

# Malcolm Baldrige National Quality Award Overview

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## BACKGROUND

Organizations in a wide range of sectors can use the Baldrige Performance Excellence Framework to create improvements in multiple areas of their institution. The Baldrige criteria focuses on performance management in the following areas: operations, workforce, leadership, strategy, customers and results. The Framework lays out specific criteria based on industry, in areas such as manufacturing, healthcare, nonprofit, small business and education. The awards were named after and inspired by Malcolm Baldrige, who was the 26th Secretary of Commerce for the United States. In 1987, the Malcolm Baldrige National Quality Improvement Act was created to enhance the competitiveness of US businesses, and then grew to the healthcare and education sectors. The Act was created to identify and recognize role model businesses and best practices in the areas of product and process quality, strategic planning, leadership, statistical process control and quality improvement. The practices identified through the Act led way to the creation of criteria used in the Malcolm Baldrige National Quality Award. The Award focuses on “quality” as a central idea, no matter the industry and is designed to be an ongoing improvement process in order to encourage continual change and performance excellence within an organization.

According to the National Institute of Standards and Technology ([NIST, 2015](#)), an average of 26 organizations apply for the National Quality Award, with 13 of those applications coming from the healthcare sector. Additionally, an average of 272 organizations apply to state and locally based Baldrige programs each year. The process of applying to the program provides many benefits to applicants, even if their efforts do not initially result in receiving an Award. The application process allows organizations to look at their systems and current processes, create benchmarks and identify areas of success as well as improvements using their individualized feedback report. Each application is reviewed by a team of volunteer examiners, then a panel of judges determines whether an organization receives a site visit. Organizations receive in depth feedback reports, which can be integrated into strategic plans in order to better the organization. Some organizations qualify for a site-visit, which produces even more indepth feedback. Because of the expansive review and feedback process, the program fees are quite costly. For healthcare organizations, eligibility fees are \$400, application fees range from \$10,560-\$19,800 (depending on staff size), and site visits are \$33,000-\$66,000 (depending on staff size).

## RECIPIENT FEEDBACK

While receiving a Baldrige Award is a nationally-recognized honor for an organization, recipients stress that the “win” is just the beginning. Three National Baldrige Award recipients offered advice and insight based on their own journey to performance excellence, and put emphasis on the idea that the journey to excellence never stops and that even as a Baldrige recipient, their organization still has much room for improvement.

Efrain Solis, Senior Project Manager at Memorial Hermann Medical Center, said that while the Award was a great achievement, their organization will be utilizing the feedback report provided by site visit examiners to guide their actions in the future. The feedback report provides organizations both an overview of their strengths and opportunities for improvement (OFIs).

Solis also offered advice on starting the quality improvement journey. He encourages all organizations looking to better themselves to take advantage of state-level quality programs as a way of becoming acquainted with the Baldrige criteria and award processes. For his organization, they first applied and received the state level quality award in Texas before moving on to a national award program. The Baldrige award program, according to Solis, was most beneficial in removing silos of information within an organization, thus integrating and aligning the facility through communication between all divisions. According to Solis, the Award brought cohesion and common goals to Memorial Hermann Medical Center.

Two other Baldrige Award recipients, Charleston Area Medical Center and Kindred Nursing and Rehabilitation – Mountain Valley, also offered their thoughts and advice on the Baldrige Award. Brenda Grant, a representative from Charleston Area Medical Center, reported that her organization began the journey to quality improvement 12 years ago, and found that the most beneficial part of the Baldrige criteria was the engagement of employees. Charleston used a top down approach to engage all employees with the organization's strategic goals, and were able to tie this to their annual evaluation and corporate goals. For Charleston Area Medical Center, the most improvement was in the alignment and engagement of their workforce as a result of their effort to include their employees in strategic goals.

MaryRuth Butler and Kindred Nursing and Rehabilitation started their journey to excellence beginning in 2005, when they applied and received the AHCA/NCAL Bronze Quality Award. From there, they kept working on improvement and eventually became Baldrige Award recipients in 2011. Butler said her organization was most improved in the area of using data to drive action plans that support their strategic plan. Using data such as performance measures allowed Kindred to make decisions based on analysis of their results, and plan for the future accordingly. When asked about the most surprising aspect of assessing Kindred, she responded: "How little we knew about our organization as a leadership team. For example, as we began to respond to the organizational profile areas that were quickly identified for learning were our core competencies, strategic advantages and strategic challenges – these really were areas that had never been discussed through any of our leadership approaches." The Baldrige program allowed her organization to find these areas of uncertainty, define them, and then work to improve and meet goals.

## **BALDRIGE AWARD OUTREACH/IMPACT**

The Baldrige National Quality Award Program has inspired multiple outlets for information regarding performance improvement. Award recipients, like the three mentioned above, have the opportunity to attend and present their success stories at the annual Quest for Excellence Conference. This national event showcases both current and past recipients, and includes presentations on best practices, leadership, recipient stories and other performance excellence events. Additionally, regional conferences are held to inspire improvement and education. The Baldrige Award Program also hosts a website known as Blogrige, where the program's mission of improving

the competitiveness and performance of US organizations by publishing posts on the Award process, state and local programs, criteria, events, news, leadership, results and more.

The Baldrige criteria has inspired organizations across many industries to improve performance, and the healthcare sector is no exception. According to a [2013 FUTURESCAN Survey](#), 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, and 41% of hospitals are likely to submit an application for the Award or state level award by 2018. Across all sectors eligible to apply to the Award Program, Baldrige Award applicants represent 589,635 jobs, \$142 billion in revenue/budgets and 450 billion customers served ([2016 Baldrige Impacts](#)).

Malcolm Baldrige’s lasting effect in performance improvement has inspired almost 100 other similar award programs to be based on the Framework. Some examples of these include the AHCA/NCAL National Quality Award Program, state-level and multi-state performance excellence programs, as well as regional and local award programs. Many of these programs are part of The Alliance for Performance Excellence ([Baldrige Alliance, 2017](#)).

The benefits of using the Baldrige criteria as vehicles of quality improvement have been widely reviewed and published. A 2016 study looked at the outcomes of association-sponsored quality award programs compared to other nursing facilities and concluded that “in general, the nursing facilities that participate in and receive the Silver or Gold American Health Care Association (AHCA) and National Center for Assisted Living (NCAL) National Quality Award perform at a higher level of quality for residents and sustain that heightened performance over a period of time.” ([Do Recipients of an Association-Sponsored Quality Award Program Experience Better Quality Outcomes Compared With Other Nursing Facilities Across the United States?](#)) The Baldrige criteria serves as the basis for the AHCA/NCAL program and has proven to promote improved and sustained performance in long term care settings.