

**MALACANAN PALACE  
MANILA  
EXECUTIVE ORDER NO. \_\_\_\_**

**CREATION OF THE TOTAL QUALITY MANAGEMENT COMMISSION**

**WHEREAS, the Philippine Constitution, as State Policies, declares that:**

**Section 9. The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.**

**Section 17. The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.**

**Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.**

**Section 19. The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos.**

**Section 20. The State recognizes the indispensable role of the private sector, encourages private enterprise and provides incentives to needed investments.**

**WHEREAS, the above State Policies requires the formulation of a *system* as a principle of order by which to achieve the State Policies outlined in the Philippine Constitution.**

**WHEREAS, all complex organizations and nations are built up by system and that no business or society can develop into large dimensions apart from system, and this principle is preeminently the instrument of development, management sciences, economics, science and technology.**

**WHEREAS, there is a need to build a national vision in order to transform the Quality of the economic and social sectors of the Philippines comparable to world-class countries.**

**WHEREAS, a system of providing efficient quality government services, infrastructures, education, commerce and trade are now a national imperative and global priority.**

**WHEREAS, transparency, good governance, accountability, prudence, quality public service and sustainable growth and development are among the core policies of the present Administration and basic Filipino culture and values.**

**WHEREAS, there is urgency to inculcate, educate, develop and practice the “culture of quality” in Government, to include the establishment of a *system* that embraces efficiency, productivity, effectiveness, customer focus and intimacy, transparency, prudence, good governance, workforce focus and care, performance excellence, quality leadership, social accountability, proactive mentality and all other Filipino values and virtues that constitute *love of God and service to the people*.**

**WHEREAS, all the above qualities is comprehensively integral to and implemented under *Total Quality Management* or TQM.**

**WHEREAS, *Total* means everyone from the President of a nation or company down to the lowest worker participates in quality initiatives and that it is integrated into all business functions. *Quality* means meeting or exceeding customer (external or internal) expectations. *Management* means maintaining business systems and their related processes or activities, and where necessary finding means of continually improving them.**

**WHEREAS, total quality management is a philosophy, a science, a work ethic, a process, and a system, and that TQM includes a continuous transformation of people and organizations for the betterment of life.**

**NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, do hereby order:**

**SECTION 1. Creation of a Commission. – There is hereby created the TOTAL QUALITY MANAGEMENT COMMISSION, hereinafter referred to as the “TQM COMMISSION”, which shall create, build and sustain a national vision of Quality Government (Q-Government), Quality Education (Q-Education), Quality Industry (Q-Industry), Quality Society (Q-Society), and Quality Environment (Q-Environment), and in order to fulfill this vision, the TQM Commission is required to develop a comprehensive 5-Year TQM Development Program of the Philippine Government (the initial details of which are expressed in this Order) which is practical, effective, step-by-step modular approach and manageable for all the stakeholders;**

while ensuring that it is trustworthy, professionally sound, forward-looking, critically reviewed, unbiased, and shall serve the best interest of the Philippines.

The TQM Commission shall be composed of a Chairman and six (6) members who will act as an independent collegial body in designing the TQM national vision and plans (particularly the 5-Year TQM Development Program of the Philippine Government) as approved by the President of the Philippines.

**SECTION 2. Powers and Functions.** – The TQM Commission shall create and design the inclusion of a TQM functional unit at all government offices (departments, bureaus, Commissions, GOCCs, GFIs, Offices, and instrumentalities of the national government, to include the local government units), in close coordination and consultation with such government offices and units to effectively fulfill its national vision.

In particular, the TQM Commission shall:

- a) At the onset of this Quality Movement, the TQM Commission shall create a broad name embedded with its vision. (Example: Q-Philippines, Excel Pinoy, Q-Pinoy, etc.) This name envisions the concepts of change for a better life, a competitive Philippines, improvement and excellence of Philippine products. A logo or insignia shall also be developed, promoted and used to provide a “new vision” to this quality program.
- b) Submit to the Civil Service Commission (CSC) and the Department of Budget & Management (DBM) the plantilla positions of the TQM functional units of all government offices and units.
- c) Absorb, administrate and manage the functions and operations of the government-wide Quality Management Program (GQMP), to include its components – Government Quality Management Systems Standards (GQMSS), Advocacy and Capability-Building, and Certification of Agencies’ QMS to GQMSS.
- d) Recommend to the President and thereafter to the Legislative Bodies (Senate and Congress) the *integration* and *alignment* of the Anti-Red Tape Act or ARTA, the Administrative Order No. 161 (entitled, Institutionalizing Quality Management System in Government) and Memorandum Order No. 228 – Directing All Departments, Bureaus, Commissions, Agencies, Offices and Instrumentalities of the National Government to Improve Transaction Costs and Flows in Order to Enhance Philippine Competitiveness – to strengthen the institutionalization of quality management systems and total quality management in the whole Philippine bureaucracy.
- e) Provide an accelerated mechanism for “*good governance*” which shall be followed by all government offices and units patterned after international organized models, processes, leadership and legal frameworks needed to support continuous good

