Strategy Execution and Sustainability:

Using the Baldrige Leadership Model to Overcome Evasive Organizational Challenges

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Introduction

Based on the historical patterns of health care spending in the United States, it is no surprise that health care industry predictions for 2019 focus on aspects of consumerism, innovation, artificial intelligence (AI), and analytics as mechanisms to improve quality and reduce costs (Das, 2018; Trzcinski, 2018). The conundrum of high costs and poor outcomes continues to plague the United States compared to other high-income nations. The Commonwealth Fund summarizes the U.S. health care industry as spending more on care, covering fewer lives with insurance, paying more for physician and pharmaceutical services, running more tests, and resulting in people living shorter lives compared to those in other wealthy nations (Papanicolas, 2018).

The competition of the global economy across industries is what led the United States to establish the Malcolm Baldrige National Quality Improvement Act of 1987, to which health care was added in 1998 ("Baldrige Performance Excellence Program: History," 2010; Garvin, 1991). The Baldrige Performance Excellence Program is housed under the U.S. National Institute of Standards and Technology (NIST) within the Department of Commerce and manages the Malcolm Baldrige National Quality Award ("Baldrige Performance Excellence Program," 2009). The prestigious Baldrige National Quality Award analyzes organizational self-assessments to identify and recognize role-model organizations through cultural and performance accomplishments across six sectors: Health Care, Education, Small Business, Manufacturing, Nonprofit and Government, and Service ("Baldrige Performance Excellence Program: History," 2010).

Figure 1: Baldrige National Quality Award Sectors

Healthcare
Education
Small Business
Manufacturing
Non-profit and Government
Service

Given the rigor and standardization of the review and award process, the leadership and management principles are widely accepted by both academicians and practitioners (Calhoun, Griffith, & Sinioris, 2007). The Baldrige Performance Excellence Framework assesses seven categories of performance including (1) Leadership; (2) Strategy; (3) Customers, (4) Measurement, Analysis, and Knowledge Management; (5) Workforce; (6) Operations; and (7) Results.

SOAR Vision Group reframes the seven Baldrige categories as an Organizational Hierarchy of Needs in which successful organizations must fulfill each layer of the Hierarchy to achieve the desired results (see Figure 2) (SOAR Vision Group, 2017). Although the Baldrige criteria are specific in their evaluation, they are non-prescriptive, allowing organizations to adapt the criteria to their own culture and operations (Goonan & Stoltz, 2004). The Baldrige framework provides self-awareness for the organization through a comprehensive review of strengths and opportunities for improvement across cultural, strategic, and operational viewpoints (Goonan & Stoltz, 2004; Griffith, 2017).

Figure 2: Organizational Hierarchy of Needs
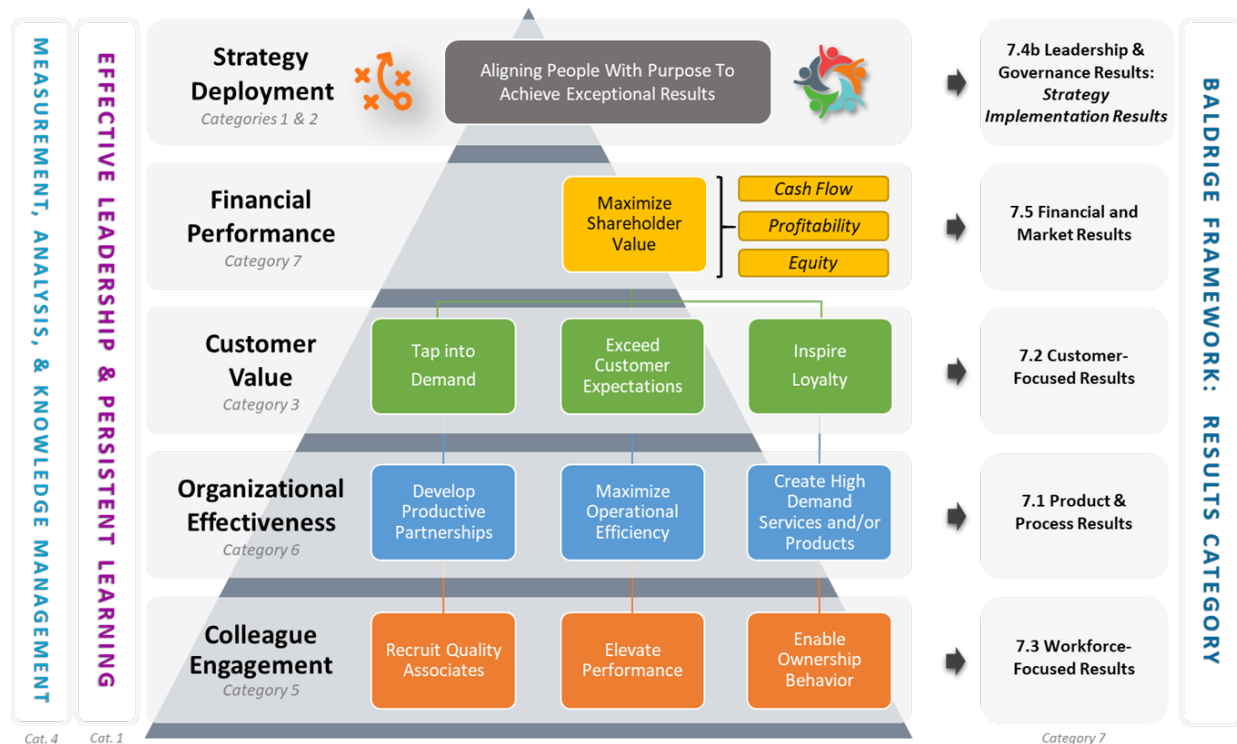
When asked what the Baldrige program is, David Ramsey, CEO of Charleston Area Medical Center and a 2015 Baldrige National Quality Award recipient, summed it up by saying, "It's all about results" (Faber, 2018). In a study of over six hundred local, state, and national Baldrige-based quality award winners, winners outperformed the control group of non-winners on financial performance measures (Goonan & Stoltz, 2004; Hendricks, 1997, 2000). Previous studies by NIST compared publicly-traded Baldrige winners in the S&P 500 stock index and found that they outperformed the general market five to one, even through economic downturns (NIST, 2002a, 2002b). More recent data compiled by Griffith demonstrated that Baldrige award winners both achieve and sustain top quartile performance even after winning the award (2017).

