A STUDY OF EFFICIENCY, EFFECTIVENESS AND PRODUCTIVITY OF FILIPINO ADMINISTRATIVE AGENCIES

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ABSTRACT

The public in general would have different ideas regarding "efficiency, effectiveness and productivity" because these concepts have apparently different meanings and purposes. Properly understood and utilized, however, these concepts can be useful tools for improving management in the public service.

Employees, supervisors and administrators themselves would have different views of these concepts. Several variables affect the interrelationships between the three factors and it is quite difficult to tell whether or not an agency is really efficient, effective and productive.

Intending to operationalize and provide measurements of these concepts in the Philippine setting, this study is a survey on efficiency, effectiveness and productivity of Philippine administrative agencies. Furthermore, insights into the relationships that exist among these three concepts have been obtained and the key variables affecting them identified.

More specifically, this study is an examination of the effects of four structural variables -- centralization, complexity, formalization and stratification — on efficiency, effectiveness and productivity.

During the first phase of the research project, the research team examined organizational records as the basis for the preparation of schedules for study. Pre-tests were done during the first six months of research. Immediately after the formulation of the initial questionnaire, the development of the final questionnaire started. The first set was administered to supervisory personnel of selected units of the

four agencies under study — the Department of Health (DOH) the Department of Local Government and Community Development (DLGCD), the Development Bank of the Philippines (DBP) and the Government Service Insurance System (GSIS). These agencies were selected on the basis of the primary function of financing and service. The original plan was to have at least six representative agencies of the government for the survey, but due to several constraints such as limited funds, the team had to reduce the number to four.

The examination of the actual performance of the four agencies being studied consisted of content analysis of agency records and other sources such as reports and periodicals. Perceptions of both clientele and agency personnel on our structural and functional variables were conducted so as to compare these results from those obtained from content analysis of agency documents.

The project, in addition to its contribution to the growing literature in the field of development administration, is expected to help Filipino administrators increase their understanding of the complex factors that hinder or facilitate agency operations. These insights and knowledge could further serve policy-makers in channeling multi-agency efforts towards the attainment of national development goals. Hopefully, with the establishment of the variables that affect the three major factors in development administration — efficiency, effectiveness and productivity — the different government as well as private development agencies could improve their service delivery capacities.

I. INTRODUCTION

The long concern for, and preoccupation with, efficiency, effectiveness and productivity (EEP) springs largely from the need to improve organizational capacity and performance. Since the end of the Second World War, research efforts in this area have become more intensive and generally have come to focus more on accounting for the "low" levels of administrative productivity of developing countries; and understandably, various solutions were advanced to remedy administrative "inefficiencies," "unproductivity," and "ineffectiveness."

One shortcoming of these research efforts is in measurement or quantification. Specifically, the difficulty lies in determining what measures of efficiency, effectiveness and productivity are applicable and effective, especially in the case of so-called developing countries.

To be useful in organization theory, a concept should be predictive, since the ultimate objective is to forecast how organizations would behave in the future. Therefore, research on the trial concept of EEP should not only be able to elicit valid definitions and distinctions as well as indicators of all three, but more so, to develop viable structural predictors of future performance of the organizations considered.

It is with these considerations in mind that this research is being undertaken. More specifically, it aims to gain insights into the three major functional concepts under study through the examination of hypothesized factors affecting these concepts taking into account empirical data from selected Filipino administrative agencies. Out of this endeavor, the project hopes to develop not only (1) indicators, measures and yardsticks, but also, (2) structural predictors of all three concepts.

Admittedly, the list of factors that affect and delineate efficiency, effectiveness and productivity is long and perhaps infinite. However, this study is being limited to certain structural variables, namely: *complexity*, *formalization*, *centralization* and *stratification*.

In this research, we seek to answer questions such as: (1) what factors affect an agency's actual administrative performance? (2) what has the organizational structure got to do with efficiency, effectiveness and productivity? (3) specifically, what relationships — positive or negative — exist between, on the one hand, structural variables (organizational complexity, formalization, centralization, stratification) and on the other hand, the functional variables (namely, three major concepts of productivity, efficiency and effectiveness)? (4) to what degree does the former affect the latter (effects of structure or functions)?

