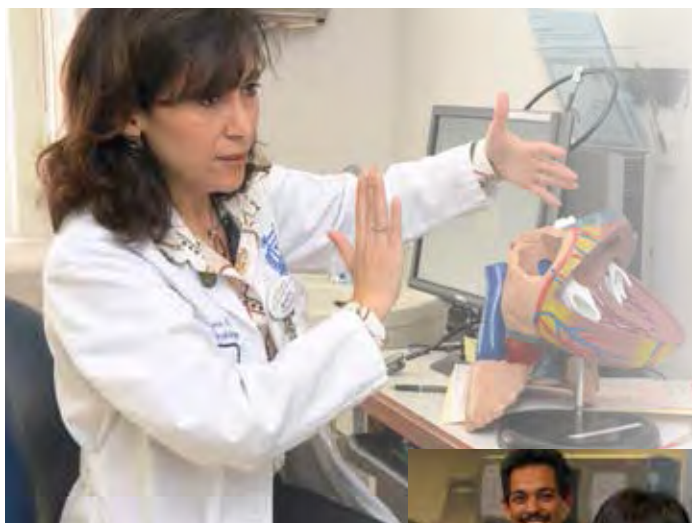


Baldrige Excellence Framework

2015-2016



A systems approach
to improving your
organization's
performance



Baldrige Performance Excellence Program

National Institute of Standards and Technology (NIST) • United States Department of Commerce

January 2015

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The Baldrige Program welcomes your comments on the *Baldrige Excellence Framework* and other Baldrige products and services. Please direct your comments to the address above.

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About the Baldrige Excellence Framework

The Baldrige Excellence Framework empowers your organization to reach its goals, improve results, and become more competitive.

Thousands of organizations around the world use the Baldrige Excellence Framework—the core values and concepts (pages 39–43), the Health Care Criteria for Performance Excellence (pages 4–29), and the scoring guidelines (pages 34–35)—to improve and get sustainable results. Those recognized as national role models receive the Malcolm Baldrige National Quality Award, a Presidential award. More than 100 recipients have broadly shared their best practices with others. Through that sharing, many thousands of organizations have improved their operations and results, and thus their contributions to the U.S. and global economy.

Baldrige has a simple purpose.

The purpose of the Baldrige framework is simply to help your organization—no matter its size or the type of health care services it offers—answer three questions: *Is your organization doing as well as it could? How do you know? What and how should your organization improve or change?*

By challenging yourself with the questions that make up the Health Care Criteria for Performance Excellence, you explore how you are accomplishing what is important to your organization. The questions (divided into six inter-related process categories and a results category) represent seven critical aspects of managing and performing as an organization:

1. Leadership
2. Strategy
3. Customers
4. Measurement, analysis, and knowledge management
5. Workforce
6. Operations
7. Results

Baldrige promotes a systems perspective.

A systems perspective means managing all the components of your organization as a unified whole to achieve ongoing success. The system's building blocks and integrating mechanism are the core values and concepts, the seven interrelated Health Care Criteria categories, and the scoring guidelines.



I honestly in my heart believe that because we participated in the Baldrige Program and because it gave us that consistent feedback, there are people who are alive today who wouldn't have been had we not been so committed to the Baldrige process.

—Rulon Stacey, former president/CEO, Baldrige Award recipient Poudre Valley Health System

A focus on core values and concepts. Baldrige is based on a set of beliefs and behaviors (see pages 39–43). These core values and concepts are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action, feedback, and ongoing success:

- Systems perspective
- Visionary leadership
- Patient-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility and community health
- Ethics and transparency
- Delivering value and results

A focus on processes. *Processes* are the methods your organization uses to accomplish its work. The Baldrige framework helps you assess and improve your processes along four dimensions:

1. *Approach:* designing and selecting effective processes, methods, and measures
2. *Deployment:* implementing your approach consistently across the organization
3. *Learning:* assessing your progress and capturing new knowledge, including looking for opportunities for improvement and innovation
4. *Integration:* aligning your approach with your organization's needs; ensuring that your measures, information, and improvement systems complement each other across processes and work units; and harmonizing processes and operations across your organization to achieve key organization-wide goals

A focus on results. The Baldrige framework leads you to examine your results from three viewpoints: the external view (*How do your patients, other customers, and other stakeholders view you?*), the internal view (*How efficient and effective are your operations?*), and the future view (*Is your organization learning and growing?*).

In Baldrige, results include all areas of importance to your organization. This composite of measures ensures that your strategies are balanced—that they do not inappropriately trade off among important stakeholders, objectives, or short- and longer-term goals. The Baldrige framework helps you evaluate your results along four dimensions:

1. *Levels:* your current performance on a meaningful measurement scale
2. *Trends:* the direction and rate of change of your results
3. *Comparisons:* your performance relative to that of other, appropriate organizations, such as competitors or organizations similar to yours, and to benchmarks or health care industry leaders
4. *Integration:* the extent to which the results you track are important to your organization and the extent to which you are using them to support your organizational goals and revise plans

A focus on linkages. The linkages among the Health Care Criteria categories are an essential element of the systems perspective provided by the Baldrige framework. Some examples of these linkages are

- the connections between your processes and the results you achieve;
- the need for data in the strategic planning process and for improving operations;
- the connection between workforce planning and strategic planning;
- the need for patient, other customer, and market knowledge in establishing your strategy and action plans; and
- the connection between your action plans and any changes needed in your work systems.

A focus on improvement. The Baldrige framework helps you understand and assess how well you are accomplishing what is important to your organization: how mature and how well deployed your processes are, how good your results are, whether your organization is learning and improving, and how well your approaches address your organization's needs. The Baldrige scoring guidelines (pages 34–35) are based on the process and results dimensions described above.

As you respond to the Health Care Criteria questions and gauge your responses against the scoring guidelines, you will begin to identify strengths and gaps—first within the Health Care Criteria categories and then among them. When you use the Baldrige framework to manage your organization's performance, the coordination of key processes, and feedback between your processes and your results, lead to cycles of improvement. As you continue to use the framework, you will learn more and more about your organization and begin to define the best ways to build on your strengths, close gaps, and innovate.

Baldrige is adaptable.

The Health Care Criteria do not prescribe how you should structure your organization or its operations. In the Baldrige Organizational Profile (pages 4–6), you describe what is important to your organization (its operating environment, key relationships, competitive environment, and strategic context). The Health Care Criteria encourage you to use creative, adaptive, and flexible approaches, which will foster incremental and breakthrough improvement through innovation. The Health Care Criteria encourage you to choose the tools (e.g., Lean, Six Sigma, International Organization for Standardization [ISO] 9000, a balanced scorecard, Plan-Do-Check-Act [PDCA]) that are most suitable and effective for your organization in making improvements. Properly utilized, such tools are a contributor to achieving excellence.

Baldrige has national and global impact.

The Baldrige framework and Criteria play three roles in strengthening U.S. competitiveness:

- They help improve organizational processes, capabilities, and results.
- They facilitate the communication and sharing of best practices among U.S. organizations through the Baldrige Award, the Quest for Excellence® Conference, and other educational offerings.
- They serve as a working tool for understanding and managing organizational performance, guiding your strategic thinking, and providing opportunities to learn.

Within the United States, state, regional, sector-specific, and organization-specific performance or business excellence programs use the Baldrige framework and Criteria to help organizations improve their competitiveness and results. Many accreditation systems and certifications are also based on the Criteria. Globally, about 100 performance or business excellence programs exist; most use the Baldrige framework or a derivative as their organizational excellence model.

Baldrige is here for your organization.

According to one health care leader, “It was the use of the Baldrige framework that boosted our ability to deliver better care to our patients. And, in the end, that is the most important thing: delivering better care to our patients—and having a greater and more positive impact on the lives of all of our customers” (Nancy Schlichting, CEO, Baldrige Award recipient Henry Ford Health System). Why not take advantage of that opportunity? Your patients, other customers, workforce, community, and other stakeholders—and the nation—will be better off.



I see the Baldrige process as a powerful set of mechanisms for disciplined people engaged in disciplined thought and taking disciplined action to create great organizations that produce exceptional results.

—Jim Collins, author of *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*



How to Use the Baldrige Excellence Framework

Whether your organization is large or small, you can use the Baldrige Excellence Framework for improvement. Your experience with Baldrige will help you decide where to begin.

If your organization is in the business/nonprofit or education sector, you should use the business/nonprofit or education version of this booklet, respectively. See <http://www.nist.gov/baldrige/publications/criteria.cfm> to obtain a copy.

If you are just learning about the Baldrige framework . . .

Here are some ways to begin using the Baldrige framework to improve your organization.

Scan the questions in the Organizational Profile (pages 4–6), and see if you can answer them. Discussing the answers to these questions with your senior leadership team might be your first Baldrige self-assessment.

Study the 11 Baldrige core values and concepts (pages 39–43). Consider how your organization measures up in relation to the core values. Are there any improvements you should be making?

Answer the questions in the titles of the 17 Health Care Criteria for Performance Excellence items to reach a basic understanding of the Criteria and your organization's performance.

See a simple outline of a holistic performance management system by reading the headings in purple in the Health Care Criteria section of this booklet (pages 4–29). See if you are considering all of these dimensions in establishing your leadership system and measuring performance.

Use the Baldrige framework and its supporting material as a general resource on organizational performance improvement. This booklet and the materials online (http://www.nist.gov/baldrige/publications/hc_criteria.cfm) may help you think in a different way or give you a fresh frame of reference.

Attend the Quest for Excellence or a Baldrige regional conference. These events highlight the role-model approaches of Baldrige Award recipients. These organizations have used the Baldrige framework to improve performance, innovate, and achieve world-class results. Workshops on Baldrige self-assessment are often offered in conjunction with these conferences.

Become an examiner, or attend the Baldrige Examiner Training Experience (see <http://www.nist.gov/baldrige>). Examiners receive valuable training, evaluate award applications, and learn to apply the Criteria to their organizations.

Become a Baldrige Executive Fellow. Baldrige Fellows (C-suite and rising executives) participate in an executive development program (see <http://www.nist.gov/baldrige/fellows/index.cfm>), learning from each other and from Baldrige Award recipients.

If you are ready to assess your organization using Baldrige . . .

To assess your organization with the Baldrige framework, follow one or more of the suggestions below.

Check your progress on achieving organizational excellence and improve communication among your workforce members and leadership team with two simple questionnaires: *Are We Making Progress?* (<http://www.nist.gov/baldrige/publications/progress.cfm>) and *Are We Making Progress as Leaders?* (http://www.nist.gov/baldrige/publications/progress_leaders.cfm).

Identify gaps in your understanding of your organization and compare your organization with others with *easyInsight: Take a First Step toward a Baldrige Self-Assessment* (http://www.nist.gov/baldrige/publications/easy_insight.cfm). This assessment is based on the Organizational Profile.

Complete the Organizational Profile (pages 4–6). Have your leadership team answer the questions. If you identify topics for which you have conflicting, little, or no information, use these topics for action planning. For many organizations, this approach serves as a first Baldrige self-assessment.

Answer the questions in the Baldrige Excellence Builder (<http://www.nist.gov/baldrige/publications/builder.cfm>). This abridged version of the Baldrige framework (consisting of the questions in black boldface in the Criteria section of this booklet) represents the overall features of organizational performance excellence.

Use the full set of Health Care Criteria questions as a personal guide to everything that is important in leading your organization. You may discover blind spots or areas where you should place additional emphasis.

Review the scoring guidelines (pages 34–35). They help you assess your organizational maturity, especially when used in conjunction with “Steps toward Mature Processes” (page 32) and “From Fighting Fires to Innovation: An Analogy for Learning” (page 31).

Answer the questions in one Health Care Criteria category in which you know you need improvement, either yourself or with leadership team colleagues, referring to the item notes and Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm). Then assess your strengths and opportunities for improvement, and develop action plans. Be aware, though, that this kind of assessment loses the benefits of the systems perspective embodied in the Baldrige framework.

Have your leadership team assess your organization. At a retreat, have your leadership team develop responses to the Organizational Profile and the seven Health Care Criteria categories, using the Baldrige Excellence Builder (<http://www.nist.gov/baldrige/publications/builder.cfm>), and record the responses. Then assess your strengths and opportunities for improvement, and develop action plans.

Conduct a full Baldrige self-assessment. Set up teams within your organization to develop responses to the Organizational Profile and Health Care Criteria categories. For details, see the slide presentation “Self-Assessing Your Organization with the Baldrige Criteria” (http://www.nist.gov/baldrige/community/baldrige_ambassadors.cfm).

Contact your state, local, or sector-specific Baldrige-based program (see the Alliance for Performance Excellence, <http://www.baldrigepe.org/alliance>). Many programs provide networking opportunities, training, coaching, and self-assessment services in addition to an award program.

Contact a Baldrige Award recipient. Organizations that receive the Baldrige Award advocate for performance improvement, share their strategies, and serve as role models. Many undertake ongoing self-assessments of their organizations and can share their experiences with you. See <http://www.nist.gov/baldrige> for award recipients and their contact information.

If you are ready for external feedback . . .

Here are some resources for receiving external feedback on your organization’s strengths and opportunities for improvement.

Apply to your state, local, or sector-specific Baldrige-based award program (see the Alliance for Performance Excellence, <http://www.baldrigepe.org/alliance>). When you apply, a team of experts will examine your organization objectively and identify your organization’s strengths and its opportunities to improve.

Arrange for a Baldrige Collaborative Assessment (http://www.nist.gov/baldrige/enter/baldrige_collab_assess.cfm). In this on-site assessment, a team of Baldrige examiners works with your leaders and staff to give your organization immediate, actionable feedback.

Apply for the Malcolm Baldrige National Quality Award. Once you meet eligibility requirements, apply for the highest level of national recognition for performance excellence that a U.S. organization can receive: the Malcolm Baldrige National Quality Award.

Award applicants say that the Baldrige evaluation process is one of the best, most cost-effective, most comprehensive performance assessments you can find, whether or not they receive the Baldrige Award. See <http://www.nist.gov/baldrige/enter/apply.cfm> for more information. In the Baldrige process, everyone is a learner.



Health Care Criteria for Performance Excellence Overview and Structure

Health Care Criteria for Performance Excellence Overview: A Systems Perspective

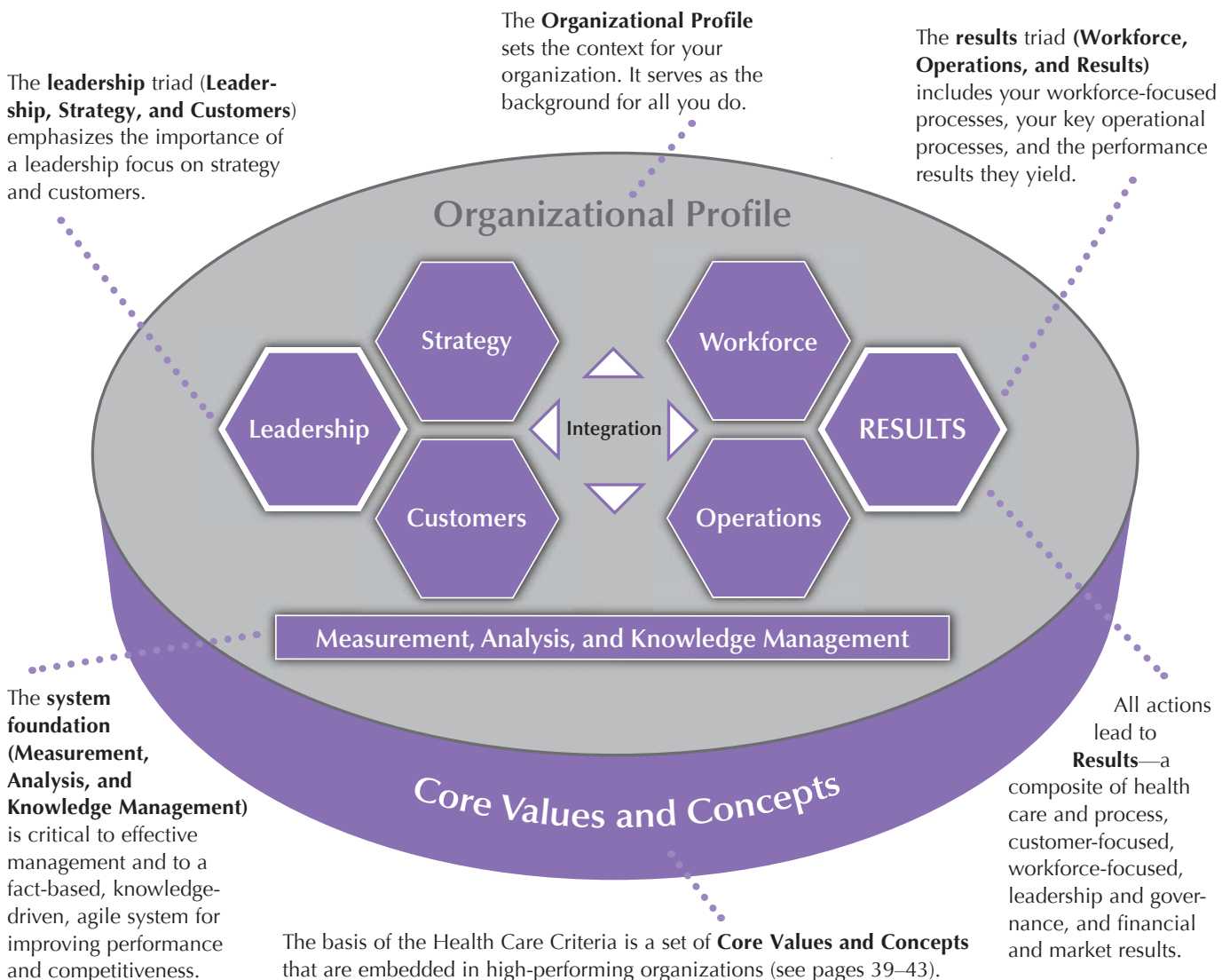
The **performance system** consists of the six categories in the center of the figure. These categories define your processes and the results you achieve.

Performance excellence requires strong **Leadership** and is demonstrated through outstanding **Results**. Those categories are highlighted in the figure.

The word “**integration**” at the center of the figure shows that all the elements of the system are interrelated.

The **center horizontal arrowheads** show the critical linkage between the leadership triad (categories 1, 2, and 3) and the results triad (categories 5, 6, and 7) and the central relationship between the Leadership and Results categories.

The **center vertical arrowheads** point to and from the system foundation, which provides information on and feedback to key processes and the organizational environment.



Health Care Criteria for Performance Excellence Structure

The seven Baldrige Health Care Criteria for Performance Excellence categories are subdivided into items and areas to address.

Items

There are 17 Health Care Criteria items (plus 2 in the Organizational Profile), each with a particular focus. These items are divided into three groups according to the kinds of information they ask for:

- The Organizational Profile asks you to define your organizational environment.
- Process items (categories 1–6) ask you to define your organization's processes.
- Results items (category 7) ask you to report results for your organization's processes.

See page 3 for a list of item titles and point values.

Item Notes

Item notes (1) clarify terms or requirements, (2) give instructions and examples for responding, and (3) indicate key linkages to other items.

Areas to Address

Each item includes one or more areas to address (labeled *a*, *b*, *c*, and so on).

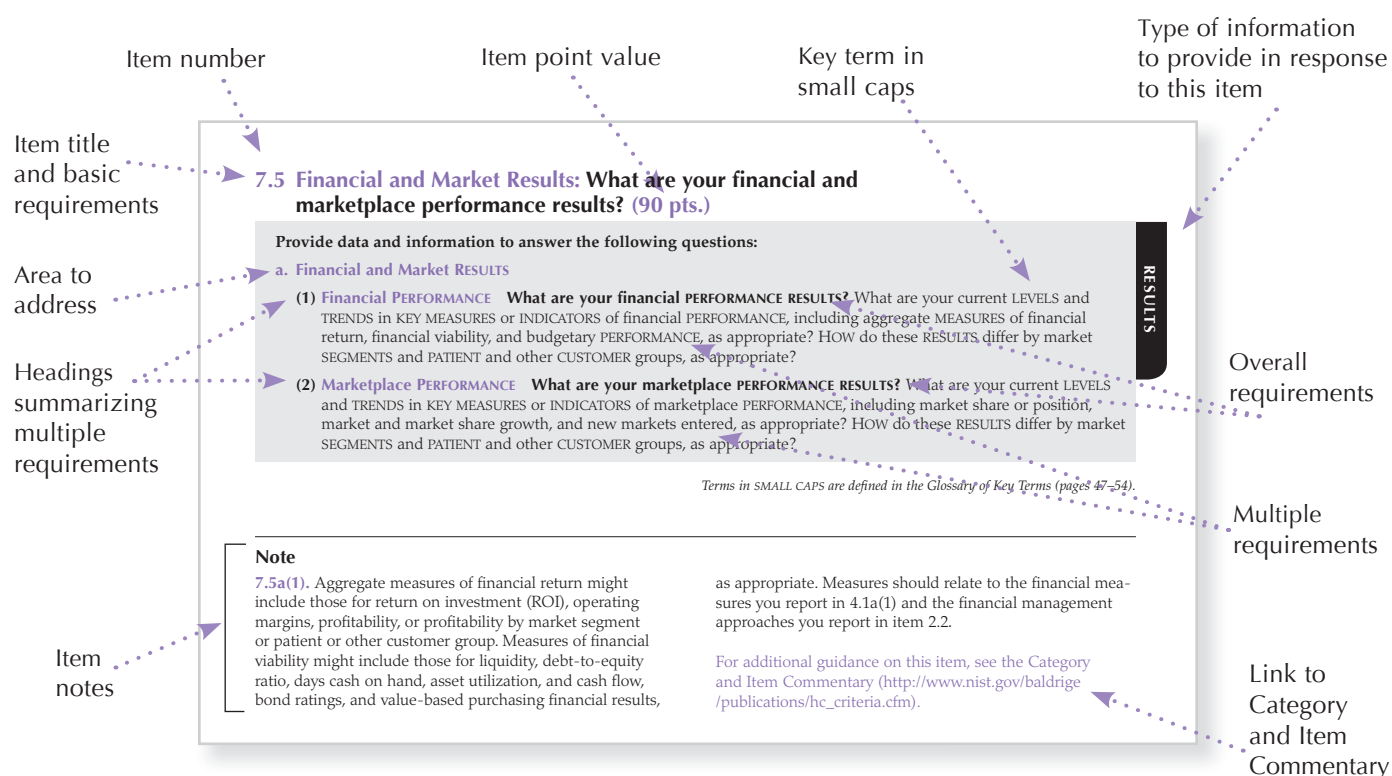
Requirements

Item requirements are expressed as questions or statements on three levels:

- *Basic requirements* are expressed in the title question.
- *Overall requirements* are expressed in the questions in boldface in the shaded box. These leading questions are the starting point for responding to the requirements.
- *Multiple requirements* are the individual questions under each area to address, including the question in boldface. That first question expresses the most important one in that group.

