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for the Philippines:  
incorporating ethical norms in  
the performance appraisal  
system**

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## **Abbreviations**

CESPES    Career Executive Service Performance Evaluation System

OECD      Organisation for Economic Cooperation and Development

# Corruption prevention strategy for the Philippines: incorporating ethical norms in the performance appraisal system

Corruption prevention has become a major concern of aid donors including the World Bank. The World Bank recently stressed the importance of the state whose capabilities are undermined by corruption, as an agent of development.

An effective state can contribute powerfully to sustainable development and the reduction of poverty...The state's monopoly on coercion, which gives it the power to intervene effectively in economic activity...gives it the power to intervene arbitrarily. This power, coupled with access to information not available to the general public, creates opportunities for public officials to promote their own interests...at the expense of the general interest. The possibilities for rent seeking and corruption are considerable. Countries must therefore work to establish and nurture mechanisms that give state agencies the flexibility and the incentive to act for the common good, while at the same time restraining arbitrary and corrupt behaviour in dealings with businesses and citizens (World Bank 1997:99).

In the Philippines, corruption has been described as endemic in the government and public service. With resources already scarce, it is imperative that existing public resources be utilised both efficiently and effectively. The prevention of corruption is critical to the further economic development of a country such as the Philippines.

## Corruption in the Philippines

Corruption in the Philippines is so entrenched that it is considered a part of life. Involvement in corrupt acts is necessary to procure government services. For example, the acquisition of a driver's licence requires the payment of 'grease' money to facilitate the processing of one's application by the licensing office. The sad fact is that people are aware that corruption is endemic to most government agencies but no action is taken to oppose it because of the time and effort involved in filing cases and appearing as a witness when it is uncertain that erring public servants will be penalised.

In order to address the issue of corruption prevention comprehensively, the problem should be approached from several different perspectives.

Six main areas of government have been identified as graft-prone

- electoral fraud—for example, vote buying and padding of voters' list
- legislative perks and privileges—legislators have discretion over the allocation, use and disbursement of development funds
- revenue assessment and collection—for example, bribes are paid to lower assessments or to enter into compromises

- regulatory and licensing arrangements—for example, money is given to obtain licenses, clearances or permits
- law enforcement—for example, bribe money is paid to avoid prosecution or to settle cases
- appointments and promotions—for example, preference is given to relatives or friends in appointment or promotion, some positions are ‘sold’ to the highest bidder.

The media can and does play an important role in monitoring and reporting corruption. The active participation of citizens’ watch groups can also deter corruption. There is growing support, both internationally and domestically, for transparency in government procedures and transactions. In fact, in the past few months, mounting public concern over a number of highly publicised contracts between the government and foreign firms has triggered congressional investigations.

It is worth noting that ‘ethical leader’, ‘core values’, ‘organisational culture’ and ‘open communication’ are common to all areas of corruption. These four characteristics shall be addressed in the discussion on establishing an ethical infrastructure in the public service through the performance appraisal system.

The following strategies are proposed to address the areas of corruption relating to electoral fraud, legislative perks, and revenue assessment and collection

#### Election fraud

- computerisation of election process
- deputation of more citizens’ watch groups
- conduct of nationwide voters’ education campaign
- expansion of performance reporting system of elective officials (community dialogues).

#### Legislative perks and privileges

- people’s advocacy that is the use of citizens’ group, business, media, academia, and so on, to reduce the discretionary power of legislators in the allocation and use of funds
- more formal coordinative mechanisms for consultation with respect to the use of development funds
- legislate Protected Disclosure Act.

#### Revenue assessment and collection; regulatory and licensing areas

- empower Commission on Audit to review tax assessment and compromise
- simplification of tax system, rules and procedures
- leadership and ethical training programs for managers and executives
- enhancement of staff development and training. Programs to focus on anti-corruption
- incorporation of core values/ethical conduct in the performance appraisal system.

## Public accountability and the performance appraisal system in the civil service

In the Philippine public service, there are institutions and mechanisms aimed at controlling corruption. However, no matter how many such institutions exist, they are only as good as the people that operate or implement them. Therefore, in trying to formulate a corruption prevention strategy, the most important consideration in effecting change is the human factor (Uhr 1998:104).

