

## THE METAMORPHOSIS OF HOME: Banking on People's Power

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*This paper discusses the transformation of a troubled business institution into a more dynamic, employec- and customer-oriented one using Corporate Transformation Techniques which emphasize a spiritual change in the members of the corporation and hence of the corporation itself. Using a framework which stressed the need for values and vision, the New Management group established a new bank culture which attended to 1) structure, 2) systems, 3) skills, 4) styles, and 5) symbols. Corporate and personal values were elicited, merged and internalized in workshops, trainings, slogans, posters and skits. A new style making use of management openness, communication, staff training, frequent socials, etc.—all of which sought to develop a closer relationship between management and staff. In such a way, the New Management group sought to build a fully functioning work team in a newly human, more spiritual corporate setting.*

Management thinking and practices have greatly changed in the recent past. From the highly centralized bureaucratic system of the corporation of yesteryears which Richard Darman calls "corpocracy," there has been a shift in the 1980s which was greatly influenced by the different megatrends observed all over the world.

In the early 80s, the classic "In Search of Excellence" was the byword. Different authors and consultants focused on the characteristics of best managed and excellent companies. Executives and academicians watched and studied closely the characteristics of the successful firms.

In searching for the key to business excellence it was discovered that in many highly successful companies a major role was played by strong corporate culture. With this learning, there was a move to study the ingredients needed to develop and operationalize strong corporate cultures with all its values, rites, rituals, and heroes.

Looking back, the 80s was a decade of change, and the successful companies were those who were able to manage the changes well. They were called the *change masters*. Kanter (1984) defines the change master as "people and organizations adept at the art of anticipating the need for and of dealing in productive change."

However, for the 1990s, Kanter (1989) maintains in her newest book *When Giants Learn To*

*Dance*, that there is a new model, a new approach to managing and winning in the 1990s global corporate olympics. The task involves combining the power of the elephant with the agility of the dancer. She describes the *post-entrepreneurial corporation* as less bureaucratic, more entrepreneurial, more flexible, with corporations maintaining close partnership with employees and customers.

From the vast field of studies called Social Ecology at the Netherlands Pedagogisch Institute (NDI), the current trend is the use of Corporate Transformation Techniques with a spiritual orientation. Transformation is when changes occur in the *essential* qualities of the nature of man, the corporation, and the world we live in (Chebat, 1989).

Corporations are viewed as living systems at NDI, with phases of crisis, adaption, growth, and development. Just like people, corporations have three essential characteristics: (1) they have a life body; (2) they have astral quality; (3) they have the "I" or higher self. A corporate's life body is reflected in the tempo and rhythm of the corporate setting while the astral qualities are expressed as emotions or consciousness—the feelings employees carry during their working hours in the corporation. The corporate's higher self is found in the level of commitment of its people.

Keifer and Senge (1984) promulgate a similar view. They call the successful corporations for the future as Metanoic Organizations. It comes from the Greek word *metanoia* (*meta*-transcending; *noia*-mind). These are corporations which have made a fundamental shift of mind, transcended mediocrity and believe they can create the future and shape their destiny. They do not see themselves at the mercy of external or internal forces but masters of the situation. A common thread found in all corporations that have transformational or metanoic leaders is that the individuals in such enterprises are aligned around a common vision.

Laurence M. Miller (1989) advocates the theory of corporate life cycles. Like the Netherlands Pedagogisch Institute, Miller views corporations as living things which exhibit cycles of development ranging from periods of growth to periods of decay and disintegration. Corporations also have alternating concerns which are caused by the interplay of the material and spiritual world, and the interaction of external and internal forces. These alternating concerns result in cycles of emergence and decline.

Miller maintains that as material assets rise, there is a tendency for the spiritual concerns to decline. Corporate leaders at times tend to focus on external forces which are beyond the corporation while minimizing the importance of the internal characteristics of the corporation like "the creativity of the people, strength of social purpose, the development of competence, and the ability of its members to act with unified and determined effort" (Miller, 1989). To synergize a corporation and to enhance the success of an organization, one must understand the process of growth and decline: that the decline in the corporate culture precedes the decline of the business, and that this decline is the result of the *behavior* and *spirit* of its leaders.

