Performance of Top Customs Administration Schools in Customs Broker Licensure Examinations in the Philippines

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Abstract: This study analyzes and compares the seven-year performance trends of the top ten customs administration schools in the Customs Broker Licensure Examination (CBLE) in the Philippines. It also determines the correlation between the number of examinees and performance ratings of each school and the statistical differences of the average ratings when the schools are grouped according to location and type of school. The study is a quantitative research that uses statistical graphs and tests in the analysis. Data were gathered from the website of the Professional Regulation Commission. The subject schools are the top ten customs schools based on the average passing rates on CBLE from 2011 to 2017, and provided that the school has an average of at least ten first-time examinees and participated with at least five first-time examinees in each examination. Results show that the performance trends of the ten schools are generally fluctuating, except for the performance of top school in South Luzon which tends to be decreasing and of the other two South Luzon schools which tend to be increasing. Moreover, the performance gaps among the schools also tend to be decreasing. Results further reveal that there is generally no significant correlation between number of first-time examinees and school’s passing rates except for the top South Luzon school where correlation test shows significant negative relationship. Tests of differences also show that there is generally no significant difference on the schools’ performances when grouped according to location and according to type, except in the 2011 where the average passing rates of government schools is significantly higher than the average passing rates of private schools.

Keywords: Customs Administration, Customs Broker Licensure Examination (CBLE), Top Performing Customs Schools

1. Introduction

Given that the collection of customs duties began together with the production and exchange of goods, Customs Administration is considered as old as human civilization [1]. Responding, however, to the process of globalization and requirements of the customs profession, it is only in the last three decades that the tasks and activities of customs associates had been changed [2]. Trends of globalization, integration, technological innovation, service quality, restructuring and workforce optimization brought significant changes to customs administration [3]. Customs administrators had to be conscious that only continuous development and strategic investment in resources, skills and competences can maintain customs efficiency and effectiveness [4]. With the intensive globalization of the world economy that lead to the emergence of international economic and trade unions [5], they should be adaptable to changes of regulatory and legal framework, introduction of modern customs information technologies, and increased complexity of customs infrastructure [6].

The Commission on Higher Education (CHED) in the Philippines, responsive to these changes and to its commitment to world trade requirements, has reengineered the customs administration program curriculum that shapes part of the reform measures to accelerate export growth and economic development through trade facilitation [7]. Further, through the Customs Brokers Act of 2004, the Philippine government has essentially given priority attention and support to professionalizing the practice of customs broker profession which is beneficial to the country’s economy [8]. As a statement of policy, the government recognizes the
important role of professionals in nation-building and, towards this end, promotes the sustained development of a reservoir of professionals whose competence has been determined by honest and credible licensure examinations and whose standards of professional service and practice are internationally recognized and considered world-class brought about by regulatory measures, programs and activities that foster professional growth and development [9].

The customs broker profession in the Philippines involves services consisting of consultation; preparation of customs requisite document for imports and exports; declaration of customs duties and taxes; preparation, signing, filing, lodging and processing of import and export entries; representing importers and exporters before any government agency and private entities in cases related to valuation and classification of imported articles; and rendering of other professional services in matters relating to customs and tariff laws and its procedures and practices. A customs broker employed in private enterprises is also considered in the practice of the profession if the nature and character of employment requires professional knowledge in the field of customs and tariff administration. Further, a customs broker teaching customs and tariff administration subjects in any government-recognized school, college or university is also deemed in the practice of customs broker profession [8].

The Customs Brokers Act of 2004 also created the Professional Regulatory Board for Customs Brokers that supervises and regulates the licensure, registration and practice of customs broker profession. A person seeking to be registered and licensed as professional customs broker in the Philippines must take and pass a written licensure examination on the following subjects: customs laws and implementing rules and regulations; tariff laws and international trade agreements; practical computation of customs duties, taxes and other charges; documentations, professional ethics, customs procedures and practices; and warehousing and cargo handling operations. An examinee who obtained an average of at least 75% and with no rating below 60% in any subject is deemed to have successfully passed the examination [8].

An applicant is considered qualified to take the licensure examination if he or she is a citizen of the Philippines or of a foreign country under reciprocity agreement with the Philippines, of good moral character and has not been convicted of any crime involving moral turpitude, and a holder of Bachelor’s Degree in Customs Administration [8]. As an academic degree, Customs Administration is the study of the administration of customs operations and brokerage that includes coverage of international trade practices in the import and export industry [7].

