishment of their results, pointing out the main existing problems. Based on this, the main existing obstacles should be identified, trying to specify the problems in organizational management and leadership, in performance and skills of the different organizational units, as well as the ones related to the current organizational design. It is important to ask oneself if the current organization will be capable of undertaking the unresolved institutional challenges, trying to specify their main limitations.

2.3.3.2 Definition of the aims and objectives of the organizational redesign

Taking as a framework the institutional analysis carried out previously, the aim and objectives of organizational redesign should be specified. It should be understood as the purpose of the redesign the results, in terms of institutional impact, to be achieved with the reorganization of the regional sector directorate; while the goals should define the general guidelines and scope of the change. These definitions should be within the framework of the parameters previously established by the regional government.

Box Nº 3: Purpose and goals of the health organizational redesign

Purpose of the organizational redesign

The health organizational redesign aims to fully cover the health needs of the population contributing to the improvement in quality of life and human development in the region.

Goals of the organizational redesign

To adapt the organization and to improve the coordination of the executive body of the Regional Government, DIRESA and the operating instances to be able to appropriately respond to the health needs of the region within the framework of the decentralization process, strengthening their management capacities, de-concentrating the resources management and the modifying of the organizational culture in the public institutions related to health.

2.3.3.3 Development of the new institutional strategy

The establishment of the institutional doctrinaire body is based on the declaration of the institutional principles and guidelines that will rule its organization and functioning, which

may be of two types: the *institutional principles* and the *institutional management criteria*. The first ones are the declaration of values, in the ethics and human fields, on which the sectorial regional governmental policy is based, and they constituted their commitment as the State with their society. An *institutional principle* is a guideline, conviction, rule, proposal or fundamental idea under which the institutional thinking and behavior is governed; there is polarity in the values, inasmuch as they are positive or negative, and hierarchy inasmuch as they are superior or inferior [49]. Apart from the principles, the *institutional management criteria*, which correspond to the great guiding ideas for the institutional organization and functioning, should be identified. Both should clearly be distinguished; the principles are attached to the ethics field, while the latter are rather within the institutional management organizing field. Thus, the former represent the purpose, while the latter the does the means.

To draw up the institutional doctrine the regional sector directorate should take as input what has been established in the legal framework and also in the regional development plans. The organic law for regional governments does not make a distinction between principles and institutional management criteria, generically pointing out: participation; transparency; modern management and rendering of accounts; inclusion; efficacy; efficiency; equity; sustainability; impartiality and neutrality; subsidiarity; alignment of regional policies; government functions specialization; competitiveness and integration.[50]

Box Nº 4: Health institutional doctrine

Institutional principles

- Transparency.
- Respect citizen rights.
- Solidarity.
- Equity.
- Ethics.
- Honesty.
- Responsibility and service and service vocation.

Institutional management criteria

- Management focused on people.
- Strategic management and management by results.
- Efficient and effective management.
- Team work.
- Organizational flexibility.
- Administrative simplicity.
- Participative management.
- Recognition and promotion of the institutional human resources.

[49]Real Academia de la Lengua (Royal Spanish Academy): *Diccionario de la lengua española (Dictionary of the Spanish language)*. Twelfth edition. Madrid, 2001.

[50]Congress of the Republic: *Law Nº 27867, Regional Governments Organic Law*. Lima, November 18, 2002.Article 8.

2.3.3.4 Definition of the new institutional strategy

The new institutional strategy comprises a set of institutional definitions that contribute to strategically guide and lead the institutional management model, defining its field of action and constituting the basis for the organizational design process.[51] These elements are the following: a) institutional vision; b) institutional mission; c) strategic institutional goals; and, d) institutional roles.

a) Institutional vision

The *institutional vision* is a brief statement of what an institution expects to be in the future in relation with the desired political and socio-economic situation in the mid-term and to which one seeks to contribute, to guide the growth and institutional development strategic decisions[52]. The vision should point out a route that allows guiding the expected development; due to which the expected results or the success indicators of the regional public management for the established mid-term should be specified. Given the current national scenario, the new sectorial vision should incorporate the expected results of the democratization, decentralization and State modernization processes at regional level, as well as the impact of the social development that is expected to be achieved in a specific state sector. This vision should be linked to the corresponding institutional development regional plan.

Box Nº 5: Health institutional vision

To become a leading Regional Health Authority in meeting the health needs of the region, in accordance with national and regional priorities and contributing to the comprehensive as well as sustained development, and with social justice in the region, strengthening the regulatory capacity and provision of services and the control of social determinants of health, thus creating a healthy environment, improved health status of the population, state inter-sectoral policies and decentralized health policies, increasing the exercise of the rights and duties of citizens in health by the year 2012.

So that a given institutional vision statement is able to guide the development and performance of the organization it should have certain special characteristics in order to comply with said purpose and to really become an effective vision, and it should be:[53]

- *Conceivable*: Transmitting a mental image of the future.
- *Desirable*: Appealing to the long-term interests of the actors and creating motivation in the people who will take part in it.
- *Viable*: Taking into consideration the realistic and achievable goals over time.

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[51]Galbraith, Jay: *Designing Organizations: An Executive Briefing on Strategy, Structures, and Process*. Jossy-Bass. San Francisco, 1995.

[52] Thompson, Ivan: *Misión y visión. (Mission and visión)* En: http://www.promonegocios.net/empresa/mision-vision-empresa.html.

[53]Kotter J.: *Leading Change*. Harvard Business School.1996.

- *Focused*: Clear and explicit enough as to be used as a guideline to the decision-making leaders.
- *Flexible*: General enough as to permit individual and group alternatives and the application of the criterion and initiative of the leaders when facing changing conditions.
- *Communicable*: Easy to transmit and explain to people to whom it affects, all the same to users, clients, suppliers or employees.

Summarizing, and institutional vision has to be very brief and explicit, so it easy to communicate in 5 minutes and can be easily memorized by their workers. On the other hand, the elements for and effective communication are: [54]

- *Simple wording*: Trying to avoid difficult word and little meaningless adjectives.
- *Using metaphors, analogies, and examples:* Creating a meaningful mental image ("a picture is worth a thousand words").
- *Clearing up apparently inconsistencies:* Avoiding oversights and non-answered questions that affect the credibility of the proposal.

b) Institutional mission

The institutional mission constitutes a statement of the institutional purpose and its raison d'être as an organization, because it defines: 1) what it attempts to comply with within its scope or social system in which it performs; 2) what it attempts to do; and, 3) for whom is it going to do it[55]. Thus, to draw it up it is required to identify its target public and the central actions to be developed, as well as its central institutional strategy. It represents the mandate and the specific attributions granted to an institution for the fulfillment of its institutional aims. The central institutional strategy specifies the main goal for the guidance of the organization and institutional functioning, establishing if it will be made into a centered institution in: a) it operations, privileging its standardization y maintaining quality, service and price patterns; b) its products, services or types of intervention, seeking for its permanent innovation; c) its target populations, users, clients or objects de intervention, adjusting their products and services to their needs.

A mission should be easily understood and remembered by all the members of the staff of an organization; thus, it should be brief, clear, simple, communicable and in agreeing with the competencies and the functions that the law points out for the entity.[56] To draw it up, it can be used the following methodological scheme in to draw it up, it can be used the following methodological scheme in Table Nº 3.

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[54]Ibidem.

[55] Thompson, Ivan: *Definición de misión (Definition of the visión)*. In: http://www.promonegocios.net/mercadotecnia/mision-definicion.html.

[56]Prime Minister's Office / Secretariat of Public Management: *Manual to make the ROF*. Lima, May 2007.

Table Nº 3: Methodological scheme for the *Institutional Mission* development

Components of the *Mission*	***Institutional Mission* statement**
Naming the organizational instance	"The *(name of the organization or organizational instance)"*
Syntax	"it is"
Nature	*(Who is or who represents the said organizational instance? What is the location of this instance in the regional institutional organizational chart?)*
Syntax	*"It is responsible for"*
Responsibility scope	*(What is its raison to be? What is the purpose of the office inside the institution? What is the scope of its governmental action, when relevant? What needs and expectations should be covered and for whom?)*
Syntax	*"It is in charge of"*
Main means and centrals actions	*(Through what means should these needs be covered? What important actions should be developed in order to address these needs?)*
Syntax	*"For the purpose of which it becomes a centered institution"*
Main institutional strategy	*(Choose one of the following options: a) its operations; b) its products , services o types of intervention; c) its target population, users, clients and objects of intervention.)*

Box Nº 6: Health institutional mission

The Health Regional Directorate is the technical de-concentrated body of the regional government, which is responsible for the implementation and carrying out of the national and regional health policies at regional level; in charge of the regional sectorial management and planning, of the organization and provision of health public services, of the sectorial regulation and enforcement and of the control of the determinants of health, for the purpose of which it becomes a centered institution in comprehensive health care for a person, the family and the community.

c) Strategic institutional goals

The strategic institutional goals show the achievements in terms of the organizational development that are expected to be achieved in a mid or long term future to be able to attain the institutional vision. The drawing up of the vision includes the definition of the expected results in terms of institutional aims, as well as its strategic goals for institutional development, i.e. the transformations and innovations of the organization that are necessary for the achievement of its goals. These strategic goals are expectations that are created as a result of the internal and external analysis of the organization in relation to the fulfillment of its mission and vision.

Box Nº 7: Health institutional strategic purpose and goals

Institutional aim

To create in the region, buy 2012, healthy environments, an improved health status of the population, inter-sectorial state policies and decentralized ones in health, as well as incrementing the exercise of health rights and duties of the citizens.

Strategic institutional goals

To achieve the following institutional development strategic goals, by 2012:

- To strengthen DIRESA's sectorial regulation and enforcement capacity.
- To increase and strengthen DIRESA's health services provision.
- To strengthen the control capacity of the social determinants of health in the regional government.

d) Institutional roles

The next step is to specify the institutional roles of the different regional instances involved in a given state sector. The role is the description is the description of the nature or the reason to be (raison d'être) of each instance as well as its institutional mission. In the previous draw-up work of the institutional mission progress was made with this definition for the regional sector directorate, having yet to specify all related to other regional instances; the instances are the executive seat of the Regional Government and the sectorial operational units who provide public services. Table Nº 2 shows a methodological scheme with the key questions to which the statement of a role should answer. While in Table Nº 4 the corresponding generic roles are pointed out, based on the existing legal framework (organic law of the regional governments[57] and their modifying laws[58,59]).

Table Nº 4: Methodological scheme for the development of the institutional role

Role components	*Institutional role* statement
Naming the organizational instance	"The *(name of the organizational instance)"*
Syntax	"it is"
Nature	*(Who is or who represents the said organic instance? What is the location of this instance in the regional institutional organizational chart?)*
Syntax	*"It is responsible for"*
Responsibility scope and	*(What is its raison d'être? What is the purpose of the office inside the*

[57]Congress of the Republic: *Law Nº 27867, Regional governments' organic law*. Lima, November 18, 2002.

[58] Congress of the Republic: *Law Nº 27902, Law that modifies the regional governments' organic law Nº 27867, to regulate the participation of the provincial mayors and civil society in the regional governments and strengthening the decentralization and regionalization process.* Lima, January 1st, 2003.

[59]Congress of the Republic: *Law that regulates the transient regime of the regional health directorates of the regional governments– Law Nº 28926*. Lima, December 7, 2006.

Role components	*Institutional role* statement
results	*institution? What is the scope of its governmental action, when relevant? What needs and expectations should be covered and for whom?)*
Syntax	*"It is in charge of"*
Responsibilities	*(Through what means should these needs be covered? What important actions should be developed in order to address these needs?)*

Graph Nº 4: Institutional roles within the regional government

Role of the executive Body of the Regional Government	Role of the Regional Sector Directorates	Role of the Services' Operational Sectorial Units
It is the governing body of the region emanating from the peoples' will , in charge of organizing and directing regional public management, for the purpose of which it becomes a legal entity of public law, with political, economic and administrative autonomy in matters within its competence and it constitutes a budgetary sheet . Its purpose is to promote sustainable comprehensive regional development, promoting public and private investment and employment, as well as guaranteeing the full exercise of rights and equal opportunities of its inhabitants, as per the national, regional and local development plans and programs (*). The Regional Managements are responsible for the regional policies been assigned for its management built-in the scope of its jurisdiction, in accordance with articles 5º, 45º y 46ºof the Organic Law of the regional governments and they have the sectorial bodies that each regional government determines.(**)	They are the de-concentrated technical bodies under the corresponding Regional offices and they are responsible for the specific functions of a sector in the regional government scope. The regional managers, who are trustworthy executives, are in charge. (**) They are established as the regional sectorial government authority and they are in charge of directing and planning the sectorial regional strategy, the adjustment of the regulations and its control, as well as of the organization of the regional system of sectorial public services.	They are the decentralized or deconcentrated technical-operational bodies of the regional health directorate to which it belongs as per law, in charge of the management and provision of the public services within their responsibility.

(*) LOGR, Ley Nº 27867. Artículos 2, 4 y 5

Box Nº 8: Health institutional roles

Regional Government

It is the governmental instance of the region, in charge of organizing and directing public regional management. Its aim is to promote sustainable comprehensive regional development, promoting private and public investment and employment, as well as guaranteeing the full exercise of rights and equal opportunities of its inhabitants, as per the national, regional and local development plans and programs.

Regional Health Directorate

The Regional Health Directorate is a technical de-concentrated body of the regional government responsible for the implementation and carrying out of the health national and regional policies at regional level; in charge of conducting the regional sectorial planning, of the organization and provision for health public services, of the sectorial regulation and enforcement, as well as the control of the determinants of health, in virtue of it becomes an institution focused on the comprehensive health care of a person, the family and the community.

Hospitals and Health networks

They are the decentralized or de-concentrated technical-operational divisions, of the Regional Sector Directorate, in charge of the management and provision of public services within their responsibility.

(**) Law Nº 28926. Twelfth article of the transitory, complementary and final dispositions.

2.3.4 Definition of sectoral functions of the Regional Government and Regional sector directorate

This section aims to identify the regional sectorial competencies and to define the specific attributions or authorizations that correspond to each of the different organizational levels inside the regional government (executive body of the regional government, pertaining regional sector directorate, and their operational units for public services if relevant), through the following sequence of tasks:

2.3.4.1 To identify management processes and the regional sector competencies

The first task is to identify the different management processes and the corresponding regional sectorial competencies that the organization needs to develop in the mid-term. A first group of competencies correspond to those who are subject to transfer in the decentralization process, which is outlined in the respective sectorial transfer plans and that correspond and stem from the sectorial specific functions established in the organic law of regional governments (*substantive norms*). Nevertheless, the task should include the identification of other important functions that the regional government should have for the fulfillment of its institutional mission, even if they are not formally part of said plan, provided they have a legal substantiation[60] and they do not contravene the legal framework. Among these we have the exclusive competencies assigned to the regional governments in their organic law and their modifying laws previously mentioned, as well as the specific substantive competencies defined by means of special sectorial laws of general laws of general application[61], besides those ones that stem from state administrative systems (*regulations regarding national administrative systems*[62]).[63] Thus, the application of this methodology should take into account everything that the sectorial state management

[60]Congress of the Republic: *Framework law of modernization of the State management - Law Nº 27658*. Lima, January 17, 2002.

[61] Norms on international cooperation; civil and national defense; transparency and access to public information.

[62] Norms issued by the governing body of a national administrative system: Budget; Treasury: Accounting; Public Investment; Control; Public procurement and State contracting; Public employment; Information technology; Legal Defense.

[63]Prime Minister's Office / Secretariat of Public Management: *Manual to make the ROF*. Lima, May 2007.

should do and not only restrict itself in what is being done currently. It is obvious that this can significantly modify the vision of the current sectorial socio-political system, incorporating good governance practices.

In order to address this task, it would be advisable to use a methodology base on analysis of processes. The aim is to specify the governmental sectorial scope of action in the region, which will facilitate the organizational design, detailing the map of the different sectorial *management functional areas,* reason why it is most important to follow a rigorous methodology of processes' analysis, rather than strictly sticking to the wording of functions and established specific attributions within the legal frame, that, nevertheless, it must not be contravened. The functional areas of governmental management are regarded as management processes, understanding the latter as the set of key functions or group of activities that make up a given logical sequence, that transforms resources or needs (input) of the users of the organization, into products and services (output), with an added value that covers their requirements, using resources that will cover their requirements, using resources with the purpose of achieving results[64]. The set of processes, many of which are dependent and related to each other, contributes to the attainment of the sectorial strategic goals. To make this tasks easier, it is advisable to follow a three-step methodological sequence based on the differentiation of three types of functional areas on account of their relationship with the sectorial goals:

- *Main functional areas*, of – *finality-oriented (purpose)* nature which are essential and even indispensable for the fulfillment of the governmental role regarding its competence goals, directly contributing to the achievement of the sectorial goals [65].
- *Auxiliary functional areas*, of *instrumental (contributory)* [66] nature, being used as means for the carrying out of the main functions, thus indirectly contributing to the achievement of the sectorial goals.
- *Sectorial political conducting functional areas,* giving this name to those ones related to the governmental political direction, such as the drawing up of sectorial policies and the institutional planning and organization.

Box Nº 9: Public management functional areas in the health sector

19 public management functional areas (right column) were identified, which were the result of combining the public

[64] Harrington, H.: *Mejoramiento de los procesos de una empresa.(Business Process Improvement)* Mc Graw-Hill. 1986.

[65] Pan American Health Organization: *La Salud Pública en las Américas; Nuevos conceptos, análisis del desempeño y bases para la acción (Public Health in the Americas; New concepts, performance analysis and basis for the action).* Scientific and Technical Publication Nº 589. Washington DC, 2002.Chapter 6: Main public health functions. The quoted bibliography names essential public health functions and classifies them into 'finality' (purpose) ones and 'instrumental' (support) ones.

[66] Ibidem.

management general processes (left column) with their governmental competence goals.	
Main areas:	
▪ Sectorial regulation	▪ Health sectorial regulation for people ▪ Environmental and occupational health sectorial regulation ▪ Sectorial regulation for medicines and resources ▪ Human resources health management
▪ Provision of public services	▪ Organization and management of health services for people ▪ Organization and management of environmental and occupational health services
▪ Citizens rights guarantee	▪ Promotion, protection and guarantee of citizens participation
Auxiliary areas:	
▪ Resources management	▪ Management of medicines and medical-surgical and odontological resources in health public services ▪ Physical resources management ▪ Financial resources management ▪ Insurance management in the health public sub-sector ▪ Investment management ▪ Human resources institutional management ▪ Health data management ▪ Health research management
Conducting areas:	
▪ Sectorial policies management	▪ Health policies management
▪ Planning	▪ Institutional and sectorial strategic planning ▪ Institutional operational planning
▪ Institutional organization	▪ Institutional organization

Later an operational definition of each of the identified functional areas of the sectorial public management is, in order to explicitly and accurately define the scope of each one of these areas, trying to fix as clearly as possible the limits among them and seeking to avoid duplicity in certain key functions. Next step is to analyze each one of the functional areas of governmental management, regarded as management processes, disaggregating them in their key *functions* that make them up, based on a certain logical sequence con base. Its importance is given by the identification and accurate definition of each of the functions that make up the different areas of sectorial management, under a sequential logic inside a management process. The name *key function* is given to the sub-process or set of specific and related activities that are carried out to achieve of a certain goal, transforming a resource in a certain partial result within the process. As a result of this work, the sectorial specific attributions corresponding to the Regional Government will be identified, which should be partially related to the specific attributions to be transferred in the decentralization process.

Thus, the method to be used with each management functional area consists in disaggregating said processes, describing their process flow with the *flow block diagrams*[67],

[67] The flow block diagrams are graphic representations or ideographs of a process flow, that specify their component functions in a logical sequence in terms of a flow of procedures. They constitute a representation methodology of engineering and have a standardize symbology. .

using the conventional symbology for this analysis.[68] This points out the sequence of the key functions, explicitly showing the way in which they should be ordered using the corresponding arrows. It is important to clear up that; in fact, this disaggregation of the processes is also a convention (agreement) prepared based on the usefulness of the analysis for the purpose of the design. A process is made up of sub-processes, these one in turn of activities and the latter of tasks, being there a hierarchy that goes from the most general to the most specific, thus, the level of aggregation or disaggregation of these elements will depend on the degree of future usefulness. It is important to point out that the sectorial functions should have a legal substantiation and the functions that stem from them should be homogeneous and in agreeance with those from which they disaggregate, following a hierarchical sequence. In order to word the key functions the following recommendations must be followed[69]:

- To use a clear, accurate, simple and brief language.
- Try to make a description no longer than a three-line paragraph.
- Try to avoid the usage of qualifying adjectives, as well as verbs with the same meaning (see the verb glossary of most used verbs in Annex G)
- A function represents an *action*, reason why it should be worded using an infinitive verb at the beginning, immediately indicating *the matter or objective* of the action, and if necessary, the formal *scope* of the matter and the *purpose* of the action. For example: to solve (action) the enquiries regarding legal matters (matter) of the different regional government offices (formal scope of the matter) in order to achieve the correct application of the current regulation (purpose)].

2.3.4.2 To determine the basic criteria for the allocation of functions inside the regional government

The main criterion to assigned specific attributions for the functions among the different sectorial organizational levels in the regional government is to define of their corresponding roles. In fact, the role of an organization is the main criterion for the assignation of functions; however, there can be other ones that may give a special emphasis to concentration or de-concentration of certain functions for specific reasons. On the other hand, the previous statement is applicable to any organizational unit inside the regional government, i.e., regional management offices, regional sector directorates, executive departments or offices, departments or offices, operational units, etc.

Additionally, it must be taken into account that al the sectorial regional functions, as well as the specific attributions of each of the organizational units of the regional government should be substantiated in the corresponding legal framework. (*Principle of legality*). Likewise, functions should not be duplicated or provide services given by other entities that already exist (*principle of duplicity or non-duplicity*). In the design of the public organizational structure prevails the *principle of speciality*, being necessary to integrate the related

[68] Harrington, H. (1986): Op. cit.
[69] Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.

functions and competencies; every public must have clearly assigned their competencies as to be able to determine its performance quality.[70]

2.3.4.3 To allocate the sector functions inside the regional government

The next task lies in the allocation of the previously identified functions, specifying the particular attributions or *sectorial specific attributions* of each of the main regional government bodies involved in their exercise (executive body of the regional government and its different organizational units, relevant regional sector directorate and its public services operational units (if relevant), analyzing each of its key functions and distributing the specific competencies amongst the levels. This distribution of attributions is carried out using as a main criterion the role of each one of these organizational units or other criteria that may have been identified in the previous task. It is important to point out that all the substantive sectorial functions of the legal and regulations framework must be assigned to a certain body.[71] In order to do this, the block diagram for the flow of the selected process and the established operational definitions are taken as an input, distributing each key function among each one of the sectorial decision-making levels, clearly identifying the specific responsibility or *specific attribution* relevant to each one when carrying out that key function. This task is made easier by disaggregating the block diagram into a *functional flow diagram with* two entry points,[72] following the same recommendations of clarity, accuracy, simplicity, briefness and infinitive usage to word the functions than the ones used in section 2.3.3.1. This information is registered in the columns of formats 1 and Nº 2 of the Annex A (Identification and allocation of the sectorial regional functions inside the regional government and inside the regional government executive body, respectively).

2.3.5 Design of the structure and functions of the 2nd organizational level

This step aims to conceive the necessary institutional arrangements in terms of the architecture design or the structural organization, defining the different organizational units of the corresponding regional sector directorate, as well as incorporating the functions to a specific organizational unit within one the organizational levels of the regional government: executive body of the regional government; regional sector directorate; public services operational units, if applicable. This certainly implies, besides checking the current organizational structure with this purpose, to align it with the previously established strategy. Thus, the task of redesigning an organization should constitute a deliberately planned process, rigorously using an appropriate methodology; it shouldn't be deemed as the debate

[70]Congress of the Republic: *Law Nº 27658*. Op. cit. Lima, January 17 2002. Article 6.

[71]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions by-laws (ROF).* Op. cit. Lima, July 21, 2006.

[72]The *functional flow diagram with two entry points* are graphic representations or ideographs of a process flow, which distributes specific activities and responsibilities among the different actors that take part in said process in a sequential intervention order; inter-relates the activities with the help of flow lines, so that the path that the flow of the materials, information and people follows, is clearly outline. They constitute a representation methodology of engineering and have a standardize symbology.

surrounding the 'small boxes' of an organizational chart. In order to do that, the following methodological sequence should be followed:

- Identification of the implications of the institutional strategy in the organizational structure of the regional sector directorate.
- Defining the basic characteristics of the organizational architecture:
  - Design of the line organizational branches (structure and roles).
  - Design of the support organizational branch (structure and roles).
  - Design of the advisory organizational branches (structure and roles).
  - Design of the leadership organizational details (structure and roles).
- Distribution of specific functions to the units of the 2nd organizational level.

2.3.5.1 To identify the implications of the institutional strategy in the organizational structure

Firstly, it is essential to take into account the institutional parameters that should delimit and guide the organizational structure, on the basis of which, the criteria to be used in the architectonic design of the organization should be defined. Therefore, the doctrine (the principles and the criteria for institutional management) and the institutional strategies (vision, mission, roles and the institutional strategic goals) which are defined in section 2.3.2 are essential, inasmuch that they delimit the institutional organization, giving them a character and a sense of their own; thus their importance. Therefore, the declaration of principles should not constitute lyrical statement, but it should have its correlation in the organizational structure, functioning and institutional culture. For example, if one were to assume transparency as an institutional principle, it would be necessary to build instances and procedures that would support them, i.e., consultative committees, information procedures for the citizens, etc. On the other hand, if simplicity were upheld as a guiding criterion, few hierarchical level should be assigned (no more than two in small organizations and three in large ones); while team work should be taken into consideration, consultative instances should be established for decision-making, both with the managers as well as with the workers.

