

PHILIPPINE NATIONAL BANK (PNB): EMPOWERING EMPLOYEES TO SPEAK UP THROUGH WHISTLEBLOWING MECHANISMS



PBCWE Member since: 2019



8,880



34%



66%

Challenge

Employees are the lifeblood of any business. Performing day-to-day operations, employees can be a source of innovation and ideas for improvement. Knowing the ins and outs of the company, they are well-positioned to spot any issue and take action before it escalates. At the Philippine National Bank (PNB), employees are seen as key contributors to the achievement of business objectives. As the company endeavors to improve its corporate governance and risk management, it has set up additional whistleblowing mechanisms to give employees a voice in reporting actions contrary to company policy.

Strategy

Whistleblowing or reporting on violations of the company code of conduct or other company policies goes hand in hand with anti-corruption measures in promoting transparency and integrity. One reason PNB laid down a strong whistleblower policy is "to protect the bank from damages to assets, reputation, finances, and people and mitigate risk and losses through the early discovery and proper reporting of suspected or actual wrongdoings."

Although whistleblowing can bring a lot of good to a business, it can have drastic repercussions on the whistleblower. While some whistleblowers

have been lucky enough to be portrayed as heroes for exposing malpractice or irregular activity, others have been painted as snitches – disloyal, self-serving, and opportunistic. Potential whistleblowers also fear workplace retaliation, which can take the form of poor performance evaluations, harassment, transfers, suspensions, or even termination.

To address such fears, PNB has strengthened its whistleblower policy to ensure the confidentiality and protection of the whistleblower by including anti-retaliatory provisions, and enumerating procedures for reporting and investigation. This is quite a feat in a country like the Philippines which has yet to pass a national law to protect whistleblowers, though some limited protection is offered by the Witness Protection, Security and Benefit Act, as well as corporate regulations applicable to publicly listed companies like PNB.

Though men and women face the same risks in whistleblowing, Transparency International, the global coalition against corruption, reports that women may experience more anxiety and stress in whistleblowing due to fears of not being taken seriously, workplace pressures to be team players, and an interplay of other social and cultural notions. Studies have found that women, in particular, are influenced by social judgment or the reaction of family, friends, colleagues, and management in deciding whether or not to blow the whistle.

To protect all employees and ensure employees are treated fairly regardless of gender and background, PNB has strengthened confidentiality and enhanced anti-retaliatory provisions to its whistleblower policy. This can help more women feel more comfortable to report on misconduct at the workplace by protecting their identities and shielding them from social judgment.

Actions

In revising its whistleblower policy, PNB embarked on an inclusive consultative process that solicited inputs across all levels, from rank-and-file employees to senior management, instead of taking the traditional route of hiring an external consultant. By launching a bank-wide survey, conducting focus group discussions with various stakeholders, researching on best practices, and benchmarking against international standards, the bank was able to come up with a comprehensive policy and successfully translated it into action.

Setting up structures

PNB has a Committee that investigates, deliberates, and decides on appropriate actions on whistleblower and retaliatory cases raised by company personnel. The Committee is composed of five members chaired by the head of the Human Resource Group. Members are nominated based on their probity, integrity, character, and expertise and are later confirmed by the President. Emphasis is given on diversity in the functional groups represented by the Committee members. This helps to ensure that there is a subject matter expert who can drive the discussion with insights on specific operations. The Committee is supported by a secretariat and meets unfailingly once a week.

Establishing reporting channels

PNB employees can anonymously file reports or complaints about internally suspected or actual violations of company policy through a dedicated hotline and email managed by the Committee secretariat. They can also make a verbal report to the Committee, President, and other identified executives or submit a disclosure of violation/complaint form to any of the aforementioned persons.

Intensifying information dissemination

Though some employers simply provide new employees with print or electronic resources on whistleblowing upon hiring PNB does regular reiteration campaigns to raise awareness on the whistleblower policy and encourage every employee to feel safe about speaking up.

The whistleblower policy is included in the onboarding process of new hires, office and branch huddles, and other training programs. A webinar series was also launched.

Aside from employee handbooks, PNB will issue wallet cards containing the whistleblower hotline, email address, and other reminders in the form of conducting morning huddles stressing significant points about the policy. This is supplemented by an electronic repository which employees can easily access if they need more information.

Every now and then, PNB issues email bulletins stressing important provisions of the whistleblower policy. These bulletins contain catchy infographics and tidbits that are easy to understand. Through proper dissemination, PNB's whistleblower policy takes off the pages and becomes truly operational.

