



NATIONAL ELECTRIFICATION ADMINISTRATION
"The 1st Performance Governance System-Institutionalized National Government Agency"
57 NIA Road, Government Center, Diliman, Quezon City 1100

05 September 2013

MEMORANDUM No. 2013-018

TO : ALL GENERAL MANAGERS (GMs) OF
ELECTRIC COOPERATIVES (ECs)

SUBJECT : Strategy Research Study of the Asian Institute of
Management (AIM)

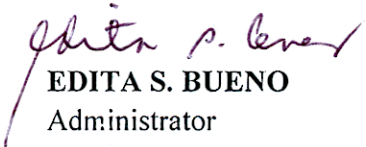
The AIM, in partnership with the Old Dominion University of Virginia, United States of America, is conducting a research study on the role of governance in determining the efficiencies of electric distribution utilities in the Philippines. We believe that this study would benefit the ECs insofar as it can be used as an assessment tool to identify the performance areas which the ECs may target for improvement and to determine the effectivity of government regulations in the implementation of the rural electrification program.

As such, we are requesting for your assistance in answering the attached survey. The ECs have the option to answer the survey via email or fax using the following contact details:

Email: mtayco@aim.edu

Telefax: (02) 403-9498

We are confident that you can fully support AIM's study and provide additional inputs to ensure the attainment of its objectives. For further inquiries you may contact Mr. Lino S.J. Vermudo Jr. of NEA Corplan at Telephone No. (02) 925-5915.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLS. CITE: #0A022999



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Cc: Prof. Fernando Y. Roxas
Asian Institute of Management
Eugenio Lopez Foundation Building
Joseph R. McMicking Campus
123 Paseo De Roxas Makati City 1260

Philippine Electricity Distributors Strategy Research Study

Research Overview and Consent Form:

With my partners at the Philippine Institute of Development Studies, Ateneo de Manila University and the Asian Institute of Management Policy Center, I am conducting a research study in order to better understand how local regulatory institutions in the Philippines influence the strategy formulation, strategy implementation, and performance of electric distribution companies in the Philippines. The results of this study will provide corporations in regulated industries with a useful diagnostic tool to aid in strategic decision making and implementation processes, leading to increased firm performance in the Philippines.

I kindly request your cooperation in completing the attached survey which should take less than 15 minutes. Your participation, while voluntary, is crucial to the success of this study. By returning this survey you are giving consent to participate. Should you choose to complete the questionnaire, I hope you will give your best effort. Your responses will be anonymous and confidential. An executive summary of the research findings will be sent to your company upon completion of the project.

If you want to know more about this research study, please call me at 01-757-683-3836 (office phone), 01-915-217-4571 (cell phone), or email me at gowhite@odu.edu (email). This project has been approved by Old Dominion University.

Sincerely,

George O. White III
Assistant Professor of Management and International Business

Old Dominion University
College of Business Administration & Public Administration
Department of Management
2167 Constant Hall
Norfolk, Virginia (U.S.A.) 23529
Phone: 01-757-683-3836
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REGULATORY INSTITUTIONS,

George O. White III

SECTION 1. GENERAL INFORMATION:

1. Gender:
 - Male
 - Female
2. Highest Educational Qualification:
 - Below College Graduation
 - College Graduation
 - Post-Graduation
3. Please indicate technical qualification, if any: _____
4. Age: _____
5. Date of Birth: _____
6. Designation (GM, etc.): _____
7. How long have you worked in the company (number of years)? _____
8. Please mention how many days of training you underwent this year and last year:
 - a. This year: _____
 - b. Last year: _____
9. Who appointed you (NEA, Local Hire, etc.)? _____
10. In the last 5 years, how many GMs has the EC had? _____

SECTION 1.2 GENERAL INFORMATION ON FIRM:

1. Language in the work place:

Tagalog	Cebuano	Ilocano	Hiligaynon	Waray Waray	Kapampangan	Northern-Bicol	Pangasinan	Southern-Bicol
Maranao	Maguindano	Kinaray-a	Tausug	Surigaonon	Masbateno	Aklanon	Chavacano	Ibanag

- a. Others: _____

2. Any arrears to suppliers (electricity)?
 - Yes
 - No
3. If Yes, how much? _____
4. What portion of retail tariff is the distribution charge? _____
5. How many EC board meetings were conducted in 2012? _____
6. What were the focuses or the concerns addressed in these meetings? _____
7. What is the average turnover of personnel? _____
8. On estimate, what are the average training hours for employees for 2012? _____

SECTION 2. INFORMAL PERSONAL TIES AND CONNECTIONS

Please circle the number best describing the extent to which you and your firm have used informal personal ties and connections with the following entities during the past three years:

	Very Little										Very Much
Suppliers	1	2	3	4	5	6	7				
Local business affiliates and associates	1	2	3	4	5	6	7				
Private banks and financial enterprises	1	2	3	4	5	6	7				
National regulatory authorities (e.g. Energy Regulatory Commission, National Electrification Administration)	1	2	3	4	5	6	7				
Political leaders in the national government	1	2	3	4	5	6	7				

Political leaders in the local government	1	2	3	4	5	6	7
Industrial authorities / industry associations	1	2	3	4	5	6	7
Tax bureaus (e.g. the Bureau of Internal Revenue)	1	2	3	4	5	6	7
Government sponsored (state) banks and financial agencies	1	2	3	4	5	6	7
Other supporting government administrative agencies	1	2	3	4	5	6	7
Local government authorities	1	2	3	4	5	6	7

SECTION 3. CAPABILITY BUILDING AND BUSINESS CULTURE SPECIFICITY

Using the past three years as a reference, please rate the extent either *LOW* or *HIGH* by *circling* the appropriate number in the scale beside each statement. We are dealing with you and your firm's efforts for Research and Development.

Research:

To what extent do you think your firm has been committed and dedicated to *learning and absorbing* the following capabilities needed for local operations from other organizations in the Philippines?

	Very Low						Very High
Managerial and organizational skills	1	2	3	4	5	6	7
Technological skills and abilities	1	2	3	4	5	6	7
Product and process technologies	1	2	3	4	5	6	7
Contract formation and enforcement	1	2	3	4	5	6	7
Dealing with regulatory issues	1	2	3	4	5	6	7

Development:

To what extent do you think your firm has been committed and dedicated to *developing and creating* the following new skills needed for local operations through *learning and innovation* in the Philippines?

Managerial and organizational skills	1	2	3	4	5	6	7
Technological skills and abilities	1	2	3	4	5	6	7
Product and process technologies	1	2	3	4	5	6	7
Contract formation and enforcement	1	2	3	4	5	6	7
Dealing with regulatory issues	1	2	3	4	5	6	7

To what extent do you think your subsidiary has been committed and dedicated to *revitalizing and applying* the following new skills and competencies into new situations in the Philippines?

Managerial and organizational skills	1	2	3	4	5	6	7
Technological skills and abilities	1	2	3	4	5	6	7
Product and process technologies	1	2	3	4	5	6	7
Contract formation and enforcement with suppliers	1	2	3	4	5	6	7
Dealing with regulatory issues	1	2	3	4	5	6	7

SECTION 4. HOST COUNTRY REGULATORY ENVIRONMENT

Using the past three years as a reference, please rate the extent to which you consider the following statements to be **LOW** or **HIGH** by **circling** the appropriate number in the scale beside each statement

A. GOVERNMENT REGULATORY EFFECTIVENESS – NATIONAL LAWS

To what extent do you perceive government regulatory effectiveness to be in the following areas?

