

# The Baldrige Criteria & Organization Development

The head and heart of organizational  
excellence

SPQA, 2012

# A little history: Two parallel paths and philosophies

- The Quality movement
  - an emphasis on standardization of processes and outcomes
  - minimizing defect and rework
  - transaction based
  - Minimizing non-value work activities
  - Built on a 'command and control' philosophy of management
- The OD profession
  - An emphasis on improvement of the experience of work
  - Collaboration and dialogue
  - Humanistic principles
  - Emphasizing team building and leadership as means to organizational success

# Both with Challenges and Limitations

## The Quality Movement

- Doesn't take into account differences in human behavior and integrating the human factor into work design
- Extremely difficult to deploy in organizations with poor workforce relationships

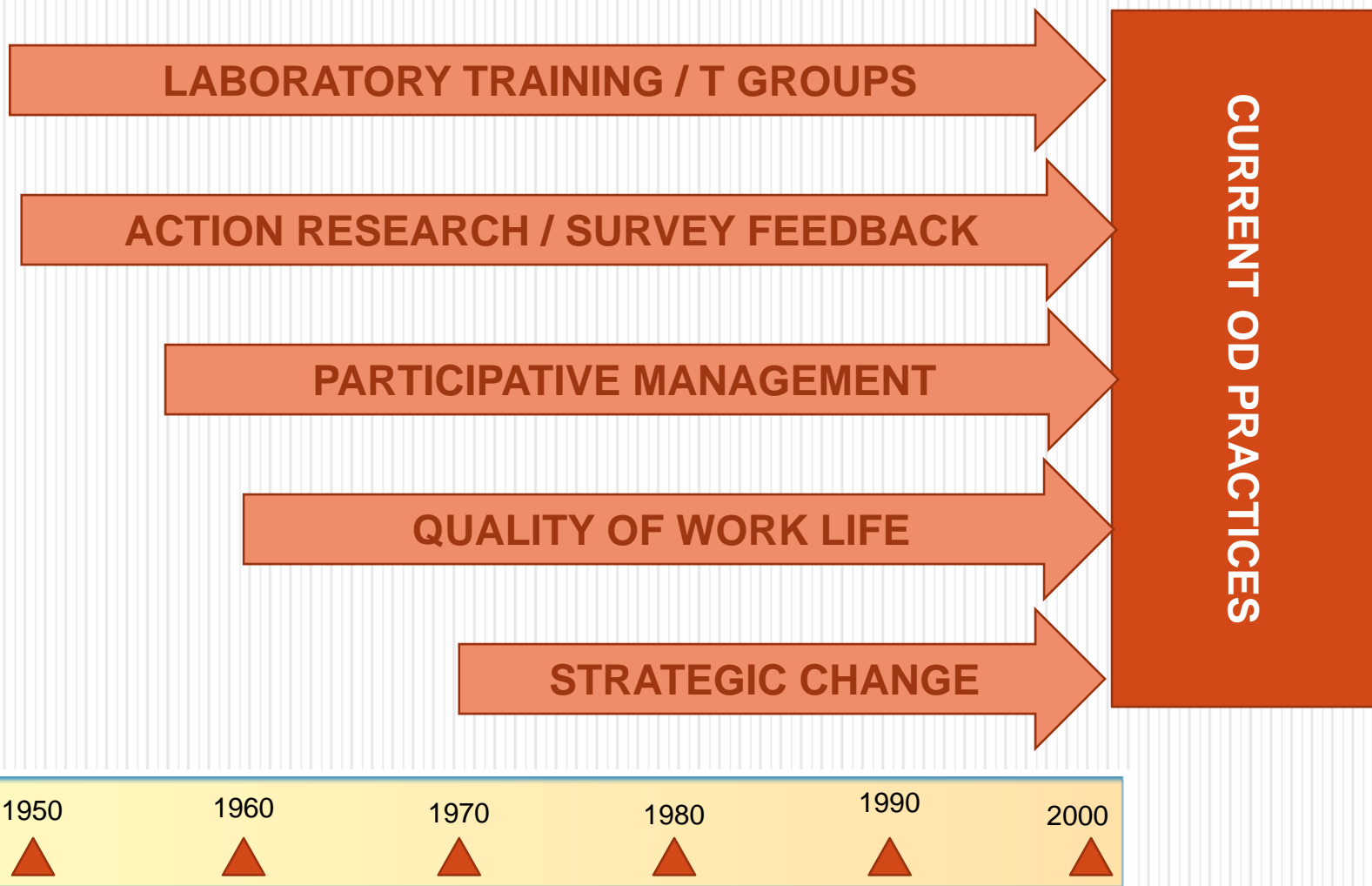
## OD Profession

- Often not aligned with organizational results
- Difficult to quantify and measure expectations
- Difficult to quantify and measure desired outcomes

