

Using the Baldrige Award criteria for quality system assessment and internal quality awards

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The criteria of the Malcolm Baldrige National Quality Award can serve as a valuable tool for assessing a company's quality system. The Baldrige criteria can help an organization know exactly how it stands in all areas of its quality management effort. By using the Baldrige criteria to assess your quality system you will understand your system better, recognize opportunities for improvement faster, and improve quality at a more rapid pace than your competitors. Applying for and winning the award, although commendable, should not be the primary consideration. The important thing is to use the criteria to improve your quality system.

Many organizations are now beginning to employ the Baldrige criteria for their own internal quality awards. These include such well-recognized firms as Intel, Honeywell, Control Data, and Baxter Health Care.¹

American industry thrives on competition. Companies that have multiple plants may find advantage in using the Baldrige criteria to evaluate quality systems and provide recognition to those achieving the highest scores. Such internal award programs provide an immediate focus on quality and an opportunity for structured self-assessment. They also tend to quicken the quality improvement processes at their plants.

Getting started

Implementation of such an interplant competitive quality assessment program might proceed as follows:

- An interplant quality management task group reviews Baldrige criteria in terms of applicability to all partici-

pating plants. The Baldrige Award criteria are spelled out in a free booklet available from the National Institute of Standards and Technology (NIST).² Modifications to criteria based on existing needs are permitted. Point scores for various categories are also reviewed and revised if deemed important. A listing of the categories and included items used in the 1993 Baldrige National Quality Award is provided in **Table I**.

- Corporate and plant managers and their staffs are familiarized with the Baldrige criteria to be used in the assessment.
- Internal examiners are selected and trained to conduct plant assessments. Training includes evaluation procedures, scoring, achieving consensus, and site visit conduct. This requires at least one full day. The size of your audit team will depend on the size of your plants. Many companies begin this process using seven auditors, each having responsibility during the audit for one of the seven award criteria categories. Your audit team should be led by an audit manager. The audit manager should be someone who has successfully managed large projects, has credibility with top management, and understands the concepts and principles of the Baldrige criteria.

Select examiners based on their organizational ability, attention to detail, and knowledge of the particular category to which they will be assigned. Needless to say, examiners should not be involved in the audit of their own plant. Consider using alternate examiners in such cases. The audit manager is responsible for examiner training. Use of a consultant with Baldrige Award experience is often helpful.

The assessment process

The evaluation procedure is rather straightforward. However, it will require an investment of time to obtain a true picture of where your organization stands in the implementation of total quality management. The following is the sequence of events:

¹ For further details see: George, S., *The Baldrige Quality System: The Do-It-Yourself Way To Transform Your Business*, John Wiley & Sons, New York, 1992.

² Obtain Award Criteria booklet from: Malcolm Baldrige National Quality Award, National Institute of Standards and Technology, Route 270 and Quince Orchard Road, Administration Building, Room A537, Gaithersburg, MD 20899, telephone: (301) 975-2036; fax: (301) 948-3716.

On Management

- Each plant first conducts a self-assessment on what is occurring at their facility with regard to the criteria. They submit a report highlighting key findings to the audit manager using brief sentences and a bullet-type format. The maximum number of pages for the plant response is specified. For example, Intel uses six pages, Control Data uses 20 pages maximum. The intent is to note significant strengths and possible areas for improvement. This is not intended to be a Baldrige Award application, which can take up to 75 pages and consume many thousands of hours.
- Reports are reviewed by the audit team and used as the basis for developing site visit issues.
- Site visits are performed at each plant. These include observing operations, examining documentation, and interviewing managers and employees. This will require a minimum of one full day. Often two or three days may be necessary to do a complete job. Plants are requested to designate a site visit coordinator to expedite the site visit process by arranging for an overview of operations, scheduling interviews, making available pertinent reports, and providing a meeting room for examiners.
- Examiners score plants based on three dimensions: approach, deployment, and results. A single consensus score is determined for each item. The Award criteria booklet available from NIST describes guidelines that can be used to facilitate scoring.
- Examiners prepare a feedback report including a combined score for each of the seven Baldrige categories, plus an overall final score. A listing of strengths and areas for improvement based on their evaluation is also included.

Recognition and follow-up

The award process provides an excellent opportunity to highlight the organization's commitment to quality and continual improvement. Expected actions would include:

- Awards for the plants achieving the highest scores are presented by top management. This celebration should be well-publicized and involve the entire work force. In future years an additional award for the most improved plant could also be considered. One company uses bronze, silver, and gold awards to recognize the degree of achievement.
- Examiners prepare and publish a list of the best practices noted during their site visits, along with names of contacts. This type of sharing provides an immediate mechanism for internal benchmarking.
- The team of examiners reviews the assessment process, with input from the plants. They address what went well and where improvements are necessary for future evaluations. The concept of continuing improvement also ap-

I. 1993 Examination items and point values

1993 Examination categories/Items		Point values
1.0	Leadership	95
	1.1 Senior executive leadership	45
	1.2 Management for quality	25
	1.3 Public responsibility and corporate citizenship	25
2.0	Information and analysis	75
	2.1 Scope and management of quality and performance data and information	15
	2.2 Competitive comparisons and benchmarking	20
	2.3 Analysis and uses of company-level data	40
3.0	Strategic quality planning	60
	3.1 Strategic quality and company performance planning process	35
	3.2 Quality and performance plans	25
4.0	Human resource development and management	150
	4.1 Human resource planning and management	20
	4.2 Employee involvement	40
	4.3 Employee education and training	40
	4.4 Employee performance and recognition	25
	4.5 Employee well-being and satisfaction	25
5.0	Management of process quality	140
	5.1 Design and introduction of quality products and services	40
	5.2 Process management: product and service production and delivery processes	35
	5.3 Process management: business processes and support services	30
	5.4 Supplier quality	20
	5.5 Quality assessment	15
6.0	Quality and operational results	180
	6.1 Product and service quality results	70
	6.2 Company operational results	50
	6.3 Business process and support service results	25
	6.4 Supplier quality results	35
7.0	Customer focus and satisfaction	300
	7.1 Customer expectations: current and future	35
	7.2 Customer relationship management	65
	7.3 Commitment to customers	15
	7.4 Customer satisfaction determination	30
	7.5 Customer satisfaction results	85
	7.6 Customer satisfaction comparison	70
Total Points		1000

plies here.

- Finally, plants and corporate management review the examiner feedback reports and prioritized areas for improvement against business needs and resources. Short- and long-term corrective action plans are developed, resources allocated, and responsibilities assigned.