

What should happen during the Design Phase

Chapter 3: The Design Phase

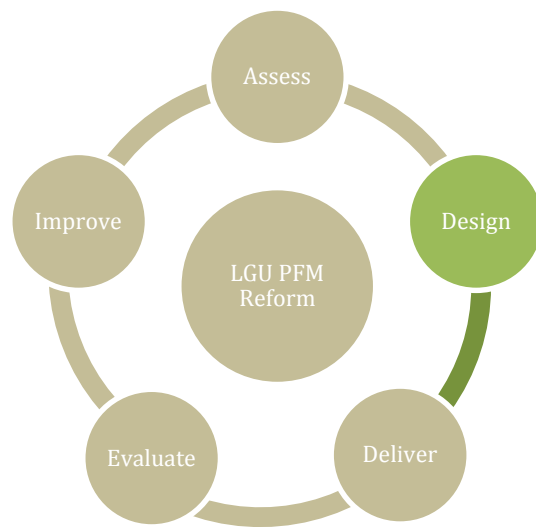
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The design phase

The design phase takes off from the Assessment Phase discussed in Chapter 2 of the PFM Technical Assistance Management Toolkit.

RIATs play a critical role in facilitating conversations and completing several outputs during the design phase. They help Local Government Units (LGUs) imagine the outputs, outcomes and impact of PFMIP implementation. They prepare for the changes that go with the implementation of PFMIP by scoping the change, analyzing ways of mobilizing multiple stakeholders, assessing the level of readiness of the LGU for the change. With this information, they help LGUs strategize their change management approach and map out their change management plan.



Objectives of the design phase

RIATs and LGUs gain a shared understanding on the following:

- Targeted levels of results of PFMIP;
- Scope of change reflected in the PFMIP;
- Stakeholders who need to be mobilized in the PFMIP;
- Level of readiness of the focus LGU for PFMIP implementation;
- Change management strategy and plan;

Key words

Key words	Operational Definition
Advocates	Stakeholders with high interest and low power in PFMIP implementation;
Communication Plan	Summarizes the communications needed to generate and effect the necessary changes in knowledge, skill or behavior per targeted group in the implementation of the PFMIP.
Context- setters	Stakeholders with high power, low interest in PFMIP implementation;
Crowd	Stakeholders with low power, low interest in PFMIP implementation;
Impact	Desired performance level of units within an organization or the organization as a whole. This is usually the mandate of the functional unit or the LGU as a whole; Statement must capture benefits to internal and external clients;
Inputs	These are interventions identified in the PFMIP. Example- New structure, enhanced system, shortened process;
Outputs	These refer to a tangible “products” completed by targeted participants/stakeholders in the implementation of the PFMIP. This may be a plan, a process improvement manual or improved process flow that will be approved by targeted sponsors and applied in the workplace;
Outcomes	<p>There are two types of outcomes- the immediate and intermediate.</p> <p>Immediate outcomes: Statement must show application of or improvements in relevant knowledge, skills, behavior within six months after the conduct of the intervention. May refer to improvements in a combination of knowledge, skills by a group of targeted stakeholders.</p> <p>Intermediate outcome: Demonstrations of improvements in level of capacities of the organization or units within an organization; Statement must vividly capture improvements in organizational capacity areas such as strategies, policies, structures, systems, processes, mechanisms installed and implemented.</p>
Impact	Desired performance level of units within an organization or the organization as a whole. This is usually the mandate of the functional unit or the LGU as a whole; Statement must capture benefits to internal and external clients; Statement must refer to specific clientele

Key words	Operational Definition
Learning Management Plan	Maps out the learning interventions needed by targeted stakeholders to get them actively engaged in the implementation of the PFMIP.
Players	Stakeholders with high interest, high power in PFMIP implementation;
Sponsor checklist	Details the key roles, activities and responsibilities of the PFMIP key sponsors and the different stakeholders
Stakeholders	Are individuals, groups and institutions interested in, or may be affected by the outcome of PFMIP.
Stakeholder analysis¹	Is the technique used to identify the key people who will play a critical role in the implementation of the PFMIP. It is the process of exploring and understanding stakeholder interests, opinions, attitudes and behavior that can threaten the pace and outcome of the PFMIP implementation

Acronyms

Acronym	What it stands for
CD	Critical Dimension
CDP	Comprehensive Development Plan
CLD	Causal loop diagram
CM	Change Management
LGPMS	Local Government Performance Management System
LGUs	Local Government Units
PFM	Public Financial Management
PFMAR	Public Financial Management Assessment Report
PFMAT	Public Financial Management Assessment Tool
PFMIP	Public Financial Management Improvement Program
RIATs	Regional Inter-Agency Teams

¹ http://www.mindtools.com/pages/article/newPPM_07.htm

Process

This section defines the steps, questions being answered and outputs of each step of the design phase.

Steps	Questions being determined by each step	Output /tool of each step
1. Firm up the targeted levels of results in the implementation of the PFMIP.	<ul style="list-style-type: none"> ▪ What are the levels of results of the interventions? ▪ How can the interventions be effective and responsive to the needs of the LGUs in the enhancement of their PFM system? 	<ul style="list-style-type: none"> ▪ Targeted levels of results or Results Chain
2. Identify the change characteristics of the PFMIP.	<ul style="list-style-type: none"> ▪ What changes will happen? What is the scope of the changes implied in the PFMIP? 	<ul style="list-style-type: none"> ▪ PFMIP Change Profile
3. Analyse ways of mobilizing multi-stakeholders of the PFMIP.	<ul style="list-style-type: none"> ▪ Who should be involved in the implementation of the PFMIP?/ enhancement of the PFM critical dimensions? ▪ What will be the roles of the different stakeholders across the stages of the technical assistance process? ▪ How can multiple stakeholders be mobilized and engaged for the PFMIP implementation? 	<ul style="list-style-type: none"> ▪ Stakeholder analysis
4. Identify the level of readiness of the LGU for the changes embedded in the PFMIP.	<ul style="list-style-type: none"> ▪ What is the level of readiness of the LGU for the implementation of the PFMIP? ▪ What are the risks associated with the implementation of the PFMIP? 	<ul style="list-style-type: none"> ▪ Change readiness of the LGU for the PFMIP
5. Formulate a change management strategy in the	<ul style="list-style-type: none"> ▪ What are the strategies of the PFM Team in addressing the people issues related to the implementation of the PFMIP? 	<ul style="list-style-type: none"> ▪ Change Management Strategy

Steps	Questions being determined by each step	Output /tool of each step
implementation of the PFMIP		
6. Formulate your Change Management (CM) Plan	<ul style="list-style-type: none"> ▪ How will the PFM Team prepare the LGU for the PFMIP? ▪ How will the PFM Team communicate key messages that can generate the necessary support for the PFMIP? ▪ How will the PFM Team mobilize multi-stakeholder support for the PFMIP? ▪ How will the PFM team and other stakeholders be prepared and developed so they have the necessary mindset and passion for the implementation of the PFMIP? 	<ul style="list-style-type: none"> ▪ Change Management Plan

Step 1: Firm up the targeted levels of results

Let us start our design phase with the end in mind. What exactly do we want to achieve with the implementation of the PFMIP?

The results chain² is a logic model that represents the targeted levels of results of a set of interventions. It captures how the LGU targeted stakeholders believe a particular intervention as captured in the PFMIP can lead to targeted levels of results. It is also referred to as Workplace Development Objectives³.

The Results Chain⁴ has four basic components: inputs, outputs, outcomes and impact, as graphically shown and explained below.

Inputs: These are interventions identified in the PFMIP. Example- New structure, enhanced system, shortened process

Outputs: These refer to a tangible “products” completed by targeted participants/stakeholders in the implementation of the PFMIP. This may be a plan, a process improvement manual or improved process flow that will be approved by targeted sponsors and applied in the workplace.

Outcomes: We have two types of outcomes—the immediate and intermediate outcomes.