With the above background on the different organizational theories, let me now share with you an experience of 18 months, in the takeover and makeover of a financial institution which resulted in the metamorphosis of a corporation.

## The Takeover

New Management assumed the leadership of a 20-year old corporation with 250 people last March 1988. During those 20 years, the company did not even have a single meeting or social gathering where all the employees were present. There was no Human Resources program to speak of except for the very basic personnel services. Training largely involved teaching and passing on to subordinates what the superior knew, which often was quite limited. Salaries were low and gravitated to the minimum wage.

The previous owner considered running the corporation more as an avocation. He was not actively involved in the day-to-day management and left it in the hands of a few trusted officers/employees. These same officers felt betrayed when they were not formally informed of the sale of the corporation. They learned of the negotiation through the grapevine and formal notice was given only about 45 days before takeover. They were highly demoralized since most of them were caught totally unprepared by the forced retirement. This factor affected the sense of security of the rank and file.

To top it all, during the negotiation of the sale of company, the CBA was being finalized with the newly founded union. Most of the employees saw the union as the lifesaver of an almost hopeless situation, the vehicle to force Management to make changes. Old Management did not thoroughly study the Union demands since they did not feel responsible for the consequences of their action. Because of this, quite a number of things were given away. This included a closed shop agreement where critical management positions like branch accountants and branch cashiers, and the Personnel and Audit staff were integrated as union members.

New Management was headed by the Chief Executive Officer, a young marketing entrepreneur who is a visionary and workaholic. He played a strategic role in planning and decision making. His behavior reflected the views of Tregoe, Zimmerman et al. (1989) who saw the CEO as the "conscience of the organizations strategy." Furthermore, he is seen as the

taskmaster, the standard bearer, and the embodiment of the organizational vision.

The CEO was supported by a relatively young creative team of seasoned bankers, most of whom grew from the ranks. Their specialties were a blending of the creative products strategist, the efficient and detailed operations executive, and the warm and charming personality of the marketing man. They came from several corporations and, hence, had different corporate cultures and ways of doing things. The merging of all the new officers was in itself a task.

From the very start, New Management sought to win the hearts of the employees. However, some circumstances made this a difficult task to achieve. From the very beginning, there was a clear distinction between old and new employees since both groups gravitated around each other. In order to strengthen the operation of the bank, new people were pirated and hired from more established financial corporations, which meant that higher salary and fringe benefits like a car plan had to be given in order to entice them to join a smaller and beginning corporation. The salaries of the older employees remained the same pending a job evaluation study scheduled three months later. Because of this, distinction between the old and new employees was further reinforced.

Open communication was emphasized from the very beginning. This was practiced by all the officers starting from the CEO. Thus, the ritual of having a monthly General Assembly started on the first month of the takeover. The Assembly is a meeting where all the employees are expected to attend and important events and policies are explained to all employees. An open forum follows the announcements where all types of questions are asked and are candidly answered by the executives. Another strategy to build better relationships between the old and the new employees was the task given to new officers to develop camaraderie and teamwork in their respective departments. For all the good intentions of the management, the old employees who felt that they were sold out by the former

owners were very suspicious and wary of New Management. Every good intention was given a negative connotation.

The Union officers took advantage of the situation. Initially, a Labor Management Council was formed which discussed vital issues. During the meeting, it was very difficult to get any consensus since the Labor lawyer used the meeting to denounce Management and create ill-will.

On the third month, Management decided to invite all the present cashiers and accountants to become officers of the bank. They were asked to file their intention for the position. The procedures and criteria for selection were clearly stated. The move had set-off different reactions from the employees. Those who felt they had the capacity to meet the challenge were happy while the Union officers, who were mostly cashiers and accountants, raised the issue of decimation of the rank of the Union. They wanted to be officers of the Union and at the same time officers of the Bank.

Management continued with the schedule of testing. Seven fearless souls applied for the position and took the test. With this action, the Union filed their first notice of strike with the following unfair labor practice demands: violation of CBA, discrimination, and coercion of employees. Furthermore, they expelled the seven members who took the test.

There were counter charges by the Union and the seven employees, which left Management in the middle. The Union filed a case against Management, since the latter did not terminate the seven employees, while the seven filed a case against the Union and Management. The Department of Labor and Employment (DOLE) expressed their surprise that a Union would file a case against management who encourage the promotion of employees wanting a better future. Often times, the reverse is true.

