

# **Exploring the Challenges Faced by Higher Education Institutions in Implementing the Philippine Quality Award Framework: Basis for Action Planning**

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## **Abstract**

This study described the challenges of Philippine Higher Education Institutions in using the Philippine Quality Award (PQA) framework and identified opportunities for improvement as bases for action plans. The study delved into various dimensions, including senior leadership, governance, societal responsibilities, strategy development, strategy implementation, the voice of the customer, customer engagement, measurement, analysis, and improvement of organizational performance, knowledge management, information, and information technology, workforce environment, workforce engagement, work processes, operational effectiveness, product and process results, customer-focused results, workforce-focused results, leadership and governance results, and financial and market results. The study included 150 out of 177 (84.75%) senior leaders from private and public Higher Education Institutions (HEIs) who had received Level 1 recognition of the Philippine Quality Award from 2005 to 2021. The researcher adopted the Philippine Quality Award (PQA) evaluation tool. The study revealed that most respondents are affiliated with private autonomous colleges operating for 40 to 50 years with notable achievements in quality assurance. Respondents face some challenges in Categories 3.1 - Voice of the Customer, 7.5 - Budgetary, Financial, and Market Results, and 5.2 - Workforce Engagement. Finally, to help HEIs improve at the PQA level, the researcher identified actionable insights through opportunities for improvements based on the findings and results of the study, which can serve as bases for action planning of educational institutions.

## **Keywords**

Quality Education, Higher Education, Quality Assurance, Total Quality Management, PQA Categories

## **1. Introduction**

The Philippine Quality Award (PQA) Program was created by Republic Act 9013, which former President Fidel V. Ramos signed into law on February 28, 2001 (Republic Act No. 9013 | GOVPH 2001). The PQA Criteria for Performance Excellence serve as a framework to monitor, analyze, and improve an organization's performance. They are based on the Baldrige Performance Excellence Program of the United States. The National Institute for Standards and Technology (NIST) established the Baldrige National Award program in 1987, focusing on manufacturing, services, and small enterprises. Since then, it has expanded to include educational management practices (Young, 2002; Halloran 2008).

However, there is a lack of literature specifically dedicated to the PQA, with most studies primarily referencing Malcolm Baldrige. To address this gap, the researcher undertook a comprehensive study encompassing all PQA categories and examined each requirement within these seven categories.

The PQA program evaluates organizations by examining their performance and continuous improvement mechanisms. It considers their approaches to key process categories (Categories 1-6) and their results (Category 7). The PQA criteria for performance excellence are structured around seven categories: leadership, strategy, customers, measurement, analysis, and knowledge management, workforce, operations, and results.

Organizations in both the private and public sectors can receive the PQA Award, which is granted based on the following levels of achievement: Level 4 – Philippine Quality Award for Performance Excellence; Level 3 – Recognition for Mastery in Quality Management; Level 2 – Recognition for Proficiency in Quality Management; and Level 1 – Recognition for Commitment in Quality Management. These distinctions are awarded to organizations that have demonstrated outstanding commitment and achievements in the realm of quality management.

Furthermore, using the PQA categories provide educational institutions with a structured framework for aligning their strategic objectives with day-to-day operations. This alignment ensures that all actions and initiatives are directly linked to the overarching goals, creating a cohesive and purpose-driven environment. By aligning strategy and operations, institutions can optimize resource allocation, streamline processes, and maximize their ability to achieve desired outcomes efficiently.

In this study, the researcher surveyed senior leaders from seven Higher Education Institutions (HEIs) that have achieved PQA Level 1 recognition and looked into their challenges in implementing the framework. These institutions include Lyceum of the Philippines – Laguna (2014), Colegio de San Juan de Letran-Manila (2014), University of the Philippines-National Engineering Center (2015), Colegio de San Juan de Letran-Calamba (2015), University of Mindanao (2017), Marinduque State University (2021), and Camarines Sur Polytechnic College (2021). Out of the 177 senior leaders approached a total of 150 responded to the questionnaire, resulting in an 85% response rate.

### **1.1 Objectives**

This study described the challenges of Philippine Higher Education Institutions in using the Philippine Quality Award (PQA) framework from Categories 1 to 7 and identified opportunities for improvement as bases for action plans.