governance. The Commission shall create, design and provide effective strategic systems to curb graft and corruption in all levels of the government as a basis and platform for launching an aggressive “Good Governance” Program.

- f) Creation of programs (short-term and long-term) for the continuous enhancement of credibility of *“Made in the Philippines”* and continuous development of “quality as a way of life” of Filipinos.
- g) Promote and recommend national innovation and industrial competitiveness by advancing and advocating international standards, metrology, quality concepts, quality technology, best business practices, various quality management methodologies, such as but not limited to: ISO-quality management system, Six Sigma, Philippine Quality Awards criteria for performance excellence, workplace cooperation, continuous improvement & learning, 5S, among others, in ways that enhance economic security and stability, improve productivity performance, sustain quality products and services, and improve the quality at home and at work.
- h) Promote, enhance and advocate private sector participation in the mandate of the TQM Commission through the creation of various business incentives, as approved by the President of the Philippines.
- i) Continuing advocacy, education and development of a *“corporate quality culture”*, to include fair wages, fair trade, environmental-ecological sanity, transparency, good governance, virtue formation, labor-management partnership, amongst others.
- j) Raise continuously the citizens satisfaction index (CSI) of the public assessing government performance and productivity as part of the Commission’s mandate to establish a Quality Government (Q-Government).
- k) Establish an effective and efficient linkage of Quality and Productivity between the national and provincial governments through continuity of performance goals for provincial directors/officials and their municipal counterparts using the proper Key Performance Indicators (KPIs) and Scorecards patterned after their needs and customer satisfaction.
- l) Continuing improvement of trust and relations with donor agencies, like the World Bank, Asian Development Bank, and IMF who have repeatedly shown their concerns on good governance for effective utilization of funds. This is a major part-and-parcel of the Commission’s national vision of Quality Government or Q-Government.
- m) Engage or contract the services of resource persons, professionals, organizations, private groups, and other personnel determined by the TQM Commission as necessary to carry out its mandate.
- n) Creation of a Reward-Award Program for those who outperform and establish good quality management processes, both in the public and private sector, to encourage others to follow the track of good “quality models”.

- o) Help, coach and mentor government offices establish their quality management systems, strategic management systems and support services systems to achieve their respective strategic goals and plans as aligned with their corporate mission, vision, core values, quality policy and quality objectives.**
- p) Call upon any government agency, such as the Commission on Audit, Civil Service Commission, Department of Budget & Management, Department of Trade & Industry, among others, for such assistance and cooperation as it may require in the discharge of its functions and duties.**
- q) Adopt the process of Total Quality Management (TQM) as the core of its management style in designing, planning, implementing and re-structuring the plans and programs of the Commission, to include the interest of the various stakeholders of the TQM Commission.**
- r) Study, plan, develop and institute various quality and productivity concepts, technologies, methodologies and initiatives, such as but not limited to: citizens' patronage, legal framework, national performance improvement systems & structures, public-private partnership, world-class benchmarking, managing key performance indicators, development & improvement of performance measures, standardizing the TQM program, assist in ISO standards implementation of the public sector, academic performance improvement, accreditation, addressing quality in the national education policy, public accountability of educational institutions, market driven education, improvement of teachers' capabilities & qualifications, student involvement in quality learning and the TQM program of the national government, quality leadership, customer relationship management, climate change relationship to TQM, quality award for educational excellence, conformity assessment for WTO requirements, role of chambers and quality societies, upgrading the quality standards of economic/industrial estates and freeport zones, benchmarking with PEZA, improvement of the role of consumer protection bodies, creation of centers for excellence in universities & Freeport zones, and other initiatives that will greatly improve the Quality of the government services and achieve the mandate of the TQM Commission.**
- s) Exercise such other acts incidental to and/or as appropriate and necessary in connection with the objectives and purposes of this Order.**