2.3.5.2 To determine the basic characteristics of the organizational architecture

The design of the organizational structure is one of the most complex and creative tasks of the organizational design: nevertheless, there are certain theoretical fundaments quite useful to apply The organizational structure can be defined as different ways in which work can be divided inside an organization, in order to then achieve its coordination guiding it towards the achievement of its goals[73]. It is made up by a group of organizational branches rationally integrated amongst each other to comply with the pre-established functions aimed

[73]Mintzberg, Henry. *Diseño de organizaciones eficientes (Designing efficient organizations)*. El Ateneo, Buenos Aires, 1991.

towards the goals stemming from the purpose assigned to the entity[74]. Any organization can have up to five essential parts:[75, 76]

- *Strategic top management*, that represents the instance in charge of guaranteeing the functioning of the organization as an integrated whole and the fulfillment of its institutional mission, through the preparation of institutional strategies and policies, and the executive direction. Likewise, the needs of those who control or have power over the organization should be covered, and in our specific case the regional government instances. Its main functions are: to run the identity, supervise its activities, to regulate and approve the public policies[77] and in general, carry out the functions of political and administrative management of the entity[78].
- *Operative or line organizational branch*, which includes the staff that carries out the final work of the organization, related to the production and preparation products and services. Those in charge are invested with the formal authority for decision-making. Typical operations can be: a) ensure the resources for the production; b) transform the resources into products; c) distribute products; d) provide direct support to the provisioning functions. This case deals with the essential functions defined within the step of section 2.3.3.1. Its main functions are: draw-up carry out and evaluate the public policies and generally speaking, to carry out the technical, regulatory and execution functions, necessary to comply with the goals of the entity within the framework of the functions that the substantive organizational branch confer to it.[79].
- *Support organizational branch*, composed of the instances that provide support in the administration and provision of physical, economic and human resources to the operational units and the rest of the organization, so that they can thoroughly fulfill their duties, but outside the operational workflow. This support may also include the provision of certain services such as, information processing, transportation, communications, etc. This support may also include the provision of certain services such as, information processing, transportation, communications, etc. Formally, they are directly related with all the organization, providing support with resources or advisory for making decisions, not making them, as they don't have a formal authority in the chain of command. Its main functions are: to carry out the internal administration activities that will permit the efficient performance of the entity and its different organizational branches in the compliance of its substantive functions; amongst which can be included the ones of budget, accounting, human resources administration, acquisitions, information and

[74]Prime Minister's Office: *Guidelines for the creation and approval of the ROF*. Op. cit. Lima, July 2006.
[75] Hanlon, John; Pickett, George: *Public health; Administration and practice*. Times Mirror / Mosby College Publishing. Missouri, 1984.
[76]Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.
[77]It refers to the top management of the regional government
[78]Prime Minister's Office *Guidelines for the creation and approval of the ROF*. Op. cit. Lima, July 2006.
[79]Ibidem.

communication systems and financial management, of material means and auxiliary services[80].

- *Advisory or techno structure branch*, which brings together analysts and planners, whose main function is to standardize the organization and institutional work. Formally, it relates to the entire organization, indirectly through the strategic top management, and indirectly in the same way as the support units. Its main functions are: to guide the work of the entity and of its different organizational branches with specialized know-how through activities such as, planning, technical advisory and coordination[81].
- *Middle management,* which includes administrators and supervisors who control the performance of the main division of the organization.

The task of defining the structure must follow a fundamental organizational principle, the *scalar principle*, which establishes a structure that starts branching out from the strategic top management through consecutive divisions maintaining the *unity of command*,[82] i.e., the existence of an *authority* and *responsibility* line by which each individual or the organization directly responds to only one supervisor. Other essential criteria is the *simplicity* and the flexibility that will allow a more efficient compliance of the institutional purpose; as well as, *specialty* principle, integrating related functions and doing away with duplicity of functions and competence conflicts among organizational branches and units and other public administration entities. Likewise, the organizational structure of an entity should keep a balance between the authority hierarchization needs and coordination ones among the entities/organizational branches; only being established those who are duly justified.[83] On the other hand, it is also important to specify the coordination mechanisms of the work inside the organization, which can be the following: reciprocal adjustment, direct supervision and standardization of the work processes, products or the persons' competencies.[84, 85]

It is advisable to address this organizational architecture design task in stages, consecutively advancing on each hierarchical level: first specifying the structure, roles and functions of the organizational units of second organizational level, to then do the same with the third level ones, inside each one of the previous ones; and so forth until covering all the organizational levels that they have decided o establish. In the case of regional sector directorates, it is considered as first organizational level the general management, as

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[80]Ibidem.

[81]Ibidem.

[82]This principle is relativized in the matrix structures, although this does not mean that it shouldn't also be applied to them.

[83]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions regulations (ROF).* Op. cit. Lima, July 21, 2006. Article 10.

[84] Hanlon, John; Pickett, George: *Public health; Administration and practice*. Times Mirror / Mosby College Publishing. Missouri, 1984.

[85]Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.

second level executive management or offices and as third the offices.[86] The methodological sequence for the work with each level is the following, provided they are applied flexibly and in stages:

a) Design of the 2nd organizational level line organizational branches

In order to define an organizational design supported on the substantial aspects of the institutional activities, that is to say, on the sectorial essential functions, it is essential to start with the design of the operative or support organizational branches. Otherwise, the design with be built based on the means and not the institutional purpose, resulting in a bureaucratic organizational structure. As the organizational structure can be defined as the different ways in which the work can be divided within an organization, it is the key for its design to specify the basic *specialization criterion* to be applied in its institutional activities. In theory there are the following options, whose choice does not involve to necessarily and automatically transfer the main institutional strategy defined within its mission (focused on the operations, products or users), although it should be taken into consideration:[87, 88]

- *By function,* by which the line organizational branches are created for the compliance of specific functions, as for example research and development, operations, commercialization, etc. This model is suitable for small organization, with a small activity portfolio. It requires significant skills and expertise in one or more functional areas.
- *By geographical scope,* by which the structure is organized based on the delimitation of certain geographical spaces. This model is suitable for organizations that operated on dispersed areas, with high transport costs and that require to be physically close to its target population or users, usually politically and culturally heterogeneous. This structure involves a high degree of administrative autonomy in each one of the divisions, although, usually, some strategic functions that take advantage of economies of scale, keep themselves centralized. This model requires products and services standardization mechanisms and a control system of the performance of each division.
- *By type of product, service or intervention,* by which the unit lines specialize in certain products, services or other specific types of intervention. This structure is appropriate when the characteristics of the product should stand out in a competitive market or context, when multiple products for different market segments are produced and when the products have a short life-span and the development of new products is important. This model demands a large enough organization as to achieve a minimum efficiency scale that will permit to duplicate similar functions in different places of the organization. A significant disadvantage is that it forces the users to have multiple contact points with the organization, if they wish two different products or services.

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[86]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions regulations (ROF).* Op. cit. Lima, July 2, 2006. Article 10.

[87] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association.USA, 2002.

[88]Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.

- *By target population, users, clients or objects of intervention,* by which the line organizational branches favor and are structured around market segments, populations, human groups, institutions, etc., what generically could be called 'objects of intervention'. This structure is appropriate when there is a great heterogeneity in the needs, interests or the expectations of these 'objects of intervention' and it is necessary to have a knowledge of these differences to develop products or services custom-made for them; as well as when the production cycles and the services to the users are quick. Just as with the previous criteria, a large enough organizations needed as to be able to achieve a minimum efficiency scale that will permit to duplicate certain functions. An important attribute is that it is necessary to create a permanent and prolonged relationship with these 'objects of intervention'
- *Two-line operation hybrid,* by which an organization that combines the criterion per product or service with the criterion per target population or user is established, creating a front-line operation that deals directly with the target populations, users, clients or objects of intervention and a subsequent second line in charge of the preparation of the products, services or interventions. This scheme is suitable when there are multiple products and population segments or market and guidance to the user is necessary, as well as excellence in the products or services. This model is rather complex and it requires managers with great skills to administer such complexity, managing the generated tensions.
- *Matrix structure,* Additionally, there can be combinations of these basic structures, for example the matrix structure that can blend two criteria from the ones pointed out and the combination of the geographic criterion with one of the left ones. In order to take the decision regarding which organizational specialization criterion should be chosen, the most appropriate method is to identify the various options that can exist for each criteria, discussing the advantages and disadvantages of each one (Table Nº 5). It is worth pointing out that choosing the geographic scope criterion involves assuming the existence of *de-concentrated divisions*, that are entities with specific functions, allocated as per a given territorial scope (that not necessarily corresponds to the administrative political delimitation, but to other criteria such as economy of scale of its operations, services' demand, or the need for a territorial presence), acting on behalf and entrusted by the entity within the territory over which they exercise jurisdiction.[89] Once chosen the specialization criterion, the next step is to specify the name of each of the line organizational units; it is also important that these are homogenous in terms of their scope of responsibilities, which would involve integrating some of them.

[89]Prime Minister's Office / Secretariat of Public Management: *Manual to make the ROF*. Lima, May 2007.

Table Nº 5: Advantages and disadvantages of the different specialization criteria

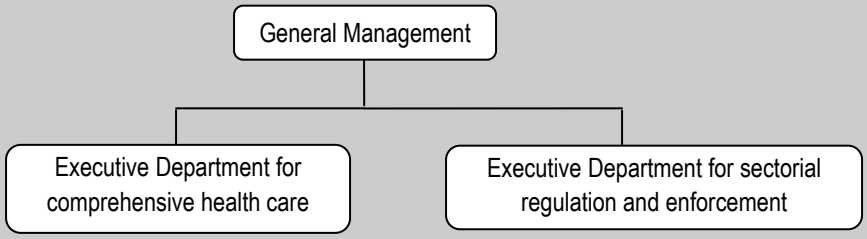
Specialization criterion	Advantages	Disadvantages
By function	▪ Logical reflection of the functions ▪ The power and the prestige of the main functions are maintained. ▪ There is occupational specialization ▪ Training is made simpler ▪ It allows a rigorous control from the strategic top management.	▪ It takes emphasis away from the general institutional goals. ▪ The staff point of view becomes over-specialized and narrows. ▪ It reduces the coordination between functions ▪ The responsibility for institutional achievements increases in the strategic top management group ▪ Slow adjustment to new conditions ▪ It limits the development of general managers
By geographical scope	▪ Delegates responsibilities to lower levels ▪ Emphasis in local markets and problems ▪ Better coordination, communication local adjustment ▪ Control is focused on the results of the regional management offices ▪ It centralizes some strategic functions	▪ It requires standardization of products or services ▪ It requires greater skills from the managers ▪ The maintenance of the main services becomes more difficult ▪ There is a loss of certain economies of scale ▪ There is duplicity in certain functions between regions
By type of product, service or intervention	▪ It focuses its attention and efforts on the production lines ▪ It favors the quality of products, services or interventions ▪ It allows the innovation and the diversity of products and services ▪ The coordination of functional activities is improved ▪ The responsibility for the profits falls on the divisions' level ▪ It centralizes some strategic functions	▪ It requires greater skills from the managers ▪ It forces the users to have multiple contacts with the organization ▪ The maintenance of the main services becomes more difficult ▪ There is a loss of certain economies of scale ▪ There is duplicity in certain functions between divisions
By target population, users, clients or objects of intervention	▪ It focuses its attention on the needs of the users ▪ It creates a permanent relationship with the users ▪ Users perceive an understanding supplier ▪ The expertise in the area of attention to the users is developed	▪ It can be difficult to coordinate operations between the conflicting demands of users ▪ It requires managers and support staff with expertise in user problems ▪ It is not always possible to delimit groups of users ▪ There is a loss of certain economies of scale ▪ There is duplicity in certain functions between units
Two-line operation hybrid	▪ It focuses its attention and efforts on the users and on the products ▪ It favors personalized attention and the quality of products, services or interventions ▪ It allows the innovation and the diversity of products and services ▪ It centralizes some strategic functions	▪ Very complex structure that creates multiple tensions ▪ It requires greater skills from the managers ▪ There is duplicity in certain functions between divisions
Matrix structure	▪ It is aimed towards final results ▪ Professional identification is maintained ▪ The responsibility of profits per product is specified	▪ Conflicts come up in the organizational authority ▪ there is the possibility of leadership fragmentation ▪ It requires managers with skills on human relationships

In order to select the organizational specialization criteria of the institution, experience has shown that it is advisable to previously carry out a group work that evaluates the advantages and disadvantages of each of the resulting options from the application of such criteria, so

their conclusions can be then presented to the joint committee and finally decide the most suitable specialization criterion for the different levels of the institution. In the case of the organization of the administrative seat of the DIRESA itself, three alternatives will usually come up which can be seen in Boxes 10, 11 and 12. In each case their advantages and disadvantages are analyzed and proposal of the evaluated organizational structure can be seen at the top.

Box N° 10: Organizacional specialization by function

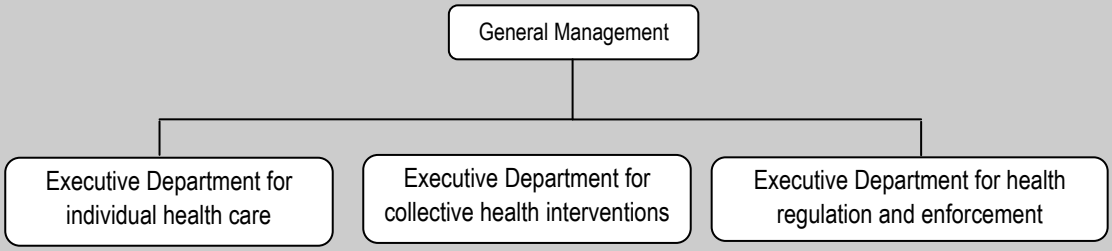
The line organizational branches are created for the compliance of basic functions: a) providing goods and health services; b) sectorial regulation and enforcement.



Advantages	Disadvantages
• It is a logical reflection of the main functions of DIRESA (providing public services and sectorial enforcement) highlighting its importance. • All the provision functions for public services are concentrated in only one Executive Department. • It allows a better coordination of the individual and collective interventions in the Executive Department of comprehensive healthcare. • Better internal coordination of the sectorial enforcement functions and the provision of services. • Less chance of duplication of functions • It facilitates the strengthening of the competencies of HR.	• For the three managing positions (managing director and executive directors) it is necessary to have managers with a great deal of skills and experience. We have a tight labor market. • The workload distribution among managing offices is not well-balanced. • There is no correlation between this work division and the budget structure.

Box N° 11: Organizational specialization by type of product, service or intervention

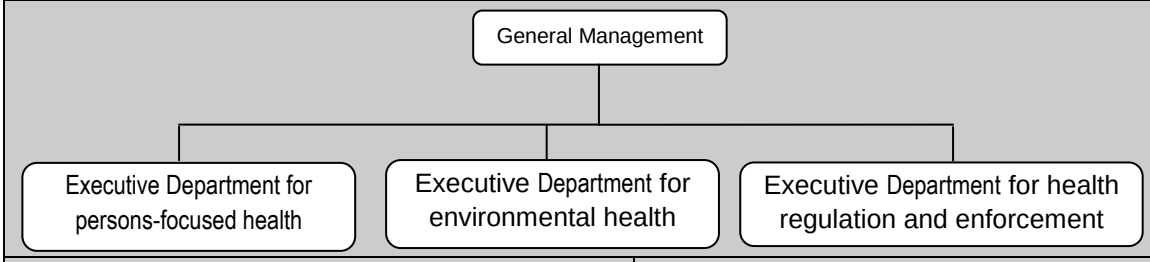
Through which the line organizational branches specialize in certain products, services and types of intervention and in the case of healthcare would be the following types of intervention: a) comprehensive health care for persons; b) collective interventions in health; and, c) enforcement of health goods and services.



Advantages	Disadvantages
• It focuses in people, family and community scenarios, facilitating the comprehensive health care model, as well as the control of the health markets. • It favors the quality of the interventions, be it individual health care, collective interventions or markets' control. • It favors specialization. • It strengthens the budget programmatic structure • It strengthens the relationship with the social actors through the department of collective interventions, of the network through individual health and the markets through regulation and enforcement.	• It leads to duplicity of functions and inaccuracies in the delimitation of competencies in the prevention and promotion area. • It requires a high level of coordination. • Health strategies might become fragmented • It requires a greater effort in training • It forces the user to have multiple contacts with the organization.

Box N° 12: Organizational specialization by target population, user, client or object of intervention

Through the line organizational branches favor and are structured around, in DIRESA's case, their goals or matters of competence: a) People, families and communities; b) Environment; and c) The health markets and the health-related work conditions.

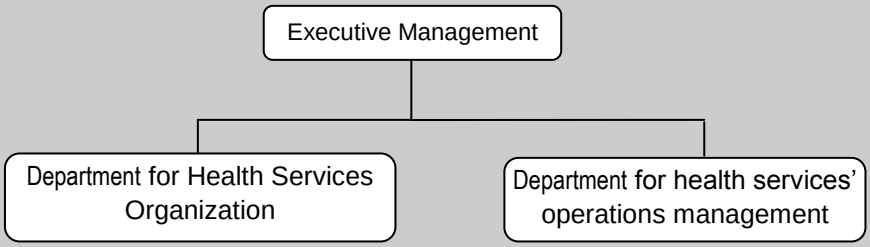


Advantages	Disadvantages
• It focuses in the user's needs and in the other objects of intervention. • It facilitates the implementation of universal insurance by limiting health care for persons in one department. • It develops the expertise in the area of attention to persons and the environment.	• Due to the fact that there are several sectors (Ministry of Environment) and government levels that work in environmental matters, greater work coordination is required. • Preventive interventions might be duplicated from both departments. • An overload of functions and responsibilities, both in peoples' health as well as in regulation and enforcement, given that currently there are limited environmental health functions being carried out by the sector.

In the case of the organization of the health services network, usually three alternatives come up that can be seen in boxes 12, 13 and 14, with their advantages and disadvantages, that can be enhanced with the contribution of the workshop participants.

Box N° 13: Organizational specialization by function

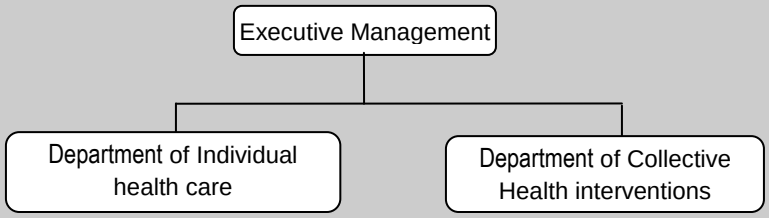
The line organizational units are created for the compliance of basic functions such as: a) health services organization; and, b) health services management.



Advantages	Disadvantages
• It allows a better planned development of the services • It strengthens the development of the organizational and management functions of the services. • It allows a more orderly, planned and with more efficient in the service provision. • The organization and management functions are clearly defined, thus avoiding duplicity.	• Human resources with competencies in services organization and management are required, which are scarce in the labor market. • There is little experience in the network to be able to take on this division of work.

Box N° 14: Organizational specialization by type of product, service or intervention

Through which the line organizational units specialize in certain products, services and types of intervention. In the health case, at network level, the types of intervention would be: a) Comprehensive health care for persons; y, b) collective health interventions.

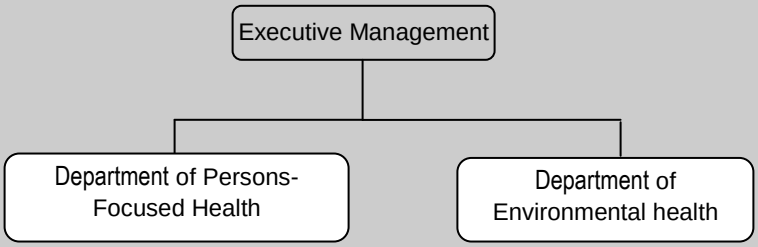


Advantages	Disadvantages
• It facilitates the control of epidemiological risks, by concentrating the identification, the design and the management of collective interventions in order to deal with the local health priorities. • It favors the communication and coordination with the social actors, through the collective interventions department, as well as the micro-networks through the individual health care department. • There is experience in developing this model. • There is better coordination with the financial system and the budget structure. • The proposal of the Universal Health Insurance (AUS*) is better coordinated by linking individual health care to the Health Comprehensive Insurance (SIS*) and collective health interventions to the Budget for Results (PPR*) - *for its initials in	• The interventions for the promotion can be duplicated and overlapped between both departments (individual health care and collective health interventions). • There is an overburden of the distribution of work on the Department of Individual Health Care rather than on the proposal of the object of intervention.

Spanish.	

Box N° 15: Organizational intervention by target population user, client or object of intervention

Through which the line organizational units favor and are structured around the market segments, populations, human groups, institutions, etc. In the case of the health network they are: a) the persons, families, communities; and, b) the environment



Advantages	Disadvantages
• It strengthens the environment interventions within the framework of the APS* (Primary Health Care). • It facilitates the implementation of the universal insurance, by limiting the health care of the persons in only one department. • It develops the expertise in the area of attention to persons, as well as in the environment interventions. *for its initials in Spanish	• Due to the fact that there are a several sectors (Ministry of Environment) and government levels that work on environmental matters, a greater coordination of the work is required. • Preventive interventions can be duplicated on both departments. • Overburden of functions and responsibilities on the Department of Persons-Focused Health, as currently there are limited environmental health functions carried out by this sector.

Finally, the role of the different proposed line organizational branches must be specified. As already mentioned, the organizational role is the description or the nature or the 'raison d'être' of each unit and its mission inside the institution, defined in terms of a unique set of responsibilities, results and actions entrusted to them.[90] The key questions to which a role statement should answer are the following:

Table Nº 6: Methodological scheme for the development of the institutional Role of an organizational unit

Role components	*Institutional role* statement
Naming the organizational unit	"The *(name of the organizational unit)*"
Syntax	"is"
Nature	*(What is or represents the said organizational unit? Which is its location in the institutional organizational chart?)*

[90] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association. USA, 2002.

Role components	*Institutional role* statement
Syntax	*"It is responsible for"*
Responsibility or Results scope	*(What is its 'raison d'être? What is the purpose of the office inside the institution? What is the scope of its governmental action, if applicable? What necessities and expectations must it cover and of whom?)*
Syntax	*"It is charge of"*
Responsibilities	*(Through what means should it cover these necessities? What main actions should it develop to address these necessities?)*

Box Nº 16: Design of the line organizational branches of the 2º health organizational level

1º Identification of the health management main functional areas

▪ Sectorial regulations ▪ Public services provision ▪ Citizens' rights guarantee	▪ Sectorial regulation of peoples' health ▪ Sectorial regulation of environmental and occupational health ▪ Sectorial regulation of medicines and goods ▪ Human resources sectorial management ▪ Organization and management of persons-focused health services ▪ Organization and management of environmental and occupational health services ▪ Promotion, protection and guarantee of citizens participation

2º Analysis of organizational specialization criteria for the organizational units

By function (operations, processes or functions)	By type of product, service or intervention	By target populations, users, clients or objects of intervention	By geographic scope
▪ Sectorial leadership ▪ Regulation and control ▪ Provision of health services ▪ Provision of health goods	▪ Control and enforcement of goods and health services ▪ Comprehension health care for persons ▪ Collective health interventions	▪ People, families, communities ▪ Environment ▪ Health markets ▪ Work conditions related to health	▪ Social catchments areas and corridors ▪ Provinces or districts ▪ Regional health scenarios

3º Selection of specialization criteria		4º Naming of the line organizational units	
DIRESA's main criteria	By geographic scope	▪ Social catchments areas and corridors	▪ Health networks ▪ Regional hospital
Secondary criterion: DIRESA's headquarter	By target populations, users, clients or objects of intervention	▪ People, families and communities	Executive Department of persons-focused health
		▪ Environment ▪ Work conditions related to health	Executive Department of Environmental and Occupational Health
		▪ Health markets	Executive Department for Health Sectorial Regulation and Enforcement

5º Definition of roles of the line organizational units

▪ Health Networks	They are the decentralized or de-concentrated technical-operative organizational divisions of the Regional Health Directorate, in charge of the management and provision of the public services of first and second level of comprehensive health care for persons and the environment within the scope of responsibility.
▪ Regional Hospital	It is the de-concentrated technical-operative division of the Regional Health Directorate, in charge of the management and provision of hospital public services for the area of the region.

▪ Executive Department of Persons-Focused Health	It is the DIRESA's line organizational branch responsible for the implementation, carrying out and evaluation of the health policies for people, families and the communities in the region. It is in charge of leading, organizing, regulating and evaluating the provision of promotion, prevention, recovery and rehabilitation of health services under the Regional Government, aimed towards people, families and communities.
▪ Executive Department of Environmental and Occupational Health	It is the DIRESA's line organizational branch responsible for the implementation, carrying out and evaluation of the environmental and occupational health policies in the region. It is in charge of regulating and controlling the environmental and occupational health conditions in the region, as well as leading, organizing, regulating and evaluating the public services provision of environmental and occupational health, within their scope of competence
▪ Executive Department for Health Sector Regulation and Enforcement	It is the DIRESA's line organizational branch responsible for the implementation, carrying out and evaluation of the policies related to the health markets in the region. It is in charge of regulating and controlling the public and private health markets (medicines, goods related to the health of people, health services).

b) Design of the support organizational branches of the 2nd organizational level

Once the line organizational units have been defined, the same work is done with the support organizational branch. In order to do this, it is first necessary to identify the requirements of resources and conditions (physical, economic and human resources, as well as services – information processing, transport, communications, etc.) required by the line organizational units for the fulfillment of their functions. To do this, it should be taken into account the identification of the previously carried out management auxiliary functional areas, to then plan the organizational units that could be responsible for them. Depending on the workload, nature and size of the organizational branch, some of the functions can be disaggregated or assigned to different organizational units[91].

As in the previous step, later on the name of the proposed support organizational units should be specified and then define its institutional role, following the methodological scheme in Table Nº 6. After that the existing inter-relations with other organizational units must be identified, as well as defining the criteria to delimit the responsibilities and the power for decision-making.

Box Nº 17: Design of the support organizational branch of the 2º health organizational level	
1º Identification of the auxiliary functional for health management	
Auxiliary areas: ▪ Resources management	▪ Supply management of medicines and de medicines and medical-surgical and dental supplies in public health services ▪ Supply management of physical resources ▪ Management of financial resources ▪ Insurance management in the health public sub-sector ▪ Investment management ▪ Institutional management of human resources ▪ Health information management ▪ Health research management
2º Naming of support organizational units	**3º Definition of their institutional roles**

[91]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions rules (ROF).* Op. cit. Lima, July 21, 2006.Artícle 19.

▪ Executive Office for Administration	It is DIRESA's support organizational branch responsible for providing support to the various institutional branches in the administration of resources, goods and services. It is in charge of managing human, physical and financial resources and of providing support services to the administration.
▪ Executive Office for Health Information (*)	It is DIRESA's support organizational branch responsible for providing support to the various institutional branches in the management of the regional information in the different processes within their competence. It is in charge of managing, regulating, organizing and maintaining the information and notification systems, the communication and telematic system and the institutional documentary service(*).

(*) This management process was integrated to an advisory organizational branch called Executive Office of Health Intelligence.

c) Design of the advisory organizational branches of the 2nd organizational level

Having already advanced a great deal of the design of the organizational structure, the next task will be to define the advisory organizational units, which are given the generic name of office. To do this, it is necessary to identify the standardization requirements that stem from the structure designed up to that moment, which should become specialized as units separated from the strategic leadership. Then, the organizational units that could be responsible for their compliance should be thought out. There are three possible standardization mechanisms, which arise as a means to coordinate the work in an organization:[92, 93]

- *From the work processes*, whereby the focus is centered on work procedures, carrying out their normalization based on the analysis of the processes in their component parts.
- *From the work results*, whereby the results or work products are normalized.
- *From the workers' competences*, by maintaining within certain range the expected performance of the workers based on the analysis of the staff competences.