Taking action until resolution

PNB has recognized the need to let employees know that its provisions are adhered to and implemented with commitment and confidentiality. All reported incidents – from minor infractions to serious offenses – are promptly acted upon “by conducting a timely, proper, and thorough investigation” with regular feedback and follow up to the whistleblower. Following due process, which includes fact-finding and hearing, the Committee will render a judgment with appropriate corrective action. This could entail a written reprimand, imposition of an administrative charge or financial liability, all the way to dismissal from service.

Throughout the process, names are not disclosed. Only concerned management and members of the secretariat will see the names during the signing of the decision. Beyond the decision, PNB through the secretariat and sometimes in partnership with the accredited employees' union, also offers counselling to the parties concerned. It is also worth noting that even the COVID-19 pandemic could not stop the work of the Committee as hearings are now conducted virtually.

Outcomes

The whistleblower policy seems to be working. In terms of awareness, aside from the policy dissemination, more than 700 employees participated in the two-hour whistleblower webinar series organized in 2020 alone. There were more complaints filed in 2020 signifying that employees have become more comfortable reporting behaviors contrary to the set standards. Of the complaints filed, seventy percent (70%) have already been resolved. It is interesting to note that most of these complaints were filed anonymously – which appears to be the most preferred mode of reporting.

Perhaps the most promising indicator of success that the whistleblower policy has contributed to developing confidence among employees is the direct feedback from employees themselves.

As PNB employee Melvin put it, “I felt more secure at work after learning that I am protected by the policy. I know what to do and say and whom to approach when these circumstances occur.”



Source: PNB's Whistleblower Policy Webinar

The secretariat has also received many thanks about cases that are moving and being resolved quickly.

Likewise, the Securities and Exchange Commission and Institute of Corporate Directors have bestowed on PNB the 2019 ASEAN Asset Class Philippine Public Listed Company (PLC) Award for its corporate governance performance. The award is given to companies that scored at least 75% on the ASEAN Corporate Governance Scorecard (ACGS), which evaluates different aspects of operations, including whether or not a company has a whistleblowing policy.

The ACGS was developed to raise corporate governance standards and practices in the ASEAN and promote ASEAN as an asset class for foreign investments.

Employee Experience



International Transaction Processing Division Head Ma. Agnes T. Almosora recently became a member of the Committee.

She brings to the table a wealth of experience from her 13 years at PNB, as well as her stint with other employers. She likened the PNB whistleblower policy to that of a multinational corporation.

“Whereas other local companies deal with whistleblowers on a case-to-case basis, the PNB policy is well-structured and uniform in implementation. It helps the bank maintain an atmosphere of good governance. With freedom to report observations, employees are happy because they can speak up without being bullied.”

Fellow Committee member and Head of Investments Dennis Anthony L. Elayda adds,

“The bank is committed to the highest moral and ethical standards in the conduct of its business. The whistleblower policy encourages employees to report co-workers, officers, and peers who violate bank policy without fear of harassment and retaliation. The Committee considers every case resolved as a big accomplishment because it gives closure to the bank and employee, as well as to stakeholders and customers.”

Through information dissemination and strong and consistent implementation of its whistleblower policy, PNB is embedding a speak up culture that not only discourages improper and unethical behaviors but also empowers employees to bring up concerns and share ideas to help the bank achieve its goals.

Moving Forward

Although new ESC members are experienced professionals and receive mentorship from the chair and other members, consider more formal training on disciplinary and grievance procedures, conducting investigations, conflict resolution, managing emotions, unconscious bias, and other areas that can promote more efficient and effective case evaluation especially for those without legal background.

- In line with EDGE findings, set a gender composition target for Committee membership and adopt a gender perspective in succession planning for the Committee membership and other key leadership positions. Improve transparency in the selection process.
- Study the incentives and disincentives for men and women to speak up and design corresponding gender-sensitive measures to address them.



The Philippine Business Coalition for Women Empowerment (PBCWE) was launched in March 2017 through Investing in Women, an initiative of the Australian Government. In the Philippines, IW has partnered with the Philippine Women's Economic Network (PhilWEN) to create a business coalition to pursue Gender Equality (GE) in the workplace and Women's Economic Empowerment (WEE) nationwide.

PBCWE is made up of influential businesses that are large employers who will take the appropriate steps to improve gender equity in their own workplaces and to influence businesses, both in their supply chains and other large businesses, and to also become better employers of women.



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The first universal bank in the Philippines to be certified as gender-equal after receiving its Economic Dividends for Gender Equality (EDGE) Certification.

LinkedIn's 2021 Top Companies list in the Philippines

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