



**BALDRIGE:
America's Best Investment!**



**JOURNAL OF
PERFORMANCE
EXCELLENCE
2020-2021**





The Year in Review

by Al Faber
President and CEO, Baldrige Foundation

“The Institute for Performance Excellence will help the Foundation move boldly into the next era of Baldrige with great confidence in our future, thanks to the support of our initial Institute Trustees who comprise the Mac Baldrige Society. The Mac Baldrige Society is our campaign to establish the Institute with the generous support of the first twenty major donors.”

As President and CEO of the Foundation for the Malcolm Baldrige National Quality Award, it is an honor to present this year’s *Journal of Performance Excellence*®.

This past year has challenged us all in so many ways. The COVID-19 pandemic has forced organizations to rethink everything from supply chains and manufacturing through delivery systems and customer satisfaction, all while negotiating workforce and stakeholder stability, health, safety, and welfare in ways unimaginable just a year ago. And then there is the stressful toll each of us has endured, some with heartbreaking loss. Compounding this crisis, we saw much civil unrest and the nation deeply divided over the summer and fall. Yet, we have endured what is hopefully, the worst, and begun the long process of recovery with light at the end of the tunnel.

To all the dedicated volunteers, examiners, judges, state program leaders and their Boards, as well as the Baldrige Program staff, thank you for another successful year filled with achievement and progress in pursuit of performance excellence. And to those in the greater Baldrige community—consultants, members of ASQ, and other Baldrige-based organizations like the American Health Care Association—thanks for your continued support and collaboration.

Despite the challenges dealing with the COVID-19 pandemic, the Baldrige Performance Excellence Program (BPEP) had another successful year in FY2020. The Program well-managed

the Malcolm Baldrige National Quality Award process to include virtual site visits which the Foundation financially supported, delivering exceptional training experiences like virtual national examiner training, and managing the new *Pledge to America’s Workers* Presidential Awards Program, also supported by the Foundation.

This year, more than 25 high-performing organizations applied for the nation’s highest honor for performance excellence and the only award for quality that carries the seal of the President of the United States. After a demanding and thorough analysis, five organizations emerged as national role-model organizations and this year’s Malcolm Baldrige National Quality Award (MBNQA) winners:

- AARP, Washington, D.C. (Nonprofit)
- Elevations Credit Union, Boulder, Colorado (Nonprofit)
- GBMC HealthCare System, Baltimore, Maryland (Health Care)
- MESA, Tulsa, Oklahoma, (Small Business)
- Wellstar Paulding Hospital, Hiram, Georgia (Health Care)

Congratulations to each of these stellar organizations!

Advocacy

Throughout FY2020, the Foundation continued to promote the Baldrige Program, State-based Programs, and Communities of Excellence 2026 (COE2026) with leaders at the national, state, and local levels. We continue to strengthen our relationships with members of



Foundation President and CEO Al Faber (back, right) and Baldrige Performance Excellence Program Director Robert Fangmeyer (back, center) represented the Baldrige community at the inaugural Pledge to America's Workers Presidential Award presentation, overseen by Commerce Secretary Wilbur Ross (front, left) and Presidential Advisor Ivanka Trump (front, right).

the Commerce, Justice, Science and Related Agencies (CJS) Subcommittees and their staffs in both the House and the Senate. We continue to provide members with updates on the many benefits of Baldrige throughout the nation and across every sector of the economy, and impress upon them the excitement behind Communities of Excellence 2026, cybersecurity, and our work in rural health care. We continued our work with COE2026 and BPEP to coordinate support for "Community" to become the seventh Baldrige Awards Category through the NIST reauthorization language.

Additionally, we worked with BPEP, NIST, and the Department of Commerce to promote and conduct the awards ceremony for the new Pledge to America's Workers program at the White House along with Secretary Ross and Senior Advisor Ivanka Trump. These new awards helped to promote Baldrige throughout the federal government and in the private sector as well. This is also integral to our strategy of re-engaging the federal government to support the MBNQA program and showcase its value. At the award ceremony on September 23, 2020, U.S. Secretary of Commerce Wilbur Ross said,

"The presidential award presented today is rooted in NIST's Baldrige Performance Excellence Program, which was established under President Reagan to acknowledge American businesses that adopt a wide range of industry best practices, including workforce education and training.

The Baldrige Program looks at organizations holistically, and it emphasizes the need to show actual results. Consistent with these principles, the nine Pledge to America's Workers Presidential Award winners are delivering results to their workers... Many have curricula that reach high school children to introduce them to new careers, as well as programs that help mature workers continue advancing in their careers."

We continue to enjoy strong bipartisan support in the Senate from both Jeanne Shaheen as the Chair, and Senator Jerry Moran, the ranking member of the CJS Subcommittee on Appropriations. Most notably, the entire subcommittee continues to support our efforts. This year, we had the honor of presenting the Baldrige Foundation Award for Leadership Excellence in Government to Senator Moran from Kansas. His



leadership in rural health care, cybersecurity, veterans' issues, education, labor, and numerous other areas have made him one of the nation's most respected senators. We are excited to recognize him and publicly thank him once again for his leadership. Bi-partisan support continues to be critically important in both the House and Senate as we advocate for "Community" to become the seventh Category of Baldrige Awards. This is a joint effort between the Foundation, Baldrige Program, Alliance for Performance Excellence, and Communities of Excellence 2026. Our planning is currently on-track and we are optimistic that we will soon see this exciting new category become a reality.

Lastly, during this time of transition to a new administration we need to take a moment and thank those who have shown us great support over the past four years. U.S. Secretary of Commerce Wilbur Ross helped to re-energize the Baldrige Program and noted in his first Quest for Excellence® appearance in 2017, *"this public-private partnership generates \$1*

billion per year in economic impact." He also served as co-chair for the new Presidential Pledge to America's Workers Award and supported the Baldrige Program appropriation followed by an increase in the FY2021 Budget.

We also want to recognize Dr. Walt Copan, Under Secretary of Commerce for Standards and Technology; Director, National Institute of Standards and Technology (NIST). Walt was a true ambassador for the Baldrige program, using the Baldrige Framework with the senior leadership team at NIST, supporting the Baldrige Program in the federal budget, and raising the visibility of Baldrige within the federal government and across the United States.

Walt attended every Quest for Excellence® conference, Board of Overseers' meetings, and Foundation Board meetings each November. He supported "Communities" becoming the seventh Baldrige Awards Category and championed performance excellence at every opportunity by showcasing the



U.S. Secretary of Commerce Wilbur Ross (speaking) and Dr. Walt Copan, Under Secretary of Commerce for Standards and Technology; Director, National Institute of Standards and Technology (NIST), presenting the 2018 Baldrige National Quality Award, April 7, 2019, National Harbor, Maryland.



Baldrige Framework and Program. Secretary Ross and Under Secretary Copan, thanks for your leadership and support! We wish you the very best in all your future endeavors.

Fundraising

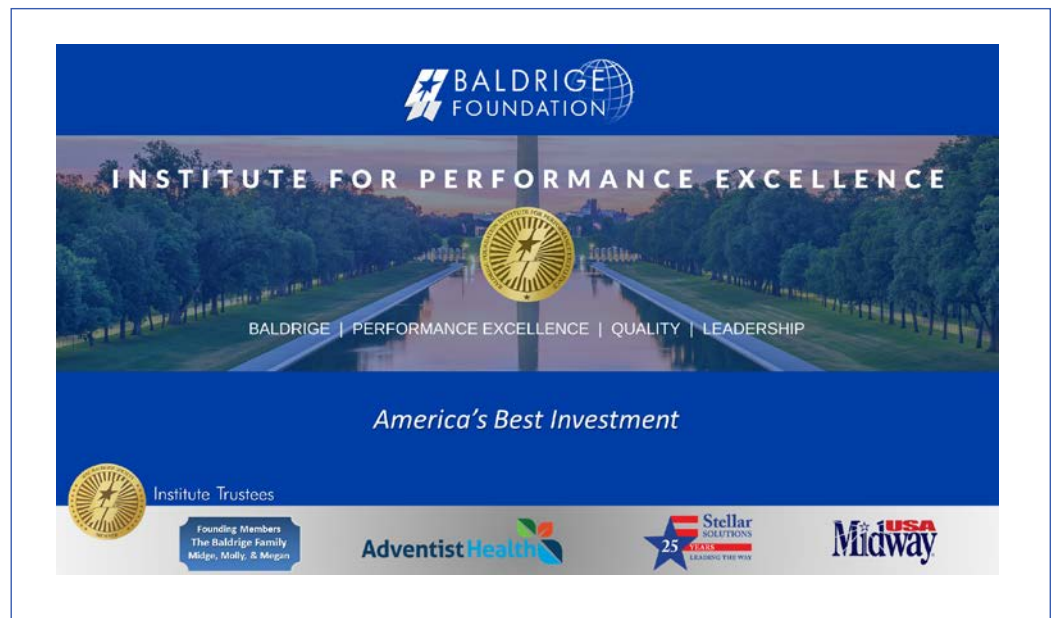
Thanks to all our individual and organizational donors, sponsors, and partners over the past year who have helped continue our mission to support the Baldrige Program and performance excellence in all sectors of the economy.

This year's giving campaigns, our *End-of-Year Campaign*, *Giving Tuesday*, *Planned Giving*, and growing membership in the *Mac Baldrige Society*, were extraordinarily successful and significantly exceeded our fiscal year goals. This was especially encouraging given the global COVID-19 pandemic. No gift is too small, and from the individual gifts through online donations resulting from social media outreach to transformational gifts as we grow membership in the Mac Baldrige Society, collectively, we are all working to advance the Baldrige Framework and grow its use across the nation. We are proud to showcase our 2020 donors on page 110 of this year's *Journal of Performance Excellence*.

On June 1, 2020, we announced the Baldrige Foundation Institute for Performance Excellence. The Institute will undertake research projects, host conferences and other activities, conduct executive-level and online skills training, and publish and distribute a wide variety of educational materials, among other efforts to help organizations and individuals improve leadership and management skills.

