ADMINISTRATIVE ORDER
No. 06
Series of 2020

SUBJECT: RE-ESTABLISHMENT OF OFFICE FOR STRATEGY MANAGEMENT

I. Rationale

Studies show that managing organizational strategies is a critical factor for the success of every organization. It was noted that the most common reason for failure is the disconnect between strategy formulation and strategy execution, which can be prevented at an early stage. As such, it is identified that the average 95% of an organization’s staff are unaware of or do not understand the organization’s strategies. Thus, employees at the operational level are unable to effectively implement them.¹

Deficiencies found in most organizations because of lack of coordination are the following: a) non-alignment of strategies with support services such as human resource and information technology support systems; b) budget planning is not linked to strategies; c) organizational vision and road map to achieve the vision is unclear; d) incentives provided are not linked to strategies; and e) workforce do not understand the strategy. All these result from operating in silos even from within the organization.

This means activities are conducted separately and independently of each other, without being anchored on the overall strategy, creating the breach between strategies and processes, systems and people. To bridge this gap, the Department decided to re-implement the Performance Governance System (PGS) Pathways as a tool to address this.

Consequently, the PGS Pathways recognizes that in order to sustain the strategy focus and oversee all strategy-related activities, a dedicated unit, i.e., Office for Strategy Management (OSM) shall be established. The OSM shall be the focal point of the Department in the effective implementation of the strategy map. As such, the OSM shall be primarily responsible in overseeing and managing the execution of cross-functional processes related to governance and strategy management in order to ensure the successful implementation of the 2028 DSWD Strategy Map.

II. Legal Basis

1. Executive Order No. 823 series 2009. Directing Agencies of the Government to provide full support for Key Process Improvements Projects (PIPs) in order to achieve Compact Status as prescribed by the Millennium Challenge Corporation (MCC)

2. Memorandum from the Executive Secretary and the MCA Inter-Agency Task Force Chair dated 01 March 2010. Directing DSWD on the Installation of the Performance Governance System


4. **Administrative Order No. 10 series 2018.** Adopting the DSWD Strategic Plan 2018-2022 which is articulation of strategic directions of the Department until 2022.

5. **Administrative Order No. 6 series of 2019.** Support to Operations - Policy and Plans Description and Key Result Areas indicating the functions of the Governance and Roadmap Division (GRD) as responsible for the crafting of medium and long term roadmap.

6. **Administrative Order No. 15 series 2019. FY 2020 Thrusts and Priorities.** One of the priorities is to revitalize the Department’s Performance Governance System (PGS) journey.

7. **Administrative Order No. 05 series of 2020.** Adoption of PGS Pathways, DSWD Strategy Map 2028 and DSWD Governance Scorecards.

III. Definition of Terms

1. **Performance Governance System Pathways** - the adoption of the strategic planning and management system used to translate the Department’s vision into objectives that drive both behavior and performance in day-to-day operations. The PGS pathway is composed of the following four stages: (1) Initiation, which focuses on strategy design; (2) Compliance, which focuses on strategy execution; (3) Proficiency, which focuses on monitoring and evaluation of the strategy; and (4) Institutionalization, which focuses on the attainment of breakthrough results.

2. **Governance Scorecard** - also known as the Secretary’s scorecard and the overall scorecard of the DSWD detailing the Department’s commitment until 2028. As such, any mention herein of the word “governance” refers precisely to the whole of the Department that the Secretary as Head is accountable for.

3. **Second Level Scorecards** - also known as the OBS and FO Level scorecard or the Director’s scorecard where commitments of various OBS and FO are indicated and adds up to the governance scorecard.

4. **Strategic Management** - the systematic analysis of the factors associated with stakeholders and impact to society (the external environment) and the organization itself (the internal environment) to provide the basis for strategic decisions focusing on outcomes, time and relative value of initiatives and in aligning policies, processes and priorities to achieve desired results.

5. **Strategy Development** - the process of defining the game plan of the Department and all its OBS and FOs, setting specific goals and objectives in response to the current social welfare and development needs and challenges.

6. **Strategy Focus** - refers to the organizational focus that will align the foundation stones of organizational strategy. It expand the Department Vision Statement and start to create some structure around how to get the strategy.

7. **Strategy Map** - A diagram that is used to document the primary strategic goals being pursued by the Department.
IV. Functions of the Office for Strategy Management (OSM)

The Office for Strategy Management shall be primarily responsible in devising, integrating, and coordinating all processes related to strategy development, strategy execution, strategy monitoring and evaluation, and strategic communication to ensure effective implementation of the organization’s strategic plan. Specifically, the OSM shall perform functions that are required in the following key areas of strategy management and governance, to wit:

1. **Strategy Development.** The OSM shall be responsible for the crafting of the medium and long-term plans of the Department. The OSM shall keep track of the agency’s performance in terms of operationalizing its strategy map and achieving its annual and medium term targets in the scorecard. The formulation of the strategy shall be a Department-wide level which includes external partners to ensure holistic approach in defining strategies. Part of this is the subscription to an external revalida and the establishment of the Multi-Sectoral Governance Council (MSGC) as a concrete step in consulting key stakeholders to affirm the strategies.