	Very Low							Very High
Competence of national regulators	1	2	3	4	5	6	7	
Competence of public sector personnel	1	2	3	4	5	6	7	
National regulators' vulnerability to political pressure	1	2	3	4	5	6	7	
Efficiency of government regulators in decision making	1	2	3	4	5	6	7	
Government regulatory policies are independent of pressure from special interest groups	1	2	3	4	5	6	7	
Government decisions being effectively implemented	1	2	3	4	5	6	7	
Government bureaucracy not hindering business activity	1	2	3	4	5	6	7	
Government bureaucracy not wasting expenditures	1	2	3	4	5	6	7	
Time spent by senior management dealing with national government officials	1	2	3	4	5	6	7	

Using the past three years as a reference, please rate the extent to which you consider the following statements to be **LOW** or **HIGH** by **circling** the appropriate number in the scale beside each statement

B. REGULATORY QUALITY → NATIONAL LAWS

To what extent do you perceive the incidence (frequency) of certain regulatory policies affecting your firm?

	Very Low							Very High
Information on laws and regulations is difficult to obtain	1	2	3	4	5	6	7	
Interpretations of the laws and regulations are not consistent	1	2	3	4	5	6	7	
Interpretations of the laws and regulations are not predictable	1	2	3	4	5	6	7	
Changes of regulations are unpredictable	1	2	3	4	5	6	7	
Administrative regulations are burdensome	1	2	3	4	5	6	7	
Lack of specification of costs of regulations is an obstacle to our firm's business activities	1	2	3	4	5	6	7	
Excessive regulation on business development hinders our firm's business activities	1	2	3	4	5	6	7	
Labor regulations hinder our business activities	1	2	3	4	5	6	7	
Tax regulations obstruct the growth of our business activities	1	2	3	4	5	6	7	
Price controls negatively affect the quality of our services	1	2	3	4	5	6	7	

C. LOCAL GOVERNMENT REGULATORY EFFECTIVENESS

To what extent do you perceive government regulatory effectiveness to be in the following areas?

Competence of the local government service	1	2	3	4	5	6	7
Local government service vulnerability to political pressure	1	2	3	4	5	6	7
Efficiency of local government in decision making	1	2	3	4	5	6	7
Local government regulatory policies are independent of pressure from special interest groups	1	2	3	4	5	6	7
Local government decisions being effectively implemented	1	2	3	4	5	6	7
Local government bureaucracy not hindering business activity	1	2	3	4	5	6	7
Local government bureaucracy not wasting expenditures	1	2	3	4	5	6	7
Time spent by senior management dealing with local government officials	1	2	3	4	5	6	7

Using the past three years as a reference, please rate the extent to which you consider the following statements to **NOT BE RELEVANT** OR **VERY RELEVANT** for subsidiaries operating in the Philippines by circling the appropriate number in the scale beside each statement

C. UNOFFICIAL PAYMENTS

In your observation, do you feel that there are extra pressures on firms in your line of business to make extra, unofficial, payments in order to:

	Not at All							Very Much
Get local licenses or permits to expand or operate their business operations?	1	2	3	4	5	6	7	
Deal with local government agencies?	1	2	3	4	5	6	7	
Deal with courts or judges?	1	2	3	4	5	6	7	
Deal with the settlement of taxes?	1	2	3	4	5	6	7	
Deal with national regulatory agencies?	1	2	3	4	5	6	7	

SECTION 5. DISTRIBUTOR PERFORMANCE

Please circle the number best describing how **SATISFIED** you are with the organization's **performance** in the following areas?

	Very dissatisfied							Very satisfied
Sales growth	1	2	3	4	5	6	7	
Net profit growth	1	2	3	4	5	6	7	
Sales level	1	2	3	4	5	6	7	
Sales position	1	2	3	4	5	6	7	
Profitability	1	2	3	4	5	6	7	
Operational Efficiency	1	2	3	4	5	6	7	
Technical Performance	1	2	3	4	5	6	7	
Customer Satisfaction	1	2	3	4	5	6	7	
Reputation among Customers	1	2	3	4	5	6	7	

Thank You Very Much For Your Time And Effort!