

# WORKING PAPER

## Phronetic Leadership and Organizational Knowledge Creation: The Case of Rodolfo Del Rosario and Samal Cityhood

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### Abstract

Phronetic or wise leaders inspire and transform communities. They lead knowledge-based organizations where knowledge co-creation is promoted. Due to scant documentation in the Philippines of this leadership type, this paper aims to demonstrate a case of one provincial leader in instigating comprehensive reform in one island in Davao del Norte. This disciplined configurative case study is framed and explained by the four-part process of socialization-externalization-combination-internalization or SECI model of organizational knowledge creation. For reform and knowledge co-creation to occur in the island of Samal, the presence of a phronetic leader, Rodolfo del Rosario, was imperative. Del Rosario had demonstrated how his long-term vision, creation of *ba*, communication and political will (particularly persuasion and conflict management), and ability to inspire local leaders have all contributed to the successful merger of three municipalities in Samal Island to create the Island Garden City of Samal. After several decades of attempt, the conversion of the island into a higher status, in this case a city, eventually triggered a wave of organizational, management, infrastructural, and policy reforms in the area. The city now is in a better financial position and has exhibited good governance practices.



“The world needs leaders who will make judgments knowing that everything is contextual, make decisions knowing that everything is changing, and take actions knowing that everything depends on doing so in a timely fashion” (Nonaka & Takeuchi, 2011, p. 58).

The Philippines—a country that is still entrenched in its efforts towards nation building after emerging from a series of crises and conflicts—does not lack leaders with good intentions and long-range vision. However, wise leaders are but few in number. It is within this context that this article envisages to portray these phronetic leaders—what they do, and how they transform their communities—that may serve as inspiration and model for a knowledge-based organization where knowledge co-creation is fostered. This study finds it necessary that more evidence and analysis about these leaders be communicated and shared with the public, and the story of the cityhood of Samal is a representative leadership tale to tell.

This paper’s objective is fourfold: describe the characteristics and features of leadership that guided the growth and development of Samal, now the Island Garden City of Samal (IGACOS); identify the political, economic, and social backdrops in which the phronetic leaders of IGACOS are situated against; describe and analyze the contextual and situational factors and processes involved in which the ideas of the initiating leader were shared, accepted, and sustained by the next generation of leaders, thus improving further the growth and development of IGACOS; and extract lessons and insights that will weave into and build on the hypotheses of phronetic leadership theory by Nonaka et al. (2018), as well as on related governance frameworks, such as the Governance Reform Framework and Public Sector Reform Framework.

As an emerging research theme in this region, this study extends the earlier phronetic leadership cases examined in the Philippine context (see Gonzales & Calugay, 2018; Mendoza et al., 2018), and in Asia (see Matsunaga, 2018).

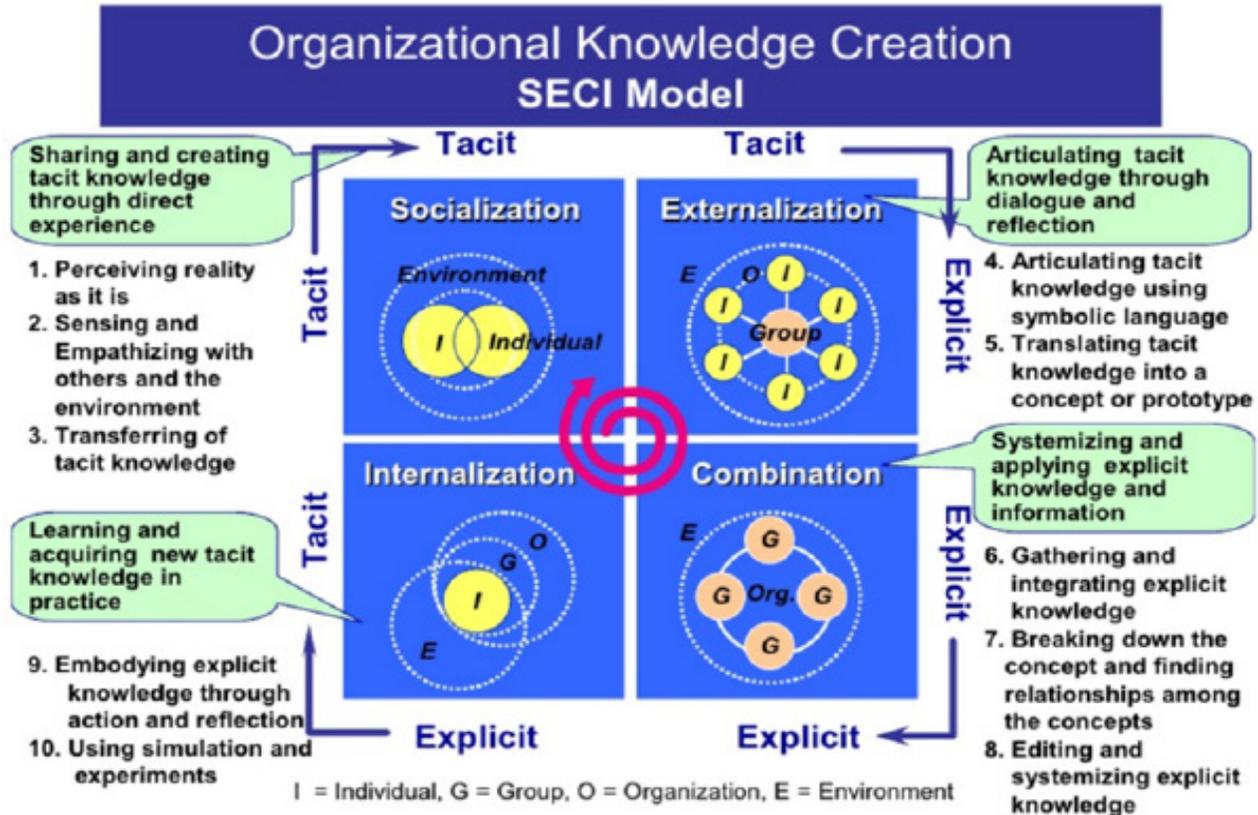
A case study approach and the triangulation methods of key informant interviews, focus group discussions, and document reviews are employed in this study. The description and analysis of the disciplined configurative case—i.e., the leadership of Rodolfo del Rosario and the cityhood of Samal—are framed by Nonaka et al.’s (2018) SECI Framework of the knowledge creation process. This process is capsulized in the four-part process of socialization, externalization, combination, and internalization (SECI) as illustrated in Figure 1.

