****

**The Baldrige Criteria 101**

**What Are the Baldrige Criteria?**

* The Criteria are an “integrated management framework”—a tool for understanding and managing organizational performance. They are a set of questions that guide how to run any organization, no matter its sector or size.
* The Criteria questions cover all aspects of management: leadership; strategic planning; customers (or, in education and health care, students and patients, respectively); measurement, analysis, and knowledge management; the workforce; operations; and results.
* The Criteria provide a systems perspective, meaning they look at alignment and integration across an organization. They are divided into process and results categories that represent all of the components of a performance management system. The individual components are essential, but how they relate to one another—how they link—defines the success of the organization and its overall management system. Examples of linkages are
	+ the connections between process items and corresponding results items
	+ the need for data from the Measurement, Analysis, and Knowledge Management category in the strategic planning process
	+ the relationship between the leadership system and the strategic planning process
	+ the connection between workforce planning and strategic planning
* The Criteria contain core values and concepts that represent the embedded beliefs and behaviors found in high-performing organizations.

**How Are the Baldrige Criteria Used?**

* The Criteria are used to assess an organization's performance, helping the organization identify its strengths, opportunities for improvement, and gaps/blind spots.
* An assessment against the Baldrige Criteria has three elements. (1) In the Organizational Profile, the organization describes what is important to it (its operating environment, key relationships, competitive environment, and strategic context). (2) In responses to categories 1–7, the organization tells **how it is accomplishing what is important to it.** (3) The scoring guidelines allow the organization to assess **how well it is accomplishing what is important to it:** the maturity of processes and their deployment, and the breadth and significance of the organization’s results.
* Responses to the Criteria questions serve as an application for the Malcolm Baldrige National Quality Award, the nation’s only Presidential award for organizational performance excellence.
* Individual categories or items of the Criteria are used as focused study for personal or organizational learning.
* Many organizations seek leadership development training in the Criteria, either by becoming a Baldrige examiner (a volunteer who assesses Baldrige Award applications and performs other assessment tasks) or Baldrige Executive Fellow (a rising senior leader who participates in the peer-development program to explore all aspects of leadership through the Criteria).
* Through the Baldrige Program, the Criteria facilitate the communication and sharing of best practices among organizations.
* Many accreditation systems (e.g., the Accreditation Council for Business Schools and Programs and the Joint Commission) and standards are based on the Criteria or being revised to better align with them.
* Many associations model their performance excellence programs on Baldrige (e.g., National Housing Quality Award and the American Health Care Association/National Center for Assisted Living).
* Many small business development centers (e.g., the Puerto Rico Small Business Technology and Development Center) train businesses and their executives on Baldrige principles.
* Here are examples of how other organizations use the Criteria (note: many of these examples can be found in stories on [Blogrige](http://nistbaldrige.blogs.govdelivery.com/)):
	+ Large businesses, such as Cargill, Eaton, Tata, Seagate Technology, and Turner Broadcasting System use them as the basis for internal performance programs.
	+ Service businesses, such as McDonalds, Pizza Hut, Lockheed Martin Missiles and Fire Control, and IBM Canada, use them to determine the quality of their suppliers.
	+ Health care and other organizations, such as Bronson Medical Center and Stoner, use the Criteria to manage culture shifts and engage the workforce during mergers and acquisitions.
	+ Organizations, such as Gallup and Caterpillar Financial, use the Criteria to manage their brand.
	+ Organizations, such as AARP, use the Criteria to validate their voice-of-the-customer strategies.
	+ Health care organizations, such as Beth Israel Deaconess Medical Center of Harvard Medical School, use the Criteria to guide organizational learning and the improvement of performance outcomes.
	+ Organizations, such as AtlantiCare and KARLEE, use them to remain agile in turbulent and changing industries.
	+ Education organizations use the Criteria to ensure the efficiency and effectiveness of resources, so that the focus can be on helping students learn and measuring their progress in real-time.