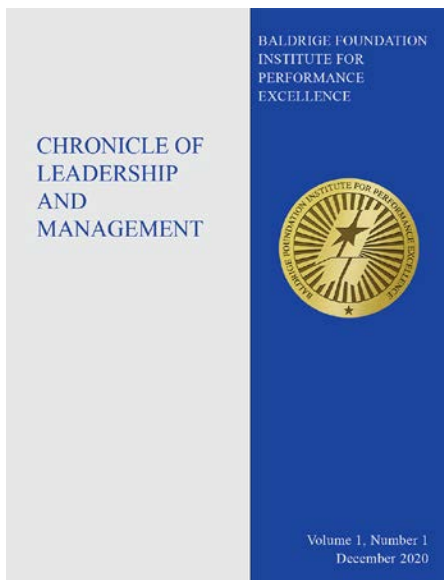
The Institute will also make available exclusive curated and original content along with training and educational opportunities through online and classroom instruction. We will have a best practice sharing online library and many other helpful resources. The exclusive networking opportunities and sharing of best practices alone can provide organizations and their employees with invaluable assistance in pursuing their performance excellence goals.

The Institute will help the Foundation move boldly into the next era of Baldrige with great confidence in our future, thanks to the support of our initial Institute Trustees who comprise the Mac Baldrige Society®. The Mac Baldrige Society is our campaign to establish the Institute with the generous support of the first twenty major donors.



The first Institute Trustees are: the Baldrige Family, Adventist Health, MidwayUSA, and Stellar Solutions. We look for others to join them in the coming months to help continue our mission.

In addition to the many resources available through the Institute, on December 28, 2020, we released its flagship publication, *the Chronicle of Leadership and Management*[®].



I would like to thank Dr. James Evans for volunteering to serve as the Chronicle's first editor-in-chief. Dr. Evans is a nationally respected leader, author, and academician. We are grateful for his volunteer spirit in heading up this project. I also want to thank our editorial board for reviewing the numerous submissions we received. Dr. Evans has gathered a diverse group of stellar authors and Baldrige experts to assist him in determining the best articles to showcase in the *Chronicle*.

If Baldrige is to remain relevant and grow in its use, additional thought leadership in the domains of leadership and management will be required to inspire its

Our 2021 Individual Award Recipients are:

E. David Spong Lifetime Achievement Award

- Celeste Volz Ford, Founder & Board Chair, Stellar Solutions
- Terry May, Founder and CEO, MESA

Harry S. Hertz Leadership Award

- Dr. Michael Ugwueke, President and CEO of Methodist Le Bonheur Healthcare

2021 Award for Leadership Excellence recipients are:

- Dr. Walter Bumphus, President and CEO of the American Association of Community Colleges, in the Education sector
- Suzanne Clark, President of the U.S. Chamber of Commerce, in the Nonprofit sector
- Sue Dunn, retired CEO at Donor Alliance, in the Nonprofit sector
- Lindel Fields, Superintendent and CEO of Tri County Tech, in the Education sector
- Scott Frisch, Executive Vice President, Chief Operating Officer, AARP, in the Nonprofit sector
- Suzette Kent, former Federal Chief Information Officer of the United States, in the Cybersecurity sector
- Karen Kiel-Rosser, Vice President & Quality Improvement Officer for Mary Greeley Medical Center, in the Health Care sector
- The Honorable Jerry Moran, U.S. Senator from Kansas, in the Government sector

- C. Richard Panico, Founder, President, and CEO of Integrated Project Management Company, Inc., in the Business sector
- Pete Reicks, Chief Strategy and Performance Officer at Elevations Credit Union, in the Business sector
- Scott Reiner, CEO of Adventist Health, in the Health Care sector
- The Honorable José Serrano, U.S. House of Representatives, from New York, in the Government sector
- Chuck Stokes, Founding Partner at Relia Healthcare Advisors, in the Health Care sector
- Kevin Webb, President, Providers, Acute and Ambulatory Care at ProMedica, in the Health Care sector

Dr. Curt Reimann Baldrige Scholars are:

- Dr. Michael Dillard, Birmingham, Alabama
- Kallie Kujawa, Bozeman, Montana
- Dr. Christopher Maylor, Star, Idaho



application in every sector of the economy. The intent of Congress when establishing the Baldrige Program was to identify and recognize national role-models that would share their best practices to accelerate learning and high performance across the nation to drive American competitiveness in a global economy. For more than three decades the Baldrige Program has fulfilled that mission. The Baldrige Foundation's Institute for Performance Excellence was created to complement and leverage that success, and launch a fresh, new commitment to performance excellence.

As part of our collection of resources, the *Chronicle* will afford leaders and managers with in-depth articles into subjects that will help them think about what "can be" within their own organizations, and shorter, more practical articles with perspectives on contemporary ideas and current events. Even for those who are not using the Baldrige Framework, this publication will strive to become a valuable addition to your personal leadership and management library.

We continue to grow our popular individual awards program to include the Foundation Awards for Leadership Excellence and the Dr. Curt Reimann Baldrige Scholarship. The Baldrige Foundation Awards for Leadership Excellence recognize leaders in the Business (Manufacturing, Service, Small Business), Nonprofit, Government, Health Care, Education, and Cybersecurity sectors. The award recognizes leaders who provide exceptionally outstanding support to Baldrige and the Foundation's mission. The Dr. Curt Reimann Baldrige Scholarship provides recipients an opportunity to attend the Baldrige Examiner Training Experience, held each spring at NIST in Gaithersburg, MD, and in 2021 virtual training. The scholarship was created to recognize and honor the

important role played by examiners in the Baldrige Award process.



Promoting Performance Excellence

A critical part of the Foundation's mission is promoting performance excellence in the United States and throughout the world. In furthering that mission this past year, we strengthened a number of strategic partnerships and created several more.

Our partnership with the Confederation of Indian Industry (CII) continues to grow through mutual support and engagement in a number of ways. I had the opportunity to serve as a panelist in several of CII's conferences and as a Keynote for their first CII Healthcare Excellence Summit. We have reached thousands of organizations throughout South Asia thanks to our relationship with CII and the help of Foundation Board Member Sunil Sinha. We look forward to planning more events in the post-pandemic era with delegation visits to Baldrige role-model organizations in the United States and CII conferences in South Asia.

As we continue to grow in the health care space, we developed two new partnerships with highly regarded organizations. The first is the Commission on Accreditation of Healthcare Management Education (CAHME), which "serves the public by

advancing the quality of health care management education globally.” CAHME accredits health care management programs across the United States to better prepare future health care leaders. This year, I had the opportunity to serve on their standards council and to network with other CAHME board members to help promote Baldrige in health care management education. We have also invited CAHME’s CEO, Dr. Anthony Stanowski, to be a member of our editorial board for the Foundation’s *Chronicle of Leadership and Management*.

The second new partnership is with the National Center for Healthcare Leadership (NCHL). NCHL is a Chicago-based 501(c)(3) nonprofit that “promotes evidence-based leadership and organizational best practices within the health care space. It is dedicated to advancing health care leadership and organizational excellence by building diverse, inclusive, and collaborative relationships in the U.S. and abroad.” I had the pleasure of serving as a case competition Judge with Jill Schwieters, NCHL’s Board Chair, and have worked with NCHL’s CEO LeAnn Swanson to promote Baldrige and our Institute resources

throughout the NCHL community. CAHME and NCHL are both Baldrige Health Care Criteria Sponsors for the 2020-2021 Frameworks.

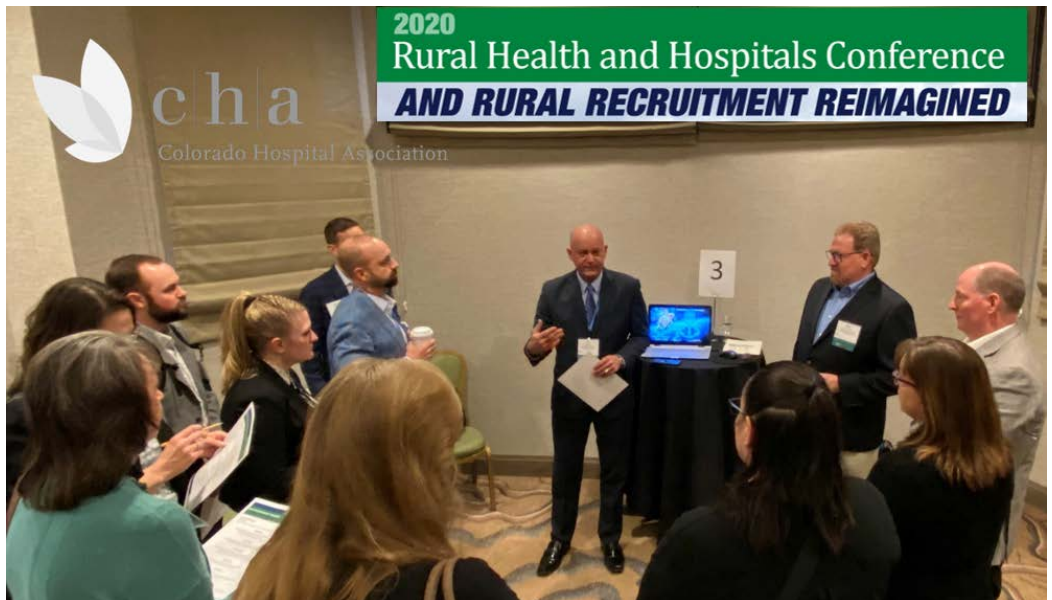
Prior to travel becoming limited during the pandemic, Benjamin Anderson, Vice President, Rural Health and Hospitals for the Colorado Hospital Association, invited me to present on Baldrige and quality in health care at their annual conference in Golden, Colorado. The Baldrige message resonated with rural health care leaders and has led to many follow-on engagements to include one of the Foundation’s most popular webinars, “*Finding our New North Star*.” Panelists for the webinar included: Chuck Stokes, Founding Partner at Relia Healthcare Advisors; Rulon Stacy, Director, Graduate Programs in Healthcare, University of Colorado; Benjamin Anderson, VP, Rural Health and Hospitals, Colorado Hospital Association; and Jayne Pope, CEO, Hill Country Memorial—a 2014 MBNQA Recipient. Like all Foundation webinars, it may be viewed on the Foundation’s website.

The Foundation’s Institute for Performance Excellence is a thought



Main headquarters of the Confederation of Indian Industry Institute for Quality.