Phronetic leadership is anchored on one of Aristotle’s typology of knowledge: phronesis or practical wisdom.<sup>1</sup> For Nonaka and Takeuchi (2011), phronetic leaders have six abilities: can judge goodness, can grasp the essence, create shared contexts (*ba*), communicate the essence, exercise political power, and foster practical wisdom in others (see Table 1 for an updated list of these abilities).

These six abilities are then further advanced as a model with four dimensions of knowledge (socialization, externalization, combination, and internalization), and two types of knowledge (tacit and explicit). The four dimensions are generated according to the interplay of individual, group, organization, and environment.

<sup>1</sup> The other two are *episteme* or scientific knowledge, and *techne* or skill.

**Figure 1. The SECI Model: The Organizational Knowledge Creation Process**



Source: Nonaka (2014) as cited in Nonaka et al. (2018, p. 6)

This brand of leadership is then superimposed in the modified Governance Reform Framework by Brillantes and Perante-Calina (2018), where, for transformations to be well instituted, five reform areas are central: institutions, mindsets, vision, citizen engagement, and leadership. The first area is a set of organizational flows of procedures and processes as well as inherent human values of ethics and equity in any democratic community or society. The second area—changing mindsets, behavior, and paradigms—consists of the need to change the psychological inertia of the mind on behavior. Current mindsets, rooted in the unique history and culture of the Philippines, have instilled dysfunctions in the Filipino attitudes and behaviors. The third aspect, leadership, is a variable that has to be emphasized because,

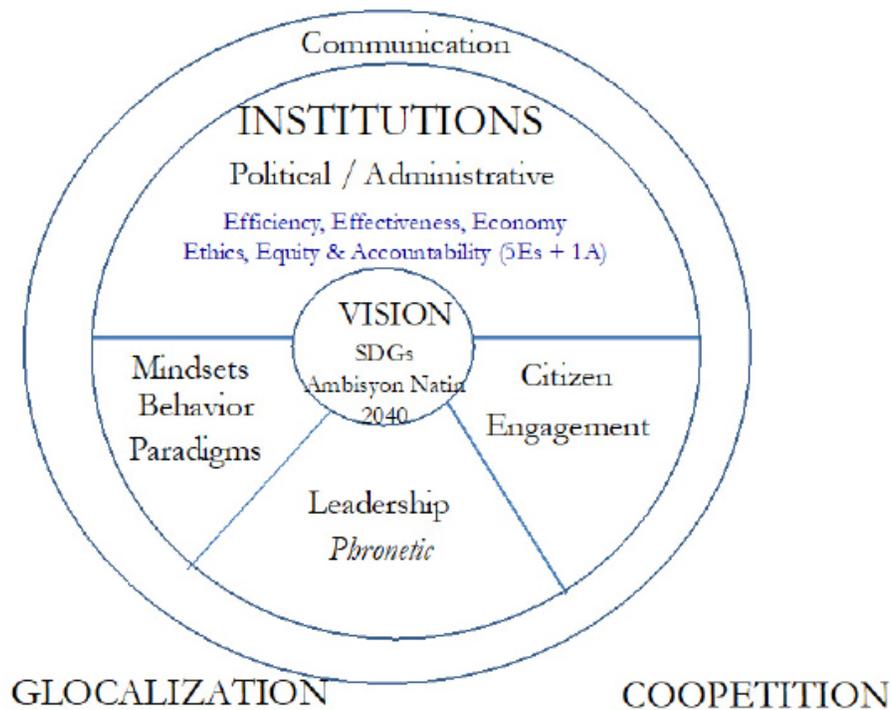
without a leader, there is no one to steer reform directions and to provide inspiration and moral fiber to the ideology of reform. Citizen engagement and communication, which comprise the fourth area, are equally important factors, as the government cannot succeed without the participation of the citizenry, who must be educated with the logic of reform (Brillantes & Perante-Calina, 2018).