Immediate outcomes: Statement must show application of or improvements in relevant knowledge, skills, behavior within six months after the conduct of the intervention. May refer to improvements in a combination of knowledge, skills by a group of targeted stakeholders.

Intermediate outcome: Demonstrations of improvements in level of capacities of the organization or units within an organization; Statement must vividly capture improvements in organizational capacity areas such as strategies, policies, structures, systems, processes, mechanisms installed and implemented. It should be noted that the schedule of outcomes must be in line with appropriate PFM tool calendar.

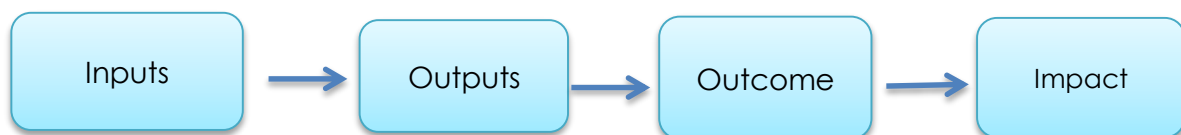
² Adapted from experience working in the Human Resource Organization Development Facility project, an AusAID initiative, 2010-2012, Philippines; the concept is similar to Results Chain, Theory of Change, Logframe as used in the Literature.

³ Foundations of Success. 2007. Using Results Chains to Improve Strategy Effectiveness. An FOS How-To Guide. Foundations of Success, Bethesda, Maryland, USA

⁴ Soriano, Marie Herminia. 2014. Bureau of Internal Revenue Learning Management System Toolkit. Project funded by the Asian Development Bank.

Impact: Desired performance level of units within an organization or the organization as a whole. This is usually the mandate of the functional unit or the LGU as a whole; Statement must capture benefits to internal and external clients; Statement must refer to specific clientele; it may refer to improvements in delivery of or access to service;

Figure 1: Components of the Results Chain



Why establish the Results Chain⁵

(1) The Results Chain captures agreement among targeted stakeholders. The PFM implementation has different stakeholders from the assessment to the design, delivery, monitoring and evaluation. The results chain graphically shows how interventions captured in the PFMIP can generate changes in the level of competency, capacity and performance in the LGU. It provides a basis for conversation and gaining a shared understanding on the implied and explicit objectives across different stakeholders.

(2) The Results Chain serves as basis for designing the interventions. Subject matter experts and designers of the intervention can use the results chain as basis for determining the learning objectives, core messages, appropriate outputs and learning methodologies of the intervention.

(3) The Results Chain serves as basis for engaging line managers to reinforce learning in the workplace. Line managers can refer to the Results Chain to determine what knowledge and skills should be applied and reinforced in the work settings of the LGUs.

(4) The Results Chain provides a basis for monitoring and evaluating the PFMIP implementation. Once there is a shared understanding of the Results Chain, the PFM Team can map out the monitoring and evaluation framework of the PFMIP –

⁵ Ibid

which means detailing the measures of success, data collection methods and evaluation framework of the PFMIP.

(5) The Results Chain provides a basis for continuously improving the PFMIP implementation. PFM Teams can always refer back to their Results Chain for checking actual accomplishments vs. targets, for evaluating and continuously improving the PFMIP.

Who will map out the results chain

- Heads of functional units
- LGU PFM Teams
- RIATs as facilitators of the process

How it is done

- Identify the interventions for each prioritized CD as mapped out in the PFMIP;
- Identify the outputs for each prioritized CD;
- Establish the immediate and intermediate outcomes of each prioritized CD;
- Firm up the impact of outcomes generated in each prioritized CD.

Sample Results Chain of the PFM reform

	Prioritized CDs		
Levels of results	Objectives for CD 1	Objectives for CD 4	Objectives for CD 6
Impact <i>Within 3 years</i>			
Outcomes			
Intermediate <i>Within 1-2 years</i>	ELA aligned with CDP; budget plan aligned with ELA and CDP;		
Immediate <i>Within 6 months</i>	Improved level of knowledge and skill in the formulation of the CDP;		
Outputs <i>During the intervention</i>	Draft CDP outline; Action Plan towards CDP completion		
Inputs	Coaching on CDP making		

Step 2: Identify the change characteristics⁶ reflected in the PFMIP

Identifying change characteristics means gaining a shared understanding on the scope of the change, the number of individuals affected by the change, the types of change that will happen and the amount of change reflected in the PFMIP.

Why identify change characteristics

We need to identify the types and scope of the change implied in the PFMIP so we can establish the level of readiness of the LGU for the PFMIP and based on these two factors formulate a change management strategy.

Benchmarking studies on change management reveal that as the scope of change increases from a single person to the entire LGU, the following factors need to be considered⁷:

- The total amount of resources, time and effort for change management will increase;
- The likelihood for localized pockets of resistance increases;
- Managing resistance from middle managers becomes a greater focus;
- External expertise or a high level of internal stakeholders and competency may be necessary to deal with complications that may arise on larger projects;

The same study shows that as the number of individuals affected by the change increases⁸:

- The overall resources for change management will increase (communications, training);
- The coaching, training requirements increase;
- Feedback processes will need to be more structured;
- Assessment of the change readiness will vary across functioning units and may need different approaches;

Furthermore, the same benchmarking data across years⁹ reveal that the more components (process, system, tools, structure, roles) of the organization are affected by the change, the greater the need for change management.

⁶ Adapted from Prosci, Change Management Toolkit, 2004, Learning Center Publications, USA.

⁷ Ibid

⁸ Ibid

⁹ Ibid

The study¹⁰ shows that large changes require a high degree of change management preparations. Likewise, incremental changes that occur over a long period of time require a different strategy—one that is more persistent in nature.

Who will identify the change characteristics embedded in the PFMIP

PFM Team facilitated by the RIAT

How will the change characteristics /profile be mapped out

The worksheet below is a rapid assessment tool that may be used to identify the change profile of the LGU. RIATs may facilitate discussions or conduct interviews with the PFM Team and other targeted stakeholders to establish the perceived change characteristics embedded in the PFMIP as understood by the LGUs.

PFMIP change profile worksheet¹¹

Questions	Answer																														
1. Describe the scope of the PFMIP Change. What critical dimensions will be acted upon?	<table border="1" style="width: 100%; text-align: center;"> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> <tr> <td>None</td> <td>1-2</td> <td>3-4</td> <td>5-6</td> <td>All</td> </tr> </table> <p>Please specify which CDs will be improved?</p>	1	2	3	4	5	None	1-2	3-4	5-6	All																				
1	2	3	4	5																											
None	1-2	3-4	5-6	All																											
2. Which sections/divisions will be most affected by the change in each CD?	<table border="1" style="width: 100%; text-align: center;"> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> <tr> <td>Work teams</td> <td>Section</td> <td>Division</td> <td>Inter-divisions</td> <td>Whole LGU</td> </tr> </table>	1	2	3	4	5	Work teams	Section	Division	Inter-divisions	Whole LGU																				
1	2	3	4	5																											
Work teams	Section	Division	Inter-divisions	Whole LGU																											
3. Identify the number of affected employees from...from each CD? <ul style="list-style-type: none"> ▪ Front line employees ▪ Middle management ▪ Top management 	<p>CD 1</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <th style="background-color: #f4a460;"></th> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> <tr> <td></td> <td>Less than 10</td> <td></td> <td>> / = 100</td> <td></td> <td>Over 1000</td> </tr> <tr> <td>Font line</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Middle management</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Top management</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		1	2	3	4	5		Less than 10		> / = 100		Over 1000	Font line						Middle management						Top management					
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Middle management																															
Top management																															
	CD4																														
	CD6																														