Foundation President and CEO Al Faber (center) was a guest of the Colorado Hospital Association, here discussing the role Baldrige can play in leading and managing rural hospitals and health care systems in a time of pandemic.

leader on performance excellence, leadership, and management. In carrying out our mission, we strive to share best practices in a variety of ways. Special interest webinars addressing contemporary issues have grown especially popular this year given the demand for online knowledge sharing.

One of our most popular webinars over the past year offered valuable resources and practical advice from a panel of experts managing and supporting the COVID-19 response. Executives from CHIME, Guidehouse, Muskegon County, Michigan, University of Colorado, and SOAR Vision Group conducted an interactive dialogue targeted toward hospital C-suite leaders. Panelists recommended how guidelines (e.g., from CDC and FEMA) can be effectively integrated into response plans with a tool like SOAR's PuLSE application and swiftly implemented into operational practice. The webinar also explored how hospitals can effectively partner with local and county officials for a more comprehensive response to COVID-19 with a current case study from Muskegon County, Michigan.

In June, we conducted our fourth CEO Roundtable along with State of Arizona executives, health system CEO's, and community foundations on the topic of creating a Community Health System Without Walls in response to the COVID-19 pandemic and beyond. The purpose of this executive roundtable was to explore together the innovative public/private partnership case studies that are showing real promise during the pandemic. Daniel Burrus, futurist and author of *The Anticipatory Organization* was the discussion moderator along with Dr. Roger Spoelman, a long-time Trinity Health executive who is now actively engaged in his community supporting their response to the COVID-19 crisis. This exclusive *Leader Dialogue* event was hosted by the Baldrige Foundation in collaboration with SOAR Vision Group and Central Logic. The attendance exceeded our expectations and has led to numerous follow-on engagements.

This year, for the first time, CHIME's *Digital Health Most Wired* recognition is co-branded with the Baldrige Foundation. This achievement celebrates and validates hospitals and hospital systems' dedication to patient

and community focused Digital Health. They have proven their commitment to leading performance excellence and pioneering advancements in the health care industry. Baldrige was established to help organizations improve in a meaningful and structured way. This is why the Baldrige Foundation is partnering with CHIME on the Digital Health Most Wired program. Together, we have worked to transform the entire survey, results, and recognition program to mirror the Baldrige Program's improvement framework. More than 30,000 organizations were surveyed, benchmarked, and ranked, resulting in 65 organizations setting themselves apart on their excellence journey to achieve the highest-level recognition.

The Foundation also demonstrated its continued support for Communities of Excellence 2026, and I had the opportunity to congratulate leaders from my hometown, Youngstown, Ohio, who are participating in the National Collaborative. The Mahoning Valley Communities of Excellence Leadership Team includes representatives from the cities of Warren and Youngstown, the Community Foundation of the Mahoning Valley, Eastern Gateway Community College, Eastgate Regional Council of Governments, Mercy Health Foundation, The Raymond John Wean Foundation, Western Reserve Port Authority, The Youngstown Foundation, Youngstown State University, and the Youngstown/Warren Regional Chamber of Commerce.

We will continue to support COE2026 and "Community" becoming the seventh Sector of the Baldrige Awards. If we have learned anything this year, it is the value of community solutions to help

solve the most complex challenges, and the need for leaders from every sector to come together and develop strategies to continuously improve their communities by leveraging their unique strengths.

In summary, fiscal year 2020 proved to be a challenging yet successful year for the Baldrige Program, Foundation, and State-Based Programs. With a clear sense of purpose, mission, and strategy, we continue to grow fundraising operations and increase awareness through advocacy. The Foundation's operating costs remained under budget, demonstrating our responsible stewardship of the Foundation's endowment and commitment to sustainability. Together with the Foundation's Board of Directors, we navigated the challenges associated with the COVID-19 pandemic and have created a bright future for the Foundation's sustainability through the new Institute for Performance Excellence.

On behalf of the Foundation's Board of Directors and staff, I wish to once again thank all the dedicated men and women across America who volunteer and support this great program. The Baldrige Excellence Framework continues to keep our nation on the leading edge of validated management best practices and competitive in the global economy, returning enormous benefit to all U.S. citizens.

After three decades, Baldrige continues to be *America's Best Investment!*

Sincerely,



Al Faber
President and CEO





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Editor: Mark Wayda

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A Year Like No Other

by Kathryn K. Eggleston, Ph.D.
President, Dallas College Richland Campus

“Our health care workers and city service responders serve at increased risk to themselves and their families. The entire Baldrige community expresses our profound gratitude for their services ensuring our well-being and safety during this uncertain time.”

Like many of you, I could not wait to welcome 2021, following 2020, a year like no other. The Quest for Excellence could not take place due to the COVID-19 circumstances. Our awards ceremony recognition of six Malcolm Baldrige National Quality Award recipients was deferred to a future year, and the five new Baldrige Award recipients for 2020 will also be deferring their awards ceremony until in-person gatherings are able to resume.

The 2021 Quest for Excellence was a virtual meeting, and all eleven of these exceptional recipient organizations were featured in leadership plenary sessions and category sessions. The Foundation’s 2021 Leadership Awards were presented to 19 exemplary individuals from all Baldrige sectors. This year’s Quest proved to be outstanding.

In 2020, the Baldrige Performance Excellence Program demonstrated its resiliency through virtual examiner training, virtual site visits for applicants, and revised Baldrige Excellence Frameworks. The Baldrige Alliance state programs are continuing to support their respective state awards and held a Fall Conference that was very well attended on a virtual platform. We share in many hopes for the year ahead—for effective vaccines, declining virus transmission, cures for COVID-19, resumption of face-to-face interactions—and to an in-person awards ceremony and Quest for Excellence Conference in 2022. There will be much to celebrate.

Health care represents Baldrige’s largest sector. The COVID-19 pandemic’s impact on this segment of our Baldrige community continues to be relentless. Our health care workers and city service responders, the latter representing Baldrige’s nonprofit sector, serve at increased risk to themselves and their families. The entire Baldrige community expresses our profound gratitude for their services ensuring our well-being and safety during this uncertain time. This is the spirit which fuels our work to transform lives and communities through Baldrige Performance Excellence practices. The Baldrige framework’s value to education, health care, business and manufacturing, government, and nonprofit leadership has never been more critical to our constituencies, our communities, our nations, and our world.

The Baldrige Foundation’s Vision and Mission Remain Relevant More Than Ever

“The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low and achieving our mark.” – Michelangelo

The value of Baldrige is never more important than in times of greatest challenge, and Baldrige never wavers in its aim to achieve lasting impact. The Baldrige Foundation continues to align us to a bold vision: “To be

recognized around the world as the premier foundation for the promotion of performance excellence in all sectors of the economy.” Sustaining this vision demands that we ensure the long-term financial growth and viability of the Baldrige Performance Excellence Program and that together we advance performance excellence, not only in the United States, but throughout the world.

Baldrige Excellence Framework in Challenging Times

Baldrige leaders continue to champion the benefits of the Baldrige Excellence Framework in these challenging times. They reaffirm a readiness to be responsive, resilient, adaptable, and with concern for the well-being of their employees. These are defining times, when critical responses and organizational sustainability depend on the ability of organizational leaders to emerge from uncertainty to inspire bold direction and decisive actions. These leaders underscore the value of the Baldrige Excellence Framework.

Advocacy Remains a Top Priority

Our Baldrige Foundation President and CEO, Al Faber, the foundation directors, and the entire Baldrige Enterprise will be engaging with the incoming administration, cabinet secretaries, members of Congress, and key members of the Commerce, Justice, and Science (CJS) subcommittees. An ongoing support in federal budget appropriations will be essential to the continuation of Baldrige’s proven outcomes, in achieving economic prosperity, community



Dr. Eggleston (Right) with Robert Fangmeyer, Director of the Baldrige Performance Excellence Program, at the Foundation Awards Luncheon, 31st Quest for Excellence, April 9, 2019.

health and well-being, cybersecurity readiness, and educational attainment for a competitive workforce.

The Baldrige Foundation is a Fund-Raising Board

True to its mission, the Baldrige program continues to yield significant benefits at efficient expense. The Baldrige Foundation Board exists to sustain the Baldrige Program and Enterprise and support its continuance through necessary funding. The Foundation’s fundraising efforts include many forms, through government appropriations within the National Institute of Standards and Technology (NIST) budget, individual donations, major gifts, planned-giving, participation in the U.S. Government’s Combined Federal Campaign, and the national #GivingTuesday campaign. Newly created levels of support include the Institute for Performance Excellence and the Mac Baldrige Society Institute Trustees. Your involvement,





Dr. Eggleston (Left) with Sandy Byrne, representing Virginia's Senate Productivity and Quality Award, part of the state-based Alliance for Performance Excellence, at the 29th Quest for Excellence, April 4, 2017.

contributions, and support of our fundraising efforts are essential to our ability to sustain Baldrige. Thank you!

The Baldrige Foundation as a National Thought Leader

The Foundation has embarked on a new approach toward expanding its educational leadership role through its Institute for Performance Excellence. By means of its annual Institute partnerships, Baldrige provides Institute partner organizations and individuals with executive-level training and professional development opportunities, certifications, and other partnership opportunities to build future institutional capacity and capability. Please join us in becoming an Institute partner.

The Institute recently published its inaugural edition of the *Chronicle of Leadership and Management*, a peer-reviewed publication aimed at advancing thought leadership, research, and education on performance excellence, leadership, and management. With a goal to improve the practice of leadership and its impact in a constantly changing world, the *Chronicle* is a strategic move toward developing future leaders with Baldrige competencies.

All Board Directors join me in reaffirming our commitment to advancing the Foundation's vision and mission, as we work to ensure the long-term future of the Baldrige Foundation and its support of the Baldrige Program and Enterprise. Let us together accurately set our aim, achieve our mark, remain resilient, adaptable, grateful, and a beacon of hope for the many lives we impact each day.



Dr. Eggleston celebrating the recipients of the 2017 Malcolm Baldrige National Quality Awards, April 10, 2018.