**Table 1. Six Abilities of a Wise Leader**

<b>Abilities</b>	<b>Brief Description</b>
1. Ability to set a good goal and make judgment on goodness	By nature human beings have a natural propensity to do something that is considered good.
2. Ability to perceive reality as it is	Allows one to correctly and quickly recognize constantly changing situations, and to sense what lies behind phenomena to envision the future.
3. Ability to create <i>ba</i>	A Japanese word for place, space or field which means shared context in motion. A leader with practical wisdom exercises this ability to find, locate, gather, and place appropriate personnel in a timely fashion and, furthermore, works to create <i>ba</i> with empathy and resonance.
4. Ability to articulate the essence into narratives	The capacity to articulate the essence behind phenomena and contexts into narratives. This is the ability to grasp the essence, conceptualize, and create a narrative by linking micro concepts to the macro context as a convincing vision and narrative for the future.
5. Ability to exercise political power to achieve an envisioned story	This is the ability to bring people together and spur them into action, combine and synthesize everyone's knowledge and efforts, and pursue goals by choosing and utilizing the power and rhetoric suited to each situation with shrewdness and determination.
6. Ability to promote phronesis in others	The ability to create a system of distributed phronesis by advancing and transferring existing phronetic capabilities that individuals possess into others, to build an organization that is resilient and responds flexibly and creativity to any situation for its own good. Practices, traditions, and artisanship are the cornerstone for the development of <i>phronesis</i> .

Source: Nonaka et al. (2018, pp. 8-9)

**Figure 2. Governance Reform Framework**



Source: Brillantes & Perante-Calina, 2018

## The Case of Island Garden City of Samal and Rodolfo del Rosario

### Samal's Brief Profile and Early Beginnings

Samal is an island off the coast of Davao City. It had languished as an economic backwater across the developed and highly urbanized city of Davao. When changes started to happen, Samal never looked back again. The rest is history, a narrative thread at the core of which is phronetic leadership initiated by one individual, and sustained by his “converts” or the succeeding local chief executives, as if the phronetic leadership of the first leader was a good disease that became viral, so to speak, infecting the next and younger line of leaders to do what is good for their locality.

Samal Island, covering an area of 33,000 hectares, used to be an island municipality of the now defunct province of Davao. The majority of the original indigenous inhabitants were the

Isama, living peacefully with other minority ethnic groups (Mansaka, Mandaya) and their Islamized relatives. In the late 1840s, Spain managed to conquer the island when Nueva Verga (Davao City today) was established. Migrants from all over the country, mostly Cebuanos, came to populate the island, making Cebuano the majority and dominant language. After the Second World War, Samal continued to move forward as infrastructures, such as schools, churches, and market places were erected.

The island then gradually fragmented into three municipalities before consolidated to become a city. All three former municipalities were agricultural communities that mainly relied on coconut farming and fishing. They are nearly identical in terms of economic activity and income, population, and number of component villages (*barangays*). Table 2 summarizes the many similarities in demographic and political attributes of the former local units.

**Table 2. Comparing Key Attributes of Babak, Samal, and Kaputian**

	Land area (in hectares)	No. of constituent barangays	Population (as of 2000)	Income (in million pesos)	Local Leadership (before amalgamation)
Babak	8,630 (26%)	16	30,900	17	Had 6 mayors since 1953; David Uy was elected twice
Samal	8,962 (32%)	15	27,600	13	Had 7 mayors since 1948; Galileo Obenza was elected twice
Kaputian	11,750 (42%)	15	24,100	16	Had 2 mayors since 1966; Rebong ruled for 20 years, Antalan for 12 years

Note: Adapted from Tumanut (2013)

The former municipal territories were all under the province of Davao del Norte, which was politically ruled by the del Rosario-Floirendos, the Amatongs, and the Sarmientos. During the time of consolidation and bid for cityhood, the political clan of del Rosario-Floirendos was ruling and the most active in the province.

### Structural Governance Reforms

The island of Samal is a classic example of a local territory that has witnessed continuous spatial or structural reforms since 1948, when it was divided into two municipalities (Samal and Babak), and further partitioned in 1966 (with the creation of Kaputian).

Accompanying the creation of the municipality of Kaputian in the mid-1960s was a similar reform at the provincial level. Davao Province was split into three, namely, Davao del Norte, Davao del Sur, and Davao Oriental by virtue of Republic Act No. 4867 (authored by Representative Lorenzo S. Sarmiento, Sr.), and signed into law in 1967 by then President Ferdinand Marcos. The former three municipalities in Samal Island were assigned as constituent units of Davao del Norte.



In 1969, the sub-province of Samal, covering the present-day area of the city, was created by virtue of Republic Act No. 5999, but was not implemented. The Act did not merit President Marcos's signature. Despite this policy snag,



Rodolfo del Rosario, as member of then national assembly in the early 1980s, still pursued and proposed the creation of Samal sub-province, the deliberation of which was ill-timed as the sub-province unit was about to be abolished (Tumanut, 2013).