All in all, the Union filed three notices of strike for very minor reasons. The Human Resources and Legal Services Group heads spent most of their time either closeted with company lawyers or attending DOLE meetings. Tired of being bullied, Management finally filed an Un-

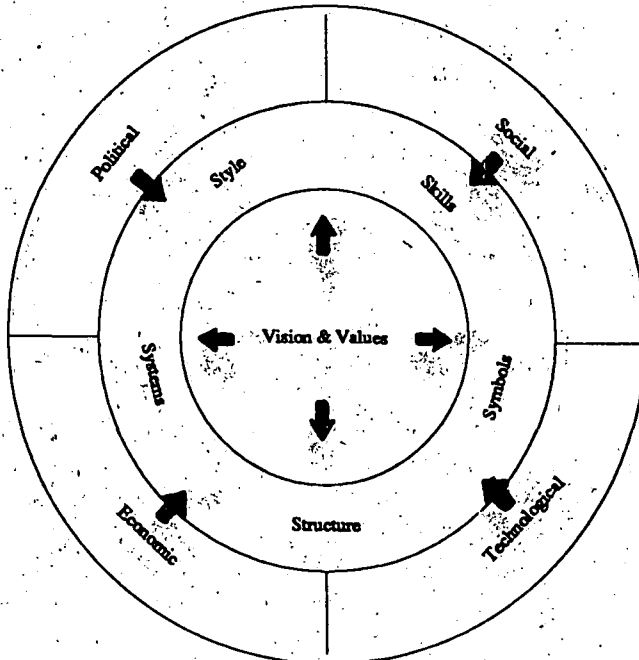
fair Labor Practice (ULP) against the Union leaders. When a decision was imminent and the Union leaders saw their fates hanging, survival became important. They, then, wanted to negotiate with Management for the removal of the ULP case. Management agreed only under the condition that all the highly questionable items in the CBA except for the closed-shop agreement be removed. This was indeed a unique happening, a CBA being changed in the middle of its existence without causing a ripple.

Confronted with the complex problem, Management decided to have a holistic approach to the problem. The steps we took without our knowing it approximated the model espoused by Lawrence M. Miller (1989) in his book *Barbarians to Bureaucrats*. Models are used to organize thinking which will be the basis for systematic action. The model is thus, shown:

### Basic Assumptions

The basic assumptions of this model are as follows:

1. Focus should be on internal strategy complimented by a policy recognizing the effect of external forces.
2. The internal strategy must present a vision of the future. This vision must be expressed in the company's corporate culture. At the very core of a corporate culture are the chosen values. Values and visions are the *heart* and *mind* of a corporation.
3. The visions and values must be operationalized in the structure, system, skills, style and symbols of the corporation. These factors represent the *body* of the corporation.
4. External forces in the environment such as social, political, economic, and tech-



Values and Visions:  
The Heart and Mind

nological factors impinge on the body of the corporate culture. Thus, the culture changes constantly in response to these forces.

5. The leaders of these organizations must be creative, pragmatic, open, and communicative.

### *Components*

#### **Values and Visions**

Organizations, as we previously mentioned, are living entities with different components like culture, formal and informal structure, and different mechanisms or systems. The first component of this model are the values and visions. Values and strategy are the framework that guide the choices that determine the nature and direction of an organization. It is what an organization wants to be. Vision must be the battlecry and the unifying force. Values explicitly express the vision. They state what the corporation feels are important.

#### **The Body of the Culture**

There are five aspects which form the body of the culture. They are (1) structure, (2) systems, (3) skills, (4) styles, and (5) symbols.

Structure expresses what management believes in. It is the design of the corporation; the organizational structure; the number of management layers.

Systems involve the flow of information, performance appraisal, promotion and compensation system, and all other systems necessary to track key performance in the organization.

Management style is linked to the company's structure and system. It is the way the company handles people and leads the group.

Skills are what an employee brings to the job.

Symbols are rituals or gestures that represent the values of the organization.

The model, like metanoic and transformational organizations, have a deep sense of vision and purposefulness. Alignment around the vision by all the employees is needed. Alignment is shown when people act as part of the whole and

at the same time recognize the individual purpose and commitment to the vision.