Key Terms

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).





Health Care Criteria for Performance Excellence Items and Point Values

See pages 30–35 for the scoring system used with the Health Care Criteria items in a Baldrige assessment.

- P** **Organizational Profile**
- P.1 Organizational Description
 - P.2 Organizational Situation

Categories and Items		Point Values
1	Leadership	120
1.1	Senior Leadership	70
1.2	Governance and Societal Responsibilities	50
2	Strategy	85
2.1	Strategy Development	45
2.2	Strategy Implementation	40
3	Customers	85
3.1	Voice of the Customer	40
3.2	Customer Engagement	45
4	Measurement, Analysis, and Knowledge Management	90
4.1	Measurement, Analysis, and Improvement of Organizational Performance	45
4.2	Knowledge Management, Information, and Information Technology	45
5	Workforce	85
5.1	Workforce Environment	40
5.2	Workforce Engagement	45
6	Operations	85
6.1	Work Processes	45
6.2	Operational Effectiveness	40
7	Results	450
7.1	Health Care and Process Results	120
7.2	Customer-Focused Results	80
7.3	Workforce-Focused Results	80
7.4	Leadership and Governance Results	80
7.5	Financial and Market Results	90
TOTAL POINTS		1,000



Health Care Criteria for Performance Excellence

Begin with the Organizational Profile

The Organizational Profile is the most appropriate starting point for self-assessment and for writing an application. It is critically important for the following reasons:

- It helps you identify gaps in key information and focus on key performance requirements and results.
- You can use it as an initial self-assessment. If you identify topics for which conflicting, little, or no information is available, use these topics for action planning.
- It sets the context for and allows you to address unique aspects of your organization in your responses to the Health Care Criteria requirements in categories 1–7.

P Organizational Profile

The **Organizational Profile** is a snapshot of your organization, the KEY influences on HOW it operates, and your competitive environment.

P.1 Organizational Description: What are your key organizational characteristics?

In your response, answer the following questions:

a. Organizational Environment

- (1) **HEALTH CARE SERVICE Offerings** What are your main HEALTH CARE SERVICE offerings (see the note on the next page)? What is the relative importance of each to your success? What mechanisms do you use to deliver your HEALTH CARE SERVICES?
- (2) **MISSION, VISION, and VALUES** What are your stated MISSION, VISION, and VALUES? What are your organization's CORE COMPETENCIES, and what is their relationship to your MISSION?
- (3) **WORKFORCE Profile** What is your WORKFORCE profile? What recent changes have you experienced in WORKFORCE composition or your WORKFORCE needs? What are
 - your WORKFORCE or employee groups and SEGMENTS,
 - the educational requirements for different employee groups and SEGMENTS, and
 - the KEY drivers that engage them in achieving your MISSION and VISION?
 What are your organized bargaining units (union representation)? What are your organization's special health and safety requirements?
- (4) **Assets** What are your major facilities, technologies, and equipment?
- (5) **Regulatory Requirements** What is the regulatory environment under which you operate? What are the KEY applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, and HEALTH CARE SERVICE delivery regulations?

b. Organizational Relationships

- (1) **Organizational Structure** What are your organizational structure and GOVERNANCE system? What are the reporting relationships among your GOVERNANCE board, SENIOR LEADERS, and parent organization, as appropriate?
- (2) **PATIENTS, Other CUSTOMERS, and STAKEHOLDERS** What are your KEY market SEGMENTS, PATIENT and other CUSTOMER groups, and STAKEHOLDER groups, as appropriate? What are their KEY requirements and expectations of your HEALTH CARE SERVICES, PATIENT and other CUSTOMER support services, and operations? What are the differences in these requirements and expectations among market SEGMENTS, PATIENT and other CUSTOMER groups, and STAKEHOLDER groups?

(Continued on the next page)

(3) Suppliers and PARTNERS What are your KEY types of suppliers, PARTNERS, and COLLABORATORS? What role do they play

- in your WORK SYSTEMS, especially in producing and delivering your KEY HEALTH CARE SERVICES and PATIENT and other CUSTOMER support services; and
- in enhancing your competitiveness?

What are your KEY mechanisms for two-way communication with suppliers, PARTNERS, and COLLABORATORS? What role, if any, do these organizations play in contributing and implementing INNOVATIONS in your organization? What are your KEY supply-chain requirements?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

P. Your responses to the Organizational Profile questions are very important. They set the context for understanding your organization and how it operates. Your responses to all other questions in the Baldrige Health Care Criteria should relate to the organizational context you describe in this profile. Your responses to the Organizational Profile questions thus allow you to tailor your responses to all other questions to your organization's uniqueness.

P.1a(1). Health care service offerings are the services you offer in the marketplace. Mechanisms for delivering services to your patients might be direct or might be indirect, through contractors, collaborators, or partners.

P.1a(2). Core competencies are your organization's areas of greatest expertise. They are those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment. Core competencies are frequently challenging for competitors or suppliers and partners to imitate and frequently preserve your competitive advantage.

P.1a(2). Core competencies are one example of concepts that are woven throughout the Health Care Criteria to ensure a systems approach to organizational performance management. Other such concepts include innovation, use of data and information to review performance and create knowledge, and change readiness and management.

P.1a(3). Workforce or employee groups and segments (including organized bargaining units) might be based on type of employment or contract-reporting relationship, location (including telework), tour of duty, work environment, use of certain family-friendly policies, or other factors.

P.1a(3). Organizations that also rely on volunteers and unpaid staff to accomplish their work should include these groups as part of their workforce.

P.1a(5). Industry standards might include industrywide codes of conduct and policy guidance. Depending on the regions in which you operate, environmental regulations

might cover greenhouse gas emissions, carbon regulations and trading, and energy efficiency.

P.1b(2). Customers include the users and potential users of your health care services. They are the direct users of your health care services (patients), as well as referring health care providers and users who pay for your services, such as patients' families, insurers, and other third-party payors.

P.1b(2). Patient and other customer groups might be based on common expectations, behaviors, preferences, or profiles. Within a group, there may be customer segments based on differences and commonalities. You might subdivide your market into market segments based on health care service lines or features, service delivery modes, payors, volume, geography, or other factors that you use to define a market segment.

P.1b(2). The requirements of your patient and other customer groups and your market segments might include accessibility, continuity of care, safety, security, leveraging of technology, billing requirements, socially responsible behavior, community service, cultural preferences, and multilingual services.

P.1b(2), P.1b(3). Patient, other customer, stakeholder, and operational requirements and expectations will drive your organization's sensitivity to the risk of service, support, and supply-chain interruptions, including those due to natural disasters and other emergencies.

P.1b(3). Communication mechanisms should use understandable language, and they might involve in-person contact, e-mail, social media, or the telephone. For many organizations, these mechanisms may change as marketplace, patient, other customer, or stakeholder requirements change.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

P.2 Organizational Situation: What is your organization's strategic situation?

In your response, include answers to the following questions:

a. Competitive Environment

- (1) **Competitive Position** What is your competitive position? What are your relative size and growth in the health care industry or the markets you serve? How many and what types of competitors and KEY COLLABORATORS do you have?
- (2) **Competitiveness Changes** What KEY changes, if any, are affecting your competitive situation, including changes that create opportunities for INNOVATION and collaboration, as appropriate?
- (3) **Comparative Data** What KEY sources of comparative and competitive data are available from within the health care industry? What KEY sources of comparative data are available from outside the health care industry? What limitations, if any, affect your ability to obtain or use these data?

b. Strategic Context

What are your KEY STRATEGIC CHALLENGES and ADVANTAGES in the areas of HEALTH CARE SERVICES, operations, societal responsibilities, and WORKFORCE?

c. PERFORMANCE Improvement System

What are the KEY elements of your PERFORMANCE improvement system, including your PROCESSES for evaluation and improvement of KEY organizational projects and PROCESSES?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

P.2b. Strategic challenges and advantages might relate to technology; health care services; finances; operations; organizational structure and culture; your parent organization's capabilities; patients, other customers, and markets; brand recognition and reputation; the health care industry; and people. Strategic advantages might include differentiators such as technology leadership, innovation rate, geographic proximity, accessibility, health care and administrative support services, cost, reputation for service delivery, and wait times for service.

P.2c. The Baldrige Scoring System (pages 30–35) uses performance improvement through learning and integration as a dimension in assessing the maturity of organizational approaches and their deployment. This question is intended

to set an overall context for your approach to performance improvement. The approach you use should be related to your organization's needs. Approaches that are compatible with the overarching systems approach provided by the Baldrige framework might include implementing a Lean Enterprise System, applying Six Sigma methodology, using PDCA methodology, using standards from ISO (e.g., 9000 or 14000), using decision science, or employing other improvement tools.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

1 Leadership (120 pts.)

The **Leadership** category asks HOW SENIOR LEADERS' personal actions guide and sustain your organization. It also asks about your organization's GOVERNANCE system and HOW your organization fulfills its legal, ethical, and societal responsibilities.

1.1 Senior Leadership: How do your senior leaders lead the organization? (70 pts.)

In your response, include answers to the following questions:

a. VISION, VALUES, and MISSION

- (1) **VISION and VALUES** HOW do SENIOR LEADERS set your organization's VISION and VALUES? HOW do SENIOR LEADERS DEPLOY the VISION and VALUES through your LEADERSHIP SYSTEM; to the WORKFORCE; to KEY suppliers and PARTNERS; and to PATIENTS, other CUSTOMERS, and other STAKEHOLDERS, as appropriate? HOW do SENIOR LEADERS' personal actions reflect a commitment to those VALUES?
- (2) **Promoting Legal and ETHICAL BEHAVIOR** HOW do SENIOR LEADERS' actions demonstrate their commitment to legal and ETHICAL BEHAVIOR? HOW do they promote an organizational environment that requires it?
- (3) **Creating a Successful Organization** HOW do SENIOR LEADERS' actions build an organization that is successful now and in the future? HOW do they
 - create an environment for the achievement of your MISSION, improvement of organizational PERFORMANCE, PERFORMANCE leadership, organizational LEARNING, and LEARNING for people in the WORKFORCE;
 - create a WORKFORCE culture that delivers a consistently positive experience for PATIENTS and other CUSTOMERS and that fosters CUSTOMER ENGAGEMENT;
 - create an environment for INNOVATION and INTELLIGENT RISK taking, achievement of your STRATEGIC OBJECTIVES, and organizational agility;
 - participate in succession planning and the development of future organizational leaders; and
 - create and promote a culture of PATIENT safety?

b. Communication and Organizational PERFORMANCE

- (1) **Communication** HOW do SENIOR LEADERS communicate with and engage the entire WORKFORCE and KEY CUSTOMERS? HOW do they
 - encourage frank, two-way communication, including EFFECTIVE use of social media, when appropriate;
 - communicate KEY decisions and needs for organizational change; and
 - reinforce HIGH PERFORMANCE and a PATIENT, other CUSTOMER, and health care focus by taking a direct role in motivating the WORKFORCE, including by participating in reward and recognition programs?
- (2) **Focus on Action** HOW do SENIOR LEADERS create a focus on action that will achieve the organization's MISSION? HOW do SENIOR LEADERS
 - create a focus on action that will improve the organization's PERFORMANCE, achieve INNOVATION and INTELLIGENT RISK taking, and attain its VISION;
 - identify needed actions; and
 - in setting expectations for organizational PERFORMANCE, include a focus on creating and balancing VALUE for PATIENTS, other CUSTOMERS, and other STAKEHOLDERS?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

1.1. In health care organizations with separate administrative/operational and health care provider leaders, the term "senior leaders" refers to both sets of leaders and the relationship between them.

1.1. Your organizational performance results should be reported in items 7.1–7.5. Results related to the effectiveness of leadership and the leadership system should be reported in item 7.4.

1.1a(1). Your organization's vision should set the context for the strategic objectives and action plans you describe in items 2.1 and 2.2.

1.1a(3). A successful organization is capable of addressing current organizational needs and, through agility and strategic management, is capable of preparing for its future business, market, and operating environment. Achieving future success may require leading transformational changes

in the organization's structure and culture. Both external and internal factors should be considered. Factors in your organization's sustainability might include workforce capability and capacity, resource availability, technology, knowledge, core competencies, work systems, facilities, and equipment. Success now and in the future might be affected by changes in the marketplace and patient and other customer preferences, in the financial markets, and in the legal and regulatory environment. In the context of ongoing success, the concept of innovation and taking intelligent risks includes both technological and organizational innovation to help the organization succeed in the future. A successful organization also ensures a safe and secure environment for its workforce and other key stakeholders. A successful organization is capable of addressing risks and opportunities arising from environmental considerations and climate change.

1.1b(1). Use of social media may include delivering periodic messages through internal and external websites; tweets; blogging; and electronic forums for patients, other customers, and the workforce; as well as monitoring external websites and blogs and responding, when appropriate.

1.1b(1). Organizations that rely on volunteers to accomplish their work should also discuss efforts to communicate with and engage the volunteer workforce.

1.1b(2). Senior leaders' focus on action considers your strategy, workforce, work systems, and assets. It includes taking intelligent risks and implementing innovations and ongoing improvements in productivity that may be achieved by eliminating waste or reducing cycle time; improvement efforts might use techniques such as PDCA, Six Sigma, and Lean. Senior leaders' focus on action also includes the actions needed to achieve your strategic objectives (see 2.2a[1]) and may involve establishing change management plans for major organizational change or responding rapidly to significant information from social media or other input.

For additional guidance on this item, see the [Category and Item Commentary \(http://www.nist.gov/baldrige/publications/hc_criteria.cfm\)](http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

1.2 Governance and Societal Responsibilities: How do you govern your organization and fulfill your societal responsibilities? (50 pts.)

In your response, include answers to the following questions:

a. Organizational GOVERNANCE

- (1) **GOVERNANCE System** **HOW does your organization ensure responsible GOVERNANCE?** HOW do you review and achieve the following KEY aspects of your GOVERNANCE system?
 - Accountability for SENIOR LEADERS' actions
 - Accountability for strategic plans
 - Fiscal accountability
 - Transparency in operations
 - Selection of GOVERNANCE board members and disclosure policies for them, as appropriate
 - Independence and EFFECTIVENESS of internal and external audits
 - Protection of STAKEHOLDER and stockholder interests, as appropriate
 - Succession planning for SENIOR LEADERS
- (2) **PERFORMANCE Evaluation** **HOW do you evaluate the PERFORMANCE of your SENIOR LEADERS, including the chief executive, and your GOVERNANCE board?** HOW do you use PERFORMANCE evaluations in determining executive compensation? HOW do your SENIOR LEADERS and GOVERNANCE board use these PERFORMANCE evaluations to advance their development and improve both their own EFFECTIVENESS as leaders and that of your board and LEADERSHIP SYSTEM, as appropriate?

b. Legal and ETHICAL BEHAVIOR

- (1) **Legal, Regulatory, and Accreditation Compliance** **HOW do you anticipate and address public concerns with your HEALTH CARE SERVICES and your operations?** HOW do you
 - address any adverse societal impacts of your HEALTH CARE SERVICES and your operations;
 - anticipate public concerns with your future HEALTH CARE SERVICES and operations; and
 - prepare for these impacts and concerns proactively, including through conservation of natural resources and EFFECTIVE supply-chain management PROCESSES, as appropriate?

What are your KEY compliance PROCESSES, MEASURES, and GOALS for meeting and surpassing regulatory, legal, and accreditation requirements, as appropriate? What are your KEY PROCESSES, MEASURES, and GOALS for addressing risks associated with your HEALTH CARE SERVICES and operations?

(Continued on the next page)

- (2) **ETHICAL BEHAVIOR** **HOW do you promote and ensure ETHICAL BEHAVIOR in all interactions?** What are your KEY PROCESSES and MEASURES or INDICATORS for enabling and monitoring ETHICAL BEHAVIOR in your GOVERNANCE structure; throughout your organization; and in interactions with your WORKFORCE, PATIENTS, other CUSTOMERS, PARTNERS, suppliers, and other STAKEHOLDERS? HOW do you monitor and respond to breaches of ETHICAL BEHAVIOR?

c. Societal Responsibilities

- (1) **Societal Well-Being** **HOW do you consider societal well-being and benefit as part of your strategy and daily operations?** HOW do you contribute to societal well-being through your environmental, social, and economic systems?
- (2) **Community Support** **HOW do you actively support and strengthen your KEY communities?** What are your KEY communities? HOW do you identify them and determine areas for organizational involvement, including areas that leverage your CORE COMPETENCIES? HOW do your SENIOR LEADERS, in concert with your WORKFORCE, contribute to improving these communities and building community health?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

1.2. Societal responsibilities in areas critical to your ongoing marketplace success should also be addressed in Strategy Development (item 2.1) and Operations (category 6). Key results should be reported as Leadership and Governance Results (item 7.4). Examples are results related to regulatory and legal requirements (including malpractice and the results of mandated financial audits); accreditation; reductions in environmental impacts through the use of “green” technology, resource-conserving activities, reduction of carbon footprint, or other means; or improvements in social impacts, such as building community health.

1.2. The health and safety of your workforce are not addressed in this item; you should address these workforce factors in items 5.1 and 6.2.

1.2a(1). The governance board’s review of organizational performance and progress, if appropriate, is addressed in 4.1(b).

1.2a(1). Transparency in the operations of your governance system should include your internal controls on governance processes.

1.2a(2). The evaluation of leaders’ performance might be supported by peer reviews, formal performance management reviews, reviews by external advisory boards, and formal or informal feedback from and surveys of the workforce and other stakeholders.

1.2b(2). Measures or indicators of ethical behavior might include the percentage of independent board members, instances of ethical conduct or compliance breaches and

responses to them, survey results showing workforce perceptions of organizational ethics, ethics hotline use, and results of ethics reviews and audits. Measures or indicators of ethical behavior might also include evidence that policies, workforce training, and monitoring systems are in place for conflicts of interest; protection and use of sensitive data, information, and knowledge generated through synthesizing and correlating these data; and proper use of funds.

1.2c. Areas of societal contributions might include your efforts to improve the environment (e.g., collaboration to conserve the environment or natural resources); strengthen local community services, education, health, and emergency preparedness; and improve the practices of trade, business, or professional associations.

1.2c(2). Actions to build community health are population-based services that support the general health of the communities in which you operate. Such services will likely draw on your core competencies and might include health education programs, immunization programs, unique health services provided at a financial loss, population-screening programs (e.g., for hypertension), sponsorship of safety programs, and indigent care and other community benefits. You should report the results of these services in item 7.4.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

2 Strategy (85 pts.)

The **Strategy** category asks HOW your organization develops STRATEGIC OBJECTIVES and ACTION PLANS, implements them, changes them if circumstances require, and measures progress.

2.1 Strategy Development: How do you develop your strategy? (45 pts.)

In your response, include answers to the following questions:

a. Strategy Development PROCESS

- (1) **Strategic Planning PROCESS** **HOW do you conduct your strategic planning?** What are the KEY PROCESS steps? Who are the KEY participants? What are your short- and longer-term planning horizons? HOW are they addressed in the planning PROCESS? HOW does your strategic planning PROCESS address the potential need for
 - transformational change and prioritization of change initiatives,
 - organizational agility, and
 - operational flexibility?
- (2) **INNOVATION** **HOW does your strategy development PROCESS stimulate and incorporate INNOVATION?** HOW do you identify STRATEGIC OPPORTUNITIES? HOW do you decide which STRATEGIC OPPORTUNITIES are INTELLIGENT risks for pursuing? What are your KEY STRATEGIC OPPORTUNITIES?
- (3) **Strategy Considerations** **HOW do you collect and analyze relevant data and develop information for your strategic planning PROCESS?** In this collection and ANALYSIS, HOW do you include these KEY elements?
 - Your STRATEGIC CHALLENGES and STRATEGIC ADVANTAGES
 - Risks to your organization's future success
 - Potential changes in your regulatory environment
 - Potential blind spots in your strategic planning PROCESS and information
 - Your ability to execute the strategic plan
- (4) **WORK SYSTEMS and CORE COMPETENCIES** **What are your KEY WORK SYSTEMS?** HOW do you make WORK SYSTEM decisions that facilitate the accomplishment of your STRATEGIC OBJECTIVES? HOW do you decide which KEY PROCESSES will be accomplished by external suppliers and PARTNERS? HOW do those decisions consider your CORE COMPETENCIES and the CORE COMPETENCIES of potential suppliers and PARTNERS? HOW do you determine future organizational CORE COMPETENCIES and WORK SYSTEMS?

b. STRATEGIC OBJECTIVES

- (1) **KEY STRATEGIC OBJECTIVES** **What are your organization's KEY STRATEGIC OBJECTIVES and timetable for achieving them?** What are your most important GOALS for these STRATEGIC OBJECTIVES? What KEY changes, if any, are planned in your HEALTH CARE SERVICES, CUSTOMERS and markets, suppliers and PARTNERS, and operations?
- (2) **STRATEGIC OBJECTIVE Considerations** **HOW do your STRATEGIC OBJECTIVES achieve appropriate balance among varying and potentially competing organizational needs?** HOW do your STRATEGIC OBJECTIVES
 - address your STRATEGIC CHALLENGES and leverage your CORE COMPETENCIES, STRATEGIC ADVANTAGES, and STRATEGIC OPPORTUNITIES;
 - balance short- and longer-term planning horizons; and
 - consider and balance the needs of all KEY STAKEHOLDERS?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

2.1. This item deals with your overall organizational strategy, which might include changes in health care service offerings and processes for patient and other customer engagement. However, you should describe the service design and patient and other customer engagement strategies, respectively, in items 6.1 and 3.2, as appropriate.

2.1. Strategy development refers to your organization's approach to preparing for the future. In developing your strategy, you might use various types of forecasts, projections, options, scenarios, knowledge (see 4.2a for relevant organizational knowledge), analyses, or other approaches to envisioning the future in order to make decisions and

allocate resources. Strategy development might involve key suppliers, partners, patients, and other customers.

