Ethical Staff Behavior at Alalay Sa Kaunlaran, Inc. (ASKI):

AN INTERVIEW WITH MARY JANE MACAPAGAL, RESEARCH AND TRAINING DIRECTOR

Smart Campaign (SC): Thank you for taking the time to share ASKI’s experience with us. How does ASKI define “ethical staff behavior?”

Mary Jane Macapagal (MM): It is behavior that ensures that clients are always treated fairly and with respect, so that they receive the best services possible. It is very important to uphold the right organizational values, attitude, and standard of service so that the customer knows that they are truly valued by the organization.

SC: How does ASKI promote a culture of ethical staff behavior?

MM: In addition to our operational policies and procedures, we have a Code of Conduct and Discipline, which explains what ASKI expects of each staff member. The code outlines the “dos” and “don’ts,” of staff behavior—as well as the consequences of violating the code. For example, a loan officer is suspended for three days upon his third offense related to discourteous behavior toward a client.

All new staff members are trained on the code during their orientation. The training includes case studies to illustrate “real life” applications of the code. After staff and managers are trained, they must pass an exam that indicates their understanding of the code and its implications for their work. Additionally, in ASKI’s performance reviews, staff are evaluated on their “soft skills,” which includes ethical behavior.

SC: What is included in the Code of Conduct and Discipline?

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The main focus is staff relations with customers. It outlines our core values like God-centeredness, integrity, stewardship, excellence, and commitment to serving the needy. It stresses ASKI’s expectation for client treatment—especially the importance of maintaining high job performance, such as a quality portfolio, while also observing the highest standards of customer service. The code also covers practical matters such as being on time, maintaining client confidentiality, and avoiding conflicts of interest, such as receiving gifts from clients.

SC: Who developed ASKI’s Code of Conduct and Discipline?

MM: First, a Human Resources committee composed of senior managers and representatives from the Board of Directors developed a draft code. This initial draft reflected client feedback that ASKI had already collected using our customer complaint system. A draft of the document was then presented at our annual retreat. During a workshop breakout session, staff were able to review the code, comment on it, and ask any clarifying questions. For example, one question they asked was whether or not checking client credit history violated the principle of confidentiality. They also asked for specifics on how code violations would be punished.

After receiving staff feedback, the committee revised and finalized the code. ASKI also decided to review the code every five years, as we want it to reflect our ongoing learning about ethics and customer service. Our next review is scheduled for July 2011.

SC: How do you monitor the implementation of the Code among staff?

MM: We do this in several important ways:

1. Our internal audit team regularly checks staff compliance with anti-corruption policies and procedures as part of regular internal audits.
Aside from reviewing a client’s credit documents (official receipts, collection report, loan repayment schedules, etc.), internal auditors interview clients, and use a process map and compliance checklist to ensure that correct processes have been followed.

2. ASKI informs employees on the proper procedure to report any workplace ethics violations that they observe or hear about.

3. In 2010, ASKI started conducting client satisfaction surveys through a research team. During these interviews, the team asks clients if they receive respectful and ethical treatment from ASKI loan staff. This report is given to branch and senior management who use it to check staff service performance and improve on any weaknesses.

4. To complement this feedback mechanism, we have a system called *Komento mo…I-TEXT MO!* (“Send us your comments by TEXT!”). This is another feedback system for clients to communicate with ASKI. We provide clients with a phone number, and they use it to send us text messages that include questions and complaints. Clients know that this is a confidential way for them to complain about employee behavior. Likewise, employees know that all clients are empowered to comment on staff behavior at any moment. Furthermore, with this system, ASKI can get immediate feedback and respond to problems within two weeks. In addition to providing better service to clients, the text system helps us to identify problems, enforce the Code of Conduct and Discipline and ensure that our employees keep their behavior in mind during all interactions with clients.

**SC: What happens when a staff member is suspected of violating the Code of Ethics?**

**MM:** When a violation on the Code of Ethics is suspected/identified through a report from coworkers, clients, supervisors, or internal auditors, we follow a set procedure. We call the process the ASKI Values Protocol.

- The case is documented by the immediate supervisor or auditor
- This documentation is presented to the employee’s manager for review, if appropriate. If it is not appropriate to involve the immediate supervisor, the case is reviewed at a higher level, to ensure an objective assessment.
- The Internal Audit Team conducts and documents an initial investigation, and presents the findings to an Ethics Committee, which is led by the Human Resources department.
- The Ethics Committee reviews the case and selects an appropriate sanction using the Code of Conduct and Discipline Manual as reference. Sanctions depend on the gravity of the offense.
- Senior management follows-up on the case to make sure appropriate steps were taken to resolve the issue.
- The outcomes are documented by the immediate supervisor (unless implicated, this is the Branch Manager) and presented to the Ethics Committee. If they are satisfied with the outcomes, they declare the case closed.
**SC:** How are staff rewarded and punished?

**MM:** A staff member who receives any disciplinary action is ineligible for promotion for one year. Of course, more serious offenses may result in employee probation or termination. On the other hand, positive feedback is reflected in the employee’s performance evaluation. The regular staff performance appraisal report includes an item relating to staff policy compliance. ASKI also recognizes outstanding staff members and uses compliance on Code of Ethics policies as indicator for this award.

**SC:** This sounds like a lot of work—is it worth it?

**MM:** It is worth it, because it benefits our employees and clients. First, staff want to know what is expected of them; since they understand what ethical standards they are expected to uphold, they are more composed and productive. Secondly, our clients get better service. A third-party evaluation conducted last year showed that one of the top reasons our customers choose ASKI over competitors is that our staff treats them well and fairly.