In 1997, Rodolfo del Rosario or RDR (as he was more popularly referred to)—as representative of the second district of Davao del Norte (10th Congress, 1995-1998)—filed House Bill No. 9451 proposing the cityhood of Samal Island. Due to the island's economic inactivity and "lack of parity in the political life ... due to its geographical remoteness," Del Rosario pushed for the three units' consolidation to qualify for cityhood (Tumanut, 2013, p. 34). He argued that, against the backdrop of devolution, local autonomy made it more difficult for the "three sets of local officials, due to local turfs and jurisdictions, to consolidate plans and propose a single master plan to develop the island" (Tumanut, 2013, p. 34).

Like in the 1960s, the bid for cityhood through amalgamation was again one component of the larger structural reform<sup>2</sup> that was being proposed in the entire province of Davao del Norte. The proposal for cityhood naturally engendered the rise of pro-consolidation and opposing groups. Among the three municipalities, Kaputian as a whole was most disagreeable, due to a few councilors who waged protests

<sup>2</sup> Tumanut explains that "while the cityhood of Samal (through consolidation of three towns) as well as the creation of a new legislative district in the area were proposed, the creation of new province of Compostela Valley from carving one legislative district ... from the province of Davao del Norte, cityhood of Tagum (the capitol), and the creation of a new municipality, Braulio Dujali, were all being proposed in Congress by their respective representatives, with the support of all congressmen and provincial governor, who were all on their last term. All (except the creation of new legislative district) were enacted as laws, had the same plebiscite date, and were ratified by their respective residents through referendum" (2013, pp. 51-52).

and organized an anti-consolidation group called Kaminos. Kaputian dissented mostly on the basis of anticipated unequal development, and protection of business interests. The other two municipalities, Babak and Samal, generally did not show strong dissent, facilitated by the united political elites, unorganized civic society organizations (CSOs) and nonexistent local media in the island (Tumanut, 2013). Pro-consolidation groups relied heavily on the promises of economic development in their rhetoric, such as increase in internal revenue allotment (hence, more budget for infrastructure and social services) and more influx of investors.

Becoming a city would inevitably result in significant increase in the share of the island from the national coffers: five times larger, or PHP250 million, compared to the units' combined income of PHP45 million. Many politicians, incumbent and aspiring, seized the opportunity carved by the timing of consolidation campaign, which was months before local elections.

After the public hearings conducted by the House of Representatives' Committee on Local Government in Samal Island, Congress enacted Republic Act 8471 in January 1998, and voters in the three municipalities collectively ratified it in the March 1998 plebiscite. As expressed in its disagreement for cityhood, Kaputian had the least number of affirmative (Yes) votes with 61.8 percent. In contrast, the two other municipalities gave an astounding number of "Yes" votes, ranging from 80% to 95%. Tumanut (2013) correlated the plebiscite results with the presence/absence and strength of opposition. In Samal and Babak, where opposition was absent or weak, at least 80% of the voters wanted cityhood. In Kaputian, where a few councilors organized an anti-consolidation group, the results were hypothesized to be volatile; in turn, about 40% of the residents were not supportive.



With the territorial structural reform put in place in Congress, RDR knew that while the initial fight was over, the next phase had to be confronted with more tenacity on his part. Thus, he made decisions with the consultation and approval of stakeholders that launched the next set of structural reforms, which included a virtual range of initiatives and innovations.

### *Zoning of the Three Municipalities*

Del Rosario's comprehensive mindset envisioned a city organized into zones based on the districts' competitive edge. This was based on a study of the National Economic and Development Board (NEDA), where Babak was to be prepped for industrial development as it is the nearest point facing Davao City's wharf, Samal (which occupies the middle portion of the island), was planned as government center area, and Kaputian as the tourism quarter. The lesson from Cebu City's transfer of the airport from Lahug to Mactan Island and a connecting bridge built for that purpose also emerged significant in RDR's vision for the development of Samal. It was his idea to construct a bridge from the wharf at Sasa to Babak and such would pave the way for the industrial development of Babak and of Samal Island as a whole.

With his own ideas enriched by the NEDA study and Cebu City's experience, RDR planned the zoning of the three municipalities, with the participation of other stakeholders, such as local officials, the private sector, and the residents in the areas affected. Having gained their collective support, RDR asked the able assistance of the staff in his office and those of the Comprehensive Development Office, to put into the new Comprehensive Development Plan and the Comprehensive Land Use Plan, a system of zoning of the three areas, considering history and trends in spatial development. For example, Babak as the central business district

would also have the sports complex, public market, parks and baywalk, and the Peñaplata (today the governance center of the city). As the institutional district, Samal, would be the sector for academic and health institutions, and government center. A satellite campus of the Davao-based University of Mindanao would be established there along with a city college which will initially, pending the approval of the Commission on Education (CHED), offer for the first academic year, five degree offerings on the baccalaureate level. Kaputian, because of the existing casino resort and pearl farm and site of natural beaches, is to be developed as a tourist center.