Results do not come overnight, however. Organizations focus on their journey towards excellence for many years before receiving the award. Winning CEOs agree that every

organization should utilize Baldrige as a learning opportunity, even if there is no interest in the award process itself (Wagner, 2015). When the six leading categories are implemented effectively, strong results can be achieved, yet leadership is the common denominator and a primary driver for each of those leading categories (Dickey, 1991).

Purpose

Leadership is a well-studied topic of business given its impact in nearly every domain of an organization. Similar to other high-performing organizations, Baldrige winners see a correlation with basic leadership practices and results (Goonan & Stoltz, 2004). The purpose of this paper is to take a closer look at how leadership styles, characteristics, and behaviors impact the various aspects of Baldrige. Additionally, this paper attempts to relate the Baldrige framework for practical application by sharing reflections from a group of executives who attended the 2018 Baldrige Health Care CEO Innovation Council and are evaluating or pursuing the journey or already received the Baldrige Award.

Search Methods

A PubMed search was initially used to identify relevant peer-reviewed articles. A combination of "Baldrige" along with the following key terms was used to identify approximately 150 articles: "leadership," "Malcolm Baldrige," "CEO," or "winner." Initial results were evaluated based on the title, then via abstract; approximately 25 articles were ultimately selected for detailed review. Additional references were added if cited from a different article of interest.

This literature search was limited by the following: (1) Articles that were unavailable from the University of Alabama at Birmingham's library were excluded. (2) Articles that were not published by a reputable journal or university publisher were excluded from the results. (3) It is possible that articles may have been missed if key terms were not included in the title and/or abstract when filtering articles.

Additionally, direct dialogue from executives of renowned health care organizations as well as Dr. Morten Hansen, author of *Great at Work* and co-author of *Great by Choice* with Jim Collins, contributed to the content of this paper through a live Health Care CEO Innovation Council event hosted by the Baldrige Foundation and SOAR Vision Group in October 2018.

Literature Review

"Health care is a dynamic industry that requires leadership focus," states Janet Wagner, a hospital CEO whose organization received the Baldrige National Quality Award (2015). Leadership is the first category within the Baldrige framework, and as Al Faber, President and CEO of the Baldrige Foundation, said it is not by accident but intentional design (Faber, 2018). Every winning organization shares the belief that leadership is essential to success (Dickey, 1991; Goonan & Stoltz, 2004; Wagner, 2015). While it has not been empirically

studied, leadership turnover and inconsistency is often reported as a primary reason that organizations withdraw from their Baldrige journey (Faber, 2018).

When defining leadership, Yukl quotes Stogdill saying, "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (as cited in Yukl, 2013). The Baldrige framework avoids this common pitfall and instead invites organizations to define their own style of leadership based on two primary questions: (1) how do your senior leaders lead the organization, and (2) how do you govern your organization and fulfill your societal responsibilities (Program, 2017)? The full criteria for Category I Leadership for Health Care are included in Figure 3.

Figure 3: Baldrige Performance Excellence Criteria (Program, 2017)

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

a. VISION and VALUES

(1) Setting 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 SENIOR LEADERS promote an organizational environment that requires it?

b. Communication

How do SENIOR LEADERS communicate with and engage the entire WORKFORCE, PATIENTS, and other KEY CUSTOMERS? HOW do they

- encourage frank, two-way communication, including use of social media, when appropriate;
- communicate KEY decisions and needs for organizational change; and
- take a direct role in motivating the WORKFORCE toward HIGH PERFORMANCE and a PATIENT, other CUSTOMER, and health care focus, including by participating in reward and recognition programs?

c. MISSION and Organizational PERFORMANCE

(1) Creating an Environment for Success   How do SENIOR LEADERS create an environment for success now and in the future? HOW do they

- create an environment for the achievement of your MISSION and for organizational agility;
- cultivate organizational LEARNING, LEARNING for people in the WORKFORCE, INNOVATION, and INTELLIGENT RISK taking;
- create a WORKFORCE culture that fosters PATIENT and other CUSTOMER ENGAGEMENT;
- participate in succession planning and the development of future organizational leaders; and
- create and promote a culture of PATIENT safety?

(2) Creating a 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;
- identify needed actions;
- in setting expectations for organizational PERFORMANCE, include a focus on creating and balancing VALUE for PATIENTS, other CUSTOMERS, and other STAKEHOLDERS; and
- demonstrate personal accountability for the organization's actions?

PROCESS

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

a. Organizational GOVERNANCE

(1) GOVERNANCE System   HOW does your organization ensure responsible GOVERNANCE? HOW does your GOVERNANCE system review and achieve the following?

- 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 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 address and anticipate legal, regulatory, and community concerns with your HEALTH CARE SERVICES and operations? HOW do you

- address any adverse societal impacts of your HEALTH CARE SERVICES and 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?

(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 the well-being of 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?