## **2. Literature Review**

The Philippine Quality Award (PQA) is the standard for performance excellence used by the Philippines that encompasses seven categories: leadership, strategy, customers, measurement, analysis, and knowledge management, workforce, operations, and results. These seven criteria form the basis for self-evaluation, awarding, and feedback within the organization. They serve three important functions, which include enhancing organizational performance practices, capabilities, and results; promoting communication and sharing of best practices among different types of Philippine organizations; and serving as a practical tool for understanding, managing, and guiding performance, as well as supporting organizational planning and learning opportunities (PQA | Philippine Quality Award - Resources, n.d.).

Additionally, the criteria are designed to assist organizations in developing an integrated approach to managing organizational performance. This approach aims to continually deliver value to customers and stakeholders, improve organizational effectiveness and capabilities, and foster organizational and personal learning.

The highest level of performance in the system is represented by the Organizational Profile, which provides the context for the organization. It includes the organizational culture, key relationships, and strategic situation. This profile is the overall guidance for the organization's performance management system. In the middle of the framework, we have the six PQA Categories. The three categories on the left side, Category 1 – Leadership, Category 2 – Strategy, and Category 3 – Customers, form the leadership triad (Miranda and Reyes-Chua, 2021). These categories emphasize the impact of leadership on strategy and customers. Senior leaders establish the direction of the organization.

On the right side of the system are Category 5 – Workforce Focus, Category 6 – Operations Focus, and Category 7 – Results, which form the results triad. This group represents the interrelationship between these three categories. The organization's workforce, key processes, and operations work together to produce results. The horizontal arrow connecting the leadership triad with the results triad signifies the link between Leadership (Category 1) and Results (Category 7).

Category 4 – Measurement, Analysis and Knowledge Management is at the core of the performance management system and plays a crucial role in effective organizational management. The main characteristics of the criteria include goal-based diagnosis, adaptability, support for a systems approach to sustain organization-wide goal alignment, and support for a goal-based diagnosis (PQA 2017-2021).

The literatures (Fauzi 2021; Leonard 2017, Khawaldeh's 2017; Cao and Jiang, 2017; Roland 2011; Halloran, 2008; Faulkner, 2002) underscore the value of embracing the Criteria for Performance Excellence like the Philippine Quality Award and the Malcolm Baldrige in education. These kinds of frameworks provide a pathway for schools to enhance their quality, increase competitiveness, and ultimately achieve excellence on a global scale. For example, by aligning with the principles and guidelines of the PQA framework, educational institutions in the Philippines can establish a culture of continuous improvement and position themselves as leaders in their respective fields. The framework also highlights the practical advantages of implementing the PQA framework within educational institutions.

Over the past twenty-five (25) years, the Philippine Quality Award (PQA) Program has gained significant recognition and acceptance across both public and private sectors. Notably, it has also emerged as a prominent framework employed by higher education institutions alongside their existing quality assurance mechanisms. However, despite its growing popularity, studies are scarce in the Philippines that specifically explore the Philippine Quality Award Criteria for Performance Excellence, with most research relying on the Malcolm Baldrige National Quality Award (Javier, 2012) and other quality assurance methods such as accreditations and ISO 9001.

In a study conducted by Barlan (2023), he focused on Category 1 (Leadership) and Category 2 (Strategy) of the PQA's leadership triad. The research examined how compliance with PQA requirements varied among HEIs based on their firmographic profile. The findings revealed that HEIs consistently demonstrated high compliance with the leadership requirement, while compliance with strategy requirements ranged from high to very high. Among the South Manila Educational Consortium schools, there was a noticeable readiness to meet Level 1 PQA criteria.

On the other hand, HEIs' low compliance with Satisfaction Relative to Competitors [3.1b(2)] requirement is evident. This indicates that HEIs may have little or no mechanism to obtain information on their students' and other customers' satisfaction relative to other organizations. According to Blazey and Grizzle (2021), the standard's emphasis on effective listening mechanisms extends beyond gathering accurate intelligence about current customers. It also encompasses the importance of acquiring insights into competitors. The information gathered through these mechanisms should provide valuable support for marketing strategies, business development initiatives, and enhancing customer engagement.

As an illustration, Vinyard (2015) presented the case study of Don Chalmers Ford (DCF), a recipient of the Baldrige Award in 2008 and 2012. DCF has demonstrated a commitment to actively listening to various customer groups and market segments through established and effective listening methods. By employing these methods, DCF can collect and analyze valuable feedback, which serves as actionable information for assessing customer satisfaction, identifying opportunities for improvement in work systems and processes, devising impactful marketing campaigns, and exploring future business prospects. Through their diligent listening practices, DCF has successfully leveraged customer insights to drive continuous improvement and capitalize on growth opportunities.