### *Organizational Restructuring*

Reforms in the organizational structure and human resources were also implemented with the guidance of RDR and the support of the next set of newly elected officials. The city was created through Republic Act No. 8471 in January 30, 1998. This act paved the way for the dissolution and merger of the three former municipalities of Samal, Babak, and Kaputian into one local government unit, officially established as the Island Garden City of Samal or IGACOS. The first city mayor was Rogelio Antalan, who served for three consecutive terms from 1998 to 2007.

With the three municipalities now merged into a city, what would be done to the excess of local government personnel? Local bureaucrats feared that office consolidation would result in streamlined plantilla and therefore loss of job, demotion, or early retirement. RDR thought of reorganization, another structural reform tool. With the support of Congress, early retirement packages were offered, and some streamlining measures were also attempted on the basis of merit and other official justifications. The reorganization decision was met with protests from some employees, but RDR used his political



clout and will, rationalizing that it had to be done to do away with a bloated bureaucracy.

### *Management and Administrative Reforms*

Reforms in administration and management of institutions, processes, procedures, and services were also carried out. RDR had to plan these initiatives and to be everywhere around the city hall for visibility, as well as to monitor compliance and implementation. He had to sit down with involved staff and iron out kinks and problems in the administration and implementation of the reforms. For example, he facilitated the amendment of the tax code and the passage of City Revenue Code. To institute this, a survey had to be administered which saw the rise of land values by at least 20%. The real property tax valuation had to be adjusted accordingly.

Legislative reforms were also carried out. Because of new information and new legal requirements, with which stakeholders and clients have to deal and comply, ordinances by the city council were enacted, such as, inter alia, those related to local enterprise development to guide current and prospective entrepreneurs; ordinances in fisheries and aquaculture development, to guide fisherfolks; and ordinances for the safety and protection of the residents, particularly addressing the rising crime index and insurgency. The latter was specifically acknowledged as crucial to the path towards economic development and prosperity.

### *Reforms in Infrastructure Development and Utility Services*

Through then Mayor Al David Torres Uy's initiatives, RDR made it possible to execute reforms in infrastructure development and utility services. Before cityhood, Samal had no decent infrastructure to speak of. Electricity and water utilities were inadequate. With cityhood, more

roads were constructed connecting the three municipalities all around the island. Through his political connections, the ferry service from Samal to Davao City began operating for 24 hours. Utility services also improved.

Due to numerous reforms being introduced, more investors signified interests, more residents found new job opportunities that are not related to agriculture or fisheries, and more tourists flocked the island. Foreign and local tourists brought in PHP1.3 million in 2017. The economy that was at the lowest status before cityhood made remarkable improvements with the support of then Davao City Mayor Rodrigo Duterte.

### *The City Today*

Today, the languishing Samal Island of old has flourished into a bustling city with an estimated 108,500 residents in 24,600 households (as of 2014). The city's economy depends greatly on its agricultural production. About 71.12% of the area is intended for agricultural production while 18.96% remains idle, which means that there is still more space for agricultural production. Among the city's major crops, coconut is the highest with 16,105.25 hectares planted. The city is known for its 3Ms namely: Mango, Mongo, and the Mariculture Park. Corn, rice, and other crops also shared in the island's agricultural pie. Other than agricultural production, the following have been identified as potential areas for investment: resort development and other tourism ventures, water systems, telecommunications, real state development, recreational facilities, cottage industries, and feeds and organic fertilizer production.

The city envisions itself as "urban center in a garden setting" with a mission "to pursue sustainable urbanization for the Island Garden City of Samal—prudently putting in place appropriate urban amenities for a community



of dignified constituents living in an atmosphere of good governance, yet keeping intact its natural endowments” (Commission on Audit [COA], 2008, p. 1). In its 10-year Comprehensive Development Plan (1999-2008), the city intends to achieve “effective delivery of basic services; protect and conserve environmental and cultural integrity; equitable access to resources and opportunities and achieve material progress through agri-tourism and other related industries without compromising ecological balance; and moral excellence and enhance the capability of its citizenry in order to uphold noble values” (p. 1).

In pursuing such vision and mission, policies promoting and accelerating economic development through investment have been given priority by the legislative council. Key ordinances were enacted and amended: Revised Revenue Code in 2004 and in 2009, Investment Code in 2014, and Tourism Code in 2014.

The fiscal gains of merger have been apparent and substantial. Before the merger, the combined income of the former towns in Samal island amounted to only PHP56 million. Total income since 2002 has increased nearly fourfold from PHP211.6 to PHP783.6 million in 2018. Since 2002, according to COA reports, Samal City has been among the top ten fifth-class cities with substantial increase in income as well as among those with huge expenses. Its dependency on the internal revenue allotment (IRA) has improved from 90% in 2008 to 75% in 2018 (see Table 4). Touted as a resort city, tourism has significantly increased over the years since merger: in 2014, tourist arrival logged 420,000 daytime and 257,000 nighttime, and increased to a total of 1.3 million tourists in 2017 (*Business Mirror*, 2017). Samal is benefitting from the tourism circuit program in Davao region, the Visit Davao Summer Festival.