All the above mentioned factors create an environment where employees feel needed and where career oriented individuals thrive. Organizations that emphasize personal growth and development enable individuals to become powerful and creative. Empowerment of people starts with a recognition that people have talent and must be provided with skills and trainings.

#### **The Makeover**

#### **WHAT WE DID AT HOME**

##### *Vision and Values: The Heart and Mind of All*

In the October Corporate Planning for 1989, the vision and the strategy to achieve the vision were formulated. The need to have a vision was motivated by the following factors:

1. Need to control organization's destiny
2. Need to get out of current problem
3. Need for a common vision to develop teamwork

The vision enunciated that the company was going to be a *customer-driven* organization. Beyond Customer Satisfaction was the call, and the vision to greatness—to become not the biggest but the **BEST**—was made clearer.

Human Resources Group was tasked to implement a corporate culture program, a customer orientation program with customer service circles, and a management development program. These programs were designed to upgrade skills of employees, enhance their self-image, and develop positive attitudes and values.

Since time was essential, consultants were hired for each area. The consultants constantly met to present a united front. They worked as a team and reinforced each other's work.

All the employees had to undergo a weekend Core Value Seminar which gave them a chance to understand the vision and dreams of the corporation in general and in specific terms. The participants were given a chance to explore their own values and to find out for themselves who they were, and what they stood for. The program was designed to reaffirm their values and, in so

doing appreciate themselves as unique individuals. Their personal values were then related to the company's core values. The corporate values are therefore seen as an extension of their own personal values.

Six values were generated from meetings with middle management and key officers. The six values are presented as pairs, since they are interrelated. The following are the values:

### **Customer Orientation and Concern for People**

1. *Customer Orientation.* The message maintains that the organization is a "customer driven company," that the company exudes no less than the ideal accommodation any and all, small or big customers expect from a company.
2. *Concern for People.* Management is doing its best in providing each employee an opportunity for professional and personal advancement. The employees would, in turn, show concern for the company.

### **Excellence Ethics and Quality Obsession**

3. *Excellence Ethics.* This refers to the internal drive or personal motivation to do more than what is expected, to never settle for anything less than what is qualified as "best." This is an ingredient in order for the first two values to be confidently exercised.
4. *Quality Obsession.* This is concomitantly identified with the above. This is with reference to the physical output or state of work rendered.

### **Leadership by Example and Sense of Purpose**

5. *Leadership by Example.* This refers to the emulation of the fine qualities of an employee through role models. The role models need not be identified with higher management only but with middle management and even with rank and file.

6. *Sense of Purpose.* This is the motherhood value that ties up all the values together. This refers to the unified direction towards which every individual/employee is motivated professionally and personally. This is relatively a call to progress, confidence, and greatness from every employee. The individual battlecry is "Get on with everything, I want to move on with the gang."

To assist in the internalization of these values, two value managers coming from the Senior Officers were designated to take charge of each core value. They were tasked with the creative planning and implementation of programs designed to make each value a part of every employee's life.

The Corporate Communication Program was designed to enhance the implementation of the Core Value Program. The communication or campaign materials were maximized to reinforce these values. A value was presented in every General Assembly through skits and streamers. Posters bearing each value hang on every corner of the offices for everybody to see and read. A video film, which embodies all the values, was produced to serve as module for orientation of new employees, thus equipping them with this vital knowledge about the Bank's corporate values from the start.

### *The Work: Tasks Undertaken*

These are the specific steps, activities and structured innovations which Management implemented in changing the culture of the corporation which resulted in the empowering of the individuals.

*Structure:* From the very beginning, Management wanted an organizational framework which will reduce conflict and produce synergy. Since there were quite a lot of things to be achieved, there was a need for a single person, an active leader, to conduct the symphony of the group so that only one note will emerge. However, before a decision was made, consultation was done with the Senior Officers. This structure was true for the first 15 months.

As the corporation grew from 250 employees to 400, there was a need for less levels in managerial consultation. The corporation was then divided into centers with heads who were relatively free to operate their own respective centers. These are the Lending Center, Funding Center, and the Operations Center. This major reorganization showed employees that Management wanted to come closer to the rank and file.