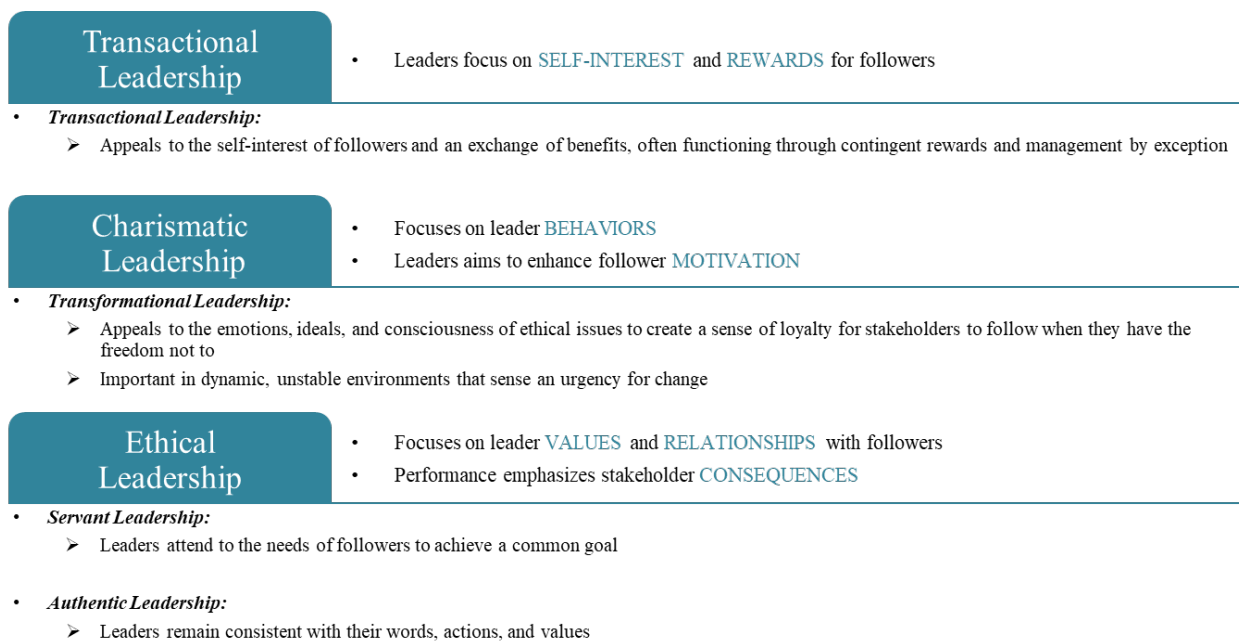*Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).*

Leadership Theories and Behaviors of Baldrige Winners

There are no specific leadership styles or molds that Baldrige leaders must fit into according to the Baldrige framework. However, Calhoun and colleagues did note an overall shift away from transactional leadership to charismatic and/or ethical styles of leadership, such as transformational, servant, and authentic leadership (Calhoun et al., 2007). Transactional leadership appeals to the self-interest of followers and an exchange of benefits, often functioning through contingent rewards and management by exception (Yukl, 2013). Given the personal nature of health care, it seems intuitive that team members may not respond as

well to this style. Instead, transformational leadership attempts to inspire and transform followers by appealing to their emotions, ideals, and consciousness of ethical issues to create a sense of loyalty for stakeholders to follow when they have the freedom not to (Calhoun et al., 2007; Yukl, 2013). Transformational leadership becomes more important in dynamic, unstable environments that sense an urgency for change (Yukl, 2013). Additionally, authors have discussed two styles of ethical leadership: servant and authentic leadership. Servant leadership occurs when leaders attend to the needs of followers to achieve a common goal (Calhoun et al., 2007; Yukl, 2013). More recent research has highlighted authentic leadership, in which leaders remain consistent with their words, actions, and values (Yukl, 2013).

Many individuals confuse these leadership theories, but the manner in which leaders appeal to followers is a pivotal feature in distinguishing styles (Yukl, 2013). Within ethical leadership theories, leaders prioritize values and relationships with followers, whereas charismatic leadership theories emphasize leadership behaviors and motivation of followers through their relationships (Yukl, 2013). Figure 4 summarizes the theories discussed.

Figure 4: Summary of Key Leadership Theories

Transactional Leadership
- Leaders focus on SELF-INTEREST and REWARDS for followers

- *Transactional Leadership:*
  - Appeals to the self-interest of followers and an exchange of benefits, often functioning through contingent rewards and management by exception

Charismatic Leadership
- Focuses on leader BEHAVIORS
- Leaders aims to enhance follower MOTIVATION

- *Transformational Leadership:*
  - Appeals to the emotions, ideals, and consciousness of ethical issues to create a sense of loyalty for stakeholders to follow when they have the freedom not to
  - Important in dynamic, unstable environments that sense an urgency for change

Ethical Leadership
- Focuses on leader VALUES and RELATIONSHIPS with followers
- Performance emphasizes stakeholder CONSEQUENCES

- *Servant Leadership:*
  - Leaders attend to the needs of followers to achieve a common goal

- *Authentic Leadership:*
  - Leaders remain consistent with their words, actions, and values

Content Source: Yukl, 2013

Many executive leaders adopt multiple characteristics from various leadership styles throughout their careers and in particular situations. Regardless of an individual's personal leadership style, however, there are common characteristics and mechanisms that leaders of high-performing organizations exhibit. Leaders of winning organizations have a reputation for being visionary leaders, serving with integrity, inspiring innovation, concentrating on the "customers," patients, or students, empowering and valuing employees, maintaining a systems perspective, and achieving results. (Calhoun et al., 2007; Goonan & Stoltz, 2004;

"Sister Mary Jean Ryan of SSM Health Care in St. Louis Receives Baldrige Foundation's 2014 Harry S. Hertz Leadership Award," 2014; Wagner, 2015).