II. REVIEW OF LITERATURE

The United Nations has given impetus to the search for quantitative indicators of productivity in development administration with its efforts in support of the Second Development Decade. In 1973, the Southeast Asia Development Advisory Group (SEADAG) organized and conducted a seminar to "wed conceptualization of administrative productivity with measurement thereof." After evolving a model of performance capabilities, namely: those of efficiency, effectiveness, innovation and efficacy, the Development Administrative Panel recommended that attention should be paid "particularly to institutional correlates: organization, linkages, planning and feedbacks."

Many sophisticated definitions have been attempted to determine exactly what productivity really means, though, broadly, it can be defined as getting more out of every tax peso spent by government, which would generally imply:

1. getting more outputs (work, etc. . .) this year as compared with last year for instance, but given the same amount of inputs for both years.
2. getting the same amount of output this year as last year but given less inputs this year as compared with the previous year.

Productivity can also be defined as "output related to all associated inputs (labor, capital, etc. . .) weighted in proportion to their relative costs in a base period." Thomas Morris gives a similar definition which is that of productivity being the "aggregate of an organization's outputs divided by inputs for a designated base year." There are a host of other definitions but all boil down to the same output-input relationships.

A lot of measures of productivity exist. Partial productivity measures can be obtained by dividing the total output by a single input, most commonly, labor or capital, but given first of all, a quantifiable output. When capital is used as the divisor, the result is the capital-output ratio. Using labor as the divisor yields measures of output per worker or per man-hour worked. These partial measures are misleading because changes in them are difficult to interpret.

John Kendrick has devised a more comprehensive productivity measure incorporating both labor and capital which he terms as "total factor productivity." His technique is to calculate an index of the amount of labor used in production and an index of real capital stock. These are combined by weighing each of them by the respective shares of labor and capital national income, to yield an index of total factor input. This is then divided into the index of national output to yield his measure of total factor productivity. This productivity measure described would refer more to economy as a whole rather than individual institutions.

In private enterprise, it is relatively easy to measure productivity since this can perhaps be equated with profitability or the profit earning capacity of the organization. Here, what is measured is its ability to generate an excess of money income from outputs over the monetary cost of inputs. On the other hand, work outputs over the monetary cost of inputs. On the other hand, work outputs in service oriented government agencies, for instance, are definitely harder to quantify. Dr. Mundel has come up with a method to measure work. His concept of the process involved a hierarchy of work-units. By work-unit, he means any output of work or the results of such work which is convenient to use as an integer when quantifying work. But in going about how to measure, the sequence of the process would be to determine why to measure and then what to measure and then only how to measure, i.e., what would come first is the specification of the nature of the work-units and how to go about counting them.

Measuring productivity in an organization *per se* seems irrelevant and superfluous without taking into account effectiveness and efficiency. These three concepts are very much interrelated such that oftentimes, they are used interchangeably. Mundel and other critics, for instance, look at efficiency as productivity that is internal to the organization and effectiveness on the other hand, as productivity that is external to the organization.

Effectiveness is a much more important indicator of performance and can be defined as the extent to which the output of the organization has fulfilled its desired goals and objectives as well as the satisfaction of the organization's clientele. It should be noted that in order to be effective, an action or a service should essentially be timely, or acceptable quality and in the right amount. From a behavioral viewpoint, it can be viewed as the successful performance of a definite role.

The other concept related to and relevant to productivity is that of efficiency. The Asian Productivity Organization defines efficiency as "the performance of the right thing at the right time in the right place by the right person" which incidentally is a principal aim of management planning. Efficiency goes a step beyond productivity in the sense that it refers to the capacity of an organization to increase productivity to the output-input ratio by virtue of the organization's management principles, personnel skills, etc. . . . It is concerned too with how economically a thing gets done in terms of effort, labor, time and money.

In some cases, an organization can seemingly be efficiently run but not effective in the pursuance of goals achievement. In the same manner, an organization may be effective without necessarily being efficient. In other words, this serves to point out that efficiency, effectiveness and productivity may not all move simultaneously in the same direction.

III. MATERIALS AND METHODS

Among students of organizational theory, there is a growing consensus that the internal productivity and efficiency of the large organization is determined predominantly by the operations of the following major variables: 1) leadership, 2) organizational structure, 3) technology and systems, 4) measurement, reward and control systems, 5) personnel, and 6) the human aspect of "humanization" of the organization. This does not lay claim that the above listing comprehensive or exhaustive of all variables.

