# Malcolm Baldrige Criteria for Performance Excellence

## Description

The Malcolm Baldrige Model of Performance Excellence is a framework for organizational continuous improvement. The main values and concepts foundational to the Baldrige model include but are not limited to systems perspective, visionary leadership, customer-focused excellence, agility and resilience, management by fact, and innovation. Applied for over 30 years, the Baldrige Excellence Framework works to empower organizations to accomplish their mission, improve results, and become more competitive. Designed to help organizations innovate and improve, the Baldrige Excellence Framework includes criteria for performance excellence, core values and concepts, and guidelines to evaluating processes and results.

## Background

In the early and mid-1980s, many U.S. industry and government leaders saw the need for renewed emphasis on quality for doing business in an expanding and competitive world market. The Baldrige model was established by Congress to promote improved quality of goods and services in U.S. companies and organizations, primarily manufacturing and industry. The goal of the Malcolm Baldrige National Quality Improvement Act of 1987 (Public Law 100-107) was to enhance the competitiveness of U.S. businesses. The program and award were named for Malcolm Baldrige who served as the United States Secretary of Commerce during the Reagan administration. In 2010, the program's name was changed to the Baldrige Performance Excellence Program.

Based on annual survey responses, Baldrige Award applicants have noted the following benefits:

- **Accelerated improvement efforts:** The application process itself accelerates and goes beyond internal self-assessments by bringing a rigorous, objective, external viewpoint to the organization's internal improvement process.
- **Energized employees:** Pursuing a common goal motivates employees, resulting in energized improvement efforts.
- **An outside perspective:** Five to eight trained experts review each application. As a group, they spend a minimum of 300 hours reviewing each application, and site-visited applicants receive more than 1,000 hours of review.
- **Learning from the feedback:** Each applicant receives an objective, non-prescriptive written assessment of its strengths and opportunities for improvement based on an examination of its award application against the Baldrige Criteria for Performance Excellence. Organizations often use the report in their strategic planning to focus on their customers and improve results, as well as to help energize and guide improvement efforts.

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- **Aligned efforts and resources:** The linkages among the requirements of the seven Baldrige Criteria Categories can help organizations achieve better coordination and consistency among plans, processes, information, resource decisions, actions, results, analysis, and learning.
- **An integrated approach to management:** Management benefits from the big-picture systems perspective embedded in the integrated structure of the Baldrige core values and concepts, the Baldrige Criteria, and the scoring guidelines. This perspective helps organizations channel activities in consistent directions, ensuring unity of purpose while supporting agility, innovation, and decentralized decision making.
- **Focus on results:** Results are the bottom line in the Baldrige process: 450 of the 1,000 points in the Baldrige scoring system are allocated to results, one of seven Baldrige Criteria Categories. This results focus helps organizations determine the most critical areas to measure, create, and balance value for key stakeholders, and improve performance in key areas such as customer engagement, process performance, product performance, student learning, and health care outcomes.
- **Enhanced certification and accreditation efforts:** Recent iterations of standards from organizations in widely varying fields -- such as those from the International Organization for Standardization, the Joint Commission, and the North Central Association of Colleges and Schools -- are compatible with the Baldrige Criteria. In some cases, a Baldrige application may be substituted for an assessment.
- **Role-model status and pride:** Even though Baldrige Award recipients tell the Baldrige Program that applying for the Award is not about winning, they also report that their organizations and communities develop a tremendous sense of pride. Baldrige Award recipients share their stories and best performance practices with thousands of people around the country and the world. And Baldrige Award recipients help improve the competitiveness of U.S. organizations by inspiring them to improve their performance.

Since inception in 1987, the model and award that followed shortly thereafter has evolved to its current public-private partnership. Currently, a host of organizations and entities play a key role, including the following:

- **The National Institute of Standards and Technology (NIST):** A physical sciences laboratory and a non-regulatory agency of the United States Department of Commerce. Its mission is to promote innovation and industrial competitiveness.
- **The American Society for Quality (ASQ):** A knowledge-based global community of quality professionals promoting and advancing quality tools, principles, and practices in their workplaces and communities.
- **The United States Department of Commerce:** An executive department of the U.S. federal government concerned with promoting economic growth. Among its tasks are gathering economic and demographic data for business and government decision-making and helping to set industrial standards.
- **The Information Systems Security Association (ISSA):** A not-for-profit, international organization of information security professionals and practitioners

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providing educational forums, publications, and peer interaction opportunities that enhance the knowledge, skill, and professional growth of its members.

- **U.S. Business, Education, Healthcare, and Nonprofit experts, as a Board of Examiners:** A Board of Examiners made up of leaders in the noted industries who review applications for and make determinations regarding Baldrige Awards.

Its scope expanded to health care and education organizations in 1999 and to nonprofit/government organizations in 2007, and in 2017, cybersecurity.

Congress created the Award Program for the following reasons:

- Identify and recognize role-model businesses.
- Establish a criterion for evaluating improvement efforts.
- Disseminate and share best practices.

A Malcomb Baldrige National Quality Award established by the same legislation is awarded to organizations annually. The awards recognize national role models, who then share their best-in-class practices with other organizations.