# A little Baldrige history ....

- Post World War II: W. Edwards Deming introduced his philosophy of quality improvement to the decimated Japanese manufacturing sectors. The Deming Prize was named in his honor in 1950 in Japan.
- Mid- 1980's: Japan was an economic powerhouse, and sluggish U.S. companies were under pressure to seek performance excellence and innovation or risk losing further ground.
- In 1987, the U.S. government countered with its own prize, the Baldrige Award, to encourage American companies to examine their practices, benchmark against the best companies, and make necessary changes to become leaner, faster, and more customer-oriented, with fact-based decisions and responsiveness to multiple stakeholders, all in pursuit of zero defects and high performance.
- Through the present year, the Baldrige Program has continued to evolve to add more variables that have become critical to effectiveness in an intensely competitive global information economy. There is a high premium for innovation, the faster the better, as well as the ability to continuously upgrade products and processes.

# A little OD history ....



# The Baldrige Criteria as a bridge between the quality and OD paths

Integrating Baldrige award efforts with OD practices becomes a powerful force for organizational change that is not only sustainable but also directly related to organizational results

- The Baldrige criteria can become an evaluative framework for OD efforts
  - Provides a framework for quantitative measurement of OD efforts
  - Provides a 'gold standard' for organizational excellence
- The criteria can also be used as an assessment tool to determine which OD interventions are most needed to support the organization
  - Provides a roadmap for the changes that should be expected from OD efforts

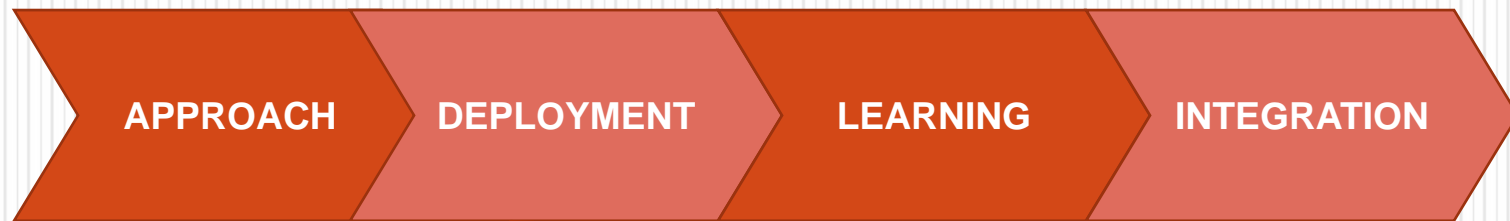
# The Baldrige 'Burger': The lines are as important as the boxes

*OD's strength lies in its facilitation of the integration between boxes*



# OD and the Baldrige 'ADLI model'

- An organization's maturity in each of the Baldrige criteria is evaluated against the ADLI scale.
- Many of OD's core competencies directly support achieving these maturity levels



- *Training*
- *Competency alignments*
- *Communications Plans*
- *.....*

- *Lessons learned sessions*
- *Voice of the customer*
- *Action learning*
- *Double loop learning*
- *.....*



# An interpretation of the OD Change Equation

- OD has its own models to describe behavioral change.
- The 'Change Equation' identifies the key components of any successful change effort.



*Baldrige criteria as accelerator*

# Exercises

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Mapping OD applications to the Baldrige criteria (and vice versa!)

# The Organizational Profile

## The Baldrige criteria

Organizational environment

Organizational relationships

## Sample OD Applications

1. SWOT Analysis
2. Stakeholder analysis
3. Force field analysis

# Category 1: Leadership

## The Baldrige criteria

- 1.1 How do your senior leaders lead?
- 1.2 How do you govern and fulfill your societal responsibilities?