2.1. The term “strategy” should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new health care services; redefinition of key patient and other customer groups or market segments; differentiation of your brand; new core competencies; revenue growth via various approaches, including acquisitions, grants, and endowments; divestitures; new partnerships and alliances; and new staff or volunteer relationships. Strategy might be directed toward becoming a preferred provider, a center for clinical and service excellence, a research leader, a low-cost provider, a market innovator, a provider of a high-end or customized service, or an integrated service provider. It might also be directed toward meeting a community or public health care need.

2.1a(2). Strategic opportunities arise from outside-the-box thinking, brainstorming, capitalizing on serendipity, research and innovation processes, nonlinear extrapolation of current conditions, and other approaches to imagining a different future. The generation of ideas that lead to strategic opportunities benefits from an environment that encourages nondirected, free thought. Choosing which strategic opportunities to pursue involves considering relative risk, financial and otherwise, and then making intelligent choices (“intelligent risks”).

2.1a(3). Data and information may come from a variety of internal and external sources and in a variety of forms. Data are available in increasingly greater volumes and at greater speeds. The ability to capitalize on data and information, including large datasets (“big data”), is based on the ability to analyze the data, draw conclusions, and pursue actions, including intelligent risks.

2.1a(3). Data and information might relate to patient, other customer, and market requirements, expectations, and opportunities; your culture, policies, and procedures to ensure patient safety and avoid medical errors; your policies and procedures for access to and equity of care; your core competencies; the competitive and collaborative environment and your performance now and in the future relative to competitors and comparable organizations; technological and other key innovations or changes that might affect your services and the way you operate, as well as the rate of

innovation; workforce and other resource needs; your ability to capitalize on diversity; opportunities to redirect resources to higher-priority health care services or areas; financial, societal, ethical, regulatory, technological, security, and other potential risks and opportunities; your ability to prevent and respond to emergencies, including natural or other disasters; changes in the local, national, or global economy; requirements for and strengths and weaknesses of your partners and supply chain; changes in your parent organization; and other factors unique to your organization.

2.1a(3). Your strategic planning should address your ability to mobilize the necessary resources and knowledge to execute the strategic plan. It should also address your ability to execute contingency plans or, if circumstances require, a shift in plans and rapid execution of new or changed plans.

2.1a(4). Decisions about work systems are strategic. These decisions involve protecting intellectual property, capitalizing on core competencies, and mitigating risk. Decisions about your work systems affect organizational design and structure, size, locations, profitability, and ongoing success. In a generic view of an organization, for example, the organization might define three work systems: one that addresses the clinical delivery of health care services, one that engages patients and other customers, and one that comprises systems that support service delivery and patient and other customer engagement.

2.1b(1). Strategic objectives might address access and locations; rapid response; customization; co-location with major partners; workforce capability and capacity; specific joint ventures; rapid or market-changing innovation; societal responsibility actions or leadership; social media and web-based management of relationships with suppliers, providers, patients, and other customers; implementation of electronic health records and electronic care processes (e.g., order entry and e-prescribing); and enhancements in health care service quality. Responses should focus on your specific challenges, advantages, and opportunities—those most important to your ongoing success and to strengthening your overall performance.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

2.2 Strategy Implementation: How do you implement your strategy? (40 pts.)

In your response, include answers to the following questions:

a. ACTION PLAN Development and DEPLOYMENT

- (1) **ACTION PLANS** What are your KEY short- and longer-term ACTION PLANS? What is their relationship to your STRATEGIC OBJECTIVES? HOW do you develop your ACTION PLANS?
- (2) **ACTION PLAN Implementation** HOW do you DEPLOY your ACTION PLANS? HOW do you DEPLOY your ACTION PLANS to your WORKFORCE and to KEY suppliers, PARTNERS, and COLLABORATORS, as appropriate, to ensure that you achieve your KEY STRATEGIC OBJECTIVES? HOW do you ensure that you can sustain the KEY outcomes of your ACTION PLANS?
- (3) **Resource Allocation** HOW do you ensure that financial and other resources are available to support the achievement of your ACTION PLANS while you meet current obligations? HOW do you allocate these resources to support the plans? HOW do you manage the risks associated with the plans to ensure your financial viability?
- (4) **WORKFORCE Plans** What are your KEY WORKFORCE plans to support your short- and longer-term STRATEGIC OBJECTIVES and ACTION PLANS? HOW do the plans address potential impacts on your WORKFORCE members and any potential changes in WORKFORCE CAPABILITY and CAPACITY needs?
- (5) **PERFORMANCE MEASURES** What KEY PERFORMANCE MEASURES or INDICATORS do you use to track the achievement and EFFECTIVENESS of your ACTION PLANS? HOW does your overall ACTION PLAN measurement system reinforce organizational ALIGNMENT?
- (6) **PERFORMANCE PROJECTIONS** For these KEY PERFORMANCE MEASURES or INDICATORS, what are your PERFORMANCE PROJECTIONS for your short- and longer-term planning horizons? HOW does your projected PERFORMANCE on these MEASURES or INDICATORS compare with your PROJECTIONS of the PERFORMANCE of your competitors or organizations offering similar HEALTH CARE SERVICES and with KEY BENCHMARKS, as appropriate? If there are gaps in PERFORMANCE against your competitors or comparable organizations, HOW do you address them?

b. ACTION PLAN Modification

HOW do you establish and implement modified ACTION PLANS if circumstances require a shift in plans and rapid execution of new plans?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

2.2. The development and deployment of your strategy and action plans are closely linked to other Health Care Criteria items. The following are examples of key linkages:

- Item 1.1: how your senior leaders set and communicate organizational direction
- Category 3: how you gather patient, other customer, and market knowledge as input to your strategy and action plans and to use in deploying action plans
- Category 4: how you measure and analyze data and manage knowledge to support key information needs, support the development of strategy, provide an effective basis for performance measurements, and track progress on achieving strategic objectives and action plans
- Category 5: how you meet workforce capability and capacity needs, determine needs and design your workforce development and learning system, and implement workforce-related changes resulting from action plans
- Category 6: how you address changes to your work processes resulting from action plans

- Item 7.1: specific accomplishments relative to your organizational strategy and action plans

2.2a(2). Action plan implementation and deployment may require modifications in organizational structures and operating modes. Action plan success benefits from visible short-term wins as well as long-term actions.

2.2a(6). Measures and indicators of projected performance might include consideration of changes resulting from new ventures; organizational acquisitions or mergers; new value creation; market entry and shifts; new legislative mandates, legal requirements, industry standards, or accreditation standards; and significant anticipated innovations in health care services and technology.

2.2b. Organizational agility requires the ability to adapt to changing circumstances, both internal and external.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

3 Customers (85 pts.)

The **CUSTOMERS** category asks HOW your organization engages its **PATIENTS** and other **CUSTOMERS** for long-term marketplace success, including HOW your organization listens to the **VOICE OF THE CUSTOMER**, builds relationships with **PATIENTS** and other **CUSTOMERS**, and uses **PATIENT** and other **CUSTOMER** information to improve and to identify opportunities for **INNOVATION**.

3.1 Voice of the Customer: How do you obtain information from your patients and other customers? (40 pts.)

In your response, include answers to the following questions:

a. Listening to **PATIENTS** and Other **CUSTOMERS**

- (1) **Current **PATIENTS** and Other **CUSTOMERS**** **HOW do you listen to, interact with, and observe **PATIENTS** and other **CUSTOMERS** to obtain actionable information?** HOW do your listening methods vary for different **PATIENT** groups, other **CUSTOMER** groups, or market **SEGMENTS**? HOW do you use social media and web-based technologies to listen to **PATIENTS** and other **CUSTOMERS**, as appropriate? HOW do your listening methods vary across the stages of **PATIENTS'** and other **CUSTOMERS'** relationships with you? HOW do you seek immediate and actionable feedback from **PATIENTS** and other **CUSTOMERS** on the quality of **HEALTH CARE SERVICES**, **PATIENT** and other **CUSTOMER** support, and transactions?
- (2) **Potential **PATIENTS** and Other **CUSTOMERS**** **HOW do you listen to potential **PATIENTS** and other **CUSTOMERS** to obtain actionable information?** HOW do you listen to former, potential, and competitors' **PATIENTS** and other **CUSTOMERS** to obtain actionable information on your **HEALTH CARE SERVICES**, **PATIENT** and other **CUSTOMER** support, and transactions, as appropriate?

b. Determination of **PATIENT** and Other **CUSTOMER** Satisfaction and **ENGAGEMENT**

- (1) **Satisfaction, Dissatisfaction, and **ENGAGEMENT**** **HOW do you determine **PATIENT** and other **CUSTOMER** satisfaction, dissatisfaction, and **ENGAGEMENT**?** HOW do your determination methods differ among your **PATIENT** and other **CUSTOMER** groups and market **SEGMENTS**, as appropriate? HOW do your measurements capture actionable information to use in exceeding your **PATIENTS'** and other **CUSTOMERS'** expectations and securing your **PATIENTS'** and other **CUSTOMERS'** **ENGAGEMENT** for the long term?
- (2) **Satisfaction Relative to Competitors** **HOW do you obtain information on your **PATIENTS'** and other **CUSTOMERS'** satisfaction with your organization relative to other organizations?** HOW do you obtain information on your **PATIENTS'** and other **CUSTOMERS'** satisfaction
 - relative to their satisfaction with your competitors and
 - relative to the satisfaction of **PATIENTS** and other **CUSTOMERS** of other organizations that provide similar **HEALTH CARE SERVICES** or to health care industry **BENCHMARKS**, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

3.1. The voice of the customer refers to your process for capturing patient- and other customer-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative so that they capture patients' and other customers' stated, unstated, and anticipated requirements, expectations, and desires. The goal is customer engagement. In listening to the voice of the customer, you might gather and integrate various types of patient and other customer data, such as survey data, focus group findings, blog comments and data from other social media, marketing information, and complaint data that affect patients' and other customers' purchasing and engagement decisions.

3.1a(1). Social media and web-based technologies are a growing mode of gaining insight into how patients and

other customers perceive all aspects of your involvement with them. Listening through social media may include monitoring comments on social media outlets you moderate and on those you do not control, such as wikis, online forums, and blogs other than your own.

3.1a(1). Your listening methods should include all stages of your involvement with patients and other customers. These stages might include relationship building, the active relationship, and a follow-up strategy, as appropriate.

3.1b. You might use any or all of the following to determine patient and other customer satisfaction and dissatisfaction: surveys, including third-party surveys or surveys endorsed or required by payors, such as the Consumer Assessment of Healthcare Providers and Systems (CAHPS); formal and

informal feedback; health care service utilization data; complaints; win/loss analysis; patient and other customer referral rates; and transaction completion rates. You might gather information on the web, through personal contact or a third party, or by mail. Determining patient and other customer dissatisfaction should be seen as more than reviewing low satisfaction scores. Dissatisfaction should be independently determined to identify root causes and enable a systematic remedy to avoid future dissatisfaction.

3.1b(1), b(2). Dimensions of patient satisfaction might include, for example, satisfaction with provider interactions, long-term health outcomes, ancillary services, and the

quality of care. Information you obtain on relative patient and other customer satisfaction may include comparisons with competitors, comparisons with other organizations that deliver similar health care services in a noncompetitive market, or comparisons obtained through health care industry or other organizations. Information obtained on relative satisfaction may also include information on why patients and other customers chose your competitors over you.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

3.2 Customer Engagement: How do you engage patients and other customers by serving their needs and building relationships? (45 pts.)

In your response, include answers to the following questions:

a. Service Offerings and PATIENT and Other CUSTOMER Support

(1) Service Offerings HOW do you determine HEALTH CARE SERVICE offerings? HOW do you

- determine PATIENT, other CUSTOMER, and market needs and requirements for HEALTH CARE SERVICE offerings;
- identify and adapt service offerings to meet the requirements and exceed the expectations of your PATIENT and other CUSTOMER groups and market SEGMENTS; and
- identify and adapt service offerings to enter new markets, to attract new PATIENTS and other CUSTOMERS, and to create opportunities to expand relationships with current PATIENTS and other CUSTOMERS, as appropriate?

(2) PATIENT and Other CUSTOMER Support HOW do you enable PATIENTS and other CUSTOMERS to seek information and support? HOW do you enable them to obtain HEALTH CARE SERVICES from you? What are your KEY means of PATIENT and other CUSTOMER support, including your KEY communication mechanisms? HOW do they vary for different PATIENT and other CUSTOMER groups or market SEGMENTS? HOW do you

- determine your PATIENTS' and other CUSTOMERS' KEY support requirements and
- DEPLOY these requirements to all people and PROCESSES involved in PATIENT and other CUSTOMER support?

(3) PATIENT and Other CUSTOMER Segmentation HOW do you determine your PATIENT and other CUSTOMER groups and market SEGMENTS? HOW do you

- use information on PATIENTS, other CUSTOMERS, markets, and HEALTH CARE SERVICE offerings to identify current and anticipate future PATIENT and other CUSTOMER groups and market SEGMENTS;
- consider competitors' PATIENTS and other CUSTOMERS, as well as other potential PATIENTS, CUSTOMERS, and markets in this segmentation; and
- determine which PATIENT and other CUSTOMER groups and market SEGMENTS to emphasize and pursue for business growth?

b. PATIENT and Other CUSTOMER Relationships

(1) Relationship Management HOW do you build and manage relationships with PATIENTS and other CUSTOMERS? HOW do you market, build, and manage relationships with PATIENTS and other CUSTOMERS to

- acquire PATIENTS and other CUSTOMERS and build market share;
- manage and enhance your brand image;
- retain PATIENTS and other CUSTOMERS, meet their requirements, and exceed their expectations in each stage of their relationship with you; and
- increase their ENGAGEMENT with you?

HOW do you leverage social media to manage and enhance your brand, and to enhance PATIENT and other CUSTOMER ENGAGEMENT and PATIENTS' and other CUSTOMERS' relationships with your organization, as appropriate?

(Continued on the next page)

(2) Complaint Management **HOW do you manage PATIENTS' and other CUSTOMERS' complaints?** HOW do you resolve complaints promptly and EFFECTIVELY? HOW does your management of these complaints enable you to recover your PATIENTS' and other CUSTOMERS' confidence, enhance their satisfaction and ENGAGEMENT, and avoid similar complaints in the future?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

3.2. Customer engagement refers to your patients' and other customers' investment in or commitment to your brand and health care service offerings. Characteristics of engaged patients and other customers include retention; brand loyalty; willingness to make an effort to obtain health care services, as well as other services, from you; and willingness to actively advocate for and recommend your brand and your health care service offerings.

3.2a. Health care service offerings and health care services are the services and programs that you offer in the marketplace. In identifying health care service offerings, you should consider all the important characteristics of services that patients and other customers receive in each stage of their relationship with you. The focus should be on features that affect patients' and other customers' preference for and loyalty to you and your brand—for example, features that affect their view of clinical and service quality and that differentiate your services from competing offerings or other organizations' services. Those features might include extended hours, family support services, ease of access to and use of your services, timeliness, cost, and assistance with billing/paperwork processes and transportation. Key service features might also take into account how transactions occur

and factors such as the confidentiality and security of patient and other customer data. Your results on performance relative to key service features should be reported in item 7.1, and those for patients' and other customers' perceptions and actions (outcomes) should be reported in item 7.2.

3.2a(2). The goal of patient and other customer support is to make your organization easy to obtain health care services from and responsive to your patients' and your other customers' expectations.

3.2b. Building relationships with patients and other customers might include developing partnerships or alliances with them.

3.2b(1). Brand management is generally associated with marketing to improve the perceived value of your health care services or brand. Successful brand management builds loyalty and positive associations for patients and other customers, and it protects your brand and intellectual property.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

4 Measurement, Analysis, and Knowledge Management (90 pts.)

The **Measurement, ANALYSIS, and Knowledge Management** category asks HOW your organization selects, gathers, analyzes, manages, and improves its data, information, and KNOWLEDGE ASSETS; HOW it learns; and HOW it manages information technology. The category also asks HOW your organization uses review findings to improve its PERFORMANCE.

4.1 Measurement, Analysis, and Improvement of Organizational Performance: How do you measure, analyze, and then improve organizational performance? (45 pts.)

In your response, include answers to the following questions:

a. PERFORMANCE Measurement

(1) **PERFORMANCE MEASURES** HOW do you use data and information to track daily operations and overall organizational PERFORMANCE? HOW do you

- select, collect, align, and integrate data and information to use in tracking daily operations and overall organizational PERFORMANCE; and
- track progress on achieving STRATEGIC OBJECTIVES and ACTION PLANS?

What are your KEY organizational PERFORMANCE MEASURES, including KEY short- and longer-term financial MEASURES? HOW frequently do you track these MEASURES?

(2) **Comparative Data** HOW do you select and EFFECTIVELY use comparative data and information? HOW do you select and EFFECTIVELY use KEY comparative data and information to support operational decision making?

(3) **PATIENT and Other CUSTOMER Data** HOW do you use VOICE-OF-THE-CUSTOMER and market data and information? HOW do you

- select and EFFECTIVELY use VOICE-OF-THE-CUSTOMER and market data and information (including aggregated data on complaints) to build a more PATIENT-focused culture and to support operational decision making, and
- use data and information gathered through social media, as appropriate?

(4) **Measurement Agility** HOW do you ensure that your PERFORMANCE measurement system can respond to rapid or unexpected organizational or external changes?

b. PERFORMANCE ANALYSIS and Review

HOW do you review your organization's PERFORMANCE and capabilities? HOW do you use your KEY organizational PERFORMANCE MEASURES, as well as comparative and CUSTOMER data, in these reviews? What ANALYSES do you perform to support these reviews and ensure that conclusions are valid? HOW do your organization and its SENIOR LEADERS use these reviews to

- assess organizational success, competitive PERFORMANCE, financial health, and progress on achieving your STRATEGIC OBJECTIVES and ACTION PLANS; and
- respond rapidly to changing organizational needs and challenges in your operating environment, including any need for transformational change in organizational structure and WORK SYSTEMS?

How does your GOVERNANCE board review the organization's PERFORMANCE and its progress on STRATEGIC OBJECTIVES and ACTION PLANS, if appropriate?

c. PERFORMANCE Improvement

(1) **Best Practices** HOW do you share best practices in your organization? HOW do you identify organizational units or operations that are HIGH PERFORMING? HOW do you identify their best practices for sharing and implement them across the organization, as appropriate?

(2) **Future PERFORMANCE** HOW do you project your organization's future PERFORMANCE? HOW do you use findings from PERFORMANCE reviews (addressed in 4.1b) and KEY comparative and competitive data in projecting future PERFORMANCE? HOW do you reconcile any differences between these PROJECTIONS of future PERFORMANCE and PERFORMANCE PROJECTIONS developed for your KEY ACTION PLANS (addressed in 2.2a[6])?

(Continued on the next page)

(3) Continuous Improvement and INNOVATION HOW do you use findings from PERFORMANCE reviews (addressed in 4.1b) to develop priorities for continuous improvement and opportunities for INNOVATION? HOW do you DEPLOY these priorities and opportunities

- to work group and functional-level operations and
- when appropriate, to your suppliers, PARTNERS, and COLLABORATORS to ensure organizational ALIGNMENT?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

4.1. The results of organizational performance analysis and review should inform the strategy development and implementation you describe in category 2.

4.1. Your organizational performance results should be reported in items 7.1–7.5.

4.1a. Data and information from performance measurement should be used to support fact-based decisions that set and align organizational directions and resource use at the work unit, key process, department, and organization levels.

4.1a(2). Comparative data and information are obtained by benchmarking and by seeking competitive comparisons. Benchmarking is identifying processes and results that represent best practices and performance for similar activities, inside or outside the health care industry. Competitive comparisons relate your performance to that of competitors and other organizations providing similar health care services. One source of this information might be social media or the web.

4.1b. Organizational performance reviews should be informed by organizational performance measurement and

by performance measures reported throughout your Health Care Criteria item responses, and they should be guided by the strategic objectives and action plans you identify in category 2. The reviews might also be informed by internal or external Baldrige assessments.

4.1b. Performance analysis includes examining performance trends; organizational, health care industry, and technology projections; and comparisons, cause-effect relationships, and correlations. This analysis should support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, such analysis draws on all types of data: health care outcome, patient- and other customer-related, financial and market, operational, and competitive/comparative. The analysis should also draw on publicly mandated measures, when appropriate.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

4.2 Knowledge Management, Information, and Information Technology: How do you manage your organizational knowledge assets, information, and information technology infrastructure? (45 pts.)

In your response, include answers to the following questions:

a. Organizational Knowledge

- (1) **Knowledge Management** **HOW do you manage organizational knowledge?** HOW do you
 - collect and transfer WORKFORCE knowledge;
 - blend and correlate data from different sources to build new knowledge;
 - transfer relevant knowledge from and to PATIENTS, other CUSTOMERS, suppliers, PARTNERS, and COLLABORATORS; and
 - assemble and transfer relevant knowledge for use in your INNOVATION and strategic planning PROCESSES?
- (2) **Organizational LEARNING** **HOW do you use your knowledge and resources to embed LEARNING in the way your organization operates?**

b. Data, Information, and Information Technology

- (1) **Data and Information Quality** **HOW do you verify and ensure the quality of organizational data and information?** HOW do you manage electronic and other data and information to ensure their accuracy and validity, integrity and reliability, and currency?
- (2) **Data and Information Security** **HOW do you ensure the security of sensitive or privileged data and information?** HOW do you manage electronic and other data and information to ensure confidentiality and only appropriate access? HOW do you oversee the cybersecurity of your information systems?
- (3) **Data and Information Availability** **HOW do you ensure the availability of organizational data and information?** HOW do you make needed data and information available in a user-friendly format and timely manner to your WORKFORCE, suppliers, PARTNERS, COLLABORATORS, PATIENTS, and other CUSTOMERS, as appropriate?
- (4) **Hardware and Software Properties** **HOW do you ensure that hardware and software are reliable, secure, and user-friendly?**
- (5) **Emergency Availability** **In the event of an emergency, HOW do you ensure that hardware and software systems and data and information continue to be secure and available to EFFECTIVELY serve PATIENTS, other CUSTOMERS, and organizational needs?**

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

4.2a(1). Blending and correlating data from different sources may involve handling big data sets and disparate types of data and information, such as data tables, video, and text. Furthermore, organizational knowledge constructed from these data may be speculative and may reveal sensitive information about organizations or individuals that must be protected from use for any other purposes.

4.2b. Your response might include information related to electronic health records within your organization.