¹⁰ Ibid

¹¹ Adapted from 2004 PROSCI Change Management Toolkit

Questions	Answer										
<p>4. Identify the type of change involved in each CD</p> <ul style="list-style-type: none"> ▪ Process change ▪ Structural change ▪ Job roles ▪ System or technological change ▪ Change in competency requirements ▪ Others 	<table border="1"> <thead> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> </thead> <tbody> <tr> <td>Single aspect, single change</td> <td></td> <td></td> <td></td> <td>Many aspects, complex change</td> </tr> </tbody> </table>	1	2	3	4	5	Single aspect, single change				Many aspects, complex change
1	2	3	4	5							
Single aspect, single change				Many aspects, complex change							
<p>5. Amount of change</p> <ul style="list-style-type: none"> ▪ Radical and dramatic (disruptive) ▪ Incremental (progressive) 	<table border="1"> <thead> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> </thead> <tbody> <tr> <td>Incremental</td> <td></td> <td></td> <td></td> <td>Radical</td> </tr> </tbody> </table>	1	2	3	4	5	Incremental				Radical
1	2	3	4	5							
Incremental				Radical							
<p>6. Timeframe of change: List the dates or time required for each key milestone</p>	<table border="1"> <thead> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> </thead> <tbody> <tr> <td>Very short (<1 month)</td> <td>3-6 mos</td> <td>6-12 mos</td> <td>12-24 mos-</td> <td>=/>24-36 mos</td> </tr> </tbody> </table>	1	2	3	4	5	Very short (<1 month)	3-6 mos	6-12 mos	12-24 mos-	=/>24-36 mos
1	2	3	4	5							
Very short (<1 month)	3-6 mos	6-12 mos	12-24 mos-	=/>24-36 mos							
<ul style="list-style-type: none"> ▪ PFM Assessment 											
<ul style="list-style-type: none"> ▪ PFMIP Formulation 											
<ul style="list-style-type: none"> ▪ PFMIP Enhancement 											
<ul style="list-style-type: none"> ▪ Change Management Strategy and Plan 											
<ul style="list-style-type: none"> ▪ Implementation initiation 											
<ul style="list-style-type: none"> ▪ Implementation completion 											
<ul style="list-style-type: none"> ▪ Institutionalization completion 											
<p>Average score: Total score/ 6</p>	<table border="1"> <thead> <tr> <th style="background-color: #f4a460;">1</th> <th style="background-color: #f4a460;">2</th> <th style="background-color: #f4a460;">3</th> <th style="background-color: #f4a460;">4</th> <th style="background-color: #f4a460;">5</th> </tr> </thead> <tbody> <tr> <td>Simple change</td> <td></td> <td></td> <td></td> <td>Complex / big change</td> </tr> </tbody> </table>	1	2	3	4	5	Simple change				Complex / big change
1	2	3	4	5							
Simple change				Complex / big change							

Questions	Answer

Step 3: Analyze ways of mobilizing the multi- stakeholders of the PFMIP.

Implementing the Public Financial Management Implementation Program (PFMIP) affects many people. They are your stakeholders who may support or block the interventions and reforms. Stakeholders are individuals, groups and institutions interested in, or may be affected by the outcome of PFMIP. Stakeholder management is a discipline that can be used to win support from targeted people.¹² Stakeholder analysis is the technique used to identify the key people who will play a critical role in the implementation of the PFMIP¹³. It is the process of exploring and understanding stakeholder interests, opinions, attitudes and behavior that can threaten the pace and outcome of the PFMIP implementation.¹⁴

Why do the stakeholder analysis

The benefits of using a stakeholder-based approach in the implementation of the PFMIP¹⁵ are:

- Expand allies - identifying stakeholders who will play a critical role in the implementation of the PFMIP allows the PFM Teams to manage and engage people who should be tapped for the project.
- Engage allies-gaining a shared understanding of the roles of the different stakeholders provides perspectives how and who should be engaged in the PFMIP implementation.
- Access to resources -gaining support and engagement from targeted stakeholders can help us win more resources. This gives PFMIP implementation more chances of success.
- Manage stakeholders.- Managing stakeholders means keeping them informed early and consistently so they understand and appreciate the rationale and benefits of the PFMIP implementation.
- Anticipate people who will resist the PFMIP implementation. With stakeholder analysis we can anticipate people's reaction to the PFMIP and build into the plan the actions that will win them as allies of the project.
- Strategize ways of engaging different stakeholders.

¹² http://www.mindtools.com/pages/article/newPPM_07.htm

¹³ Ibid

¹⁴ ADB 2012 Guide to Participation, "Strengthening, Participation for Development Results."

¹⁵ Ibid

Who will do the stakeholder analysis

- PFM team facilitated by RIATs

How to do the stakeholder analysis¹⁶

1. Identify the stakeholders of the PFMIP implementation. Be mindful that there are three main groups: other government agencies, private sector and civil society. Who will be affected? Who have influence or power in its implementation of PFMIP? Who have interest in the success or unsuccessful implementation of PFMIP? Possible stakeholders in the PFMIP are:
 - Local chief executives (LCEs)
 - Sangguniang Bayan/Panlalawigan
 - Division and Section Chiefs of the different functional units
 - Public Financial Management (PFM) teams
 - Regional Inter-Agency Teams (RIATs)
 - National Inter-Agency Teams (NIATs)
 - Others
2. Determine their interest in the PFMIP. ¹⁷ Are they opposed or supportive of the PFMIP?
3. Ascertain the stakeholder perception of and position in the implementation of the PFMIP.
4. Establish the capacity and resources of the stakeholders to participate in or to oppose/undermine the PFMIP.

Stakeholder groups	Interest: Opposed or Supportive and why	Why is the stakeholder opposed or supportive? Perception on PFM	Capacity/resources to participate or block the PFMIP
Mayor /Office of the Mayor	Supportive because he wants his PPAs implemented	"I need this reform but my office doesn't have the capacity to implement it."	Can sponsor the PFM reform; can engage middle managers to support the reform.

¹⁶ Ibid

¹⁷ ADB 2012 Guide to Participation " Strengthening Participation for Development."

5. Profile and classify your stakeholders according to their level of power/influence and interest in the implementation of the PFMIP¹⁸.
 - Who have high power and high level of interest in the implementation of PFMIP? These are the PFM "Players" who must be fully informed about and engaged in the PFMIP implementation.
 - Who have high power but have low level interest in the PFMIP implementation? These are the context setters who have to be given more orientation, training and reinforcement on PFM;
 - Who have high level of interest because it is part of their mandate to implement the PFM but low in power? They are PFM advocates or allies; they can be tapped in the detailed implementation of the PFMIP and must therefore be kept constantly informed;
 - Who have low power and low level of interest in PFM? They may be monitored but need not be directly involved or engaged in the project;

Figure 2: Stakeholder map

High Power	Context-setters high power, low interest	Players high interest, high power
Low Power	Crowd low power, low interest	Advocates high interest, low power
	Low level of interest in PFM	High level of interest in PFM

¹⁸ Modified for LGU-PFM project; adapted from www.mindtools.com/pages/article/newPPM_07.htm; ADKAR is adapted from PROSCI Research.

Figure 3: Strategies on different stakeholder groups

High Power	Context setters Give more orientation, constant communication, training and reinforcement on PFM	Players Engage in the conceptualization, implementation, evaluation of the PFMIP
Low Power	Crowd Monitor	Advocates Keep informed
	Low level of interest on PFM	High level of interest on PFM

- Based on an understanding of your targeted stakeholders, do a stakeholders map to indicate who will most likely be your advocates/allies by using green font; who will most likely resist the PFMIP by using red font and others who are neutral in blue.

Figure 4: Example of a Stakeholder Map

High Power	<p>Context-setters Give more orientation, constant communication, training and reinforcement on PFM</p> <p><i>LCE SB Office of the Mayor</i></p>	<p>Players Engage in the conceptualization, implementation, evaluation of the PFMIP</p> <p><i>PFM Team: Division Chiefs of Planning, Budget and Treasury</i></p>
Low Power	<p>Crowd Monitor</p> <p><i>Division Chief of ...</i></p>	<p>Advocates Keep informed</p> <p><i>Budget and Treasury Office</i></p>
Low level of interest in PFM		High level of interest in PFM

Step 4: Assess the change readiness of the LGU for the PFMIP

Change readiness assessment is a rapid assessment tool to determine whether the LGU is ready, willing and able to implement the PFMIP.