## Sample OD Applications

- 1. Institute leadership team collaboration
- 2. Define and map processes of communication
- 3. Inventory of information and gap analysis measures against
- 4. Think systemically
- 5. Leadership 360 assessments: LHSTEP and Campbell Leadership Assessment
- 6. Managerial performance evaluations

# Category 2: Strategic planning

## The Baldrige criteria

- 2.1 How do you develop your strategy?
- 2.2 How do you implement your strategy?

## Sample OD Applications

1. Stakeholder management
2. SWOT analysis
3. Visioning sessions
4. Future Space sessions
5. Large group processes

# Category 3: Customer focus

## The Baldrige criteria

- 3.1 How do you obtain information from your customers and stakeholders?
- 3.2 How do you engage customers and stakeholders to serve their needs and build relationships?

## Sample OD Applications

- 1. Voice of the customer
- 2. Town hall meetings
- 3. Focus groups
- 4. Customer satisfaction surveys
- 5. ..
- 6. ..
- 7. ...
- 8. ....

# Category 4: Measurement, analysis, and knowledge management

## The Baldrige criteria

4.1 How do you measure, analyze, and then improve organizational performance?

4.2 How do you manage your information, organizational knowledge, and information technology?

## Sample OD Applications

1. Establish benchmarking
2. knowledge mapping
3. Social network analysis / analytics
4. Sampling
5. Surveys, interviews, focus groups
6. Lessons learned / CPI
7. Rewards systems to promote use of system
8. Support transfer of knowledge
9. Best practice sharing & best practice library

# Category 5: Workforce focus

## The Baldrige criteria

5.1 How do you build an effective and supportive work environment?

5.2 How do you engage your workforce to achieve organizational and personal success?

## Sample OD Applications

1. Diversity workshops and training
2. Competency based career planning
3. Open Space Technology
4. Off-sites
5. Employee satisfaction surveys
6. Job design
7. Process consulting
8. Team building



# Category 6: Operations focus

## The Baldrige criteria

6.1 How do you design, manage and improve your work systems?

6.2 How do you design, manage and improve your work processes?

## Sample OD Applications

1. Business Process Re-engineering
2. Voice of customer assessment (aligned with leadership strategy and stakeholder value)
3. Organizational assessment – create as-is inventory
4. Communities of practice
5. Value stream modeling

# Category 7: Results

- Each of the 6 categories has a corresponding set of results in category 7
- Requesting your OD personnel to establish measurements for their efforts is critical to success

CATEGORY	RESULTS
1 Leadership	7.1 & 7.4
2 Strategic planning	7.1
3. Customer focus	7.1 & 7.2
4 Measurement, analysis, & knowledge management	7.1 – 7.5
5 Workforce focus	7.3
6 Operations focus	7.1

# So what – sample results

- **Manufacturing**
  - Two-time Baldrige winners who used Baldrige for six or more continuous years, show median **site growth of 57%** and **revenue growth of 93%**. **Job growth was 63%** surpassing the 3.2% job growth rate for other companies in the same sector over the same time periods
- **Healthcare**
  - AtlantiCare (New Jersey) was ranked in the national top 10% by the Centers for Medicare/Medicaid Services while providing 90% of the free care in the county.
  - Heartland Health's (Missouri) Community Health Plan ranked above the National Committee for Quality Assurance's 90th percentile, and Heartland was ranked in the top 15% nationally for patient safety.
  - At Poudre Valley Health System (Colorado), treatment of acute myocardial infarction, heart failure, and pneumonia ranked in the top 10% for national performance standards.
- **Education**
  - Iredell-Statesville Schools (North Carolina) moved from 57th to 9th in overall academic performance, , and raised SAT scores by over 50 points surpassing the national average, all while remaining at 107th out of 110 districts in spending.
  - 64% of Montgomery County Public Schools (Maryland) graduates took at least one AP exam, compared with 27% nationally and 40% in Maryland.

## In conclusion ....

- The Baldrige Criteria are about culture change
  - OD professionals are the experts
- Integrating OD and the Quality movement through the vehicle of the Baldrige Criteria results in an outcome that is both innovative and profitable.
- The sum is greater than the parts.

# More information

## Malcolm Baldrige website

[www.nist.gov/baldrige/publications/criteria.cfm](http://www.nist.gov/baldrige/publications/criteria.cfm)

## SPQA (Virginia regional)

[www.spqa-va.org](http://www.spqa-va.org)

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