The practical way in which to carry out this identification of requirements is to take into account the functional areas management leadership, specifying the probable specific responsibilities of the advisory organizational branch. Additionally, it is necessary to identify among the management auxiliary functional areas those critical sub-processes that can eventually be standardize or design, that may be inferred from the implications of the institutional strategy in the organizational structure. Later on the name of the proposed advisory organizational units should be specified, to then define its institutional role, following the methodological scheme shown in Table Nº 6. It is essential for the advisory organizational branch to identify the existing inter-relations with the other organizational units, especially in those shared management auxiliary functional areas, defining the criteria to delimit the responsibilities and decision-making power.

[92] Hanlon, John; Pickett, George: *Public health; Administration and practice*. Times Mirror / Mosby College Publishing. Missouri, 1984.

[93] Mintzberg, Henry: *The structuring of organizations.* Prentice-Hall In. Englewood Cliffs, N. J., 1979.

Box Nº 18: Design of the advisory organizational branches of the 2º health organizational level

1º Identification of the advisory and standardization health management functional areas		
Management functional areas	**Advisory and standardization**	**Institutional advisory function**
Leadership areas:		
▪ Issuing of health policies	▪ It does require	▪ Institutional development
▪ Sectorial and institutional strategic planning	▪ It does require	▪ Institutional planning
▪ Institutional operative planning	▪ It does require	▪ Institutional planning
▪ Institutional organization	▪ It does require	▪ Institutional development
Auxiliary areas:		
▪ Management of medicines and medical-surgical and dental supplies in health public services	▪ It doesn't require	
▪ Management of physical resources	▪ It doesn't require	
▪ Management of financial resources	▪ Yes, in financial planning	▪ Institutional planning
▪ Insurance management in the health public sub-sector	▪ Yes, in financial planning	▪ Institutional planning
▪ Investment management	▪ Yes, in planning and design	▪ Institutional Planning and Development
▪ Institutional management of human resources		
▪ Health information management	▪ Yes, in planning and development	▪ Institutional Planning and Development
▪ Health research management	▪ Yes, in analysis and design	▪ Epidemiological analysis
	▪ Yes, in design and development	▪ Institutional development
2º Naming of support organizational units	**3º Definition of their institutional roles**	
▪ Executive Office for Planning	It is DIRESA's advisory organizational branch responsible for carrying out the strategic and operative planning of the institution. It is in charge of advising general management in leading the institutional strategic and operative planning processes regarding the health, financial, investment and resources aspects, as well as the insurance in the public sub-sector.	
▪ Executive Office for Institutional Research and Development	It is DIRESA's advisory organizational branch responsible for the drawing up and management of health policies, of the development of the organization and its capacities, of the research and investment management and of the sectorial management and institutional development of health human resources. It is in charge of advising, as per the regional policies and strategies, in the administration of the management processes of the health policies; the analysis, design, implementation and evaluation of the organization and institutional management processes and systems; sectorial and institutional planning and development of human resources, investment and health research management.	
▪ Executive Office for Health Intelligence	It is DIRESA's advisory and support organizational branch responsible of advising general management and giving support to the diverse institutional organizational branches in the management and the analysis of the regional information in the different processes within their competence. It is in charge of managing, regulating, organizing and maintaining the information and notification systems, the communication and telematic system in the institutional documentary centre; as well as giving advice in the analysis and spreading of health and management information in order to comply with its respective purposes regarding health care and control of epidemics, emergencies and disasters.	

d) Design of the leadership organizational details

To complete the design of the structure of the 2nd organizational the organizational arrangements related to institutional management must be specified. This includes, in the first place, to define the institutional role of the management organizational unit, using the

methodological scheme in Table No. 4 and regarding it as an organizational unit and not only as a management position. Therefore, those tasks attached to management, concerning the relationships of institutional leadership, as well as the information and decision roles (e.g. representation, image and institutional communication, legal analysis for decision-making, in addition to those of secretarial support and institutional protocol). Likewise, it is necessary to identify the necessity of liaison roles of the strategic top management, specifying the estimated load of the liaison tasks among the different organizational units and identifying the need to establish specific positions in charge of these tasks inside the strategic top management. Finally, it is necessary to specify certain final details related to the following aspects:

Corporate governance instances, name given to the bodies responsible for the institutional strategic, i.e., where the main institutional decisions are taken (defining the institutional policies, approving the strategic and operative plans and the budgets, designing the ones responsible for management, evaluating management results and ensuring social governance). The creation of a directive council it is only appropriate in those cases provided by the legal framework; if the law does not regulate their members, functions and other characteristics, this should be established by the ROF[94].

- *Advisory instances*, where diverse important topics for institutional management are subject to consultation or advice, seeking to gather the opinion from experts or from the involved sectorial institutions. These are part of the top management of the entity and cannot have organizational units; in case of needing a technical secretariat the ROF must specify the organizational branch or unit that will carry out said function.[95] These instances can include a management *committee*, as an advisory instance of corporate management in a scheme of democratic and shared management, in which the main managers or directors take decisions in coordination or the general manager consults the most important institutional decisions.
- *Instances and mechanisms for sectorial or citizens consultation*, aiming to promote the democratic citizens participation in taking certain institutional policy decisions in the first case or to coordinate certain actions in the second case. These commissions can be temporary or permanent.[96]
- *Instances and institutional control mechanisms and citizens' vigilance,* aiming to guarantee the transparency of the sectorial public management through institutional control, as well as the citizens' vigilance and control of certain management important aspects. The institutional control office is also part of the entity's General management and makes up the control national system; its head is functionally and administratively dependant on Comptroller General of the Republic, and its functions are determined by the latter. The institutional control office will be able to created organizational units if the

[94]PCM: *Guidelines for the preparation and approval of the ROF*. Op. cit. Lima, July 21, 2006. Article 15.

[95]Ibidem. Articles 14 and16.

[96]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.

complexity of the processes justifies it, provided it gets the previous favorable opinion of the comptroller's office.[97]

Box Nº 19: Design of the organizational details for leadership in health	
▪ General Management	It is DIRESA's decision-making and management body responsible for directing and controlling the implementation of the health policies of the Regional Government. It is in charge of carrying out the institutional representation and authority and the health sectorial direction; as well as managing the institutional resources, the communication, institutional image and the legal matters.
▪ Institutional Control Office	It is DIRESA's body responsible for the institutional control. It is charge of programming and executing the administrative and financial control activities within the scope of DIRESA's headquarters and its de-concentrated divisions, as per the regulations of the Control National System.
▪ DIRESA'S Management Committee	It is the advisory body of the General Management in charge of giving advice in DIRESA'S management and coordinating decision-making among its different organizational branches regarding joint strategies and the drawing-up, follow-up and evaluation of the operative plans It is made up of the executive directors of the different DIRESA organizational branches.
▪ Regional Health Council	It is DIRESA's advisory and consultation body responsible of supporting the sectorial consultation, coordination and organization in the region within the legal framework of the Coordinated and Decentralized National Health System. It is in charge of giving advice and support to the regional health authority in the task of promoting consultation, coordination, policies coordination, the plans and the health programs in the region, as well as coordinating plans and joint actions, apart from watching over the organization and functioning of the Health Provincial Councils, promoting citizens participation and the inter-sectorial coordination.

2.3.5.3 Distribution of specific functions to the units in the 2nd organizational level

Finally, to complete the design of the structure and functions of the second organizational level it is necessary to specify the *specific functions* that correspond to each of the proposed organizational units. Methodologically, this task can be carried out systematically disaggregating and assigning the sectorial functions and specific attributions, corresponding to the regional sector directorate, which are identified in section 2.3.3 among the different organizational units proposed for the second organizational level. Finally, with all these parameters, the analysis of the public management processes that the organization should develop is carried out. For this purpose, following the standard methodology for process analysis, the detailed specific attributions that should correspond to each organizational unit in order to comply with each one of the existing sectorial specific attributions in each of the management functional areas, will be identified. It is important to note that these functions must be homogeneous and consistent with those of which they stem from, and should not exceed them. Likewise, the same recommendations for transparency, accuracy, simplicity, briefness and usage of the infinitive for its wording used in section 2.3.3.1 should be followed. The main criterion for the assignation of these specific attributions is carried out based on the role of each organizational unit defined in section 2.3.4.2. This work can be registered in the columns of Format Nº 3 of the Annex A (Identification and assignation of specific attributions inside the regional sector directorate).

For this task it is essential to identify the existing inter-relations among the different organizational units and to define the criteria to be taken into consideration for the accurate

[97]Ibidem. Articles 14 and 25.

delimitation of the responsibilities and the authority for decision-making amongst them, thus avoiding the duplicity in functions and ensuring the management process continuity. Consequently, the first step is to identify the management processes with shared responsibilities and then define the delimitation criterion based on the role of each organizational unit. For these cases, the wording of the function should specify the organizational units and the respective levels of coordination[98]. In order to work on the distribution of specific functions by organizational units one must have previously trained facilitators that provide the basic guidelines on how to carry out this stage of the work and who have the necessary reference material, such as the operational definitions of the verbs to be used (Annex G), as well as the criteria to be able to identify in which cases the local governments should take part in carrying out the function, and also avoiding that specific functions among organizational units are repeated, as well as other doubts that the participants have before entering the respective workshop.

Finally, it is necessary to specify the specific functions of each organizational unit, summarizing the detailed list of attributions of each of the management functional areas in the least possible number of functions by adding those similar ones which have the same action matter. Likewise, only the permanent functions and not the temporary ones will be taken into consideration.[99]. This will be the main resource when it is necessary to prepare, both the regulations, as well as the organization and functions manuals.

Box Nº 20: Wording of the specific functions of the organizational units (DIRESA)	
Executive Department for Persons-Focused Health Management functional area: Health policies management	
Detailed attributions of the functional area	**Specific functions of the organizational unit**
▪ To carry out the policy analysis, the regional situation and the sectorial strategic analysis related to comprehensive health care. ▪ To propose the health priorities and the regional political priorities related to the comprehensive health care. ▪ To propose the sectorial and inter-sectorial regional policies related to the comprehensive health care. ▪ To promote and coordinate the application of the specific policies related to comprehensive health care. ▪ To propose indicators for the monitoring, supervision and evaluation of the issuing and application of the policies. ▪ To draw-up technical proposals for legal devices specifically related to their functions.	▪ To carry out the policy analysis, the regional situation and the sectorial strategic analysis related to comprehensive health care. ▪ To propose, promote and coordinate the application of health priorities, political priorities and the specific sectorial and inter-sectorial regional policies related to comprehensive health care; propose indicators for its monitoring, supervision and evaluation.

[98]: Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.
[99]Ibidem.

2.3.6 Design of the structure and functions of the 3rd organizational level

The next step in the organizational design is to define the structure of each of the organizational units of the second organizational level and to define the roles and functions of these units of the third organizational level. The method to be followed is similar to the one used for the second organizational level, but with certain peculiarities. For the design of this third organizational level it is important to point out that the organizational structure of an entity should keep a balance between hierarchization needs of the authority and coordination among its different organizational units. Subsequently, the organizational and hierarchical levels should be established taking into account only those who are duly justified. The organizational units of the third level should be exceptional and provided they comply with some of the following criteria:[100]

- That a second level organizational branch or unit (executive departments or offices) have more than 15 people;
- If the administrative load of said body justifies the creation of organizational units;
- If there is the need to set apart certain services or tasks due to the nature of the functions to be developed.

2.3.6.1 To determine the organizational structure of each organizational unit in the 2nd organizational level

This step aims to determine the structure of each one of the organizational units of the second organizational level, i.e., defining the third organizational level. The essence of the method used is based on selecting the most appropriate functional specialization criterion for the optimum performance of each of these units in the compliance of their duties, in a similar way to the methodology used in section 2.3.4.2. As previously mentioned in said section, the possible specialization criteria are: by function; by geographic scope; by type of product, service or intervention; by target populations, users, clients or objects of intervention; two-line operation hybrid; matrix structure. The advantages and disadvantages of each one of these options are shown on Table Nº 5.

To carry out this task in a systematic fashion, it is first necessary to identify the functional management areas which are essential for each one of the second-level organizational units, to then revise the main specific attributions that they entail. One can infer from the above, that for line organizational units, the essential functional areas of the sector that are attached to each organizational unit will be considered, whereas for the staff lines will be the respective auxiliary functional areas and for the advisory organizational branches the leadership functional areas in addition to those shared auxiliary functional areas. This identification should be contained in the institutional roles previously worked.

[100] Prime Minister's Office: *Guidelines for the preparation and approval of the ROF*. Op. cit. Lima, July 2006. Articles 10 and 22.

Only after carrying out the identification of functions, one can analyze the different specialization criteria most appropriate for the performance of these management functional areas and its specific attributions. The procedure to decide which organizational specialization criterion to choose is to identify the diverse options that might exist for each criterion, discussing the advantages and disadvantages of each one and which criterion would be more appropriate for said organizational unit. When this identification for the specialization criterion by function is made, it is advisable to add those functions of a similar nature and that will involve the same institutional capacities to carry them out, summarizing as much as possible the list of essential specific attributions that are attached to the organizational unit.

Once chosen the specialization criterion, the next step is to specify the name of each of these organizational units of the third organizational level; besides it is also important that these are homogenous in terms of their scopes of responsibility, which could involve integrating some of them. Finally, the institutional roles of each one must be defined, again, following the methodological scheme in Table Nº 6.

With this task the organizational structure design is completed, having still to draw the corresponding structural organizational chart using the symbols that are normally employed for its layout (see Box Nº 20). A structural organizational chart is the graphic representation of the organizational structure of the entity and it schematically reflects its hierarchical levels, its formal communication channels, the lines of authority and its respective relationships[101].

Box Nº 21: Desing of the structure of each organizational unit in the 3rd health organizational level	
Executive Department for Persons-Focused Health	
1º Identification of the essential management functional areas of the organizational unit	**Essential specific attributions of the organizational unit**
Essential areas: ▪ *Sectorial health regulation for people* ▪ *Organization and management of health services for persons*	▪ *Formulate and develop models and methodologies for health care of people in public services* ▪ *Promote, implement and monitor national and regional health care regulations for people in public services* ▪ *To formulate proposals for national regulations and regional adjustment of organization and functioning national regulations in public healthcare services to people.* ▪ *To promote, adjust, comply and monitor national s organization and operation regulations in public health services for people* ▪ *To formulate proposals for services network and services management units and in the 1st level of health care in coordination with the local governments* ▪ *To formulate proposals for services portfolio of health establishments and in the 1st level of health care in coordination with the local governments* ▪ *To organize, lead and manage the support systems of the regional health network for the 1st level of health care in coordination with local governments*

[101]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.

▪ *Promotion, protection and ensuring citizens participation*	▪ *To coordinate and promote inter-sectorial actions of health promotion and protection of people in the region* ▪ *To lead, organize, control and evaluate the management units of regional hospitals, health networks and micro-networks, in coordination with the local governments for the 1st level of health care* ▪ *To coordinate and organize comprehensive healthcare actions in regional hospitals, health networks and micro-networks* ▪ *To coordinate, organize, carry out, control and evaluate plans, strategies and actions for the prevention and control of epidemics, emergencies and disasters at regional level* ▪ *To formulate plans and regional strategies for promotion and monitoring of citizens' rights in health and citizens' participation* ▪ *To establish, promote and apply the regional regulations to ensure health citizens' rights and citizens' participation* ▪ *To promote, protect and ensure health citizens' rights of peoples* ▪ *To promote the policies and responsibilities for the participation of the population in all the planning and management processes of the health services, for health care and improvement*

2º Analysis of the organizational specialization criteria for the organizational units

By function (operations, processes or functions)	By type of product, service or intervention	By target populations, users, clients or objects of intervention	By geographic scope
▪ Regulation of health for people	▪ Individual interventions	▪ Persons	Not applicable to line organizational units because this was the main criterion chosen for all DIRESA with its de-concentrated and decentralized divisions (hospitals and health networks).
▪ Control and enforcement of health services	▪ Collective interventions	▪ Families	
▪ Organization and direction of networks, services and support systems	▪ Organization of services	▪ Communities	
▪ Coordination of inter-sectorial health actions			
▪ To organize and carry out the healthcare plans			
▪ Supervision and evaluation			

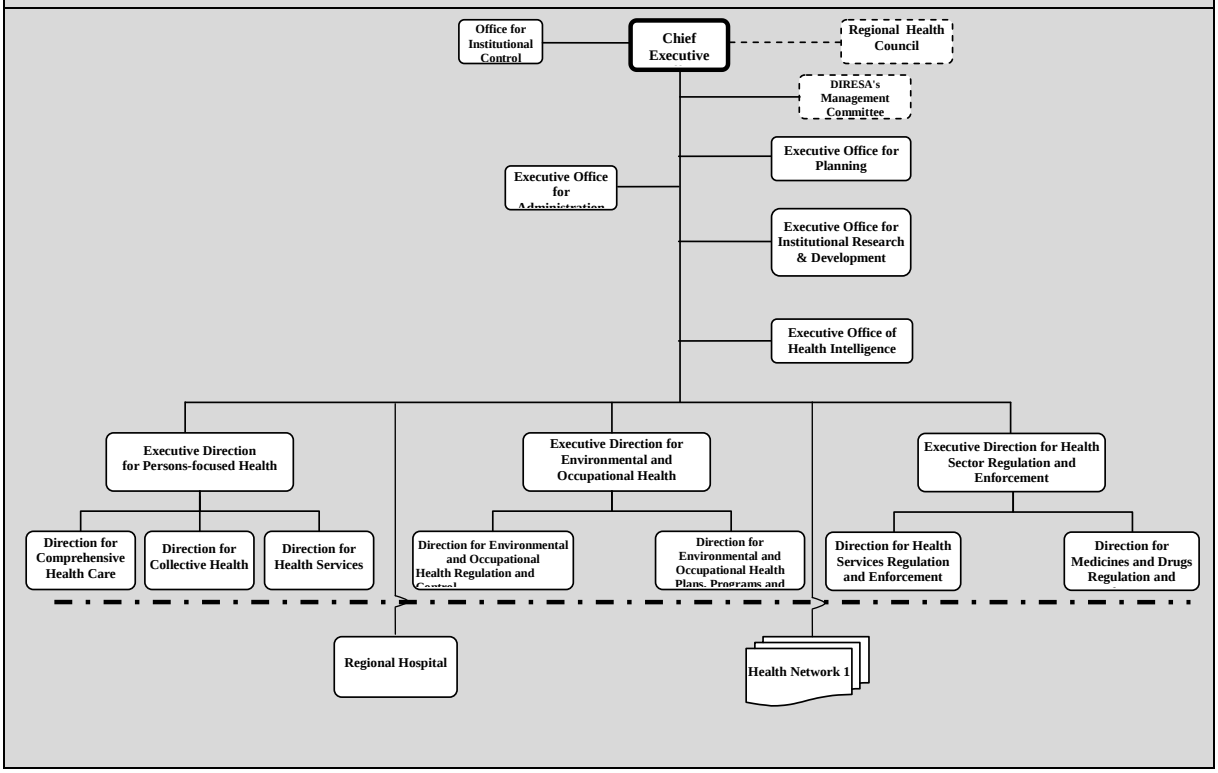
3º Selection of criteria of specialization		4º Naming of the organizational units
By type of product, service or intervention	Individual interventions	Department of Comprehensive Health Care
	Collective interventions	Department of Collective Health
	Organization of services	Department of Health Services

5º Role definition of the organizational units

▪ Department of Comprehensive Health Care	It is the organizational unit of the Executive Department for Persons-focused Health responsible for the implementation, carrying out and evaluation of the policies regarding individual healthcare for people in the region. It is in charge of directing, regulating and evaluating the provision of services and interventions of promotion, prevention, recovery and rehabilitation of health for people in the public services under the Regional Government
▪ Department of Collective Health	It is the organizational unit of the Executive Department for Persons-focused Health responsible for the implementation, carrying out and evaluation of the policies regarding the collective health interventions aimed towards the family and the community in the region. It is charge of leading, regulating and evaluating the provision of services and collective interventions of promotion and prevention of health for people in the public services under the Regional Government.
▪ Department of Health Services	It is the organizational unit of the Executive Department for Persons-focused Health responsible for the implementation, carrying out and evaluation of the policies regarding the organization and

	management of health public services for people under the Regional Government. It is in charge of regulating, organizing, directing and evaluating the organization and management of the public services of promotion, prevention, recovery and rehabilitation of health for people in the public services under the Regional Government.

Box Nº 22: Regional Health Directorate Organizational Chart



Note in the box above the standard layout of a structural organizational chart:[102]

- The diverse organizational units are represented by similar figure and homogeneous in size. Different shape figures can be used (rectangles, rounded-edge squares, etc.), but it is recommendable to use the same shape.
- The strategic apex must be located at the top of the organizational chart, the line organizational units at the bottom, the de-concentrated divisions in a lower area and separated from the headquarters by a dashed line, the support organizational branch to the left in the middle and the advisory bodies to the right. The remaining strategic apex branches to the left and immediately under the General Management, while the advisory and consultation instances to their right (for these ones figures with dashed edges are used).

[102] Ibidem.

- Connecting lines between the figures should be continuous when there is a relationship of authority (indicating its dependence) and responsibility, whereas they should be broken when there is only a coordination relationship. The lines must be plain (no arrows should be used) and of the same thickness. (Note in the previous graph that the Management Committee has a continuous line because it is dependent of the General Management, while the Health Regional Council has a dotted line because it only has an inter-institutional coordination relationship with the General Management, but not of dependency).

2.3.6.2 Distribution of specific functions to the units in the 3rd organizational level

Once define the units of the third organizational level with their respective institutional role, to complete the structure and functions design of the Regional Health Directorate it is necessary to specify their corresponding functions. The methodology to be used is the same to the one applied in the identification of functions of the second hierarchical level branches (section 2.3.4.3). It is the process analysis of the management functional areas, disaggregating and assigning the previously identified specific attributions for each organizational unit of the second level in said section, among the different organizational units proposed for the third organizational level. The main criterion for the assignation of specific attributions is carried out based on the role of each organizational unit defined in the previous section. This work can be registered in the columns of Format Nº 4 in Annex A (Identification and assignation of specific attributions to the organizational units in the 3rd organizational level). As previously pointed out, it essential for this task the specific delimitation of the responsibilities and the power for decision-making among them, thus avoiding duplicity of functions and ensuring the continuity of the management process, based on the role of each organizational unit.

Finally, it is necessary to summarize the specific functions of each of the organizational units in the detailed attributions list of each of the management functional areas in the least possible number of general functions. This will be the main resource when it comes to preparing the organization and functions manuals of these organizational units.

2.3.7 Approval of the organizational redesign by the Regional Government

With the new organizational design completed, the reorganization committee should prepare the corresponding technical document containing all the proposals formulated during the previous work. In fact, the committee should be responsible for advancing the wording of said document, which should contain the theoretic framework and the employed methodology as well as the same results of the new design. Additionally, the corresponding presentation and the explanatory memorandum should be prepared to be presented to the main regional authorities and later send the reorganization proposal to the regional council of the regional government to be discussed and approved. This approval is indispensable inasmuch as it represents the support of the legislative instance of the regional government for the implementation of the proposal, the drawing up of the of the organizational change plan with the organizational arrangements and the necessary resources for the start-up of the proposal.

2.3.7.1 Substantiation of the new organizational design before the Regional Government

First, said commission shall submit the organization proposal to the main authorities and regional government officials. This proposal should be substantiated by the general manager of the regional sector directorate before: the social development regional manager (who is responsible for the regional sector directorate); the regional planning, budget and territorial conditioning manager (organizational branch responsible for the planning or rationalization, responsible of managing the process to prepare the ROF); the regional general manager (responsible for verifying the compliance of the regulation regarding the preparation of the ROF[103] and approving the preliminary report), the president of the regional government.[104] In said meeting the technical document for the organizational redesign proposal will be handed out and a presentation will be made, which should contain the theoretic framework and the used methodology, as well as the new organizational design results. It is advisable that later on the regional president presents the proposal with the intention of discussing it and then facilitating the approval of the new organization and functions regulations. With the related previous agreements the new ROF will start to be worded and all the substantiating documents will be prepared.

The organic law for regional governments establishes that the regional sector directorates are bodies under the regional governments, specifically under the regional management attached to them[105]. Within their administrative autonomy framework, recognize as a constitutional competence[106] and exclusive[107], the regional governments define their internal organization, by which its organization, functions, staff and procedures should be developed in the respective management document of ROF, CAP or TUPA of the regional government, without needing an opinion of the ministry of the sector[108].

2.3.7.2 Drawing up of the organization and functions new regulations

The regulations of the organizations and functions (ROF) is a regulatory technical document for institutional management of an entity that is formalizing its organizational structure, which should be aimed towards institutional effort and the achievement of its mission, vision and goals, specifying its general functions and its main organizational units, defining its essential roles and specific functions and establishing its relationships and responsibilities.[109] It is a

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[103]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions regulations (ROF) on behalf of the public administration entities* .Supreme Decree Nº 043-2006-PCM. Lima, July 21, 2006.

[104]Ibidem. Articles 7, 8 and 33.

[105]Congress of the Republic: *Law that regulates the transitory regime of the regional health governments – Law Nº 28926*. Lima, December 7, 2006. Amendment of the twelfth transient, complementary and final disposition.

[106]Congress of the Republic: *Constitutional reform law of chapter XIV, title IV, regarding decentralization; Law Nº 27680*. Lima, March 7, 2002. Article 192, subsection 1.

[107]Congress of the Republic: *Decentralization basis law; Law Nº 27783.* Lima, July 17, 2002. Article 35, subsection c.

[108]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.

[109]Prime Minister's Office: *Guidelines for the preparation and approval of the ROF.* Op cit. Lima, July 2006.

technical document inasmuch as it represents the result of an organizational planning process by which and entity designs and establishes the organizational model which most suits it for the fulfillment of its functions and goals; it is regulatory because it constitutes a public regulation and of compulsory compliance for the entity; it is managerial as it constitutes an administrative guide for the entity and its staff as how the functions and responsibilities have been assigned inside it[110]. The ROF should be made for mid and long term and considered as basic parameters of the institutional organizational that will allow decision-making margins to adapt them to the situation needs.