In studying organizations, one approach would be to utilize the three concepts of productivity, efficiency and effectiveness in order to measure the over-all performance of the agency. Using a systems approach, the organization can be taken to be a machine of various components that converts inputs such as labor, capital and others into outputs such as programs and projects to achieve certain specified goals and objectives. The following aspects of the organization structure and its productivity, efficiency and effectiveness: 1) Formalization, 2) Stratification, 3) Centralization, and 4) Complexity. It is this type of model which we have adopted for this study.

Operation Definitions, Measure and Indicators.

For our study, we have seven main variables, four structural (independent) variables — complexity, centralization, formalization and stratification — and three functional (the dependent variables) — efficiency, effectiveness and productivity. Intermediate variables are type of program and type of agency.

On the basis of our survey of the available literature on EEP as well as other studies on the agencies concerned, we have adopted the following definitions for each of our major variables:

Efficiency — refers to its output-input ratio.

Productivity — refers to the level of output produced in real terms (i.e., discounted against a certain base year).

Effectiveness — has specific reference to the degree of goal-achievement and related to this, clientele satisfaction.

Complexity — the relative emphasis of the organization on the use of occupational skills and training, the professional orientation of the organization.

Formalization — the relative emphasis on the use of rules, the "red tape" or bureaucracy.

Stratification — the degree of distribution of rewards in the organization.

Centralization -- the degree of distribution of power in the organization.

In addition to the above variables, some other concepts/ terms necessitate clarification and definition. Among these are:

Clientele — a person or group of persons (organization) served by the agency in any or whatever capacity (involving any or all of the functions performed by the agency) not earlier than FY 1972-73. It does not matter whether interaction or contract with the agency resulted in a successful transaction of a service. For instance, both clients whose loan applications were approved and disapproved, respectively, are qualified or eligible as respondents in this study.

Supervisor personnel — those personnel from the level of first line supervisors (e.g., assistant section chief) up or those who have direct control and authority over at least one employee.

Non-Supervisory personnel -- those personnel who are not supervisory.

Having thus defined the important terms, we now proceed to the indicators of the same.

Organizational Complexity

1. number of occupational specialties
2. level of educational training of employees
3. amount of professional activity
4. number of functions that are performed by specialists

Degree of Formalization

1. adherence to job description
2. degree of rule observance
3. adherence to SOP's or range or variation allowed within jobs
4. how communication and procedures in an organization are written down and communicated or circularized or disseminated

Degree of Centralization

1. participation in decision-making
2. degree of delegation of authority
3. degree of reversal of lower-level decisions by the upper levels

Degree of Stratification (Status System, Compensation)

1. differences in income and prestige between jobs
2. rate of mobility between low and high ranking jobs or status levels

Efficiency

1. cost per unit of output per year or ratio of input to output
2. amount of idle resources per year

Productivity

1. number of units produced per year
2. rate of increase in units produced per year

Effectiveness

1. number of programs/new techniques in a year
2. timeliness of services rendered
3. adequacy of services rendered
4. acceptability of quality of services rendered

The following is a listing of the hypothetical linkages between and among our variables that we wish to test.

Complexity vis-a-vis EEP

The higher the complexity, the lower the efficiency

The higher the complexity, the higher the effectiveness

The higher the complexity, the lower the productivity

Formalization vis-a-vis EEP

The higher the formalization, the higher the efficiency

The higher the formalization, the lower the effectiveness

The higher the formalization, the higher the productivity

Centralization vis-a-vis EEP

The higher the centralization, the higher the efficiency

The higher the centralization, the lower the effectiveness

The higher the centralization, the higher the productivity

Stratification vis-a-vis EEP

The higher the stratification, the higher the efficiency

The higher the stratification, the lower the effectiveness

The higher the stratification, the higher the productivity

IV. METHODOLOGY

Three methods were utilized in this study: 1) Content analysis; 2) In-depth interviews; and 3) Questionnaire. Periodicals and other published and unpublished materials served as sources for background information on the different agencies under study. The examination of agency records such as financial reports, accomplishment reports, personnel plantilla, etc., served to give the researchers objective insights in the workings of the organization as well as indicators of our seven major variables and their linkages.

The research instrument — the questionnaire, sought to elicit perceptions of agency employees and clientele about the seven different variables. Though basically the same, the questions asked to both types of respondents were tailored to suit the kind of respondent.