2. **Strategy Alignment and Cascading.** The OSM shall oversee the process of developing the scorecards and cascading them across all levels and functions of the DSWD—from the CO to the FOs. This is to help the Department have a consistent view of the strategy and systematically manage its organizational alignment. Furthermore, the OSM shall define the interactions and collaborations that are necessary at lower levels in the organizations and ensure that each OBS and FO strategies and scorecards are connected and aligned with each other. To ensure alignment of the organization, the following alignment mechanisms must occur: alignment in message, alignment in resources, alignment in functions and alignment in expectations. Hence, the OSM shall be responsible in informing the management team when the strategic commitments fall behind schedule or not delivering expected results.

3. **Strategy Monitoring and Reporting.** The OSM shall monitor the organization’s performance in relation to the Governance Scorecard as well as lower level scorecards to ensure that the strategic commitments are being managed and implemented and to make strategic adjustments needed. It shall analyze data generated by the scorecards and gain insights from statistical reviews. The OSM shall be responsible in informing the management when the strategic commitments falls behind schedule or not delivering expected results.

4. **Strategy Review and Evaluation.** The OSM shall manage the strategy review of the organization’s performance to ensure that its stated objectives are being achieved. This will be a venue to make adjustments to the Department’s strategy and its execution. This way, strategies are tested and new actions are initiated periodically to achieve desired outcomes. Review of the strategy to determine action plans and follow-up to ensure implementation is part of the responsibility of the OSM.

5. **Strategic Communication.** The OSM, through the Social Marketing Service, shall endeavor to generate greater awareness among stakeholders, both internal and external audiences. This is to ensure commitment and support to the organization’s long-term strategic direction as embodied in the Department’s PGS roadmap.

6. **MSGC Secretariat.** The OSM shall also serve as the Technical Secretariat of the DSWD Multi-Sectoral Governance Council (MSGC) and be the link between the
V. Organization, Composition and Organizational Structure

The OSM shall be composed of three (3) units, namely: Strategy Alignment Unit, Strategy Evaluation Unit and Strategic Communication Unit. It shall be a separate office under the Policy and Plans Group (PPG) and shall be headed by PPG Assistant Secretary to be assisted by a Director. The PPG Assistant Secretary and OSM Director shall report directly to the Office of the Secretary with level of accountability to the Undersecretary for Social Welfare and Development (SWD) in all matters pertaining to PGS. With regards to the monitoring of scorecards and management of strategies, the PPG ASEC/OSM Director shall report to the Secretary in coordination with SWD Undersecretary and other members of EXECOM. To ensure the development of operating programs and budget are aligned to the strategic thrusts, the Director shall likewise sit down regularly in the EXECOM meeting to report the progress of the strategy implementation.

To fast track the operationalization of the OSM, the personnel and equipment of the Governance and Roadmap Division of the Policy Development and Planning Bureau (PDPB) shall be made as the core of the OSM. All other manning requirements shall be provided by PDPB. Currently, the OSM is composed of twelve (12) personnel which are mostly Planning Officers and have plantilla positions. While there is a proposed restructuring of the Department, the creation of the OSM was considered with the following required personnel:

- One (1) Director III
- Two (2) Planning Officer IV
- One (1) Organizational Development Specialist IV
- One (1) Project Development Officer III
- Seven (7) Planning Officer III
- One (1) Executive Assistant III
- One (1) Information Officer III
- One (1) Training Specialist III
- Two (2) Administrative Assistant II

Its composition is deemed significant in ensuring that the monitoring of the strategic deliverables of the Department are closely looked into. With the 16 Field Offices and 22 OBSUs that have both a direct and indirect contribution to the DSWD Strategy Map 2020-2028, the seventeen (17) identified positions can support and administer the functions of OSM at its greatest potential.
VI. Funding

The OSM, as a separate office, shall have its own budgetary requirements. While in transition, the PDPB shall shoulder the costs already allotted for its activities for CY 2020 - 2022 as detailed in its WFP.

VII. Repealing Clause

All guidelines inconsistent with the provisions of this Administrative Order are hereby repealed, modified or amended accordingly. Specifically, this order supersedes applicable portions of the following issuances:

1. Administrative Order 01 series of 2019 (Management Reorganization of the DSWD). Annex E – Support to Operations Group, Policy and Plans Sub-cluster, PDPB wherein the Governance and Roadmap Division is one of the PDPB Divisions.

2. Administrative Order 06 series 2019 (Support to Operations - Policy and Plans Group OBSUs Description and KRAs) which stipulated the functions and KRAs of the Governance and Roadmap Division

VIII. Effectivity

This Administrative Order shall immediately take effect upon approval.

Signed this 13th day of March 2020.

[Signature]
ROLANDO JOSELITO D. BAUTISTA
Secretary

Certified True Copy:
HORACIO SAMSON, JR.