THANK YOU TO OUR 2020 QUEST SPONSORS

On March 11, 2020, just two weeks before the scheduled start of the 32nd Quest for Excellence® Conference, the Baldrige community received this announcement from Bob Fangmeyer, Director of the Baldrige Performance Excellence Program:

“At the Baldrige Program, the safety and wellbeing of our community is a top priority. We have been closely monitoring updates about the coronavirus (COVID-19). Out of an abundance of caution and to respond to concerns by Award recipients and conference attendees, we have postponed until next year the Award Ceremony and Quest for Excellence Conference and all affiliated events planned for March 24-27 at the Gaylord National Harbor Hotel and Convention Center.

This was, of course, a very difficult decision and we want to make sure that our 2019 Award recipients and conference attendees have the full celebration and conference experience they deserve. We’ve learned many Award recipients, speakers, and attendees have organizational travel restrictions, some have increased demands at this time in their local communities, while others are following travel precautions aligned with guidance from the Centers for Disease Control and Prevention (CDC). Thank you for the work that each of you are doing to keep your communities safe.”

The Foundation would like to add its thanks for the generosity and understanding of the 2020 Quest sponsors, most, if not all, of which opted to convert their sponsorships into donations or roll them over to 2021. In alphabetical order, we recognize the 2020 Quest sponsors!



American College of Healthcare Executives (ACHE)



American Society for Quality



Association for Executives in Healthcare Information Security (AEHIS)



The Baldrige Family



Beyond Feedback



Center for Organ Recovery and Education (CORE)



Charleston Area Medical Center



College of Healthcare Information Management Executives (CHIME)



Elevations Credit Union



Donor Alliance



Mednition, Inc.



Mid-America Transplant



Richland College



Stratex Solutions



The Synergy Organization



The next Quest for Excellence conference is scheduled April 3-6, 2022, in National Harbor, Maryland. To align your brand with excellence as a Quest sponsor, please contact Josh Racette at 614-785-0214 or jracette@baldrigefoundation.org.



2019 Malcolm Baldrige National Quality Award Recipients

The ceremony presenting the 2019 Malcolm Baldrige National Quality Awards to six exemplar organizations was postponed due to the COVID-19 pandemic. It was the first time, after 31 consecutive years since Congress established the Baldrige Award in 1988, that it has been postponed. We hope there will be a formal presentation ceremony for these and for the 2020 winners once the COVID pandemic has passed.

Counting the six winners in 2019, there have been a total of 129 Baldrige Awards presented over thirty-one years to 120 organizations (including nine repeat recipients).

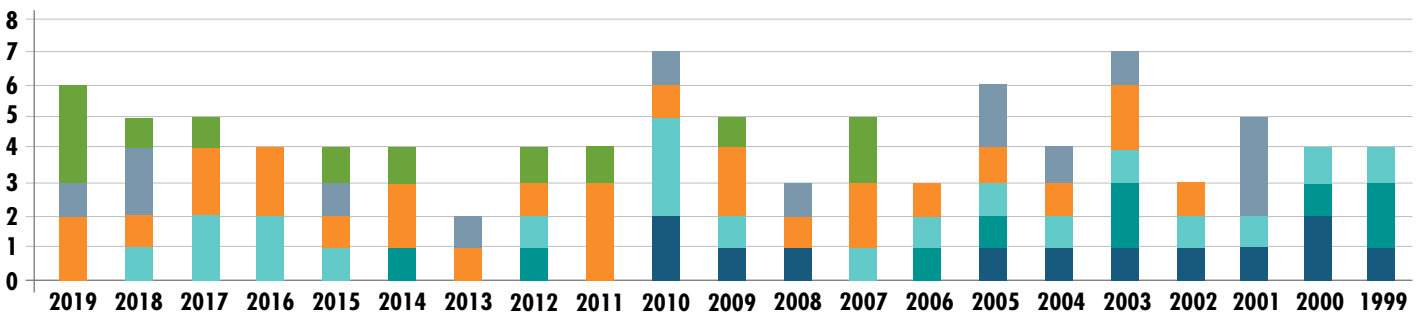
Originally, Congress authorized the awards to be presented in three sectors, Manufacturing, Service, and Small Business. Eligibility for the award was expanded in 1998 to include Education and Health Care, and again in 2007 to include Nonprofit or Government organizations. The Manufacturing sector has the largest number of award recipients all time with over

24 percent of the awards, but since Congress added the new sectors in 1998, Health Care has dominated all recipients, with Small Business second.

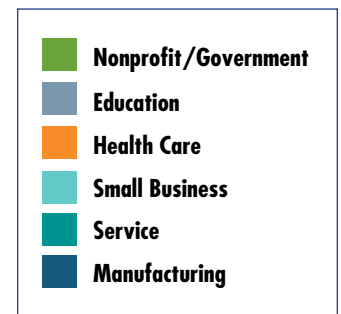
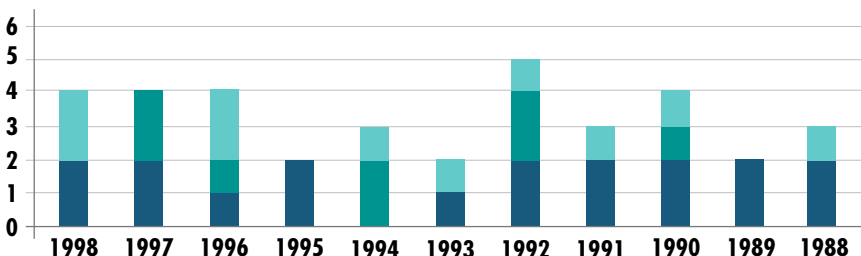
There were six recipients in 2019, one from the Education sector, two from the Health Care sector, and three from the Nonprofit/Government sector.

- Adventist Health White Memorial, Los Angeles, California (Health Care)
- Center for Organ Recovery and Education (CORE), Pittsburgh, Pennsylvania (Nonprofit)
- City of Germantown, Germantown, Tennessee (Nonprofit)
- Howard Community College, Columbia, Maryland (Education)
- Illinois Municipal Retirement Fund, Oak Brook, Illinois (Nonprofit)
- Mary Greeley Medical Center, Ames, Iowa (Health Care)

BALDRIGE NATIONAL QUALITY AWARD RECIPIENTS BY SECTOR



CONGRESS AUTHORIZES THE HEALTH CARE AND EDUCATION SECTORS IN 1998, NONPROFIT/GOVERNMENT IN 2007



28.41 Percent of Baldrige Award Recipients from Health Care, Since 1999; 14.77 Percent of Baldrige Award Recipients from Education, Since 1999; 10.23 Percent of Baldrige Award Recipients from Nonprofit/Government, Since 2007



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*January 1, 2020 through
December 31, 2020*

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Adventist Health White Memorial Los Angeles, California

Adventist Health White Memorial (AHWM) is a 353-bed private, faith-based, nonprofit, teaching hospital that provides a full range of inpatient, ambulatory (outpatient), emergency, and diagnostic services. Six service lines include general medicine, cardiovascular, surgical, orthopedic, women's services, and emergency services. Keeping its communities healthy has been its mission ever since the hospital was founded by the Seventh-day Adventist Church in 1913.

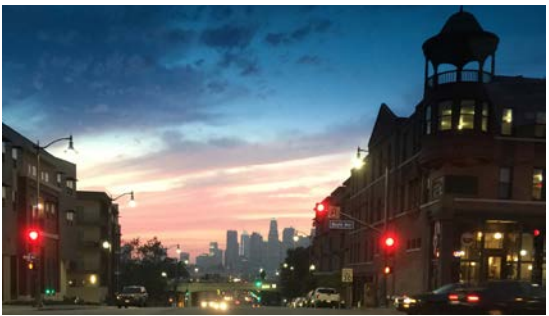
AHWM, which is deeply committed to its East Los Angeles community, is the only "safety-net" hospital serving more than two million people in a densely populated area where most residents live below the Federal poverty level. AHWM's service area is a federally designated medically underserved area; the payer mix is 97 percent Medicaid and Medicare.

As a major teaching hospital, Adventist Health White Memorial also plays an important role in training physicians, nurses, and other medical professionals. AHWM is an employer of choice for the communities it serves.

- AHWM has had zero emergency department returns after outpatient surgery since 2014, which placed it in the national top decile in 2018. Complication rates—including for all causes, general medical, surgical, and orthopedic—have been better than the national top decile from the second quarter in 2015 to 2019. AHWM has sustained near or perfect performance since 2013—matching the best performance of the American College of Cardiology—for the delivery of evidence-based care from the time symptoms start, to the time the patient has engaged medical care, of less than 90 minutes for heart-attack patients.
- Since 2014, Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) results for "would recommend" the hospital have improved almost 10 percent, with a level in 2018 better than

the National Research Council (NRC) top quartile, competing hospitals, and a peer cohort. HCAHPS survey rankings for timeliness/responsiveness and communication with nurses outperform the NRC top-quartile rankings by five percent and nine percent, respectively. Other HCAHPS rankings of medication explanation and communication with doctors have improved since 2015.

- AHWM pursues its mission of "living God's love by inspiring health, wholeness, and hope" through its senior leaders who create an environment of servant leadership. Senior leaders role model the mission-driven partnership with the East Los Angeles community by caring for the underserved through their personal actions, including participating in mission work, donating time cooking and serving food, taking bus trips to homeless shelters to pass out clothing and toys for children, and attending health fairs.
- Despite an impoverished service area and dependency on government reimbursement, AHWM has received a Standard & Poor's AA+ rating for its days-cash-on-hand, with a current performance of 396 days, which is hundreds of days better than its nearest competitors.
- Performance is at or very near the top quartile nationally for physician engagement factors, including for highly satisfied patients, according to a third-party physician engagement survey. Other factors for which AHWM physicians scored in near the top quartile are hospital provides high-quality care, departments work well together, and confidence in future organizational success. As an indicator of physician development, 100 percent of family medicine residents have passed the American Board of Family Medicine certification exam on the first try since 2014, surpassing the national comparison.





Center for Organ Recovery & Education Pittsburgh, Pennsylvania

The Center for Organ Recovery & Education (CORE) was founded for the purpose of saving and enhancing lives through organ, tissue, and cornea transplantation. CORE is one of 58 federally designated nonprofit organ procurement organizations (OPOs) in the United States. With headquarters in Pittsburgh, Pennsylvania, CORE serves a Donation Service Area (DSA) assigned by the federal government that serves 150 donor hospitals and approximately 5.5 million people throughout western Pennsylvania, West Virginia, and Chemung County, New York.