**Table 4. Financial income of IGACOS (2002-2018)**

	<b>Internal revenue allotment</b>	<b>Total income (in million)</b>	<b>IRA dependency (in %)</b>
1997 (before merger)	Combined total income of 56 million pesos for the 3 former towns of Babak, Samal and Kaputian		
2002	No data	211.6	No data
2006	No data	252.4	No data
2008	250.8	280.4	89.4
2009	318.8	354.4	90.0
2010	351.6	No data	No data
2011	377.8	No data	No data
2012	321.6	428.8	75.0
2013	344.6	410.4	84.0
2014	387.8	460.0	45.0
2015	442.9	531.5	83.3
2016	484.8	601.8	80.1
2017	549.1	666.8	82.3
2018	589.6	783.6	75.2

*Note: Figures are culled from Department of Budget and Management; <http://www.samalcity.gov.ph>; and COA Audit and Financial Reports*

In the area of administration, the city government, in 2016, had a workforce of 1,154 in 19 different offices (COA, 2016). In 2001, a few years after its merger, IGACOS logged very high (96) in participatory development index, but low (57) in development needs index, with an overall score of 60 in the Gofordev Index (Capuno et al., 2001). In the area of audit, the city has improved its implementation of audit findings, i.e., from 71% partially-to-fully implemented in 2008 to 96% in 2016 (COA, 2016; 2008). Due to good governance practices, the city became a recipient of the Seal of Good Housekeeping in 2014 and accordingly received a Salintubig



water system project. In 2016, it received the Seal of Good Local Governance, while in 2017, it garnered the second honors in Gawad Kalasag for their disaster preparedness efforts, as well as the Red Orchid Award from the Department of Health for its anti-smoking advocacy. Despite these gains, the city has yet to improve on several areas (as first reported in Capuno et al.'s study in 2001). For example, its literacy rate in 2006 is at 89%, the lowest among the cities in Davao region (Philippine Statistics Authority, 2008). In 2008, only 8% of the development fund was allocated to social services, with infrastructure development getting the lion's share (54%) (COA Report, 2008).

The merger through the leadership and shepherding of Del Rosario has indeed resulted, whether indirectly or directly, in better financial position and in turn has started to redound to services for the residents.

### **The Role of Leadership in Transforming Samal Island into a City**

Davao del Norte is well known as the political turf of several political clans. But it was through the visionary leadership of then Congressman Rodolfo del Rosario, the representative of the second district of Davao del Norte, that the Samal-for-cityhood proposal—then floating for some time in the mid-1990s—was given the much-needed push. Of course, the political milieu then was ripe for reform, owing to the momentum created by Republic Act 7160 or the Local Government Code of 1991. The tone was at that time filled with mantra for local autonomy and devolution.

The cityhood proposal meant the outright erasure of the municipalities from the political map. Clearly, the foremost obstacle was the ensuing conflict of interest with the three municipal

mayors of Babak, Samal, and Kaputian. They privileged status as mayors and would lose their dominion and authority over their respective municipal jurisdictions.

In the institutional analysis of Tumanut (2016) of territorial structural reform in the Philippines, the following actors were identified as formal players with veto power: local council (from three municipalities), two chambers of congress (House of Representatives and Senate), the president, and the voters (from all three units). Several actors, however, were also influential in shaping the discourse and preferences of the abovementioned actors: then Congressman del Rosario and the three mayors.

Of course, the mayors had their respective political supporters in their local councils and residents. During the initial phase of the cityhood proposal, some measures of resistance to the cityhood idea were expected. Mere imposition due to the political weight and influence of del Rosario would not be favorable to advance such an idea. RDR foresaw the potential disagreement from the three mayors. He had to quash this right from the start. He knew that the Local Government Code required that such proposals to change the legal status of a local government needed the concurrence of all three separate local councils.

Using his appropriate judgment, RDR resorted to using the following communication strategies to persuade the three mayors and their local supporters to embrace his idea:

- He had to go the long route of sparing time for personal interaction with the three mayors, holding closed-door consultations with them, explaining to them the advantages, benefits and opportunities of Samal becoming a city.



- He also appeared in the sessions of the local councils to reach out to the councilors and convince them of the necessity of cityhood for Samal. In the councils, he made compromises even with those members who belonged to the same political party. As politicians are assumed to seek re-election or higher office, the fear of losing office due to consolidation and added competition was allayed by the insertion in the bill of a request for 24 seats in the proposed city council.

- He helped organize campaigns in different barangays to drum up support for the cityhood movement, with complete information leaflets distributed to the local residents, squads of youth volunteers creating noise barrages, equipped with loudspeakers.

- He facilitated and assisted in the conduct of hearings with the local constituents, the result of which constituted effective and positive feedback to the congressional Committee on Local Government.

Del Rosario continuously exerted efforts to make the cityhood proposal a reality. He did not falter or withdraw from his original stance despite obstacles. Tumanut also noted that “the bill ... surprised many of [RDR’s] colleagues in Congress, who thought it would not materialize as it was hard enough to talk to one mayor, let alone convince three mayors to give up their respective local turfs” (2013, p. 37). But he was persistent. He saw that his idea was worth selling, and that the constituents would buy the idea that he was selling to them. Who would not like Samal to be a city? Who would not like Samal to grow and prosper economically?