Why do the change readiness assessment?

Change management strategy has to be customized and anchored on the change readiness of the LGU.

Who will do the change readiness assessment?

PFM Team facilitated by RIAT

How it will be done?

1. Fill up the change readiness assessment template below by interviewing or conducting focused group discussions with your targeted stakeholders.
2. Situate your LGU in the Change Characteristics and Level of LGU Readiness Matrix;
3. Assess the risks associated with its implementation of the PFMIP. See sample Risk assessment quadrant. Consider re-scoping the PFMIP based on three criteria below.
 1. *Prioritize the PFM reforms needed by the LGU? What technical interventions are required to improve the PFM system?*
 2. *Analyze what are doable, implementable, possible within the specified timeframe of the project.*
 3. *Review what is needed with what is wanted (i.e. what is politically supported).*

Sample change readiness assessment worksheet¹⁹

Change readiness questions											
Overall perception of change readiness of the LGU											
1. Would you consider your LGU change ready or change resistant for PFMIIP? Why?	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #FFDAB9;"> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Very resistant to change</td> <td></td> <td></td> <td></td> <td>Very adaptive to change</td> </tr> </tbody> </table>	1	2	3	4	5	Very resistant to change				Very adaptive to change
1	2	3	4	5							
Very resistant to change				Very adaptive to change							
What do you consider are the facilitating and hindering factors to PFMIIP implementation?	Facilitating <ul style="list-style-type: none"> ▪ PFM Team Very engaged Hindering <ul style="list-style-type: none"> ▪ SB not interested in the project 										
Change capacity											
2. Is the LGU oversaturated with change or only a few changes are taking place?	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #FFDAB9;"> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>No changes</td> <td></td> <td></td> <td></td> <td>Many changes happening at the same time</td> </tr> </tbody> </table>	1	2	3	4	5	No changes				Many changes happening at the same time
1	2	3	4	5							
No changes				Many changes happening at the same time							
Describe current changes that are being implemented in the LGU.											
List any key initiatives that overlap or interact with PFMIIP											
Predisposition of top and middle leaders/managers											
3. How would you describe LCE- is s/he generally supportive of change?	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #FFDAB9;"> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Generally opposed</td> <td></td> <td></td> <td></td> <td>Generally supportive</td> </tr> </tbody> </table>	1	2	3	4	5	Generally opposed				Generally supportive
1	2	3	4	5							
Generally opposed				Generally supportive							
How was the LCE prepared for the PFMIIP implementation ?											
4. How about your SB? Are they generally supportive of change? Generally opposed?	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #FFDAB9;"> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Generally opposed</td> <td></td> <td></td> <td></td> <td>Generally supportive</td> </tr> </tbody> </table>	1	2	3	4	5	Generally opposed				Generally supportive
1	2	3	4	5							
Generally opposed				Generally supportive							

¹⁹ Adapted from PROSCI Change Management Toolkit. Prosci Learning Center. 2004. USA.

Change readiness questions											
How were the members of the SB prepared for the PFMIP implementation											
5. What about the Division Chiefs? Are they generally supportive of change? Generally opposed?	<table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Generally opposed</td> <td></td> <td></td> <td></td> <td>Generally supportive</td> </tr> </tbody> </table>	1	2	3	4	5	Generally opposed				Generally supportive
1	2	3	4	5							
Generally opposed				Generally supportive							
How were middle managers prepared for the change?											
Past changes											
6. How would you describe the past changes of your LGU?-were they generally successfully implemented and sustainably institutionalized? Or were these generally failures? Why?	<table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Past changes were failures</td> <td></td> <td></td> <td></td> <td>Past changes were successful</td> </tr> </tbody> </table>	1	2	3	4	5	Past changes were failures				Past changes were successful
1	2	3	4	5							
Past changes were failures				Past changes were successful							
What factors led to success or failure of past change initiatives?											
What lessons did you learn from past changes?											
Overall score/6	<table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Change resistant organization</td> <td></td> <td></td> <td></td> <td>Change ready organization</td> </tr> </tbody> </table>	1	2	3	4	5	Change resistant organization				Change ready organization
1	2	3	4	5							
Change resistant organization				Change ready organization							

Sample Change Characteristics and change readiness matrix

Figure 5: Change characteristics and change readiness matrix²⁰

Change characteristics	Big change	<p>Big change-</p> <ul style="list-style-type: none"> ▪ involves several CDs, ▪ engaging several units and stakeholders; ▪ Timeframe is more than 1 year; ▪ Multi-aspect: structural, process, competencies, roles changes, system <p>Change resistant</p> <ul style="list-style-type: none"> ▪ Past reforms were not institutionalized; ▪ Top and middle managers opposed to PFM/change; ▪ Top and middle managers are saturated with other reforms; 	<p>Big change involves several CDs,</p> <ul style="list-style-type: none"> ▪ engaging several units and stakeholders; ▪ Timeframe is more than 1 year; ▪ Multi-aspect: structural, process, competencies, roles changes, system <p>Change ready</p> <ul style="list-style-type: none"> ▪ Mayor and SB are supportive of PFM; ▪ 2nd termers; have institutionalised several reforms; ▪ Middle managers have managed and implemented successful projects in the past;
	Small change	<ul style="list-style-type: none"> ▪ Involves one unit, one change aspect; ▪ Timeframe is short <p>Change resistant</p> <ul style="list-style-type: none"> ▪ Past reforms were not institutionalized ▪ Top and middle managers are opposed to PFM/change; ▪ Top and middle managers are saturated with other reforms; 	<ul style="list-style-type: none"> ▪ Involves one unit, one change aspect ▪ Timeframe is short; <p>Change ready</p> <ul style="list-style-type: none"> ▪ Mayor and SB are supportive of PFM; ▪ 2nd termers; have institutionalised several reforms; ▪ Middle managers have managed and implemented successful projects in the past;
		Change resistant	Change ready
Level of readiness of the LGU for the PFMIP implementation			

²⁰ PROSCI Change Management Toolkit, 2004, PROSCI Learning Center Publications, USA.

Assess the risks associated with its implementation given the specified timeframe. Consider re-scoping the PFMIP based on three criteria below.

- *Revisit the PFM reforms needed by the LGU? What technical interventions are required to improve the PFM system .*
- *Analyze what are doable, implementable, possible within the specified timeframe of the project.*
- *Review what is consistent with what is wanted (i.e. what is politically supported)*

Sample Change Characteristics and change readiness matrix

Change characteristics	Big change	Big change to a change resistant organization High risk	Big change to a change ready organization Medium risk
	Small change	Small change to a change resistant organization Medium risk	Small change to a change ready organization Small risk
		Change resistant	Change ready
		Level of readiness	

Step 5: Formulate a change management strategy in the implementation of the PFMIP

The Change Management Strategy integrates information related to your Results Chain, Change characteristics profile of the LGU, level of readiness of the LGU and your Stakeholder Analysis.

A change management strategy²¹ is outlined so you can build your strategy with your targeted stakeholders. The outline provides a guide for making decisions:

- Change Management Team Model- what will compose your change management team? What will be the roles and responsibilities of the team members;
- Sponsorship Team Model and support system- who should be the sponsors of the project? should the PFMIP implementation have a single sponsor? Or should the change be complex and therefore should be managed by a leadership council or steering committee;
- Formulate a Change management plan.
 - What will be the training required for leaders, middle managers and employees of the different units;
 - What will be the communication plan (frequency, channels, size) to gain more stakeholder involvement and engagement for the PFMIP?
 - What will be the courses of action to manage potential resistance to the implementation of the PFMIP?