CORE's main service offerings include the procurement of organs, tissues, and corneas for transplantation and research in hope of preventing the 21 deaths of those waiting for transplant that occur every day nationally and to enhance the quality of life of tissue/cornea recipients. These services are vital to CORE's customers: Transplant Centers, Tissue Processors, and Corneal Transplant Surgeons. CORE provides a special service to Donor Family customers to offer support during donation and a 13-month bereavement program to support their grief journey.

- CORE has maintained performance among the top 10 percent of the nation's OPOs from 2014 through 2019.
- Senior leaders have ensured that CORE's mission "to save and heal lives through donation" drives the culture, as the staff works to encourage and maximize every possible life-saving donation across three states. Through CORE's four-step leadership system, the mission, vision, and values are set; evaluated for improvement; and communicated throughout the organization.
- CORE has taken a lead role as a high-performing organ procurement organization in a best-practice OPO partnership called LINC, which includes two other Baldrige Award-winning organizations, to develop algorithms to help normalize results data so that OPOs can better measure and improve

their performance through comparison and benchmarking.

- CORE is an industry trailblazer for having its laboratory do infectious disease testing and biopsies in house, and the organization has cut recovery-to-transplant time on life-saving organs as pathologists can review CORE's biopsy samples remotely via computer. For the past five years, CORE has continuously improved its lab biopsy turnaround time (measured in minutes taken to complete biopsy processing). In addition, CORE has reduced its lab error rate from approximately 5.5 percent in 2015 to 4 percent in 2019. CORE's lab has decreased its cycle time to complete testing on specimens for transplantation from nearly 500 minutes in 2015 to well under 400 minutes in 2018. For this measure, CORE has maintained performance levels at or below comparisons since 2016, with its cycle time in 2018 at least 100 minutes less than the comparisons.
- CORE's continuously improved methods of managing the costs, efficiency, and effectiveness of its operations led to construction of two on-site operating rooms and research laboratories. As a result of moving donors to its site, CORE achieved cost-savings of over \$300,000 in 2014, over \$600,000 in 2018, and over \$2.6 million to date.
- For all four of CORE's key customer groups—donor families, transplant centers, corneal transplant surgeons, and tissue processors—results show satisfaction levels above 90 percent in recent years. The satisfaction rate for donor families has been between 95 and 100 percent; the rate for transplant centers is above 90 percent; and the nearly 100 percent satisfaction rate for tissue processors last year outperformed the comparison of around 90 percent. In addition, ratings show that overall satisfaction among the corneal transplant surgeons served by CORE is averaging 5 on a scale of 1 to 5, outperforming the comparison average of below 4.8.



CORE staff celebrates Blue & Green Day at headquarters in Piteer.



Facilitated by CORE on the set of the Pittsburgh talk show "The Real," Paul Gilliam with his wife, Laura, uses a new technique to listen to the heart of a young boy, who received the organ from the deceased son, Dean, who donated to the family, who reside in Pittsburgh.



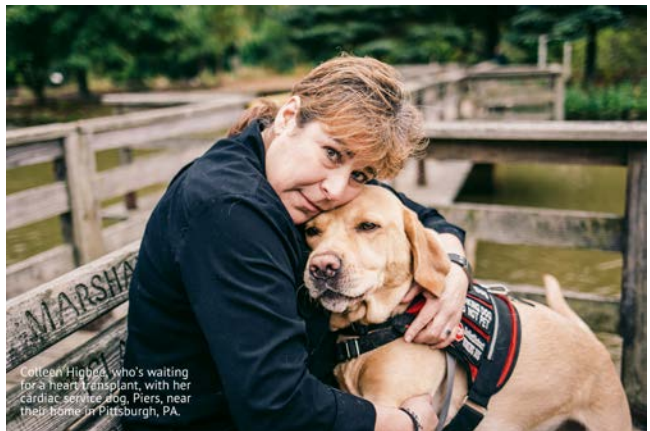
CORE laboratory manager Kristen Stone in the CORE lab at their headquarters in Pittsburgh, PA.



A CORE Recovery team member facilitating the gift of life from a generous donor family to a recipient instead of a life-saving transplant.



Donation advocates from across the state of PA line the stairs of the State Capitol in Harrisburg, PA, urging legislators to pass the Donate Life PA Act.



Caitleen Higbee, who's waiting for a heart transplant, with her cardiac assist dog, Piero, near their home in Pittsburgh, PA.



Cornea recipient Rockland Harvey (middle) with his grateful parents, Danielle and Jon.



Patti & Summer Fountain Donor Family Members



City of Germantown

Germantown, Tennessee

Established in 1841, Germantown is located in Shelby County on the eastern limits of Memphis, Tennessee, with a certified population of just over 40,000. Of the City's 19.8 square miles, 11,476 acres are zoned residential with 16,081 total housing units with 96 percent occupancy. Customers are affluent, educated, and engaged.

The City of Germantown workforce has one defining mission—Excellence, Every day. It is a philosophy that guides staff commitment to align performance excellence with the City's vision and long-range strategy, represented in the Germantown Forward 2030 Plan (GF2030).

The City of Germantown delivers a broad range of products and services aligned with GF2030 through the workforce, suppliers, and partners. With a focus on the strategic plan, products and services, including education, economic development, public safety, sanitation, and utilities are delivered in a fiscally-responsible, efficiency-driven manner focusing on continuous improvement

- The community rating for satisfaction with employee ethical behavior has been above 93 percent since 2014 and approached 100 percent in 2018. Ethical behavior is promoted through an open-door policy, ethics training, performance indicators, an orientation program for new employees, a Code of Ethics for public officials and employees, and eight key processes. Ethics violation reviews yield improvements to annual refresher trainings.
- Germantown's sales tax revenue has been increasing steadily since 2014 at nearly \$8 million to over \$13 million in 2018. The commercial tax base revenue has increased by approximately \$2 million since 2016 and now represents about 23 percent of the total property tax revenue. Germantown's unemployment rate has improved from 6 percent in 2014 to just about 2.6 percent in 2018, better than the U.S. unemployment rate of 3.7 percent and other

small cities that average 4–5 percent, according to the U.S. Bureau of Labor Statistics.

- Overall employee engagement improved from 72 percent in 2016 to 87 percent in 2018, outperforming the FEVS benchmark by 17 percent. In addition, 91 percent of employees were satisfied with support from management, and 90 percent were satisfied with benefits. Germantown's investment in its employees is evident through employee's individual employee development plans and the Play Like a Champion (PLAC) leadership program, a development initiative started in 2012 that allows employees to experience work in other departments, broaden their understanding of City responsibilities, and form relationships with coworkers from other areas. As of 2018, more than 20 percent of the workforce graduated from the program.
- To ensure a sustainable future, all City work is guided by the resident-created Germantown Forward 2030 strategic plan. The eight-step strategic planning process is led by a 30-member steering committee appointed by the Board of Mayor and Aldermen, with the involvement of 300 residents. Each department connects its plan to the organization's strategic objectives, timelines, action plans, and key performance indicators. Senior leaders are accountable for presenting progress at quarterly reviews, where performance issues are addressed and any needed modifications are developed.
- Police emergency response time has improved from 4.5 minutes to just over 2 minutes since 2011, compared to other city benchmarks of 5 minutes, and police non-emergency response time improved from 5 minutes in 2012 to just over 4 minutes in 2018. Similarly, 911 calls have been answered in less than 10 seconds almost 100 percent of the time from 2016 to 2018, better than two local cities that averaged about 95 percent.





Howard Community College Columbia, Maryland

Since 1970, Howard Community College (HCC) has been a preferred college choice for students and families in Howard County, Maryland. A public community college, HCC offers associate degrees, certificates, and courses that prepare students for careers, help them attain new skills, or transfer to four-year institutions.

Howard Community College is an open-access, public community college offering associate degrees and certificates, as well as workforce development training and continuing education classes, that help students attain new skills, and prepare for careers or transfer to four-year institutions. With 2,724 employees, the college educates about 30,000 students annually through a main campus in Columbia, Maryland, in addition to the Laurel College Center in Laurel, Maryland, and the Ecker Business Training Center in Columbia, Maryland.

- HCC's growth rate for the attainment of associate degrees and certificates has consistently outperformed its local and national comparators by more than 200 percent. Compared to the baseline year of fall 2002, HCC's full-time-equivalent student growth rate increased from under 40 percent in 2003 to 340 percent in 2018, with state, national, and best peer rates close to just 100 percent.
- The persistence rate—defined as the number of students who graduated, transferred, earned at least 30 credits with a cumulative grade point average of 2.0 or above, or were still enrolled at HCC four years after entry—has increased significantly over the past three fiscal years, from just over 75 percent in FY2016 to over 80 percent in FY2018, surpassing the Maryland community colleges and best state rates.
- Senior leaders create an environment to achieve the college's mission, engage the workforce, and cultivate organizational and individual learning by aligning individual workforce plans to departmental action plans to core institutional goals and objectives. Senior leaders encourage employees to participate in plan-do-check-act improvement projects that are vetted by applying intelligent risk taking.
- HCC has been named a "Great College to Work For" for 11 consecutive years in an extensive workplace survey by ModernThink. HCC is the only community college in Maryland—and one of only two community colleges in the nation—to have achieved this record status. The college's effort to increase diversity in the employee applicant pool by targeting advertisements and announcements to minority-specific groups has resulted in a minority draw rate three percent higher than the minority population of the area it serves. In fall 2018, the percentage of minorities among full-time faculty was 28.4 percent and among administrative/professional staff was 31.9 percent, both the highest figures since records have been kept. On the 15 major dimensions measured in the Great Colleges to Work For Survey in 2019, HCC's employee ratings were 7–18 percent better than national two-year college comparators. Dimensions include compensation/benefits, collaboration, respect/appreciation, faculty/administration/staff relations, and pride/connection to institution.
- HCC fosters a very high degree of stakeholder involvement in its strategic planning process. Recommendations on strategic initiatives are provided by its Commission on the Future, which includes county citizens and leaders to help the college identify community needs and recommend potential strategic initiatives. Input to capital improvements is provided by a steering committee comprised of faculty, staff, and students.
- In support of its strategic objective of carbon footprint reduction, HCC was one of the original signers of the American College and University Presidents' Climate Commitment (ACUPCC) to minimize global warming emissions and provide knowledge and education to achieve climate neutrality. HCC outperformed all associate degree-granting college signatories, as recorded in the ACUPCC Reporting System, with a 0.21 metric ton reduction in emissions, saving the college \$74,280 over a six-year period, with a projected savings of \$123,000 over the following two years.