The physical structure involved major changes. The head office was transferred from Intramuros to Makati. The head office and the branches which looked ordinary, forlorn and unattractive were renovated, spruced up and modernized. Our offices now can definitely compete with the best.

*Systems:* With the emphasis on computerization, Management immediately embarked on computerizing the activities of the branches. Systems and procedures were set up for operations, inventory and collection. For the Personnel Services Department side, performance appraisals, payroll system, and the reward and promotion systems were put in place.

Of importance was the early emphasis given by New Management to the medical needs of the employees. A medical insurance complemented by medical services directly given their respective branch was installed. Employees had their first physical check-up in more than five years and for the first time a doctor visited the branches.

A job evaluation system was put in place which meant defining jobs and adapting a new salary structure competitive even with commercial banks. CBA mandated increases were also implemented in advance.

*Style:* Systems and Structure determine to a large extent management style. Since the original structure was highly centralized, the decision making process was also centered on the Chief Executive Officer. However, Management's style in general was characterized as open, candid, and free-flowing. This was supported by many symbolic rituals which will be discussed later. An appraisal system was instituted which

made constant feedback possible. Emphasis was placed on the Leadership by Example value, where Senior Officers served as role models.

*Skills:* The last two, symbols and skills, greatly contributed to the empowerment of the individual. One can only be empowered if he feels confident of his skills and capacity. A major allocation in the budget was for training which aimed to develop and enhance the employees' skills, since most of the employees had no training at all. Management established an ethic of continual improvement with emphasis on self-development.

All the employees had to go through the Core Value Seminar, Customer Service Seminar, and the different management enhancement seminars. On top of this, basic banking operations was explained and reviewed. Customer Service as a skill was thoroughly emphasized. A Customer Service Seminar was implemented with two parts:

1. CARE—Customers Are Really Everything
  - puts emphasis on the value of customer servicing in an organization. This provides applications/techniques for servicing customers (Face-to-face customer service).
2. TACT—Telephone Answers and Call Techniques
  - designed to develop employees toward fully understanding the value of telephone communication and how effective telephone techniques could be utilized for better customer relations—better business and better sales.

Aside from the seminars, dialogues and script on the proper way of answering the telephone was given out to be memorized and used to assure that employees uniformly answer the phone, thus distinguishing the corporation from other institutions. We were going to be Customer Oriented. This will be our competitive edge now and in the 90s.

At present, we are starting a complete customer service system with service circles which will ensure that customer orientation becomes a part of the employees' everyday work. To reinforce the need for skills and to explain the different styles of management, activities were organized which represented important symbols and rituals.

*Symbols:* Symbols involved rites and rituals, and this factor is our strongest area. As previously mentioned, the monthly General Assembly was a concrete example that open communication was the name of the game. In these assemblies, new employees are presented and called to the stage. All birthday celebrants during the month are greeted and serenaded on stage. This is completed by the traditional blowing of the birthday candles.

The Chief Executive Officer and the President give an update report on the financial standing of the bank, and discuss the important events, both internal and external, which affect the profitability and stability of the company. Employees could question any act of Management in the open forum.

To further reach out to the employees, a "Kapehan sa Branches" was initiated. Senior Officers, together with the HRG officers, visit each branch every Thursday and Friday to enhance the relationship between Head Office and the branches, and, at the same time, to hear directly from the employees their concerns, suggestions, and needs. Concerns and problems were acted on immediately and feedback from these meetings resulted in a program focusing on the renovation of the branch offices. The branches were provided with basic comforts which reinforced Concern for People and Customer Service. This program made people feel their power, that their suggestions resulted in action.

While there is "Kapehan sa Branch," there is the "Kamustahan sa Head Office." Inter- and intra-departmental concerns, together with expressed needs, desires, and suggestions, were given during these sessions. Like the Kapehan, Management action is swift and precise. Image

building and advertising campaigns help to further increase company pride. The employees were happy when the uniforms chosen for 1988 was elegant and business-like, and at the same time, complemented their features. Uniforms are changed yearly. Advertising campaigns stimulated the interest of the employees as well as the customers. They gave the employees a big psychological boost. They were happy when customers reacted positively to the ads and viewed the corporation as dynamic. Tapes with the company jingle were played in the branches for customers and employees to hear.

The Anniversary Party and Christmas get-together further enhanced the familial relationship. Employees were surprised when major appliances were raffled as prizes to the employees.