> *The key leadership characteristics of the various articles reviewed can be whittled down to two key functions:*
> *1. Creating and maintaining a focused vision, and*
> *2. Ensuring effective execution of the vision.*

In a 1991 Harvard Business Review article, Garvin summarized the Baldrige Leadership Category as two key pillars – symbolism and active involvement (Garvin, 1991). Heroic acts of symbolism may make a point in the moment, but they may not support a sustained vision. Similarly, active involvement and connecting with employees, customers, or patients is essential, but without effective execution it can quickly turn into just words. Figure 5 highlights the two key leadership functions and essential sub-functions of Baldrige winners.

Figure 5: Key Leadership Functions of Baldrige Achievers
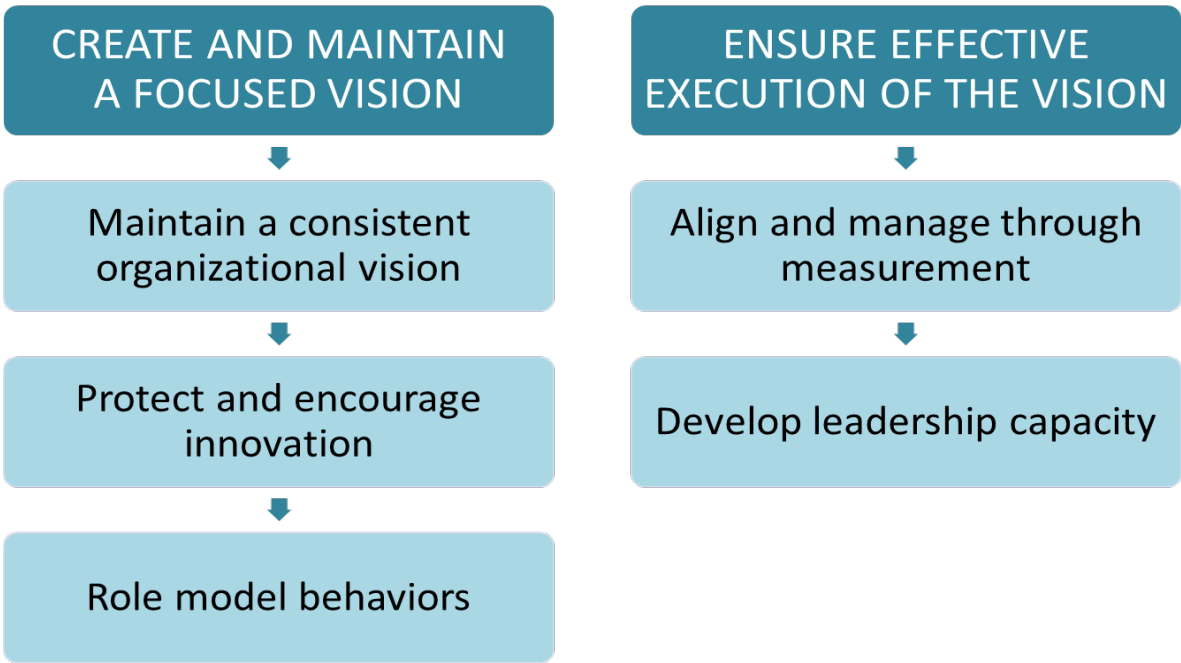
Creating and Maintaining a Focused Vision

Although many aspects can be shared related to creating and maintaining a focused vision, this paper will focus on three key leadership characteristics related to the Baldrige framework:

(1) maintaining a consistent organizational vision, (2) protecting and encouraging innovation, and (3) role-model behaviors.

Maintain a Consistent Organizational Vision

Throughout the Baldrige framework, there is a consistent theme regarding leadership's role in creating and maintaining a focused vision. This focus is required for clarification and alignment of key strategies and priorities, performance expectations, and organizational mission, vision, and values (Blazey, 2017; Dickey, 1991; Goonan & Stoltz, 2004; Griffith, 2017). Organizational direction is more than words on paper; actions and communication must clearly support key strategies to be able to stay the course. Clarity of organizational direction is required before strategies can be set. Dr. Imran Andrabi, CEO of ThedaCare, a world-renowned health care organization, related the organizational direction to the North Star. "Once your North Star becomes clear, everything you do has to move the needle in that direction" (Faber, 2018).

Lean management theory refers to the True North as a hoshin – an organization's short phrase that expresses its vision, direction, and will (Dennis, 2006). Wagner provides an example from her time at Sutter: "Being a health care organization of excellence – every person, every time" (Wagner, 2015).

Simply setting that direction is not enough though; leaders must consistently communicate the direction and ensure employees understand their roles in achieving the organization's mission (Wagner, 2015). A disconnect between senior leadership strategy and front-line job function is incredibly common, and it creates large gaps and variation in organizational performance, knowledge, and engagement. In fact, 95 percent of organizational employees do not understand how their daily tasks relate back to the organization's strategy (Kaplan, 2005).

> *In his book Great at Work (2018), Morten Hansen, Ph.D. emphasizes the significance of doing less and obsessing. "The term 'focus' consists of two activities: choosing a few priorities, then dedicating your efforts toward excelling at them. Many people prioritize a few items at work, but they don't obsess – they simply do less."*