When analyzing the category with the lowest compliance, particularly Category 3.1b(2) - Satisfaction Relative to Competitors, organizations are expected to establish effective mechanisms to collect information regarding the satisfaction of their students and other customers in relation to competing organizations. This requirement poses a significant challenge for many organizations, mainly due to the data's limited availability and outdated nature. While some data can be obtained from sources like CHED (Commission on Higher Education) and other relevant sources, they often have limitations regarding scope and timeliness.

Within Category 4, organizations must establish robust measurement systems that capture relevant data and indicators aligned with their strategic objectives (Blazey and Grizzell 2021). They may then keep track of their performance, spot opportunities for development, and base their judgments on solid information. Analysis of collected data allows for deeper insights into trends, patterns, and root causes, supporting evidence-based decision-making and continuous improvement efforts.

Category 5, Workforce, focuses on the practices and strategies to create and maintain an organization's high-performance environment (PQA | 2017-2021). It recognizes the importance of the workforce in driving organizational success and emphasizes the need for workforce engagement and adaptability to navigate and thrive in a changing environment. The purpose of this category is also twofold. Firstly, it addresses the practices and processes related to workforce management that are aligned with the organization's overall strategy. This alignment ensures that workforce

planning is integrated into the strategic planning process (as covered in Category 2), enabling the organization to effectively anticipate and address its future workforce needs in alignment with its strategic objectives.

Category 6, Operations, concerns how an organization focuses on its work, educational program and service design and delivery, innovation, and operational effectiveness (PQA | 2017-2021). This category aims to assess how the organization's operations contribute to its overall success in the present and future. This category examines various aspects of the organization's operations, including designing and delivering its educational programs and services. It assesses how the organization aligns its operations with its strategic objectives and continuously improves and innovates its offerings to meet the evolving needs of its stakeholders.

Category 7, Results, comprehensively assesses an education organization's overall performance and outcomes (PQA | 2017-2021). It encompasses various key result areas essential for sustaining and improving the organization. This category aims to focus on the systems and results that drive organizational success and continuous improvement. The category covers a range of important result areas, including student learning and process results (7.1); student and other customer-focused results (7.2); workforce results (7.3); leadership and governance system results (7.4); and budgetary, financial, and market performance results (7.5).

### **3. Methods**

The current study utilized a descriptive research approach to identify and assess the challenges faced by Higher Education Institutions (HEIs) using the PQA Framework. Descriptive research design characterizes the specific research problem accurately. The primary data collection method employed was the administration of a questionnaire to gather information from the respondents. As Sahin and Mete (2021) pointed out, descriptive research aims to accurately portray the subject under investigation, seeking to test hypotheses or address questions regarding its current state. This research approach involves collecting in-depth insights and knowledge about the topic, utilizing detailed data and information collection techniques.

The participants of this study consisted of 150 of 177 (84.75%) senior leaders or school administrators from private and public Higher Education Institutions (HEIs) that were recognized as Level 1 recipients of the Philippine Quality Award between 2005 and 2021. According to the Department of Trade and Industry, 12 HEIs have been awarded Level 1 recognition since 2005. These HEIs include J.B. Lacson (Arevalo) Colleges Foundation, Incorporated (awarded in 2005 and 2009), Lyceum of the Philippines University Batangas, Inc. (awarded in 2012), Don Bosco Technical College (awarded in 2012), Lyceum of the Philippines University, Manila (awarded in 2013), Lyceum of the Philippines – Laguna (awarded in 2014), Colegio de San Juan de Letran-Manila (awarded in 2014), University of the Philippines-National Engineering Center (awarded in 2015), Colegio de San Juan de Letran-Calamba (awarded in 2015), University of Mindanao (awarded in 2017), Southville International School and Colleges (awarded in 2018), Marinduque State College (awarded in 2021), and Camarines Sur Polytechnic College (awarded in 2021).

### **4. Data Collection**

To perform data analysis, weighted means and ranking were used to calculate the average value of data. A weighted mean approach assessed the challenges, compliance, and effectiveness. This method helped to determine the average ratings assigned to each variable, considering the importance attributed to each item by the respondents.

The data were tested on the normality and the result of Shapiro-Wilk. The test revealed that the p-values of two major variables are less than 0.05, which means that the data set is not normally distributed. Mann Whitney U test and Kruskal Wallis to test the significant difference of responses on the two variables mentioned when grouped according to profile, Spearman rho was used to test the significant relationship between the mentioned variables.