Once there is a previous agreement of the main authorities of the regional government regarding the new organizational design, the ROF wording will be started as well as the substantiation documents. The executives responsible for the functions and rationalization, both from the regional planning, budget and territorial conditioning office of the regional government as well as the executive planning office of the regional sector directorate, or whoever carries out its functions, should also take part in these tasks, apart from the person responsible for the reorganization committee. Said tasks are carried out according to what has been established in the corresponding regulation contained in the "Guidelines for the preparation and approval of the organization and functions regulations (ROF) from the public administration entities", approved via supreme decree Nº 043-2006-PCM[111]. The ROF is draw up based on the worked organizational design; the direction of its preparation process will be in charge of the organizational branch responsible for the planning, rationalization functions or whoever carries out these functions. The general management of the regional government is responsible for supervising the compliance of said regulation.[112]

In order to prepare the ROF one must follow what has been established in said regulation that is outlined in Annex B of this document (Organization and functions by-law - ROF). On the other hand, the ROFs should be generic and flexible enough as to permit the necessary organizational adjustment based on the needs of the institutional context, otherwise these regulations would become a straitjacket that would restrict development and organizational performance. Consequently, it would be advisable to only establish the institutional organizational structure, which could be up to the second or third organizational level depending on the size of the entity. It should necessarily establish organizational units of the second organizational level and optionally its third-level organizational units, if applicable, specifying its roles, functions and specific attributes. A different option is to only register the roles of these third-level units but not their functions, which gives it a certain degree of flexibility in the allocation of functions over time. A final alternative is to specify the roles, functions and specific attributions corresponding to the second organizational level, leaving the specifications of the third organizational level for the organization and functions manual, which will allow for a significant margin of flexibility to adjust the third-level structure to the changing needs of the institutional environment and to the progressive transfer of functions within the decentralization process.

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[110]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.
[111]Prime Minister's Office: *Guidelines for the preparation and approval of the ROF*. Op cit. Lima, July 2006.
[112]Ibidem. Articles 7 and 8.

The modification proposal for the current ROF could mean a full implementation of all the organizational branches and units that have been proposed in the organizational redesign work. Nevertheless, in some cases a partial implementation of the first phase can also be carried out, if the regional government were to consider that it is not possible to make a complete change from the beginning due to restrictions in the institutional capacities to carry them out or due to an insufficient budget for that purpose. Said decisions should be made during the substantiation of the proposal to the regional government. The organizational change plan to be drawn up should make a feasibility technical analysis of the different options and substantiate each one for an informed decision from the regional government authorities. This reasoning should be the basis to propose a viable strategy for the implementation of the new organizational design. If a partial implementation option were to be chosen, the proposal of the new ROF should include only those, organizational branches and units or functions that will be modified.

On the other hand, the responsible team will prepare ROF the approval request, which must have the following documentation: a) the new ROF project; b) the ROF approval regional ordinance project; c) the technical report to substantiate them. The ***substantiation technical report*** evaluates the consistency and feasibility of the proposal and should include the information shown below[113]. In Annex C, it is presented as an example, the technical sheet solely applicable to the national level entities, but that can be taken as a guideline to prepare the substantiation technical report of the regional government.

Section 1. Justification

- Functional analysis:
  - Identification of new functions and of those which have been abolished or modified related to the current ROF, with the legal support for each of these functions.
  - Technical substantiation to include, modify or abolish each of these functions as appropriate.
- Structure analysis:
  - The reasons behind the creation of each organizational branches and unit, if applicable, explaining why their assigned functions could not be taken on by the existing organizational branches or units.
  - The current organizational chart.
  - The new proposed organizational chart.
- Exclusivity of functions analysis: to avoid duplicity connected with other entities of the public sector that carry out similar functions or activities or that have similar purposes, focusing on the general functions of the entity and its line organizational units.

[113]Ibidem. Articles 29 and 30.

- If the new structure involves substantial changes in the Staffing Chart – CAP (increase, reduction or internal relocation of at least 15% of the entity's staff), the new corresponding proposal should be included.
- If relevant, a section where the simplification and optimization of the process is explained, giving detail and substantiating each one, will be added.

Section 2. Consistency analysis

The consistency between the proposed organizational structure and the institutional goals considered in medium term planning documents and other management instruments that the sectorial policies require should be substantiated.

Section 3. Budgetary effects

The consistency between the proposed organizational structure and the available financing for the entity in a three-year period should be analyzed, detailing the operating expenses comparative chart between the current organizational structure and the proposed one. If the new structure involves an increase in the current expenditure for the entity, its financing and the current expenditure projections for a three-year period should be substantiated

2.3.7.3 Approval of the organization and functions regulations

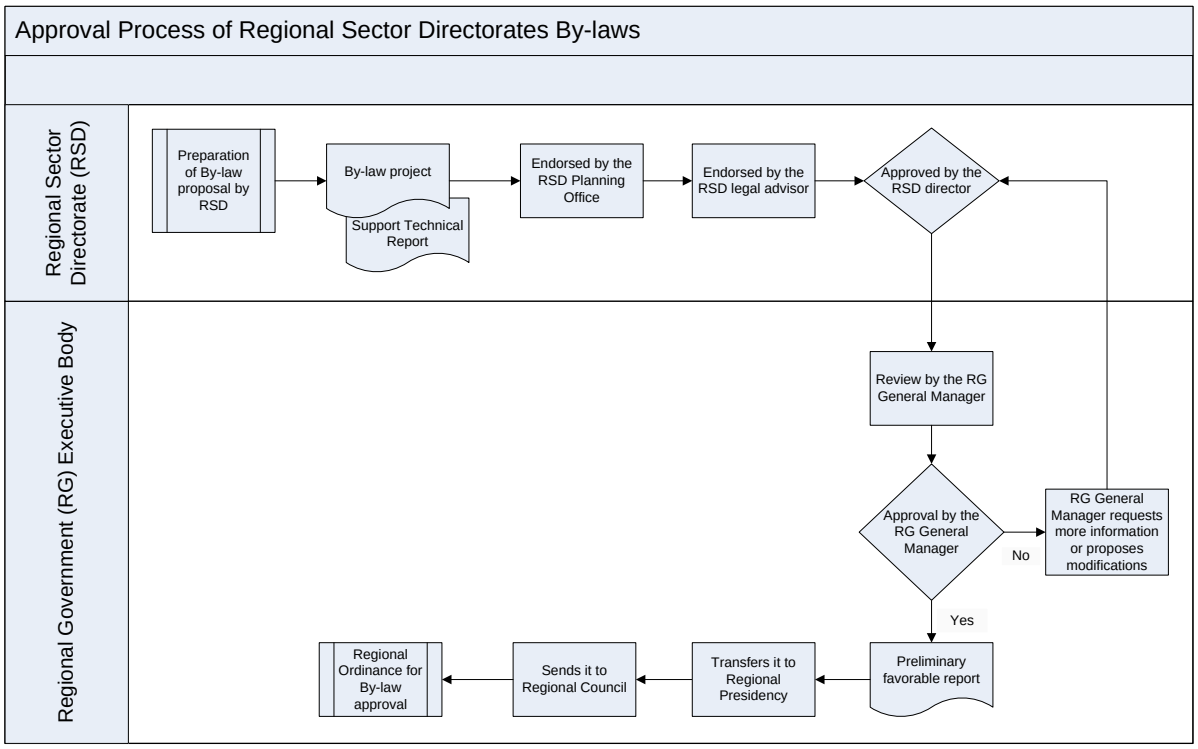
The ROF approval request, with all its substantiation documentation, will be send to the regional general manager. This request should be endorsed by the one in charge of the regional sector directorate legal advisory and the organizational branches in charge of preparing it, in this case, the planning, budget and territorial conditioning regional office of the regional government and the planning executive office of the regional sector directorate. The regional general manager is responsible for the compliance of the regulations regarding the ROF preparation[114] (mainly the functions' legal basis and consistency to avoid duplicity of functions between the organizational branches of the entity or with other public entities of the circumscription) and the approval of the respective preliminary report. It must be emphasized, that the approval of the institutional organization of the regional government, with its regional sector directorates, is its constitutional and exclusive competence, reason why it would not be acceptable any previous technical opinion from the ministry of the corresponding sector.[115].

Once approved the technical report, the general management will prepare the acceptance preliminary report document and will send the complete documentation (the new ROF project, the ROF approving regional ordinance project and the substantiation technical report) to the regional president, so that in turn he submits it the Regional Council, which will approve the ROF through a regional ordinance.[116] Later on, the approval ordinance, the

[114]Prime Minister's Office: *Guidelines for the preparation and approval of the ROF*. Op. cit. 2006.
[115]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare ROF*. Lima, May 2007.
[116]Prime Minister's Office: *Guidelines for the preparation and approval of the ROF*. Op. cit. 2006. Articles 33 and 34.

complete ROF text and the institutional organizational chart should be published in the official newspaper *El Peruano*, as well as in the regional government electronic portal within the five days of its written publication.[117] Furthermore, the new ROF must be circulated among all the staff of the regional sector directorate[118].

Graph Nº 5: Approval of the Regional Sector Directorates ROF



Source: Adapted of Prime Minister Office / Secretariat of Public Management: Guidelines for By-law s formulation. Lima, May 2007

2.3.8 Design of the institutional follow-up and incentive system

The institutional performance doesn't only depend on the institutional structure and the organization of the processes, but also on the individual and collective performance of the human resources of the institution. This performance depends on a variety of factors such as experience, personality, skills and motivation of workers, as well as on the mechanisms and incentives used by the organization to communicate and foster the most important behavior and results in them, adding value as well. This incentive system is an essential part of the organizational design and it has four elements:[119]

- *Follow-up and monitoring systems*, which identify the performance measurement units and the goals of the institution and its organizational units, teams and people. Its design

[117]Prime Minister's Office: *Guidelines for the preparation and approval of the ROF*. Op. cit. 2006. Articles 35.
[118]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare theROF*. Lima, May 2007.
[119] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association. USA, 2002.

involves translating the vision, roles and institutional goals into concrete and measurable qualitative and quantitative indicators, implemented on the management balanced scorecards.

- *Behavior pattern and desired values*, applied through policies, regulations, procedures and other institutional means for the creation of a certain organizational culture. Much of its content is drawn from the institutional doctrine defined during the redesign work.
- *Compensation mechanisms*, monetary ones, applied with the aim of recognizing people for their contribution to the institution and the improvement in their performance.
- *Recognition and incentive mechanisms*, de non-monetary ones, with the same aims as above.

The focus of the compensation systems and incentives should be on the assessment of the skills and knowledge that people take to the organization and the way they use them; rather than focusing on the specific work position that people hold, determining that the incentives aim to the improvement and increase of the skills of the people instead of moving up on the job ladder.[120]

Another essential aspect is the *corporate culture*, which can be identified as the values, beliefs, attitudes and behavior system shared by all the members of an organization, which entails an accepted way of interaction and typical reactions inside it.[121] The organizational structure also includes the organizational and power structures, the stories, symbols, languages, routines (behavior and habit organizational branch) and corporate rituals (social protocol organizational branch). It is important inasmuch as it conditions de degree of cooperation and dedication and the rooting of the institutionalization of goals inside and organization. In this sense, the main general management responsibility is to set the path and the character that is conducive to strategic changes of which they are responsible for implementing. Both the key as well as the complementary objectives of the organizational culture must include the following:

- To ensure the adoption of an identity with the organization among its members.
- To promote a collective commitment with the institutional aims and the goals of each one of its organizational branches and units.
- Make sense of the institutional regulations, plans and activities.
- To ensure the social stability of the institution.

In an efficient organization, the organizational culture is consistent with its mission and its institutional strategies. To achieve that it is necessary to act deliberately and consciously in the development of said culture. To attain this, the most important instruments are the managerial communication processes as well as the ones of socialization their staff.

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[120] Ibidem.

[121] Chiavenato, I: *Introducción a la teoría general de la administración*. Mc. Graw – Hill Interamericana de México S.A. México, 1989.

Regarding the first one, a specific communication plan should be drawn-up aiming to instilling the behavior patterns and the desired values in the institutional behavior, as organizational paradigms. On the other hand, it is essential to consider the staff's socialization process as a vital tool to instill said culture. During the socialization process by which a worker goes through to join the institution, there are different sources of information that should be taken into account as invaluable opportunities: First hand observations of the person, the job interview, the formal orientation for the new employee induction, training for his/her job position, the perceptions of the behavior of other workers, the supervision of the organization, covering their personal needs. Thus, an employee who was properly socialized into the organizational culture knows how to do things, what is important and which are the behaviors and perspectives related to the job, which ones are acceptable and desirable and which ones are not permitted.

An organizational change requires toning down the fears and uncertainties that can naturally come up, for which it is necessary to generate a cohesive corporate culture around the change. The goals involved in them are :i) to develop a sense of institutional history; ii) to create a sense of unity; iii) to promote a sense of belonging to the institution; d) to promote an increasing interchange among its members. A special emphasis should be put in giving clear signs to the institution's staff regarding the decision for an organizational change:

- Create new regulations and policies that strengthen the desired changes and do away with those ones that could hinder the implementation of new methods and processes. For which it is essential to develop and document new functioning guidelines
- Specify objectives, goals and measurements that strengthen the desired changes, specifying specific performance goals.
- Adjust the information and human resources systems to the new vision.
- Adjust the behavior of the supervisors. It is essential to give clear signs of the new institutional behavior, recognizing and compensating the managers who carry out the change, as well as penalizing those who do not change their behavior.
- Do away with the habits and regulations that reinforce the traditional way of doing things and replace them by new ones that reinforce the way in which to behave.
- Do away with the information that reinforces the old way of operating and replace it by training that reinforces the new one.
- Develop courses that give practical experience about the new processes and procedures.
- Create new incentives and recognition measurements that reinforce the desired operating methods, establishing specific rewards for the new objectives; do away with those ones that reinforce the old methods. This could involve the organization of events and ceremonies that reinforce the new way of doing things, by handing out prizes and recognition.

- Change the internal institutional communication, using multiple channels to send consistent messages before, during and after the changes, besides developing mechanisms that allow feedback.

The following mechanisms could be used to develop a corporate culture aim towards the institutional change:

- Formal statements of the organizational philosophy, organizational charts, creeds, mission, materials used for recruitment, personnel selection and induction.
- Design of physical space, facades, premises, distinctive buildings.
- Deliberate handling of papers, training and advisory from the leaders.
- The leadership team own behavior.
- An explicit reward recognition system, promotion criteria.
- Stories, legends myths and anecdotes about people and most important events of the institution.
- That to which leaders pay attention, what they measure and control.

In fact what is sought with institutional management systems and modulation of the organizational culture is to achieve an organizational climate that facilitates an appropriate institutional behavior and their workers' satisfaction. *Organizational climate* is defined as a set of properties of the work environment, perceived directly or indirectly by employees that influences the conduct, behavior and job performance[122,123]. This climate includes the level of satisfaction in the workplace, the perception of working conditions, communications, leadership, training, personal relationships, teamwork, decision-making methods, image and institutional affiliation , among other factors. Likewise, it permits to infer the level of staff satisfaction in a given context. Therefore, during periods of transition it is essential to significantly improve the working environment to facilitate organizational change.

2.3.9 Design of HR institutional management practices.

The final organizational design component is the design of human resources institutional management practices, made up o policies and the related institutional systems and that include the job positions design and the selection, incorporation, management, monitoring and evaluation of performance, training and staff development. Thus, one of the critical lines of action for organizational change is the one related to human resources management, aimed towards adjusting their job performance oriented towards the incorporation of sectorial functions to be transferred and doing away with those functions that no longer apply.

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[122]Hall, R.: *Organizaciones, estructura, procesos y resultados*. Prentice Hall. 2º Edición. México, 1996.

[123] Sandoval, María del Carmen: *Concepto y dimensiones del clima organizacional*. Hitos de Ciencias Económico. Administrativas 2004; 27: 78-82.

These staff actions may include human resources development activities, as well as transferring or taking on staff, among others. Both the human resources development activities as well the job positions adjustment ones should be framed within the organizational development plans and should be part of a future stage, since the results of the latter ones represent conditions for the success of human resources development activities.

The challenge for the design of dynamic organizations is to create systems to attract, develop and retain staff whose individual and collective capacities can support institutional management, with enough flexibility to reorganize and relocate when this management changes. Putting it into simple terms, how to have people with the right skills and talents located in the suitable jobs.[124] The current trend is for these human resources systems to favor the learning and development of individual abilities as well as the knowledge management, regarding them as key factors for the strengthening of strategically important institutional abilities. Thus, the incentive and recognition mechanisms are harmoniously connected with the human resources practices, defining the individual performance indicators.[125]

What is sought is that the resource systems are able to support the management work, so that managers can guide the organizational behavior for the institutional change, through the thorough understanding and management of the individual behavior of people, of the groups and social processes inside the institution and of the organizational processes and problems. The design of appropriate human resources management practices involves the development and implementation of its diverse sub-processes, which were drawn-up when the management processes analysis in section 2.3.3.1 was carried out, specifically, of the human resources institutional management functional area, with the correspondent allocation of specific attributions among the diverse organizational branches and units being proposed in the new organizational design. In this sense, the development of this system means ensuring the fulfillment of these responsibilities and disaggregating these attributions, identifying the relevant procedures.

Additionally, it should be noted and stressed that the development of these practices is crucial to be able to progress in the implementation of the new organizational design, inasmuch that this requires designing the different *occupational positions* disaggregating the specific functions of the different organizational branches and units among the positions identified in each one of them. This job is carried out through the preparation of the organization and functions manual and the Staffing Charts, which methodology will be addressed in following section. Once identified the specific functions of each job position, the required *competences profile* should be specified. The next step is to place the people in the provided jobs, by means of *selection and allocation of personnel* process.

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[124] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association. USA, 2002.

[125] Ibídem.

Later on, it will be necessary to match the profiles of the existing staff with the occupational profiles described in these documents, by means of *human resources development* activities, aiming to strengthen the individual abilities of the staff in the performance there present or future activities (as a result of the transfer of new functions). It is essential to envision them under this perspective, reason why these activities should respond to an overall plan that clearly explains the educational expected goals, which should match the individual abilities to be developed. In this sense, these activities should be substantiated in a design of job positions, aiming towards having an impact on the daily work of people. For this reason, it is advisable to use a methodology for the drawing-up and management of plans using an educational approach based on work competences[126]. It is important to envision training as a "conscious, deliberate, participatory and permanent process, implemented by an educational system or an organization in order to improve their performance and results, as well as promoting the development for renovation in academic, professional or work fields; and strengthen the commitment spirit of each person with society and in particular with the community where he/she carries out his/her activities."[127]

2.3.9.1 Description of occupational positions

The descriptions of the *jobs or occupational positions* are a section of the organization and functions manual and they are the prime material to prepare the competence's profiles. During an organizational redesign process, it is essential to up-date all the positions in the organization or at least in those organizational units for which changes in their structure or their functions are being proposed. The essential part of the job description is the correct definition of the mission, functions and tasks of the occupational position.[128] On table Nº 7 can be seen the basic scheme for the description of the occupational positions, which has a similar structure to the scheme for the organization and functions manual (Annex D). The essence of the identification method for these parameters is the disaggregation of the specific functions of the different organizational branches and units and their allocation in specific attributions and responsibilities among the different positions which are identified in each one of them.

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[126] Here the meaning of competence is the same as expertise, ability, suitability to do something or to take part in a given matter; it does not mean the legitimate attribution to carry out a function, used for the process to transfer competences.

[127] Huberman, Susana. *Cómo se forman los capacitadores (Training of Trainers)***.** Paidós Editorial. Buenos Aires, 1999.

[128] Pathfinder, PHRPlus and POLICY: *Los perfiles de competencias (Competences Profiles)*. In: Curso de capacitación por competencias (Training course as per competences); Programa de Gerencia Aplicada en Salud Docentes (Health Applied Management Program for Teachers) – PROGRESA Teachers. Lima, 2005.

Table Nº 7: Scheme for the description of the occupational positions

Name of the Institution or organization: **DESCRIPTION OF POSITIONS** **Occupational position:** **Organizational unit:** **Organizational branch:** **Code:**
Line of authority and responsibility *(point out the main or relevant relationships that go on for the fulfillment of the functions of the occupational position, following the same recommendations in section 4.2)* **Reports to:** **Receives a report from:** **Number of people he/she is in charge of:** **Attributions:** *(To establish the specific attributions and tasks that should be carried out by the management or professional positions that carry out functions work teams coordination, specifying the following: legal or technical representation; authorization of administrative or technical activities; summoning, monitoring; etc.)*
Summary of the position (*To point out the main role of the occupational position, wording the objective of its functions and putting emphasis in the main activity and in the objective and measurable result that should be attained.)*
Position requirements (*To establish the requisites or the minimum required ones for the performance of the occupational position within the following aspects :)* ▪ *Regular formal education (academic degrees and professional or technical qualifications required if necessary due to the nature of the position.)* ▪ *Training and coaching (specify the requirements regarding training or coaching courses.)* *Occupational experience (specify the types and period of the minimum experience to be able to take on the position, specifying the managing or administrative roles, in similar functions and in carrying out the profession or technical activity.)* ▪ *Basic occupational competences profile (point out the basic occupational competences requirements in order to carry out the position, in terms of knowledge, skills, and attitudes.)*
Special requirements of the position *(Point out the specific requirements that the performance of the occupational position involves, in terms of work regimes and special schedules, personality requirements or physical attributes specially suited for it, etc.)*

Once specified the description of the occupational position, the next step is to disaggregate the specific functions, identifying and detailing all the activities or *tasks* that have to be carried out to be able to comply with these functions. Each function includes a set of tasks, some of which are so extensive that can be divided into sub-functions and only then can the tasks be identified. The level of detail will depend on the professional criteria to be used, it usually requires having knowledge of the technical details of this process and in many cases it is advisable to perform the analysis with the workers themselves. It is important to follow the same recommendations pointed out for the analysis of specific functions of the positions in the previous table, with the peculiarity that in many cases it is going to be required the

detailed description of the topic or object of the activity. In order to make this differentiation, table Nº 6 can be used filling out the two first columns on the left. Later on, it should be identified among the ones mentioned above, the *essential tasks* for the position, which are:[129]

- The ones most frequently done.
- The most important ones from the point of view of the organization.
- The ones which are most difficult to carry out.
- Those, that if incorrectly done can have serious consequences.

There are various methods to carry out this valuation and hierarchization of tasks. Table Nº 6 shows a scoring method based on the criteria of frequency, difficulty and importance, obtaining a total score by applying the formula: *Frequency + (Importance x Difficulty).* Those who obtain the highest scores are considered essential tasks. (It is estimated that those tasks that obtain less than 12 to 15 points below the highest rating, are tasks of minor importance for the position). Obviously, this method is only a convention (agreement), which may result in some cases certain arbitrary results; therefore, it is necessary to perform a final consistency analysis.[130]

Table Nº 8: Scheme for task description of the occupational positions

TASKS ANALYSIS AND ESSENTIAL TASKS OF THE OCCUPATIONAL POSITION **Occupational position:** **Organizational unit:** **Organizational branch:** **Code:**					
Functions of the position	**Tasks of the position**	**Frequency**	**Importance**	**Difficulty**	**Total**
1.	1.1				
	1.2				
2.	2.1				
3.	3.1				
	3.2				
4.	4.1				
5.	5.1				
	5.2				
	5.3				
Total = Essential task = Frequency + (Difficulty x Importance)					

Task score table

Level	**Frequency**	**Importance**	**Difficulty**
5	Daily	Most important	Most Difficult
4	At least once a week	Very important	Very Difficult
3	At least once every fortnight	Moderately important	Moderately difficult
2	Monthly	Little importance	Easy
1	Other (bimonthly, biannual, etc.)	Minimal importance	Very easy to carry out

[129]Ibidem.
[130]Ibidem.

2.3.9.2 Description of occupational profiles

Occupational competence is defined as the "set of theoretic knowledge, abilities, skills and attitudes that are applied by the worker in the performance of his / her job or in agreeance with the principle of proven suitability and the technical, productive and services requirements, as well as the quality ones, which are required for the proper development of their functions".[131] The competences are part of three key elements of any learning process: knowledge, attitudes and skills.[132],[133]

Once determined the essential tasks of each occupational position one can analyze the competences required to carry out each one of the tasks with the highest level of efficiency. For practical purposes, the format in table Nº 9 can be used, putting next to each essential task three additional columns with the knowledge, skills and abilities, and other competences that are required to successfully perform the task. In the "Knowledge" column has to be filled out the basic information related to the cognitive aspects that are required to be able to perform the task in an optimal way; knowledge is usually developed through professional coaching or training programs. In the "Abilities or skills" column are pointed out those ones that should be used to be able to carry out the task. In the third column of "Other competences" are recorded the personal competences, which are more related to the personality traits and the attitudes of the person.[134]

Generally speaking, the competences are classified in general competences and specific or special competences. The general ones are those that include almost all the professions and jobs, which are related to the individual's basis training (i.e., to interpret codes and graphs, use the computer, to communicate in writing and verbally in his / her own language, to interpret a text in a foreign language, to apply calculation methods, etc.), whereas the specific ones are those which exclude some profession or job (i.e., to prepare a medicine, to program a specific type of software, to carry out a specific type of surgery, to operate equipment for the productive process, etc.)[135]

Table Nº 9: Scheme for the identification of competences of the occupational positions

IDENTIFICATION OF COMPETENCES OF THE OCCUPATIONAL POSITION
Occupational position:
Organizational unit:
Organizational branch:
Code:

[131]Comité Estatal de Trabajo y Seguridad Social. *Resolución Ministerial Nº 21 de 1999*. Cuba, 1999.

[132] Bolaños, Fernando: *Propuesta de sistema de capacitación; Hacia un nuevo modelo de gestión de la capacitación*. Proyecto Salud y Nutrición Básica. Lima, octubre de 2000.

[133]Pathfinder, PHRPlus y POLICY: *Curso de capacitación por competencias*. Programa de Gerencia Aplicada en Salud para Docentes – PROGRESA Docentes. Lima, 2005.

[134]Pathfinder, PHRPlus y POLICY: *Training course as per competences*. Op. cit.

[135]Ibidem.

Essential tasks of the position	Knowledge	Abilities or skills	Other competences

The occupational competences described using the previous table can be summarized in a occupational competences profile, which can have different formats according to the used methodology. On table Nº 10 can be seen one of these formats. It should be taken into account that it is not enough pointing out the necessary competences, but that it is also necessary to differentiate the level of mastery required for each position; so that the different levels of development required for this competence can be distinguished.[136]

Table Nº 10: Scheme for the preparation of the profile of the positions' competencies

PROFILE OF THE OCCUPATIONAL POSITION **Occupational position:** **Organizational unit:** **Organizational branch:** **Code:**				
Competences	**Required level**			
KNOWLEDGE	**Medium**	**High**	**Very high**	**Exceptional**
General				
Specific				
ABILITIES OR SKILLS	**Medium**	**High**	**Very high**	**Exceptional**
General				
Specific				
OTHER COMPETENCES	**Medium**	**High**	**Very high**	**Exceptional**
General				
Specific				

[136] Ibidem.