4.2b(2). Managing cybersecurity (the security of electronic data) includes, for example, protecting against the loss of sensitive information about employees, patients, other customers, and organizations; protecting assets stored in the cloud or outside your organization's control; protecting intellectual property; and protecting against the financial, legal, and reputational aspects of data breaches.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

5 Workforce (85 pts.)

The **WORKFORCE** category asks HOW your organization assesses **WORKFORCE CAPABILITY** and **CAPACITY** needs and builds a **WORKFORCE** environment conducive to **HIGH PERFORMANCE**. The category also asks HOW your organization engages, manages, and develops your **WORKFORCE** to utilize its full potential in **ALIGNMENT** with your organization's overall organizational needs.

5.1 Workforce Environment: How do you build an effective and supportive workforce environment? (40 pts.)

In your response, include answers to the following questions:

a. **WORKFORCE CAPABILITY and CAPACITY**

- (1) **CAPABILITY and CAPACITY** **HOW do you assess your WORKFORCE CAPABILITY and CAPACITY needs?** HOW do you assess the skills, competencies, certifications, and staffing levels you need?
- (2) **New WORKFORCE Members** **HOW do you recruit, hire, place, and retain new WORKFORCE members?** HOW do you ensure that your **WORKFORCE** represents the diverse ideas, cultures, and thinking of your hiring and **PATIENT** community?
- (3) **Work Accomplishment** **HOW do you organize and manage your WORKFORCE?** HOW do you organize and manage your **WORKFORCE** to
 - accomplish your organization's work;
 - capitalize on your organization's **CORE COMPETENCIES**;
 - reinforce a focus on **PATIENTS**, other **CUSTOMERS**, and health care; and
 - exceed **PERFORMANCE** expectations?
- (4) **WORKFORCE Change Management** **HOW do you prepare your WORKFORCE for changing CAPABILITY and CAPACITY needs?** HOW do you
 - manage your **WORKFORCE**, its needs, and your organization's needs to ensure continuity, prevent **WORKFORCE** reductions, and minimize the impact of such reductions, if they become necessary;
 - prepare for and manage periods of **WORKFORCE** growth; and
 - prepare your **WORKFORCE** for changes in organizational structure and **WORK SYSTEMS**, when needed?

b. **WORKFORCE Climate**

- (1) **Workplace Environment** **HOW do you ensure workplace health, security, and accessibility for the WORKFORCE?** What are your **PERFORMANCE MEASURES** and improvement **GOALS** for your workplace environmental factors? For your different workplace environments, what significant differences are there in these factors and their **PERFORMANCE MEASURES** or targets?
- (2) **WORKFORCE Benefits and Policies** **HOW do you support your WORKFORCE via services, benefits, and policies?** HOW do you tailor these to the needs of a diverse **WORKFORCE** and different **WORKFORCE** groups and **SEGMENTS**? What **KEY** benefits do you offer your **WORKFORCE**?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

5.1. Workforce refers to the people actively involved in accomplishing your organization's work. It includes permanent, temporary, and part-time personnel, as well as any contract staff you supervise, independent practitioners (e.g., physicians, physician assistants, nurse practitioners, acupuncturists, and nutritionists not paid by your organization), and health profession students (e.g., medical, nursing, and ancillary). It includes team leaders, supervisors, and managers at all levels. People supervised by a contractor should be addressed in categories 2 and 6 as part of your larger work system strategy and your internal work

processes. For organizations that also rely on volunteers, workforce includes these volunteers.

5.1a. Workforce capability refers to your organization's ability to carry out its work processes through its people's knowledge, skills, abilities, and competencies. Capability may include the ability to build and sustain relationships with patients and other customers; innovate and transition to new technologies; develop new health care services and work processes; and meet changing health care, market, and regulatory demands.

Workforce capacity refers to your organization's ability to ensure sufficient staffing levels to carry out its work processes and successfully deliver health care services to patients, including the ability to meet seasonal or varying demand levels.

5.1a. Your assessment of workforce capability and capacity needs should consider not only current needs but also future requirements based on the strategic objectives and action plans you identify in category 2 and the performance projections you discuss in 4.1c(2).

5.1a(2). This requirement refers only to new workforce members. The retention of existing workforce members is considered in item 5.2, Workforce Engagement.

5.1a(3), 5.1a(4). Organizing and managing your workforce may involve organizing the workforce for change as you

address changes in your external environment, culture, technology, or strategic objectives.

5.1a(4). Preparing your workforce for changing capability and capacity needs might include training, education, frequent communication, consideration of workforce employment and employability, career counseling, and outplacement and other services.

5.1b(1). Workplace accessibility maximizes productivity by eliminating barriers that can prevent people with disabilities from working to their potential. A fully inclusive workplace is physically, technologically, and attitudinally accessible.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

5.2 Workforce Engagement: How do you engage your workforce to achieve a high-performance work environment? (45 pts.)

In your response, include answers to the following questions:

a. WORKFORCE ENGAGEMENT and PERFORMANCE

- (1) **Organizational Culture** HOW do you foster an organizational culture that is characterized by open communication, HIGH PERFORMANCE, and an engaged WORKFORCE? HOW do you ensure that your organizational culture benefits from the diverse ideas, cultures, and thinking of your WORKFORCE? HOW do you EMPOWER your WORKFORCE?
- (2) **Drivers of ENGAGEMENT** HOW do you determine the KEY drivers of WORKFORCE ENGAGEMENT? HOW do you determine these drivers for different WORKFORCE groups and SEGMENTS?
- (3) **Assessment of ENGAGEMENT** HOW do you assess WORKFORCE ENGAGEMENT? What formal and informal assessment methods and MEASURES do you use to determine WORKFORCE ENGAGEMENT, including satisfaction? HOW do these methods and MEASURES differ across WORKFORCE groups and SEGMENTS? HOW do you also use other INDICATORS, such as WORKFORCE retention, absenteeism, grievances, safety, and PRODUCTIVITY, to assess and improve WORKFORCE ENGAGEMENT?
- (4) **PERFORMANCE Management** HOW does your WORKFORCE PERFORMANCE management system support HIGH PERFORMANCE and WORKFORCE ENGAGEMENT? HOW does it consider WORKFORCE compensation, reward, recognition, and incentive practices? HOW does it reinforce
 - INTELLIGENT RISK taking to achieve INNOVATION;
 - a focus on PATIENTS, other CUSTOMERS, and health care; and
 - achievement of your ACTION PLANS?

b. WORKFORCE and Leader Development

- (1) **LEARNING and Development System** HOW does your LEARNING and development system support the organization's needs and the personal development of your WORKFORCE members, managers, and leaders? HOW does the system
 - address your organization's CORE COMPETENCIES, STRATEGIC CHALLENGES, and achievement of short- and long-term ACTION PLANS;
 - support organizational PERFORMANCE improvement, organizational change, and INNOVATION;
 - support ethical health care and ethical business practices;
 - improve focus on PATIENTS and other CUSTOMERS;
 - ensure the transfer of knowledge from departing or retiring WORKFORCE members; and
 - ensure the reinforcement of new knowledge and skills on the job?

(Continued on the next page)

(2) LEARNING and Development EFFECTIVENESS **HOW do you evaluate the EFFECTIVENESS and efficiency of your LEARNING and development system?** HOW do you

- correlate LEARNING and development outcomes with findings from your assessment of WORKFORCE ENGAGEMENT and with KEY organizational RESULTS reported in category 7, and
- use these correlations to identify opportunities for improvement in both WORKFORCE ENGAGEMENT and LEARNING and development offerings?

(3) Career Progression **HOW do you manage career progression for your organization?** HOW do you manage career development for your WORKFORCE? HOW do you carry out succession planning for management and leadership positions?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

5.2. Understanding the characteristics of high-performance work environments, in which people do their utmost for their patients' and other customers' benefit and the organization's success, is key to understanding and building an engaged workforce. These characteristics are described in detail in the definition of high performance (page 49).

5.2a(2). Drivers of workforce engagement (identified in P.1a[3]) refer to the drivers of workforce members' commitment, both emotional and intellectual, to accomplishing the organization's work, mission, and vision.

5.2a(4). Compensation, recognition, and related reward and incentive practices include promotions and bonuses that might be based on performance, skills acquired, adaptation to new work systems and culture, and other factors. Recognition can include monetary and nonmonetary,

formal and informal, and individual and group mechanisms. Recognition systems for volunteers and independent practitioners who contribute to the organization's work should be included, as appropriate.

5.2b. Your response should include how you address any unique considerations for workforce development, learning, and career progression that stem from your organization. Your response should also consider the breadth of development opportunities you might offer, including education, training, coaching, mentoring, and work-related experiences.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

6 Operations (85 pts.)

The **Operations** category asks HOW your organization designs, manages, improves, and innovates its HEALTH CARE SERVICES and WORK PROCESSES and improves operational EFFECTIVENESS to deliver VALUE to PATIENTS and other CUSTOMERS and to achieve ongoing organizational success.

6.1 Work Processes: How do you design, manage, and improve your key health care services and work processes? (45 pts.)

In your response, include answers to the following questions:

a. Service and PROCESS Design

- (1) **Service and PROCESS Requirements** HOW do you determine KEY HEALTH CARE SERVICE and WORK PROCESS requirements? What are your organization's KEY WORK PROCESSES? What are the KEY requirements for these WORK PROCESSES?
- (2) **Design Concepts** HOW do you design your HEALTH CARE SERVICES and WORK PROCESSES to meet requirements? HOW do you incorporate new technology, organizational knowledge, evidence-based medicine, HEALTH CARE SERVICE excellence, PATIENT and other CUSTOMER VALUE, and the potential need for agility into these services and PROCESSES?

b. PROCESS Management

- (1) **PROCESS Implementation** HOW does your day-to-day operation of WORK PROCESSES ensure that they meet KEY PROCESS requirements? What KEY PERFORMANCE MEASURES or INDICATORS and in-process MEASURES do you use to control and improve your WORK PROCESSES? HOW do these MEASURES relate to the quality of outcomes and the PERFORMANCE of your HEALTH CARE SERVICES?
- (2) **PATIENT Expectations and Preferences** HOW do you address and consider each PATIENT's expectations? HOW do you explain HEALTH CARE SERVICE delivery PROCESSES and likely outcomes to set realistic PATIENT expectations? HOW do you factor PATIENT decision making and PATIENT preferences into the delivery of HEALTH CARE SERVICES?
- (3) **Support PROCESSES** HOW do you determine your KEY support PROCESSES? What are your KEY support PROCESSES? HOW does your day-to-day operation of these PROCESSES ensure that they meet KEY organizational support requirements?
- (4) **Service and PROCESS Improvement** HOW do you improve your WORK PROCESSES to improve HEALTH CARE SERVICES and PERFORMANCE, enhance your CORE COMPETENCIES, and reduce variability?

c. INNOVATION Management

HOW do you manage for INNOVATION? HOW do you pursue the STRATEGIC OPPORTUNITIES that you determine are INTELLIGENT RISKS? HOW do you make financial and other resources available to pursue these opportunities? HOW do you discontinue pursuing opportunities at the appropriate time to enhance support for higher-priority opportunities?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

6.1. The results of improvements in the performance of your health care services and processes should be reported in item 7.1.

6.1a(1). Your key work processes are your most important internal value-creation processes. They might include health care service design and delivery, patient and other customer support, and business processes. Your key work processes are those that involve the majority of your workforce and produce value for patients, other customers, and stakeholders. Projects are unique work processes intended to produce an outcome and then go out of existence.

6.1a(2). The potential need for agility could include changes in work processes as a result of overall work system changes, such as bringing a supply-chain process in-house to avoid disruptions in supply due to increasing external events triggered by climate change or other unpredictable factors.

6.1b(3). Your key support processes should support your value-creation processes. They might support leaders and other workforce members engaged in health care service design and delivery, interactions with patients and other customers, and business and enterprise management.

6.1b(4). To improve process performance and reduce variability, you might implement approaches such as a Lean Enterprise System, Six Sigma methodology, ISO quality system standards, PDCA methodology, decision sciences, or other process improvement tools. These approaches might be part of the performance improvement system you describe in P.2c in the Organizational Profile.

6.1c. Your innovation management process should capitalize on strategic opportunities identified in 2.1a(2).

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

6.2 Operational Effectiveness: How do you ensure effective management of your operations? (40 pts.)

In your response, include answers to the following questions:

a. PROCESS Efficiency and EFFECTIVENESS

HOW do you control the overall costs of your operations? HOW do you

- incorporate CYCLE TIME, PRODUCTIVITY, and other efficiency and EFFECTIVENESS factors into your WORK PROCESSES;
- prevent rework and errors, including medical errors;
- minimize the costs of inspections, tests, and PROCESS or PERFORMANCE audits, as appropriate; and
- balance the need for cost control with the needs of your PATIENTS and other CUSTOMERS, when they differ?

b. Supply-Chain Management

HOW do you manage your supply chain? HOW do you

- select suppliers and ensure that they are qualified and positioned to not only meet operational needs but also enhance your PERFORMANCE and your PATIENTS' and other CUSTOMERS' satisfaction;
- measure and evaluate your suppliers' PERFORMANCE;
- provide feedback to your suppliers to help them improve; and
- deal with poorly performing suppliers?

c. Safety and Emergency Preparedness

- (1) **Safety** **HOW do you provide a safe operating environment?** HOW does your safety system address accident prevention, inspection, root-cause ANALYSIS of failures, and recovery?
- (2) **Emergency Preparedness** **HOW do you ensure that your organization is prepared for disasters or emergencies?** HOW does your disaster and emergency preparedness system consider prevention, continuity of operations, and recovery? HOW does your disaster and emergency preparedness system take your reliance on suppliers and PARTNERS into account?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

6.2b. Ensuring that suppliers are positioned to meet operational needs and enhance your performance and your patients' and other customers' satisfaction may involve partnering with suppliers for mutual benefit.

6.2b. Feedback to suppliers should involve two-way communication, allowing suppliers to express what they need from you.

6.2c(2). Disasters and emergencies might be related to weather, utilities, security, or a local or national emergency. The extent to which you prepare for disasters or emergencies will depend on your organization's environment and

its sensitivity to disruptions of operations. Acceptable levels of risk will vary depending on the nature of your services, supply chain, and stakeholder needs and expectations. The impacts of climate change could include a greater frequency of disruptions. Emergency considerations related to information technology should be addressed in item 4.2.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

7 Results (450 pts.)

The **RESULTS** category asks about your organization's **PERFORMANCE** and improvement in all **KEY** areas—health care and **PROCESS RESULTS**, **CUSTOMER-focused RESULTS**, **WORKFORCE-focused RESULTS**, leadership and **GOVERNANCE RESULTS**, and financial and market **RESULTS**. The category asks about **PERFORMANCE LEVELS** relative to those of competitors and other organizations with similar **HEALTH CARE SERVICE** offerings.

7.1 Health Care and Process Results: What are your health care and process effectiveness results? (120 pts.)

Provide data and information to answer the following questions:

a. Health Care and CUSTOMER-Focused Service RESULTS

What are your health care RESULTS and your RESULTS for your PATIENT and other CUSTOMER service PROCESSES? What are your current **LEVELS** and **TRENDS** in **KEY MEASURES** or **INDICATORS** of health care outcomes and the **PERFORMANCE** of services that are important to and directly serve your **PATIENTS** and other **CUSTOMERS**? How do these **RESULTS** compare with the **PERFORMANCE** of your competitors and other organizations with similar offerings? How do these **RESULTS** differ by **HEALTH CARE SERVICE** offerings, **PATIENT** and other **CUSTOMER** groups, and market **SEGMENTS**, as appropriate?

b. WORK PROCESS EFFECTIVENESS RESULTS

- (1) **PROCESS EFFECTIVENESS and Efficiency** **What are your PROCESS EFFECTIVENESS and efficiency RESULTS?** What are your current **LEVELS** and **TRENDS** in **KEY MEASURES** or **INDICATORS** of the operational **PERFORMANCE** of your **KEY WORK** and support **PROCESSES**, including **PRODUCTIVITY**, **CYCLE TIME**, and other appropriate **MEASURES** of **PROCESS EFFECTIVENESS**, **efficiency**, and **INNOVATION**? How do these **RESULTS** compare with the **PERFORMANCE** of your competitors and other organizations with similar **PROCESSES**? How do these **RESULTS** differ by **PROCESS** types, as appropriate?
- (2) **Emergency Preparedness** **What are your emergency preparedness RESULTS?** What are your current **LEVELS** and **TRENDS** in **KEY MEASURES** or **INDICATORS** of the **EFFECTIVENESS** of your organization's preparedness for disasters or emergencies? How do these **RESULTS** differ by location or **PROCESS** type, as appropriate?

c. Supply-Chain Management RESULTS

What are your supply-chain management RESULTS? What are your **RESULTS** for **KEY MEASURES** or **INDICATORS** of the **PERFORMANCE** of your supply chain, including its contribution to enhancing your **PERFORMANCE**?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.1. Results should provide key information for analyzing and reviewing your organizational performance (item 4.1), demonstrate use of organizational knowledge (item 4.2), and provide the operational basis for customer-focused results (item 7.2) and financial and market results (item 7.5). There is not a one-to-one correspondence between results items and Health Care Criteria categories 1–6. Results should be considered systemically, with contributions to individual results items frequently stemming from processes in more than one Health Care Criteria category.

7.1. Results reported should include those for key measures that are publicly reported and/or mandated by regulators, accreditors, or payors, such as the Healthcare Effectiveness Data and Information Set (HEDIS), Centers for Medicare and Medicaid Services (CMS) core measures, value-based purchasing measures, CMS quality measures derived from Minimum Data Set (MDS) indicators, and other such measures.

7.1a. Health care results and results for patient and other customer service processes should relate to the key patient and other customer requirements and expectations you identify in P.1b(2), which are based on information gathered through processes you describe in category 3. The measures or indicators should address factors that affect patient and other customer preference, such as those listed in the notes to P.1b(2) and 3.2a.

7.1b. Results should address the key operational requirements you identify in the Organizational Profile and in category 6.

7.1b. Appropriate measures and indicators of work process effectiveness might include error rates, audit results, timeliness of delivery, results for externally provided health care services and processes, rates and results of health care service and work system innovation, results for simplification of internal jobs and job classifications, waste reduction, work layout improvements, changes in supervisory

ratios, Occupational Safety and Health Administration (OSHA)-reportable incidents, response times for emergency drills or exercises, and results for work relocation or contingency exercises.

7.1c. This requirement does not ask for levels and trends. The reason is that some significant supply-chain results may be either qualitative or not amenable to trending over time. Examples for suppliers could be training hours on new services or processes, knowledge-sharing activities, audit hours that vary by supplier experience or specification complexity, or joint process and service development. When appropriate, however, you should report levels and trends for results that are numeric and trendable.

7.1c. Appropriate measures and indicators of supply-chain performance might include supplier and partner audits, just-in-time delivery, and acceptance results for externally provided services and processes. Measures and indicators of contributions to enhancing your performance might include those for improvements in downstream supplier services delivered directly to patients and other customers.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

7.2 Customer-Focused Results: What are your customer-focused performance results? (80 pts.)

Provide data and information to answer the following questions:

a. PATIENT- and Other CUSTOMER-Focused RESULTS

- (1) PATIENT and Other CUSTOMER Satisfaction** What are your PATIENT and other CUSTOMER satisfaction and dissatisfaction RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of PATIENT and other CUSTOMER satisfaction and dissatisfaction? How do these RESULTS compare with those of your competitors and other organizations providing similar HEALTH CARE SERVICES? How do these RESULTS differ by HEALTH CARE SERVICE offerings, PATIENT and other CUSTOMER groups, and market SEGMENTS, as appropriate?
- (2) PATIENT and Other CUSTOMER ENGAGEMENT** What are your PATIENT and other CUSTOMER ENGAGEMENT RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of PATIENT and other CUSTOMER ENGAGEMENT, including those for building relationships with PATIENTS and other CUSTOMERS? How do these RESULTS compare over the course of your PATIENTS' and other CUSTOMERS' relationships with you, as appropriate? How do these RESULTS differ by HEALTH CARE SERVICE offerings, PATIENT and other CUSTOMER groups, and market SEGMENTS, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.2. Results for patient and other customer satisfaction, dissatisfaction, engagement, and relationship building should relate to the patient and other customer groups and market segments you identify in P.1b(2) and to the listening and determination methods you report in item 3.1.

7.2a(1). For patients' and other customers' satisfaction with your health care services relative to satisfaction with those of competitors and comparable organizations, measures

and indicators might include information and data from your patients, from your other customers, from competitors' customers, and from independent organizations. Results from any of the CAHPS surveys should be included if your organization reports these measures.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

7.3 Workforce-Focused Results: What are your workforce-focused performance results? (80 pts.)

Provide data and information to answer the following questions:

a. WORKFORCE-Focused RESULTS

- (1) **WORKFORCE CAPABILITY and CAPACITY** What are your **WORKFORCE CAPABILITY and CAPACITY RESULTS**? What are your current LEVELS and TRENDS in KEY MEASURES of WORKFORCE CAPABILITY and CAPACITY, including appropriate skills and staffing levels? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate?
- (2) **WORKFORCE Climate** What are your **WORKFORCE climate RESULTS**? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of your WORKFORCE climate, including those for WORKFORCE health, safety, and security and WORKFORCE services and benefits, as appropriate? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate?
- (3) **WORKFORCE ENGAGEMENT** What are your **WORKFORCE ENGAGEMENT RESULTS**? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of WORKFORCE satisfaction and WORKFORCE ENGAGEMENT? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate?
- (4) **WORKFORCE Development** What are your **WORKFORCE and leader development RESULTS**? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of WORKFORCE and leader development? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.3. Results reported in this item should relate to the processes you report in category 5. Your results should also respond to the key work process needs you report in category 6 and to the action plans and workforce plans you report in item 2.2.

7.3. Responses should include results for independent practitioners, volunteers, and health profession students, as appropriate.

7.3a(3). Responses should include results for the measures and indicators you identify in 5.2a(3).