The primary requirement for entry in the customs broker profession in the Philippines is passing the licensure examination. Confirming the applicant’s broad knowledge of customs subjects is intended for securing the interests of the country and of those entities participating in the international trade [10]. The Bachelor of Science in Customs Administration (BSCA) degree program is offered in Philippine higher education institutions (HEI) to prepare candidates to meet this requirement and develop them as customs brokers who are competent and knowledgeable in the import and export operations. After completion of the program and passing the licensure examination, the graduates can pursue a career in customs brokerage and related professions [7].

The current trend on institutional accountability signifies that the quality and improved performances of HEIs are most of the times insisted and not just expected [11]. This educational quality is based on a variety of performance measures including graduation rates, degrees awarded, production and certification, academic progress of students and the like [12]. Although good academic qualifications are not anymore sufficient to secure employment [13], in the case of BSCA and other academic programs with licensure examination, better academic background may help the graduates passed the licensure exam that will give them better opportunities for employment.

It is, therefore, essential that HEIs monitor and evaluate their performances in licensure examinations. In doing so, researches had been conducted in the Philippines to assess the performance of HEIs in the licensure examinations given by the Professional Regulation Commission (PRC). For example, one study analyzed the trend of performance in Customs Brokers Licensure Examination (CBLE) among schools and found an unstable or fluctuating pattern of performances [14]. Another study presented a quantitative analysis on the five-year performance in the licensure examination of an accountancy school, wherein the performance of the subject school were compared to the performance of its competitor schools in the locality, of schools in the region with similar category, and of the top three performing accountancy schools in the country [15]. Recently, a similar study on the performance in CBLE of a state university found a decreasing pattern of its performance but still one of the best performing schools in the country [16].

The current research is a trend analysis and comparative study on the seven-year performance in CBLE of the top ten customs administration schools in the Philippines. The correlations between number of examinees and passing rates and the differences on schools’ performances when grouped according to location and type of school were also determined.

2. Methods

Quantitative trend analysis and descriptive design were used in this study. The performances of the top ten customs administration schools in the Philippines from 2011 to 2017 were analyzed and compared with each other. Statistical tables and graphs were used to present and analyze the data, Pearson’s correlation was used to determine the correlation between number of examinees and passing rates, and analysis of variance and independent samples t-test were used to
determine differences on the CBLE performances when the schools are grouped according to location and type of school, respectively. Although not all of these ten schools were awarded by PRC as top performing school in the CBLE as per criteria given in PRC Resolution 2010-547, series of 2010 [17], said schools were deemed top performing in this study taking into account that they have higher passing percentages than those other schools with an average of at least ten examinees and participated with at least five first-time examinees in each of the seven examinations in the period. Three of these ten schools are categorized as government schools and seven are private schools. Three schools are located in Metro Manila, three in South Luzon, two in North Luzon, and two in Visayas and Mindanao.

The data used in this study were mined from the database of the PRC, the Philippine government agency in-charge of professional examinations. Only the CBLE results of first time examinees were included in this study. The data were analyzed through the use of MS Excel and SPSS.

3. Results and Discussions

The CBLE performance ratings and ranks of the subject schools are presented in Table 1 and the corresponding numbers of first-time examinees are in Table 2.