## 5. Results and Discussion

### 5.1 Numerical Results

Table 1. Descriptive Statistical Treatment for the Challenges Experienced by HEIs in Implementing PQA using Weighted Mean

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Senior Leadership	1.79	Disagree	12
2. Governance and Societal Responsibilities	1.68	Disagree	17
3. Strategy Development	1.71	Disagree	16
4. Strategy Implementation	1.94	Disagree	4
5. Voice of the Customer	2.38	Disagree	1
6. Customer Engagement	1.78	Disagree	14
7. Measurement, Analysis, and Knowledge Management	1.94	Disagree	5
8. Knowledge Management, Information, and Information Technology	1.84	Disagree	9
9. Workforce	1.79	Disagree	13
10. Workforce Engagement	1.96	Disagree	3
11. Operations	1.77	Disagree	15
12. Operational Effectiveness	1.80	Disagree	11
13. Student Learning and Process Results	1.85	Disagree	8
14. Customer-Focused Results	1.93	Disagree	6
15. Workforce-Focused Results	1.90	Disagree	7
16. Leadership and Governance Results	1.83	Disagree	10
17. Budgetary, Financial, and Market Results	2.00	Disagree	2
<b>Composite Mean</b>	<b>1.88</b>	<b>Disagree</b>	

Table 1 presents the descriptive statistics of the challenges experienced by HEIs in implementing the requirements of the PQA education criteria for performance excellence, categories 1 to 7. The composite mean of 1.88 indicates that the respondents disagreed in general. All items were rated disagree where the top challenges are the following categories: Voice of the Customer (Category 3.1), Budgetary, Financial, and Market Results (Category 7.5), and Workforce Engagement (Category 5.2).

## 5.2 Graphical Results

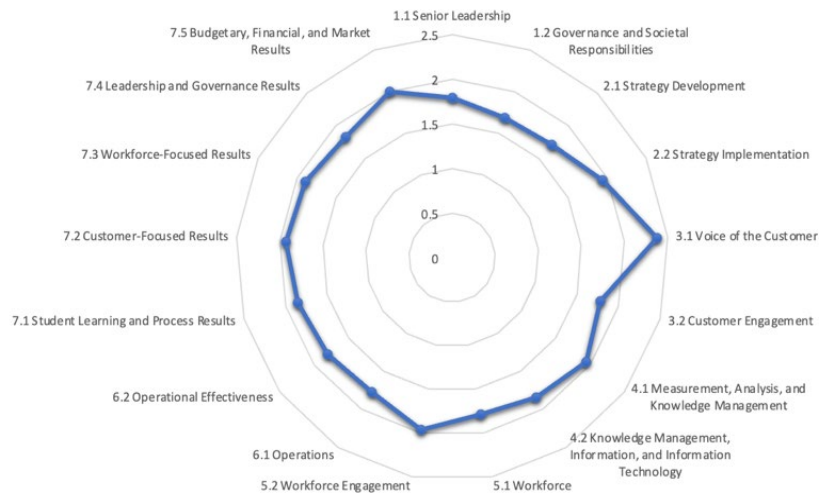


Figure 1. Challenges

The first category with the highest weighted mean that most respondents see as a challenge is the voice of the customer of Category 3.1 (2.38). In the scoring matrix, this is worth 40 points. The overall requirement of 3.1 is a systematic process on how organizations obtain information from students and other customers. The first area to address [3.1a(1)] is the listening mechanisms of organizations to their current students and other customers. The requirements include how organizations listen, interact, and observe current and potential students and other customers to obtain information that can be used to improve the business process, products, and services [3.1a(2)]. It should also be noted that the listening mechanisms should vary depending on the customer groups or segments and the type of relationships of the customers with the organization. The standard also asks for listening means to former students or customers to get feedback about the services, program offerings, and transactions obtained from the school.

The second area to address is 3.1b. The standard asks for a systematic approach to how the organization determines student and other customer satisfaction and engagement. This includes systematically determining students' and other customers' satisfaction, dissatisfaction, and engagement. Likewise, in 3.1b(2), the standard asks for a systematic process on how the organization obtains information on satisfaction with competitors. The criteria require a systematic approach for organizations to gather data on satisfaction and compare it with current students and other customers, as well as those of identified competitors and comparable schools.