The parts constituted the questionnaire/interview schedule. The first portion established the positional backgrounds of the respondent (information of type of job, social class, etc. . .): the second consisted of questions asking him about his observations regarding the different indicators of efficiency, effectiveness, productivity, complexity, formalization, stratification and centralization which we have drawn up. The last portion attempted to seek his perceptions about the relationships between the structural and functional variables.

In-depth interviews, the third method of data collection, served to reinforce or confirm the data obtained through the first two methods and in addition, served to provide the study with additional insights.

Sampling Design

The data upon which this study is based is gathered from four different government agencies. Two of them were financing agencies — The Development Bank of the Philippines (DBP) and the Government Service Insurance System (GSIS) and the other two were "service institution"— the Department of Health (DOH) and the Department of Local Government and Community Development (DLGCD). Limitations in both financial and manpower resources dictated that the focus of analysis (although not the level) be narrowed down to selected programs/ projects or departments (sub-units).

Hence, two parallel thrusts of the research strategy was implemented *vis-a-vis* over-all data collection: 1) inter-organizational comparison of data with respect to the selected departments/programs of the two financing agencies; and 2) intra-organizational comparison of data from programs/projects of the two service-oriented organizations.

The criteria followed in the selection of sub-units were: The measurability and quantifiability of inputs and outputs realized; the cost of the research, the responsiveness of the services of the clientele; and the cooperation of the particular sub-units.

Hence, without unduly straining comparability of operations to be studied in both the DBP and the GSIS, we chose the substantive services being rendered in those agencies, namely, the loaning functions (e.g., in GSIS — the policy and salary loaning functions; and DBP — industrial and agricultural loaning services). For the main offices, however, we have also taken into account functions comparable for both agencies — i.e., Acquired Assets Management, Securities Management and Investment Management.

On the other hand, we chose to take into account all activities of the DLGCD. For the DOH, however, selected "representatives" departments — the Family Planning Program, the Nutrition Program, the Malaria Eradication Program were also considered. This was so because the DOH and the DLGCD have no common functions.

In addition to the main-office operations of these subunits, operations at the field level (branches and agencies and field offices) which are the operating levels catering to the needs of most of the Philippine population were also taken into account. Hence, we have drawn two regions (chosen for reasons of economy and accessibility) and from these two regions, 2 provinces where field offices of four agencies are located in Regions II and IV.

For the financing institutions, we found out that only one branch office for DBP exists in Region IV so that, given this constraint, only one field office for DBP region shall constitute the sample. However, in the case of the service agencies, GSIS field offices are located in all four provinces constituting the sample.

The respondents were of two types — the first constituted agency personnel and the second, agency clientele. Agency personnel were divided into two types — those belonging to the central office and those in the field offices. All the supervisory personnel of the main office departments concerned, all supervisory personnel and 1/3 of the non-supervisory personnel in the field office were taken as respondents. It should be noted at this point that the results obtained at the main office (level) served as checks to those obtained in the field offices because most of our clientele were drawn at the field level.

This sampling procedure divided the organization into levels and departments. Job occupants in the upper levels (i.e., supervisory personnel) were selected because they were most likely to be key decision makers who would determine organizational policy, whereas job occupants in the non-supervisory levels were selected randomly.

Sampling of respondents in the case of the four institution was similar. In this case, the province was divided into two municipalities "high" and "low" producing and from these two municipalities which were the same for all agencies (as much as possible) were chosen the respondents. In the case of the two financing institutions, respondents were chosen randomly -- no matter what types of services they went for. We chose to have the same number of respondents for both agencies. In the DOH, our clientele for each program were chosen independently of each other. However, clientele of the DLGCD programs were independent of each other and stratified sampling had been used here

Scaling and Analysis

In this study, a 4-point scale was used for all variables and indicators. The different indicators for each variable were lumped up together in order to come up with an overall index for the variable. We have first assumed here, however, that each indicator was given the same weight. Significance was then determined (if any exists) among the different rankings (1 to 4) in the scale for each agency department. Similarly, agencies which have the same functions were compared on the basis of each of the seven variables using x^2 test, and the significance determined among them.

Another level of analysis is that of determining correlations among structural and functional variables. This was done by cross-tabulating results obtained in second portion of the questionnaire. These were compared with those results obtained from the final portion of the questionnaire relating the 2 types of variables. Any differences were noted (x^2 test for independence).