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<td>76.92</td>
<td>92.31</td>
<td>95.00</td>
<td>86.67</td>
<td>80.00</td>
<td>90.16</td>
<td>63.89</td>
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<td>94.74</td>
<td>81.82</td>
<td>81.48</td>
<td>86.05</td>
<td>78.89</td>
<td>79.61</td>
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<td>65.00</td>
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<tr>
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<td>62.50</td>
<td>69.23</td>
<td>44.44</td>
<td>100.00</td>
<td>75.00</td>
<td>56.67</td>
<td>69.23</td>
<td>67.69</td>
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<tr>
<td>MM2</td>
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<td>81.25</td>
<td>79.03</td>
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<td>55.71</td>
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<tr>
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<td>70.00</td>
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<td>69.23</td>
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<td>61.70</td>
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<td>73.68</td>
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<tr>
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<td>50.00</td>
<td>43.75</td>
<td>68.18</td>
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<tr>
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<td>69</td>
<td>66</td>
<td>140</td>
<td>114</td>
<td>524 (75)</td>
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<tr>
<td>VM1</td>
<td>8</td>
<td>13</td>
<td>18</td>
<td>19</td>
<td>16</td>
<td>30</td>
<td>26</td>
<td>130 (19)</td>
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<tr>
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<td>87</td>
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<td>96</td>
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<td>17</td>
<td>10</td>
<td>12</td>
<td>15</td>
<td>13</td>
<td>13</td>
<td>95 (14)</td>
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<tr>
<td>SL3</td>
<td>61</td>
<td>48</td>
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<td>58</td>
<td>64</td>
<td>58</td>
<td>55</td>
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<tr>
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<td>26</td>
<td>22</td>
<td>12</td>
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<td>31</td>
<td>38</td>
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<td>40</td>
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<td>76</td>
<td>81</td>
<td>339 (48)</td>
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<tr>
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<td>14</td>
<td>17</td>
<td>17</td>
<td>34</td>
<td>31</td>
<td>43</td>
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The main figures presented in Table 1 are passing rates (i.e. number of examinees who passed the exam divided by the total number of examinees who take the exam) for each year of each school but considering only those who take the exam for the first time while the figures presented in parentheses are ranks of each school. Presented in Table 2 are the number of first-time examinees of each school for each year and the seven-year total and average (in parenthesis). NL1 and NL2 are the top two schools in North Luzon; MM1, SL1, SL2, and SL3 are the top three schools in South Luzon; MM2 and MM3 are the top three schools in Metro Manila; and VM1 and VM2 are the top two schools in Visayas and Mindanao.

As shown in Table 1, the top school from each geographical area are also the top four schools overall in terms of the seven-year weighted average passing rate (i.e. sum of the products of corresponding passing rate and number of first-time examinees divided by the total number of first-time examinees). It can be deduced also from Table 1 that there are significant changes on ranking of schools in the last year, 2017. In particular, NL1 and SL1, which both ranked either 1, 2 or 3 in the first six years, placed only rank 6 and rank 7 in the last year, respectively; while SL3 that placed rank 10 in 2011 became rank 1 in 2017. From Table 2, it can be easily inferred that there is an increasing number of enrollees in customs administration program as implied by the generally increasing number of first-time examinees, especially in the last two years in one South Luzon school and the three Metro Manila schools.

Detailed analyses on the performances of top ten customs schools are given in the succeeding discussions with the aid of time series graphs. Figure 1 gives an overview of the performance trends of the subject schools while Figures 2, 3, 4 and 5 gives the trend and comparison of the performances of schools in Metro Manila, South Luzon, North Luzon, and Visayas and Mindanao, respectively, and Figure 6 presents a...
trend and comparison of the performances of the top schools from each geographical area. Moreover, Figures 7 and 8 also gives the trend and comparison of the performances of government schools and private schools, respectively, while Figure 9 provides the trend and comparison of the top schools from each type or category. The numbers 1 to 7 in the horizontal axis of the graphs correspond to the year of examination from 2011 to 2017, respectively, while the figures in the vertical axis are the passing rates.

As seen in Figure 1, the performance of most of the top ten customs schools is generally fluctuating. It can be seen as well in the figure and in Table 1 that the performance gaps among the ten schools generally decrease from a wide range of 58.67 (highest = 94.74%, lowest = 36.07%) in 2011 and a narrow range of 21.92 (highest = 74.55%, lowest = 52.63%).

From Figure 3, it can be deduced that the performance of one school in South Luzon (SL1) is generally decreasing while the performances of the two other South Luzon schools (SL2 and SL3) are both generally increasing. It is also noticeable that SL1 drops from being best performing among the three schools from 2011 to 2016 to worst performing in 2017 while SL3 takes the lead in 2017 from being the worst performing in 2011. In addition, from Table 1, the performance rating of SL1 drops from 94.74% in 2011 to 62.99% in 2017 while that of SL3 increases from 36.07% in 2011 to 74.55% in 2017.

Comparing the performances of the two top performing North Luzon schools, it is very evident from Figure 4 that one school is consistently ahead than the other school from 2011 to 2017. However, the performance gap between the two schools significantly drops from 36.18 in 2011 (NL1 rating = 76.92%, NL2 rating = 40.74%) to only 8.08 (NL1 rating = 63.89%, NL2 rating = 55.81%). In addition, the performance rating of NL1 in 2017 is its lowest in the seven-year period although it remains the top performing school in the seven-year average as shown in Table 1.
The performance comparison between the two top performing schools from Visayas and Mindanao (VM1 and VM2) is the opposite of the comparison between the two North Luzon schools. As shown in Figure 5, the performance lead changes four times in the seven-year period although VM1 leads in five of the seven examination years and VM2 taking the lead only in 2013 and 2016.

