

Performance is the yardstick

THE INCREASED emphasis that is being placed on "performance" for government management and government funds was highlighted by President Marcos in a speech read before the Philippine Council of Management in Manila on November 24.

Here is an excerpt:

IN THE Philippines, where the public service has been designated as the *cadres* for carrying out a peaceful social revolution, we cannot but regard the development of an adequate public management as a keystone of our total development strategy.

This is now the time to extend to the public sector the catalytic and liberating impact of modern management.

In spite of significant reforms, the Career Executive Service of the Government and the Civil Service organization as a whole still remain encrusted with habits of the past, disposed to obstruct rather than facilitate action. This outlook must now be cast aside and replaced by a new commitment and resolution to facilitate action—to release energy and realize performance.

This in turn will require the sharpening of tools of management control, especially measurement of goals and performance, in the public service. In the private sector, the test of economic performance, or the market test, if you will, normally suffices as a means of management control. In the public service institutions, we must resolutely develop tests of performance that will substitute for the economic test.

Thus every program area must be governed by a realistic and effective management information system.

I AM today directing the Budget Commission in the exercise of its management function to require that every department and agency of the Government submit within one month the management information system appropriate to each program area as contained in the budget, complete with indicators of goals and performance during the budget year.

Such management information systems should be monitored by the Budget Commission and made the basis of a genuine performance budget.

QUITE apart from the public service as such, there are about a hundred government corporations in existence only a minuscule number of which are viable and profitable.

I hereby direct the Budget Commission and the Reorganization Commission to conduct a management audit of these corporations and recommend the reorganization of those that deserve to be reorganized, re-created or abolished.

ANOTHER critical area in public management is the procurement of equipment and supplies for the Government, which is characterized by rampant red tape, duplicity, and corruption.

I hereby direct the Budget Commission to conduct a study of how gov-

ernment procurement methods can be streamlined, delays eliminated, payments immediately made, overpricing completely eliminated and punished, and economies of scale availed of to generate savings and efficiency.

In this connection, the Budget Commission shall consult with the Commission on Audit on the streamlining of auditing procedures to eliminate red tape and graft in procurement activities.

We have dismissed numerous auditors who have been verified to engage in this kind of red tape.

If there are any auditors who are found to obstruct payment to suppliers of the government, in order to create a leverage for self-aggrandizement, such auditors must be reported immediately to the Chairman of the Commission on Audit or to the Office of the President.

THE Development Academy of the Philippines is at this time engaged in the training and development of public managers.

It is my desire that they prepare programmed courses that will enable the respective departments and agencies of the Government to conduct their own management development programs simultaneously in addition to the DAP's own direct programs.

In this regard, other facilities for management training, such as the Asian Institute of Management and the graduate schools of the leading universities should be increasingly linked up with the government's own management development programs, under the direction and guidance of the Development Academy of the Philippines.

IT is also my hope that managers in the private and public sectors will interact more closely and more frequently in the interest of advancing the common frontier of management knowledge and expertise.

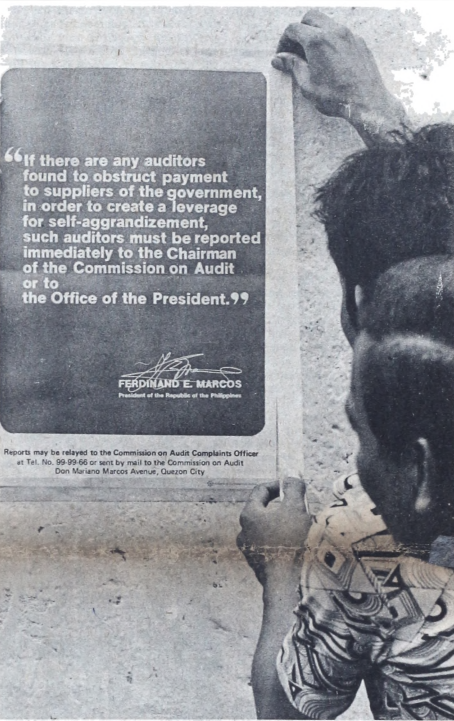
The private sector of the economy will continue to be the main engine of economic growth. But the public sector must be an engine of facilitation of growth.

The management of both sectors must therefore merge their respective strengths to be able to realize the real function of management: namely, to convert human strength to productive strength.

In the context of Southeast Asia, there is no question in my mind that economic and social development, which is another name for nation building, will remain the joint responsibility of the private and the public managers.

If management is a strategy for the strategic and optimal use of opportunities and resources, then there is no alternative to the fullest possible cooperation and coordination of public administration and private sector management.

It is in the merger of their respective excellences and strengths that we shall derive the optimum vigor and wisdom for national development—the ability to free our peoples from the scourge of mass poverty and lead them to the threshold of substantial freedom, a better and fuller life. □



Reports may be relayed to the Commission on Audit Complaints Officer at Tel. No. 99-9966 or sent by mail to the Commission on Audit, Don Mariano Marcos Avenue, Quezon City.

POSTERS from the Commission on Audit are going up in government offices as part of the President's drive to improve government management.

Updating the budget

ASIDE from any cutbacks that might arise from the austerity written into the 1976 budget, a separate long-term factor is likely to help reorient many government programs in the coming year.

This other factor is the Budgetary Review of Programs and Projects which proceeded quietly through December and is likely to culminate in January or February with recommendations to President Marcos.

The seven divisions of the Budget Commission have been constituted into task forces, some of them including technical experts from the private sector. Their task is to review whether the budget document accurately reflects what each agency is actually doing—or alternatively whether each agency is doing what the budget document says its

funds are for.

The Budget Commission set out the following objectives for the intensive series of discussions:

Re-examine the Program and Project structure of all agencies of the National Government under Performance Budget and to install a performance type budget for those without the system;

Realign and eliminate redundant, duplicating or unnecessary Program(s) and establish those which are relevant to the Department and/or agency functions in pursuit of the National Government goals;

Re-examine the validity and/or usefulness of appropriation language, special and general provisions in terms of their contribution to budgetary effective-

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