When we compared the results obtained from content analysis and perceptions of our respondents, we contracted our scale by combining ranks 1 and 2 to come up with a low scale and combining 3 and 4 to come up with a high rank; hence, coming up with 2-point high and low scale. Judgments were made by researchers as to whether the agency ranks high or low with respect to the different variables (on the basis of documentary analysis). Finally, comparisons and significant differences of the results were noted.

Our approach to the study involved two major thrusts: (1) to develop working definitions, indicators, measures and yardsticks of each of the three concepts of efficiency, effectiveness and productivity (EEP) on the basis of our preliminary survey of the agencies under study and; (2) to determine the relationships, whether hindering or facilitating between the structural variables and the functional variables — EEP.

System Analysis

The nature of this study required a type of analysis that could provide a broad understanding of the factors behind efficiency, effectiveness and productivity. It called for a high degree of understanding of the structure and operations of the agencies under study, most especially, its components and internal interactions. We have adopted the systems approach as a major approach of this study. The systems view recognizes that any social system (agency) is in dynamic relationship with its environment and receives various inputs, converts these inputs in some way into outputs. The open-system adapts to its environment by changing the structure and process of its internal components (sub-systems). The organization receives inputs from society in the form of personnel, materials, products, money, information and others, and these are transformed into outputs of goods, services and rewards to the members of the organization and its clientele. In turn, these outputs serve to accomplish some specific goals of the organization.

The organizational structure is only one of the sub-systems of the conversion mechanism, in this study, the government agency, in addition to those technological, managerial, psycho-social and value systems. It is concerned with the ways in which the tasks of the organization are divided into operating units and with the coordination of the units.

Methods of Data Collection

Three methods were utilized in this study: (1) documentary analysis (2) interviews, and (3) questionnaires. Research on relevant background information as well as the operations of the different agencies under study has taken mainly the form of examination of agency records such as authorization, funding, personnel plantilla, memoranda, etc., as well as periodicals and other published materials pertinent to the agencies. In addition, interviews have been conducted with selected officials and employees of the agencies studied. A questionnaire designed to elicit data on structural variables was sent out to selected officials and personnel of the four agencies.

Sampling System

Four agencies were selected for the study. Two of these were "financing" agencies — the Development Bank of the Philippines and the Government Service Insurance System. The other two were "service" agencies — the Department of Health and the Department of Local Government and Community Development. Limitations on both personnel and financial resources of the project dictated that the focus of analysis, "not the level," be brought down from the whole agency/organization to selected programs/projects or departments (sub-units).

Thus, two parallel thrusts of the research strategy have been implemented *vis-a-vis* over-all data collection: (1) inter-organizational comparison of data with respect to the departments/programs from the two financing agencies and (2) intra-organizational comparison of data derived from programs/projects of the two service agencies.

The criteria followed in the selection of the sub-units were: (1) cost of the research, (2) measurability and quantifiability of inputs utilized and outputs, and (3) cooperation of the particular sub-units.

For the two financing agencies, the following comparable line departments were studied:

GSIS		DBP
1.	Investment Management Development	— Securities Management Department
2.	Acquired Assets Department	— Acquired Assets Management Department
3.	Commercial and Industrial Loan Departments	— Industrial Loans Department
4.	Real Estate Loans Department	— Com. Dev. Project Department

On the other hand, the following programs have been included with respect to the service agencies:

DLGCD (all Programs)		DOH
1.	Local Government Programs	— Malaria Eradication Program
2.	Community Development Program	— Family Planning Program
3.	Cooperative Development Program	— Hospital Program

The following factors dictated the selection of more manageable "sub-units": (1) inasmuch as the outputs and operations of the DOH and DLGCD are less comparable than those of DBP and GSIS, the selection of two projects/programs (of a smaller scale) per major program (e.g., local government programs of DLGCD) should therefore facilitate comparability; and (2) more concreteness and specificity would be gained if the focus of analysis was brought to bear on the "sub-units."

A total of 506 personnel of the four agencies were interviewed and distributed as follows:

GSIS		DBP		DLGCD		DOH		Total
Manila	Branch	Manila	Branch	Manila	Branch	Manila	Branch	
48	90	39	45	27	41	45	171	506

Total of 819 clients of the agencies studied were interviewed in Region I and IV as distributed below:

Region I				Region IV				
GSIS	DBP	DLGCD	DOH	GSIS	DBP	DLGCD	DOH	Total
75	80	71	180	77	68	60	208	819

Client interviewees were selected at random from the list of clients in the region distributed also at random in the municipalities of the provinces selected by the research team on the basis of population, area and other socio-economic data.