Why it is done²²

We need to engage different stakeholders in the implementation of the PFMIP. We need to know who will manage stakeholder engagement and change management. We need to know who will sponsor the PFMIP implementation. We need to know what interventions are needed to ensure successful implementation of the PFMIP. Some initiatives in the PFMIP might require more change management while others may require less.

²¹ PROSCI Change Management Toolkit, 2004, Learning Center Publications, USA.

²² Ibid

Who will do the Change Management Strategy

PFM Team facilitated by the RIATs

How it will be done

1. Define the roles of the Change Management (CM) Team. The role of the Change Management Team is to manage the people side of change implied in the implementation of PFM Improvement Plan.
2. Select a change management team model and team size²³ for the implementation of the PFMIP.

Based on your targets, the Results Chain, and your analysis of the LGU Change Characteristics Profile, Stakeholder Profile and assessment of LGU level of readiness, establish the resource requirements of the implementation of the PFMIP.

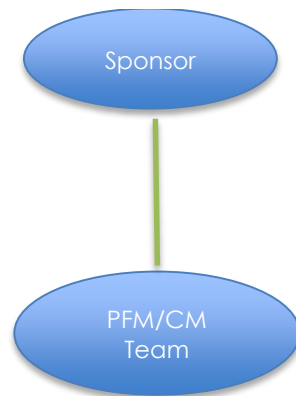
Below are some models²⁴ that show examples of possible team structures that you may use. The models are presented from simplest to the most complex. Select a CM Team model; The organization and complexity of the team structure will depend on the size of the change, the level of readiness of the organization of the LGU for the change and budget for the PFMIP implementation. A change ready LGU with big scope of PFMIP implementation will have a different change management role and team structure compared to a change resistant LGU.

²³ Ibid

²⁴ Ibid

In Team Structure 1, all members of the PFM team are tasked to manage the change process of the PFMIP implementation. Change management resources are in the PFM Team.²⁵

Figure 6: Team Structure 1- PFM Team is the Change Management Team



The advantages of team structure 1 based on Best Practices in Change Management Benchmarking Report are:²⁶

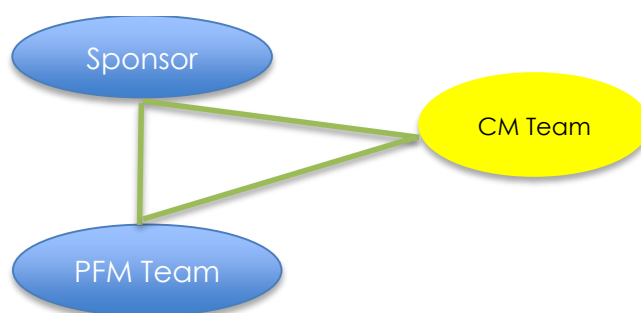
- Increased project knowledge- The team knows the technical and people side of the change. Change resources lodged inside a project team has a better understanding of the project objectives, context and technical details.
- Part of the team- When change resources are incorporated in the project team, they have ownership of both the actions needed to address the technical and people side of the change.
- Integrated responsibilities –All members share accountability for the success of the project.
- Increased credibility – Change management lodged within the project team increases the credibility of the project team. They are able to steer both the technical and people side of the change.

²⁵ Best Practices in Change Management, 2014 Edition, Prosci Benchmarking Report, 822 organizations share lessons and best practices in change management.

²⁶ Ibid

In team structure 2, there is a dedicated Change Management Team external to the PFM Team. Change management resources are external, but support the project team²⁷.

Figure 7: Team Structure 2, Change management team is external to the PFM Team



The advantages of having the CM resources separate yet supporting the project team, based on benchmark studies, are as follows²⁸:

- Access to sponsors. CM Teams serve as coaches of the sponsors. They are in a better position to manage sponsorship activities when they are external to the Project Team.
- Objectivity. CM resources outside of the project team offer neutrality and independent point of view.
- Independence from conflicting priorities. CM resource outside the project team has the autonomy to maintain the priority of their change work without being saddled by the technical demands of project implementation.
- Different scope. Studies noted that change management require a specific, constant focus on strategies related to the people side of change.

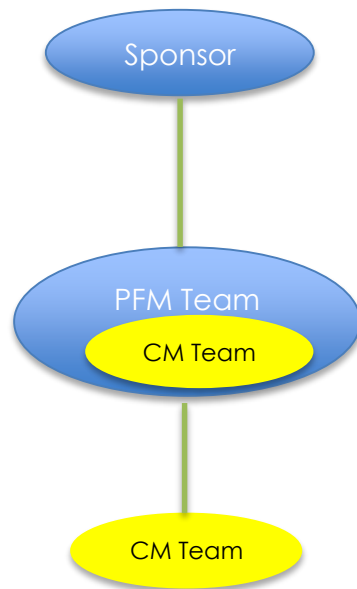
²⁷ Ibid

²⁸ Ibid

- Different skill set. Change management require specialized knowledge and skills and experience in change concepts and tools. In contrast, project work involves a different set of technical skills.

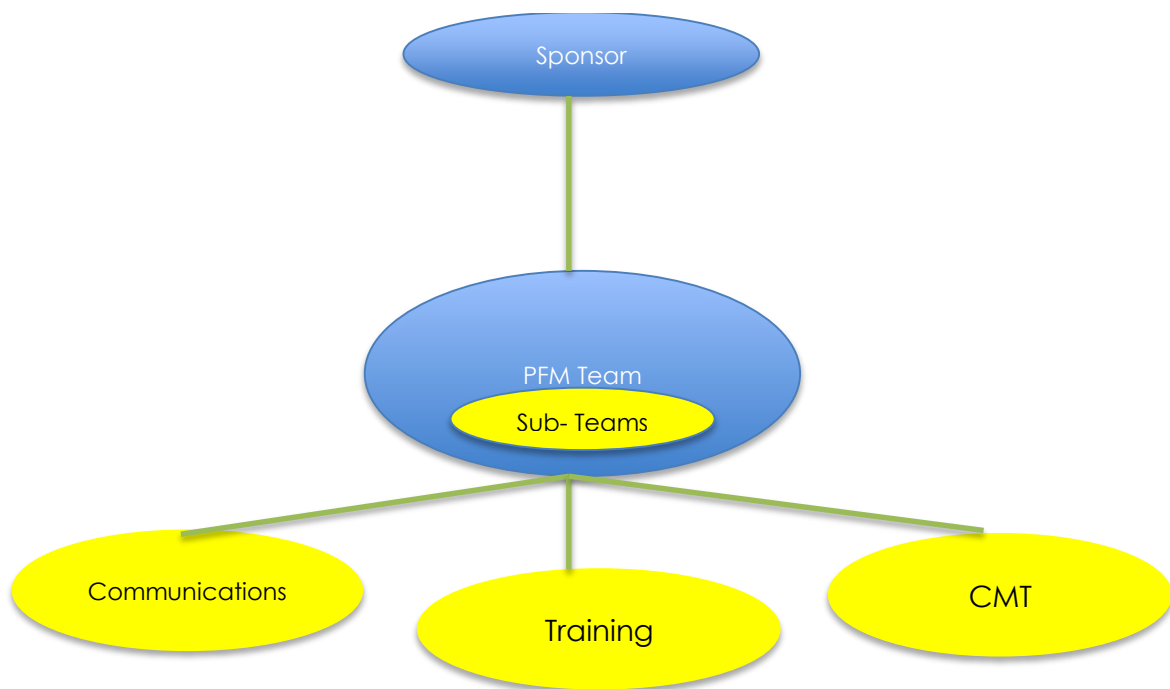
In team structure 3, CM resources are provided to the PFM team and supported by an external CM Team.