As Dr. Hansen shared during the live CEO Innovation Council Roundtable and confirms in his book, *Great at Work*, "Focus isn't enough; you have to obsess on strategies" (Faber, 2018; Hansen, 2018). The most difficult aspect of this is being able to say no to appetizing opportunities that arise yet detract from the core strategy, which is why it is important to maintain extremely clear objectives" (Hansen, 2018).
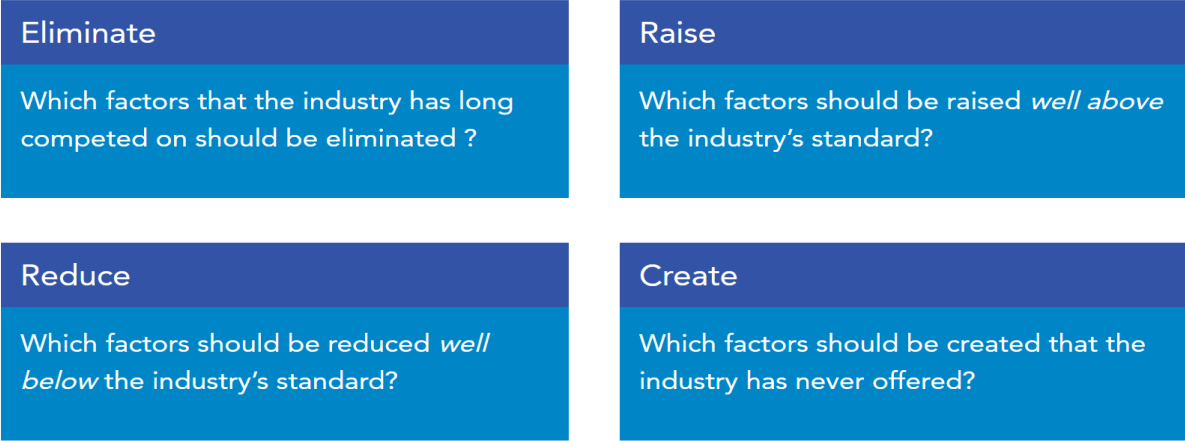
This requires "ruthless prioritization" (Faber, 2018). This is easier said than done due to the appeal of shiny new ideas combined with the gravitational pull of cultural stagnation and current state. Hansen clarifies, however, that prioritization doesn't mean arriving at one strategy, rather it relates to reducing to "as few as you can and as many as you must," similar to Occam's razor philosophy (Hansen, 2018). Focus is a discipline.

This sometimes means saying no to your own temptations, prioritizing your boss' requests, scheduling time to firefight and round on staff, declining unnecessary meetings, and avoiding constant technology interruptions such as email and social media notifications. Many of these practices are confirmed with Baldrige winners as well.

Protect and Encourage Innovation

Innovation is the second theme identified in creating and maintaining a focused vision for Baldrige winners. Innovation can often be seen as a threat to focus, but if innovation is aligned with that focus, it is a strong catalyst for success. "Innovation is to say no to a thousand things," as Steve Jobs quotes (Gallo, 2014). Kim and Mabourgney provide a simple tool in their book *Blue Ocean Strategy* (2015), see Figure 6, that allows individuals and organizations to craft better value curves via the Four Actions Framework (or ERRC method) in which the following four questions are addressed:

Figure 6: ERRC Grid by W. Chan Kim & Renee Mauborgne in Blue Ocean Strategy

Eliminate	Raise
Which factors that the industry has long competed on should be eliminated ?	Which factors should be raised *well above* the industry's standard?
Reduce	Create
Which factors should be reduced *well below* the industry's standard?	Which factors should be created that the industry has never offered?

During the collaborative Baldrige CEO Innovation Summit, Roger Spoelman, SVP of Strategic and Operations Integration at Trinity Health, reminded attendees that innovation doesn't have to come from an invention (Faber, 2018). "People who have wicked problems are the ones innovating," said Spoelman (Faber, 2018). The Baldrige framework focuses significantly on innovation. In fact, six of the seven criteria specifically recognize innovation within the evaluation criteria. Category 3 (Customers) is the only category that does not specifically identify innovation in its criteria; however, section 3.2 (Customer Engagement) does allude to innovation by requiring applicants to address how they adapt service offerings based on customer needs and concerns. Al Faber notes, "The Baldrige way of thinking demands intellectual curiosity" (Faber, 2018).

Leadership plays a key role in innovation by ensuring innovation is aligned to strategy, directly engaging with customers or patients, and creating a safe environment for innovation (Faber, 2018; "Sister Mary Jean Ryan of SSM Health Care in St. Louis Receives Baldrige Foundation's 2014 Harry S. Hertz Leadership Award," 2014). Calhoun and colleagues analyzed applications of Baldrige recipients to understand their leadership style, and they concluded that leaders are responsible for creating a supportive and responsive culture for all patients, workforce, and stakeholders (2007). Developing a structure for innovation is often related to creating a separate Innovation Center, which can be worthwhile and effective when implemented in alignment with strategy. This approach enabled Mercy Health to design and implement its Innovative Primary Care Clinic, increasing patient access and physician productivity from approximately 2,300 patients seen per physician per year to over 5,000 with capacity to grow even more (Faber, 2018).

However, allocating physical space can also be expensive and daunting for smaller organizations. Whether a separate space is used for innovation or not, the most important elements of innovation that leaders can support are allocating time to innovate, ensuring alignment between innovation and strategy, and enabling an environment to pilot new ideas without consequence of failure. An innovation structure requires effectively planning, piloting, and disseminating best practices to scale across large organizations. Furthermore, leaders must maintain the balance between creativity, scalability, and expected return on investment. Protecting innovation is a key responsibility of leaders. Spoelman specifies that leaders cannot delegate innovation (Faber, 2018).

Although indicated several times in this paper, it is worth discussing the difference between "customers" and "patients," as this was a hot debate among executives at the CEO Innovation Council and directly impacts how organizations approach innovation. One CEO specifically pointed out how much he detested when people call patients 'customers.' Another CEO countered with a compromise saying that individuals are patients when they have no choice (e.g., in emergent situations), but they shift to customers when there is a choice (e.g., non-emergent situations). To further complicate the translation of the Baldrige criteria into health care, many individuals struggle to classify where physicians fall – as customers (Category 3) or workforce (Category 5). Experienced Baldrige consultants recommend physicians be classified as colleagues or workforce since they are primary value providers for patients, who are the recipients or customers of the health care services provided. This classification is important as leaders must not only support the efforts of the decision, but they must ensure alignment of actions along with this decision given the close relationship between these two pivotal stakeholders. As a physician CEO recently stated, "the clinician-patient relationship is sacred" (Faber, 2018), but confusing these two stakeholders can create misalignment between action and intention.