## Purpose

The Malcolm Baldrige Model of Performance Excellence provides a framework to help organizations focus on knowing the critical aspects of managing and performing as an organization. It builds around an integrated performance management framework that the whole organization engages with, to improve overall performance and strive towards excellence.

The model is guided by the following values:

- Unwavering Commitment to Continuous Improvement and Organizational Performance Excellence
- Stewardship -- accountability above reproach
- Trust -- through teamwork, open communication, and transparency
- Visionary Leadership -- focused on results and creating value

## How It Works

Baldrige is a nonprescriptive framework and does not instruct leaders how to manage their organizations. It is an adaptable model that creates an Organizational Profile from what an organization describes as important to them. Based on that profile, improvement tools are chosen that are most effective for the organization in meeting those factors of importance, to assess progress, and adapt accordingly.

Assessment and improvement are directed along the following dimensions:

- **Approach:** How do you accomplish your organization's work? How systematic and effective are your key approaches?

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- **Deployment:** How consistently are your key approaches used in relevant parts of your organization?
- **Learning:** How well have you evaluated and improved your key approaches? How well have improvements been shared? Has new knowledge led to innovation?
- **Integration:** How well do your approaches reflect your current and vision and future organizational needs? How well are processes and operations harmonized across your organization?

Thereafter, the model continues in assessing the results of implemented improvement efforts along the following dimensions:

- **Levels:** What is your current performance on a meaningful measurement scale?
- **Trends:** Are the results improving, staying the same, or getting worse?
- **Comparisons:** How does your performance compare with that of competitors, or with benchmarks or industry leaders?
- **Integration:** Are you tracking results that are important to your organization? Are you using the results in decision making?

As organizations ask and respond to these questions and assess responses, strengths and gaps are identified. The coordination of key processes and feedback between processes and results will lead to cycles of improvement. Organizations learn increasingly about themselves and begin to define the best ways to build on their strengths, close gaps, and innovate.

## Core Values, Principles and Concepts

The Baldrige model is intended to build an integrated performance management system that the whole organization engages with to improve overall performance. Typically initiated at the leadership level, Baldrige incorporates the principle of participatory leadership where engagement, input, and action from all levels of the organization are involved in assessment, strategic planning, implementation, and outcomes measurement. This holistic involvement establishes, supports, and sustains a systematic perspective of maintaining organization-wide goal alignment.

## Framework

The Baldrige Excellence Framework has three parts: (1) the criteria for performance excellence, (2) core values and concepts, and (3) scoring guidelines. The framework serves two main purposes: (1) to help organizations assess their improvement efforts, diagnose their overall performance management system, and identify their strengths and opportunities for improvement, and (2) to identify Baldrige Award recipients that will serve as role models for other organizations.

The criteria for performance excellence are based on a set of core values:

- **Systems perspective:** Managing all the parts of your organization as a unified whole to achieve your mission and strive toward your vision.

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- **Visionary leadership:** Organizational executives facilitating a vision for the organization with clear and visible values and ethics, and high-set expectations of organizational staff.
- **Customer-focused excellence:** Consideration of all services and "product" characteristics that contribute to customer satisfaction and overall organizational success.
- **Valuing people:** Holding value for all people who are affected by organizational actions; includes staff, customers, partners, suppliers, and the community.
- **Organizational learning and agility:** Continuous improvement of existing approaches and significant change or innovation leading to new goals, approaches, outcomes.
- **Focus on success and innovation:** Ensuring current and future success by understanding the short- and longer-term factors that affect your organization and its environment. Making meaningful changes to improve your outcomes, programs, processes, and operations. Having a purpose of creating new value for your stakeholders.
- **Management by fact:** Using measurement and analysis of performance. Includes performance measures and indicators that support organizational evaluation, alignment, and decision-making.
- **Societal responsibility:** Prioritizing contributions to the public and societal well-being.
- **Ethics and transparency:** Leadership that stresses ethical attitudes and behaviors by all staff, while being role-models of ethical behavior.
- **Delivering value and results:** Choosing and analyzing results that help the organization deliver value for stakeholders. These include customer and workforce satisfaction, outcomes, costs per outcome, engagement results, leadership, and strategy.

The questions that make up the criteria represent seven aspects of organizational management and performance:

- **Leadership:** Executive attitudes, approaches, communications, ethics, and effectiveness
- **Strategy:** Organizational alignment in planning, policies, actions, and operations
- **Customers:** Persons or people who are stakeholders in organizational operations and outcomes
- **Measurement, analysis, and knowledge management:** Performance Measures and Indicators, the processes for that data collection/management
- **Workforce:** Organizational staff, partners, and contractors integral to operations
- **Operations:** How organizational functions are discharged, processes and their sequencing
- **Results:** Effects and outcomes of operations

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Diagram: Organizational Profile



Multiple sector-specific versions of the Baldrige framework exist and are revised every two years:

- **Government/Nonprofit Excellence Framework:** Focuses on fulfilling organizational mission and serving constituencies in the governmental and nonprofit sectors
- **Education Excellence Framework:** Focuses on ways to comprehensively achieve and sustain high performance for students and schools, including K-12, secondary, and postsecondary systems.
- **Health Care Excellence Framework:** Focuses on improving safety, outcomes and cost reduction, this framework is used in the provider, clinic, hospital, and large health systems.
- **Service Excellence Framework:** Focuses on service organizations such as hotels, restaurants, utilities (oil, gas, electricity), and financial service providers.
- **Small Business Framework:** Focus on small businesses (40 employees and less) and some target for rural areas.