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

7.4 Leadership and Governance Results: What are your senior leadership and governance results? (80 pts.)

Provide data and information to answer the following questions:

a. Leadership, GOVERNANCE, and Societal Responsibility RESULTS

- (1) **Leadership** What are your RESULTS for SENIOR LEADERS' communication and engagement with the WORKFORCE and with PATIENTS and other CUSTOMERS? What are your RESULTS for KEY MEASURES or INDICATORS of SENIOR LEADERS' communication and engagement with the WORKFORCE, PATIENTS, and other CUSTOMERS to DEPLOY your VISION and VALUES, encourage two-way communication, and create a focus on action? How do these RESULTS differ by organizational units and PATIENT and other CUSTOMER groups, as appropriate?
- (2) **GOVERNANCE** What are your RESULTS for GOVERNANCE accountability? What are your KEY current findings and TRENDS in KEY MEASURES or INDICATORS of GOVERNANCE and internal and external fiscal accountability, as appropriate?
- (3) **Law, Regulation, and Accreditation** What are your legal, regulatory, and accreditation RESULTS? What are your RESULTS for KEY MEASURES or INDICATORS of meeting and surpassing regulatory, legal, and accreditation requirements? How do these RESULTS differ by organizational units, as appropriate?
- (4) **Ethics** What are your RESULTS for ETHICAL BEHAVIOR? What are your RESULTS for KEY MEASURES or INDICATORS of ETHICAL BEHAVIOR, breaches of ETHICAL BEHAVIOR, and STAKEHOLDER trust in your SENIOR LEADERS and GOVERNANCE? How do these RESULTS differ by organizational units, as appropriate?
- (5) **Society** What are your RESULTS for societal responsibilities and support of your KEY communities? What are your RESULTS for KEY MEASURES or INDICATORS of your fulfillment of your societal responsibilities, support of your KEY communities, and contributions to community health?

b. Strategy Implementation RESULTS

What are your RESULTS for the achievement of your organizational strategy and ACTION PLANS? What are your RESULTS for KEY MEASURES or INDICATORS of the achievement of your organizational strategy and ACTION PLANS? What are your RESULTS for building and strengthening CORE COMPETENCIES? What are your RESULTS for taking INTELLIGENT RISKS?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.4. Most of the requirements in this item do not ask for levels and trends. The reason is that some significant results may be either qualitative in nature or not amenable to trending over time. Examples could be results of intelligent risk taking and governance accountability. For such results, qualitative explanation may be more meaningful than current levels and trends. When appropriate, however, you should report levels and trends for results that are numeric and trendable.

7.4a(1). Responses should include results relating to the communication processes you identify in item 1.1.

7.4a(2). Responses might include financial statement issues and risks, important internal and external auditor recommendations, and management's responses to these matters.

7.4a(3). Legal, regulatory, and accreditation results should relate to the processes and measures you report in 1.2b. Workforce-related occupational safety and health results (e.g., OSHA-reportable incidents) should be reported in 7.1b(2) and 7.3a(2).

7.4a(4). For examples of measures of ethical behavior and stakeholder trust, see the note to 1.2b(2).

7.4a(5). Responses should relate to the societal responsibilities you address in 1.2b(1) and 1.2c(1), as well as the support of the key communities and contributions to community health you report in 1.2c(2). Measures of contributions to societal well-being might include those for reduced energy consumption, the use of renewable energy resources and recycled water, reduction of your carbon footprint, waste reduction and utilization, and alternative approaches to conserving resources (e.g., increased audio- and videoconferencing).

7.4b. Measures or indicators of strategy and action plan achievement should relate to the strategic objectives and goals you report in 2.1b(1) and the action plan performance measures and projected performance you report in 2.2a(5) and 2.2a(6), respectively.

For additional guidance on this item, see the *Category and Item Commentary* (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).

7.5 Financial and Market Results: What are your financial and marketplace performance results? (90 pts.)

Provide data and information to answer the following questions:

a. Financial and Market RESULTS

- (1) **Financial PERFORMANCE** **What are your financial PERFORMANCE RESULTS?** What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of financial PERFORMANCE, including aggregate MEASURES of financial return, financial viability, and budgetary PERFORMANCE, as appropriate? How do these RESULTS differ by market SEGMENTS and PATIENT and other CUSTOMER groups, as appropriate?
- (2) **Marketplace PERFORMANCE** **What are your marketplace PERFORMANCE RESULTS?** What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of marketplace PERFORMANCE, including market share or position, market and market share growth, and new markets entered, as appropriate? How do these RESULTS differ by market SEGMENTS and PATIENT and other CUSTOMER groups, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Note

7.5a(1). Aggregate measures of financial return might include those for return on investment (ROI), operating margins, profitability, or profitability by market segment or patient or other customer group. Measures of financial viability might include those for liquidity, debt-to-equity ratio, days cash on hand, asset utilization, cash flow, bond ratings, and value-based purchasing financial results, as appropriate.

Measures should relate to the financial measures you report in 4.1a(1) and the financial management approaches you report in item 2.2.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm).



Scoring System

The scoring of responses to Baldrige Health Care Criteria for Performance Excellence items is based on two evaluation dimensions: process (categories 1–6) and results (category 7).

To score Health Care Criteria responses, consider the following information relative to the item requirements and the scoring guidelines (pages 34–35):

- The key business factors presented in the Organizational Profile
- The maturity and appropriateness of the approaches, the breadth of their deployment, and the strengths of the learning and improvement process and of the results presented

Scoring Dimensions

Process

Process refers to the methods your organization uses and improves, which address the requirements in categories 1–6. The four factors used to evaluate process are *approach*, *deployment*, *learning*, and *integration* (ADLI). Baldrige-based feedback reflects strengths and opportunities for improvement in these factors. A score for a process item is based on a holistic assessment of your overall performance, taking into account the four process factors.

Approach comprises

- the methods used to carry out the process,
- the appropriateness of these methods to the item requirements and your operating environment,
- the effectiveness of your use of the methods, and
- the degree to which the approach is repeatable and based on reliable data and information (i.e., systematic).

Deployment is the extent to which

- your approach addresses item requirements that are relevant and important to your organization,
- your approach is applied consistently, and
- your approach is used by all appropriate work units.

Learning comprises

- the refinement of your approach through cycles of evaluation and improvement,
- the encouragement of breakthrough change to your approach through innovation, and
- the sharing of refinements and innovations with other relevant work units and processes in your organization.

See “From Fighting Fires to Innovation” on the next page, which illustrates a progression through the maturity levels for this scoring dimension.

Integration is the extent to which

- your approach is aligned with the organizational needs identified in the Organizational Profile and other process items;
- your measures, information, and improvement systems are complementary across processes and work units; and
- your plans, processes, results, analyses, learning, and actions are harmonized across processes and work units to support organization-wide goals.

In scoring process items, keep in mind that approach, deployment, learning, and integration are linked. Descriptions of approach should always indicate the deployment—consistent with the specific requirements of the item and your organization. As processes mature, the description should also show cycles of learning (including innovation), as well as integration with other processes and work units (see “Steps toward Mature Processes,” page 32).

Results

Results are the outputs and outcomes your organization achieves, which address the requirements in category 7. The four factors used to evaluate results are *levels*, *trends*, *comparisons*, and *integration* (LeTCI). A score for a results item is based on a holistic assessment of your overall performance, taking into account the four results factors.

Levels are

- your current performance on a meaningful measurement scale.

Trends comprise

- your rate of performance improvement or continuation of good performance in areas of importance (i.e., the slope of data points over time).

Comparisons comprise

- your performance relative to that of other, appropriate organizations, such as competitors or organizations similar to yours, and
- your performance relative to industry leaders or benchmarks.

From Fighting Fires to Innovation: An Analogy for Learning

Learning is an essential attribute of high-performing organizations. Effective, well-deployed organizational learning can help an organization improve from the early stages of reacting to problems to the highest levels of organization-wide improvement, refinement, and innovation.

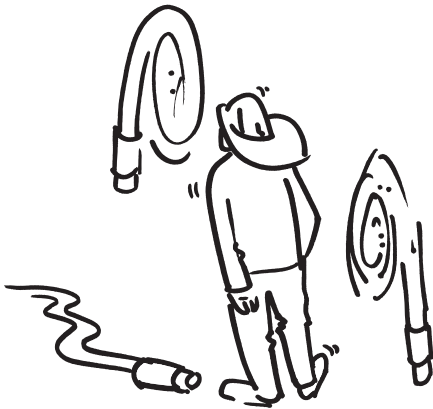
1



Reacting to the problem (0–5%)

Run with the hose and put out the fire.

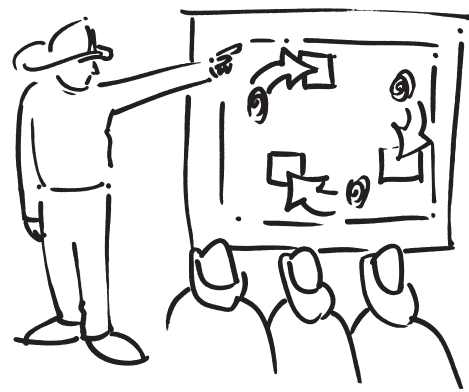
2



General improvement orientation (10–25%)

Install more fire hoses to get to the fires quickly and reduce their impact.

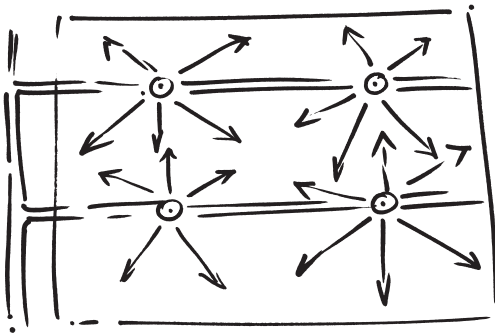
3



Systematic evaluation and improvement (30–45%)

Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.

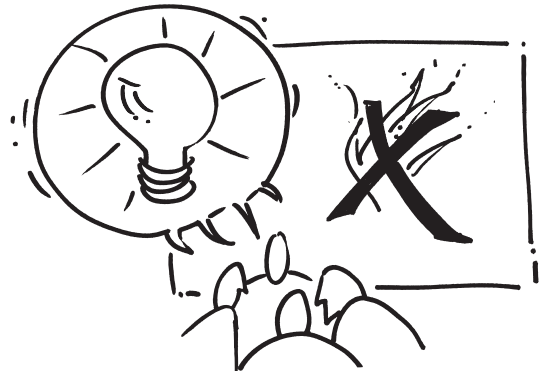
4



Learning and strategic improvement (50–65%)

Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.

5



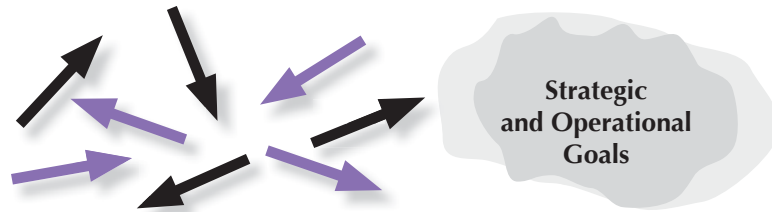
Organizational analysis and innovation (70–100%)

Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection. This approach has been shared with all facilities and is practiced in all locations.

Steps toward Mature Processes

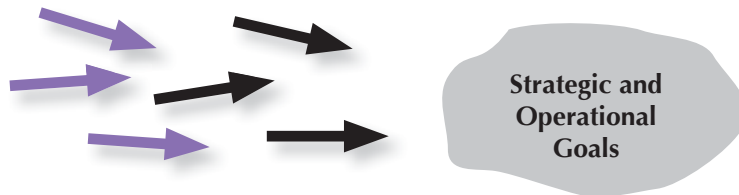
An Aid for Assessing and Scoring Process Items

Reacting to Problems (0–25%)



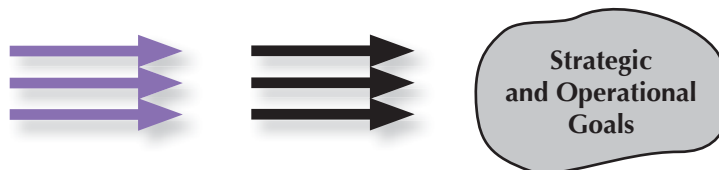
Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

Early Systematic Approaches (30–45%)



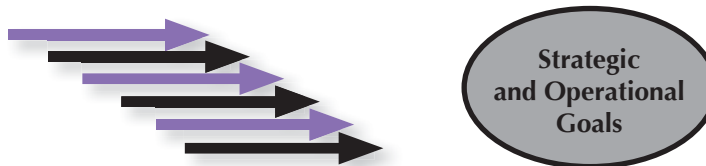
The organization is beginning to carry out operations with repeatable processes, evaluation, and improvement, and there is some early coordination among organizational units. Strategy and quantitative goals are being defined.

Aligned Approaches (50–65%)



Operations are characterized by repeatable processes that are regularly evaluated for improvement. Learnings are shared, and there is coordination among organizational units. Processes address key strategies and goals.

Integrated Approaches (70–100%)



Operations are characterized by repeatable processes that are regularly evaluated for change and improvement in collaboration with other affected units. The organization seeks and achieves efficiencies across units through analysis, innovation, and the sharing of information and knowledge. Processes and measures track progress on key strategic and operational goals.

Integration is the extent to which

- your results measures (often through segmentation) address important performance requirements relating to patients and other customers, health care services, markets, processes, and action plans identified in your Organizational Profile and in process items;
- your results include valid indicators of future performance; and
- your results reflect harmonization across your processes and work units to support organization-wide goals.

In the scoring of results items, look for data on performance levels, trends, and relevant comparisons for key measures and indicators of your organization's performance, as well as integration with your organization's key requirements. Results items should also show data on the breadth of the performance results reported. This is directly related to deployment and organizational learning; if improvement processes are widely shared and deployed, there should be corresponding results.

"Importance" as a Scoring Consideration

A critical consideration in Baldrige evaluation and feedback is the importance of your reported process and results to your key business factors. The areas of greatest importance should be identified in your Organizational Profile and in items such as 2.1, 2.2, 3.2, 5.1, 5.2, and 6.1. Your key customer requirements, competitive environment, workforce needs, key strategic objectives, and action plans are particularly important.

How to Score an Item Response

Follow these steps in assigning a score to an item response.

Look at the scoring guidelines (pages 34–35). Decide which scoring range (e.g., 50–65%) is most descriptive of the organization's achievement level as presented in the item response.

Choose this range based on a holistic view of either the four process factors (ADLI) or the four results factors (LeTCI) in aggregate; do not tally or average independent assessments of each of the four factors. The "most descriptive" range is not necessarily a perfect fit and often reflects some gaps between the response and the description of one or more of the factors in the chosen scoring range.

Read the next higher and the next lower scoring ranges.

Assign a score (e.g., 55%) within the chosen range by evaluating whether the item response is closer to the statements in the next higher or the next lower scoring range.

As you assign scores, keep in mind these descriptions of the midpoint of the scoring continuum.

A process item score of 50% represents an approach that meets the overall requirements of the item (is responsive to the leading questions), is deployed consistently and to most work units, has been through some cycles of improvement and learning, and addresses key organizational needs.

Higher scores reflect greater achievement, demonstrated by broader deployment, significant organizational learning, and increased integration.

A results item score of 50% represents a clear indication of good performance levels, beneficial trends, and appropriate comparative data for the results areas that are covered in the item and that are important to the organization's business or mission. Higher scores reflect better performance levels and trends, stronger comparative performance, and broader coverage and integration with the organization's requirements or mission.

Process Scoring Guidelines (For Use with Categories 1–6)

SCORE	DESCRIPTION
0% or 5%	- No SYSTEMATIC APPROACH to item requirements is evident; information is ANECDOTAL. (A) - Little or no DEPLOYMENT of any SYSTEMATIC APPROACH is evident. (D) - An improvement orientation is not evident; improvement is achieved by reacting to problems. (L) - No organizational ALIGNMENT is evident; individual areas or work units operate independently. (I)
10%, 15%, 20%, or 25%	- The beginning of a SYSTEMATIC APPROACH to the BASIC REQUIREMENTS of the item is evident. (A) - The APPROACH is in the early stages of DEPLOYMENT in most areas or work units, inhibiting progress in achieving the BASIC REQUIREMENTS of the item. (D) - Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L) - The APPROACH is ALIGNED with other areas or work units largely through joint problem solving. (I)
30%, 35%, 40%, or 45%	- An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the BASIC REQUIREMENTS of the item, is evident. (A) - The APPROACH is DEPLOYED, although some areas or work units are in early stages of DEPLOYMENT. (D) - The beginning of a SYSTEMATIC APPROACH to evaluation and improvement of KEY PROCESSES is evident. (L) - The APPROACH is in the early stages of ALIGNMENT with the basic organizational needs identified in response to the Organizational Profile and other process items. (I)
50%, 55%, 60%, or 65%	- An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the OVERALL REQUIREMENTS of the item, is evident. (A) - The APPROACH is well DEPLOYED, although DEPLOYMENT may vary in some areas or work units. (D) - A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING, including INNOVATION, are in place for improving the efficiency and EFFECTIVENESS of KEY PROCESSES. (L) - The APPROACH is ALIGNED with your overall organizational needs as identified in response to the Organizational Profile and other process items. (I)
70%, 75%, 80%, or 85%	- An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the MULTIPLE REQUIREMENTS of the item, is evident. (A) - The APPROACH is well DEPLOYED, with no significant gaps. (D) - Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING, including INNOVATION, are KEY management tools; there is clear evidence of refinement as a result of organizational-level ANALYSIS and sharing. (L) - The APPROACH is INTEGRATED with your current and future organizational needs as identified in response to the Organizational Profile and other process items. (I)
90%, 95%, or 100%	- An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE REQUIREMENTS of the item, is evident. (A) - The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any areas or work units. (D) - Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING through INNOVATION are KEY organization-wide tools; refinement and INNOVATION, backed by ANALYSIS and sharing, are evident throughout the organization. (L) - The APPROACH is well INTEGRATED with your current and future organizational needs as identified in response to the Organizational Profile and other process items. (I)

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Results Scoring Guidelines (For Use with Category 7)

SCORE	DESCRIPTION
0% or 5%	- There are no organizational PERFORMANCE RESULTS, or the RESULTS reported are poor. (Le) - TREND data either are not reported or show mainly adverse TRENDS. (T) - Comparative information is not reported. (C) - RESULTS are not reported for any areas of importance to the accomplishment of your organization's MISSION. (I)
10%, 15%, 20%, or 25%	- A few organizational PERFORMANCE RESULTS are reported, responsive to the BASIC REQUIREMENTS of the item, and early good PERFORMANCE LEVELS are evident. (Le) - Some TREND data are reported, with some adverse TRENDS evident. (T) - Little or no comparative information is reported. (C) - RESULTS are reported for a few areas of importance to the accomplishment of your organization's MISSION. (I)
30%, 35%, 40%, or 45%	- Good organizational PERFORMANCE LEVELS are reported, responsive to the BASIC REQUIREMENTS of the item. (Le) - Some TREND data are reported, and most of the TRENDS presented are beneficial. (T) - Early stages of obtaining comparative information are evident. (C) - RESULTS are reported for many areas of importance to the accomplishment of your organization's MISSION. (I)
50%, 55%, 60%, or 65%	- Good organizational PERFORMANCE LEVELS are reported, responsive to the OVERALL REQUIREMENTS of the item. (Le) - Beneficial TRENDS are evident in areas of importance to the accomplishment of your organization's MISSION. (T) - Some current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of good relative PERFORMANCE. (C) - Organizational PERFORMANCE RESULTS are reported for most KEY PATIENT and other CUSTOMER, market, and PROCESS requirements. (I)
70%, 75%, 80%, or 85%	- Good-to-excellent organizational PERFORMANCE LEVELS are reported, responsive to the MULTIPLE REQUIREMENTS of the item. (Le) - Beneficial TRENDS have been sustained over time in most areas of importance to the accomplishment of your organization's MISSION. (T) - Many to most TRENDS and current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of leadership and very good relative PERFORMANCE. (C) - Organizational PERFORMANCE RESULTS are reported for most KEY PATIENT and other CUSTOMER, market, PROCESS, and ACTION PLAN requirements. (I)
90%, 95%, or 100%	- Excellent organizational PERFORMANCE LEVELS are reported that are fully responsive to the MULTIPLE REQUIREMENTS of the item. (Le) - Beneficial TRENDS have been sustained over time in all areas of importance to the accomplishment of your organization's MISSION. (T) - Industry and BENCHMARK leadership is demonstrated in many areas. (C) - Organizational PERFORMANCE RESULTS and PROJECTIONS are reported for most KEY PATIENT and other CUSTOMER, market, PROCESS, and ACTION PLAN requirements. (I)

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).



How to Respond to the Health Care Criteria

These guidelines explain how to respond most effectively to the requirements of the 17 process and results Health Care Criteria items. See also the Scoring System, including the scoring guidelines (pages 30–35), which describes how to assess responses and determine your organization’s performance accomplishments.

First Steps

1. Learn about the Baldrige framework.

Become familiar with the following sections, which provide a full orientation to the Baldrige framework:

- Health Care Criteria for Performance Excellence (pages 4–29)
- Scoring System (pages 30–35)
- Glossary of Key Terms (pages 47–54)
- Category and Item Commentary (http://www.nist.gov/baldrige/publications/hc_criteria.cfm)

2. Understand how to read and respond to a Criteria item.

Review the Health Care Criteria for Performance Excellence Structure (page 2), which shows the types of items, the different parts of the items, and the role of each part. Pay particular attention to the multiple requirements within the areas to address and the notes.

Item requirements are presented as questions. Some requirements in the areas to address include multiple questions. To fully respond to the requirements, address all the questions, as missing information will be interpreted as a gap in your performance management system. However, you do not need to answer each question separately. These multiple questions express the full meaning of the information being requested. You may group responses to multiple questions within a single area to address in a way that is appropriate to your organization.

3. Review the scoring guidelines.

Consider both the Criteria and the scoring guidelines (pages 34–35) as you prepare your responses. As a complement to the requirements of the process items (categories 1–6), the process scoring guidelines address the maturity of your approaches, the extent of their deployment, the extent of learning, and the extent of integration with other elements of your performance management system.

Similarly, as a complement to the requirements of the results items (category 7), the results scoring guidelines focus on the actual performance levels, the significance of the results trends, relevant comparative data, integration with important elements of your performance management system, and the results of the improvement process.

4. Understand the meaning of key terms.

Many terms in the Criteria and scoring guidelines have meanings that may differ somewhat from common meanings. Terms printed in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54). Understanding these terms can help you accurately self-assess your organization and communicate your processes and results to those reviewing your responses and planning your improvement efforts.

5. Start with the Organizational Profile.

The Organizational Profile (pages 4–6) is the most appropriate starting point. Whether you are using the Criteria for self-assessment, writing an application, or reviewing either of these, the Organizational Profile helps you understand what is most relevant and important to your organization’s business, mission, and performance.