**What’s the Impact of Using the Baldrige Criteria?**

* Organizations that have [won the Baldrige Award twice](http://nistbaldrige.blogs.govdelivery.com/2013/02/14/jobs-data-continue-to-look-good/) demonstrate median growth in jobs nearly 20 times greater than matched industries and time periods (63% versus 3.2%, per the Bureaus of Economic Analysis and Labor Statistics). In addition, two-time winners have seen a 92.6% increase in median revenue growth and a 67% median growth in number of sites.
* A [study by Truven Health Analytics](http://www.nist.gov/baldrige/baldrige-120412.cfm) links hospitals that adopt and use the Baldrige Criteria to successful operations, management practices, and overall performance.
* 65% of hospitals are likely to “use the Baldrige Criteria for Performance Excellence as a systematic framework for performance improvement or as an internal assessment tool” by 2018, according to survey results reported in [Futurescan 2013](http://www.nist.gov/baldrige/upload/Futurescan-2013-p44-2.pdf). According to the same survey, 41% of hospitals are likely to submit an application for the Baldrige Award or a state-level Baldrige-based award by 2018.
* The Criteria are making a difference:
	+ Lockheed Martin Missiles and Fire Control realized cost savings of an estimated $225 million annually through time reductions resulting from process and performance improvement programs in all lines of its businesses.
	+ MEDRAD (now a business of Bayer HealthCare) steadily increased its revenues from $120 million in 1997 to approximately $625 million in 2009.
	+ Honeywell Federal Manufacturing & Technologies’ customer product quality and reliability reached 99.9% for traditional customers and 99% for nontraditional customers.
	+ Cargill Corn Milling saved more than $15 million from 2006 to 2008 by using ideas generated by employees.
	+ Premier’s operating income per employee grew from $144,000 to $225,000.
	+ Caterpillar Financial Services Corp.’s assets and profit increased 34% and 54%, respectively, during an industry decline.
	+ 99% of Ritz-Carlton Hotel Company, LLC guests surveyed said they were satisfied.
	+ From 2006 to 2012, MESA more than doubled in size, demonstrating a growth rate during this period that exceeded that of its closest competitor by almost 40 percent.
	+ Freese and Nichols achieved revenue growth between 12 and 16 percent over the four years leading to its Baldrige Award, exceeding the industry benchmark by 10 percentage points in 2009.
	+ In sales, K&N Management’s restaurants significantly outperformed local competitors and national chains in the years leading to its Baldrige Award. Its total revenue in the year of its award reached approximately $50 million.
	+ [MidwayUSA](http://www.nist.gov/baldrige/publications/upload/MidwayUSA_Profile.pdf)’s overall customer satisfaction was 93%, and overall customer retention reached an all-time high of 98% in the year it received the Baldrige Award.
	+ Despite its location in what has been called “the nation’s epicenter of poverty,” North Mississippi Health Services is the only health care organization in Mississippi or Alabama with a Standard & Poor’s AA credit rating, which it has held for the past 18 years.
	+ Henry Ford Health System demonstrated performance on core measures publicly reported for the Centers for Medicare and Medicaid Services at the 90th percentile for 75 percent of the reporting areas across the system’s seven inpatient hospitals.
	+ Schneck Medical Center achieved highly favorable performance on patient satisfaction surveys in the years leading to its Baldrige Award, meeting or exceeding the top 10 percent or top 25 percent levels on nine of ten measures of the national Press Ganey Associates surveys.
	+ Southcentral Foundation achieved the highest level of recognition from the National Committee on Quality Assurance.
* In the year it received the Baldrige Award, half of Montgomery County Public Schools’ graduates received a college-ready score of 3 or higher on at least one Advanced Placement exam while in high school—twice the state rate and three times the national rate.
* Iredell-Statesville Schools improved its academic composite ranking from 55th to 9th in North Carolina.
* Turnover rates for Jenks Public Schools’ teaching staff in 2003 and 2004 were 11% and 6%, respectively, compared to a national rate of 20% for both years.
* The City of Irving maintained an AAA credit rating from Standard and Poor’s and Moody’s over five years during the worst recession in U.S. history.
* Concordia Publishing House earned overall customer satisfaction scores above 98 percent, exceeding levels set forth by the annual Purdue University Benchmark Study of U.S. Call Centers.
* The City of Coral Spring’s business satisfaction rose from 76% in 2004 to 97% in 2008, the year it received the Baldrige Award.
* 95 Baldrige Award winners serve as national role models.
* 2010–2013 award applicants represent 470,403 jobs, 2,250 work sites, over $77 billion in revenue/budgets, and about 434 million customers served.
* 482 Baldrige examiners volunteered roughly $7.3 million in services in 2013.
* 35+ state and sector Baldrige-based programs (the [Alliance for Performance Excellence](http://www.baldrigepe.org/alliance/)) cover just about every state in the union and the military. 2,297 Alliance examiners volunteered around $30 million in services in 2013.