On the previous table a four-level or category scale of the required level for the competence (medium, high, very high, exceptional) has been used; nevertheless, the scales can significantly vary and even specify specific names for each level, where a level involves a scales of associated behaviors that show a greater or lesser mastery of the competence. In this latter model, it is necessary to consider a competences dictionary, where the behaviors associated to each level of the competence for the organization is thoroughly defined. A dictionary of competences is specific for each organization and the meanings for the competences may vary from organization to another. Whatever the method employed, it is necessary to take into account that each required competence grade or level represents a set of associated behaviors.[137]

Table Nº 11: Dictionary scheme for occupational competences

COMPETENCE:		
LEVELS	**NAME**	**ASSOCIATED BEHAVIORS**
1.Medium		
2. High		
3. Very high		
4. Exceptional		

2.3.9.3 Personnel selection for organizational units

In a reorganization process it is essential to place the most suitable workers, in terms of their competences profiles, in the diverse occupational positions, as per the required occupational profile. Thus, the following task is to select and allocate the existing staff to the previously defined positions, as per their occupational profile and the minimal required requisites in the description of said positions. It is recommendable that the ones in charge of the respective organizational units take part in this task. Once defined all the positions, a profile matrix is built for each organizational unit, using the format on Table Nº 12, which can be of great help in the selection and allocation of positions.[138]

Table Nº 12: Table of the required occupational positions

TABLE OF THE REQUIRED OCCUPATIONAL POSITIONS **Organizational unit:** **Organizational branch:**					
Code	**Name of the position**	**Requirements of the position**			
		Education	**Training**	**Experience**	**Competences profile**

[137]Ibidem.

[138] Ministry of Health/ Directorate-General for Health of People: *Guidelines for the organizaton of the Micro-networks*. Ministerial Resolution Nº 443-2001-SA/DM. Lima, July 26, 2001.

Later on, the competences profile of all the existing workers in the organization should be defined, by reviewing their files, curriculum vitae and interviews with the staff. In order to do this, the following format can be used:[139]

Table Nº 13: Table of occupational profiles of the existing staff

TABLE OF OCCUPATIONAL PROFILES OF THE EXISTING STAFF **Organizational unit:** **Organizational branch:**				
Names and last names	**Education**	**Training**	**Experience**	**Competences profile**

Finally, the task is to select the most suitable staff for each organizational unit and position. The results can be recorded on the following table:[140]

Table Nº 14: Staffing Chart

STAFFING CHART **Organizational unit:** **Organizational branch:**			
Position		**Workers**	
Code	**Name**	**Code**	**Names and last names**

2.3.9.4 Development of occupational competences

Occupational competencies are developed when actually working in the position itself. When a worker first occupies a position, he/she usually requires knowing the functions and responsibilities relevant to said position, reason why he/she will needs an induction process specifically related to the position: he/she needs to learn the procedures relevant to the organization; managing of the systems; usage of the equipments, machinery, products and services, as well as their technical characteristics, properties, among others. This first stage is called *cognitive stage* and it involves a greater mental effort, as a great deal of information

[139]Ibidem.
[140]Ibidem.

must be learned and retained. The person becomes aware and starts understanding the job requirements, its procedures and strategies. Slowly but surely, as the worker begins adapting to the job as the days go by and the learning begins to consolidate, the work starts flowing in a smoother way. Performance tends to improve in terms of quality of results, less mistakes are made and the time taken to perform the tasks improves .This second stage is called *practical stage*. When a total mastery of the functions and tasks of the position has been achieved, then one can say that the person has attained an expertise level that allows him / her to act almost automatically and with a high performance level.[141]

The development of occupational competences is achieved through suitable induction and human resources development programs Thus it is crucial to carry out a suitable induction of the staff in their new occupational positions, both for those workers who have just join the organization, as well as for those existing ones who have been re-assigned to a new position. In said induction process, should take part the organizational units in charge of the organizational development and human resources management processes, as well as the main heads of the units to which the workers have been assigned.

On the other hand, the human resources development should be based on a competences management model substantiated on the occupational profiles of the institution's staff, for each of the work positions. Nevertheless, usually the basic training received in academic centers and therefore, the developed competences do not match, in most of the cases, the characteristics of the position profile that needs to be covered. Thus, the induction programs for new staff are justified, as well as the training and coaching to cover those gaps, which can be closed through training. Likewise, the worker needs to understand and solve specific problems in specific institutional contexts, develop certain strategies to improve performance, work in a team, communicate and positively relate with others, as well as evaluating his/her work results. The human resources development management entails assuming the *coaching* tasks (to complete the competences of the basic training) and the *training* (to attain new competences that the occupational positions require).[142]

The learning process should be understood as a dynamic and permanent process through which the individual obtains or modifies skills, knowledge and attitudes. One can say that all human behavior is the result of a learning process, which shows as a behavior modification when comparing the attitudes, skills and knowledge that the people had before they were put through a learning process and the ones they can show after that. The design of an appropriate training program should be based on a diagnosis of the training needs of people, identifying the gap between their real competences profile and the expected performance profile. Afterwards, the training plan will be prepared, with the design of the training courses and the learning sessions. Finally, the activities programmed in said plans are carried out. [143]

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[141]Pathfinder, PHRPlus and POLICY: *Training course as per competences*. Op. cit.
[142] Bolaños, Fernando (2000): Op. cit.
[143]Pathfinder, PHRPlus and POLICY: *Training course as per competences*. Op. cit.

2.3.10 Drawing-up of organizational management documents

Finally, the last stage of a reorganization process is the drawing-up, approval and start-up of the various organizational management documents. These documents must be prepared based on the new organizational design and must be worked successively: The organization and functions manuals (MOF), the Staffing Charts (CAP) and the staffing budget (PAP). All these organizational management documents only formalize the organizational designs. According to the provisions of the regional governments' organic law, in subsection "h" of its article 21[144], these documents must be approved by the Regional President,[145] although it requires the prior opinion of the Regional General Manager and of the Planning, Budget and Land Use Planning Regional Management. In the case of the CAPs, these need to be approved by the Regional Council of the Regional Government by means of a regional ordinance. All these organizational management documents do not require the opinion of the corresponding ministry,[146] inasmuch its approval is a constitutional competence and exclusive competence of the regional governments.

2.3.10.1 Organization and functions manual (MOF - for its initials in Spanish)

The organization and functions manuals (MOF) are institutional management technical documents which describe the general functions of the different organizational units that are part of the organization, defining its nature, extent and field of action, as well as specifying their hierarchical and functional relationships. Likewise, they set up the jobs or work positions tables, detailing their specific functions, relationships, levels of authority, coordination and responsibility, as well as the minimal performance requirements. In Annex D a MOF scheme can be seen. The MOF is the final tangible product of the organizational structure design[147] and it should be envisioned as a short term institutional management tool, which should allow the adjustment to the changing institutional environment within the framework of the corresponding ROF.

The preparation of these manuals is carried out based on the identification of the functions of the organizational units of the ROF's second and third organizational level (section 2.3.6), as well as the descriptions of the occupational positions (section 2.3.8.1). Said task should the responsibility of the organizational unit for which it is made, with the advice of the instance responsible for the organizational management.

2.3.10.2 Staffing Chart (CAP - for its initials in Spanish)

The Staffing Charts (CAP) are institutional management documents that include the jobs or occupational positions defined and approved by the institution, based on their current organizational structure provided for in its ROF. It is understood as position the basic

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[144]To approve the organization and functions regulations of the Regional Government administrative dependencies.

[145]Congress of the Republic: *Law Nº 27867, Regional governments' organic law*. Lima, November 18, 2002.

[146]Prime Minister's Office / Secretariat of Public Management: *Manual to prepare the ROF*. Lima, May 2007.

[147] Rodríguez, Joaquín: *How to develop and use administrative manuals.* Internacional Thompson Editors. México, 2002.

element of an organization, stemming from the classification provided for in the CAP as per the nature of the functions and the level of responsibility that call for the compliance of the requirements and qualifications their coverage. The classification of the positions for the regional sector directorates need to be approved by the respective ministries. In Annex E the guidelines for the preparation and approval of the CAP s are shown, as well as the corresponding formats.[148]

Managing the preparation and drawing-up process of the CAP is the responsibility of the organizational branch in charge of rationalization or whoever acts as such. The CAP project, duly endorsed by the organizational branch responsible for its development (if the organizational branch that prepared the proposal had been the regional government budget and planning office, the preliminary technical favorable report would not be necessary and by the legal advisory organizational branch (attaching the respective technical and legal reports, the ROF and its organizational chart), should be send for the preliminary report. The CAP project is developed applying the resolutions within the Supreme Decree Nº 043- -PCM, provided they do not contravene the amendment of the regional governments' organic law (law Nº 28926)[149]. If there is a favorable opinion it should be sent to the Planning, Budget and Land Use Planning Regional Management, which shall issue a preliminary report and submit the CAP project to be approved by the Regional Government. The CAPs should be approved by the Regional Council of the Regional Government by means of a regional ordinance.

2.3.10.3 Staffing budget (PAP - for its initials in Spanish)

The staffing budgets (PAP) are the institutional management documents that take into account the posts and the budget for the specific services of the permanent and temporary staff based on the available budget. It is understood as post the allocated budget taken into account for the payment of the permanent and temporary staff; which will allow opening up the job positions taken into consideration in the CAP.[150] The PAPs should be approved by the head of the regional government, with the framework of the regional budget approved by the Regional Council of the Regional Governments, according to the corresponding provisions in the subsection "c" of the Article 15º of the regional governments' organic law. In Annex F the PAP scheme is shown; both for the permanent as well as for the temporary staff.

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[148] Prime Minister's Office: *Guidelines for the preparation and approval of the staffing budget table – CAP*. Supreme Decree Nº 043-2004-PCM. Lima, June 17, 2004.

[149] Congress of the Republic: *Law that regulates the transient regime of the regional sector directorates of the regional governments – Law Nº 28926*. Lima, December 7, 2006.

[150] Prime Minister's Office: *Guidelines for the preparation and approval of the staffing budget table –CAP*. Supreme Decreee Nº 043-2044-PCM. Lima, June 17, 2004.

3. Development of the organizational change plan

Finally, it is not enough to have a new organizational design, but it is necessary to design the organizational change and to develop its implementation plan, that in practice represents an institutional development plan, which main purpose is to achieve said change, that is to say, move the current organization from one institution towards other future one. This tasks perhaps is as important as developing a suitable organizational design, inasmuch the latter one must be implemented. Alongside this, it should be developed a project for the strengthening of management competences in human resources in order to carry out the new functions. The method can be through a public investment project that allows having financial resources, both for the strengthening of capacities as for DIRESA's equipment, so that it comes in useful to facilitate the implementation, and also as a driving force for change.

It is crucial to realize that the re-organization of the regional government and its sector directorates requires an important technical work, apart from a strong political support, representing a sustained and medium term managerial effort of great proportions, aimed towards changing the institutional structure and functioning. Every organizational change process creates fear and uncertainty among the institution's executives and staff, especially if said changes entail the re-assignation of staff or decisions that may be difficult or painful. Due to these reasons, many times changes can end up being not very successful and lead to bitter and pessimistic conclusions. Generally speaking, people become very suspicious regarding the motivations of those who promote the change, especially if they did not take part in its design or planning, possibly envisaging underlying and hidden motives. On the other hand, many believe that no significant change is possible without causing damage. The evidence of systematization of multiple experiences shows that public and private institutions can be significantly improved, at reasonable cost, but terrible mistakes are usually made when designing a change.[151] A fundamental aspect to be able to implement a change in an organization is the understanding and the appropriate human behavior management of its members and the organizational culture during the transition stage.

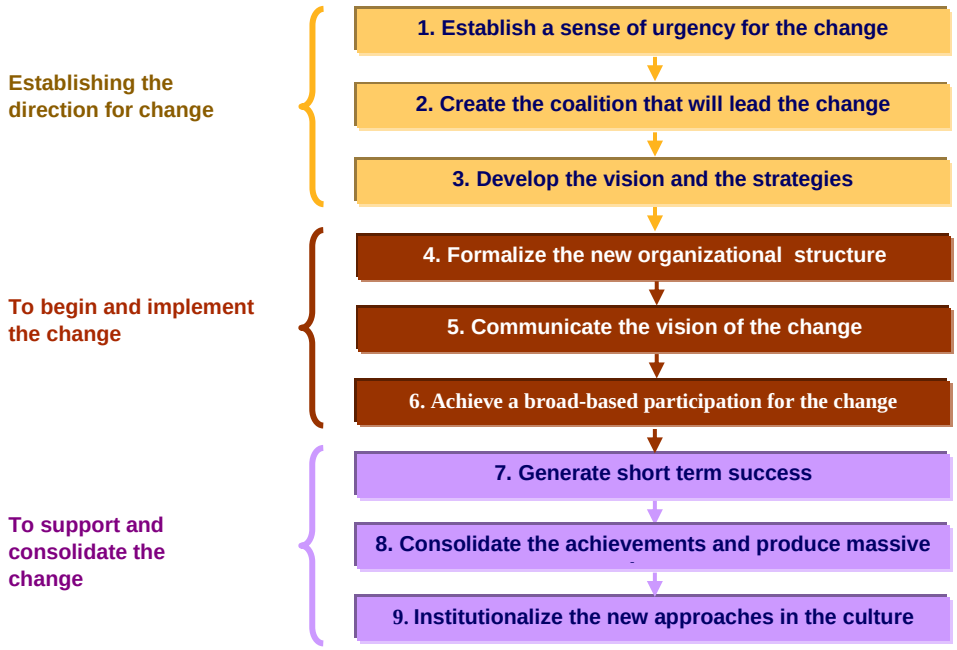
3.1 Organizational change as a process

Given the above considerations, it is necessary to regard the organizational change as a process whose key element is a systematic planning and appropriate management of the transition stage and the people involved. Deep down an organizational change represents significant modifications in what people do in their work, their attitudes, their concepts and how they inter-relate with each other, that is to say, people changing themselves. Therefore, the main tools for change are the design of its occupational positions and its implementation through the selection, the re-assignation and training of the staff, as well as the development of an optimal corporate communicative strategy aimed towards supporting and facilitating the change.

[151] Kotter, J.: *Leading Change*. Harvard Business School.Boston, 1996.

The implementation of every organizational change requires certain conditions and goes through nine sequential stages where these conditions will start developing:[152]

Graph Nº 6: The nine stages of the change process



Adapted from: Kotter J. ***Leading Change***, 1996. Harvard Business School

- *Establish a sense of urgency for the change*. Every organizational change needs as a condition that its authorities, executives and workers are sold on the necessity of said change, as it is no longer feasible or convenient to maintain the current organization. In these sense, complacency among people with the current situation should be done away with and create a majoritarian shared feeling of urgency for the change. Thus, it is important to identify and promote an extensive debate regarding potential institutional crises, as well as the opportunities of the organization in the existing context. A visible current institutional crisis or one in the very near future is a suitable incentive to create the above mentioned feeling. In this sense, the decentralization process and the re-shaping of the institutional aims and functions constitute a scenario which gives room enough to be used in this direction. Therefore, it is essential to widely spread the reasons that are driving the change among the institution executives and staff. 50% of the change efforts fail at this stage; research suggests that around 75% of the workers need to accept this feeling of urgency in order to be successful[153].

[152]Kotter, J.: *Leading Change*. Harvard Business School.Boston, 1996.
[153]Ibídem

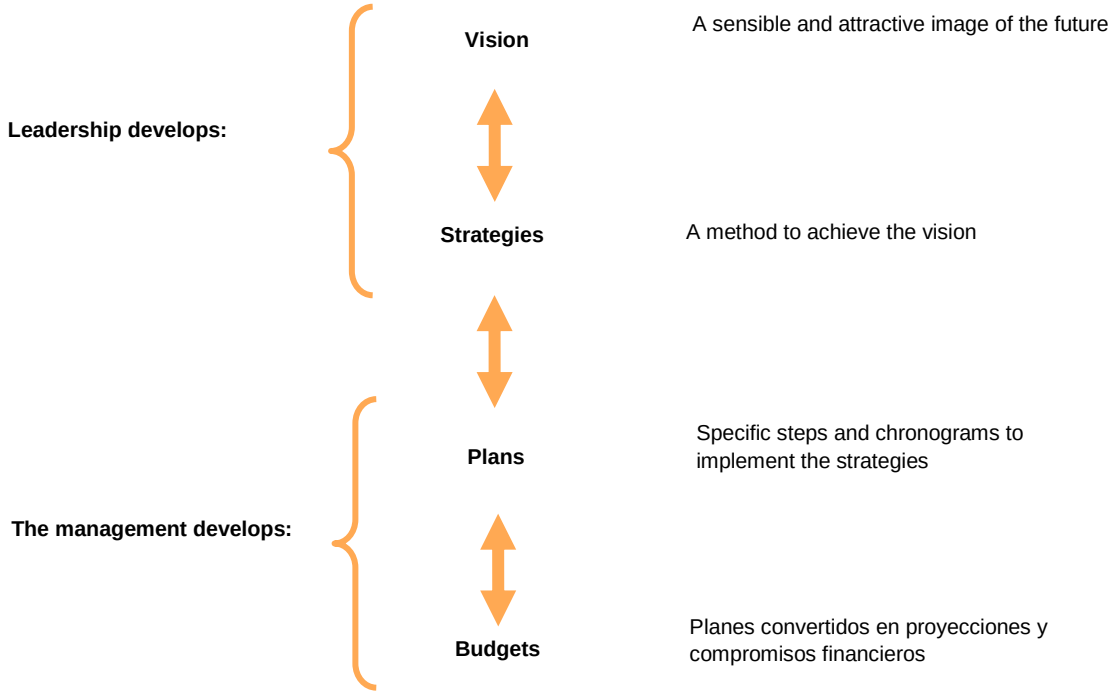
- *Create the coalition that will lead the change*. Every organizational change needs the establishment of a solid group with enough power to lead and sustain the process. Every complex organizational change requires the quick processing of a great deal of information and the implementation of new approaches (strategies, restructuring, mergers, reengineering processes, streamlining, etc.) that can only be solved by a solid leadership team, well-informed and committed with key decisions. In fact the establishment of this group implies a significant change in the institutional routine decision-making process. A single individual, no matter how much authority he has in the institution, can't neither communicate the vision to a large number of people, nor remove all the obstacles that come up or be successful in the short term, and even less manage multiple change projects. Poorer results are obtained by the weak, formal ad-hoc committees, without much crowd-pulling capacity or decision-making power, in which the highest institutional executives do not participate. Said coalition should have some basic requirements: a great deal of trust among its members, decision-making power, technical competences, as well as a shared vision, credibility and leadership for the change. This entails to combine management and leadership abilities, besides building mutual trust and common and shared goals. Also, facing up to the reality in the regions it is necessary to technically strengthen this group and give them the tools that will facilitate the change.
- *Develop the vision and institutional strategies*. As previously mentioned in chapter 2 (section 2.3.2.4) the institutional vision is a brief statement of what an institution expects to be in the future in relationship with the political and socio-economic situation that is wished for in the medium term and to which one seeks to contribute, in order to guide the strategic decisions for institutional growth and development[154]; whereas the mission is a statement of the institutional purpose and its reason to exist ('raison d'être') as an organization, because it defines: 1) what it intends to accomplish in its environment or social system in which it interacts; 2) what it attempts to do; and, 3) for whom it is going to do it[155]. In a change process an appropriate institutional vision is essential because: it makes all the staff clearly understand about the direction of the desired change; motivates people to make decisions and take actions in the correct direction, even if the initial steps are distressing or costly; it helps to coordinate the actions of a great number of people. Managing in this way that a simple shared vision

[154] Thompson, Ivan: *Mission and vision*. At: http://www.promonegocios.net/empresa/mision-vision-empresa.html.

[155] Thompson, Ivan: *Definition of mission*. At: http://www.promonegocios.net/mercadotecnia/mision-definicion.html.

aligns the institutional efforts in order to accomplish the change. Nevertheless, to be able to achieve this, the institutional vision must be shared by all the institution; which requires for it to be imaginable, desirable, feasible, focused, flexible and easy to communicate. The leaders should be able to communicate the vision in five minutes, making it understandable and appealing, if not, then, they have to work on the vision all over again. Furthermore, it is necessary that the institution has developed strategies to accomplish this vision and that these strategies have been specified in the respective plans and budgets. It is also necessary that the institution has developed strategies to achieve this vision and these strategies have been specified in the respective plans and budgets.

Graph Nº 7: Relationship among vision, strategies, plans and budgets



Source: Kotter J. ***Leading Change***, 1996. Harvard Business School.

- *Formalize the new organizational structure*: The beginning of the organizational change and the implementation of a new organizational design starts with the approval or the new organization and functions regulations. In fact, this is the crucial step in every change process and it is perceived by the staff of the institution as a point of no return, thus significantly increasing the resistance and uncertainties. To reach this point, it is necessary previous lobbying actions with the highest authorities and regional government executives (presidency; vice presidency; regional directors; general management; management planning, budget and land use planning) aiming to create the conditions and to ensure the political support necessary to formalize and implement change. A detail of the procedures for the approval of the organizational design is developed in section 2.3.6 of chapter 2.

- *Communicate the vision of change*: As mentioned before, an institutional vision is a powerful tool to achieve the organizational change, provided it is known, understood and shared by most of the staff in the institution, being clear about the goals and the change direction and creating a shared feeling of desired future that moves people towards that change. Nevertheless, it is a difficult task, especially if there is resistance. Thus, once the organizational change has started it is essential to develop a comprehensive, consistent and intensive communication strategy to accomplish the proposed success. The communication plans should take advantage of all the possible means in order to constantly communicate the new mission and the strategies. In the following section are detailed some considerations to draw-up a communication strategy for the organizational change. On the other hand, the elements for a effective communication shown below are essential and create solid bases for the change to have continuity and to last a long time:
  - Simple wording: Avoiding difficult words and meaningless adjectives n the messages regarding the vision.
  - Using metaphors, analogies and examples: Creating a meaningful mental image ("An image is worth a thousand words").
  - Clearing up apparent inconsistencies: Avoiding inaccuracies and unanswered questions that undermine the credibility of the proposal.
  - Repetition: Repeating the messages ("repeat something often enough and people will start believing it").
  - Leading by example: passing on the messages should be consistent with an exemplary behavior of the members of the leading team ("do not pass on a message, but be the message").
  - A two-way communication: Identify how the messages are perceived and interpreted by the staff, allowing the free expression of their ideas and opinions.
  - Using multiple means and communication spaces.
- *Achieve a broad-based participation for the change*: The implementation of every organizational change has to necessarily address multiple difficulties and obstacles, the main ones are the structures and real organizational arrangements, the capabilities of people, the work systems and the training of the supervisors. In this sense, an organizational change cannot be carried out without the active participation of the people, who must be inciting and provided with the necessary capabilities ("empower them") so then can face these obstacles for change and modify the structure and systems that discourage them, taken on their risks and creating innovating ideas and actions. This is why it is necessary to create and strengthen the required capabilities by means of the human resources development, including several types of occupational competences: behavior, technical and social abilities, as well as a change in attitude. Certainly, this can involve coaching activities, training and motivation. Likewise, it is also necessary to align the different institutional management systems with the organizational change by means of the corresponding process reengineering actions. Among the most important processes we can find the human resources management

systems, so that the evaluation of the performance, the compensation systems, the work promotion and the selection of staff promote the expected behavior. Also the information and planning are important. Finally, it is necessary to align the management styles, so that the supervisors are persuaded and so they have the capabilities and the will to promote change; thus, being necessary to focus the attention on them and to hold a sincere and transparent dialog in that regard. If not, changes may be needed in these positions. Summing up “sometimes you have to get people to change or you have to change them for other people”.

- *Generate short term success*. An essential aspect to achieve and appropriate is to show and give evidence of success in the short term as a consequence of organizational change. It is necessary to intentionally take measures that make visible obvious success of change; this involves ensuring their monitoring through the information systems and to spread them. Thus, the organizational change plan should make provisions for the achievement of some success in the short term (more effectiveness, efficiency or institutional and social recognition), which will be useful to validate the change vision and legitimate it in the regional government, as well as key elements to give feedback to the leadership team. This success should be obvious, unambiguous and clearly related to the organizational change; which can be seen in approximately six months. These achievements will permit:
- To show that sacrifices also yield benefits.
- To reward the drivers of change.
- To refine the vision and strategy for change.
- To undermine the actions of resistance to change.
- To show the regional government evidence of the appropriateness of the change.
- To generate more support for the change from people who show no interest.

It is important to point out that a sustainable organizational change requires both a strong leadership as well as an efficient managerial handling; otherwise short term success can be reversed. Both components are essential: if there were only leadership, short term success is possible, but taking an erratic course in the long run, on the contrary, if there were a great managerial capacity but poor leadership, it is only possible some short term success, but without a real transformation of the organization.

- *Consolidate achievements and produce a massive organizational change.* Actually, a significant organizational change requires a permanent, extensive and sustained institutional effort, for which is essential to have created in the previous stage a coalition of people that simultaneously encourage and develop them at the different levels of the organizations. The previous step, related to short term success, has as one of its goals to help establishing this group of people and to create the necessary institutional capabilities in order to address the stage of profound organizational changes that will be developed in the current stage in which massive changes are introduced. In fact, the change leadership team takes advantage of the credibility gained based on the short term success of the previous stage, in order to face massive changes.

It is necessary to take into consideration that in every organization different processes among their different organizational units, are developed in an interrelated way, reason why a change in an organizational instance affects in others, making it difficult to obtain the expected results and putting at risk the change process. The above entails, that to produce successful changes it is necessary to simultaneously manage small changes in different places. Consequently, to begin with, it will be necessary groups of people that take on the initiative of these changes, besides an appropriate leadership from the top executives of the organization, who should give guidelines regarding a clear vision of the change and about the objectives of the change tasks and will provide all the necessary information for its management coordinated by several middle management executives, who should be delegated the responsibility and authority for said management. It is also important to eliminate unnecessary interdependencies between the various organizational units and processes, dispensing with tasks and procedures that do not add value to the processes or are no longer justified.

- *Institutionalize the new approaches in the organizational culture.* The purpose of this stage is to institutionalize the changes in the behavior organizational branch and in the inherent values of the organizational culture of the institution. The changes in the institutional practices achieved in the previous stage can easily be reverted, if those changes are not consistent with the organizational culture. The difficulty is the fact that these organizational branch and values many times are implicit or not conscious, but in the long run define the institutional behavior. Thus, changing the organizational culture is a difficult task: In a change process, which is only accomplished during the last stage; in fact, a change in the culture is the result of sustainable changes in the institutional practices as long as it is necessary in order to internalize it, provided they have shown obvious benefits for the people and that they are perceived as better. In some cases, achieving changes in the organizational culture requires changing people; also, the processes for staff promotion need to be consisted with it.

3.2 Considerations for the development of the organizational change plan

The purpose of this section is to present some basic considerations and elements for an organizational change process aiming to have them into account to prepare the change plan of a regional sector directorate. In this sense, the notion of an organizational change will be addressed as a process, the importance of designing appropriate strategies and corporate communication plans that will provide support, the tasks to build the new organizational units and the requirements for its management.