Responding to Process Items

Although the Criteria focus on key organizational performance results, these results by themselves offer little *diagnostic* value. For example, if some results are poor or are improving at rates slower than your competitors’ or comparable organizations’ results, you need to understand why this is so and what you might do to accelerate improvement.

Your responses to process items (categories 1–6) permit you or those who are reviewing your responses to diagnose your organization’s *most important* processes—the ones that contribute most to organizational performance improvement and result in key outcomes or performance results. This diagnosis and the quality of the feedback you receive depend heavily on the content and completeness of your responses. For this reason, respond to these items by providing information on your *key* processes. Guidelines for organizing and reviewing such information follow.

1. Understand the meaning of *how*.

In responding to questions in process items that begin with *how*, give information on your key processes with regard to approach, deployment, learning, and integration (ADLI; see the Scoring System, page 30). Responses lacking such information, or merely providing an example, are referred to in the scoring guidelines as *anecdotal information*.

Show that *approaches* are systematic. Systematic approaches are repeatable and use data and information to enable learning. In other words, approaches are systematic if they build in the opportunity for evaluation, improvement, innovation, and knowledge sharing, thereby enabling a gain in maturity.

Show *deployment*. In your responses, summarize how your approaches are implemented in different parts of your organization.

Show evidence of *learning*. Give evidence of evaluation and improvement cycles for processes, as well as the potential for innovation. Show that process improvements are shared with other appropriate units of your organization to enable organizational learning.

Show *integration*. Integration is alignment and harmonization among processes, plans, measures, actions, and results. This harmonization generates organizational effectiveness and efficiencies.

Showing alignment in the process items and tracking corresponding measures in the results items should improve organizational performance. In your responses, show alignment in four areas:

- In the Organizational Profile, make clear what is important to your organization.
- In Strategy (category 2), including the strategic objectives, action plans, and core competencies, highlight your organization's areas of greatest focus and describe how you deploy your strategic plan.
- In describing organizational-level analysis and review (item 4.1), show how you analyze and review performance information as a basis for setting priorities.
- In Strategy (category 2) and Operations (category 6), highlight the work systems and work processes that are key to your organization's overall performance.

2. Understand the meaning of *what*.

Two types of questions in process items begin with *what*. The first requests basic information on key processes and how they work. Although it is helpful to state *who* performs the work, diagnosis or feedback also requires a description of how the process works.

The second type of *what* question asks you to report key findings, plans, objectives, goals, or measures. These questions set the context for showing alignment and integration in your performance management system. For example, when you identify key strategic objectives, your action plans, some performance measures, and some results in category 7 are expected to relate to those strategic objectives.

Responding to Results Items

1. Focus on your organization's most critical performance results.

Report results that cover the most important requirements for your organization's success, as highlighted in the Organizational Profile and in the Leadership, Strategy, Customers, Workforce, and Operations categories.

2. Report levels, trends, and comparisons, and show integration.

Report *performance levels* on a meaningful measurement scale.

Report *trends* to show the directions of results and rates of change in areas of importance. A minimum of three historical data points is generally needed to ascertain a trend. Trends should represent historic and current performance and not rely on projected (future) performance.

There is no minimum period for trend data; time intervals between data points should be meaningful for the measure(s) you report. Trends might span five or more years or less than one year, depending on what is meaningful. For important results, include new data even if trends are not yet well established. *Explain trends that show a significant beneficial or adverse change.*

Report *comparisons* to show how your results compare with those of other, appropriately selected organizations.

Show *integration* by including all important results, and segment them appropriately (e.g., by important customer, workforce, process, and health care service lines).

Responding Efficiently

1. Cross-reference when appropriate.

Ensure that each item response is as self-contained as possible and that responses to different items are mutually reinforcing. To accomplish this, refer to other responses rather than repeat information. In such cases, give key process information in the item requesting that information. For example, you would describe workforce development and learning systems in item 5.2. Discussions about workforce development and learning elsewhere in your application would then reference but not repeat details given in item 5.2.

2. Use a compact format.

To make the best use of space, use flowcharts, tables, and lists to present information concisely. Page limits are designed to force your organization to consider what is most important in managing your enterprise and reporting your results.

3. Use graphs and tables.

You can report many results compactly by using graphs and tables. When you report results over time or compare them with others, “normalize” them (i.e., present them in a way—for example, as ratios—that takes size factors into account). For example, if the number of employees has varied over the period or if you are comparing your results to those of organizations differing in size, safety trends will be more meaningful if you report them as lost workdays per 100 employees rather than as total lost workdays.

The graph below shows one part of a possible response to item 7.1, Health Care and Process Results. The organization has identified use of beta-blockers with acute myocardial infarction (AMI) as a key requirement.

The graph illustrates a number of characteristics of clear and effective results reporting:

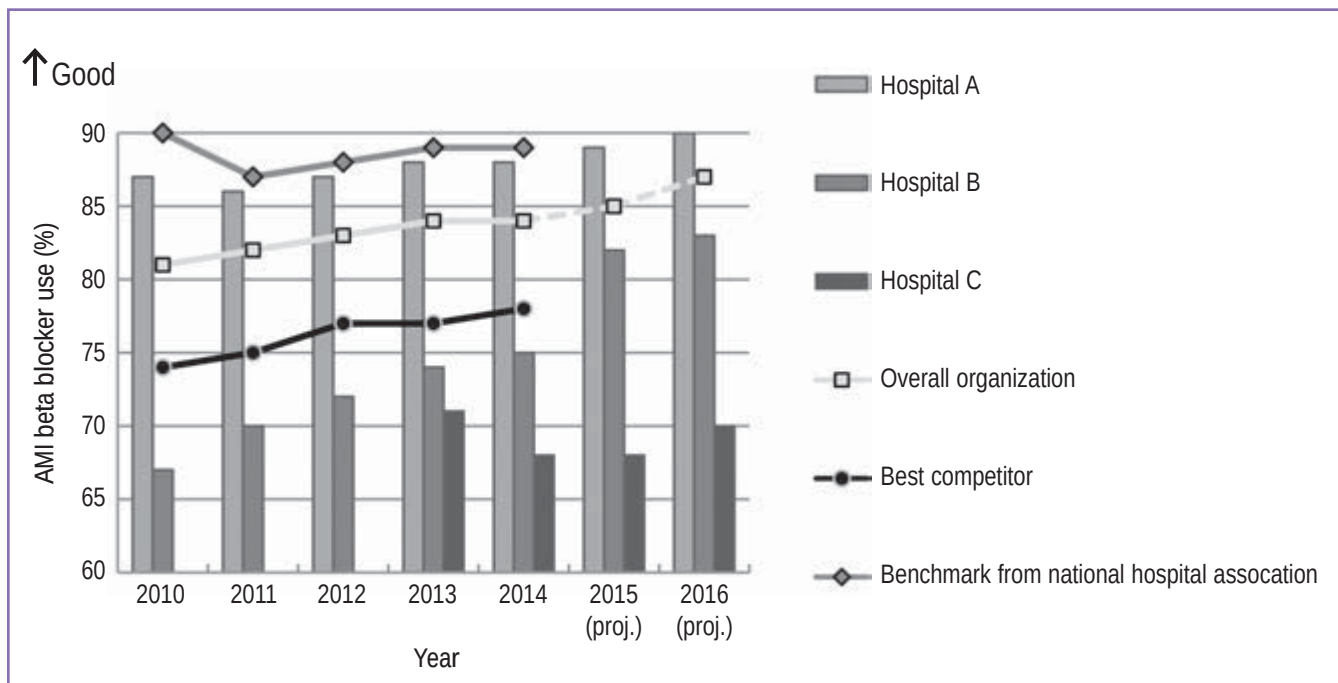
- Both axes and units of measure are clearly labeled.
- Levels and trends are reported for a key requirement—use of beta-blockers for AMI.
- Results are presented for several years.
- An arrow indicates that an upward trend is good for this measure.
- Appropriate comparisons are shown clearly.
- In a single graph, the organization shows that it tracks all three of its hospitals separately for beta-blocker use.

- The organization projects improved performance, including discontinuous or breakthrough improvement in 2015 relative to prior performance for hospital B. The text should explain this breakthrough change and might refer to critical learning from hospital A as the basis for the projected change.

Interpreting the graph with the scoring guidelines in mind would result in the following observations on the organization’s performance and maturity level:

- The current overall organizational performance level is excellent. This conclusion is supported by the comparison with the best competitor and a national benchmark level.
- The overall organization shows beneficial improvement trends sustained over time.
- Hospital A is the current performance leader—showing sustained high performance and a slightly beneficial trend since 2011. Hospital B shows rapid improvement. Its performance is close to that of the best competitor but trails hospital A.
- Hospital C—identified in the text as a new acquisition—is having early problems with ensuring beta-blocker use but is projecting a turnaround. (The organization should briefly explain these problems.)
- The organization has projected improvements in beta-blocker use for all of its hospitals. Hospital C continues to lag behind the others; hospital A is projected to reach the benchmark level by 2015.

Figure 7.1-3 Beta-Blocker Use





Core Values and Concepts

These beliefs and behaviors are embedded in high-performing organizations. They are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action, feedback, and ongoing success.

The Baldrige Health Care Criteria are built on the following set of interrelated core values and concepts:

- Systems perspective
- Visionary leadership
- Patient-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility and community health
- Ethics and transparency
- Delivering value and results

Systems Perspective

A systems perspective means managing all the components of your organization as a unified whole to achieve your mission, ongoing success, and performance excellence.

Successfully managing overall organizational performance requires realization of your organization as a system with interdependent operations. Organization-specific synthesis, alignment, and integration make the system successful. *Synthesis* means looking at your organization as a whole and incorporates key organizational attributes, including your core competencies, strategic objectives, action plans, and work systems. *Alignment* means using the key organizational linkages to ensure consistency of plans, processes, measures, and actions. *Integration* builds on alignment, so that the individual components of your performance management system operate in a fully interconnected, unified, and mutually beneficial manner to deliver anticipated results.

These concepts are depicted in the Baldrige Health Care Criteria overview (page 1). When your organization takes a systems perspective, your senior leaders focus on strategic directions and on patients and other customers. Your senior leaders monitor, respond to, and manage performance based on your results. With a systems perspective, you use your measures, indicators, core competencies, and organizational knowledge to build your key strategies, link these strategies with your work systems and key processes, and align your resources to improve your overall performance and your focus on patients, other customers, and stakeholders. The core values and concepts, the seven Health Care Criteria categories, and the scoring guidelines are the system's building blocks and integrating mechanism.

Visionary Leadership

Your organization's senior leaders should create a leadership system that includes both health care provider and administrative/operational leaders. This system should foster the integration and alignment of health care and business directions.

Your organization's senior leaders should set a vision for the organization, create a focus on patients and other customers, demonstrate clear and visible organizational values and ethics, and set high expectations for the workforce. The vision, values, and expectations should balance the needs of all your stakeholders. Your leaders should also ensure the creation of strategies, systems, and methods for building knowledge and capabilities, stimulating innovation, requiring accountability, achieving performance excellence, and thereby ensuring ongoing organizational success.

The values and strategies leaders define should help guide all of your organization's activities and decisions. Senior leaders should inspire and encourage your entire workforce to contribute, to develop and learn, to be innovative, and to embrace meaningful change. Senior leaders should be responsible to your organization's governance body for their actions and performance, and the governance body should be responsible ultimately to all your stakeholders for your organization's and its senior leaders' ethics, actions, and performance.

Senior leaders should serve as role models through their ethical behavior and their personal involvement in planning, providing a supportive environment for innovation, communicating, coaching and motivating the workforce, developing future leaders, reviewing organizational performance, and recognizing workforce members. As role models, they can reinforce ethics, values, and expectations while building leadership, commitment, and initiative throughout your organization.

Patient-Focused Excellence

Your patients and other customers are the ultimate judges of your performance and the quality of your health care services. Thus, your organization must consider all features and characteristics of patient care delivery (including those not directly related to medical, clinical, and health services) and all modes of customer access and support that contribute value to your patients and other customers. Such behavior leads to patient and other customer acquisition, satisfaction, preference, and loyalty; positive referrals; and, ultimately, the ongoing success of your business. Patient-focused excellence has both current and future components: understanding the

desires of patients and other customers today and anticipating future desires and health care marketplace potential.

Many factors may influence value and satisfaction over the course of your patients' and other customers' experience with your organization. Primary among these factors is the degree of patient safety throughout the health care delivery process. An additional factor is your organization's management of patient and other customer relationships, which helps build trust, confidence, and loyalty. Additional factors include the availability of clear information on likely health and functional status outcomes, the responsiveness of health care providers and ancillary staff members, cost, and the quality and availability of continuing care. For many patients, an important factor is the ability to participate in decisions about their health care. This leads to the requirement for developing systems and processes to ensure that patients and family members are fully involved in the care team, educated so they fully understand their condition and the plan of care, and supported in making the medical decisions that are best for them.

Patient-focused excellence means much more than reducing errors, merely meeting accreditation specifications, or reducing complaints. Nevertheless, these factors contribute to your patients' and other customers' view of your organization and thus are also important parts of patient-focused excellence. In addition, your success in recovering from accidents, service errors, and mistakes is crucial for retaining patients and other customers and engaging them for the long term. Patient-focused excellence also involves increasing the efficiency and effectiveness of the services and care provided and working to ensure that care is provided in the most appropriate setting.

A patient-focused organization addresses not only the health care service characteristics that meet basic patient and other customer requirements but also those unique features and characteristics that differentiate the organization from its competitors. This differentiation may be based on innovative health care service offerings, combinations of health care service offerings, price, customized offerings, multiple access and outward communication mechanisms, time to appointment, rapid response, innovative patient conveniences (e.g., valet parking, gourmet menus, or hotel accommodations), or special relationships.

A major long-term investment associated with health care excellence is investment in creating and sustaining an assessment system focused on health care outcomes. This entails becoming familiar with research findings and ongoing application of assessment methods. Patient-focused excellence is thus a strategic concept. It is directed toward patient and other customer retention and loyalty, referral of new patients, stronger brand recognition, market share gain, and growth. It demands constant sensitivity to changing and emerging patient, other customer, and market requirements and to the factors that drive customer engagement. It demands close attention to the voice of the customer. It demands anticipating changes in the marketplace. Therefore, patient-focused excellence demands a patient-focused culture and organizational agility.

Valuing People

An organization's success depends on an engaged workforce that benefits from meaningful work, clear organizational direction, the opportunity to learn, and accountability for performance. That engaged workforce must also have a safe, trusting, and cooperative environment. The successful organization has a culture of inclusion that capitalizes on the diverse backgrounds, knowledge, skills, creativity, and motivation of its workforce and partners. Such an organization values all people who have a stake in the organization, including customers, community members, and other people affected by the organization's actions.

Valuing the people in your workforce means committing to their engagement, development, and well-being. Increasingly, this may involve offering flexible work practices that are tailored to varying workplace and home life needs. Major challenges in valuing your workforce members include (1) demonstrating your leaders' commitment to their success, (2) providing motivation and recognition that go beyond the regular compensation system, (3) offering development and progression within your organization, (4) sharing your organization's knowledge so that your workforce can better serve your patients and other customers and contribute to achieving your strategic objectives, (5) creating an environment that encourages intelligent risk taking to achieve innovation, (6) developing a system of workforce and organizational accountability for performance, and (7) creating an inclusive environment for a diverse workforce.

The success of your workforce members—including your leaders—depends on their having opportunities to learn. This learning includes preparing people for future organizational core competencies. On-the-job training offers a cost-effective way to cross-train and to link training more closely to your organization's capacity needs and priorities. Workforce members' learning includes building discipline knowledge and retraining to adjust to a changing health care environment, and enhancing knowledge of measurement systems that influence outcome assessments and clinical guidelines, decision trees, care bundles, or critical pathways. If your organization relies on volunteers, their personal development and learning are also important to consider.

To accomplish their overall goals, successful organizations build internal and external partnerships with people and with other organizations. Internal partnerships might include cooperation among administrators, staff, physicians, and independent practitioners, as well as between labor and management. Forming internal partnerships might also involve creating network relationships among people across work units and locations, between physicians and other caregivers, or between employees and volunteers to improve flexibility, responsiveness, and knowledge sharing, as well as to support effective flow of patients through the health care system.

External partnerships might be with customers, such as third-party payors; suppliers; business associations; education, community, or social service organizations; and other health care providers. All of these people can contribute to your organization's ongoing success.

Organizational Learning and Agility

Success in today's ever-changing, globally competitive environment demands continual organizational learning and agility. Agility requires a capacity for rapid change and for flexibility in operations. Health care organizations face ever-shorter cycles for introducing new or improved health care services, as well as for faster and more flexible responses to patients and other customers, and nonprofit and government organizations are increasingly being asked to respond rapidly to new or emerging social issues. Disruptive events are occurring more frequently. They can be triggered by innovative technologies or service introductions, economic upheaval or stress, major weather events, or social or societal demands. Organizations must be capable of making transformational changes on an ever-shorter cycle time. Major improvements in response times often require new work systems, the simplification of work processes, or the ability for rapid changeover from one process or one location to another. A cross-trained and empowered workforce and effective management of up-to-date organizational knowledge are vital assets in such a demanding environment.

Organizational learning includes both continuous improvement of existing approaches and significant change or innovation, leading to new goals, approaches, health care services, and markets.

Learning needs to be embedded in the way your organization operates. This means that learning (1) is a regular part of daily work; (2) results in solving problems at their source (root cause); (3) is focused on building and sharing knowledge throughout your organization; and (4) is driven by opportunities to effect significant, meaningful change and to innovate. Sources for learning include employees', physicians', and volunteers' ideas; health care research findings; patients' and other customers' input; best-practice sharing; competitors' performance; and benchmarking.

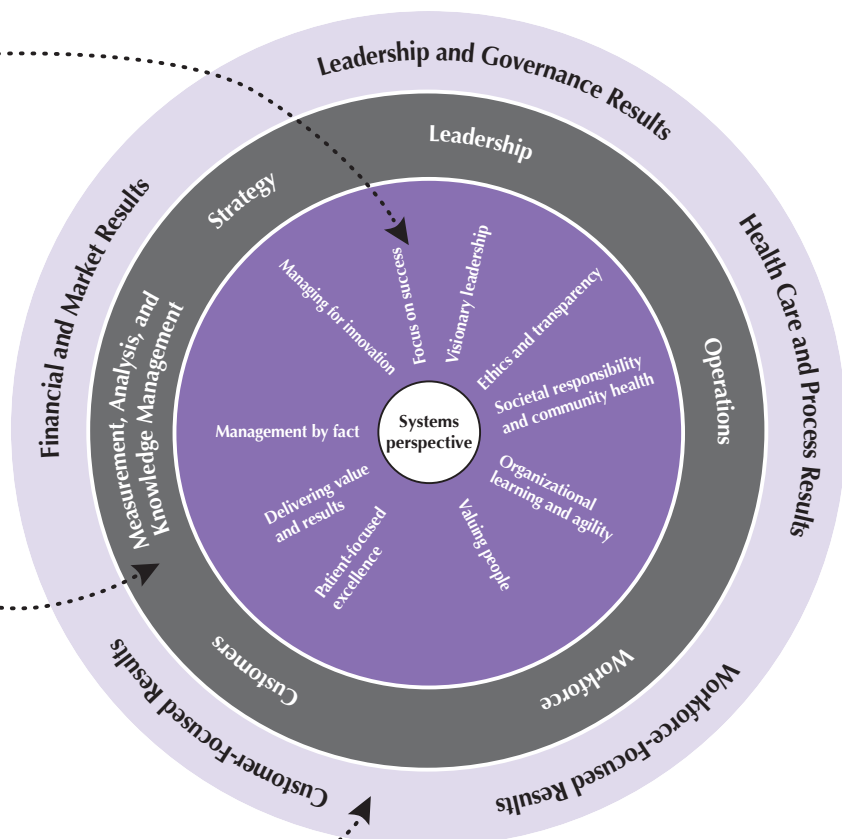
Organizational learning can result in (1) enhanced value to patients through new and improved health care services; (2) the development of new health care business opportunities; (3) the development of evidence-based approaches to medicine and new health care delivery models; (4) reduced errors, defects, waste, and related costs; (5) improved responsiveness and cycle-time performance; (6) increased productivity and effectiveness in the use of all your resources; (7) enhanced performance in fulfilling your organization's societal responsibilities and building community health; and (8) greater agility in managing change and disruption. Today's health care environment places a heavy burden on organizations to ensure the timely design of health care delivery systems, disease prevention programs, health promotion programs, and effective and efficient diagnostic and treatment systems. Their design must allow the opportunity to learn for continuous organizational improvement and

The Role of Core Values and Concepts

The Baldrige Health Care Criteria build on **core values and concepts...**

which are embedded in **systematic processes...**
(Criteria categories 1–6)

yielding **performance results**
(Criteria category 7).



must value patients' individual needs. Design must also include effective means of gauging the improvement of health status—for patients and populations or for communities. To meet the demands of rapidly changing markets, your organization needs to carry out stage-to-stage integration of activities from research or concept to implementation.

All aspects of time performance are now more critical, and cycle time is a key process measure. Other important benefits can be derived from this focus on time; time improvements often drive simultaneous improvements or changes in your work systems, organization, quality, cost, supply-chain integration, productivity, and ongoing success in a challenging economy.

Organizational learning and agility can also be achieved through strategic partnerships or alliances with other health care organizations, which might offer complementary core competencies that allow entry into new markets or a basis for new health care services or result in referrals or shared facilities. Partnerships might also permit you to address common issues by blending your organization's core competencies or leadership capabilities with partners' complementary strengths and capabilities, creating a new source of strategic advantage. External partnerships might address sectorwide issues, such as the need for longitudinal care, equity of and access to care, and comparative performance data.

Focus on Success

Ensuring your organization's success now and in the future requires an understanding of the short- and longer-term factors that affect your organization and its marketplace. Ensuring this ongoing success requires managing uncertainty in the environment, as well as balancing some stakeholders' short-term demands with the organization's and stakeholders' needs to invest in long-term success. The pursuit of sustained growth and performance leadership requires a strong future orientation and a willingness to make long-term commitments to key stakeholders—your customers, such as patients and their families; your workforce, suppliers, partners, and community; the public; and employers, payors, and health profession students. It also requires the agility to modify plans when circumstances warrant.