**Where Can I Find More Information and Samples of Assessments?**

* [Award recipient application summaries](http://patapsco.nist.gov/Award_Recipients/index.cfm) show how these role-model organizations wrote an application against the Baldrige Criteria.
* [Case studies](http://nist.gov/baldrige/publications/collin_tech.cfm) show how fictitious organizations might write applications against the Criteria. Case study scorebooks and feedback reports (part of [case study packets](http://nist.gov/baldrige/publications/archive/index.cfm)) show how these organizations were assessed against the Criteria.
* The Criteria [category and item commentary](http://nist.gov/baldrige/publications/upload/Category-and-Item-Commentary_BNP.pdf) offer more detail into Criteria categories and items.
* Multimedia presentations, award ceremonies, and photos are available on [YouTube](https://www.youtube.com/playlist?list=PL914FB9D44BF49C14) and [Flickr](https://www.flickr.com/photos/usnistgov/sets/72157627201998994/).
* [Award recipient profiles](http://patapsco.nist.gov/Award_Recipients/index.cfm) show the results received by Baldrige Award recipients (only recipients are made public; Baldrige Award applicants and their results are kept confidential).
* [Baldrige 20/20](http://nist.gov/baldrige/publications/baldrige_20_20.cfm), with a foreword by Harvard’s Rosabeth Moss Kanter, and most [other publications](http://nist.gov/baldrige/publications/index.cfm) are available for free.

**The Baldrige Criteria for Performance Excellence:**

**Additional Information**

# For the U.S. economy, performance excellence has never been more important. For 25 years, the [Baldrige Criteria for Performance Excellence](http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm) have represented that performance excellence (much more than an updated total quality management of a few decades ago) and remain at the “[Leading Edge of Validated Management Practice](http://www.nist.gov/baldrige/publications/archive/insights_1213.cfm).”

# The Baldrige Criteria are being used today by business, nonprofit, health care, and education organizations as a framework for organizational performance management, assessment, and excellence. They are used not only as an application for the Malcolm Baldrige National Quality Award but as the way to run a business—even being called a [“A Road Map for the Future”](http://www.qualitymag.com/articles/91903-a-road-map-for-the-future) by *Quality* magazine. They offer something different than Lean Six Sigma, ISO, Magnet, and other methodologies and strategies; the Baldrige Criteria offer an organization-wide perspective that optimizes an entire system rather than just focuses on pockets of excellence.