Figure 8: Team structure 3, CM resources are in the PFM supported by an external CM Team



In Team Structure 4, CM Team is just one among other sub-teams of the PFM Team. PFM resources and CM resources are one and the same.²⁹

Figure 9: Team structure 4, CMT is one of the sub teams



²⁹ Ibid

3. Select a sponsorship model.

2014 Prosci Best Practices in Change Management revealed that one of the greatest contributors to successful implementation of change is active and visible sponsorship of the reform. Executives and senior leaders need to be active and visible during all stages of a change, committed to the change and aware of the need for change management³⁰. Active and visible sponsorship was defined by the participants of the research as:

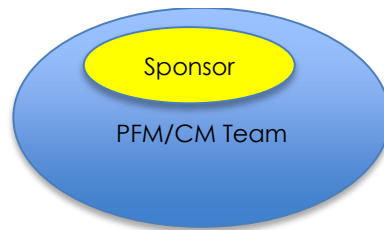
- Supporting the change by giving consistent attention to the change and the need for change management;
- Championing the change by leading and motivating others in the organization;
- Making effective and influential decisions regarding the change;
- Establishing a network of top and middle managers with influence over groups affected by the change.

The implementation of the PFMIP clearly needs sponsors who have positive influence on the organization and can commit the resources needed to effect the desired changes embedded in the PFM. Figures below show possible sponsorship models that we can use. Select the model that works with your LGU based again on the nature of PFMIP and level of readiness of the LGU for the PFMIP implementation. Please note that the more complex the change and the more resistant the organization, the more sponsorship is required from leaders in the LGU. Note also that each model is progressively more resource and power intensive.

³⁰ Ibid

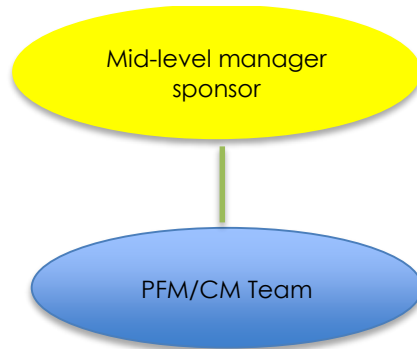
In Sponsor Model 1, the Sponsor is part of the PFM Team. This is applicable for simple change e.g. change involves only one aspect (simple process change) involving one functional unit.

Figure 10: Sponsor Model 1 - Sponsor is part of the PFM Team



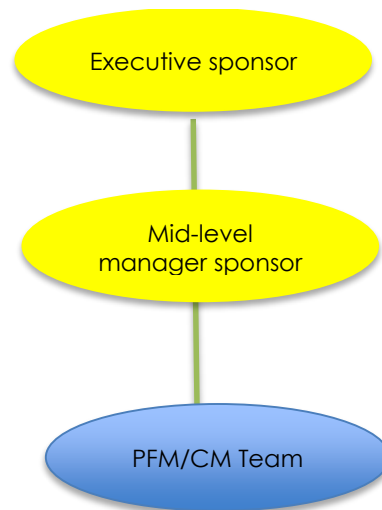
In Sponsor Model 2, Sponsor is representative of Middle management. This is applicable if the change involves two or more sections within a department. The department head must be the sponsor of the change.

Figure 11: Sponsor Model 2- Sponsor is Mid-level



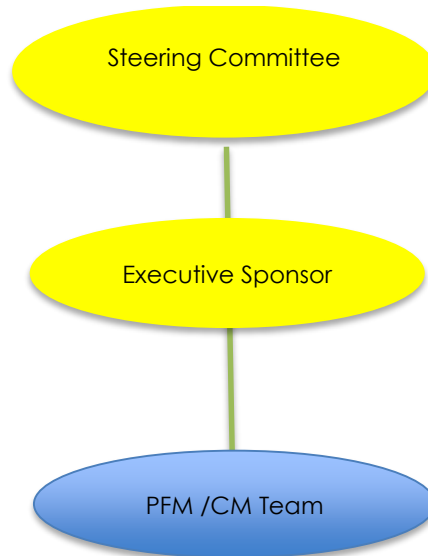
Sponsor Model 3 involves the sponsorship of middle and executive levels. This is required when the change affects more than one department.

Figure 12: Sponsor Model 3, Executive and Mid- level sponsors



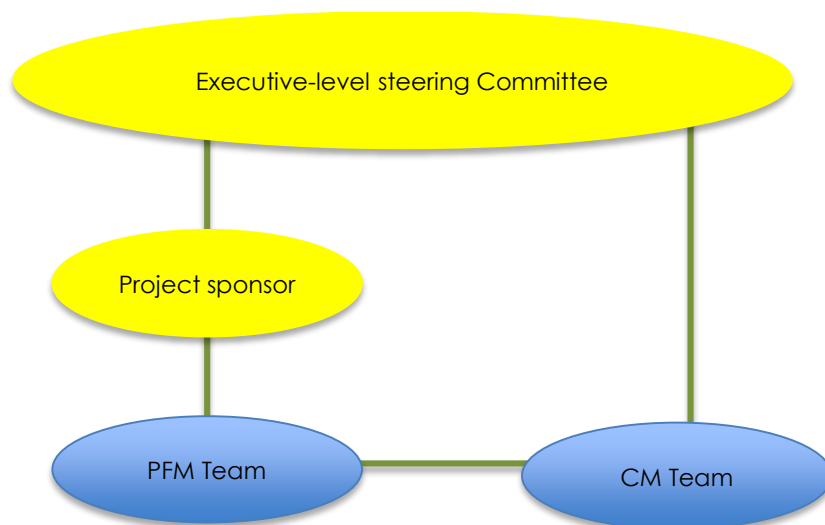
Sponsor Model 4 applies if the change involves the whole organization and therefore requires top-level sponsorship; executive sponsor is accountable to a Steering Committee.

Figure 13: Sponsor Model 4, Steering Committee and Executive Sponsors



Sponsor model 5 applies if the project has a project sponsor cutting across departments. Change management team is outside the PF Team. CM Team has direct access to Project Team (PFM Team) and the Executive-level steering Committee.

Figure 14: Sponsor Model 5- Executive and Project sponsorship level



4. Complete your CM strategy
 - Size of the Change
 - Profile of the LGU
 - Composition and structure of the PFM/CM Team

Step 6: Formulate the Change Management (CM) Plan for PFMIP

The CM Plan captures the actions needed to prepare the PFM/CM teams and sponsors in the implementation of the PFMIP.

The outline of the CM Plan is as follows:

- Communication Plan
- Sponsor Checklist
- Learning Management Plan
- Resistance Management Plan

The section below explains each part of the CM Plan. The CM Plan will be customized based on the size and type of change and level of readiness of the LGU for the change. See Figure below.³¹

Figure 15: Change characteristics and level of readiness quadrant

Change characteristics	Big change	Big change to a change resistant organization	Big change to a change ready organization
	Small change	Small change to a change resistant organization	Small change to a change ready organization
		Change resistant	Change ready
Level of readiness			

³¹ PROSCI Change Management Toolkit, 2004, PROSCI Learning Center Publications

Formulate the Communication Plan

The Communication Plan summarizes the communications needed to generate and effect the necessary changes in knowledge, skill or behavior per targeted group in the implementation of the PFMIP. Sending the right messages and using the right channels can hopefully generate the needed support and reinforcements from our targeted stakeholders in the implementation of the PFMIP.

Why it is done

When the Communication Plan is anchored on a sound stakeholder analysis, it can be a potent tool in guiding PFM Teams in their efforts to mobilize key stakeholders whose support is critical in the implementation of the PFM.

Who does the Communication Plan³²

This is done by the PFM /CM teams in LGUs facilitated by RIATs.

How it is done

4. Identify the key stakeholder groups whose support is critical in the implementation of the PFM. Use results of the Stakeholder Analysis.
5. Determine the changes in knowledge, skills, attitudes and behaviours of key stakeholders that will contribute in the implementation of the PFMIP. Key messages must be in synch with the stage of the project cycle- assessment, design, delivery and implementation, and evaluation. Tables below are mapped out according to the project cycle.
6. Identify communications needed. What messages will persuade stakeholders to support the PFMIP? What's in it for me (WIFM)? Identify collective benefits of the PFMIP.
7. Identify supporting data. It is also important to provide stakeholders the necessary supporting data to provide evidence and benchmarks to prove the benefits of the PFMIP.
8. Identify channels of communication that will reach targeted stakeholders. Communication channels are ways of disseminating information to targeted stakeholders. Possible channels are radio, television, print and social media. Websites;

³² Adapted from PROSCI Change Management Toolkit, 2004 and Cabanero-Verzosa, Workshop on Mobilizing Multi Stakeholder Action for Reform, 2015, ADB.