Your organization's planning and resource allocation should anticipate many factors, such as changes in health care delivery systems; resource availability; patients' and other customers' short- and long-term expectations; technological developments; new business and partnering opportunities; potential crises, including changing economic conditions; workforce capacity and capability needs; the competitive global marketplace; technological developments; changes in patient, other customer, and market segments; new health care delivery models; evolving regulatory requirements; changes in community and societal expectations and needs; and strategic moves by competitors. Your strategic objectives and resource allocations need to accommodate these influences. A focus on success includes developing your leaders, workforce, and suppliers; accomplishing effective succession planning; creating a supportive environment for taking intelligent risks and encouraging innovation; and anticipating societal responsibilities and concerns.

Managing for Innovation

Innovation means making meaningful change to improve your organization's health care services, programs, processes, operations, health care delivery model, and business model, with the purpose of creating new value for stakeholders. Innovation should lead your organization to new dimensions of performance. Innovation requires a supportive environment, a process for identifying strategic opportunities, and the pursuit of intelligent risks. Innovation and continuous improvement are different, but complementary, concepts. Successful organizations use both approaches to improve performance.

Innovation is no longer strictly the purview of health care researchers; innovation is important for all aspects of your operations and all work systems and work processes. Your organization should be led and managed so that identifying strategic opportunities and taking intelligent risks become part of the learning culture. Innovation should be integrated into daily work and be supported by your performance improvement system. Systematic processes for identifying strategic opportunities should reach across your entire organization.

Innovation may arise from adapting innovations in other industries to achieve a breakthrough in the health care industry. It builds on the accumulated knowledge of your organization and its people and the innovations of competitors. It may involve collaboration among people who do not normally work together and are in different parts of the organization. Therefore, the ability to rapidly disseminate and capitalize on new and accumulated knowledge is critical to driving organizational innovation.

Management by Fact

Management by fact requires you to measure and analyze your organization's performance, both inside the organization and in your competitive environment. Measurements should derive from organizational needs and strategy, and they should provide critical data and information about key processes, outputs, results, outcomes, and competitor and industry performance. Organizations need many types of data and information to effectively manage their performance. Data and information may come in many forms, such as numerical, graphical, and qualitative, and from many sources, including internal processes, surveys, and social media. Performance measurement should include measurement of health care outcomes; patient, other customer, service, and process performance; comparisons of operational, market, and competitive performance; supplier, workforce, partner, cost, and financial performance; governance and compliance results; and accomplishment of strategic objectives.

A major consideration in performance improvement and change management is the selection and use of performance measures or indicators. *The measures or indicators you select should best represent the factors that lead to improved health care outcomes; improved patient, other customer, operational, financial, and societal performance; and healthier communities. A comprehensive yet carefully culled set of measures or*

indicators tied to patient/other customer and organizational performance requirements provides a clear basis for aligning all processes with your organization's goals. You may need measures and indicators to support you in making decisions in a rapidly changing environment. By analyzing data from your tracking processes, you can evaluate the measures or indicators themselves and change them to better support your goals.

Analysis means extracting larger meaning from data and information to support evaluation, decision making, improvement, and innovation. It entails using data to determine trends, projections, and cause-and-effect relationships that might not otherwise be evident. Analysis supports a variety of purposes, such as planning, reviewing your overall performance, improving operations, managing change, and comparing your performance with competitors' or with best-practice benchmarks. To facilitate analysis, data may need to be aggregated from various sources. Data may also need to be segmented by, for example, markets, health care service lines, and workforce groups to gain deeper understanding.

Societal Responsibility and Community Health

Your organization's leaders should stress responsibilities to the public, the consideration of societal well-being and benefit, and the need to foster improved community health. Leaders should be role models for your organization and its workforce in the protection of public health, safety, and the environment. This protection applies to any impact of your organization's operations. Also, your organization should emphasize resource conservation and waste reduction at the source. Planning should anticipate adverse impacts from facilities management, as well as from distribution, transportation, use, and disposal of medical waste, radiation waste, chemicals, and biohazards. Effective planning should reduce or prevent problems; provide for a forthright response if problems occur; and make available the information and support needed to maintain public awareness, safety, and confidence.

Your organization should meet all local, state, and federal laws and regulatory requirements and should also treat these and related requirements as opportunities to excel beyond minimal compliance. Considering societal well-being and benefit means leading and supporting—within the limits of your resources—the environmental, social, and economic systems in your organization's sphere of influence. Public health services and the support of the general health of the community are important societal responsibilities of health care organizations. Such leadership and support might include efforts to establish free clinics or affordable health care programs, increase public health awareness programs, or foster neighborhood services for the elderly. It also might involve being a role model for socially important issues, practicing resource conservation, reducing your carbon footprint, improving health care industry practices, and sharing nonproprietary information.

For a role-model organization, leadership also entails influencing other organizations, private and public, to partner for these purposes.

Managing societal responsibilities requires your organization to use appropriate measures and your leaders to assume responsibility for those measures.

Ethics and Transparency

Your organization should stress ethical behavior in all stakeholder transactions and interactions. Your organization's governance body should require highly ethical conduct and monitor all conduct accordingly. Ethical conduct should address both business and health care practices, such as nondiscriminatory patient treatment policies and the protection of patients' rights and privacy. Your senior leaders should be role models of ethical behavior and make their expectations of the workforce very clear.

Your organization's ethical principles are the foundation for your culture and values. They distinguish right from wrong. Clearly articulated ethical principles, along with your organizational values, empower your people to make effective decisions and may serve as boundary conditions for determining organizational norms and prohibitions.

Transparency is characterized by consistently candid and open communication on the part of leadership and management and by the sharing of clear and accurate information. The benefits of transparency are manifold. Transparency is a key factor in workforce engagement and allows people to see why actions are being taken and how they can contribute. Transparency also is important in interactions with customers and other stakeholders, giving them a sense of involvement, engagement, and confidence in your organization.

Ethical behavior and transparency build trust in the organization and a belief in its fairness and integrity that is valued by all key stakeholders.

Delivering Value and Results

By delivering value to key stakeholders, your organization builds loyalty, contributes to growing the economy, and contributes to society. To meet the sometimes conflicting and changing aims that balancing value implies, your organizational strategy should explicitly include key stakeholder requirements. This will help ensure that plans and actions meet differing stakeholder needs and avoid adverse impacts on any stakeholders. A balanced composite of leading and lagging performance measures is an effective means to communicate short- and longer-term priorities, monitor actual performance, and provide a clear basis for improving results.

Your organization's performance measurements need to focus on key results. Results should be used to deliver and balance value for your key stakeholders—your patients and their families; payors; other customers; your workforce, suppliers, and partners; health profession students; investors; the public; and the community. Thus results need to be a composite of measures that include not just financial results, but also health care and process results; patient, other customer, and workforce satisfaction and engagement results; and leadership, strategy, and societal performance.



Changes from the 2013–2014 Criteria

As with every revision of the Criteria, there is one overarching purpose: that the Criteria always reflect the leading edge of validated leadership and performance practice.

The most important words in this purpose statement are “leading edge” and “validated.” The Criteria have always been based on role-model practices successfully implemented by businesses and other organizations. They are the practices that lead to ongoing success when embedded within an integrated systems perspective of enterprise performance management. They are practices that are equally valid for small organizations and large, multinational corporations.

The changes for 2015–2016 go well beyond the actual Criteria to a holistic look at how to most effectively guide organizational decision making in an increasingly complex and competitive external environment. Baldrige exists to help every organization improve its performance and strive for high performance. While one use of the Baldrige framework is to identify Presidential award recipients, the main purpose continues to be educational. Whether used as guidance in establishing an integrated performance management system or for self-assessing progress, Baldrige is about helping you innovate and improve.

This year’s changes begin with retitling the booklet to *Baldrige Excellence Framework: A Systems Approach to Improving Your Organization’s Performance* to emphasize that the Baldrige systems perspective includes the core values and concepts, the Criteria (now accessible at multiple levels of detail), and a scoring system that helps you gauge organizational maturity. It includes an overview diagram (see page 1) that embodies the integrated nature of the Criteria components and their reliance on core values and concepts. It includes a Glossary of Key Terms, with definitions and explanations that by themselves are instructive in fashioning key aspects of leading-edge leadership and performance practice. Descriptions of some of these changes are below, followed by a description of specific Criteria changes.

A List of Contributors (see page 58) has been added to thank the many people who contributed to the development of the 2015–2016 *Baldrige Excellence Framework*.

Overview Diagram

The diagram has been redesigned to emphasize the systems nature of Baldrige. An “interlocking structure” now reflects the interconnected nature of the whole system. The Organizational Profile is now the background that touches every aspect of your performance system. And the highlighting of the key role of integration emphasizes that no single piece of the system can operate independently. The overview

diagram now includes the key role of the core values and concepts as the basis of your leadership and performance management system.

Core Values and Concepts

The core values have been revised and reordered to reflect their relevance to guiding current leadership and performance practice. First and foremost, Baldrige provides a *systems perspective* that requires *visionary leadership*—now the first two core values. The next seven core values are the *hows* of an effective system. The final two core values, *ethics and transparency* and *delivering value and results*, are the outcome of using Baldrige as a guide.

Glossary of Key Terms

A simple definition of each glossary term is now presented in **boldface** at the start of each entry. Many of the glossary entries have been updated, and the term *sustainability* has been removed from the glossary and Criteria requirements. The many uses of the term *sustainability* in the literature, from holistic organizational sustainability (the Baldrige usage) to environmental sustainability (a common usage), have been an ongoing source of confusion. Baldrige has opted for the simpler terminology of *success now and in the future*, an organizational imperative.

Health Care Criteria for Performance Excellence

Most of the Health Care Criteria category titles have been reduced to one word that states the topic (e.g., category 2, Strategy). Some sections of items appear in list format to enhance readability. As a result, some items appear longer than in the past.

The *overall* requirements for each category item are now shown in boldface as the lead-in question to each set of questions. Taken together, these most important questions are the essence of the item. These questions, which can form the basis of a shorter organizational assessment, are also available as a separate publication (*Baldrige Excellence Builder*; see <http://www.nist.gov/baldrige/publications/builder.cfm>).

As we studied the evolving nature of competitive and strategic pressures on organizations, three key themes evolved for Criteria revisions in 2015–2016: (1) change management, (2) big data, and (3) climate change.

Change management. Organizational change is difficult and generally disruptive to the organization and its people. It requires dedication and commitment. The strategic imperatives and decisions about change have been a focus of past updates to the Criteria. The roadblock many organizations face is that designing change is much easier than the dedication and commitment required to implement, fully deploy, and sustain changes. Revisions to the 2015–2016 Criteria emphasize the ability to accomplish these tactical aspects of change.

Big data. For all organizations, turning data into knowledge and knowledge into useful strategic insights is the real challenge of big data. While the volume of data an organization must assimilate and use in decision making may vary widely, all organizations are faced with using data from different sources and of varying quality. This presents challenges in data validation, frequently exacerbated when the data being validated include numerics, text, and video or other formats. Organizations must deal increasingly with more sophisticated data analytics and issues of data integrity. Challenges to cybersecurity enhance the pressures on organizations and increase the need for organizational sophistication. User demands increase the need for speed and availability of data. In 2015, the Criteria incorporate an enhanced focus on data analytics, data integrity, and cybersecurity.

Climate change. While some organizations have a greater opportunity than others to contribute to eliminating the sources of climate change, no organization is immune to its impacts. This is true of all types and sizes of health care organizations. Increasingly severe storms, massive snows, flooding, and power outages potentially affect supply chains, the ability to work, productivity, and the ability to move around. These events increase the need for aid from social service and government agencies. For all organizations, the impacts of climate change are about managing risk, making choices, and building acceptable redundancies and alternatives into performance management systems, while not building overcapacity and wasteful systems. These contingencies are addressed in the 2015–2016 Health Care Criteria.

The most significant changes to the Health Care Criteria categories are summarized as follows.

Organizational Profile

Item P.1, Organizational Description, now includes a question (formerly in category 5) about recent changes in your workforce composition or needs. This question sets the context for strategy and other areas of the Criteria. A note now addresses customer, stakeholder, and operational requirements and expectations around the disruptive impacts of climate change and other potential emergency situations.

Item P.2, Organizational Situation, now includes a reference in the notes to brand recognition and reputation as a consideration in identifying strategic challenges and advantages.

Category 1: Leadership

Item 1.1, Senior Leadership, now specifically asks about senior leaders' *actions* that build a successful organization now and in the future. Both the item requirements and the notes now refer to the leaders' role in communicating and implementing organizational change.

Item 1.2, Governance and Societal Responsibilities, asks how members of your governance system achieve their accountability for the organization's strategic plans.

Category 2: Strategy

Item 2.1, Strategy Development, now asks how your strategic planning process addresses the potential need for transformational change and prioritization of change initiatives. A question also probes how you prepare for potential changes in your regulatory environment. A key consideration in strategic planning has been addressed in a new note on the ability to capitalize on increasingly complex and larger amounts of information and data.

Category 3: Customers

Item 3.1, Voice of the Customer, now addresses patient and other customer satisfaction and dissatisfaction in the same set of questions, since the processes are generally the same for gathering both types of information.

Item 3.2, Customer Engagement, now asks about managing and enhancing your brand image as a key component of building customer relationships.

Category 4: Measurement, Analysis, and Knowledge Management

Item 4.1, Measurement, Analysis, and Improvement of Organizational Performance, now asks about the use of comparative and customer data in performance reviews and how you assess any need for transformational change in your organizational structure and work systems.

Item 4.2, Knowledge Management, Information, and Information Technology, now places a significant focus on data and information security and the cybersecurity of your information systems, as well as the challenges of blending and correlating large datasets and data from diverse sources to build knowledge.

Category 5: Workforce

Item 5.1, Workforce Environment, includes how you prepare your workforce for changes in organizational structure and work systems.

Item 5.2, Workforce Engagement, has been realigned and reduced to two areas to address to better reinforce key concept linkages between workforce engagement and performance management, and to better evaluate the effectiveness of your learning and development system.

Category 6: Operations

Item 6.1, Work Processes, now includes innovation management (formerly in item 6.2) as a key work process.

Item 6.2, Operational Effectiveness, now has Process Efficiency and Effectiveness as the title of the first area to address to better reflect the focus of the questions.

Category 7: Results

All items in this category now include segmentation of results by key groups or by market or service characteristics as part of the *multiple* requirements rather than the *overall*

requirements, in recognition of the associated organizational maturity. The use of comparative data has been moved to the *multiple* requirements, as well as being a factor in the scoring system, also in recognition of the associated organizational maturity.

The point values for items 7.2 and 7.3, Customer-Focused Results and Workforce-Focused Results, have been adjusted to 80 points, and item 7.5, Financial and Market Results, is now allotted 90 points in recognition of the critical role of these latter results in achieving organizational success.



Glossary of Key Terms

The terms below are those in SMALL CAPS in the Baldrige Health Care Criteria for Performance Excellence and scoring guidelines. Each term is followed by a definition in boldface. Subsequent sentences in the first paragraph elaborate on this definition. The paragraphs that follow provide examples, descriptive information, or key linkages to other information about the Baldrige framework.

ACTION PLANS. Specific actions that your organization takes to reach its short- and longer-term strategic objectives. These plans specify the resources committed to and the time horizons for accomplishing the plans. Action plan development is the critical stage in planning when you make strategic objectives and goals specific so that you can effectively deploy them throughout the organization in an understandable way. In the Health Care Criteria, deploying action plans includes creating aligned measures for all affected departments and work units. Deployment might also require specialized training for some workforce members or recruitment of personnel.

For example, a strategic objective for a health care system in an area with an active business alliance focusing on cost and quality of care might be to become the low-cost provider. Action plans could entail designing efficient processes to optimize the length of hospital stays, reduce rework resulting from patient injuries and treatment errors, analyze resource and asset use, and analyze the most commonly encountered diagnosis-related groups with a focus on prevention in those areas. To deploy the action plans, the system might need to train department and work-unit caregivers in setting priorities based on costs and benefits. Organizational-level analysis and review would likely emphasize process efficiency, cost per patient, and health care quality.

See also STRATEGIC OBJECTIVES.

ALIGNMENT. A state of consistency among plans, processes, information, resource decisions, workforce capability and capacity, actions, results, and analyses that support key organization-wide goals. Effective alignment requires a common understanding of purposes and goals. It also requires the use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the key process level, and the departmental or work unit level.

See also INTEGRATION.

ANALYSIS. The examination of facts and data to provide a basis for effective decisions. Analysis often involves determining cause-effect relationships. Overall organizational analysis guides you in managing work systems and work processes toward achieving key organizational results and attaining strategic objectives.

Although individual facts and data are important, they do not usually provide an effective basis for acting or setting priorities. Effective actions depend on an understanding of relationships, which is derived from the analysis of facts and data.

ANECDOTAL. In a response to a Health Care Criteria item, information that lacks specific methods; measures; deployment mechanisms; and evaluation, improvement, and learning factors. Anecdotal information frequently consists of examples and describes individual activities rather than systematic processes. For example, in an anecdotal response to how senior leaders deploy performance expectations, you might describe a specific occasion when a senior leader visited all of your organization's facilities. On the other hand, in properly describing a systematic process, you might include the methods all senior leaders use to communicate performance expectations regularly to all locations and workforce members, the measures leaders use to assess the effectiveness of the methods, and the tools and techniques you use to evaluate and improve the methods.

See also SYSTEMATIC.

APPROACH. The methods your organization uses to carry out its processes. Besides the methods themselves, approach refers to the appropriateness of the methods to the item requirements and your organization's operating environment, as well as how effectively your organization uses those methods.

Approach is one of the factors considered in evaluating process items. For further description, see the Scoring System (pages 30–35).

BASIC REQUIREMENTS. The most central concept of a Health Care Criteria item, as presented in the item title question. For an illustration, see Health Care Criteria for Performance Excellence Structure (page 2).

BENCHMARKS. Processes and results that represent the best practices and best performance for similar activities, inside or outside your organization's industry. Organizations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (nonincremental) or "breakthrough" improvement.

Benchmarks are one form of comparative data. Other forms include health care data collected by a third party (e.g., CMS, accrediting organizations, and commercial organizations), data on competitors' and other organizations' performance obtained from sharing or from external reference databases, comparisons with similar organizations that are in the same geographic area or that provide similar health care services, and information from the open literature (e.g., outcomes of research studies and practice guidelines).

CAPABILITY, WORKFORCE. See **WORKFORCE CAPABILITY**.

CAPACITY, WORKFORCE. See **WORKFORCE CAPACITY**.

COLLABORATORS. Organizations or individuals who cooperate with your organization to support a particular activity or event or who cooperate intermittently when their short-term goals are aligned with or are the same as yours. Typically, collaborations do not involve formal agreements or arrangements.

See also **PARTNERS**.

CORE COMPETENCIES. Your organization's areas of greatest expertise; those strategically important capabilities that are central to fulfilling your mission or that provide an advantage in your marketplace or service environment. Core competencies are frequently challenging for competitors or suppliers and partners to imitate, and they may provide an ongoing competitive advantage. The absence of a needed core competency may result in a significant strategic challenge or disadvantage for your organization in the marketplace.

Core competencies may involve technological expertise, unique service offerings, a marketplace niche, or business acumen in a particular area (e.g., health care delivery start-ups).

CUSTOMER. An actual or potential user of your organization's health care services. Customers include the direct users of your health care services (patients), as well as others who pay for your services, such as patients' families, insurers, and other third-party payors. The Baldrige framework addresses customers broadly, referencing your current and future patients and other customers, as well as your competitors' patients and other customers.

Patient-focused excellence is a Baldrige core value embedded in the beliefs and behaviors of high-performing organizations. Patient focus impacts and should be a factor in integrating your organization's strategic directions, work systems and work processes, and organizational performance results.

See also **STAKEHOLDERS** for the relationship between customers and others who might be affected by your health care services.

CUSTOMER ENGAGEMENT. Your patients' and other customers' investment in or commitment to your brand and health care service offerings. It is based on your ongoing

ability to serve their needs and build relationships so that they will continue using your services. Characteristics of engaged customers include retention and loyalty, willingness to make an effort to obtain services from your organization, and willingness to actively advocate for and recommend your brand and service offerings.

CYCLE TIME. The time required to fulfill commitments or complete tasks. Time performance and speed are important to improving competitiveness and overall performance. Cycle time refers to all aspects of time performance, such as time to report test results, fulfill orders, or introduce new health care technology; length of hospital stays; call-line response and billing time; and other key measures of time. Improvement in cycle time might involve any or all of these.

DEPLOYMENT. The extent to which your organization applies an approach in addressing the requirements of a **Health Care Criteria** item. Evaluation of deployment considers how broadly and deeply the approach is applied in relevant work units throughout your organization.

Deployment is one of the factors considered in evaluating process items. For further description, see the Scoring System (pages 30–35).

DIVERSITY. Personal differences among workforce members that enrich the work environment and are representative of your hiring, patient, and other customer communities. These differences address many variables, such as race, religion, color, gender, national origin, disability, sexual orientation, age and generation, education, geographic origin, and skill characteristics, as well as ideas, thinking, academic disciplines, and perspectives.

The Health Care Criteria refer to valuing and benefiting from the diversity of your workforce hiring and patient and other customer communities. Capitalizing on both in building your workforce increases your opportunities for high performance; patient, other customer, workforce, and community satisfaction; and patient, other customer, and workforce engagement.

EFFECTIVE. How well a process or a measure addresses its intended purpose. Determining effectiveness requires (1) evaluating how well the process is aligned with the organization's needs and how well it is deployed or (2) evaluating the outcome of the measure as an indicator of process or service performance.

EMPOWERMENT. Giving people the authority and responsibility to make decisions and take actions. When people are empowered, decisions are made closest to patients and other customers (the front line), where work-related knowledge and understanding reside.

The purpose of empowering people is to enable them to satisfy patients and other customers on first contact, improve processes and increase productivity, and improve your organization's health care and other performance results. An empowered workforce requires information to

make appropriate decisions; thus, your organization must provide that information in a timely and useful way.

ENGAGEMENT, CUSTOMER. See CUSTOMER ENGAGEMENT.

ENGAGEMENT, WORKFORCE. See WORKFORCE ENGAGEMENT.

ETHICAL BEHAVIOR. The actions your organization takes to ensure that all its decisions, actions, and stakeholder interactions conform to its moral and professional principles of conduct. These principles should support all applicable laws and regulations and are the foundation for your organization's culture and values. They distinguish right from wrong.