In effecting behavioural change, account must be taken of the ethics held by society. Uhr (1998) looks at an ethics strategy as a means not of eliminating fraud and corruption but of reinforcing the moral centre of the vast majority of officials who can respond to effective messages about what constitutes proper conduct (Uhr 1998:104). While an ethics strategy can reinforce good values, the same strategy can also be employed to change the values held by some public servants towards corruption prevention.

When one talks of public office, public accountability also comes into play. The 1987 Philippine Constitution declares that

Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives (Section 1 Article XI, 1987 Constitution).

The Constitution sets out the behaviour expected of public servants. This provision is a major component in developing an ethics infrastructure. As observed in the Ethics Checklist (OECD 1997:8)

The most critical part of the ethics infrastructure is the set of activities and elements that can help to foster and sustain an ethical culture which permeates the everyday work environment of individual public servants. Public servants need to develop a strong awareness of ethical issues and of how to apply ethical judgment to their work...Many of the measures that go to create an ethical culture need to be taken at the level of individual government agencies, although there are also steps that can be taken on a service-wide basis.

In establishing an ethics infrastructure, it is necessary to discuss public accountability (Dubnick 1998). One mechanism of monitoring public accountability that could also 'foster and sustain an ethical culture' is the performance appraisal system.

In the Philippine public service, the performance appraisal system is differentially applied according to level in the career service. The third level of the career service (managers, executives and directors) has the Career Executive Service Performance Evaluation System (CESPES) which is annually administered government-wide by the Career Executive Service Board. Areas for evaluation include: office performance (in terms of output *vis-à-vis* targets), management of resources, management of constraints, management of people, and linkages.

The third level represents a critical group since a lack of ethical leadership is one of the dimensions in the ethical framework that is consistently present throughout all areas of corruption. As one author has observed,

Leadership by senior managers is critical to creating an ethical culture both within individual agencies and across the public service...Ethics awareness, including the duty to act as a role model for ethics, is an important part of senior management training and development (Uhr 1998:104).

The rank and file of the second level (professional, technical and scientific) and first level (clerical, trades and craft) have the performance appraisal system administered biannually. The form employed varies from one agency to another to take into account the peculiarities of each agency. Agency or department heads are given discretion in formulating their own performance evaluation system.<sup>1</sup>

Essentially, the agency performance appraisal system would include the following

- performance relative to responsibility (*vis-à-vis* performance targets)
- behavioural factors such as punctuality, attendance and public relations.

The performance appraisal system is an important tool for increasing public accountability, especially in conjunction with the existing policy that tenure in government be based on performance. Unsatisfactory or poor performance as indicated via the performance appraisal system constitutes grounds for dismissal from the civil service. This policy is in line with the statement that

Management plans, policies and practices should reflect the agency's commitment to ethical standards and should include specific measures for strengthening the ethical culture. Matters such as merit in recruitment and promotion, equitable employment conditions, linkages between performance and rewards, appropriate remuneration, and actions taken to deal with inefficiency and misconduct will all have a bearing on morale and may ultimately affect standards of integrity and indeed susceptibility to corruption (OECD 1997:8).

## **The eight norms of conduct**

To make the performance appraisal system more effective in achieving behavioural change and to strengthen public accountability, ethical values should be incorporated into the system.

The Philippine Legislature in 1989 enacted Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees. The law covers all public officials and employees, including elected and appointed officials, members of the Armed Forces and those who render voluntary government service. The following norms are included in the code

- commitment to public interest—uphold the public interest over personal interest. All government resources and powers of respective departments,