Where are we now and where are we going? Our Core Value managers continue their work. Follow-up sessions on Customer Services are held. New products are developed and the tempo of activity is fast and precise.

An internal contest among Head office groups and branch employees is on-going. The criteria include deposit generation and ratings on the group/branch's everyday practice of the work habits of each value to reinforce the inculcation of the six values.

At present a Bright Idea Program has been initiated where employees are encouraged to suggest ways of doing things in a more creative and efficient manner. Those that result in concrete savings will be given monetary awards while those that cannot be quantified will be given plaques. A career management program has started. Employees have filled out the necessary forms and are individually interviewed to ensure the correctness and depth of the data. As a start, job rotation and cross training are being implemented in the branches.

We continue to examine ourselves and our work. We will change as circumstances demand. We are dynamic, creative, and ready to meet the challenges of the future.



In conclusion, like the post entrepreneurial corporation, the metanoic organization and the transformational group, we hope to evoke the image of a symphony orchestra producing beautiful music by performers who know how to balance concentrating on their own areas of responsibility and at the same time working together with others and held together by the commitment to a common vision and dream.

Based on our experience, managing change is a series of balancing acts. We will not stop the

continuing process of evolving a culture and a corporation that combines the power of an elephant and the agility of a dancer. There are still many jagged edges of imperfection, but we hope to join the giants in learning how to dance by emphasizing that the spirit and soul of a corporation are the reason for being; that spirituality in corporations is the need of the time.

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# FACILITATING AND IMPEDING FACTORS AFFECTING THE ACTIVATION OF WORK IMPROVEMENT TEAMS IN GOVERNMENT AGENCIES

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*The aim of the study was to determine the facilitating and impeding factors affecting the activation of Work Improvement Teams in government agencies. Those which turned out to be positively related to activation were a) involvement and visibility of management in WIT-related activities, b) presence of feedback mechanisms for management and rank and file regarding WIT matters, c) conduct of support activities d) recognition schemes and e) routine tasks performed by teams. The impeding factor to team activation was the difficulty of teams in identifying problems/ideas within their operational control.*

## Introduction

The Philippines has proven to be in constant struggle to be at par with the rising economic miracles of Asia during the last quarter of the century.

Productivity experts of Asia see the Philippines as the greatest disappointment in terms of productivity growth as it chose to put its available resources in capital intensive industrialization instead of agriculture which led to low growth rates, large amounts of unemployed labor and unequal income distribution during the postwar period (Oshima, 1988).

In view of this, the private sector has initiated efforts in improving productivity to find a secure place in the competitive market. It recognizes its role in improving performance to provide efficient services to its clientele. Along with this is the increasing pressure on the civil service to respond effectively to the demands of the public.

Concern for public sector productivity started to gain ground as a result of Letter of Implementation No. 146 issued by former President Ferdinand Marcos dated February 7, 1984 for greater involvement of all government instrumentalities in efforts at cost reduction and maximum utilization of resources.

In response to this, the Productivity and Development Center of the Development Academy of the Philippines, mandated to promote and propagate productivity technologies and techniques in the various economic

sectors, adapted the Work Improvement Teams (WIT) Approach.

The Work Improvement Teams Program in the Philippines is patterned after the Japanese Quality Control Circles. Work Improvement Teams are small groups of employees from the same unit which meet regularly to discuss ways of improving the quality of their services. These involve problems or areas which are within their operational control and not those created for them by other groups and issues related to incentives and salaries.

The thrust of the present government is to improve the quality of its services through maximization of its resources and the infusion of a sense of public ethics and accountability in civil servants. These are reflected in Administrative Order No. 38 establishing the Government Productivity Improvement Program (GPIP).

The GPIP encourages the installation of Work Improvement Teams in all government instrumentalities by virtue of GPIP Circular No. 1. It can be inferred that the government is spending a sizable amount of money in this endeavor. While the program's proponents are confident about the applicability of the concept to the Philippine bureaucratic culture, no empirical verification has been undertaken. A thorough review of the program concept vis-a-vis the existing attitudes and orientations of the civil servant would provide information on factors which facilitate or impede the activation of Work Improvement Teams. Recommendations may then be formulated to improve the program or ser-