A crucial aspect for the organizational change is the setting up of the critical implementation dead-line. In principle this change is rather complex and its implementation can take several years, but this contrasts with the time of the governmental period at regional level, as well as the continuity of the management teams of the regional government executive body and of the regional sector directorate and the sustainability of the required political support. .In view of these conditioning factors, biannual implementation periods should be established, for the basic core of required transformations, and that they make the process irreversible. Thus, it is suggested that between the organizational redesign proposal and the change implementation phase in DIRESA the time doesn't go over a two-year period; the risk of

extending further the implementation is that the continuous rotation of staff that take place start weakening the process, apart from losing the drive and the proposal ends up in only a change of structure. Through previous experiences we know that if the process takes too long it will get tangled up or becomes diluted.

For all these reasons, an appropriate organizational change requires to create a significant viability and a strong political decision from the same presidency of the regional government and the included regional sector directorates, as well as a strong corporate commitment. This viability requires the following conditions:[156,157]

- The organization must be convinced that the change is important and necessary.
- There should be a shared vision of the change within all the organization.
- The real and potential hurdles should be identified and controlled.
- There should be a strong corporate commitment with the change and its strategy.
- The leaders should manage the change process.
- The people in the organization should be trained for the accomplishment of their new functions to correct the non-desirable behavior.
- There should be evaluation systems to quantify the result and the feedback.
- Recognition and incentives systems should be established to reinforce the desired behavior.

Finally, some fundamental recommendations to be taken into consideration when implementing the institutional change are shown below:

- The implementation requires leadership, but this cannot be achieved without developing the capabilities in the leaders and in the promoting team responsible for the implementation, which also have to continue with their daily work.
- The implementation plan has to be incorporated within the institutional operational plan so that it can be recognize as an important part of the institutional activities and work.
- It isn't easy to leave the familiar for the unknown, which is why it is essential to maintain permanent communication channels, as well as transparency in the implementation.
- It is recommended, in order to monitor the implementation, to use some of the tools like the ones that are shown in Annex L[158].

[156]Ibídem.

[157] Harrington, H.: *Mejoramiento de los procesos de una empresa.* McGraw-Hill. 1986.

[158]Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association. USA, 2002.

3.2.1 Organizational change strategy

Much of the success of the organizational change lies in the careful design of its implementation strategy, taking into consideration the political and institutional factors in the region. This strategy is the main part of the organizational change planning, which implies the provisions taken to be able to manage the implementation process. It encompasses both the organizational changes as well as the individual transition, which are part of its organizational design. The following elements are key components in said planning process:

- Setting the pace for the process
- Sequencing the process
- Piloting the process
- Internally and externally communicating the process
- Maintaining the momentum of the process

3.2.1.1 Setting the pace for the process

The gap between the initial situation of the institution and what it wants to achieve will give as a result how long the process of design and implementation will last. There is not one single rule saying how long it should take. The most important determiners are how much time, money, energy and resources are available for the design and development work while maintaining the daily operation of the institution. Experience shows that is the process takes too long, it becomes diluted and it is bound to get stuck, but it also has to be taken into consideration the slow pace of the processes in the public institutions reason why it should get extended to over three years from the planning stage until the total implementation.

Table Nº 15: Advantages and disadvantages of the speed of implementation

If it is to slow	If it is too fast
It loses momentum: the process doesn't seem to be important enough and everyday priorities are lost. The changes are felt as a sticking-plaster that is been slowly pulled away: employees want to finish the process at once. **The institutional environment will change** before the redesign benefits are identified.	People are left behind, as they don't understand why the change is occurring and they put up resistance to it. Many questions without answers are left for the implementation stage: people lose energy organizing the internal confusion. The organization loses the everyday work course and the purpose of the institution is put at risk.

Source: Galbraith, Jay.1995

For the design of the strategy, it has to be taken into consideration the following elements to determine the change momentum:

- Not everyone should agree before starting. Although it is important to communicate the new design before implementing it, it isn't necessary that everybody agrees with the proposal. If the implementation takes too long, the resistance to it can increase. When people experience the change first hand, they can quickly discover that it was not as difficult as they had imagined.

- There should be a waiting period of between 12 and 18 month before you can see any sound results. This is a realistic time to wait before you can actually see improvement in the performance. This range is based on various institutions that have gone through the process. In order to maintain the momentum during this period, visible milestones should be established so that progress can be registered and experience success along the way.
- It is important to handle own expectations for progress. The organizational design has to be given some time in order for it to work and also to the employees so they adapt themselves rather than expecting results and an optimal performance. Workers should be given the opportunity to adapt, and try not fall into the mistake of thinking that the worker that fails should be replace for a new one, the cure can be worse than the disease.

3.2.1.2 Sequencing the process

The implementation is not a onetime event; it is a recurrent process that encompasses a series of changes that occur at the same time. In the development of a sequence for the implementation, it should be taken into account that some things should occur before others; i.e., if the competences of the people to comply with their new functions haven't been defined, the training and the development of programs to attain such competences cannot be planned. The points to be taken into to consideration to design the sequence of the implementation process are:

- To start with visible changes: change the performance indicators and the reward systems in a very personal way so that the change is real. Even if the compensation systems cannot be changed quickly, new ways of evaluating should be introduced as well as some rewards and visible recognition to give momentum to the change.
- Superimposed implementation of the phases: It should not be assumed that it is necessary to finish a phase in order to go into another one. Strength is lost if people feel that we are expecting everything to be perfect to be able to go into the next phase.
- Avoid patch up job type changes: We need to remember that the institutions are complex and that a change in one unit compromises others. It is true that as the implementation progresses it is necessary to make changes to the original plan, based on the feedback, but these changes should take into consideration all the possible implications.
- Celebrate the achievements: The small steps in the implementation process should be rewarded, not only when the work is done, but when there is evidence of the positive impact of the design in the manual labor or on the clients.

3.2.1.3 Piloting the process

It is recommendable to carry out pilot projects of certain aspects of the processes' design before fully implementing them in all the organization, especially in those which are very sensitive or that require innovations. The pilot can be applied in a given unit, which will allow to evaluate how the plan works in real life and to make some adjustments, to then carry out

a faster implementation with less interruptions throughout all the institutions. The design implementation can be started without the risk of establishing changes that haven't been tested in the whole organization. The pilot has the following advantages:

- To test the design in areas in which probably it can be successful and be used as models.
- To efficiently focus resources, training and attention.
- To build knowledge and internal competence that can be transfer.
- To get feedback from the employees and clients.
- To learn from the experience before this is extended towards all the organization.

3.2.1.4 Internally and externally communicating the process

If we understand the organizational change as a transition process from one organization to another, in which the essential factor is the evolution of people, it shouldn't be surprising that the major difficulties for its implementation precisely come from people. Generally speaking there are three major periods that an organization goes through during an organizational transition:[159,160]

- *Initial status*, characterized by a passive and massive resistance to change from the institution executives and staff. This resistance is created by existing uncertainties and fears, but it also can be important the resistance of some people in the organization to the loss of their share of power, as well as the reaction of corruption circles. The main behavior is the attachment to the status quo. This is why the key to communicative strategy is to confirm the organizational change and to incentivize the migration from the current one, by identifying and divulging the problems that make it unviable to maintain the current organization as well as the opportunities that could exist for their solution. The above mentioned to involves highlighting the costs and risks of not changing, as well as the benefits that the change would entail. Likewise, it is responsibility of the institutional conduction to make obvious a strong commitment on their part to change and to an irreversible process; which means to hold on to the actions for change despite any initial resistance and the typical problems that may arise during transition, as well as being inflexible when identifying any signs of corruption. It is also important to communicate with due anticipation the expected changes and the implementation plans. The main objectives of said communicative strategy should be a) to eliminate uncertainties and unfounded fears towards change; b) to reduce resistance among the staff, through communication and transparency; c) to isolate the active resistance coming from circles with vested interests.

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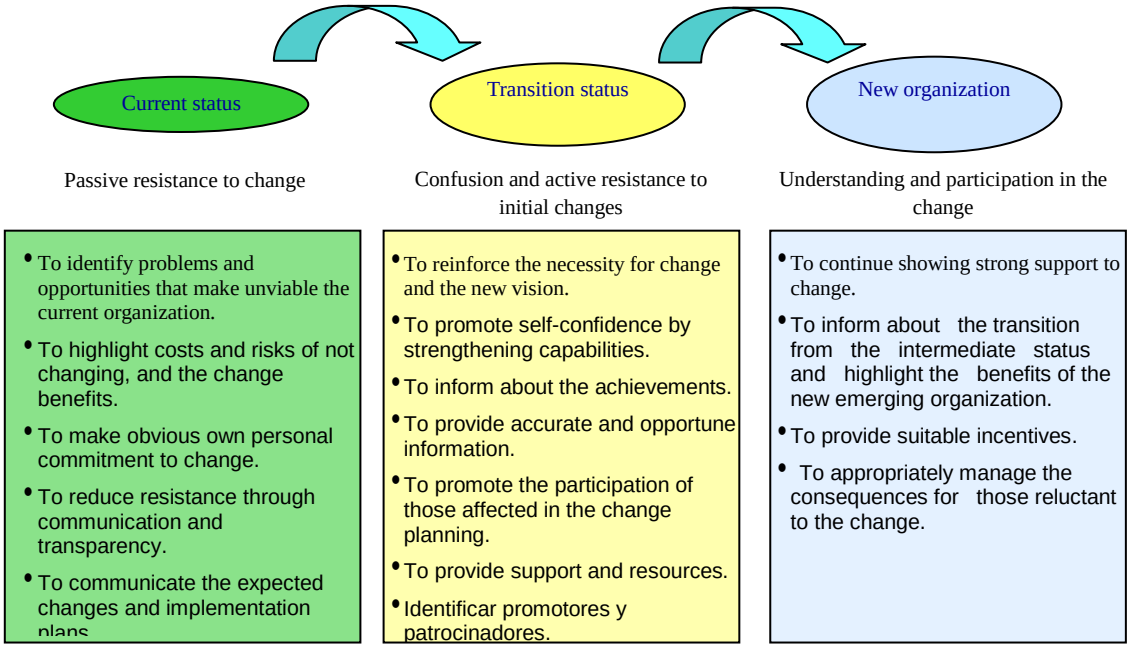
[159]Costello, Sheyla: *Managing Change in the Workplace.* Business Skills Express Series. Mirror Press. Boston, 1994.

[160]Conner, D.: *Managing Organizational Change; Implementation Planning Procedure. Atlanta, 1990.*

- *Transition stage.* It is an intermediate period in which the staff becomes aware of the change process, its irreversibility and political commitment of the institutional authorities for its implementation. The prevailing behavior is the anxiety, rumors, conflicts and obstacles to change. During this period the confusion among the staff prevails, an active resistance to change is organized from certain groups in the institution. Thus, the communication strategy should be focused in making people enthusiastic towards change, reinforcing its necessity, spreading the new vision, promoting self-confidence among the staff renewing their capabilities. It is also essential to inform about the achievements and success that is being accomplished. In order to do this, accurate and opportune information should be provided, as well as promoting the participation of the ones affected in the change planning, and provide support and resources for the change and identify the promoters and sponsors
- *New organization stage*, in which the main actions for the organizational change and the initial implementation of the five organizational components pointed out in section 2.2 have already been taken. During this period most of the people have understood the sense and dimensions of the organizational change and are actively participating in it, showing initiative and taking on risks. The communicative strategy should be focused in continuing to show a strong support to change from the authorities and executives of the institution, as well as informing about the transition from the intermediate status and highlight the benefits of the new emerging organization. In order to do this, it is essential that the managers provide suitable incentives to reinforce the changes and that they appropriately manage the consequences for those reluctant to the change.

All the above makes evident the need to design and develop an appropriate communication strategy in order to manage the mentioned problems. In fact, said communicative strategy should include the organizational culture elements of the follow-up system component and incentives for the organizational design and the corresponding recommendations regarding the communication strategy pointed out in section 2.3.7. This strategy should be substantiated in certain knowledge of the opinion, fears and uncertainties of the executives and workers regarding change, trying to identify the different groups by means of analysis of the actors that give support and those who are against. This knowledge can be obtained from meetings with small groups and in-depth interviews with key people in the institution, especially with those who carry out an informal leadership. Surveys regarding the organizational environment can also be important assets. Among important information to be obtained are the associations that people make regarding change. Positive associations can be identified (i.e., change = further institutional development) which should be reinforced, and negative ones (i.e., change = massive layoffs) that should be clarified.

Graph Nº 8: Change process as organizational transition



Source: Costello, Sheila: Managing change in the workplace. Business Skills Express Series. Mirror Press. Boston, 1994.

In general terms, for the specific case of some regional sector directorate it can be said that there are a series of positions and attitudes regarding possible organizational changes that have a close relationship with the place that the people have within the current institutional structure:

- It is likely that those who express the most fears and disagreements with the changes are the administrative teams, especially regarding to a pre-conceived notion of loss of job stability. Therefore, meetings should be hold with the representatives of trade unions and professional associations regarding the real scope of the change.
- On the other hand, those people who feel affected their institutional influence and their control on resources will be the ones to carry out an active and open resistance, whereas those who feel affected certain benefits will created an active and a surreptitious resistance.
- On the contrary, those who will show a much more committed attitude will be those who will be benefit with a larger assignation of resources and authority, usually from the most operative and de-concentrated levels. The communication strategies should favor them in order to keep them permanently informed of the change plans. On the other hand, the authorities will show their concern over the possibility of political costs that an organizational change entails. For all the above mentioned reasons, it is crucial not to sub-estimate the importance of developing a good communication plan. There is nothing that demotivates faster the workers than the feeling of being kept in the dark, while the changes are progressing; they need to understand the rationality of the change, the options being considered, and how the redesign has benefits that surpass the current organization. The following ideas are key factors in a communication plan:

- It is essential to create expectation regarding the future: to be as thorough as possible imagining the future for the workers of the institution. Commit people in creating change scenarios that will personally benefit them.
- Give them the context: Everyone will first focus on the new structure and where will be his or her place within the institution.
- It can be expected for everyone to follow the proposal immediately. Opportunities should be given for people to get hooked on the process, using a variety of communicative methodologies. People who were not committed in the design will have a hard time understanding all the information right away.
- Keep the workers informed of the gradual progress by means of mechanisms that regularly provide reports on the progress of the implementation. Some organizations assign a work group for this specific task.
- The communication should reach both the top hierarchical level (regional government), as well as the instances below them (all the workers of the institution). It is important to have the support of both of them

3.2.1.5 Maintaining the momentum in the process

The transition towards the new organization requires a great deal of time and energy (which is what the State institutions lack the most). While the change is being implemented, it is necessary to manage everyday operations of the institution. There is always the risk that the effort for the change loses momentum. Some suggestions to maintain the momentum for the change while the everyday operations keep going are the following:

- To appoint a redesign implementation committee, that will be solely devoted to its endeavor and will not be involved in the daily work.
- To maintain committed the management team. While the organization design is relatively simple, its implementation is a difficult job. It is necessary for the management team to keep involved as there still are many decisions and commitments to be agreed on regarding the implementation process; if they break away from the process, all the efforts for the redesign can be lost.
- To incorporate the redesign plan into the Institutional Operative Plan (POI – for its initials in Spanish). The message is that the redesign plan is integrated to the POI and consequently is as important as the daily activities. This also entails that the implementation activities should be budgeted the same as the rest of the activities that are part of the POI. It is part of the institution's work.

3.2.2 Strategy design for the organizational change

Based on the key considerations outlined above, it can be establish the moment in which they are most useful during the implementation stages of the change, as can be seen in the following table:

Table Nº 16: Key components vs change process stages

	Establish the direction for the change	Implement the change	Consolidate the change
Setting the pace for the process	Strategy that should be implemented throughout the whole change process		
Sequencing the process	Strategy that should be implemented in the first phases of the process		
Piloting the process	The pilot should run at the beginning of the implementation stage		
Internally and externally communicating the process	Strategy that should be implemented throughout the whole change process		
Maintaining the momentum in the process		Strategy that should be maintained along the two last phases of the process	

Within the strategy it is also important to establish the milestones that will permit to follow the change process, the proposal below should be adjusted according to the reality of each institution.

Table Nº 17: Milestones at each implementation stage of the redesign

MILESTONES	Establish the direction for the change	Implement the change	Consolidate the change
Constitution of the committee for the institutional redesign	X		
Approval of the institutional redesign proposal	X		
Preparation of the project for the strengthening of the human resources competences	X		
ROF approval		X	
CAP approval		X	
MOF approval		X	
New implemented organizational structure		X	
Institutional capabilities developed in order to carry out the functions		X	
Networks carrying out de-concentrated functions		X	
Decentralized micro-networks			X
Accredited health services			X

Finally, it is important to manage the skepticism within which resistance is. The resistance found in those who are not willing or cannot follow the leadership of the organization towards change is probably the most difficult non-programmed occurrence that happens during the implementation of the new structures and processes; the worst mistake is to underestimate it. It is not that they resist change itself, but to a disorganized change. Leaving aside the fact that the unknown is never easy for anyone, it's natural for people to be skeptical. It is expected that people will not give support until they are convinced that the change is guaranteed and going into the right direction, the committee is there for that reason, to ensure the right path.

Doesn't matter how well the organizational redesign implementation is planned; there will always be doubts and skepticism some time or other. Helping people to understand the future desired state and the process to achieve it can reduce resistance. How people learn to know it, address it and handle it during the transition period is a key factor for the success of the implementation process. Many works have been done to identify the usual reactions to change. The more the capability to recognize those reactions, the more the probability of knowing them and address them. Some of the expected reactions are shown below, together with the actions that can be done:

- **People feel that they are losing power and control**. The fact that they do not participate or to are involved in the decisions creates defensive and territorial feelings. The following strategies are suggested for this:
    - To create opportunities to involve them, both in making decisions as well as in the planning process.
    - To provide as many options as possible so the people can take the control on how their work is going to change.
    - "Corporate interest", which is at the root of the institutional redesign, should be continuously strengthened, when the individual necessities threaten to prevail above the desires of other areas.
- **The people feel uncertainty regarding the change**. When the people lack information regarding the purpose, rationality and the key steps involved in the change, they will most likely show resistance. Given this environment of insecurity they don't know how to proceed and who to go to. The proposed strategies are:
    - To share the rationality, purpose and the vision of the institutional future, providing clear and consistent communication regarding the change.
    - To provide milestones to evaluate change success and to help people understanding the necessary steps to reach the goal
    - To show consistent and visible leadership commitment for the change as well as defining the rules that will be required permanently.
    - To ensure everyone is working for the same set of assumptions.
    - To recognize and reward the initiatives shown favoring the redesign process.
    - To clearly define where the power of authority and the decision-making lie.

- **People feel ill at ease about what is going to be different**. They resist change as it forces them to challenge the assumptions, the rules and the behaviors in which their routine is based. The proposed strategies are:
  - To be clear and honest about what is going to change, but also make emphasis on what works well and thus will remain the same.
  - To support the everyday routines that maintain a link between the old and the new.
- **People are forced to face the fact that the way in which they were doing things was wrong**. The change is positioned as a way to eliminate "bad habits", so it makes people feel ashamed about what happened in the past. People may be worried about not being able to succeed in the new environment if they require new skills and abilities. The proposed strategies are:
  - To put the change into context. The old way is not necessarily bad; it is just not the most appropriate for the current situation.
  - To help people imagining how the new behaviors and practices will benefit them and not only the institution.
  - To provide wide support and training for the development of the new competences required for the success of the new organization. It is important to ensure the economic resources that will allow strengthening the competences of the institution workers through public investment projects. It could be the main motivation that is required for the workers to become real allies of the proposal.
  - To create a favorable atmosphere and a familiar path where people can solve their doubts on how things should or can be done.
  - To give everyone the opportunity to learn in an environment that rewards both the effort as well as the results.
- **People are concerned that the change means more work for them.** People just don't want to sacrifice more personal or family time to do more for the organization. The strategies proposed are:
  - To understand that some people will require flexibility to program their lives and other work projects around the change. To be sensitive to these effects, an open communication should be maintained that will increase the possibility of people accepting the change.
  - To support people during the change through recognition and reward programs or through other strategies, such as the strengthening of the competencies. Acknowledge that there will be difficulties for there to be a change.
  - To modify the time expectations with other projects to accommodate the additional work associated to the implementation.
  - To make visible the commitment to change of the implementation committee. If people have to work until late for the work to be done, we must stay with them to show our support.

- **People resist to changes because the threat to their power, influence, work, security or level of comfort is real.**
  - If the proposed changes are going to affect the power of people or the status of their jobs; acknowledging that is going to happen and that it is going to be taken into consideration has to be done as soon as possible. Even in the case that the news is bad, people will usually feel relieved knowing what is going on rather than continue to assume or suspecting the worse.
  - Avoid making false promises or operating under false assumptions. If there are going to be significant changes, they have to be addressed in an honest and direct fashion.
  - Give people a chance to "mourn" for those aspects of the change process that imply a loss. Give people the chance to do this together, as it will increase the opportunity of building teams.

3.2.3 Setting up the new organizational units

The setting up each one of the new organizational units has to be formally done with the corresponding administrative documents; also the corresponding allocation of human and physical resources has to be done for its initial functioning. It is necessary to take into account that these new organizational units should continue to carry out the everyday functions and tasks that the old units being incorporated used to have and which correspond to them as per the new ROF; they also should start to perform their new functions established in said regulations according to the programmed chronogram in the implementation plan, for which the institutional capabilities will have to be created in order to accomplish said goal.

3.2.3.1 Formalization of the new organizational units

The regional sector director shall issue a directorial resolution setting up each one of the new organizational units, based on the structure defined in the approved ROF and as per the developed implementation plan. For some administrative acts a resolution from the executive body of the regional government will be required. Said resolution shall specify:

- Date of commencement of the operations of the new organizational unit.
- Dismissal of the executives responsible of the old related organizational units.
- Appointment of the executive(s) responsible for the new organizational unit.
- Transfer of the archives to new responsible executives.

3.2.3.2 Allocation of goods to the organizational units

Later, one will proceed to assign the custody of the goods that each organizational unit will have, by means of a memorandum of the regional director which specifies the corresponding inventory. In this administrative action, the office of administration will have to update said inventory and later on register its assignment for its further control.

3.2.3.3 Allocation of personnel for the organizational units

Likewise, it is necessary to allocate the human resources that each new organizational unit will have to begin with, by means of the corresponding directorial resolution. Later on it will be the job of the ones in charge or said units to assign the specific tasks to be able to continue with the regular functioning of the responsibilities that have been taken on from the old organizational units.

Nevertheless, the new executives in charge must organize all the functions specified in the approved ROF. In order to do this, they should monitor the *description of the occupational positions* that the new organizational unit will have as per the methodology pointed out in section 2.3.8.1, to then formalize them in the corresponding organizational management documents: organization and functions manual; Staffing Chart; staffing budget (see corresponding annexes). This description will be the component for the *description of the occupational profiles* (section 2.3.8.3).

Finally, it is essential to place the most suitable workers in terms of their competences' profiles in the different occupational positions defined for the new organizational unit, as per the required occupational profile. Consequently, the next step will be to complete the required staff to carry out all the functions in three consecutive stages. The first one will be the *selection and allocation of the existing staff to* the positions previously defined, as per their occupational profile and the minimal requirements asked for in the description of said positions (see description of the methodology in section 2.3.8.3). Then, it is necessary to complete the Staffing Chart. A first possibility is the *re-assignation of the available staff in other organizational units* that meet the required profile, for which ones the executives in charge will have to ask for to the leadership team of the organizational change. If this is not enough to complete all the required staff, then the *selection and recruitment of new staff* to fill-up the vacant positions will have to be done, by means of the current administrative procedures and according to the available budget.

3.2.4 Design of the organization for the management of change

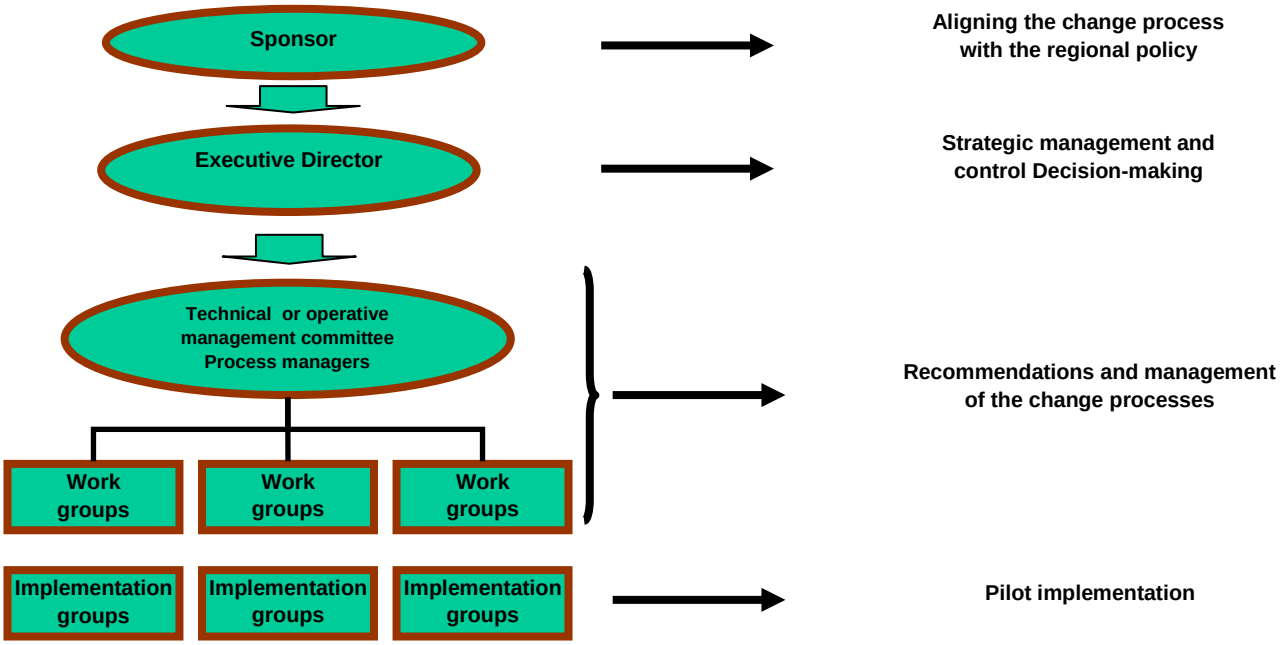
In the organizational change processes there are different actors that play different roles:

- *Initiating sponsors and supporters:* They are those ones that legitimize, have the power and allocate regional government resources for the implementation of the organizational change.
- *Change agents*: They are responsible of managing and implementing the change in the regional sector directorate.
- *Change subjects*: Inasmuch that an organizational change finally entails a transformation of the practices and the values of the people that are part of the institution, in fact, the same workers are the ones who make the change. Initially it may represent only a small group of individuals, but during the stage of massive changes it will constitute and significant group.