In addition, nearly 100 international programs use the Baldrige Criteria in their entirety, translated, benchmarked, or adapted as their performance excellence models. Many of these countries also tie their performance excellence models directly to their governments in terms of recognition, funding, education, and certification. Examples include [Singapore and Thailand](http://nistbaldrige.blogs.govdelivery.com/2013/03/06/look-whos-using-baldrige-a-focus-on-southeast-asia/), [New Zealand](http://www.nbr.co.nz/article/two-rare-golds-awarded-country-toughest-business-competition-ng-149421), [Vietnam](http://nistbaldrige.blogs.govdelivery.com/2013/03/05/vietnam-news/), [Sri Lanka](http://nistbaldrige.blogs.govdelivery.com/2013/12/19/the-global-business-value-of-the-baldrige-model/), and [many others](http://nistbaldrige.blogs.govdelivery.com/2010/07/06/validated-around-the-world/). The Baldrige Program also works closely with the Global Excellence Model (GEM) Council that includes the European Foundation for Quality Management (EFQM) and the Japan Quality Award, among other [members](http://www.nist.gov/baldrige/community/international.cfm).

Here are some other links that may be of interest:

* [Baldrige 20/20](http://www.nist.gov/baldrige/publications/upload/Baldrige_20_20.pdf) provides business cases/success stories in each sector of the U.S. economy, as well as aggregated data from Baldrige Award recipients. [Forewords](http://www.nist.gov/baldrige/publications/upload/Baldrige_20_20_Forewords.pdf) are written by Rosabeth Moss Kanter, Ernest L. Arbuckle Professor of Business Administration at Harvard Business School and chair and director of the Harvard University Advanced Leadership Initiative, and Gregory R. Page, chairman of the board and chief executive officer of Cargill, Incorporated.
* Return on investment data from [Cargill, Inc.](http://www.nist.gov/baldrige/qe/roi.cfm)
* Explanation of how Lockheed Martin Missiles and Fire Control used the Baldrige Criteria to [improve its supply chain](http://nistbaldrige.blogs.govdelivery.com/2014/02/06/boiling-the-ocean-how-a-manufacturer-leveraged-the-criteria-to-improve-its-supply-chain/)
* Explanation of how AARP used the Baldrige Criteria to [improve its voice of the customer strategy](http://nistbaldrige.blogs.govdelivery.com/2013/11/26/why-and-how-aarp-uses-the-baldrige-criteria-for-performance-excellence/)
* Explanation of how the Tata Group uses the Baldrige Criteria [as its model](http://nistbaldrige.blogs.govdelivery.com/2012/09/04/tatas-baldrige-advantage-a-multinationals-model-for-performance-excellence/) for performance excellence
* [Overall Baldrige impacts](http://www.nist.gov/baldrige/publications/impacts.cfm), including increased health care interest
* Sample overall results from [Baldrige in Health Care](http://www.nist.gov/baldrige/enter/results_hc.cfm), as well as specific Baldrige [impacts in health care](http://www.nist.gov/baldrige/publications/impacts.cfm)
* Sample overall results from [Baldrige in Nonprofit/Government](http://www.nist.gov/baldrige/enter/results_nonprofit.cfm)
* Sample overall results from [Baldrige in Service](http://www.nist.gov/baldrige/enter/results_service.cfm)
* [Publicly available results](http://patapsco.nist.gov/Award_Recipients/index.cfm) from Baldrige Award recipients. “Profiles” highlight results attained; “Award Application Summaries” show application of the Baldrige Criteria by role-model organizations.
* Interviews with CEOs, keynote speakers, and other senior leaders on [Blogrige](http://nistbaldrige.blogs.govdelivery.com/)
* [YouTube videos](http://www.youtube.com/playlist?list=PL914FB9D44BF49C14) feature presidents, award recipients, and others speaking about the value of the Criteria
* [Baldrige Quality Album](https://www.flickr.com/photos/usnistgov/sets/72157627201998994/) on Flickr
* [Case studies and derivative products](http://www.nist.gov/baldrige/publications/collin_tech.cfm) illustrate how fictitious U.S. organizations apply the Baldrige Criteria and are assessed by Baldrige examiners
* [How the Baldrige Criteria](http://www.nist.gov/baldrige/publications/baldrige_perspective.cfm) are used by boards of directors