Illinois Municipal Retirement Fund

Oak Brook, Illinois

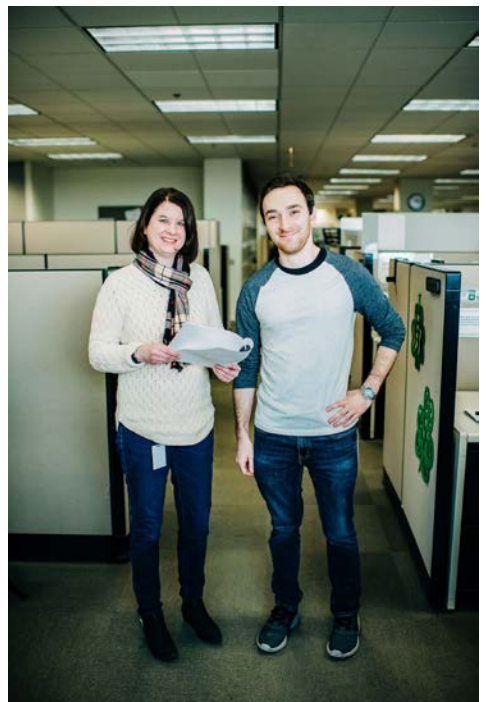
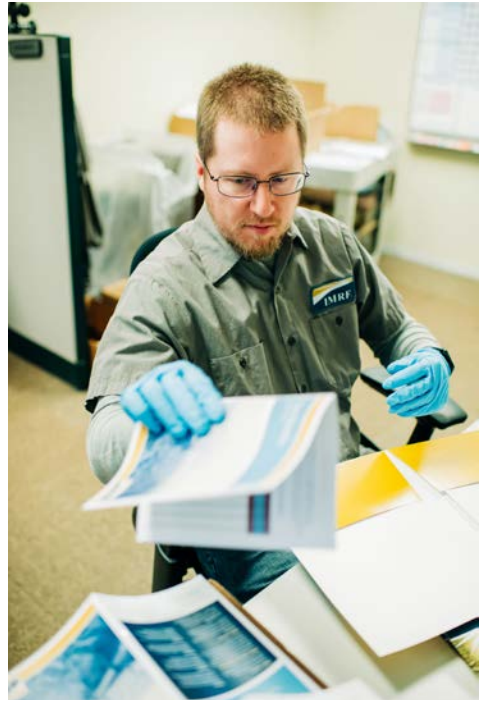
With a workforce of 210, the Illinois Municipal Retirement Fund (IMRF) is a public defined-benefit pension plan providing services to the employees of units of local government and school districts throughout the state of Illinois (except for the City of Chicago and Cook County). The main product of IMRF is money payments to members in response to an event, such as separation from employment, disability, death, or retirement. IMRF serves 3,010 employers and has \$42.7 billion in assets. IMRF has 176,517 active members (working in an IMRF-qualified position and making contributions), 119,939 inactive members (no longer actively contributing but have contributions on deposit for a future benefit), and 133,261 benefit recipients. It has main and satellite offices, respectively, in Oak Brook and Springfield, Illinois, as well as eight Illinois regional home offices for field representatives.

IMRF contributes to societal well-being and the Illinois economy through the benefits paid to retired members. The \$1.8 billion in benefits paid in 2018 added \$2.7 billion in total economic activity in Illinois, and it supported the creation of 18,329 jobs.

- The Board of Trustees supports responsible governance, assures accountability, and supports IMRF's performance excellence journey. It sets high levels of accountability through the deployment and active monitoring of comparative indicators. IMRF has achieved 100 percent in measures of regulatory and legal compliance such as board fiduciary training and compliance with the Open Meetings Act, and zero adverse findings for public sector statutes and complaints to the Illinois public access counselor.
- IMRF has received a Standard & Poor's "strong" rating since 2017 and is 90 percent funded; only 16 of the 100 largest U.S. public pension plans are funded at this level. The plan's funded status far exceeds the U.S. average of 73.7 percent for 124 U.S. public pension funds. Since 2014, IMRF's funding level has been more than double the levels

of five Illinois state-funded plans and eight Chicago-funded plans.

- IMRF's 10-year performance of 9.47 percent gross annualized rate of return for the period ending in 2018 outperforms the actuarial assumption (an estimate of an uncertain variable input into a financial model, normally for the purposes of calculating premiums or benefits) of 7.5 percent and a total portfolio benchmark of 8.78 percent. Despite the 2008 financial crisis and the resulting recession, IMRF's 15-year performance of 7.12 percent is just below its 7.50 percent actuarial assumption. Investments in eight asset classes exceeded benchmarks in 13 of 24 measured periods of 3, 5, and 10 years.
- IMRF is an industry leader in performance in a third-party survey that measures customer satisfaction using the American Customer Satisfaction Index (ACSI). IMRF's ACSI score of 94 is better than the other funds that participate. It outperforms the benchmark for industries such as Pension Benefit Guaranty Corporation (89), banks (81), health insurance (73), and social security (70).
- IMRF utilizes a four-step Continuous Improvement Process, IAPI (Identify-Analyze-Prioritize-Implement), for any staff member to identify and submit opportunities for improvement online in the COMPASS intranet site, which has an automated workflow for tracking the status of improvement efforts. IAPI is a driving force for operational improvements in cost control, automation, auditing, timeliness, the volume of transactions per employee, and reduction of errors and need for rework.





Mary Greeley Medical Center

Ames, Iowa

For more than a century, Mary Greeley Medical Center (MGMC) has provided quality patient care for central Iowans. The hospital, which opened in 1916, was built by Captain Wallace Greeley and given to the city of Ames, Iowa, in memory of his beloved wife, Mary, who died in 1914. Captain Greeley was a former Union Army officer during the Civil War.

MGMC is a public, not-for-profit, 220-bed hospital. Main health care services offered include inpatient (IP), outpatient (OP), emergency department (ED), and home health care (HH) services. A workforce of approximately 1,300 patient care and support staff, and a medical staff of over 200 providers, deliver health care services to those in need. Inpatient and outpatient services support a continuum of care for patients, including surgery, cancer care, cardiac care, diabetes and nutrition care, orthopedics, obstetrics and gynecology, gastroenterology, mental health services, palliative care, home health care, hospice care, rehabilitation, and more.

- In many areas, MGMC's health care results are in the Centers for Medicare and Medicaid Services (CMS) top decile, including 30-day readmissions, 30-day mortality for heart attack patients, incidence of preventable blood clots, compliance with sepsis practices, influenza vaccinations, stroke bundle compliance, and outpatient imaging measures.
- Inpatient satisfaction, as measured by the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), has been at or above top-decile performance since 2016. These sustained, benchmark levels of patient satisfaction in all domains (communication, responsiveness, environment, discharge information, and transitions of care) show MGMC's success in sharing and emphasizing its "Big Dot" goal of patient engagement. More than 75 percent of inpatients and outpatients would recommend MGMC to others, representing top-decile or near-top-decile levels.

- MGMC's days-cash-on-hand, at more than 650, is three times the Moody's A2 peer-group level and has increased over five years. MGMC's debt-to-capitalization ratio stands at 0.250, and its operating margin of 4 percent exceeds the Moody's A2 peer-group level. MGMC has sustained Medicare spending per beneficiary at or close to the CMS top decile for four years; cost per adjusted admission has improved over three years and is consistently below budget. Salary and benefit expenses as a percent of net revenue have remained stable over six years in spite of a tight labor market.
- The organization's mission, vision, and values are the foundation of MGMC's strategic planning process. The process drives MGMC's strategic objectives, establishing long- and short-term performance goals and systematically cascading goals throughout the organization through four goals (around serious safety events, employee engagement, patient engagement, and net operating margin).
- MGMC ranks in the top decile on the Iowa Hospital Association's Board Assessment Survey, and the organization scored 100 percent on the key governance measures of board certification, fiscal accountability, conflict-of-interest disclosures, accreditation, and compliance with ethical behavior standards. MGMC ensures responsible governance through a highly trained, publicly elected board of trustees.





Remarks on the Accomplishments of the 2019 Baldrige Award Winners

by Walter G. Copan, Ph.D.

Under Secretary of Commerce for Standards and Technology

Director of the National Institute of Standards and Technology (NIST)

Under Secretary Copan prepared these remarks in honor of the 2019 Malcolm Baldrige National Quality Award Winners in lieu of the remarks that would traditionally be delivered at the annual Baldrige Award ceremony which had been postponed due to the COVID-19 pandemic.

One of the great privileges of being Under Secretary of Commerce for Standards and Technology and NIST Director is the opportunity to engage with the Baldrige Performance Excellence Program, and to recognize and to celebrate the leading organizations of America. Together with the leadership of the Baldrige Program, the Baldrige Foundation, the Board of Overseers, and the many Baldrige judges and the Baldrige network across America, we get to see what these Baldrige Award winning organizations do from the inside out to achieve outstanding results. The Baldrige journey builds organizations that bring their employees together in unity to achieve their mission, and to deliver value and quality outcomes for customers and stakeholders. They each have demonstrated performance at the top tier of their sectors. As America's measurements and standards institute, that is our job, too! NIST seeks measurable and verifiable results.

The six 2019 Baldrige Award winners have shown us that vision, perseverance, and integrity can inspire and indeed lead to greatness. These winning organizations come in many forms and from many locations—large and small, urban and rural, East Coast to West. One of the many characteristics they have in common is a commitment to service. They are dedicated in delivering measurable service excellence to patients, students, workers, residents, and families in need. For their customers, these organizations have met tough challenges head-on;



Walter G. Copan, Ph.D., Under Secretary of Commerce for Standards and Technology and Director of the National Institute of Standards and Technology, 2017-2021.

they have sought innovative solutions, listened to and acted on suggestions, and ensured safety and security. They have embarked on Baldrige journeys of excellence and through each journey, have been truly transformed.