The services of interview trained DLGCD personnel were utilized in the client interviews. However, the research team took responsibility for interviewing clientele of the DLGCD.

IV. RESULTS AND DISCUSSION

It has been found out that for the DBP main function of loaning activities the present measures for performance are being utilized.

a. Amount of Collections — actual vs. budgeted
b. Loan Releases — actual vs. budgeted
c. Amount of acquired assets
d. No. of loans approved in a given year
e. Net income for a given year
f. Loan investment (Amount)
g. No. of loan investments
h. Return of Investments Ratio — Gross earnings vs. Investment
i. Collections vs. Investment
j. Releases vs. Collections amount
k. Net earnings vs. Gross earnings
l. Past-due amortizations vs. Inventory
m. Acquired assets vs. Investment.

In addition to the above, it has been found that the following indicators could well be applied in the agency:

As a measure for efficiency, cost-benefit analysis of inputs to outputs could be utilized in the form of:

a. No. of personnel vs. operating expenses for certain period of time
b. Operating expenses vs. No. of loans granted
c. Operating expenses vs. amount of loans granted
d. Length of processing time for each loan

Effectiveness indicators on the other hand could be the following:

a. Effective utilization of loans; whether they were used for the purposes they were loaned for
b. Extent of loaning policies falling in together with the over-all development plan of the country
c. Types of clientele and number reached
d. **Share of different types of loans to over-all loans** (i.e., housing, industry, agriculture, etc...)

On the other hand, the following performance measures were found to be used in the GSIS:

a. On insurance operations:
    1) Coverage
        a) Life Insurance – No. of persons covered and total amount of coverage
        b) Retirement Insurance – do
        c) Medicare (Health) — do
        d) General Insurance (Non-Life) — do
    2) Claims settled and benefits paid:
        a) Life-cash surrender value, death, disability, etc.
        b) Retirement — initial, resumption, etc.
        c) Medicare — No. of cases and total amount involved
        d) General Insurance no. of cases and total amount involved
b. On service operations:
    1) Loans granted
        a) Policy — No. of cases and total amount

involved

b) Salary — do

c) Individual housing loans — do

d) Commercial and Industrial loans

2) Investments on:

a) Low-cost housing loans — No. of cases and total amount involved, rate of return on investment

b) Stocks and bonds — No. of cases and total amount involved, rate of return on investment

c) Equity financing — do

However, the following efficiency indicators for this agency can be utilized:

a. the length of time or period required for the processing of the different types of loans vs. the actual time
b. the speed of collection of receivables
c. the length of time or period required for the processing of different types of claims and benefits vs. the actual time
d. the rate of return of investment

Other measures applicable are those introduced for DBP (both for efficiency and effectiveness as defined).

Preliminary Trends of Data

From our observations and preliminary examination of the data, organizational performance is determined partly by its structure. How large the degree of influence structure has on EEP will be established later.

With respect to propositions 1, 2, and 3 and corollaries 1 to 4, we cannot yet make any categorical statements until the data has been completely analyzed.

We have some trends on the perceptions of both the clients and personnel for the two "financing" agencies. These are:

Clientele

In the DBP, as well as GSIS. those who perceived the agency to be ineffective also got delayed services, while those who perceived the agency to be effective, both got delayed and immediate services although a greater percentage got their services more immediately.

Those who perceived the agency to be "effective" also perceived it to be "efficient."

Delays of services did not seem to affect over-all satisfaction with the speed of services rendered; the similarity did not affect perceived "efficiency" on the part of the respondents.

Efficiency does not appear to be related to output satisfaction, i.e., clients are satisfied with the outcome regardless of whether the agency is perceived as efficient or not.

Efficiency does not seem to be related to satisfaction regarding output quantity.

Most of the clients who perceived the agency to be both low in effectiveness as well as efficiency also perceived the agency to be both formalized and centralized.

There seems to be little relationship between effectiveness and efficiency to client satisfaction with its service.

Personnel

In DBP over-all job satisfaction was generally high, although branch personnel have indicated low satisfaction with current salaries. In the case of GSIS. both central office and branch personnel are generally satisfied except for the salaries.

In both agencies, officials and personnel perceive their organizations as efficient and effective.

DBP, is highly formalized but has a low degree of centralization. GSIS. on the other hand, while highly formalized, appears to be more centralized and tends towards higher stratification.

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