Dr. Scott Nygaard, Chief Operations Officer for Lee Health System, offered some clarity around this relationship, "There is something that has been eroded in medicine (regarding the physician-patient relationship); this has stripped away trust and invited competition for

innovation" (Faber, 2018). This is an intriguing perspective that may help account for the evolving relationship between customers, patients, and even physicians.

Innovation connects patients or customers, workforce, community, and organizational objectives. Morten Hansen shared that the best way to connect with customers or patients is to increase value. The most effective way of doing that is by (1) working on the right things – meaning eliminating areas of little value, augmenting existing value, and creating new value; and (2) doing things right by boosting quality and finding faster, cheaper ways to deliver the service or product (Hansen, 2018).

Amazon is a great example of a company that takes advantage of its market opportunities and continually exceeds customer expectations with faster, more economical, and more convenient service. This is in direct alignment with the ERRC method mentioned above. Note, however, that if one is not eliminating areas of little value, he or she does not usually have capacity to create new value (Faber, 2018).

Role-Model Behaviors

Sustainability is driven by the leader, so leaders in Baldrige organizations must exemplify role-modeling important behaviors set forth by the company to create and maintain focus (Bailey, 2014; Calhoun et al., 2007; Wagner, 2015). This includes modeling the organization's mission consistently, committing to a goal and following through on the vital few objectives, being a true believer in the journey towards excellence, and being willing to put him or herself on the line to stand up in tough situations (Bailey, 2014; Calhoun et al., 2007; Wagner, 2015).

Saying no to shiny distractions is a great example of role-model behavior. "Consider the multiplier effect from senior leaders and their drive-by ideas," commented Hansen (Faber, 2018). Relating this to the practical world, one idea spawned by a senior leader can cause a flurry of tasks for more junior positions, which can easily become distractions if that idea is not connected to the key objectives of the organization. To help one say no, Hansen helped put things in perspective: "Craft and order a list of your top ten items, then cross off the bottom seven. Things cannot just be clear for you, but they must be clear for all those around you" (2018). It is unlikely individuals will remember a top ten, but they should be able to focus on a top three. Sticking to the critical few is how one role-models focus. Although simplification is very hard in the real world, remembering the philosophy of Occam's razor allows one to focus on the essential few.

Additional considerations for role modeling include applying continuous improvement practices at an individual level. Multiple authors have pointed out that Baldrige allows leaders across an organization to become proficient at accepting feedback (sometimes hard feedback), developing benchmarks, and improving performance (Griffith, 2017; Wagner, 2015). Winners also commonly refer to the importance of looking outside the industry for benchmarks (Goonan & Stoltz, 2004; Wagner, 2015). Leaders must encourage this behavior and help team members translate the best practice into health care.

Table 1 highlights examples of tactical mechanisms from high performing organizations and Baldrige winners that leaders can implement within daily practice to create and maintain focus.

TABLE 1: Tactical Mechanisms to Create and Maintain Focus	
Consistent Organizational Focus	▪ Keep a list of things you should say no to ▪ Apply Occam's razor – Subtract and simplify ▪ Apply the "cut in half rule" with meetings – e.g., number of meetings, length of meetings, number of people in meetings, etc. ▪ Allow and encourage your team to say no when a new task or initiative detracts from key priorities

Protect & Encourage Innovation	▪ Encourage risk taking by creating a safe space and guardrails for innovation, without repercussions for failure
	▪ Put time on the calendar to innovate and brainstorm
	▪ Work on the right things
	    o Eliminate areas of little value
	    o Augment existing value
	    o Create new value
	▪ Do things right
	    o Boost quality
	    o Find faster, cheaper ways to deliver value
	▪ Discuss ROI for ideas as a cost-benefit analysis, acknowledging both hard and soft costs and benefits

Role-Model Behaviors	▪ Commit to a goal and say no to distractions ▪ Avoid drive-by ideas that distract from that goal ▪ Hold time on your calendar to round on patients / customers and workforce to stay connected to their needs and your quality of service ▪ Translate external industry best practices to health care

Ensure Effective Execution of the Vision

Each of the aspects and behaviors mentioned above relate to creating and maintaining organizational focus. Connecting that focus to operations is how high-performing Baldrige winners achieve the envisioned goals. Understanding the specific cultures and workflows of any high-performing organization can be valuable by itself, but there are two distinct functions that Baldrige winners consistently share: (1) aligning and managing through measurement, and (2) developing leadership capacity.

Align and Manage through Measurement

A famous quote by W. Edwards Deming, the Father of Total Quality Management, says, "In God we trust, all others bring data" ("The W. Edwards Deming Institute Blog: Large List of Quotes by W. Edwards Deming," 2018). While this is not intended to offend anyone's religious beliefs, this quote emphasizes the importance of data. A resounding theme by Baldrige winners is the significance of not only measuring key data points, but also in incentivizing the right behaviors through the selection, transparency, and accountability of those metrics.

Health care is known for being data rich yet, ironically, information poor. Said plainly, health care organizations collect significant amounts of data through their electronic medical record (EMR) systems and other data sources, yet hospitals struggle with accessing, prioritizing, understanding, and believing the data. A core value of the Baldrige performance excellence framework is management by fact, which is especially evident in Category 4 (Measurement, Analysis, and Knowledge Management) and Category 7 (Results) (Program, 2017). Category 4 includes concepts such as tracking performance measures, selecting and utilizing comparative data, selecting and utilizing customer or patient data, responding to rapid or unexpected changes with performance measures, analyzing and reviewing performance and capabilities, and driving improvement and innovation using data (Program, 2017). Goonan and Stoltz relate the importance of measurement to a body's central nervous system rapidly conveying high-quality and timely data to keep the organization running while improving efficiency and effectiveness (Goonan & Stoltz, 2004).