“The six 2019 Baldrige Award winners have shown us that vision, perseverance, and integrity can inspire and indeed lead to greatness.”

To Adventist Health White Memorial, the Center for Organ Recovery & Education (CORE), the City of Germantown, Howard Community College, Illinois Municipal Retirement Fund, and Mary Greeley Medical Center, I say on behalf of NIST, the Baldrige Program, and all the U.S. organizations and their customers who will be inspired to commit to excellence upon

hearing your stories: Congratulations and thank you! I know that your journeys, your experiences, and your demonstrated results will encourage and energize other U.S. organizations to seek excellence.

The award-winning effort you have made has fully involved the hearts and minds of the people of your organization, and the results you have demonstrated have been guided by a commitment to meaningful and consistent interactions with your customers, suppliers, and stakeholders. Your results mean that peer organizations need to “Up their Game” to stay in it competitively with you. You have raised the bar for your industries and sectors. Your journeys to achieve performance excellence not only mean better results for customers and shareholders, but they also create the places of employment where your people are engaged in truly meaningful and personally rewarding work. Your excellence contributes to the increased competitiveness of our nation.

For our Nation, there is a very good reason that the Baldrige Performance Excellence Program is located at NIST, the core mission of which is to promote U.S. innovation and industrial competitiveness. The Baldrige Award represents visionary leadership, dedicated effort, and process discipline, with a decidedly human focus—benefiting the people and the communities of America, and collective advancing U.S. competitiveness in an increasingly competitive global environment. The strength of your organizations, and the benefits to the communities and customers you serve, increases quality of life for the people of America.

In recognizing these role-model organizations, they are highlighting and sharing best practices and innovations, and showing other U.S. organizations the excellence that can be achieved. These are organizations that have found answers to the essential questions that the Baldrige process raises, and they also know that as Baldrige Award winners, their journey of excellence is never done. They will continue to grow—and go on to new heights. We pause, however, in these moments of celebration, to recognize how far they have come, and what they have accomplished. The six 2019 Baldrige Award winners represent the very innovation and competitiveness that NIST promotes and inspires. As a Nation, we can all be very proud of them.



Under Secretary of Commerce and Director of NIST, Dr. Walter G. Copan (right) with Foundation President and CEO Al Faber at the November 2017 meeting of the Baldrige Foundation’s Board of Directors that helped mark the 30th anniversary of the establishment of the Foundation.

“ The Baldrige Award represents visionary leadership, dedicated effort, and process discipline, with a decidedly human focus—benefiting the people and the communities of America, and collective advancing U.S. competitiveness in an increasingly competitive global environment.”



Walter G. Copan, Ph.D., Under Secretary of Commerce for Standards and Technology and Director of the National Institute of Standards and Technology, officiates at a ceremony honoring the volunteers on the Judges Panel for the Malcolm Baldrige National Quality Award, April 8, 2018.



Be the Best That You Can Be

by Kathy Raethel, RN, MPH, MHA, FACHE
Adventist Health Castle, President

“Some may look at the Baldrige program and words like “process,” “systematic,” and “framework” and interpret the Baldrige journey as being rather cool and mechanical. However, it helped us put an intangible purpose into words. Through that journey we were able to increase the tactility of our highest ideal—Love Matters.”

This is a story of openness to learning new ways and being tenacious about seeking excellence. I love the notion of being the best that you can be.

One of the things that attracted me to Adventist Health Castle, in June of 2000, was their approach to quality. They were on the cutting edge of health care for that time and had some pretty good results. Only a week or two into my role as vice president of patient care services, the hospital quality data manager asked if I knew about the Malcolm Baldrige National Quality Award, and if I would support using the Baldrige criteria to apply for the Hawaii Award of Excellence through the State Program. Our hospital president at the time was Bob Walker, a wonderful man, who let us run ahead with good ideas.

At the onset of Castle’s Baldrige journey, we thought we were pretty terrific—I didn’t have a clue what we were getting into. The whole process of writing the application shines a light on all the gaps that you have in your organization’s strategy, leadership and governance models, operations, workforce support, and customer experience. One of the helpful things about Baldrige is that it enables you to identify opportunities for improvement.

In 2003 Castle submitted its first application, the examiners visited our hospital, and we were awarded the equivalent of a bronze. Through this application process we realized there was a tremendous opportunity to improve. We were not the best we could be, yet.

Then began the journey to address those opportunities. Our second award application, submitted a few years later, came in at the next level up. It was at this point that we realized, although we could see our ultimate goal, we needed assistance to reach it.

This is not an easy journey and sometimes the feedback is uncomfortable; you must be open to constructive criticism. Over the years, our incorporation of the Baldrige Excellence Framework and our partnerships with Navigant Consulting and Studer Group guided us to develop a systematic approach to process improvement across the board. Thoroughly examining our core competencies helped us identify what we were really good at and guided our strategic plan. Baldrige became the way we worked, the way we evaluated progress, and the way we measured results.

Our third application brought a gold award which opened the door to apply for the national award. At this point we began to truly understand who we were and our strengths; we were ready for the Nationals.

We embarked on this journey for the people in our community, we wanted them to know that when they trust Adventist Health Castle with their health, we are going to do the very best we can.

Some may look at the Baldrige program and words like “process,” “systematic,” and “framework” and interpret the Baldrige journey as being rather cool and mechanical. However, it helped us put an intangible purpose into words. Through that journey we were able to increase the tactility of our highest ideal—Love Matters. That motto was directly birthed from the core competencies criterion. It was something we had always felt but the required succinctness of the Baldrige application forced us to come up with a phrase that has reverberated beyond our hospital. Because love matters, we must have quality care, service, and financial performance that exceeds expectations. It strikes a deep chord. “Love Matters” is not just something we say, it’s what associates feel, it’s what patients feel, and they tell us so.

In November 2017, after our second national application and second site visit, as president of Adventist Health Castle, I was overjoyed to receive the phone call from the United States Secretary of Commerce with the news that we had won the Malcolm Baldrige National Quality Award.

Looking back on this now, I believe that anyone pursuing organizational excellence really should know about Baldrige. The whole Baldrige process of striving for understanding, of studying, detailed introspection, and identifying how all those pieces work together is what makes it possible for any organization to be the best that they can be.

My aspiration is to perpetuate the Baldrige process so that others can benefit. I have seen the transformation not only at Castle, but I have seen the results in other organizations. There are amazing things happening in health care, education, industry, and in cities across the nation.

At Castle, Baldrige was a vehicle to channel our efforts around getting the best results that we possibly could but within the context of our core competency of “Love Matters.”



Kathy Raethel, President of Adventist Health Castle of Kailua, Hawaii, accepts the 2017 Malcolm Baldrige National Quality Award, April 8, 2018.





Seeking Excellence Through Baldrige

by John Raffoul
President, Adventist Health White Memorial

Adventist Health White Memorial (AHWM) is a private, faith-based, nonprofit, teaching hospital, dedicated to serving more than two million people in the Los Angeles area, just east of downtown. AHWM provides a full range of inpatient, outpatient, emergency, and diagnostic services including the following care services: cancer, diabetes, emergency, heart, vascular and stroke, inpatient and outpatient surgery, limb preservation and wound care, behavioral health, orthopedics, and women's and children's including a level-3 neonatal intensive care unit. Adventist Health White Memorial, which began as a clinic in 1913 now serves the Los Angeles community with a 353-bed acute care hospital, 537 physicians, 1,971 associates, 68 medical residents, and 350 volunteers.

“Annually, AHWM reflects on the business framework needed to run the hospital and for 20 years the answer has been to continue with the Baldrige framework. During years when AHWM suffered financial hardship, this process and framework created more discipline to reach the goals of quality and alignment.”

True to the Adventist Health mission of “Living God’s love by inspiring health, wholeness and hope,” AHWM is deeply committed to its East Los Angeles community and is the only “safety-net” hospital in a densely populated area where most residents live below the Federal poverty level. AHWM’s service area is a federally designated medically underserved area; the payor mix is 97 percent Medicaid and Medicare.

In an ongoing effort to better serve our community, AHWM regularly holds offsite quality retreats comprised of hospital and physician leadership. At a retreat in 1997 a Baldrige winner was invited to speak and evaluate a health care self-study. At the end of this retreat, it was agreed to move from a solid organization to a Baldrige organization.

It was decided early on that this would be AHWM’s journey. Subject matter experts on various topics were valuable resources, but no additional staff was hired. These new quality and service processes were systematically hardwired into the way care is delivered and business is run.

In the beginning, speaking Baldrige was a huge learning curve. For example, learning to articulate the difference between what, how, and why, and learning the fact that more what does not help. It was important to focus on the how and why to gain insight and alignment.

The organization intentionally committed time and resources to fully develop the approach to process management, knowing that the discipline learned from developing the process management approach could easily be transitioned to other categories.

A governance structure was established with an annual self-assessment process and the goal of submitting a Baldrige application. Setting the goal to submit the application forced discipline and increased progress toward the goal. AHWM was cognizant of not overtaxing staff and created a balance between the process improvement work needed during busy times such as The Joint Commission years.

An insightful comment in one of the early feedback reports challenged AHWM. It stated the fact that the underserved environment of the hospital neighborhood and payor mix would require doing things differently than other hospitals. That comment only served to inspire AHWM to find innovative ways of looking at the challenges faced by an inner-city hospital.

Key improvements such as establishing a gang liaison officer, partnering with The East Los Angeles Community Union (TELACU), a nonprofit community development corporation founded in 1968, to foster education and training of Hispanic nurses to



The team that leads the Baldrige effort for Adventist Health White Memorial.

better match the workforce to the neighborhood demographics, and partnering with Mednition to design an artificial intelligent triage system, have all come to fruition.

Annually, AHWM reflects on the business framework needed to run the hospital and for 20 years the answer has been to continue with the Baldrige framework. During years when AHWM suffered financial hardship, this process and framework created more discipline to reach the goals of quality and alignment.

When recruiting new executive leadership, a copy of the Baldrige application is now provided to them to help them more fully understand the breadth and scope of AHWM. The application thoroughly outlines the organization's philosophy and approach to the business of health care.

Many doubted that an inner-city hospital could attain such a high recognition. It took years of hard work and dedication of the medical staff, leaders, and associates to attain this level of progress, earning the Malcolm Baldrige National Quality Award.

