

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 448

ESTABLISHING THE PHILIPPINE QUALITY AWARD AND CREATING THE
PHILIPPINE QUALITY AWARD COMMITTEE

WHEREAS, the Philippines has adopted the National Action Agenda for Productivity as a comprehensive strategy to sustain its economic growth, further strengthen the global competitiveness of its products and services, and accelerate its transformation into a Newly Industrialized Economy;

WHEREAS, there is a need to establish a national system of awards as a specific strategy to promote quality excellence in private and public sector organizations and provide a framework for assessing organizational performance and recognizing quality excellence;

WHEREAS, award winners can serve as benchmarks and models of excellence for other organizations to emulate, thereby building a culture of continuous improvement in the country;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Establishment of the Philippine Quality Award. The Philippine Quality Award (PQA) is hereby established to be conferred annually to qualified organizations in the private and public sectors which have demonstrated any of the four levels of performance, namely:

- a. Platinum Award for Quality (Excellence Award)

The organization should have demonstrated management excellence by the purposefulness with which it continues to improve and build upon outstanding results and excellence systems. It should serve as a national and global model.

- b. Gold Award for Quality (Mastery Award)

The organization should have demonstrated, through its practices and achievements, superior results clearly linked to robust management systems. It should exhibit practices which other organizations can learn from and should serve as a role model for other organizations in the Philippines.



11

c. Silver Award for Quality (Proficiency Level)

The organization should have demonstrated, through implementation of quality and productivity management principles, significant progress in building sound and notable processes. It should have a documented and solid approach to system-level quality and productivity management, and has been implementing quality and productivity improvement plans and procedures.

d. Bronze Award for Quality (Commitment Level)

The organization should have demonstrated its serious commitment to the PQA as a catalyst for improvement and a means of promoting competitive and managerial excellence. It should have planted the seeds of quality and productivity and is working towards reaping long term benefits of its efforts.

SEC. 2. Objectives of the Award. The Philippine Quality Award, herein referred to as PQA, has three objectives:

- a. To promote standards on organizational performance comparable to those of leading businesses abroad pursuant to the country's effort to be globally competitive;
- b. To establish a national system for assessing quality and productivity performance, thus providing both private and public sectors with criteria and guidelines for self-assessment to guide continuous improvement efforts; and

To recognize organizations which have achieved the highest level of quality and business excellence, thus providing Philippine industries with benchmarks and models to emulate.

Sec. 3. Creation of a Philippine Quality Award Committee. There is hereby created a Philippine Quality Award Committee under the Philippine Council for Productivity to oversee the PQA System to ensure the credibility of all aspects of the award system, including the adequacy of the criteria and processes for conferment of the awards, and to assess how well the award is serving the national interest.

SEC. 4. Composition of the Committee. The PQA Committee shall be chaired by the Secretary of the Department of Trade and Industry, with



the President of the Development Academy of the Philippines as Vice-Chair and the President of the Philippine Quality and Productivity Movement as Co-Vice-Chair. The heads of the following agencies/organizations shall serve as members of the Committee:

- a. Philippine Society for Quality Control;
- b. Department of Budget and Management;
- c. Industry Development Council;
- d. Management Association of the Philippines;
- e. National Wages and Productivity Commission; and
- f. Philippine Association for Technological Education.

The Chairman of the National Wages and Productivity Commission shall designate, as member representing the labor sector, a recognized labor leader actively working in the area of quality management.

~~The Chairman of the Civil Service Commission shall be invited to participate as member of the PQA Board:~~

SEC. 5. Functions of the Philippine Quality Award Committee.

The PQA Committee shall have the following functions:

- a. Serve as the steering and policy-making body for the PQA;
- b. Set up and review the designation of the Award Administration including the institutional structure and operational mechanisms of the PQA System;
- c. Adopt a system of public and private counterparting for the management of funds during the initial years of the PQA implementation;
- d. Contribute the initial seed fund for the PQA and eventually establish an Endowment Fund;
- e. Advocate legislative proposals including appropriations for the PQA;
- f. Initiate and coordinate the necessary activities for the successful implementation of the PQA;
- g. Set guidelines and criteria for the evaluation of award applicants and the selection of the awardee;

M

- h. Plan and implement appropriate awarding ceremonies;
- i. Submit regular reports to the President through the Philippine Council for Productivity; and
- j. Perform other functions as may be deemed necessary and incidental to carry out the objectives of this issuance.

SEC. 6. Scope of the Award. The PQA shall be conferred annually to qualified organizations following eligibility categories:

a. Private Sector Awards

Manufacturing Companies
Service Companies
Agricultural Producers
Small and Medium Enterprises

b. Public Sector Awards

National Line Agencies
Government-Owned and Controlled Corporations
Local Government Units

SEC. 7. Method of Selection. Awardees shall be selected using the following major criteria:

- a. Leadership
- b. Information and Analysis
- c. Strategic Planning
- d. Human Resource Development and Management
- e. Process Management
- f. Business Results
- g. Customer Focus and Satisfaction

SEC. 8. Implementing Agencies. The following agencies/offices are hereby designated the following tasks:

- a. The Award Manager shall be the Department of Trade and Industry. As Award Manager, the DTI shall be responsible for the conduct of the awards process. It shall validate and endorse to the President the list of awardees selected by the Board of Judges.



- b. The Award Administrators shall be the Philippine Society for Quality Control for the private sector and the Development Academy of the Philippines for the public sector. The Award Administrators shall disseminate award application and information materials, receive award applications and provide secretarial services for the Team of Assessors.

- c. The Team of Assessors and the Board of Judges, the composition of which shall be chosen by the PQA Committee, shall be a well-selected and specially trained group of business and quality practitioners from industry, academe and government. The Team of Assessors shall evaluate award applications and prepare feedback reports. The Board of Judges shall review and recommend award recipients to the PQA Committee.

SEC. 9. Organization of a Management Committee. - In the performance of its duties and responsibilities, the PQA Committee shall organize a Management Committee to serve as the implementing arm as well as administrative secretariat of the Committee.

The PQA Committee shall invite other organizations to undertake technical work and mobilize public support for the PQA, as may be necessary.

SEC. 10. Funding. A seed money of one million pesos (P 1 M) shall be charged to the budget of the Department of Trade and Industry. Member organizations of the PQA Committee shall contribute additional funds necessary for the attainment of the objectives of this issuance. Assistance from government and the private sector shall be solicited to establish an Endowment Fund for the PQA System. The PQA Committee shall be responsible for creating a Foundation which shall manage the Endowment Fund.

SEC. 11. Trophy Design. The PQA trophy shall bear the Presidential Seal and the Logo of the Philippine Quality Award. The PQA Committee shall prescribe the design specifications of the trophy.

SEC. 12. Conferment of the Awards. The Awards shall be conferred by the President of the Philippines in appropriate ceremonies for this purpose.



SEC. 13. Implementing Guidelines. The Department of Trade and Industry shall issue the necessary guidelines for the effective implementation of this Executive Order.

SEC. 14. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 3rd day of October in the year of Our Lord, Nineteen Hundred and Ninety-Seven.



By the President:



RUBEN D. TORRES
Executive Secretary
10 4 97

FMS LIBRARY

ived

OCT 28 1997 *fdm*
Date



PMS LIBRARY BCODE006296