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- **Manufacturing Framework:** Focuses on helping manufacturing industry with pressure on costs, profits. Includes manufacturers from the aerospace industry to food producers.

# Application
## Vocational Rehabilitation

In the early 1990's, the Missouri Governor embraced the Baldrige Model of Performance Excellence and started putting emphasis on the model for Missouri state government. Several state agencies, including the Department of Revenue and Department of Motor Vehicles, were completely revamped using the Baldrige principles. Missouri Vocational Rehabilitation started applying the principles in the mid-1990s because of the overarching principle of continuous improvement and applied for the Missouri Quality Award. While they did not receive the award, the recommendations were useful in making changes in the way they used data and information to make changes.

## Other Organizations

- The Baldrige Model has been used in organizational change by different types of organizations including, but not limited to, the following:
- Public Service or Other Related Organizations (municipalities, states, etc.)
- Healthcare Systems (hospitals, clinics, etc.)
- Education Entities (primary, secondary, charter, postsecondary)
- Nonprofit (military, government)
- Manufacturing
- Small Business

# Criticisms or Concerns
There are a couple of criticisms and concerns regarding the Baldrige model. The first is that there is mixed evidence regarding the relationship between the Baldrige scores awarded to organizations and their financial performance and long-term planning (acknowledged by the Baldrige Foundation with their addition that advanced criteria that have shown greater relationship between the model and these performance areas). The other criticism (commonly noted) is the length, complexity, and cost-prohibitive nature of the award application.

# Effectiveness
Most literature on the effectiveness of the Baldrige model comes from the National Institute of Standards and Technology (NIST), who is a principal of the Baldrige method and award. That said, several cited articles indicate the Baldrige model helps organization perform better. John R. Griffith, author of "Understanding High-Reliability Organizations: Are Baldrige Recipients Models?" cites that "data shows that the Baldrige approach is an effective method of generating above-average performance." More information on what research and other

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authors have said can be found at https://www.nist.gov/news-events/news/2015/02/more-evidence-baldrige-criteria-help-organizations-perform-better.

## Recommendation for Use in VR

Use of the Baldrige method is recommended within VR programs where there is or may be a hyper-focus or overemphasis on the processes and procedures of operations without an adequate-or-better embedded "big-picture" perspective. A common trait in VR (or any organization) with heavy emphasis on process and procedure is a tendency to have more centralized decision-making authority, with limited agility and professional discretion. Integration of the Baldrige core values and concepts help channel activities throughout the organization in consistent directions, affirming purpose, while supporting agility, innovation, and decentralized decision making.

## Certification

A publication titled the "2021-2022 Baldrige Excellence Framework (Business/Nonprofit)" is available for purchase through the NIST website.

The booklet includes the following:

- The criteria for performance excellence
- Core values and concepts (beliefs and behaviors found in high performing organizations)
- Guidelines for responding to the Criteria, evaluating, and scoring processes and results
- A key terms glossary

The booklet is available electronically ($12) or in print ($30 plus shipping) with bulk discounts for both. Purchase can be made at https://www.nist.gov/baldrige/products-services/baldrige-excellence-framework. Additionally, a variety of free and getting-started resources are available at https://www.nist.gov/baldrige/publications/baldrige-excellence-framework/businessnonprofit.

While no certification related to Baldrige exists, a commensurate Malcolm Baldrige National Quality Award can be applied or nominated for. Awardees are considered exemplary organizations of performance excellence. Organizations indicate considerable value by applying for the award, even if they do not get recognized with an award. A list of noted benefits can be found at https://www.nist.gov/baldrige/benefits-applying.

## Resources
### Websites

Baldrige, Who We Are: The organizational home page for the Baldrige Foundation and Award. Contains basic introductory information, with links for additional information.

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[The Baldrige Framework: In Pursuit of Excellence](): This webpage provides a summary of the Baldrige Excellence Framework, with an explanation of the Baldrige basics, its framework, categories, core values and concepts, and benefits.

The [NIST webpage on the Baldrige Performance Excellence Program]() provides information on how the model works, determining applicability to organizations, impacts both nationally and globally, and provides multiple additional links for more information.

## Articles

[Baldrige External News and Research Articles]()

Videos

[Introduction to Baldrige video](): Overview of Introduction to Baldrige program for organizations just starting on their journey to performance excellence. Created by the Baldrige Babes, a group of Baldrige practitioners dedicated to bringing the power of the Baldrige framework to organizations that want to achieve world-class performance.

[Quality and the Baldrige Model]()

[Accelerating Excellence with the Baldrige Framework]()

[From Good to Great Using Baldrige]()

## Model Images

[Baldrige]() Business Model

[Learning from Role Models: Category 6: Operations]()

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