Example

Table 1: Communication Plan³³

Assessment phase				
Stakeholder groups involved	Knowledge, skills or behaviors that will lead to the success of the PFMIP	Communication needed		Channels
1	2	3	4	5
Office of the Mayor	Mayor more engaged in the PFMIP;	PFMIP: Whats in it for the Mayor?	Case study showing the gains of LGUs who have implemented their PFMIP with strong Mayor support e.g. cite Mayor of Cam Sur;	Face to face orientation
PFM Team	PFM Team more technically familiar with the PFM	Learning development interventions will be supported by the project	Learning development plan for the LGU in the implementation of the PFMIP	Meetings
Middle managers	Middle managers to be more supportive of the PFMIP;	PFMIP: What's in it for the Middle managers?		
Employees				

Design phase				
Stakeholder groups involved	Knowledge, skills or behaviors that will lead to the success of the PFMIP	Communication needed		Channels
1	2	3	4	5

³³ Cabanero-Verzosa, C. 2002. Communication Plan cited in Mobilizing Multi-Stakeholder Action for Reform, 27-30 January 2015, ADB.

Design phase				
Stakeholder groups involved	Knowledge, skills or behaviors that will lead to the success of the PFMIP	Communication needed		Channels
		Takeaway messages	Supporting data	
Office of the Mayor				
PFM Team				
Middle managers				
Employees				

Implementation phase				
Stakeholder groups involved	Knowledge, skills or behaviors that will lead to the success of the PFMIP	Communication needed		Channels
1	2	3	4	5
		Takeaway messages	Supporting data	

Monitoring and evaluation phase				
Stakeholder groups involved	Knowledge, skills or behaviors that will lead to the success of the PFMIP	Communication needed		Channels
		Takeaway messages	Supporting data	

Customization guidelines³⁴- implications on crafting the Communication Plan

Change characteristics	Big change	<p>Big change to a change resistant organization</p> <ul style="list-style-type: none"> ▪ Senders of message must come from highest level in the organization; ▪ Frequent communications must be made with carefully crafted and timed messages ▪ Channel must be face to face whenever possible with audio and video broadcasts as alternative; written communications kept to a minimum; ▪ Explore social media as a channel specially among the young; 	<p>Big change to a change ready organization</p> <ul style="list-style-type: none"> ▪ Senders of message must come from highest level in the organization; ▪ Frequent communications must be made with carefully crafted and timed messages; ▪ Channel of communication must be face to face whenever possible; Written information acceptable;
	Small change	<p>Small change to a change resistant organization</p> <ul style="list-style-type: none"> ▪ Senders of message may be mid level managers; ▪ Frequency- moderate ▪ Channel- face to face whenever possible; 	<p>Small change to a change ready organization</p> <ul style="list-style-type: none"> ▪ Senders- project team ▪ Frequency- low ▪ Channel- memos, email, face-to face
		Change resistant	Change ready
Level of readiness			

³⁴ PROSCI Change Management Toolkit, PROSCI Learning Center Publications, 2004, USA.

Formulate the Sponsor Checklist

The Sponsor List of Activities details the key roles, activities and responsibilities of the PFM key sponsors and the different stakeholders.

Why it is done

The Sponsor List of Activities provides a shared understanding on the roles and responsibilities of the Sponsor at each phase of the implementation of the PFMIP.

Who formulates the Sponsor Checklist

The PFM Team prepares a list of activities that the key sponsors must perform in the implementation of the PFM. This conversation is facilitated by the RIATs.

How it is done

Prepare a plan for your sponsor using the Table below.

1. Indicate the stages of program implementation. This refers to Assessment, Design, Delivery/Implementation, Monitoring and Evaluation and Continuous improvement phase.
2. Identify the stakeholders with whom the sponsor has to work with in the completion of the PFMIP.
3. Identify the activities of the sponsor with the targeted stakeholder. Please see Appendix for Sponsor Activities identified by participants in 2014 PROSCI Benchmarking Report.
4. Agree on a date of completion of the activity.

Example: Sponsor Checklist

Stages	With which stakeholder group	Activities	When
1	2	3	4
Assessment	PFM/CM Team		
	Middle managers		
	Employees		
Design	PFM/CM Team		
	Middle managers		

Stages	With which stakeholder group	Activities	When
	Employees		
Delivery/ Implementation	PFM/CM Team		
	Middle managers		
	Employees		
Monitoring & Evaluation	PFM/CM Team		
	Middle managers		
	Employees		
Continuous improvement phase			

Customization guidelines³⁵- implications in crafting the Sponsor Checklist

Change characteristics	Big change	<p>Big change to a change resistant organization</p> <ul style="list-style-type: none"> ▪ Minimum level of sponsorship- Executive ▪ Frequency of communication- high ▪ Level of sponsor training- high ▪ CM Team support- hands on ▪ Resistance management- decisive ▪ Feedback process- formal and proactive ▪ Adherence to sponsor checklist- strict 	<p>Big change to a change ready organization</p> <ul style="list-style-type: none"> ▪ Minimum level of sponsorship- Executive ▪ Frequency of communication- moderate ▪ Level of sponsor training- moderate ▪ CM Team support- hands on ▪ Resistance management- coach ▪ Feedback process- formal ▪ Adherence to sponsor checklist- strict
	Small change	<p>Small change to a change resistant organization</p> <ul style="list-style-type: none"> ▪ Minimum level of sponsorship- Division or Section Chief ▪ Frequency of communication- Moderate ▪ Level of sponsor training- moderate ▪ CM Team support- guidance ▪ Resistance management- decisive ▪ Feedback process- formal and proactive ▪ Adherence to sponsor checklist- strict 	<p>Small change to a change ready organization</p> <ul style="list-style-type: none"> ▪ Minimum level of sponsorship- Division or Section Chief ▪ Frequency of communication- Low ▪ Level of sponsor training- low to none ▪ CM Team support- job aides ▪ Resistance management- minimal ▪ Feedback process- informal ▪ Adherence to sponsor checklist- loose
		Change resistant	Change ready
Level of readiness			

³⁵ PROSCI Change Management Toolkit 2004, PROSCI Learning Center Publications, USA.

Formulate the Learning Management Plan³⁶

The Learning Management Plan maps out the learning interventions needed by targeted stakeholders to get them actively engaged in the implementation of the PFMIP.

Why it is done

The Training Plan serves as a guide for designing, delivering and evaluating learning interventions across different stakeholders across the stages of the implementation of the PFMIP.

Who formulates the Learning Management Plan

The PFM Team prepares a list of learning interventions needed by the different stakeholders to keep them engaged in the implementation of the PFMIP.

How it is done

Prepare a plan for your sponsor using the Table below.

1. Identify the key stakeholder groups whose support is critical in the implementation of the PFM. Use results of the Stakeholder Analysis.
2. Identify the knowledge, skills or behaviours needed in the implementation of the PFMIP.
3. Determine learning interventions needed.
4. When should the learning interventions be provided?
5. Who /what groups will provide the learning interventions?
6. How much is the budget of the implementation of the learning intervention? Where will the budget be sourced?