Certainly, becoming a city did not just constitute the attraction of his proposal; behind this was a chain of strong economic arguments. Economic development of the whole of Samal Island

was the thrust of RDR’s cityhood proposal. The components of this economic development argument included:

### *Municipal amalgamation or consolidation*

- With one city, the three sets of mayors would give way to one mayoral position and so dealings would only be conducted by one, not three, thus removing possible transaction costs and inefficiency.

- Consolidated resources generate more income (additional IRA), hence more investments, more economic prosperity. If the municipalities received an IRA of an average of PHP56 million when combined, the proposed city would have an estimated IRA of PHP250 million. Such an argument would surely make the unconvinced become an advocate of cityhood.

### *Strengthening the competitive edge*

- Consolidated and more resources, exploiting economies of scale, would facilitate better planning and implementation of programs and projects, make for efficient organization, improve services, as well as reduce if not overcome earlier problems of delays in implementation, inadequate services.

Other than strong economic arguments, at least two other factors were crucial. According to Tumanut (2013), political affiliation and the synchronized expiration of the three mayors’ electoral term (who were all unable to entrench political dynasties despite ruling for nine years) also helped in shaping the preferences of the mayors and the council members of the three merging municipalities.

It was circumstantially provident that RDR continued to serve a district of Davao del Norte that includes Samal for more years after 1998.



All three mayors ended their terms in 1998, but RDR's term continued up to the end of Gloria Macapagal Arroyo's presidency in 2010. RDR's continuity in office sustained in effect the initial victories in the initial phase of Samal's cityhood. He was able to push his vision, and to continue to improve the management and organization of programs and services of his brainchild city.

If one were to analyze RDR's leadership thrusts, one would see that he was bent on breaking off from the traditional inside-the-box mindsets of "to each his own"—this is mine and that is yours mentality. He wants this replaced by a new mindset. However, people accustomed to a set of norms, values, and practices seem disinclined to try new approaches. But RDR, who holds a baccalaureate degree in Business Administration from Ateneo de Davao University, institutionalized the cluster development approach that grouped municipalities and cities for better developmental complementation.

One of the remarkable features of good governance exemplified under the leadership of RDR is the bonding together of the elected provincial officials into an organization known as "Hugpong Dabaanon" wherein said officials made a commitment to work together, setting aside political affiliation and ideological differences. This manifestation of unity and solidarity is instrumental in effecting the fast pace of development in Davao del Norte.

Another characteristic of RDR's leadership is tenacity and his commitment to an idea. Of course, one cannot commit to selling an idea if he or she is not even convinced that the idea is worth its salt. To believe in one's idea also makes one bold and courageous, assertive, even to the point of aggressive. One's faith in the idea gives one enough trust and confidence to continue, persist, and sustain efforts even in the face of conflict or resistance.

Aiding RDR's determination is the culture of power, authority, and with it, recognition and respect from the people. In the Philippines, these values manifest and are practiced in tacit and explicit ways. RDR knows that he has the political position, the authority to command, and to say as a legislator, as a major official of the government, with accompanying privilege of receiving respect for such position and authority. On their part, those below his position, for example, the mayors, give deference to his wisdom and authority; more so if they also include their perception of him as a highly influential entrepreneur in the region. If he says to the mayors and local councilors that there is a need to consolidate the three municipalities into one city, then he would, facilitated by political partisanship, receive support with minimal opposition. He knows the extent of his political authority and clout, which then translates to his dispensation of political will.

The gist of all these leadership qualities is very much aligned with the Nonaka (2018) SECI Framework of the knowledge creation process. This process is capsulized in the four-part process of socialization, externalization, combination, and internalization.

To illustrate, the socialization component refers to RDR's education and his learnings from such education, his government position as legislator, his business acumen, and his knowledge of good practices of other local governments. These all contribute together and build up interconnected insights and assumptions, and accordingly provide seeds for novel ideas. This is the externalization phase, which now gives him a picture that many benefits would be reaped by converting the entire Samal island a city. The combination phase enters when RDR thinks more of the idea, that making Samal a city would redound not only to his family and clan, but to all residents of Samal, and that this may also



spill over to nearby cities and municipalities. RDR is also in the combination phase if he thinks of certain strategies to make his idea more feasible, such as plans of streamlining the revenue code, or modernizing the infrastructure of Samal, or reorganizing the bureaucracy. Finally, RDR enters the internalization component/phase the moment he engages to translate his ideas and plans in interaction with others, in his own practice, pursue them in actual implementation, and sustain them by continuing to manage resources, updating, upgrading, and improving these. The continuous upgrading, updating, and improving spiral into the next cycle of socialization, then externalization, combination, and internalization.