**SECTION 3. Staffing Requirements. - The Commission shall be assisted and supported by personnel, administrative and/or technical, as may be necessary to enable it to perform its functions and duties declared herein, which shall be recommended for approval of the President of the Philippines and forwarded to the Department of Budget & Management for**

**budget incorporation. The initial officials and staff of the Commission shall in particular include, but not limited to, the following:**

- a) Quality Management Systems (QMS) Manager (2)**
- b) Strategic Management Systems (SMS) Manager (2)**
- c) Support Services Systems (SSS) Manager (2)**
- d) Asst. QMS Manager (2)**
- e) Asst. SMS Manager (2)**
- f) Asst. SSS Manager (2)**
- g) Administrative Staff (6)**
- h) Driver (2)**

**SECTION 4. Detail of Employees. – The President, upon recommendation of the Commission, shall detail public officers and personnel from other government offices or agencies which may be required by the Commission. The detailed officers and personnel may be paid honoraria and/or allowances as may be authorized by law, subject to pertinent accounting and auditing rules and regulations.**

**SECTION 5. Engagement of Experts. – The Commission shall have the power to engage the services of Quality Management Experts (QMEs) as consultants or advisers, particularly foreign or local quality practitioners, gurus in the academe and quality executives in the private sector, as it may deem necessary to accomplish its mission and mandate.**

**SECTION 6. President's & Top Executive Support. – The Commission requires a nucleus of leadership and administrative functions. The overall leadership process shall be provided by the President of the Philippines, guided by the members of the TQM Commission and supported by its technical and administrative staff, consultants and advisers. All Cabinet members, plus the Top Executive Management of all government offices, agencies and instrumentalities of the national government, to include local government units, shall provide evidence of its commitment to the development and implementation of the Total Quality Management system, its financial and operational structures, and continually improving its effectiveness as designed in the 5-Year TQM Development Program of the Philippine Government.**

**SECTION 7. Budget for the Commission. – The Office of the President shall initially provide the necessary funds for the Commission until such time of the approval of the 5-Year TQM Development Program and release of its budget to ensure that the Commission exercise its**

powers, execute its functions, duties, responsibilities, plans and programs as efficiently, effectively, and expeditiously as possible to the best interest of the country.

**SECTION 8. Administrative & Operational Support.** – The Commission shall avail itself of such office space which may be available in government buildings accessible to the public after coordination with the department or agency in control of the said building or, if not available, lease such space as it may require from private owners through the support and coordination with the Office of the President, and this includes transportation/logistical support, furniture, fixture/office equipment from the Office of the President.

**SECTION 9. Duty to Extend Assistance & Support to the Commission.** – All departments, bureaus, offices, agencies or instrumentalities of the Government, including GOCCs, GFIs and LGUs, are hereby directed to extend such assistance and cooperation as the Commission may need and ask in the exercise of its powers, execution of its functions, duties, responsibilities, plans and programs with the end view of accomplishing its mandate. Refusal to extend such assistance or cooperation for no valid or justifiable reason or adequate cause shall constitute a ground for disciplinary action against the refusing official or personnel.

**SECTION 10. LEGAL FRAMEWORK.** – A legal framework is required to provide longevity and sustainability to the TQM Program of the Philippine Government, as patterned and shown in the history of the quality movement from other countries, like the United States of America, European Union countries, among others. Part of the 5-Year TQM Development Program of the Philippine Government will be to recommend, advocate and lobby for the creation of the TQM Authority through congressional legislation at the most appropriate time as possible.

**SECTION 11. Separability Clause.** – If any provision of this Order is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

**SECTION 12. Effectivity.** – This Executive Order shall take effect immediately.

DONE in the City of Manila, Philippines, this \_\_\_th day of February 2011.

(Sgd.) BENIGNO S. AQUINO III

*R. Pbl. Fernando*

**Prepared by: RAFAEL PABLO M. FERNANDO (February 5, 2011)**

**Final draft submitted to Atty. Ronaldo A. Geron, Asst. Executive Secretary, OIC – Office of the Deputy Executive Secretary for Legal Affairs**

***RMF***