RESOLUTION NO. 3060, SERIES OF 2014

PROPOSED PAG-IBIG FUND’s
INTERIM ORGANIZATIONAL STRUCTURE

WHEREAS, Section 15 (f) of R.A. No. 9679 provides, among others, that the Pag-IBIG Fund Board of Trustees shall have the power “to approve the Fund’s organizational and administrative structures and staffing pattern, and to establish, fix, review, revise and adjust the appropriate compensation package for the officers and employees of the Fund” in accordance with Section 12(k) of the same law. Section 13 (n) of R.A. No. 9679 also provides that the Fund shall have the power to “establish field offices and to conduct its business and exercise its powers in these places;

WHEREAS, Management is proposing an interim organizational structure that would involve the following:

a. Alignment of units along functional lines instead of territorial considerations;

b. Expansion of network of offices by converting existing branches into more but leaner units;

c. Creation of units under the Housing Operations Cluster that are vital to the Fund’s expanding business;

d. Consolidation of regional housing operations through the creation of Housing Hubs and Housing Business Centers in strategic locations in the country, supported by extension offices and service desks in malls and other key areas for wider coverage; and

e. Partial consolidation of support services.
WHEREAS, the existing organizational structure of the Pag-IBIG as approved by the Department of Budget and Management (DBM) in 2007 is essentially aligned along territorial lines, rather than functional;

WHEREAS, splitting the two Operations Deputy Chief Executive Officer (DCEOs) created confusion, differences in program implementation and prevented appropriate focus on the Fund’s two key functions of savings generation and home financing. The two remaining Senior Vice Presidents (SVPs), although aligned along functions, were both assigned to NCR operations only, and reported directly to the DCEO for NCR Operations;

WHEREAS, branches in the NCR performed purely provident operations functions, with housing operations being centralized. In contrast, regional offices were basically designed as mini-Pag-IBIG Funds, with both provident and housing operations, as well as support functions.

WHEREAS, the way by which the branches have been structured, particularly considering its sheer size, averaging around 100 personnel per office both in the NCR and in the regions, effectively prevented the Fund from adequately servicing the ever growing requirements of its members across the country.

WHEREAS, the advent of the Pag-IBIG’s new charter, R.A. No. 9679, in 2009 likewise created additional stress to the Fund’s organizational structure. The phenomenal explosion in membership level experienced over the past few years has brought with it additional demand for service and Pag-IBIG presence in key locations across the archipelago.

WHEREAS, in a span of only eight years, membership level has increased by 124%, Multi-Purpose Loans in gross value by 104%, and House Loans in gross value by 174% (Annex G). Despite this phenomenal growth in business, the Fund’s network of branches has expanded minimally over the same period. Considering the country’s rugged terrain and archipelagic nature, considerable areas remain not served to this day.
WHEREAS, the approved structure took very little advantage of technology and infrastructure already existing even at its conception. Thus certain functions that could have been streamlined and centralized were essentially left as is resulting in certain inefficiencies.

WHEREAS, the developments in the Fund’s housing operations over the last years have also exposed inadequacies in its structural organization, particularly in the area of loans remediation. The present aggressiveness in home financing of private financial institutions and their foray even into the socialized and low cost markets, have also made Pag-IBIG Fund realize the need to actively market its housing products to the people.

WHEREAS, the Fund likewise needs to align its present organizational structure to the ongoing Integrated Information Systems Project (IISP) which is expected to call for far greater consolidation of resources and processes.

WHEREAS, over the past two years, Management has sought to address the foregoing concerns through the re-alignment of functions of some of its key officials and units, as well as the creation of task forces through the issuances of corresponding office and special orders.

NOW, THEREFORE, the Board RESOLVED, to approve the proposed Pag-IBIG Fund’s Interim Organizational Structure.

APPROVED, as presented by Management in its Memorandum dated 27 January 2014, integrated herein as Annexes “G” to “G-14”. 