The next category with the second highest weighted mean that most respondents see as a challenge is Category 7.5 - Budgetary, Financial, and Market Results (2.00). In the scoring matrix, this item is worth 90 points. The requirement requires excellent organizational performance levels, beneficial trends evaluated against competitors for all key customers, market process, and action plan requirements. 7.5a(1) of this category requests information on financial performance, whereas 7.5a(2) requests information on market performance. Reports on liquidity, asset usage, cash flow, total budget, expenditures per student or as a percentage, yearly budget increases or declines, or program expenses are just a few of the data the organization may offer. The measurements of financial performance outcomes that the organization indicated in Category 4.1a(1) and the methods mentioned in Category 2.2 should generally be those measures.

The third category where most organizations have a challenge is Category 5.2 - Workforce Engagement (1.96). In the scoring matrix, this item is worth 45 points. The category focuses on the organization's systems and processes for effectively managing the performance and development of its workforce to optimize its capabilities. Workforce

development should prioritize the organization's core competencies and contribute to the successful implementation of action plans. In Category 5.2a, the organization must demonstrate systematic approaches to managing organizational culture, identifying drivers of engagement, assessing engagement levels, and implementing effective performance management strategies. Conversely, Category 5.2b requires systematic approaches to workforce learning and development, including evaluating their effectiveness and outlining how career progression is effectively managed.

### 5.3 Proposed Improvements

Table 2. Opportunities for Improvements as Basis for Action Planning

Key Result Area/ Objectives	Strategies	Success/ Performance Indicator	Department/ Persons Responsible
<b>KRA 1 Voice of the Customer</b>			
Satisfaction report relative to competitors. [PQA 3.1b(2)]	Implement a system to compare the satisfaction of students and other customers with identified benchmarks and/or competitors.	Improved satisfaction rate	Strategic Managers Quality Assurance Office
<b>KRA 2 Budgetary, Financial, and Market Results</b>			
Financial Performance [PQA 7.5a(1)]	Continuously monitor and track key financial indicators, including cash on hand, asset utilization, cash flow, bond ratings, expenditures on instruction and general administration per student or as a percentage of the total budget, reserves and endowments, tuition and fee levels, cost per academic credit, annual grants and awards, cost performance compared to budget, percentage of budget allocation, annual budget changes, resources reallocated to education from other areas, and growth in scholarships.	Improved financial performance	Finance Officer Budget Officer Accountant Comptroller
<b>KRA 3 Workforce Engagement</b>			
Career Progression [PQA 5.2b(3)]	Prepare a customized development plans (Individual Development Plan or IDP) that are tailored to each person and take their learning and career goals into account.	Effective Succession Plan	Human Resources Department

## 6. Conclusion

The respondents demonstrate remarkable ease in meeting the requirements of the PQA but encounter minimal challenges and difficulties in specific Criteria Items such as 3.1 – Voice of the Customer, 7.5 – Budgetary, Financial, and Market Results, 5.2 – Workforce Engagement, 2.2 – Strategy Implementation, and 4.1 – Measurement, Analysis, and Knowledge Management. Considering the opportunities for improvement emphasized in this study, essential strategies have been recommended as a basis for action planning among higher education institutions.

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## Biography

**Jayson Barlan, Ph.D.**, holds a diverse range of key positions at Lyceum of the Philippines University - Manila, reflecting his extensive expertise and contributions to higher education. As the Executive Director for Non-academic Operations, he oversees various operational aspects of the university while serving as the Director of the Institutional Development Office. In this capacity, he is responsible for devising and executing the institution's strategic plans, managing its day-to-day operations, and ensuring the implementation of quality assurance programs. He is also an Associate Professor in Quality Management, teaching graduate-level courses. His academic competence is expanded



by his active involvement as a Philippine Quality Award (PQA) Consultant and Assessor since 2015, where he assists organizations in their pursuit of excellence. He is a respected member of the Board of Trustees for the Philippine Society for Quality Foundation, an esteemed member of the Philippine Society for Quality (PSQ), and Industrial Engineering and Operations Management (IEOM) Society International. He previously held the Dean of Student Affairs position from May 2015 to January 2023. He was Chair of the South Manila Educational Consortium – Student Affairs Committee (SMEC-SAC) from 2018 to 2020. His educational background includes a Bachelor of Arts in Mass Communication, a Master's in Public Administration, and a Doctor of Philosophy in Management from Lyceum of the Philippines University – Batangas.