To accomplish this, organizations must have data that is meaningful and readily available for leaders (Blazey, 2017; Goonan & Stoltz, 2004; Griffith, 2017). This requires both proper selection of metrics and visibility of metrics. Selecting the right metrics requires individuals to recognize metrics that matter most in achieving the strategic objectives set forth by the organization. Hansen recommends organizations identify value metrics rather than volume metrics (Hansen, 2018). According to Lean thinking, value is defined by the customer. Identifying the right metrics and goals requires consideration of both leading and lagging indicators, to mutually forecast and review progress. Hansen points out in his book that starting with goals is ineffective; one must start with value then proceed to goals (Hansen, 2018). Amazon embeds this in its value of "customer obsession," in which employees start with the customer and work backwards to develop products and services (Glazer, Stevens, and Andriotis, 2019).

An example relevant to health care is around discharge time, which is often used as a leading indicator of length of stay. Many hospitals have a metric for the number of patients discharged by a certain time of day (such as 11 a.m. or 2 p.m.) to encourage timely discharges and reduce unnecessary time in the hospital. The downside of this metric is that if patients are ready to be discharged in the evening, it incentivizes teams to hold the patient until the next day to meet the goal of discharges by that hour. This is an example of a leading measure not considering holistic patient or customer value before setting the goal. Table 2 shares example metrics for timely patient discharges. Health care as an industry operates and

incentivizes behaviors in this way (consider existing payment models today), which is why the shift from volume to value is so important in driving down national health care expenditures.

TABLE 2: Example Metrics for Timely Patient Discharges		
	Sample Leading Indicator	Sample Lagging Indicator
Sample Volume Metric	Number of patients discharged by 11 a.m.	Average patient length of stay
Sample Value Metric	Timeliness of discharge barrier identification and resolution	Percent of patients discharged by their expected discharge date (e.g., Observed to Expected ratio)

In terms of selecting the right metrics, Einstein says it best, "Not everything that can be counted counts, and not everything that counts can be counted" (quote attributed to Albert Einstein). Once the right metrics are identified, Baldrige winners and high-performing organizations frequently refer to the use of scorecards to make those metrics visible to all layers of staff (Calhoun et al., 2007; Griffith, 2017; Latham, 2013). Richard Hastings, President of North Mississippi Medical Center and former Baldrige award organization, shared that balanced scorecards have been the best tool for performance analysis (as cited in Calhoun et al., 2007). Scorecards must be cascaded and customized to workgroups to be effective (Calhoun et al., 2007). This connection is important because performance goals in and of themselves do not create change (Wagner, 2015). Accountability of goals is what spawns action and innovation. This means that leaders must check results to manage performance and adjust strategy, round with team members on progress and barriers, and reward or adjust behaviors accordingly (Goonan & Stoltz, 2004; Griffith, 2017; Latham, 2013). When metrics are not meeting the targets, leaders should create a 90-day goal and action plan (Griffith, 2017). The maturation process that occurs along a Baldrige journey encourages leaders to confront the current state through facts and drive towards quantifiable improvements through measurement (Faber, 2018; Wagner, 2015).

Develop Leadership Capacity

Clearly articulated goals and accountability behind those goals directly supports leadership development. Various winning organizations emphasize how significant the Baldrige journey was for them in further developing their leadership team (Calhoun et al., 2007; Goonan & Stoltz, 2004; Wagner, 2015). A significant value of effective leadership development is the translation into succession planning (Wagner, 2015). Given many health care managers rise through the ranks of leadership as good clinicians or technical professionals, it is not unusual to have knowledge gaps within business strategy and execution among leaders (Wagner, 2015). How to better support the professional development of non-traditional leaders was a strong area of interest among Baldrige CEO Innovation Council attendees. Some winners use the Baldrige framework to enhance leadership literacy (Wagner, 2015).

North Mississippi Medical Center characterizes the significance of leadership this way: "We believe that leadership is an honor and an obligation – a responsibility to enable the ability of every employee, physician, and volunteer" (as cited in Calhoun et al., 2007).

Setting strong goals then implementing mechanisms to achieve those goals (via transparent scorecards, leadership rounding, allocated time to innovate and improve performance, etc.) allows both personal development enabling staff to increase their capabilities and organizational development driving improvements for comparative data (Calhoun et al., 2007; Goonan & Stoltz, 2004). Transferring accountability, ownership, and empowerment first to leaders then to employees allows high performance organizations to sustain positive cultures and work environments. Goonan and Stoltz cited a strong correlation between leadership competencies and working climate and between workforce climate and health care results (2004). As a tenured professional and health care executive, Spoelman reflected that with every promotion, executives become more accountable with more responsibility, yet less capable as they often take on areas outside of their own expertise. He concluded that it is essential for executives to let other people be the experts (Spoelman, 2018). This encourages empowerment and trust between leaders and team members. When done correctly, good leadership development allows organizations to differentiate between high performers and effective leaders.

A final component of leadership capacity that is often overlooked or under-supported is organizational board capacity. Several authors emphasize the importance of educating, managing, and auditing board members and board performance along the Baldrige performance excellence journey (Calhoun et al., 2007; Dickey, 1991; Griffith, 2017). Without a supportive and accountable board, creating and maintaining a focused vision becomes a challenge, as does executing on that vision. CEO Richard Hastings commented, "When administrators and boards have a shared vision, strategy can be ignited" (as cited in Calhoun et al., 2007).

