

Salvaging Baldrige

What needs to be done to get the program back on track?

THE BALDRIGE Performance Excellence Program is in trouble. It was in trouble before the Budget Committee and Appropriations Subcommittee in the U.S. House of Representatives voted to eliminate all federal funding for the program for the fiscal year 2012. And it's because the program has gotten away from its roots.

Since Congress established the award in 1987 to reverse America's declining image as a world leader in manufacturing, the sectors the award was meant to elevate have steadily turned their back on the process (see Table 1).

The Baldrige program has stayed alive by adding categories: education and healthcare in 1999, and nonprofits in 2007. Of the three, only healthcare shows sustained growth. As a further sign of the increasing irrelevance of the Baldrige process, seven state awards have shut down in the last few years, and most of those that remain are experiencing severe financial stress.

What has caused this decline? The award's original goal—"to stimulate American companies to improve quality and productivity"¹—seems even more urgent today than it was in 1987. Likewise, the conclusion is still widely accepted that "a commitment to excellence in manufacturing and services ... [is] essential to the well being of our nation's economy and our ability to compete effectively in the global marketplace."²

Certainly, customers have not lost interest in quality, nor does it appear that manufacturing, services and small business have learned to survive without continuously improving. Why have these sectors, along with education and nonprofits, become increasingly disillusioned with the Baldrige process as a tool for improvement?

Stating the facts

When it first became obvious organizations in the targeted markets were not seeking the award at the same rate as they had, the examiner corps and the Baldrige office staff attributed the slide to the rise of state award programs. Applications were expected to increase after a cohort of organizations had worked their way through the local process. That hasn't happened.

Lately, the favored explanation is that the term "quality" had fallen out of vogue and "performance excellence" should be substituted in its place. Hence, the announcement last year that the program name was being changed to "Baldrige Performance Excellence Program" and the award name to "Malcolm Baldrige Award."

Up-close experience suggests the cause for the decline is much more systemic than simple nomenclature.

My former employer, Northwest Missouri State University, applied for the award five times. Some years, applications were submitted to the Missouri Quality Award and the Baldrige program. Although Northwest won the Missouri Quality Award four times, it never made the winners' circle for the Baldrige program.

The fact that state and national feedback reports could be juxtaposed side-by-side was particularly instructive, especially because criteria for both awards were the same, and several of the state examiners who visited the campus concurrently served as national examiners.

It's my conclusion the Baldrige process suffers from the following deficiencies:

1. The process is not informed. The practice of limiting teams to the information contained in an application seems shortsighted. When is ignorance better

than knowledge? Similarly, the unwillingness to implement post-site-visit dialog to avoid factual errors is a failing.

2. The Baldrige criteria are woefully pedestrian when it comes to defining, understanding or comparing results. This probably explains why the criteria are never seriously mentioned in the current debate about educational accountability measures.

3. The process is not transparent. An applicant ought to be able to surmise that if it responds to the feedback, its score in subsequent years will go up. Currently, that is not the case. In this regard, year-to-year feedback would be better aligned if teams were given prior feedback reports.

4. The examination process is not aligned. The gap between the work of site-visit teams and the judging process is glaring. The judges deliberately ignore the scores assigned by the team. Also, they vote via secret ballot and do not provide a rationale for their decisions, either individually or collectively.

Remaining relevant

Can the Baldrige award process return to relevance in helping move this nation forward in the global economy? It might be too late, but at a minimum some process changes should accompany the new name.

An experienced task force should begin by identifying the best practices used in accreditation reviews, ISO certifications and the quality award process used in the European Union.

The decision to advance all applicants to the Consensus Stage was a significant improvement that should improve feedback. Along those lines, after the Consensus meeting has ended, the chair or the

Baldrige applications / TABLE 1

	Manufacturing	Service	Small business	Education	Healthcare	Nonprofit	Total
1988	45	9	12	-	-	-	66
1989	23	6	11	-	-	-	40
1990	45	18	34	-	-	-	97
1991	38	21	47	-	-	-	106
1992	31	15	44	-	-	-	90
1993	32	13	31	-	-	-	76
1994	23	18	30	-	-	-	71
1995	18	10	19	-	-	-	47
1996	13	6	10	-	-	-	29
1997	9	7	10	-	-	-	26
1998	15	5	16	-	-	-	36
1999	4	11	12	16	9	-	52
2000	14	5	11	11	8	-	49
2001	7	4	8	10	17	-	46
2002	8	3	11	10	17	-	49
2003	10	8	12	19	19	-	68
2004	8	5	8	17	22	-	60
2005	1	6	8	16	33	-	64
2006	3	4	8	16	45	-	76
2007	2	4	7	16	42	13	84
2008	3	5	7	11	43	16	85
2009	2	4	5	9	42	8	70
2010	3	2	7	10	54	7	83

among the judges, who should write an addendum to the feedback report explaining the basis for their decision.

Finally, it would be efficacious to permanently assign a staff mentor or monitor to an organization when it applies for the first time. This individual could work with the organization and the examination team leader to develop a baseline feedback report, monitor progress and advise the organization regarding future applications, and provide nuanced information to teams and judges as the process unfolds.

Additionally, this person could serve as a conduit between the team and the applicant prior to the visit by forwarding questions from the team and answers from the applicant back to the team. This might attenuate the exhaustion issue raised by teams that are expected to accomplish an impossible amount of work on site.

As the United States watches its standing in the world slip for every important variable, it is more critical than ever that we establish a credible, systematic process that will drive continuous improvement. The implications of not developing such a process are too dire to contemplate. **QP**

REFERENCES

1. The National Institute of Standards and Technology, "The Malcolm Baldrige National Quality Improvement Act of 1987," www.nist.gov/baldrige/about/improvement_act.cfm.
2. Ibid.



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person assigned responsibility for writing the feedback report should be given all previous feedback reports received by that applicant.

Conflicts with prior year reports regarding opportunities for improvement (OFIs) and key themes should be resolved. For applicants that drop out after stage two, either the chair of the team or a staff member should review a draft of the feedback report with the applicant to ensure the report represents an agreed-upon and adequate platform for continued improvement.

Teams should be provided with previous feedback reports when assigned to score applicants who applied previously. Further, applications should be rescored as part of the site-visit process. This helps keep the process fact based.

Also, not doing so raises questions about the value and integrity of the scoring guidelines and prior steps that are driven almost totally by scores. Scores should be forwarded to the judges and should play a major role in choosing award recipients.

Where's the exit?

A substantive exit interview should be part of each site visit, during which all proposed OFIs are reviewed. The meeting should seek to isolate OFIs based on factual errors so the feedback ultimately forwarded to the judges is as accurate as possible.

To align and preserve the integrity of the entire process, judges' decisions should be based primarily on the report from the examination team. Voting should be open