PHILHEALTH: ALIGNING LEADERSHIP COMPETENCIES AND PERFORMANCE

(Determining Leadership and Managerial Competencies of PhilHealth Executives and Managerial Officers, and Enhancing the Tools in Assessing Them)

INTRODUCTION

Competency framework and competency-based approach to leadership have emerged in the country and has been utilized in many organizations, including the government. These are some of the indicators of good governance enforced and monitored by the Civil Service Commission (CSC) and the Governance Commission for GOCCs (GCG).

As PhilHealth practices good governance, it has been consistently achieving highest rates and/or scores from the EON Group on Philippine Trust Index, CSC on Anti-Red Tape Authority (ARTA) compliance, Social Weather Survey on Public Satisfaction, and CSC Contact Center ng Bayan on Resolution Rate. However, despite the practice and observation of good governance, PhilHealth still faced various controversies concerning alleged fraudulent acts and corrupt practices, as well as fractures in the current policies, process and standards. These controversies result in questions on the competencies of PhilHealth management and demands for PhilHealth to fix the gaps in the policies and systems to eradicate fraud acts and practices, and ensure fund sustainability.

To ensure that PhilHealth consistently implements good governance including the review and improvement of policies, systems and competencies of the workforce, the Executive and Managerial Officers (EMOs) play a very important role in leading the related initiatives. It is therefore vital to look into the competency framework for leadership and management.

COMPETENCIES AND THEIR RELATIONSHIP TO ORGANIZATION PERFORMANCE

PhilHealth subscribes to the Quality Management System and Balanced Scorecard, where the importance of determining the necessary capabilities and competencies of a person/s doing the work is acknowledged.

1) For the quality management system (QMS), as a formalized system that documents processes, procedures and responsibilities, **competency is one of the resources needed** in the establishment, implementation, maintenance and continual improvement of QMS.
   ISO 9001:2015 competency clause specifies that the organization shall:
   a) determine the necessary competence of person/s doing work under its control that affects the performance and effectiveness of the quality management system;
   b) ensure that these persons are competent on the basis of appropriate education, training, or experience;

c) where applicable, take actions to acquire the necessary competence and evaluate the effectiveness of the actions taken;

d) retain appropriate documented information as evidence of competence.

It should be noted that applicable actions can include, for example, the provision of training to, the mentoring of, or the re-assignment of currently employed persons; the hiring or contracting of competent persons.

Also under ISO 9001:2015, leadership and commitment with respect to the Quality Management System has to be demonstrated by Top Management by:

a) taking accountability for the effectiveness of the quality management system;

b) ensuring that the quality policy and quality objectives are established for the quality management system and are compatible with the context and strategic direction of the organization;

c) ensuring the integration of the quality management system requirements into the organization's business processes;

d) promoting the use of the process approach and risk-based thinking;

e) ensuring the resources needed for the quality management system are available;

f) communicating the importance of effective quality management and of conforming to the quality management requirements;

g) ensuring that the quality management system achieves its intended results;

h) engaging, directing and supporting persons to contribute to the effectiveness of the quality management system;

i) promoting improvement;

j) supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

2) For the balanced scorecard, it is a strategy performance management tool which facilitates alignment with the organization, connecting the individual workers to the organizational goal. As to Organizational Capacity (or Learning and Growth), it views **human capital in addition to infrastructure, technology, culture and other capacities as the key to breakthrough performance**. PhilHealth's performance scorecard is submitted to the GCG annually together with the competency assessment report.

In the GCG Performance Evaluation System Guidebook, GOCCs were instructed to identify the Strategic Objectives in the Learning and Growth Perspective by ensuring that there's alignment of people (workforce) to improve and support the critical core processes. This perspective covers:

a) Human Capital - this looks into the gaps between available and required **competencies** in the workforce.

b) Organizational Capital - this looks into the **leadership**, culture, alignment and teamwork.

c) Information Capital - this looks into the systems and IT application put in place that will help in achieving the strategy.

Further guidance was provided by the GCG through its Frequently Asked Questions (FAQs) on Competency Frameworks/Models. The FAQs was addressed to all GOCCs that committed in their Performance Scorecard the development of a Competency Framework/ Model.

These management systems will ensure PhilHealth's use of the competency-based management approach for a sustained good governance.

Further, the Civil Service (CSC) PRIME HRM requires government agencies to implement a competency-based human resource management and development system to be able to acquire and maintain a CSC accreditation level. This is particularly important for an effective and efficient HR systems in PhilHealth – facilitating the swift recruitment, selection, and placement process.

ALAMIN ANG KAKAYAHAN PAGBUTIHIN AT PANATILIHIN (AKAPP)

In PhilHealth, the competency management started in CY 2013 as part of the Corporate Reengineering efforts. The components of the framework include organizational competency, core competencies, business process area - competencies, cross-business process area competencies. The competency framework of the organization was reviewed and improved several times. The leadership and management competencies were included in CY 2014 as part of the Strategic Performance Management System's feedback tool on competencies with designated section for "Supervisor/Manager Core Competencies[1]". The competencies were reviewed again in CY 2016 that led to the birth of the "AKaPP", which was the brand name given to PhilHealth competencies. **AKaPP** or the *Alamin ang Kakayahan Pagbutihin at Panatilihin* resembles the Filipino word "yakap"[2] to signify that the Corporation values the employees and that the competencies of the employees are being taken care of. In CY 2019, PhilHealth competency framework was again improved to include the job-level competencies, which are needed in the process of recruitment, selection and placement[3]. The same was also submitted to the GCG as part of its Annual Performance Scorecard. The latest revision of the competency framework happened in CY 2020, where all Heads of Office/Department were given the opportunity to once again review the job-level competencies of the positions under their unit and improve the same, if necessary.