In comparing the performances of top performing schools from each geographical area, it can be observed from Figure 6 that the performances generally rises and fall, except for the performance of the top South Luzon school (SL1) which seems to be decreasing from its best performance in 2011 to its worst in 2017. Further, each of the four schools has been in the top among the four with SL1 leading in 2011; the top North Luzon school (NL1) in 2012, 2013, 2015 and 2016; the top Visayas and Mindanao school (VM1) in 2014; and the top Metro Manila school (MM1) in 2017.

Seven of the top ten performing customs administration schools are private schools. MM1 and MM2 are private universities in Metro Manila, SL3 is a private university in South Luzon, VM2 is a private university in Visayas and Mindanao, and NL2, SL2 and VM1 are private colleges in North Luzon, South Luzon, and Visayas and Mindanao, respectively. Except for SL3, which has significant increase of performances from its worst performance rating (36.07%) in 2011 to its best performance rating (74.55%) in 2017, all private schools have fluctuating performances. Quite noticeable are the performances of VM1, particularly its worst performance rating (44.44%) in 2013 and its abrupt increase of performance rating to its best (100%) the following year 2014 but drop again to 75% in 2015 and down to 56.67% in 2016.

Performance comparison between the top government school and the top private school is shown in Figure 9. From 2011 to 2016, the top government school is ahead in performance from its counterpart top private school but in 2017, the performance of the top private school is better than the performance of the top government school.

In addition to the above trend and comparative analyses, Pearson’s correlation test was used to determine if the number of examinees and the school’s passing rate are correlated. Results of the correlation test are presented in Table 3.
As shown in Table 3, there is no significant relationship between the number of first-time examinees and the passing rate for each school, except SL1, as indicated by p-values greater than .05. In the case of SL1, it was revealed that there is no significant difference on the schools’ performances when grouped according to type during the examination years 2011 to 2017.

As shown in Table 4, there is no significant relationship between the number of first-time examinees and the school’s passing rate as indicated by r = -.773 and p =.042, which is less than .05. The result implies that there is a tendency for SL1 to get lower passing rate in CBLE when there is bigger number of first-time examinees.

To analyze further, analysis of variance and independent samples t-test were used to determine if there are significant differences on the schools’ performances when grouped according to location and type of school, respectively.

As shown in Figure 10 and in Table 4, the passing rates of all groups of schools for each year are closed to each other and appeared to have no significant statistical difference. Results of ANOVA confirmed this observation. The p-values, which are all greater than .05, presented in Table 8, imply that at .05 level of significance, there is no significant difference on the schools’ performances when grouped according to location.

Similarly, there seems to be no significant difference between the performance of government and private schools except in the year 2011 as shown in Table 6 and Figure 11, while that of private schools is increasing. Results of an independent samples t-test, shown in Table 9, confirmed that there is no significant difference on the performances of schools when grouped according to location and type of school, respectively. North Luzon ranked first in performance but Metro Manila has the highest total number of first-time examinees. Likewise, government schools perform better but private schools have higher total number of first-time examinees.
4. Conclusions

Being a licensed customs broker is an important profession in the Philippines and given such, customs administration schools must produce qualified candidates for the profession. The best way to determine whether or not schools are producing graduates who are capable of passing licensure examinations is to closely monitor and evaluate results or performances in such examinations.

Results of this study show that most of the top customs administration schools in the Philippines have fluctuating or rising-and-falling performances year in and year out. Hence, these schools should conduct in-depth studies on what factors contributed to such unstable performances. Schools that show generally increasing trends of passing rates should also endeavor to sustain such good performances.

Although still having better performances than other top customs schools, the school that was found to be on a decreasing trend of performance should seriously consider making measures on how to enhance its curriculum-related offerings for the students. One thing to look at by this school with declining performance is the confirmed negative relationship between the school’s performance and the number of its examinees, that is, as the number of examinees increases the school’s performance get poorer.

Moreover, results reveal the non-significant difference among the performances of schools grouped into contiguous major locations in the Philippines. This implies that students in the provinces seeking customs schools to enroll in need not go to the capital region of Metro Manila but rather choose the top customs school in their region or nearest region. Similarly, students may choose either a top government or private school since there was also no significant difference on the performances of the two types of schools, but only for the meantime since the trend is increasing performance of private schools and decreasing performance of government schools – another thing that should be taken into profound consideration by the concerned customs administration schools.

References