- *Change promoters*: Finally there are those people that can promote change without having a legitimate power to do so, according to their credibility and informal leadership in the institution.

Additionally, as mentioned before, said change process entails a transition period characterized by a certain level of uncertainty; thus, it is essential the coherent management of change through the establishment of a *management structure.* This structure establishes the set of roles and processes developed to ensure that the organizational change plan progresses, that their activities are coordinated and that the change progress will not be overwhelmed by everyday activities. It acts as a planning group that gives consistency during the transition period as well as the new behavior models, making obvious the institutional commitment for change.[161] This structure is parallel to the traditional structure that needs to be changed, which is responsible for the everyday activities. The interference in the change process implicates and additional work regarding the occupational responsibilities of people, reason why, in many cases it is necessary to free certain people of their daily tasks. Below is shown a proposal of the change management strategy and the respective roles and main functions:[162]

Graph Nº 9: Management structure of the change and roles



Source: Galbraith, Jay: *Designing Organizations: An Executive Briefing on Strategy, Structures, and Process.* Jossy- Bass. San Francisco, 1995.

[161] Galbraith, Jay; Downey, Diane; and Kates, Amy: *Designing Dynamic Organizations; A Hands-On Guide for Leaders at All Levels*. American Management Association.USA, 2002.

[162] Ibidem.

- *Sponsor*, whose role is the alignment of the change process with the corporate government body (regional council, etc.) or the parent institution (regional government, regional directorate, etc.), from which the organization may depend. Their functions are:
  - To provide feedback and advisory in the main decisions for the change.
  - To ensure that the redesign agrees with the strategy of the parent body.
  - To give support with additional resources for the redesign and change process
  - To ensure the collaboration and participation of other parts of the parent body that are involved in the changes.
- *Leader or executive director*, who is the director of the organization in which the change process will take place, whose functions are to make decisions regarding the parameters of the change process, including which decisions will be taken and who will be involved.
- *Executive team or committee*, which includes the people that report directly to the executive and that direct the implementation plan management. If this team were to continue after the change process, it could be used as an instance for collective decision-making. Their functions are:
  - To direct the implementation plan management of the organizational change.
  - To establish the limits for the organizational redesign (that can be reorganized).
  - To specify the success indicators for the change process.
  - To set deadlines for the change process.
  - To make decisions based on the recommendations of the task groups.
  - To carry out the process follow-up.
- *Operating steering committee*, applicable to large organizations in which it is necessary to have an additional instance for operative management for the development and starting-up of the options and recommendations approved by the executive team. Their main functions are:
  - To provide strategic guidance and leadership to the work groups.
  - To review and approve the goals, methodologies, plans and chronograms of the work groups.
  - To give assistance, feedback and to ask for coherence to the work groups.
  - To make overall recommendations to the executive committee representing the work groups.
- *Manager of the change processes*, who must be a member of operating steering committee and carries out the plan follow-up, ensuring the execution of the activities at every level of the organization. The need for this process manager will depend on the perspective and extent of the organizational change; his role may be assigned to the

operating steering committee or on the contrary the requirement of a person solely dedicated to it. Their functions are:

- To continue with the development of the change plan and to identify the possible restrictions of resources.
- To ensure that the plans of the work groups are integrated and coordinated.
- To monitor and report about the plans to ensure de accomplishment of the milestones.
- To permanently inform the executive committee about the development of the work.
- To give feedback to the operating steering committee.
- To provide support in the solution of problems.
- To maintain an integrated based on the input of the operating steering committee and to keep the minutes of the meeting.
- To share information among the work groups and to identify lessons learned.

- *Technical work groups*, which job is to give recommendations or options of details for the organizational redesign based on good practices enquiries, within the framework of the established priorities and limits for the change process. These groups are specially established for each specific task and their members must show a wide range of points of view inside the organization. Their functions are:
  - To develop the proposed plans, methodologies and to specify the required resources to accomplish the proposed goals.
  - To enquire about the best internal and external practices.
  - To create and evaluate design options.
  - To give recommendations the executive committee.
  - To identify the operational implications of the implementation of the designs.
  - To communicate and to work with other groups to integrate common proposals.
- *Commissioning groups*, applicable to large organizations that require developing pilot experiments to start up certain organizational changes. Their functions are:
  - To manage the start-up of the new structures and processes.
  - To focus on resources, training and attention in certain aspects.
  - To evaluate and adjust the new procedures, tools and institutional systems.
  - To generate new knowledge and institutional capabilities.
  - To record the learning from experience aiming towards avoiding institutional failures.

3.3 Organizational implementation plan scheme

This section aims to describe the contents of the organizational implementation plan and to point out some methodological aspects to draw it up. In this sense, the contents of this plan are the following:

3.3.1 Gaps between the current organization and the proposed one

This section aims to evaluate the real exercise of the sectorial specific attributions provided in the organizational redesign proposal and to identify the current institutional capabilities and limitations and subsequently the existing gaps between the current institutional organization and the future one. This identification must be carried out in two consecutive stages, applying it first to the regional sector directorates and afterwards to the executive body of the regional government. There are various methodologies to make this diagnosis, from using, in the health sector, the monitoring and evaluation of the health decentralization system tool (MED SALUD) mentioned in Box Nº 1 to more sophisticated methodologies as a thorough diagnosis of the managing, regulatory, communicative, organizational , technological and human resources regional capabilities to carry out the transferred functions. A middle of the road methodology is the one pointed out in Format Nº 1 in Annex K and can be used for this task; this diagnosis consists in analyzing which sectorial specific attributions are currently carried out. This is done by answering the question "*is the decision-making level exercising this specific attribution?*" for all the attributions of each one of the functional areas of the governmental management, in order to then qualitatively evaluate their exercise level, finally sorting them out into four categories: it is not exercised, incipiently, partially or completely.

The identification of the limiting factors for the exercise of the sectorial functions is a step that consists in establishing the causes that were determining the exercise of competences level previously estimated for all those attributions that are not currently exercised or that are being done sol incipiently or partially. In order to carry out said task the following questions has to be answered *"what factors would be limiting the exercise of this competence or which ones are preventing its transfer?"*. Five kinds of limiting factors can be identified:

- *Economic factors*, that is to say, obstacles related to the transfer, the creation or the management of economic resources.
- *Institutional factors*, regarding the organizational limitations, which may be it in the structure or in the institutional functioning, as well as in the occupational profile or in the performance of its managerial, technical or administrative staff, thus decreasing its management capabilities and obstructing the accomplishment of institutional results.
- *Factors related to institutional resources,* that is to say, limitations in the premises, installations, equipment, resources and the necessary technology for the accomplishment of the institutional functions.
- *Legal and regulatory factors*, related to obstacles in the legal framework (laws or regulations of a higher hierarchy) or in the sectorial regulations.
- *Other type of factors*, be it social, cultural or of any other nature.

3.3.2 Required conditions for the implementation

Once identified the limiting factors, it should be specified the required conditions to overcome those ones found in all the attributions with some kind of difficulty in its exercise, distinguishing if they correspond to *indispensable requisites* to be able take on the respective competences or whether they are conditions for a *better performance* of the function. This analysis should be applied both to the sectorial bodies as well as to the executive body of the regional government and to carry it out Format Nº 2 in Annex K can be used. Just like in the previous step, there are five condition categories:

- *Economic conditions,* related to the transfer, the creation or the management of economic resources.
- *Institutional conditions,* That implicate the necessary organizational adjustments aiming to strengthen the institutional management capabilities, that is to say, the changes in the corporate strategy, the structure or the institutional functioning, including the occupational profile of its managerial, technical and administrative staff.
- *Allocation of institutional resources,* related to the premises, installations, equipment, resources and necessary technology for the accomplishment of the institutional functions.
- *Legal conditions,* which cover the adjustments within the legal framework (laws or regulations of a higher hierarchy) or the sectorial regulation.
- *Other type of conditions,* that involve changes in the social, cultural environments, among others.

It is recommendable to verify that these attributes are worded as positive statements, that is to say, such as required conditions and not as the absence of some element. Also, while there is an affinity between the limiting factors and the required conditions, a broad perspective and not of linear determination should be maintained, that is to say, considering all the possibilities to overcome the existing limitations and not exclusively the same type of condition for a given factor.

3.3.3 Analysis of the institutional opportunities

This step includes the analysis of the institutional opportunities regarding the required change for the medium and long term, as well as the main obstacles or threats. For this, it has to be taken into consideration the strengths, weaknesses, opportunities and threats analysis (SWOT analysis) carried out in the institutional development program of the regional government and the regional sector directorate concerned.

3.3.4 Challenges for change and possible tactical guidance

It is also essential the identification of the anticipated challenges for the implementation of the organizational change and for the development of the institutional capabilities and the conditions required for that. This exercise consists in specifying the possible existence of the following critical points:

- Areas of the new organizational structure and management processes that pose greater difficulties or that are essential for the organizational change.
- Possible critical points for the development of the required institutional capabilities.
- Institutional capabilities for the change management.
- Political, technical and financial restrictions for the change process.
- Elements of the institutional culture that will facilitate or hinder the organizational change.
- Internal actors prone and resistant to change.
- Actors or external social and political movements with influence in the regional government that may support it or hinder it.

Based on the identification of these elements it is necessary to create the possible tactical guidelines to address these challenges and their possible critical points.

3.3.5 Overall objective and its indicators

In this section it is specified the overall objective of the organizational change plan, which should have been establish during the organizational redesign stage. The measurement indicators of this objective are also pointed out, specifying the goals to be achieved for the medium and long term, aiming to achieve the organizational change of the regional government and the regional sector directorate concerned. The goals must be drawn-up based on the situation diagnosis, taking into account the institutional challenges, the opportunities analysis, the identification of gaps and conditions for the organizational change. These proposals can be recorded in the Format Nº 3 in Annex K. The attributes for these goals are:

- It must be clearly and unambiguously establish the major changes that are to be achieved (in qualitative terms).
- They have to be able to be quantitatively verified.
- The estimated time to achieve each indicator should be defined.

3.3.6 Change process design

A main aspect for the viability of the organizational change is the appropriate design of the change process, which consists in the identification of the main components of the organizational change plan, the definition of the main change strategies and the outlining of its stages:

- The main components of the plan are related to the indicators of the main overall objective and in fact they represent the disaggregation of the latter one in the major changes that are expected to be achieved.
- Taking into consideration these components, the main strategies have to be selected, trying to establish a vision of how its implementation would be taking into consideration the real institutional capabilities to create them, the institutional context and the previous

political deadlines. The strategies correspond to the general guidelines for the management and organization of the activities that will be carried out to develop the organizational change. The key point is to attempt to design how the process for building these capabilities would be. Based on this analysis several options there are several options: the simultaneous reorganization of all the organizational units of the organizational redesign proposal; its progressive reorganization according to sequence determined by the creation of institutional capabilities; the reorganization of the units according to the level of difficulty of the change management that they will involve.

- Finally the stages of the change process must be specified. In general terms, at least three main stages can be identified (described in the section 3.1.2): the *initial* one; the *transition* one; the *new organization* one or of consolidation. The work consists in specifying these stages and the key activities that will be developed in each one of them, identifying the key activities for the establishment of the specific organizational units, the reengineering ones and the strengthening of certain management processes, the corporate communication for the change ones, the expansion or strengthening of the operational units ones, etc. The strategies previously defined can help identifying the sequence of the key activities of each stage and its duration. Thus, the required institutional effort in each stage is estimated, identifying the periods of greater dynamism that can be managed according to the provided institutional capabilities. Care must be taken in evaluating the opportunity of certain structural and functional changes in the organization; in this regard, it is important to note that the structural changes should only be focused in certain periods, depending on the analysis of opportunities and political feasibility to be able to carry them out. The design of the change process needs to be consistent and facilitate building up achievements needed to be accomplished on each stage.

3.3.7 Managing the change process

In this section of the plan implementation it must be stated the structure, the roles and the functions of the organizations for the management of the change, as developed in section 3.1.4. It is necessary to establish its mandate, their members and the type of regulation required for its formalization, which should include:

- The regional government executive responsible for establishing the link with the regional government sponsors, and organizes and coordinates the necessary support from this instance.
- The executive director.
- The executive committee.
- The technical or operative management committee.

3.3.8 Specific objectives and expected results

In this section is pointed out in the first place the plan specific objectives and the expected results to be accomplished in order to achieve those objectives. These results include situations that are expected to be accomplished in the different areas of the institutional

organization, and it should include the change components in the organizational structure, changes and improvement in the work processes. The expected modifications in the culture, the behavior and the organizational climate must be also specified. These proposals can be recorded in Format Nº 3 in Annex K. The attributes of the specific objectives and the expected results are:

- It must be established clearly and unambiguously what major changes need to be achieved (in qualitative terms) and which are the necessary results to do so. The definition of results has to be comprehensive and sufficient, that is to say, that all the required results must be established until the accomplishment of the goal.
- It should be clearly established which actor are going to achieve those changes.
- These changes must be quantitatively verifiable, establishing the parameters and the expected goals for the period.

3.3.9 Programming of key activities

The next step includes the programming of the key activities to obtain each of the expected results pointed out in the previous section. It is understood as a key activity the products or the major actions necessary to materialize an expected result; that must not be disaggregated into tasks. This job must the done thoroughly and accurately, trying to distinguish *all* of those key activities necessary to be able to accomplish them, among which should be included the actions to create the conditions required to carry out the different functions of the institution (economic, institutional, the allocation of resources and technology, legal or regulatory or of any other type) Thus, an important resource for this task is the analysis of conditions carried out in section 3.2.2. Later on, the deadlines and the ones responsible of carrying it out must be specified. Format Nº 3 in Annex K can be used to carry out this task.

3.3.10 Monitoring of the plan

Within the monitoring design, the feedback of the process is essential to obtain valuable information about what is working and what isn't working, how people feel regarding the process and how the implementation is taking place. The creation of feedback circuits is an essential component in the planning process. The organization must be sounded out to establish:

- Requirements for more and different types of communication regarding the change.
- Elements of the redesign that require to be modified.
- Gaps in the planning or the coordination among the work groups.
- Interpersonal or group issues that are hindering the progress of the work groups.
- Events or unforeseen consequences of the decisions.
- Moral or resistance issues.

Feedback allows people to be proactive rather than reactive towards situations that may be out of control. Feedback can be collected through mixture of formal and informal methods.

At some point there may be the need to carry out interviews, focus groups or surveys (for example about the organizational climate, employee satisfaction, or client satisfaction surveys) as to have available formal feedback. The tools should be focused towards the understanding and concern of people regarding:

- The extent to which current and future priorities are in conflict.
- Specific elements of the new institutional model and of the organizational design.
- Steps and milestones in the implementation plan.
- Having sufficient information, systems and technologies to accomplish the new goals.
- Opening the communication lines up, down and sideways.
- Clearness and effectiveness of the decision-making processes.
- What work needs to be done but it isn't.
- Feedback of the users regarding the perception of the new practices and behaviors.

More informally, gatherings, such as breakfast meetings can be held with the employees to be able to listen how people are facing the changes, if the new processes are supporting the change and how the new management is felt. An intranet dedicated to the change, that encourages questions and feedback, can be created. The chosen mechanism has to be in line with the organizational culture. For the feedback to work there must be the commitment of the team in charge of the redesign of listening and addressing the problems, thus avoiding creating fear or retaliation. It can be an opportunity to create an atmosphere of openness if it didn't exist before.

It is essential to carry out a follow up of the execution of the organizational change plan; to which end the follow up indicators must be specified in three hierarchical levels: overall objective, specific objectives, expected results and key activities. The sources of information must be specified, as well as the frequency and the collection methods. Likewise, the responsibility for the follow up and the compliance of these indicators needs to be organized, assigning it accordingly to the strategic, intermediate and operative levels of the plan management structure. It is worth pointing out the need to explicitly establish the short term success indicators, as described in seventh step of the organizational change process (section 3.1.1) and take special care to ensure its follow up.

3.3.11 Plan assumptions

It is also necessary to point out the assumptions or the hypothesis regarding the institutional context that may influence in the achievement of each of the specific objectives of the organizational change plan, identifying those economic, social or political situations that are not supposed to vary during the execution period of said plan. These situations should be monitored in the future, aiming to carry out modifications in the plan, in case there are any variations regarding this.

3.3.12 Plan budget

Finally, all the economic costs of the plan key activities need to be estimated, as well as considering the financing sources. It is necessary to take into account all the possible financing sources: the Prime Minister's Office (PCM), the Ministry of Health (MOH), external cooperation, regional regular budget resources, etc. Regarding public resources, the financing should be linked to the drawing-up of the corresponding budget.

Annex A: Formats for the analysis of processes

ANNEX A – Format Nº 1
IDENTIFICATION AND ASSIGNATION OF THE REGIONAL SECTORIAL FUNCTIONS INSIDE THE REGIONAL GOVERNMENT

Sector:
Functional management area:

Regional sector specific attributions	Legal support Art. / Sub-sec.	Assignation of regional sector specific attributions			Observations
		Executive Body of the Regional Government	Regional Sector Directorate	Operational units for public services (if applicable)	

ANNEX A – Format Nº 2
IDENTIFICATION AND ASSIGNATION OF THE SPECIFIC ATTRIBUTIONS INSIDE THE EXECUTIVE BODY OF THE REGIONAL GOVERNMENT

Sector:
Functional management area:

Specific Attributions of the executive body of the Regional Government	Legal support Art. / Sub-sec.	Assignation of functions to the organizational units of the executive body of the Regional Government								Observations
		Regional Council	Regional Presidency	Regional Management						
				General Management	Economic development	Social development	Planning, budget, land use planning	Infrastructure	Natural resources and environmental management	

ANNEX A – Format Nº 3
IDENTIFICATION AND ASSIGNATION OF THE SPECIFIC ATTRIBUTIONS INSIDE THE REGIONAL SECTOR DIRECTORATE

Sector:
Functional management area:

Specific Attributions of the Regional Sector Directorate	Legal support Art. / Inc.	Assignation of functions to the organizational units of the 1º organizational level					Observations
		Organizational Unit 1	Organizational unit 2	Organizational unit 3	Organizational unit 4	Organizational unit…	

ANNEX A – Format Nº 4
IDENTIFICATION AND ASSIGNATION OF THE SPECIFIC ATTRIBUTIONS TO THE ORGANIZATIONAL UNITS OF THE 3º ORGANIZATIONAL LEVEL

Sector:
Functional Management Area:

Specific Attributions of the organizational unit of the 2º organizational level… (executive departments or offices)	Assignation of functions to the organizational units of the 3º organizational level				Observations
	Organizational Unit 1	Organizational Unit 2	Organizational Unit 3	Organizational Unit …	

Annex B: Organization and functions by-laws (ROF)[163] scheme

IDENTIFICATION

Organization and functions regulations of the Regional (*Sector*) Directorate

INDEX

I. TITLE ONE – GENERAL PROVISIONS

1.1. Definition of the organization and functions regulations

This organization and functions regulations (ROF) is a regulatory technical document for institutional management of the Regional *(Sector)* Directorate that formalizes its organizational structure, which should be aimed towards the institutional effort and the accomplishment of its mission, vision and objectives, specifying their general functions and the main organizational units that are part of it, defining their essential roles and specific functions, as well as establishing their relationships and responsibilities.

1.2. Purpose of the organization and functions regulations

These regulatory document aims to contribute to the accomplishment of the mission, the vision and the institutional objectives of the Regional *(Sector)* Directorate, aligning their organization with said purpose in mind and ensuring the technical and management consistency and the performance of the organizational units that make up the institution.

1.3. Objectives of the organization and functions regulations

Their objectives are:

a) To establish the basic structure of the Regional *(Sector)* Directorate, their general functions and the units that make them up, the internal and external hierarchical and functional interrelationships of the institution.

b) To describe the role and the general functions of each office, defining their nature, extent and their field, and establishing their relationships and responsibilities.

1.4. Scope of the organization and functions regulations

(*To specify the jurisdiction over which these regulations will be effective and therefore should be applied*).

[163]Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions regulations (ROF).* Op. cit. Lima, July 21, 2006. Artícles 12.

1.5 Legal nature

(*To point out the legal nature of the institution specifying the characteristics of its legal status as per the organization and functions legal requirements*).

1.6. Entity on which it depends

It administratively depends on the Regional Government, and specifically and directly on the Social Development Regional Management.

1.7. Jurisdiction

Territory over which it exercises its competences in the Region.

1.8. Purpose and objectives of the entity

(*To point out the purpose and objectives of the institution, taking them from the institutional vision, mission and core strategy drawn-up in the organizational redesign proposal).*

1.9. General functions of the entity

[To Word the general functions in a brief manner, adjusting and including the ones outlined in the section "Identification and assignation of the regional sectorial functions inside the regional government" in the organizational redesign proposal, following the general guidelines below:

- *Use a clear, simple and brief language.*
- *A general institutional function needs to be extensive and comprehensive, and it needs to correspond to the level of a management process.*
- *A function represents an action, reason why it should be worded using a verb in infinitive form at the beginning, indicating the matter or the objective of the action immediately after and, if necessary, the formal setting of the matter and the purpose of the action. i.e.: To clarify (action) the inquiries in legal matters (matter) of the various offices of the regional government (formal setting of the matter) in order to achieve the correct application of the current regulations (purpose)*

1.5. Legal basis

(*To specify the legal and regulatory framework that establishes the organization and sets up the roles and basic functioning parameters).*

II. TITLE TWO: OF THE INSTITUTIONAL ORGANIZATIONAL STRUCTURE

(*In this title should be developed the organizational structure of the Regional (Sector) Directorate, taking it from the section "Defining the basic characteristics of the organizational architecture" prepared in the organizational redesign proposal.*

Afterwards it will be pointed out, in an orderly fashion, the different organizational branches and units with the following coding for the corresponding categories:

- *01. Top management organizational branches*
  - *02.. Counseling bodies*
  - *03. Institutional control office*
- *04. Advisory organizational branches*
- *05. Support organizational branches*
- *06. Line organizational branches*
- *07. De-concentrated divisions*

Each organizational unit should have a code according to the mentioned category (i.e.: 04.01, 04.02 and so forth for the advisory organizational branches of second organizational level and 04.01.01, 04.01.02 and so forth for the respective organizational units of the third organizational level is applicable).

Later on, it will have to be thoroughly developed the corresponding chapters to each one of the categories in the mentioned organizational branches, disaggregating them into the respective sub-chapters, if necessary, when there are organizational units of the third organizational level. For each one of the organizational units that are part of the institutional structure of the second organizational level it is necessary to specify the following aspects, taking them from the section "Defining the basic characteristics of the organizational architecture" worked in the organizational redesign proposal:

- *Point out the role of the organizational unit specifying: a) the name of the organizational unit; b) nature; c) scope of responsibility and results d) responsibilities.*
- *Describe their specific functions as per the same recommendations in section 1.9 in this annex.*
- *To establish the attributions and especial assignments that each one of these organizational units must carry out.*
- *To point out the organizational units of the third organizational level that make them up, if applicable, as well as disaggregating into sub-chapters said second level unit, specifying their roles, functions and specific attributions. Other option is only to allocate the roles of these units but not their functions, which gives it a certain level of flexibility in the assignation of functions over time. A final option is to only specify the roles, functions and specific attributions corresponding to the second organizational level, leaving the specifications of the third organizational level for the organization and functions manual, which will allow a significant margin of flexibility to adjust the third level structure to the changing necessities of the institutional environment and the progressive transfer of functions within the decentralization process.]*

III. TITLE THREE: OF THE INTERINSTITUTIONAL RELATIONSHIPS

(*To specify the specific attribution that the Regional (Sector) Directorate has to maintain institutional relationships with other public administration entities, whose objectives are in accordance with or complementary to the purposes of the entity).*

IV. COMPLEMENTARY REGULATIONS

[*In this section are established the additional regulations necessary for the institutional functioning, among which should be the following.*]

4.1. Economic and financial regime

[*To point out the type of economic and financial regime that the institution will have, specifying if it will correspond to the public regime, be it state or private. The institutional financial sources and how they will be designed will be also pointed out.*]

4.2. Work regime

[*Point out the type of work regime that will be effective in the institution, specifying if it corresponds to the public or private regime.*]

V. TRANSIENT AND FINAL REGULATIONS

[*In this section are establish the temporary or permanent regulations that will be in effect during the transition period from the old organizational structure up to the new one, as well as those referred to the transfer of institutional resources to the new organizational units.*]

VI. ANNEX

Organizational chart

(To show the structural organizational chart of the Regional (Sector) Directorate), using the symbols that are normally used for its diagramming).

Annex C: Support datasheet for ROF modification

PROPOSAL FOR THE ORGANIZATION AND FUNCTIONS REGULATIONS ROF DATASHEET

1.GENERAL INFORMATION

ENTITY DETAILS

Name of the entity	
Sector to which it is attached	

ORGANIZATION AND FUNCTIONS INSTRUMENTS: LEGAL BASIS

	LEGAL BASIS
Creation rules	
Organization and Functions By-law – ROF	
Staffing Chart – CAP	
Job classification	
Remunerations Scales	

CONTACT DATA

Organizational Branch responsible the ROF preparation	
Name of the executive to be contacted	
Electronic mail	
Telephone	

2. PROPOSAL OF CHANGES SUMMARY

2.1 ORGANIZATIONAL STRUCTURE

	CURRENT ROF	PROPOSED ROF
N° of Organizational branches (total)		
Top Management		
Line organizational branches		
Advisory organizational branches		
Support organizational branches		
De-concentrated divisions		
Others		
N° of Organizational Units (total)		
Top Management		
Line organizational branches		
Advisory organizational branches		
Support organizational branches		
Others		

2.2 DESCRIPTION OF THE ORGANIZATIONAL BRANCHES TO BE CREATED/ELIMINATED

A. NEW ORGANIZATIONAL BRANCHES AND UNITS

N°	Name	Hierarchical Level	Legal Basis	Nº of positions	Planned Budget

B. ELIMINATED ORGANIZATIONAL BRANCHES AND UNITS

N°	Name	Hierarchical Level	Legal Basis	Nº of positions	Planned Budget

2.3 FUNCTIONS OF THE ENTITY AND ITS LINE ORGANIZATIONAL BRANCHES

General Functions of the Entity:				
1	Name of the Entity:		Legal Basis (**)	Type of Change (***)
	Current function:	Proposed function :(*)		
a.				
	Technical support:			
b.				
	Technical support:			

(*) In each proposed function the proposed change in the ROF project should be put in bold letters.
(**) The rules from where each proposed function come, it should be pointed out.
(***) Place the appropriate letter for each proposed function:
N = New
M = Modified
R = Revoked
W = Without change

Functions of the line organizational branches and their organizational units:				
1	Name of the organizational branch or unit:		Legal Basis (**)	Type of Change (***)
	Current function:	Proposed function:(*)		
a.				
	Technical support:			
b.				
	Technical support:			

(*) The public entities should try not to develop more than 8 functions per organizational branch or unit. In each proposed function should be put in bold letters the proposed change in the ROF project.
(**) The rule(s) from which each proposed function comes should be pointed out.
(***) Place the appropriate letter for each proposed function:
N = New
M = Modified
R = Revoked
W = Without change

3. BUDGET INFORMATION

BUDGET AS PER TYPE OF EXPENSES (in thousands of New Soles)	Current	Proposed
Total budget (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Top Management Budget (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Budget for the Advisory Organizational branches (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Budget for the Support organizational branch (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Budget for the Line Organizational branches (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Budget for the De-concentrated divisions (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		
Budget for other organizational branches (S/.)		
Payments to the staff and social obligations* (%)		
Rest** (%)		

* It includes the generic group of Staff expenses and Social Obligations (5-1) as per the Expense classifier and the total of fees for non personal services.
** Includes everything excluded in *.