Senior leaders should be role models for these principles of behavior. The principles apply to all people involved in your organization, from temporary workforce members to members of the board of directors. These principles benefit from regular communication and reinforcement. Although the Baldrige framework does not prescribe a particular model for ensuring ethical behavior, senior leaders have the responsibility for the alignment of your organization's mission and vision with its ethical principles. Ethical behavior encompasses interactions with all stakeholders, including your workforce, patients and their family members, insurers, payors, other customers, other partners, suppliers, and local community.

Well-designed and clearly articulated ethical principles empower people to make effective decisions with great confidence. In some organizations, ethical principles also serve as boundary conditions restricting behavior that otherwise could have adverse impacts on your organization and/or society.

EXCELLENCE. See PERFORMANCE EXCELLENCE.

GOALS. Future conditions or performance levels that your organization intends or desires to attain. Goals can be both short and longer term. They are ends that guide actions. Quantitative goals, frequently referred to as targets, include a numerical point or range. Targets might be desired performance based on comparative or competitive data. Stretch goals are goals for desired major, discontinuous (nonincremental) or "breakthrough" improvements, usually in areas most critical to your organization's future success.

Goals can serve many purposes, including

- clarifying strategic objectives and action plans to indicate how you will measure success,
- fostering teamwork by focusing on a common end,
- encouraging out-of-the-box thinking (innovation) to achieve a stretch goal, and
- providing a basis for measuring and accelerating progress.

See also PERFORMANCE PROJECTIONS.

GOVERNANCE. The system of management and controls exercised in the stewardship of your organization. Governance includes the responsibilities of your organization's owners/shareholders, board of directors, and senior leaders (administrative/operational and health care). Corporate or organizational charters, bylaws, and policies document the rights and responsibilities of each of the parties and describe how they will direct and control your organization to ensure (1) accountability to owners/shareholders and other stakeholders, (2) transparency of operations, and (3) fair treatment of all stakeholders. Governance processes may include the approval of strategic direction, the monitoring and evaluation of the CEO's performance, the establishment of executive compensation and benefits, succession planning, financial and other fiduciary auditing, risk management, disclosure, and shareholder reporting. Ensuring effective governance is important to stakeholders' and the larger society's trust and to organizational effectiveness.

HEALTH CARE SERVICES. All services delivered by your organization that involve professional clinical/medical judgment, including those delivered to patients and to the community. Health care services also include services that are not considered clinical or medical, such as admissions, food services, and billing.

HIGH PERFORMANCE. Ever-higher levels of overall organizational and individual performance, including quality, productivity, innovation rate, and cycle time. High performance results in improved service and value for patients, other customers, and other stakeholders.

Approaches to high performance vary in their form, their function, and the incentive systems used. High performance stems from and enhances workforce engagement. It involves cooperation between the administration/management and the workforce, which may involve workforce bargaining units; cooperation among work units, often involving teams; empowerment of your people, including personal accountability; and workforce input into planning. It may involve learning and building individual and organizational skills; learning from other organizations; creating flexible job design and work assignments; maintaining a flattened organizational structure, where decision making is decentralized and decisions are made closest to patients and other customers (the front line); and effectively using performance measures, including comparisons. Many organizations encourage high performance with monetary and nonmonetary incentives based on factors such as organizational performance, team and individual contributions, and skill building. Also, approaches to high performance usually seek to align your organization's structure, core competencies, work, jobs, workforce development, and incentives.

HOW. The systems and processes that your organization uses to achieve its mission requirements. In responding to "how" questions in Health Care Criteria categories 1–6, you should include information on approach (methods and measures), deployment, learning, and integration.

INDICATORS. See MEASURES AND INDICATORS.

INNOVATION. Making meaningful change to improve health care services, processes, or organizational effectiveness and create new value for stakeholders.

Innovation involves adopting an idea, process, technology, service, or business model that is either new or new to its proposed application. The outcome of innovation is a discontinuous, or “breakthrough,” change in results, services, or processes. Innovation benefits from a supportive environment, a process for identifying strategic opportunities, and a willingness to pursue intelligent risks.

Successful organizational innovation is a multistep process of development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with health care research and technological innovation, it is applicable to all key organizational processes that can benefit from change through innovation, whether breakthrough improvement or a change in approach or outputs. Innovation could include fundamental changes in an organization’s structure or business model to accomplish work more effectively or improve critical pathways and practice guidelines, facility design, the administration of medications, the organization of work, or alternative therapies.

See also INTELLIGENT RISKS and STRATEGIC OPPORTUNITIES.

INTEGRATION. The harmonization of plans, processes, information, resource decisions, workforce capability and capacity, actions, results, and analyses to support key organization-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of an organizational performance management system operate as a fully interconnected unit.

Integration is one of the factors considered in evaluating both process and results items. For further description, see the Scoring System (pages 30–35).

See also ALIGNMENT.

INTELLIGENT RISKS. Opportunities for which the potential gain outweighs the potential harm or loss to your organization’s future success if you do not explore them.

Taking intelligent risks requires a tolerance for failure and an expectation that innovation is not achieved by initiating only successful endeavors. At the outset, health care organizations must invest in potential successes while realizing that some will lead to failure.

The degree of risk that is intelligent to take will vary by the pace and level of threat and opportunity in the health care sector. In a rapidly changing environment with constant introductions of new health care services, processes, or business models, there is an obvious need to invest more resources in intelligent risks than in a stable environment. In the latter, organizations must monitor and explore growth potential and change but, most likely, with a less significant commitment of resources.

See also STRATEGIC OPPORTUNITIES.

KEY. Major or most important; critical to achieving your intended outcome. The Health Care Criteria, for example, refer to key challenges, plans, work processes, and measures—those that are most important to your organization’s success. They are the essential elements for pursuing or monitoring a desired outcome. Key is generally defined as around the most significant five (e.g., around five key challenges).

KNOWLEDGE ASSETS. Your organization’s accumulated intellectual resources; the knowledge possessed by your organization and its workforce in the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities.

These knowledge assets reside in your workforce, software, patents, databases, documents, guides, and policies and procedures. Knowledge assets also reside within patients, other customers, suppliers, and partners.

Knowledge assets are the know-how that your organization has available to use, invest, and grow. Building and managing knowledge assets are key components of creating value for your stakeholders and sustaining a competitive advantage.

LEADERSHIP SYSTEM. The way leadership is exercised, formally and informally, throughout your organization; the basis for key decisions and the way they are made, communicated, and carried out. A leadership system includes structures and mechanisms for making decisions; ensuring two-way communication; selecting and developing leaders and managers; and reinforcing values, ethical behavior, directions, and performance expectations. In health care organizations with separate administrative/operational and health care provider leadership, the leadership system includes both sets of leaders and the relationship between them.

An effective leadership system respects workforce members’ and other stakeholders’ capabilities and requirements, and it sets high expectations for performance and performance improvement. It builds loyalties and teamwork based on your organization’s vision and values and the pursuit of shared goals. It encourages and supports initiative, innovation, and appropriate risk taking; subordinates organizational structure to purpose and function; and avoids chains of command that require long decision paths. An effective leadership system includes mechanisms for leaders to conduct self-examination, receive feedback, and improve.

LEARNING. New knowledge or skills acquired through evaluation, study, experience, and innovation. The Baldrige framework refers to two distinct kinds of learning: organizational learning and learning by the people in your workforce. Organizational learning is achieved through research and development, evaluation and improvement cycles, ideas and input from the workforce and stakeholders, the sharing of best practices, and benchmarking. Workforce learning is achieved through education, training, and developmental opportunities that further the individual growth of the people in your workforce.

To be effective, learning should be embedded in the way your organization operates. Learning contributes to a competitive advantage and ongoing success for your organization and workforce.

For further description of organizational and personal learning, see the related core values and concepts: Valuing People, and Organizational Learning and Agility (pages 40–42).

Learning is one of the factors considered in evaluating process items. For further description, see the Scoring System (pages 30–35).

LEVELS. Numerical information that places or positions your organization's results and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projections, goals, and appropriate comparisons.

MEASURES AND INDICATORS. Numerical information that quantifies the input, output, and performance dimensions of processes, programs, projects, services, and the overall organization (outcomes). Measures and indicators might be simple (derived from one measurement) or composite.

The Health Care Criteria do not distinguish between measures and indicators. However, some users of these terms prefer “indicator” (1) when the measurement relates to performance but does not measure it directly (e.g., the number of complaints is an indicator but not a direct measure of dissatisfaction) and (2) when the measurement is a predictor (“leading indicator”) of some more significant performance (e.g., increased patient satisfaction might be a leading indicator of retention of health maintenance organization members).

MISSION. Your organization's overall function. The mission answers the question, “What is your organization attempting to accomplish?” The mission might define patients, other customers or markets served, distinctive or core competencies, or technologies used.

MULTIPLE REQUIREMENTS. The details of a Health Care Criteria item, as expressed in the individual questions under each lettered area to address. The first question in a set of multiple requirements expresses the most important question in that group. The questions that follow expand on or supplement that question. For an illustration, see Health Care Criteria for Performance Excellence Structure (page 2).

Even high-performing, high-scoring users of the Baldrige framework are not likely to be able to address all the multiple requirements with equal capability or success.

OVERALL REQUIREMENTS. The most important features of a Health Care Criteria item, as elaborated in the first question (the leading question in boldface) in each paragraph under each lettered area to address. For an illustration, see Health Care Criteria for Performance Excellence Structure (page 2).

PARTNERS. Key organizations or individuals who are working in concert with your organization to achieve a common goal or improve performance. Typically, partnerships are formal arrangements for a specific aim or purpose, such as to achieve a strategic objective or deliver a specific health care service.

Formal partnerships usually last for an extended period and involve a clear understanding of the partners' individual and mutual roles and benefits.

See also COLLABORATORS.

PATIENT. The person receiving health care, including preventive, promotional, acute, chronic, rehabilitative, and all other services in the continuum of care. Other terms used for patient include *member*, *consumer*, *client*, and *resident*.

PERFORMANCE. Outputs and their outcomes obtained from health care services, processes, patients, and other customers that permit you to evaluate and compare your organization's results to performance projections, standards, past results, goals, and other organizations' results. Performance can be expressed in nonfinancial and financial terms.

The Health Care Criteria address four types of performance: (1) health care process and outcome, (2) patient- and other customer-focused, (3) operational, and (4) financial and marketplace.

Health care process and outcome performance is performance relative to measures and indicators of characteristics of health care service delivery that are important to patients and other customers. Examples include hospital readmission rates, mortality and morbidity rates, measures of patient harm associated with the health care system, and length of hospital stays, as well as measures of functional status, out-of-hospital treatment of chronic conditions, culturally sensitive care, and patient compliance and adherence. Health care performance might be measured at the organizational level, the diagnosis-related-group level, and the patient segment level.

Patient- and other customer-focused performance is performance relative to measures and indicators of patients' and other customers' perceptions, reactions, and behaviors. Examples include patient and other customer retention, complaints, and survey results.

Operational performance is workforce, leadership, and organizational performance (including ethical and legal compliance) relative to measures and indicators of effectiveness, efficiency, and accountability. Examples include cycle time, productivity, waste reduction, workforce turnover, workforce cross-training rates, accreditation, regulatory compliance, fiscal accountability, strategy accomplishment, community involvement, and contributions to community health. Operational performance might be measured at the work-unit, key work process, and organizational levels.

Financial and marketplace performance is performance relative to measures of cost, revenue, and market position, including asset utilization, asset growth, and market share. Examples include returns on investments, value added per employee, bond ratings, debt-to-equity ratio, returns on assets, operating margins, performance to budget, the amount in reserve funds, days cash on hand, other profitability and liquidity measures, and market gains.

PERFORMANCE EXCELLENCE. An integrated approach to organizational performance management that results in (1) delivery of ever-improving value to patients, other customers, and stakeholders, contributing to improved health care quality and ongoing organizational success; (2) improvement of your organization's overall effectiveness and capabilities; and (3) learning for the organization and for people in the workforce. The Baldrige Organizational Profile, Health Care Criteria, core values and concepts, and scoring guidelines provide a framework and assessment tool for understanding your organization's strengths and opportunities for improvement and, thus, for guiding your planning toward achieving higher performance and striving for excellence.

PERFORMANCE PROJECTIONS. Estimates of your organization's future performance. Projections should be based on an understanding of past performance, rates of improvement, and assumptions about future internal changes and innovations, as well as assumptions about changes in the external environment that result in internal changes. Thus, performance projections can serve as a key tool in managing your operations and in developing and implementing your strategy.

Performance projections state your *expected* future performance. Goals state your *desired* future performance. Performance projections for your competitors or similar organizations may indicate challenges facing your organization and areas where breakthrough performance or innovation is needed. In areas where your organization intends to achieve breakthrough performance or innovation, your performance projections and your goals may overlap.

See also GOALS.

PROCESS. Linked activities with the purpose of producing a service for a customer (user) within or outside your organization. Generally, processes involve combinations of people, machines, tools, techniques, materials, and improvements in a defined series of steps or actions. Processes rarely operate in isolation and must be considered in relation to other processes that impact them. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps.

In the delivery of services, particularly those that directly involve patients and other customers, process is used more generally to spell out what delivering that service entails, possibly including a preferred or expected sequence. If a

sequence is critical, the process needs to include information that helps customers understand and follow the sequence. Such service processes also require guidance for service providers on handling contingencies related to customers' possible actions or behaviors.

In knowledge work, such as strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, it implies general understandings of competent performance in such areas as timing, options to include, evaluation, and reporting. Sequences might arise as part of these understandings.

Process is one of the two dimensions evaluated in a Baldrige-based assessment. This evaluation is based on four factors: approach, deployment, learning, and integration. For further description, see the Scoring System (pages 30–35).

PRODUCTIVITY. Measures of the efficiency of resource use. Although the term is often applied to single factors, such as the workforce (labor productivity), machines, materials, energy, and capital, the concept also applies to the total resources used in producing outputs. Using an aggregate measure of overall productivity allows you to determine whether the net effect of overall changes in a process—possibly involving resource trade-offs—is beneficial.

PROJECTIONS, PERFORMANCE. See PERFORMANCE PROJECTIONS.

RESULTS. Outputs and outcomes achieved by your organization. Results are evaluated based on current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements.

Results are one of the two dimensions evaluated in a Baldrige-based assessment. This evaluation is based on four factors: levels, trends, comparisons, and integration. For further description, see the Scoring System (pages 30–35).

SEGMENT. One part of your organization's patient, other customer, market, health care service offering, or workforce base. Segments typically have common characteristics that allow logical groupings. In Health Care Criteria results items, segmentation refers to disaggregating results data in a way that allows for meaningful analysis of your organization's performance. It is up to each organization to determine the factors that it uses to segment its patients, other customers, markets, services, and workforce.

Understanding segments is critical to identifying the distinct needs and expectations of different patient, other customer, market, and workforce groups and to tailoring health care service offerings to meet their needs and expectations. For example, you might segment your market based on distribution channels, service volume, geography, or technologies employed. You might segment your workforce based on geography, skills, needs, specialties, work assignments, or job classifications.

SENIOR LEADERS. Your organization's senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports. In health care organizations with separate administrative/operational and health care provider leadership, "senior leaders" refers to both sets of leaders.

STAKEHOLDERS. All groups that are or might be affected by your organization's actions and success. Key stakeholders might include customers, the community, employers, health care providers, patient advocacy groups, departments of health, students, the workforce, partners, collaborators, governing boards, stockholders, donors, suppliers, taxpayers, regulatory bodies, policy makers, funders, and local and professional communities.

See also CUSTOMER.

STRATEGIC ADVANTAGES. Those marketplace benefits that exert a decisive influence on your organization's likelihood of future success. These advantages are frequently sources of current and future competitive success relative to other providers of similar health care services. Strategic advantages generally arise from either or both of two sources: (1) core competencies, which focus on building and expanding on your organization's internal capabilities, and (2) strategically important external resources, which your organization shapes and leverages through key external relationships and partnerships.

When an organization realizes both sources of strategic advantage, it can amplify its unique internal capabilities by capitalizing on complementary capabilities in other organizations.

See STRATEGIC CHALLENGES and STRATEGIC OBJECTIVES for the relationship among strategic advantages, strategic challenges, and the strategic objectives your organization articulates to address its challenges and advantages.

STRATEGIC CHALLENGES. Those pressures that exert a decisive influence on your organization's likelihood of future success. These challenges are frequently driven by your organization's anticipated collaborative environment and/or competitive position in the future relative to other providers of similar health care services. While not exclusively so, strategic challenges are generally externally driven. However, in responding to externally driven strategic challenges, your organization may face internal strategic challenges.

External strategic challenges may relate to patient, other customer, or market needs or expectations; health care service or technological changes; or financial, societal, and other risks or needs. Internal strategic challenges may relate to capabilities or human and other resources.

See STRATEGIC ADVANTAGES and STRATEGIC OBJECTIVES for the relationship among strategic challenges, strategic advantages, and the strategic objectives your organization articulates to address its challenges and advantages.

STRATEGIC OBJECTIVES. The aims or responses that your organization articulates to address major change or improvement, competitiveness or social issues, and health care advantages. Strategic objectives are generally focused both externally and internally and relate to significant patient, other customer, market, health care service, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what your organization must achieve to remain or become competitive and ensure its long-term success. Strategic objectives set your organization's longer-term directions and guide resource allocation and redistribution.

See ACTION PLANS for the relationship between strategic objectives and action plans and for an example of each.

STRATEGIC OPPORTUNITIES. Prospects that arise from outside-the-box thinking, brainstorming, capitalizing on serendipity, research and innovation processes, nonlinear extrapolation of current conditions, and other approaches to imagining a different future.

The generation of ideas that lead to strategic opportunities benefits from an environment that encourages nondirected, free thought. Choosing which strategic opportunities to pursue involves consideration of relative risk, financial and otherwise, and then making intelligent choices (intelligent risks).

See also INTELLIGENT RISKS.

SYSTEMATIC. Well-ordered, repeatable, and exhibiting the use of data and information so that learning is possible. Approaches are systematic if they build in the opportunity for evaluation, improvement, and sharing, thereby permitting a gain in maturity. To see the term in use, refer to the Process Scoring Guidelines (page 34).

TRENDS. Numerical information that shows the direction and rate of change of your organization's results or the consistency of its performance over time. Trends show your organization's performance in a time sequence.

Ascertaining a trend generally requires a minimum of three historical (not projected) data points. Defining a statistically valid trend requires more data points. The cycle time of the process being measured determines the time between the data points for establishing a trend. Shorter cycle times demand more frequent measurement, while longer cycle times might require longer periods for a meaningful trend.

Examples of trends called for by the Health Care Criteria and scoring guidelines include data on health care outcomes and other health care service performance; results for patient, other customer, and workforce satisfaction and dissatisfaction; financial performance; marketplace performance; and operational performance, such as cycle time and productivity.

VALUE. The perceived worth of a program, service, process, asset, or function relative to its cost and possible alternatives.

Organizations frequently use value considerations to determine the benefits of various options relative to their costs, such as the value of various health care service combinations to patients and other customers. Your organization needs to understand what different stakeholder groups value and then deliver value to each group. This frequently requires balancing value among customers and other stakeholders, such as your workforce and the community.

VALUES. The guiding principles and behaviors that embody how your organization and its people are expected to operate. Values influence and reinforce your organization's desired culture. They support and guide the decisions made by every workforce member, helping your organization accomplish its mission and attain its vision appropriately. Examples of values include demonstrating integrity and fairness in all interactions, exceeding patients' and other customers' expectations, valuing individuals and diversity, protecting the environment, and striving for performance excellence every day.

VISION. Your organization's desired future state. The vision describes where your organization is headed, what it intends to be, or how it wishes to be perceived in the future.

VOICE OF THE CUSTOMER. Your process for capturing patient- and other customer-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated patient and other customer requirements, expectations, and desires. The goal is to achieve customer engagement. Listening to the voice of the customer might include gathering and integrating various types of patient and other customer data, such as survey data, focus group findings, web-based commentary, and complaint data, that affect students' and other customers' relationship and engagement decisions.

WORK PROCESSES. Your organization's most important internal value-creation processes. They might include health care service design, production, and delivery; patient support; supply-chain management; business; and support processes. They are the processes that involve the majority of your organization's workforce.

Your key work processes frequently relate to your core competencies, the factors that determine your success relative to competitors and organizations offering similar health care services, and the factors your senior leaders consider important for business growth. Your key work processes are always accomplished by your workforce.

WORK SYSTEMS. How your organization's work is accomplished, consisting of the internal work processes and external resources you need to develop and produce services, deliver them to your patients and other customers, and succeed in your marketplace. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and

deliver your health care services and carry out your business and support processes.

Decisions about work systems are strategic. These decisions involve protecting and capitalizing on core competencies and deciding what should be procured from or produced outside your organization in order to be efficient and sustainable in your marketplace.

WORKFORCE. All people actively supervised by your organization and involved in accomplishing your organization's work, including paid employees (e.g., permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by your organization), resident physicians, independent practitioners not paid by the organization (e.g., physicians, physician assistants, nurse practitioners, acupuncturists, and nutritionists), health care students (e.g., medical, nursing, and ancillary), and volunteers, as appropriate. Your workforce includes team leaders, supervisors, and managers at all levels.

WORKFORCE CAPABILITY. Your organization's ability to accomplish its work processes through its people's knowledge, skills, abilities, and competencies.

Capability may include the ability to build and sustain relationships with patients, other customers, and the community; to innovate and transition to new technologies; to develop new health care services and work processes; and to meet changing health care, market, and regulatory demands.

WORKFORCE CAPACITY. Your organization's ability to ensure sufficient staffing levels to accomplish its work processes and deliver your health care services to patients and other customers, including the ability to meet varying demand levels.

WORKFORCE ENGAGEMENT. The extent of workforce members' emotional and intellectual commitment to accomplishing your organization's work, mission, and vision. Organizations with high levels of workforce engagement are often characterized by high-performance work environments in which people are motivated to do their utmost for their patients' and other customers' benefit and the organization's success.

In general, workforce members feel engaged when they find personal meaning and motivation in their work and receive interpersonal and workplace support. An engaged workforce benefits from trusting relationships, a safe and cooperative environment, good communication and information flow, empowerment, and accountability for performance. Key factors contributing to engagement include training and career development, effective recognition and reward systems, equal opportunity and fair treatment, and family-friendliness. Workforce engagement also depends on building and sustaining relationships between your administrative/operational leadership and independent practitioners.



Index of Key Terms

Page numbers in **boldface** indicate definitions in the Glossary of Key Terms (pages 47–54).

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