³⁶ Ibid

Example

Assessment phase					
Stakeholder groups involved	Knowledge, skills or behaviors needed in the implementation of the PFMIP	Learning interventions needed	When should the learning intervention be provided	Service provider(s)	Budget and source
1	2	3	4	5	6
Office of the Mayor	Currently not engaged; does not know PFM and its benefits	General orientation on PFM assessment tools eg. PFMAT, PFM and Iskor ng Bayan and their use		RIATs	
Sangguniang Bayan	Currently not engaged; does not know PFM and its benefits				

Design phase					
Stakeholder groups involved	Knowledge, skills or behaviors needed in the implementation of the PFMIP	Learning interventions needed	When	Service provider(s)	Budget and source
1	2	3	4	5	6
Office of the Mayor					
Sangguniang Bayan					

Implementation phase					
Stakeholder groups involved	Knowledge, skills or behaviors needed in the implementation of the PFMIP	Learning interventions needed	When	Service provider(s)	Budget and source
1	2	3	4	5	6
Office of the Mayor		Coaching on formulation of CDP			
Sangguniang Bayan					

Monitoring and evaluation phase					
Stakeholder groups involved	Knowledge, skills or behaviors needed in the implementation of the PFMIP	Learning interventions needed	When	Service provider(s)	Budget and source
1	2	3	4	5	6
Office of the Mayor					
Sangguniang Bayan					

Customization guidelines³⁷- implications on training plan³⁸

Change characteristics	Big change	Big change to a change resistant organization <ul style="list-style-type: none"> ▪ Amount of training-high ▪ Delivery Channel- multi media/classroom 	Big change to a change ready organization <ul style="list-style-type: none"> ▪ Amount of training-high ▪ Delivery Channel- multi media/classroom
	Small change	Small change to a change resistant organization <ul style="list-style-type: none"> ▪ Amount of training-high ▪ Delivery Channel- multi media 	Small change to a change ready organization <ul style="list-style-type: none"> ▪ Amount of training-low ▪ Delivery Channel- multi media
		Change resistant	Change ready
Level of readiness of the organization			

³⁷ PROSCI Change Management Toolkit, 2004,

³⁸ Ibid

Formulate the Resistance Management Plan

Participants in the 2011 Best Practices in Change Management (a benchmarking report of 822 organizations conducted worldwide) identified the groups from whom they experienced the most resistance. Middle level managers were identified as the most resistant groups by more than 33% of the participants, followed by front line employees and front line supervisors.

Participants in the 2013 Best Practices in Change Management shared their insights into why managers resisted change. The top five reasons why managers resisted change were:

- Lack of awareness and involvement in the change;
- Loss of control or negative impact on job role;
- Increased workload and lack of time;
- Culture of change resistance and past failures;
- Impact to their team.

Participants in the same study gave the following reasons why employees resist change:

- Lack of awareness;
- Impact on current job role;
- Organization's past performance with change;
- Lack of visible support and commitment from managers;
- Perceived job loss;

Why it is done

Resistance is to be expected in any form of change and anticipating, managing and addressing it increases the chances of a successful implementation of the PFMIP.

Who does the Resistance Management Plan

The PFM Team formulates the Resistance Management Plan facilitated by the RIAT.

How it is done

1. Identify stakeholder groups from whom you anticipate resistance to the PFMIP.
2. Identify possible resistance issues.
3. Identify possible actions to be taken to proactively address the resistance.

Stakeholder groups	Possible resistance issues	Actions to be taken
Section Chiefs of the affected units	Employees are unsure if they had the skills needed for the implementation of the project	Provide training for those who will directly use/run the system

PROSCI 2004 identified some action steps for managing resistance. Listed below are top methods for creating a desire to change:

- Listen and understand objections;
- Focus on needs to change and let go of the how;
- Remove barriers to change;
- Provide simple, clear choices and consequences;
- Create hope;
- Show benefits of the change in a real and tangible way;
- Sponsors to make a personal appeal;
- Convert the strongest dissenters

Customization Guidelines: Resistance Management Plan

Change characteristics	Big change	<p>Big change to a change resistant organization</p> <ul style="list-style-type: none"> • Speed in dealing with resistance= quick and decisive • Severity of consequences= severe • Resistance management strategy= anticipate resistance, proactively manage it • Primary coach= direct supervisor, highest level in chain of command 	<p>Big change to a change ready organization</p> <ul style="list-style-type: none"> • Speed in dealing with resistance= moderate • Severity of consequences= initially moderate, ultimately severe • Resistance mgt strategy= anticipate resistance, proactively manage it • Primary coach= direct supervisor, highest level in chain of command
	Small change	<p>Small change to a change resistant organization</p> <ul style="list-style-type: none"> • Speed in dealing with resistance= decisive • Severity of consequences= initially minor with growing severity • Resistance mgt strategy= anticipate resistance, proactively manage it • Primary coach= Supervisors 	<p>Small change to a change ready organization</p> <ul style="list-style-type: none"> • Speed in dealing with resistance= decisive • Severity of consequences= initially minor • Resistance mgt strategy= anticipate resistance, proactively manage it • Primary coach= Supervisor or project team
		Change resistant	Change ready
Level of readiness of the organization			

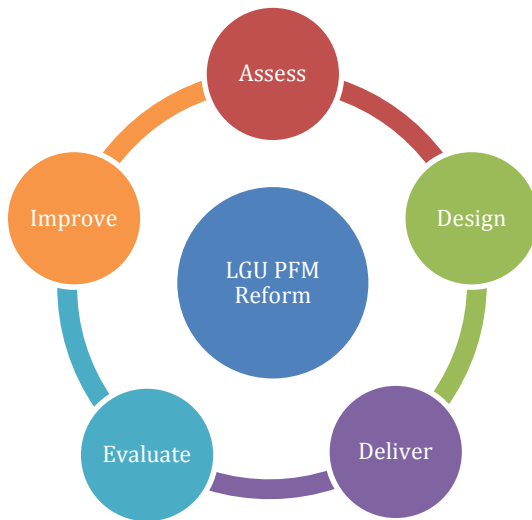
Annexes

Annex 1: Sponsor Activities

The table below summarizes some of the most important sponsor activities for managing change as identified by participants in the 2014 PROSCI Benchmarking Report in Change Management, pages 123-126.

	Project team	Managers	Employees
Assessment/Start up	Acquire project resources <ul style="list-style-type: none"> ▪ Select the best project leader and team members; ▪ Provide necessary funding for the team; ▪ Set priorities for program implementation; 	Build management support <ul style="list-style-type: none"> ▪ Enlist the support of middle managers and create a coalition of managers needed to support the change; ▪ Create a steering committee to monitor progress of implementation of the project; ▪ Educate senior managers about the change; 	Create awareness <ul style="list-style-type: none"> ▪ Create the current state of the business/operations and share issues and opportunities; ▪ Explain why a change is needed; ▪ Share a vision for the future;
Design	Provide direct support <ul style="list-style-type: none"> ▪ Stay involved; attend key project meetings; ▪ Provide the necessary support and funding; ▪ Be accessible to the team; provide ideas and constructive feedback. 	Develop sponsorship <ul style="list-style-type: none"> ▪ Continue to build support among coalition of managers; reinforce key messages; resolve issues; ▪ Let managers know how they can proactively support the change; ▪ Conduct steering committee meetings; 	Educate <ul style="list-style-type: none"> ▪ Communicate frequently with employees; ▪ Reinforce the reasons for change; ▪ Answer the question- " how will this change affect the organization; whats in it for us?"
Implementation	Maintain momentum <ul style="list-style-type: none"> ▪ Secure resources necessary for implementation; ▪ Stay engaged with the team; ▪ Remove roadblocks and help the team 	Align leadership and manage resistance <ul style="list-style-type: none"> ▪ Provide progress updates; resolve issues; continue to meet in public and private with middle managers; ▪ Communicate expectations to 	Reinforce and reward <ul style="list-style-type: none"> ▪ Reinforce why the change is being made; ▪ Encourage feedback from employees; ▪ Set expectations for employees; clearly

	Project team	Managers	Employees
	overcome obstacles	senior managers for their support of the change; <ul style="list-style-type: none"> ▪ Manage resistance from middle managers; 	communicate consequences of not changing;



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