The Baldrige performance excellence framework dedicates an entire sub-section to Governance and Societal Responsibilities, emphasizing the importance of this area. Governance is about more than just the existence of a board, but also how well the board is run, leads the organization, evaluates senior leaders and governance teams, remains independent, and utilizes succession planning (Program, 2017). Leaders play a key role in this, especially CEOs, by spending significant time with their board and medical staff (Calhoun et al., 2007).

Table 3 shares examples of tactical mechanisms leaders can implement within daily practice to ensure effective execution of their vision.

TABLE 3: Tactical Mechanisms to Ensure Effective Execution of the Vision	
Align and Manage through Measurement	▪ Capture and manage performance with leading and lagging indicators aligned to *value metrics* instead of *volume metrics*

	- Create and review a scorecard that includes strategic priorities and connects those priorities to frontline action - Round with leaders and team members using the Lean "catchball" process of interactive rounding - Ensure incentives are aligned to operations through effective measures, performance reviews, and reward systems - Create a 90-day action plan for failing metrics
Develop Leadership Capacity	- Clarify critical goals for junior leaders - Allow junior leaders to say no when tasks do not support those critical goals - Differentiate between high achievers and effective leaders - Invest in training good leaders, especially clinicians or technical professionals without business or leadership experience - Create an effective reward and recognition system to reinforce a culture of excellence - Allocate time to educate board and key medical staff members about Baldrige and other key efforts

Practical Application to Leaders

When award-winning organizations are asked what advice they would give other organizations striving towards excellence, they emphasize the journey, not the award (Calhoun et al., 2007; Latham, 2013; Wagner, 2015). "The journey towards excellence is far more important than the award itself. Consider how often people remember the year a major sports team won a championship; unless it was their team, people can seldom recall" (Latham, 2013). The most important value is the learning within the organization (Blazey, 2017).

This paper encourages leaders to integrate successful concepts into their own organization, such as consistent organizational focus, protected time to problem solve and innovate, behaviors to role-model, measurement systems via scorecards, leadership rounding, and succession planning. Even if organizations do not formally apply for a national or state Baldrige award for the immediate feedback, organizations can gain significant value by integrating these mechanisms into their daily practice to achieve results. Studies have shown that national Baldrige winners document top quartile clinical outcomes and patient satisfaction (Calhoun et al., 2007; Griffith, 2017).

Literary Gaps and Weaknesses

The literature and this paper have several relevant gaps to discuss. First, there is not a significant number of peer-reviewed articles specifically studying the Baldrige program or

comparing Baldrige vs. non-Baldrige facilities. Unfortunately, since Baldrige applications are not shared unless the organization wins, there have been no national studies on non-winning organizations that applied. The only control groups available are either self-disclosed applicants who did not win or all organizations who did not win (i.e., market competitors who may or may not have applied). This limits further analysis of these organizations, as well as information on partial successes or failures (Griffith, 2017). Some studies have reviewed the Baldrige winners against public measures for other organizations, but there is limited information on how those organizations compare across cultural, community, or competitive environments (Griffith, 2017).

Second, an opportunity exists to better understand which specific criteria, behaviors, and actions within the Baldrige framework are the most meaningful to organizations. While some research has been done regarding organizational mechanisms potentially contributing to a Baldrige award, additional research could specify which of these behaviors account for the most variation within winning organizations compared to non-winning.

Third, it is important to note the recipients are self-selected and self-motivated to complete the Baldrige application; this may impact generalizability of all study findings, particularly in health care as winning organizations are nonprofit, nongovernment entities (Griffith, 2017). Finally, as the health care market begins to shift towards consumerism and patients become more active as customers within the industry, research should demonstrate how the Baldrige framework can support this transition across more organizations.

Conclusions

Leadership plays a pivotal role in organizations striving towards a Baldrige journey or National Quality Award. Category 1 (Leadership) not only accounts for the highest point value in the Baldrige criteria after Category 7 (Results), but it is also directly tied to the success of every other category. After reviewing many literary sources and participating in the Baldrige Foundation's Health Care Innovation Council, this paper recognized two recurring themes for leaders to integrate into their daily practice for success.

Theme One: Create and maintain a focused vision. This channeled focus is necessary for key strategies and priorities, performance expectations, and organizational mission, vision, and values. Additionally, leaders must protect, encourage, and align innovation to support the focused vision. Furthermore, leaders must be more than words – they must also be pillared role models leading the charge towards their vision.

Theme Two: Ensure effective execution of the focused vision. This goes hand-in-hand with the first theme. This requires instilling a structured operating model that engages leaders across all levels of the organization. Winning organizations maintain attention by aligning and managing through measurement, as well as developing leadership capacity through team member, leader, and board-level professional development and succession planning.

A current opportunity exists to expand the Baldrige approach in more organizations. The criteria can sometimes be seen as complicated or labor-intensive. However, when applied

correctly, the Baldrige framework does not add work to organizations, rather it reallocates time to the most important things, supports teams in achieving success, and shows the team's efforts through organizational results. This journey cannot be about an award. As Wagner eloquently states in her 2015 article, "Success exists at a moment in time, and sustaining that success requires continued focus and a willingness to continue to learn, integrate new knowledge, and evolve."

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The Baldrige Foundation is the private-sector partner of the Baldrige Performance Excellence Program (BPEP), a federal program in the National Institute of Standards and Technology within the Department of Commerce. The Mission of the Baldrige Foundation is to ensure the long-term financial growth and viability of BPEP, and to support organizational performance excellence. The Institute for Performance Excellence is a thought leader on performance excellence, leadership and management. Our team carries out this mission in a number of ways: undertaking research projects, hosting conferences and activities, conducting executive-level training, and publishing and distributing a wide variety of educational materials. Its mission is to improve the practice of leadership and management in pursuit of performance excellence and its impact in an ever-changing world.

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