Del Rosario also exemplifies the six abilities of the phronetic leader as seen in Table 1, which are further complemented by elements in Governance Reform Framework. One, he makes judgments of what is good, right, and just. He perceives that his plans for the economic development of IGACOS are for the benefit of the island and its inhabitants. Two, he grasps the essence of particular situations/things. The Cebu experience of transferring the airport to Mactan and building a bridge connecting the city and Mactan Island stands perfectly well in his vision of Samal Island. He grasps pretty well that the same can be replicated in Samal. Three, he shares context with others to create the shared space of knowledge. He coordinates, consults, and co-decides with political colleagues, local chief executives, clients and other stakeholders, and constituents to agree on plans and on ways and means to execute them. In this manner, he creates co-ownership with them. Four, he reconstructs particulars into universals and vice versa using language, concepts, and narratives. His persuasive argument for the economic development of Samal was within the capability of his listeners to understand for they know well

that Samal had suffered from poor services. Five, he uses well any political means to realize concepts for the common good. In some ways, the leader needs to use some means of resolving political resistance, opposition, and conflict by using all political means of persuasion, which may be interpreted as bad for the moment but which may turn out good in the future. Six, he fosters phronesis in others to build a resilient organization. Yes, through his use of communication, personal interaction, and dialogue with other stakeholders, he is able to infect their motivation, to adjust their mistaken perceptions, to be convinced and side in his favor, and to continue and sustain his initiatives and innovations even if RDR has already stepped out of the picture. The economic status of IGACOS today attests to this, with the new city leadership and workforce, still carrying out with vigor the vision and plans of RDR for the island.

The IGACOS case weaves a narrative of phronetic leadership and the process of knowledge creation, the strands of which include:

- Coming up with new ideas or rethinking the existing rules can help benefit people, organizations, and the nation. In the case of local governments, for example, this helps them grow, thrive, and survive. If people are rigid in their attachment to rules, they may not be able to appreciate reforms, initiatives and innovations. Failure to do so may lead to stagnation, decay, or death of the organization. The creative process is sometimes defeated by dogmatic and blind adherence to rules and regulations.
- In keeping with the knowledge creation process, knowledge is created through practice, interaction, experimentation, trial and error, action, collaboration, and education.



- The phronetic leader is a source of new ideas for others. Through him, by engaging dialogue and constant communication with others, he inspires them to use their critical thinking and imagination. He brings out the best ideas in each other through their continuous interaction. In this way, even if the leader or innovator is no longer around, his ideas remain sustained.
- To attain success in reforms, phronetic leadership and communication are very important ingredients. The leader must be in constant touch and engagement with clients and stakeholders in continuous dialogue and interpersonal communication. Communication has to be continuing.

Knowledge as an unlimited resource compared to other resources is vital in every organization, particularly in the public sector where innovations and agility can be infused. Drucker (1993, p. 183 as cited in Nonaka, et al., 2018) emphasized that knowledge is the only meaningful resource today. Amalgamation in this case would mean knowledge creation—a knowledge creation that facilitates the process of consolidating the three municipalities into now IGACOS towards a more viable economic development and self-reliant community. A knowledge created that serves as template for other local authorities aspiring to structurally reform their localities to foster development. Such a process can be located in the SECI Dynamic Triad Model where there is relentless pursuit of the upward spiral of tacit, explicit knowledge and phronesis. The Samal cityhood/merger process now sets as a prototype (combination) or model of local governments that successfully underwent a process of amalgamation. In fact, the pioneering and successful case of Island Garden City of Samal immediately served as a template that the municipalities of Sorsogon and Bacon adopted and replicated to push for the creation of Sorsogon City, which was successfully legislated

and ratified by its residents in 2001 (Tumanut, 2016).

### Conclusion

This paper on IGACOS and Rodolfo del Rosario portrays the indispensability of the phronetic kind of leader as the key figure in attempts at public sector reforms. Without a phronetic leader, reform ideas wither away. The problematique that was stated at the beginning of the paper is that many come to be leaders but only a few can be classified as leaders of the phronetic type. Moreover, how can one be wise and good? This is beyond the scope of this study, and thus entails further research.

Communication remains a crucial apparatus for the leader to attain high level of success in the execution of vision and plans. He has to execute this on a face-to-face basis, share the context and narrative of topics, engage others in a dialogue, persuade them of the viability and beauty of his ideas, flavor the content of his arguments with universals and particulars for them to understand his language, and commit himself to his beliefs and faith in his arguments.

For public organizations such as cities and municipalities, the knowledge creation process can be facilitated by simply asking others for ideas or suggestions on improvements, and by forming brainstorming sessions to get people thinking about new and better ways of doing things. The local leader who knows the power of knowledge creation may provide systems and procedures, such as, but not limited to, regularly inviting people or resource persons to present novel ideas during important municipal events, and by putting a premium on information technology systems as this supports the environment for knowledge to be created, shared, and communicated.



Also, there is the political will question. A phronetic leader must manage politics in a constellation of local executives, policymakers, administrators, and bureaucrats. The Philippines has a culture of personalism, which has been a serious bone of contention, and source of resistance to any good-intentioned measure of reform. How does a phronetic leader manage such conflict and opposition? This is also an area for further study on the phronetic leadership theme.

Lastly phronetic leadership is indispensable in making timely and informed decisions in context-specific, rapidly changing, vulnerable, and ambiguous environment. This topic is very apropos in the formal education and lifelong learning of government officials, both local and national, as well as of public administration students, many of whom will constitute the pool of future bureaucrats, politicians, community, and business leaders. The educators on ethics, leadership, accountability or allied subjects are therefore encouraged to introduce phronetic leadership in their teaching portfolio.

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