



The Baldrige Criteria for Performance Excellence

by Dr. E. David Spong

“ Baldrige provides a framework for “leading.” By answering challenging, probing questions about how they are leading their organizations, leaders receive feedback from the Baldrige process on what they are doing well and what they could do better. These questions are based on analyses of high performing organizations that have been collected over the past 30 years and updated regularly every two years. These questions also help leaders understand what motivates their employees and inspires loyalty, a critical challenge for many organizations these days.”

What is it that causes any one of us to step across the line and commit to a significant undertaking or a new way of doing things? To say, “Yes, we’re going to do this!” In all successful organizations, it takes leadership conviction to set the course. That requires a leap of faith, but it’s a leap made easier by confidence in the capabilities of the organization. And it takes one more thing: knowing with certainty you have a solid framework for action. The management framework I used to achieve world-class results in not one but two businesses was the Baldrige Criteria for Performance Excellence.

It has been said that a leader has the loneliest job. Today’s businesses and organizations are beset by a multitude of problems and issues, many without easy or obvious solutions which the leader must solve. Most of us “lonely” leaders draw on our experience and the capabilities of our staff to solve the problems. We fight our day-to-day fires. We hope our strategic planning will help us steer our organizations toward a healthy, sustainable future. But we never are quite sure if our plans are up to our challenges or how to convert plans to integrated organizational action.

We know what keeps us up at night, the things that can wound or even kill our businesses, like demands for higher productivity, and skyrocketing energy and health care costs. And we have some tools to fight them, but what we don’t know are our blind spots and they can also kill us. The blind spots are equivalent to the plaque that is about to clog our arteries, but we don’t know about it because we have not had a recent medical check-up.

Fortunately, there is an organizational health guide that has been available since 1988: the Baldrige Criteria.

Baldrige provides a framework for “leading.” By answering challenging, probing questions about how they are leading their organizations, leaders receive feedback from the Baldrige process on what they are doing well and what they could do better. These questions are based on analyses of high performing organizations that have been collected over the past 30 years and updated regularly every two years. These questions also help leaders understand what motivates their employees and inspires loyalty, a critical challenge for many organizations these days.

That guide is very different today than it was in its inception. In 1988, Baldrige addressed largely manufacturing process improvement and customer satisfaction; the tools we needed to become more competitive with Japanese product quality and process efficiency. Today it addresses that and a lot more: everything we need to be competitive in a very different



global economy. It is a systems approach. It accommodates tools we use like Six Sigma and Lean, but it goes well beyond that to an overall management framework that includes governance, ethics, strategic planning, and knowledge management, all focused on delivering business results.

The real appeal of the Baldrige framework is its ability to create a meaningful balance between managing our business while simultaneously improving our business. As a result, evolving improvement methodologies no longer need to be viewed as competing initiatives but deliberate steps in our journey toward organizational excellence.

Simplistically, the success of any organization depends entirely on the leadership and the workforce! This leads to the debate as to which is the most critical. I would contend it is Leadership since they have the power to set the course and to recruit, develop, and motivate the workforce. Most leaders are never formally trained in Leadership. To paraphrase an old adage they are either born leaders or learn from the school of hard knocks.

I have had the privilege of leading one healthy business and the challenge of bringing a second one out of crisis to become a healthy business. The former was a service business; the latter a manufacturing business where a crisis situation was turned to opportunity. Both businesses achieved world-class results, including double-digit margins and double-digit growth in the service business. It was done with dedicated people, a strong process orientation, and a commitment to quality. Both businesses won awards—the Malcolm Baldrige National Quality Award presented by the President of the United States. But more important than winning the award, when I moved to my next opportunity, I left behind two healthy businesses with great cultures.

In my experience, most leaders “fly by the seat of their pants.” Some are very good, the “born” leaders, who have an innate sense of where to lead their organization. For those that do not have this innate skill, the use of the Baldrige Criteria can help guide them to greatness!