Annex D: Organization and functions manual (MOF – for its initials in Spanish) scheme

IDENTIFICATION

INDEX

1. GENERAL ASPECTS

1.1. Definition of the manual

This organization and functions manual (MOF) is the management technical document that describes the general functions of the different organizational units that make the…, defining its nature, extent and field, as well as specifying their hierarchical and functional interrelationships. It also establishes the It also establishes the posts or job positions table, detailing their specific functions, relationships, levels of authority, coordination and responsibility, as well as the minimal performance requirements.

1.2. Purpose of the manual

(*Specify what needs to be achieved with the start-up of the organization and functions manual, i.e., what does the manual contribute to in the institutional performance; which is usually considered the following:)*

The manual's purpose is:

a) To consolidate the organization in order to accomplish its institutional objectives.

b) To ensure the technical and management consistence of the organizational units that are part of the institution.

c) To improve the development and performance of the functions of each organizational unit and of the positions that are part of it.

1.3. Objectives of the manual

(*To specify the objectives of the organization and functions manual, i.e., what is the institution used for; the following is usually considered :)*

Their objectives are:

a) To specify the institutional organizational structure, pointing out the roles of their units, the internal and external hierarchical and functional interrelationships; as well as defining permanent work teams, if applicable.
b) To define the location and the specific functions, tasks, activities and responsibilities of the positions in the institution, as well as the minimal requirements to perform the job.
c) To establish the regulations under which are developed the different production, provision and management operations that correspond to the institution.
d) Facilitate the recruitment, selection and induction of staff.

e) To guide the new staff to smooth their path when joining the different organizational units.

1.4. Scope of the manual

(To specify the jurisdiction over which the manual is going to be effective and where subsequently it should be applied.)

1.5. Legal basis

(To specify the legal and regulatory framework that establishes the organization and that sets up their roles basic functioning parameters.)

1.6. Design criteria

(Briefly describes the technical and management criteria used in the design of this manual, including the applied regulations on state modernization and decentralization, specifying the institutional guiding principles and criteria defined in the organizational redesign proposal.)

2. DEFINING THE INSTITUTION

2.1. Definition, scope of responsibility and y configuration

(To record the main institution role, defined in the organizational redesign proposal, in keeping with the wording specified in the legal framework.)

(To specify the territorial jurisdiction and the object of responsibility of the institution.)

(To specify the regulations that make up the organization, as well as its main components or assets, if appropriate and its institutional headquarters.)

2.2. General institutional functions

(To point out the general functions carried out by the institution, wording in abbreviated and concise manner those used in the organizational redesign proposal, maintaining a level of disaggregation of major processes and in keeping with the wording pointed out in the legal framework.)

2.3. Level of institutional dependency

(To point out the organizational body of which it depends administratively and if there were some kind of functional or technical dependence of any other body, mention it.)

3. INSTITUTIONAL ORGANIZATIONAL STRUCTURE

3.1. Institutional organization

(To point out the nature of the institution, specifying its institutional vision, mission, principles and core strategy, as well as its management guiding criteria as basic organizational attributes.)

(To specify the main organizational units and the criteria and attributes applied for its design, defined in the organizational redesign proposal.)

3.2. Structural institutional organizational chart

(Show the structural organizational chart of the institution, using the symbols normally used for its diagramming.)

4. DESCRIPTION OF THE ORGANIZATIONAL UNIT …

(The organization of each one of the organizational units specifying their names is described in this section. Should more than two hierarchical levels in the organization were specified; a Composition section will be added.)

4.1. Definition of the organizational unit…

(To point out the role of the organizational level defined in the organizational redesign proposal, specifying the following aspects: a) name of the organizational unit; b) nature; c) scope of responsibility or results; d) Responsibilities.)

4.2. Authority and coordination lines

(To indicate the main or relevant relationships of the organizational units with other ones in order to accomplish their functions, specifying the nature of these relationships: a) organizational dependence ones ; b) of authority with their internal units, if any; c) of coordination with other organizational units of the entity; d) of coordination with external institutions).

4.3. General functions of the organizational unit…

[To describe the functions of each organizational unit based on the process analysis and the assignation of functions outline in the organizational redesign proposal, verifying, adjusting and integrating their wording as per the following the general guidelines:[164]

- *Use a clear, accurate, simple and brief language.*
- *A function represents and action, reason why it must be worded using the infinitive form of a verb at the beginning, indicating immediately after the matter or object of the action and, if necessary, the formal scope of the matter and the purpose of the action. i.e.: To clarify (action) the inquiries in legal matters (matter) of the various offices of the regional government (formal setting of the matter) in order to achieve the correct application of the current regulations (purpose).]*

4.4. Composition

(If required, describe an additional hierarchical level, name the organizational units that make up each second level instance, to then proceed to detail their definitions, general functions, lines of authority and responsibility, coordination and structure of the positions.)

4.5. Jobs organization table

(The positions structure should be recorded, which should be consistent with the Staffing Chart to be approved. Theoretically it should be the result of the analysis of positions considered in the organizational redesign proposal, after carrying out the process analysis; nevertheless, there is usually a budget limitation, reason why, it is more practical to make a realistic analysis of the positions based on the available or feasible budgets.)

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[164] Ministry of Health: *Directive for the drawing up of institutional management regulatory technical documents.* M.R. Nº 371-2003.SA/DM. Lima, 2003.

(It should be specified the name of the different positions of the organizational units and their codes.)

4.6. Description of the position…

(This section describes in detail all the positions of the organizational units, as per the established order in the jobs organization table, indicating its name and the contents of its different numerals.)[165]

4.7.1. Role or basic function

(Point out the main role of the occupational position, wording the objective of its functions and emphasizing the main action and the objective and measurable result that must be accomplished.)

4.7.2. Line of authority and responsibility

(Indicate the main or relevant relationships that occur for the accomplishment of the functions of the occupational position, following the same recommendations as in section 4.2)

4.7.3. Attributions

(Establish the specific attributions and assignments that must be carried out by the management or professional positions that carry out coordination functions for work teams, specifying the following: legal or technical representation; authorization for administrative or technical activities; control; summoning; supervision; etc.)

4.7.4. Specific functions of the position

(Point out the specific functions of each occupational position based on the process and positions analysis considered in the organizational redesign proposal, adjusting its wording based on the recommendations in numeral 4.3.) (Enter as the last function the following: "The other functions assigned by his/her immediate boss".)

4.7.5. Minimal requirements for the performance of the position:

(Establish the minimal requisites necessary to perform the occupational position in the following aspects :)

- **Regular formal education** *(Required academic degrees as well as professional or technical degrees, if relevant due to the nature of the position.)*
- **Training and coaching** *(Specify the requirements regarding coaching and training courses.)*
- **Occupational experience** *(Specify the kind and minimal length of experience needed to occupy the position, specifying the managerial and administrative*

[165] Ibidem.

roles in similar functions and in the exercise of the profession or technical activity.)

- **Basic occupational skills profile** *(Point out the requirements that position involves in order to perform the functions and tasks, as well as the occupational competences requisites to carry out the position in terms of knowledge, skills and attitudes.)*

4.7.6. Special requirements of the position

(Specify the special requirements that the performance of the occupational position involves, in terms of work rules and special hours, personality requisites or specific physical attributes for said performance, etc.)

Annex E: Preparation and Approval of the Staffing Charts (CAP- for its initials in Spanish)

GUIDELINES FOR THE PREPARATION AND APPROVAL OF THE STAFFING CHARTS (CAP) AND FORMATS[166,167]

For the CAP preparation:

- The CAP has to be drawn-up based on the organizational structure duly approved in the institutional ROF.
- The CAP should stick to the regulations regarding classification of the current positions.
- The classifications of the positions of the regional sector directorates have to be approved by the respective ministries.
- The proportion of positions not covered should not exceed 10% of all the positions contained in the CAP.
- The positions included in the CAP are independent from the post included in the PAP.
- The positions that correspond to the advisory and support organizational branches should not exceed the l 20% of the total of positions include in the CAP.
- The positions of trust should be recorded as per the current legal regulations.
- The classification and number of assigned positions to the institutional control office should be defined by the head of regional government with the opinion de Comptroller General of the Republic in case of variation.
- All the positions in the seats or de-concentrated divisions of the entity should be included.
- The CAP must be presented in the specific format (Format Nº 1) attaching the qualitative summary that registers the classification per occupational groups (Format Nº 2) and the annexes Nº 1 and 2, accordingly.
- Should there be continuously rotating occupational groups, due to their functions nature or the performance thereof, there need to exist should be substantiated in the technical report through an annex that records them with an occupational groups classification and the positions thereof.
- The rearrangement of the CAP, which is generated by the elimination or creation of positions that won't have an effect in increasing the PAP, will not require an approval process in the Regional Council, but only a resolution from the presidency of the regional government.
- The CAP project is prepared applying the regulations in the Supreme Decree Nº 043-2004-PCM, provided they do not contravene the modification of the organic law of the regional governments (law Nº 28926).[168]

For its approval:

- In order to be approved, the CAP project must be sent to the budget and planning office of the regional government, duly endorsed by the organizational branch responsible of drawing it up and the legal advisory

[166] Prime Minister's Office: *Guidelines for the preparation and approval of the Staffing Chart* – CAP. Supreme Decree Nº 043-2004-PCM. Lima, June 17, 2004.

[167] Prime Minister's Office: *Guidelines for the preparation and approval of the organization and functions regulations (ROF) by the public administration entities.* Supreme Decree Nº 043-2006-PCM. Lima, July 21, 2006.

[168] Congress of the Republic: *Law that regulates de transient regime of the regional sector directorates of the regional governments – Law Nº 28926.* Lima, December 7, 2006.

one, having the respective technical and legal reports. (Should the organizational branch that drew-up the document had been the budget and planning branch of the regional body, it won't be necessary the favorable preliminary technical report).

- Together with the respective favorable opinion, the CAP project should be sent to the Regional Government by the Planning, Budget and Land Usage Regional Management, which should issue a preliminary report.
- The CAPs should be approved by the Council of the Regional Government through a regional ordinance.

FORMAT Nº 1

Page Nº 001 to 0XX

STAFFING CHART

ENTITY :	
SECTOR :	

I.	**NAME OF THE ORGANIZATIONAL BRANCH:**						
I.1	NAME OF THE ORGANIZATIONAL UNIT:						
ORDER Nº	STRUCTURAL POSITION	CODE	CLASSIFI-CATION	TOTAL	SITUATION OF THE POSITION		POSITION OF TRUST
					O	P	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ORGANIZATIONAL UNIT TOTAL				(9)	(10)	(11)	(12)

I.	**NAME OF THE ORGANIZATIONAL BRANCH:**						
I.1	NAME OF THE ORGANIZATIONAL UNIT:						
ORDER Nº	STRUCTURAL POSITION	CODE	CLASSIFI-CATION	TOTAL	SITUATION OF THE POSITION		POSITION OF TRUST
					O	P	
ORGANIZATIONAL UNIT TOTAL							

INSTRUCTIONS TO FILL OUT THE STAFFING CHART - CAP

Heading.

a)

a. Name of the Entity e.g. Ministry, Regional Government, Local others, enter full name.

b. Sector (Only in the case of entities attached to the Ministries)

b) The page number will be noted down from 001 which will be followed by the total number of pages that the CAP contains.

(I) Specify the name of the organizational branch as per the ROF e.g. Management General Office.

(I.1) Should it be the case, specify the name of the organizational unit that comes from the organizational branch established in the ROF e.g. Personnel office.

(1) **ORDER Nº**
In this column will be placed in a correlative manner the Nº of the Position. i.e.: 001, 002, 003, etc. In the case of two or more similar positions the first and the last numbers will be entered. i.e.: 005/009, 0010/020, 0021/030, etc.

(2) **STRUCTURAL POSITION**
This column should contain the name of the position as per the classification and in a hierarchical order if necessary.

(3) **CODE**
It will be specified the code of the position, which will have a maximum of 8 digits.
Said code should allow identifying the number of sheet, organizational branch and unit and classification.

(4) **CLASSIFICATION**
To be filled out recording the initials as per the following classification:

PF: Public Officer
TE: Trusted Employee
PS-SM: Public Servant – Senior Manager
PS-EX: Public Servant – Executive
PS-SP: Public Servant – Specialist
PS-SU: Public Servant – Support
SR: Special Rules: Applicable to magistrates, diplomats, university professors, army and police personnel

(5) **TOTAL**
In this column it will be recorded the number of positions taking into consideration the occupied and the contemplated ones.

(6) **SITUATION OF THE POSITION**

y Condition: Occupied (O) - Contemplate (C) mark with an “X” or indicate number if applicable.

(7)

(8) **POSITION OF TRUST**
Marcar con “X” o indicar número de ser el caso.

(9) **ORGANIZATION UNIT TOTAL**
The total of positions on each page per Organizational Unit will be recorded.

(10) Total of Occupied positions (O) of each page per Organizational Unit.

(11) Total of Contemplated positions C) of each page per Organizational Unit.

(12) Total of positions of trust on each page per Organizational Unit.

Note: This format should be filled out by each organizational branch or unit of the entity.

ORGANIZATIONAL BRANCHES

They are the organizational units that are part of the organizational structure of the Entity.

ORGANIZATIONAL UNIT

It is the organization unit in which the organizational branches contained in the organizational structure of the entity are divided.

FORMAT Nº 2

Page Nº 001 to 0XX

QUANTITATIVE SUMMARY
OF THE STAFFING CHART

ENTITY :								
SECTOR :								
ORGANIZATIONAL BRANCHES OR UNITS (1)	**CLASSIFICATION (2)**							**TOTAL (3)**
	PF	**TE**	**PS-SM**	**PS -EX**	**PS -SP**	**PS -SU**	**SR**	
TOTAL (4)								

(5) TOTAL OCCUPIED	
(6) TOTAL BUDGETED (contemplated)	
(7) TOTAL GENERAL	

INSTRUCCIONES PARA LLENAR EL RESUMEN CUANTITATIVO DEL CUADRO PARA ASIGNACIÓN DE PERSONAL

Heading.
Entity Name of the Entity e.g. Ministry, Regional Government, Local others, enter full name.
Sector (Only in the case of entities attached to Ministries)
(1) Enter the organizational branch or unit if appropriate
(2) Enter the number of positions per organizational branch or unit as per the following classification:

PF: Public Officer
TE: Trusted Employee
PS-SM: Public Servant – Senior Manager
PS-EX: Public Servant – Executive
PS-SP: Public Servant – Specialist
PS-SU: Public Servant – Support
SR: Special Rules: Applicable to magistrates, diplomats, university professors, army and police personnel

(3) Enter the total of positions per organizational branch or unit
(4) Enter the total of positions as per classification
(5) Enter the total of jobs occupied in the Entity
(6) Enter the total number of positions budgeted (contemplated) for the Entity
(7) Enter the total of position of the entity which should coincide with the sum total of positions contained in the Staffing Chart.

ANNEX 1
CONTRACTS SUBJECT TO MODE

ENTITY :	
SECTOR :	

CLASSIFICATION:
(1)

PF	TE	PS-SM	PS -EX	PS -SP	PS -SU	SR

TOTAL GENERAL (2)	

INSTRUCTIONS TO FILL OUT ANNEX 1, CONTRACTS SUBJECT TO MODE

Heading.

a. Entity Name of the Entity e.g. Ministry, Regional Government, Local others, enter full name.
b. Sector (Only in the case of entities attached to Ministries)

a. Enter the number of contracts per classification, as per the following:

PF: Public Officer
TE: Trusted Employee
PS-SM: Public Servant – Senior Manager
PS-EX: Public Servant – Executive
PS-SP: Public Servant – Specialist
PS-SU: Public Servant – Support
SR: Special Rules: Applicable to magistrates, diplomats, university professors, army and police personnel

b. Enter the total number of contracts subject to mode in the entity which is equivalent to the sum of the values pointed out in point (1).

ANNEX 2

SERVICE CONTRACTS WITH PRIVATE INDIVIDUALS

ENTITY :	
SECTOR :	

Organizational Branches or Units (1)	**Number of Contracts (2)**
GENERAL TOTAL (3)	

INSTRUCTIONS TO FILL OUT ANNEX 2
SERVICE CONTRACTS WITH PRIVATE INDIVIDUALS

Heading.
a. Entity Name of the Entity e.g. Ministry, Regional Government, Local others, enter full name.
b. Sector (Only in the case of entities attached to Ministries)

(1) Identify the name of each one of the organizational branches or units of the Entity as per the approved organizational structure approved in their ROF.

(2) Enter the number of service contracts related to each organizational branch or unit of the Entity.

(3) Enter the General Total of service contracts equivalent to the sum of values pointed out in point (2)

Annex F: Staffing Budget Scheme (PAP – for its initials in Spanish)

STAFFING BUDGET FORM A

DETAIL OF THE DISTRIBUTION OF POSTS OF PERMANENT EMPLOYEES

SECTOR :

SHEET : Page. Nº from

EXECUTING UNIT :

Budget Year :

NAME OF THE POST	PERIODO PREVIO			PROPOSED PERIOD								Observations
	Level Category	Quantity of Posts		Level Category	Remunerations			Quantity of Posts		Period in Months	Successive numbers of posts	
		Budgeted	Occupied		Basic Remuneration	Reunified Remuneration	Main Remuneration	Budgeted	Occupied			
Officers and managers												
SUB TOTAL												
CATEGORY1												
SUB TOTAL												
CATEGORY 2												
SUB TOTAL												
CATEGORY 3												
SUB TOTAL												
CATEGORY ...												
SUB TOTAL												
GENERAL TOTAL												

FORM B-1

STAFFING BUDGET
SUMMARY OF POSTS FOR THE TEMPORARY EMPLOYEE

Page. Nº from

SECTOR :
SHEET :
EXECUTING UNIT :

Budget year :

PERIODO PREVIO			PERIODO PROPUESTO					OBSERVATIONS
Monthly Contract Amount	Quantity of Posts		Monthly Contract Amount	Quantity of Posts		Period in Months	Total Annual Amount	
	Budgeted	Occupied		Budgeted	Occupied			
CATEGORY 1								
CATEGORY 2								
CATEGORY 3								
CATEGORY ...								
TOTAL								

Annex G: Glossary of verbs of the functions[169]

Accredit : To give reliable witness that any individual or organization has specific attributions to perform an assignment.

Adjust : To adapt; fit something into some other thing, so there is no discrepancy between them.

Affiliate : To admit or enroll someone in an organization or group.

Analyze : To make the distinction and separation of parts of a whole to get to know their principles or elements. Examine a work, paper or any reality susceptible of intellectual study.

Approve : To agree on a proposal, opinion or issue.

Articulate : To organize various elements to be able to fit them together in a consistent and efficient manner.

Assign / Allocate : To point out what corresponds to someone or something. Indicate, define. Name, designate.

Attract To detect and draw the attention of the different candidates for the jobs positions of an organization.

Authorize : To give or to acknowledge somebody the specific attribution and right to do something. To confirm, verify something with authority. To approve or guarantee. To allow.

Carry out : To do, bring about something or execute and action.

Charge : To receive money as payment for a services or goods.

Classify : To order or arrange by class.

Consolidate : To integrate into a single one all the balance sheets, plans, budgets of a parent organization with its decentralized or de-concentrated instances.

Contract : To make a deal, agree, trade, make contracts. Fit someone for a service.

Control : To verify, inspect, control, and intervene. To have full control, command, superiority.

Coordinate : To arrange means, efforts, etc., for a common action. To arrange things methodically.

Define : Decide, determine, and solve something undecided. Set clearly, accurately and precisely the significance or nature of an issue.

Design : To make a design (project, plan, etc.)

Develop : To increase, make grow something physical, intellectual or moral. To happen, occur, to take place.

Direct : To guide the intention and the operations for a given purpose. To govern, rule; provide rules in the management of the organization.

Document : To prove, justify the truth about something with documents. To instruct or inform somebody about the news and proof concerning a matter.

Effect : To carry out something, specially an action. To comply with, to put into effect.

Enforce : To control and oblige to comply with the existing laws and regulations regarding a matter of a specific competence.

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[169] Royal Spanish Academy: *Dictionary of the Spanish language*. Twenty-second edition. Espasa Editorial. Madrid, 2001.

Establish	:	To found, institute. Order, be in charge, decree. To firmly demonstrate a principle, idea, etc.
Evaluate	:	To point out the value of something. To estimate someone's knowledge, abilities and performance.
Execute	:	To carry something through.
Formalize	:	To give a legal status to something. Give something a serious nature that it lacked before.
Formulate	:	To sum up in clear and precise terms a mandate, proposal, etc.
Give/ provide	:	To make something available to someone.
Go through procedures	:	To get a matter or application go through the due steps (each state or proceeding that must be followed until it is finished)
Grant	:	To consent, acquiesce or concede anything that is requested.
Have	:	To own or have in one's possession.
Identify	:	To recognize if a person or thing is the same as that assumed or being looked for. Give the personal data required to be recognized
Keep	:	To maintain updated and in due order.
Lead	:	To guide or direct an objective or a situation. To guide or direct the actions of an organization.
Manage	:	To run an institution. Arrange, determine, and organize, especially resources and goods.
Manage	:	To lead and direct an organization and to carry out the procedures leading to the achievement of the established objectives. To administer and organization.
Negotiate	:	To deal with public matters trying one's best.
Organize	:	To establish or reform something to achieve a given purpose, coordinating the persons and the appropriate resources.
Prepare / produce	:	To devise or invent something complex, such as a theory, a project, a plan, etc. To obtain a product by means of an adequate job.
Prioritize	:	To give priority (precedence or anteriority of one thing over another) to something.
Process	:	To submit data or materials to a series of programmed operations.
Program	:	To devise and organize the necessary actions to carry out a project.
Propose	:	To express a matter giving reasons for someone's attention as to persuade someone to adopt it. To determine or have the intention of doing or not doing something. To make a proposal.
Provide/ allocate	:	To assign to an organization or establishment, the number of employees and the equipment that they will require.
Purge/refine	:	Clean, purify.
Redistribute	:	Distribute something in a different way that it used to be.
Register	:	To make extracts or transcribe in the registry books the resolutions of the authority or determined acts or transactions. To note down, point out.
Regulate	:	To adjust the functioning of a system to a given purpose. Define the rules or regulations to which someone or something should be subject to.
Represent	:	To replace someone or take his/her place, to perform his/her function or the one of an entity.
Research	:	To carry out intellectual and experimental activities aiming to increase the knowledge

regarding a given matter.

Safeguard : Watch over someone or something, or thoroughly and carefully attend him/her or it.

Select : To choose, to pick out one or several people or things among others, sorting them apart and preferring them.

Spread /promote : To propagate or divulge knowledge, news, attitudes, regulations, etc.

Submit : To present a proposal, ideas or explanations for considerations or judgment. To ask someone for the resolution of an issue.

Substantiate: To defend or sustain a given opinion.

Supervise : Inspections carry out by a superior to work done by others.

Annex H: Functions related to the control system

Functions of the institutional control office

The institutional control office's mission is to promote the sound and transparent management of resources and assets of the entity, ensuring the legality and efficiency of is activities and operations, as well as the achievement of results through the implementation of control actions and activities to contribute to the fulfillment of the institutional objectives and goals.

The following are functions of the institutional control offices(Art. 28 Comptrollership Resolution Nº 114-2003-CG)	a) To perform the internal control after the acts and operations of the entity based on the guidelines and compliance of the Control Annual Plan, as well as exercising the external control by assignment of the Comptroller General. b) To carry out the audit of the financial statements and budget of the entity and the management thereof, as per the guidelines stipulated by the Comptroller General. c) To implement the control actions and activities to the acts and operations of the entity stipulated by the Comptroller General, as well as the ones required by the Head of the entity. When these are not scheduled, its implementation will be communicated to the Comptroller General by the head of the Institutional Control Office (OCI - for its initials in Spanish). d) To carry out preventive control without binding character, to the highest body of the entity in order to optimize the monitoring and improvement of processes, practices and tools of internal control, without generating any prejudgment or opinion that may compromise the carrying out of their functions by means of a further control. e) To submit reports resulting from their control actions to the Comptroller General, as well as the Head of the entity and the Sector as appropriate, as per to the provisions regarding the matter. f) To act on its own accord (ex-officio), when in the acts and operations of the entity, can be noticed prima facie evidence of illegality, omission or non-compliance, informing the Head of the entity so he can take appropriate corrective actions. g) To receive and address complaints made by the executives and public officials and citizens regarding actions and operations of the entity, assigning the relevant procedure and using the corresponding supporting documentation. h) To draw-up, carry out and evaluate the Annual Control plan approved the Comptroller General, as per the guidelines and regulations issued for that purpose. i) To carry out a follow-up of the corrective measures adopted by the entity as a result of the actions and control activities, verifying their effective materialization, as per the periods and respective deadlines. Said function includes the follow-up of the judicial and administrative proceedings arising from the control actions. j) To give support the Committees assigned by the Comptroller General in order to implement control measures in the field of the entity. k) To verify the compliance of the legal dispositions and internal regulations applicable to the entity, by the organizational units and their staff. l) To draw-up and propose the annual budget of the Institutional Control Office for its corresponding approval by the entity. m) To duly comply with the assignments, summoning and requirements required by the Comptroller General. n) Others established by the Comptroller General. o) In addition to carrying out the tasks assigned, the Institutional Control Authority exercises the powers conferred by Article 15 of the Law.

Additionally, the following are functions of the regional control offices	a) To evaluate and inform the Regional President, with its competence field, about the compliance of plans, programs and goals of the Regional Government, as per the guidelines and dispositions provided by the Comptroller General. b) To evaluate and inform the Regional President, with its competence field, about the compliance of the regulations applicable to the entities and de-concentrated divisions included in the Region. c) To coordinate, integrate and consolidate the information of the Institutional Control Bodies of the entities and the de-concentrated divisions included in the Region regarding the issued control reports, the compliance of their annual control plans, as well as the information that they should issue by virtue of legal assignments or as a Comptroller General disposition. d) To inform to the Comptroller General about the functioning and operative situation of the Control Offices established in the de-concentrated divisions of their Region.