

The Malcolm Baldrige Criteria for Performance Excellence

In the early and mid-1980s, many industry and government leaders saw the need for a renewed emphasis on quality for doing business in an ever expanding, and more demanding, competitive world market. The Malcolm Baldrige National Quality Award was envisioned as a standard of excellence that would help U.S. organizations achieve world-class quality. The Malcolm Baldrige Criteria for Performance Excellence have played a major role in achieving the goals established for the Baldrige Award. They now are accepted widely, not only in the United States but also around the world, as the standard for performance excellence.

For over 20 years, the Baldrige Criteria have been used by thousands of U.S. organizations to stay abreast of ever-increasing competition and to improve performance. In today's business, health care, education, nonprofit, and government environments, the Criteria help organizations respond to current challenges: openness and transparency in governance and ethics; the need to create value for the business and its customers, patients, or students; and the challenges of rapid innovation and capitalizing on knowledge assets. Whether an organization is small or large, is for-profit or not-for-profit, or has one location or multiple sites across the globe, the Criteria provide a valuable framework that can help plan and achieve in an uncertain environment. The Criteria help to assess performance on a wide range of key business indicators: customer, product and service, financial, human resource, and operational. The Criteria can help to align resources and approaches, such as ISO9000, Lean Enterprise, Balanced Scorecard, Six Sigma, and regulatory requirements; improve communication, productivity, and effectiveness; and achieve strategic goals.

The Criteria are built upon a set of interrelated core values and concepts found in high-performing organizations. These core values and concepts are embodied in seven linked categories. Together they provide the foundation for an organization to integrate key business requirements within a results-oriented framework to create a basis for action and feedback.



The Criteria for Performance Excellence Fact Sheet

What are the Baldrige criteria?

The Baldrige Criteria for Performance Excellence are a framework that any organization can use to improve overall performance. While the Criteria characteristics, goals, and purposes remain constant, the Criteria have evolved significantly over time to help organizations address current economic and marketplace challenges and opportunities.

The Criteria Characteristics:

- Focus on results in all areas of organizational performance to ensure that all strategies are balanced.
- Are non-prescriptive and adaptable to promote creative and flexible approaches for meeting requirements, and to foster incremental and breakthrough improvements.
- Support a systems perspective to maintain organization-wide goal alignment.
- Support goal-based diagnosis on a profile of performance oriented strengths and opportunities for improvement.

Criteria Goals: The Criteria are designed to help organizations use an integrated approach to organizational performance management that results in

- Delivery of ever-improving value to customers, contributing to marketplace success
- Improvement of overall organizational effectiveness and capabilities
- Organizational and personal learning

Criteria Purposes: The criteria are used by thousands of organizations of all kinds for self-assessment and training and as a tool to develop performance and business processes. For many organizations, using the criteria results in better employee relations, higher productivity, greater customer satisfaction, increased market share, and improved profitability. According to a report by the Conference Board, a business membership organization, “A majority of large U.S. firms have used the criteria of the Malcolm Baldrige National Quality Award for self-improvement, and the evidence suggests a long-term link between use of the Baldrige Criteria and improved business performance.”

In addition, the Criteria have three important roles in strengthening U.S. competitiveness

- To help improve organizational performance practices, capabilities, and results
- To facilitate communication and sharing of best practices information among U.S. organizations of all types
- To serve as a working tool for understanding and managing performance and for guiding organizational planning and opportunities for learning

Seven categories make up the award criteria:

- **Leadership**—Examines how senior executives guide and sustain the organization and how the organization addresses Governance, ethical, legal and community responsibilities.
- **Strategic planning**—Examines how the organization sets strategic directions and how it determines and deploys key action plans.
- **Customer focus**—Examines how the organization determines requirements and expectations of customers and markets; builds relationships with customers; and acquires, satisfies, and retains customers.
- **Measurement, analysis, and knowledge management**—Examines the management, use, analysis, and improvement of data and information to support key organization processes as well as how the organization reviews its performance.
- **Workforce focus**—Examines how the organization engages, manages, and develops all those actively involved in accomplishing the work of the organization to develop full potential and how the workforce is aligned with the organization’s objectives.
- **Process management**—Examines aspects of how key production/delivery and support processes are designed, managed, and improved.
- **Results**—Examines the organization’s performance and improvement in its key business areas: customer satisfaction, financial and marketplace performance, workforce, product/service, and operational effectiveness, and leadership. The category also examines how the organization performs relative to competitors.

Core Values and Concepts: The Criteria are built on a set of interrelated, embedded beliefs and behaviors found in high-performing organizations. The core values and concepts are the foundation for integrating key business requirements within a results-oriented framework that creates a basis for action and feedback.

Baldrige Core Values and Concepts
Visionary Leadership
Customer-Driven Excellence
Organizational and Personal Learning
Valuing Workforce and Partners
Agility
Focus on the Future
Managing for Innovation
Management by Fact
Societal Responsibility
Focus on Results and Creating Value
Systems Perspective

Why Baldrige?

Why should an organization consider using the Baldrige Criteria?

Baldrige is the most comprehensive management framework available. It enables leaders to understand all of the internal and external forces that drive their business; to prioritize, enhance, and improve what is critical to success; and to select the courses of action that achieve, increase, and sustain the best possible overall performance. In short, implementing the Baldrige Criteria guide organizations to do the right things, at the right time, and in the right way.

Baldrige works for all types and sizes of organizations because it asks the questions that all high performing organizations consider and leaves the answers to those who can best determine them – the people who work in the organization. The knowledge gained promotes creativity and flexibility to order to deliver ever-improving value to customers and improve organizational effectiveness and capabilities.

Baldrige works if:

- 1) Leaders and the organization have the willingness and ability to develop an organizational culture based on the 11 core values of high performing organizations defined by the Criteria.
- 2) Leaders and the organization are willing to commit to a long-term journey of continuous learning and improvement.

What are the benefits compared to other tools and management systems?

Baldrige has a true systems perspective – it looks at all components of an organization with equal emphasis and focuses on how each part impacts and links with the others. It helps leaders align and integrate their leadership, strategy, customer & market focus, data analysis & knowledge management, workforce, and process management systems to produce the best overall results. Most other tools and management systems focus on one or a few of these components more than the rest. Other tools and management systems complement Baldrige and can provide more detailed guidance on “how” to implement than Baldrige does. Using Baldrige as your management system will help you determine which of these tools will most benefit your organization and when.



Make **Performance Excellence**
Your Competitive Advantage

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Granite State Quality Council

*New Hampshire's Nonprofit Resource for
Organizational Performance Excellence*

The Granite State Quality Council is a nonprofit organization with the mission to inspire and assist New Hampshire organizations in the achievement of Performance Excellence. We offer training and coaching, and administer the state's Baldrige-based Awards and Recognition Program.

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