- offices and agencies must be employed and used efficiently, effectively, honestly and economically, to avoid wastage of public funds and revenues
- professionalism—perform and discharge duties with the highest degree of excellence, professionalism, intelligence and skill. Civil servants shall enter public service with utmost devotion and dedication to duty, endeavouring to discourage wrong perceptions of their roles as dispensers or peddlers of undue patronage
  - justness and sincerity—remain true to the people at all times. Act with justness and sincerity, not discriminating against anyone, especially the poor and the underprivileged. At all times respect the rights of others, and refrain from doing acts contrary to law, good morals, good customs, public policy, public order, public safety and public interest. Public servants shall not dispense or extend undue favour on account of their office to their relatives, whether by consanguinity or affinity, except with respect to appointments of such relatives to positions considered strictly confidential or as members of their personal staff whose terms are coterminous with theirs
  - political neutrality—provide service to everyone without unfair discrimination regardless of party affiliation or preference
  - responsiveness to the public—extend prompt, courteous, and adequate service to the public. Unless otherwise provided by law or when required by the public interest, officials and employees shall provide information on their policies and procedures in clear and understandable language, ensure openness of information, public consultation and hearings wherever appropriate, encourage suggestions, simplify and systematise policy, rules and procedures, avoid red tape, and develop an understanding and appreciation of the socio-economic conditions prevailing in the country, especially in the depressed rural and urban areas
  - nationalism and patriotism—public servants shall at all times be loyal to the Republic and to the Filipino people, promote the use of locally produced goods, resources and technology and encourage appreciation of and pride in country and people. Public servants shall endeavour to maintain and defend Philippine sovereignty against foreign intrusion
  - commitment to democracy—public servants shall commit themselves to the democratic way of life and values, maintain the principle of public accountability, and manifest by deed the supremacy of civilian authority over the military. They shall at all times uphold the Constitution and put loyalty to country above loyalty to persons or party
  - simple living—officials, employees and their families shall lead modest lives appropriate to their positions and income. They shall not indulge in extravagant or ostentatious displays of wealth in any form.

The observance of these norms could provide the basis for evaluating the performance of public servants and constitute the means by which the public may hold them accountable. 'Codes reflect political judgment about the community values and expectations of those in public office. Thus, they provide an important focal point for the community itself, reminding it about the values it can reasonably expect of those who manage the public office' (Uhr 1998:8). Integrating these norms of conduct with the performance appraisal system complements the other strategies—such as leadership and ethical training—employed to effect behavioural change.

With these eight norms as a guide, agencies could formulate their own code of conduct. Likewise, these norms could be incorporated into their own performance appraisal system. As agencies have discretion in formulating their own performance appraisal system, they have discretion over the manner in which these norms would be integrated into their existing performance appraisal system and their internal code of conduct. In order for norms of conduct to be embodied and be effective as a strategy for causing behavioural change, it is necessary to take into consideration the particular circumstances prevailing in each agency. Uhr (1998) has observed that

much...of the substance of administrative ethics varies according to responsibilities of office conferred by law and policy on the many government agencies, offices and officers. Public sector ethics requires a combination of a lean set of central declarations of core values and a wide range of agency-specific identification of roles and responsibilities.

The introduction of peer and public evaluation of public servants on ethical and behavioural standards could also be incorporated into the performance appraisal system. At present, only the immediate supervisor can rate the performance of a public servant in the first or second level. In the third level, evaluation is undertaken by superiors and subordinates. This process of allowing the public to evaluate public servants puts into practice the principle of public servants literally being held accountable to the public.

## **Conclusion**

As for any reform relating to personnel matters in the public service, an issuance from the Civil Service Commission (the central personnel agency of the government) should clearly outline the strategy and government agencies to adopt the policy.

The incorporation of ethical values in the performance appraisal system does not mean that one can immediately expect public servants to start exhibiting ethical behaviour. Such a presumption is rather too hopeful. The compulsory observance of ethical norms, through an administrative issuance, would at least create a semblance of behavioural change. Observance of norms in order to comply with regulations could be the beginnings of effecting lasting behavioural change. At least it is a step in the right direction—government can only progress when public servants are forced to commit to ethical behaviour and standards.



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## Notes

<sup>1</sup> Each department or agency shall prepare a career and personnel development plan which shall be integrated into a national plan by the Commission which shall serve the basis for all career and personnel development activities in the government. The Career and Personnel Development Plan shall include provisions on merit promotions, performance evaluation; in-service training; overseas and local scholarships and training grants; suggestions, incentive award systems, provisions for welfare, counselling, recreation and similar services; and other human resource development interventions such as on the job training, counselling, coaching, job rotation, secondment, job swapping and others. (Section 2 Rule VIII, Implementing Rules of Book V, Administrative Code of 1987).