The AKaPP is composed of five (5) clusters, including the leadership and managerial competencies. It has ten (10) identified leadership and management competencies – accountability, flexibility and resilience, conflict and crisis management, organizational

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[1] Annex F-3 of PhilHealth Officer Order No. 0014-2015, page 6 of 8
[2] PhilHealth Corporate Order No. 2016-0094, part II, page 2 of 15
[3] PhilHealth Corporate Order No. 2020-001

communication, critical and systematic thinking, creative thinking and innovation, judgement, environment acumen/ political sensitivity, leadership and management. For each of these competencies, the required proficiency level is Optimal.

Competency	Currently Required Proficiency Level from EMOs	Currently Possessed Proficiency Level of supervisors and EMOs
1) Accountability	Optimal	Proficient
2) Conflict and Crisis Management	Optimal	Proficient
3) Creative Thinking and Innovation	Optimal	Proficient
4) Critical and Systematic Thinking	Optimal	Proficient
5) Environment Acumen/ Political Sensitivity	Optimal	Proficient
6) Flexibility and Resilience	Optimal	Proficient
7) Judgment	Optimal	Proficient
8) Leadership	Optimal	Proficient
9) Management	Optimal	Proficient
10) Organizational Communication	Optimal	Proficient

Based on the available report of the PhilHealth, the gap between the competency required and possessed level of proficiency cannot be easily identified – the result of the survey shows a combined average for EMOs and supervisors.

Further into the examination of the competency requirements, a sample showed that there are additional competency requirements that may be included for the position of the Executive Vice President. Also, there are key actions of present competencies that may be assessed/measured using a different tool/method.

RECOMMENDATION

The following recommendations are offered to guide PhilHealth policy-makers (Management Services Sector and the Office the President and CEO), and decision-makers (the Executive Committee and the Board) in determining the competency requirements of its leaders, enhancing its competency assessment tools and achieving optimum organization performance:

Strengthen the implementation of monitoring and evaluation process that will ensure strict compliance of EMOs to the competency management, career development and strategic performance management system (SPMS)
1) Develop a communication plan aimed at increasing the understanding of EMOs about the competency management initiatives of the Corporation.
2) Take advantage of technology in making sure better compliance (e.g. push notifications, improving user experience in accomplishing online assessment forms, etc.)

3) Perform an in-depth analysis of competency assessment results.
4) See if the competency assessment result is being utilized as input to plan the competency and career development of the EMOs. The iLEAP contains the individual career goals covering 1 - 2 years, the competency gaps identified by the rater and the ratee as well as the initiatives to bridge the gap/s within a specified timeframe and the expected results.
5) Analyze the training attended of supervisors and EMOs, if these trainings are included in the individual career development of and initiatives to bridge the competency gaps for the EMOs.
6) Review the Executive-Managerial Officer Performance Scorecard (EMOPS). Based on the performance of EMOs in the "Strong Foundation" Perspective, look at the following:
   a) Is the leadership and management competency AKaPP Result converted into performance score under the Strong Foundation perspective?
   b) How the planned learning and development is translated under the "Strong Foundation perspective" performance score?

Review and improve the competency requirements for EMOs to ensure that the duties and responsibilities are supported with appropriate competencies
1) In every initiative, it is important to gain the support of stakeholders. In this case, the EMOs themselves. Respect and regard to their stature/position in the Corporation should be taken into consideration. As such, the perspective and technical expertise of an external consultant to develop an objective-type competency assessment and a competency assessment center to that effect is recommended.
2) Engagement with the external consultant will include these deliverables: Inception Report (project work plan/ time table, tasking and work standards, and protocols), Manual of Competency Model with Competency Dictionary, Assessment and Tools, Determination of the Level of Competency of EMOs, and Assessment Profile/ Report.

Bolden and Gosling (2006) warned organizations on the difficulty of misuse and over-reliance on leadership competencies as they can create unrealistic expectations on performance, pointing out that acquiring various competencies does not necessarily make manager competent and identified that in order for managers and leaders to display the competencies acquired through training and development they require the support and encouragement of their own managers. Thus, simply acquiring a competency does not necessarily mean that you will use it nor does the absence of a competency makes you 'incompetent'. Thus, it is also equally important for PhilHealth to:

Establish a periodic assessment of factors affecting PhilHealth employees' work productivity and performance (e.g. job satisfaction, work environment, and political pressures) and take appropriate action to resolve any critical gaps to be identified.
1) Assess the determinants of job satisfaction among EMOs and launch a periodic job satisfaction survey.

2) Determine presence or absence of enabling working environment. Focus maybe on physical (space, light, sound, noise, temperature, furniture and fixtures) and IT infrastructure (computer, Internet connectivity and others).

3) Map political influence on PhilHealth policies.

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