The organization changed and the base business is hardwired, which was the original goal. Additionally,

the energy level of the staff increased and improved. The patients' needs and expectations are better understood, enabling higher quality care designed to meet their unique needs. AHWM learned to listen to their customers.

The governing board members became more confident in the journey because the whys and hows were successfully articulated, making it easier for them to perform their responsibilities. To the Los Angeles community, AHWM became an organization aligned and deliberate about the actions they undertake.

In addition to the 2019 Malcolm Baldrige National Quality Award, Adventist Health White Memorial is regularly recognized for quality, safety, and excellence by the American Heart Association, Healthgrades, Leapfrog, and U.S. News and World Report.

Lessons for Our Times from Two Iconic Leaders

by Harry Hertz, Baldrige Performance Excellence Program
National Institute of Standards and Technology



Over the past 1½ years two iconic corporate leaders of the 20th and early 21st century passed away: Herb Kelleher of Southwest Airlines and Jack Welch of General Electric. Both built phenomenally successful companies during their tenures. Both had unique leadership styles, that differed in many ways. However, there were a number of striking similarities, that provide leadership lessons for all times and some specific pointers for surviving times of crisis. Not surprisingly, these are characteristics called out in the Baldrige Excellence Framework (<https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>) and displayed by leaders of Baldrige Award recipient organizations (<https://www.nist.gov/baldrige/award-recipients>) across all sectors.

Let me share the characteristics I gleaned from numerous readings about these two leaders and summarized in these articles about Kelleher (<https://www.forbes.com/sites/kevinandjackiefreiberg/2019/01/04/20-reasons-why-herb-kelleher-was-one-of-the-most-beloved-leaders-of-our-time/?sh=116dc52b3110>) and Welch (<https://www.inc.com/thomas-koulopoulos/jack-welch-ceo-general-electric-business-leadership-management-lessons.html>). I will relate them to the Baldrige framework and then to important lessons for times of challenge.

There were six important characteristics that these two leaders shared:

1. Give people (employees, colleagues) a sense of purpose. Inspire them through participation in the mission and vision of the organization. Make sure every employee has a line-of-sight from their responsibilities to the outcomes the organization is striving to achieve.
2. Be visible to the employees of the organization. Communicate frequently and be seen in the work environment. Listen to employees, don't just share your message for them. Active listening motivates employees and excites them with your enthusiasm for their work and ideas. Those ideas could be the source of your next organizational innovation.
3. Value people. Treat all employees with dignity. Show gratitude and emphasize recognizing employee contributions. If employees come first, they will treat customers equally well and shareholders will benefit. Two-time Baldrige Award recipient, Ritz-Carlton (<https://www.nist.gov/baldrige/1999-baldrige-award-recipient-ritz-carlton-hotel-company-llc>), has a motto that has withstood the test of time, workforce diversity, and workforce generations, "We are ladies and gentlemen serving ladies and gentlemen." The lowest-paid hourly employee is valued equally to a

hotel guest. Actually, maybe more than any guest because the Ritz-Carlton will find another hotel accommodation for any guest who mistreats an employee.

4. Build trust. Be transparent and honest in all interactions with employees. Messages should include positive statements, but not at the expense of full disclosure of troubling situations. Storytelling and sharing personal stories of successes and failures build trust. Demonstrate caring for employees' personal stories. For more on building trust, check this old Insights on the Road to Performance Excellence blog, entitled *If You Want to Build Trust, Collect Trash* (<https://www.nist.gov/baldrige/if-you-want-build-trust-collect-trash>).
5. Be strategically agile. The external environment is constantly changing. Competitors disappear and new ones arise from adjacent industries. Constant assessment and reprioritization are keys to survival and success.
6. Focus on innovation. Jack Welch always checked to see if the company was riding the right wave. Herb Kelleher treated competition from other airlines as an opportunity to innovate, starting with the belief that Southwest was in the customer service industry, not the airline industry. Welch and Kelleher set high expectations and employees innovated to deliver on those expectations because they knew they and their ideas were valued.

Not surprisingly, all of these six topics are addressed in the Baldrige Excellence Framework. Let me illustrate with some specific examples:

- These six concepts are embedded in the Baldrige Core Values (<https://www.nist.gov/baldrige/core-values-and-concepts>), which underpin the questions in the Baldrige Criteria for Performance Excellence (part of the Baldrige Excellence Framework). The relevant core values are: *Visionary Leadership, Valuing People, Organizational Learning and Agility, Focus on Success, Managing for Innovation, and Ethics and Transparency*.
- The *Leadership* category of the criteria ask these questions: How do senior leaders deploy the vision and values through the leadership system, to the workforce....? How do senior leaders communicate with and engage the entire workforce? How do they encourage frank, two-way communication, communicate key decisions and needs for

organizational change, and take a direct role in motivating the workforce toward high performance? How do senior leaders create an environment for success now and in the future? How do they create and enforce your organizational culture? How do they cultivate organizational agility...innovation, and intelligent risk-taking? How do senior leaders create a focus on action...and demonstrate personal accountability for the organization's actions?

- The *Strategy* category of the criteria ask these questions: How does your strategy development process stimulate and incorporate innovation? How do you recognize and respond when circumstances require a shift in action plans and rapid execution of new plans?
- The *Workforce* category of the criteria ask these questions: How do you determine the key drivers of workforce engagement? How do you foster an organizational culture that is characterized by open communication, high performance, and an engaged workforce?
- The *Operations* category of the criteria ask these questions: How do you pursue your opportunities for innovation? How do you ensure that your organization is prepared for disasters or emergencies?

How are you using the lessons learned from Jack Welch and Herb Kelleher to survive in challenging times? How are you giving employees a sense of purpose at this time? Are you visible to employees, even if they are working remotely? Are you giving employees an opportunity to communicate with you and are you treating them with dignity? Are you listening to their ideas? Are you being open, honest, and transparent in your interactions with employees, sharing the current situation for the organization? Are you being organizationally agile and looking for opportunities for innovation and greater safety?

Finally, have you considered picking up a copy of the Baldrige Excellence Builder (<https://www.nist.gov/baldrige/products-services/baldrige-excellence-builder>) or the Baldrige Excellence Framework and answering the questions above and others from these books through the lens of the current times? Please give it a try for your benefit, for your employees' benefit, and for all our benefit.

Thank you.



Saving Lives with Baldrige

by Susan A. Stuart

President and CEO, Center for Organ Recovery & Education

More than 100,000 people in the United States are waiting for a life-saving organ transplant. Thousands more need healing tissue transplants or sight-restoring cornea transplants. And they are depending on CORE to make those transplants happen.

We are the bridge between death and life.

CORE is one of 58 federally designated not-for-profit organ procurement organizations (OPOs) in the United States, serving more than five million people in western Pennsylvania, West Virginia and Chemung County, New York. CORE's mission is to Save and Heal lives through donation. Specifically, CORE coordinates the recovery and matching of organs, tissues, and corneas for transplant within our service region, and works tirelessly to create a culture of donation within the hospitals and communities we serve. Simply put, we are the link between grieving families on the worst day of their lives and recipients desperately waiting for an organ to be available.

While CORE prides ourselves as a pioneer in our field and has always been a high-performing OPO, we knew not just that we could be even greater, but that we had to be even greater—because people's lives depend on it.

In 2012, CORE decided that we needed to take a journey, a journey to excellence that would drive us closer toward our vision. We named that journey "Highway 8," because one donor can save the lives of eight others. And we chose to use the Baldrige Excellence Framework as our roadmap.

We applied the Baldrige core values and concepts across our organization and ecosystem as they



transcend all the seven categories. This resulted in multiple layers of evolution and integration across all our key work processes and support processes. Holding our mantra "Every Donor, Every Time" close at our side while setting direction, alignment, performance, and learning kept us laser focused.

Our journey was not always smooth. Like any long road trip, we hit some bumps along the way. You could say we even blew out a tire or two. Were we disappointed after receiving a feedback report that we were not expecting?

Did we run out of gas when we did not receive a site visit in 2018, after submitting our application? Yes. But we did not stop. We realized that each of these potholes was a learning opportunity and that, with each one, we were maturing as an organization.

In 2017, CORE won the MAAPE Excellence Award. At that time, our leadership team was actively involved in the Baldrige program and attending Baldrige conferences. We had developed more than 300 performance measures using comparison data and the Center for Medicare and Medicaid Services (CMS) ranked CORE as one of the highest performing OPOs. We felt like the ride was going smoothly and, quite frankly, we were eyeing that cruise control button.

But in early 2018, we hit a major roadblock—all of our dashboards were red. Tensions were high and we were not in agreement about where the road was leading us. I remember looking across the table at the CORE Director of Process Improvement and asking him, "How is Baldrige helping us save more lives?"

He responded by rallying the CORE leadership team to identify our critical paths, or key process steps, that are absolutely necessary to completing our mission,

which, in turn, helped us focus on strategic planning and daily, monthly, and quarterly metrics, as well as capability and capacity needs and adjustments. In short, instead of taking a pitstop, CORE refueled and accelerated toward excellence.

Since then, CORE has continued to break its own records for Saving and Healing lives in western Pennsylvania and West Virginia through organ, tissue, and cornea donation. We made possible 661 life-saving organ transplants in 2019—an increase of nearly 10 percent over 2018—because of the generosity of 253 organ donors, nearly 20 percent more donors than in the previous year. Also, a more than 4 percent increase in the number of tissue and cornea donors meant healing and restored sight to more than 80,000 people worldwide. Furthermore, the Baldrige framework drove engagement and performance of the workforce, with a greater than 90 percent retention rate in 2019. For all four of CORE's key customer groups—donor families, transplant centers, corneal transplant surgeons and tissue processors—results showed satisfaction levels above 90 percent. And, as the result of managing the costs, efficiency and effectiveness of operations, including two on-site operating rooms and research laboratories, CORE achieved cost savings of over \$300,000 in 2014, over \$600,000 in 2018 and over \$2.6 million to date.

“The work we put into Baldrige and the lessons we learned on our journey did not just help turn us around in 2018, but also prepared us for the challenges we have seen this year.”

In 2019, CORE was awarded the Malcolm Baldrige National Quality Award. This award, without question, is truly a testament to CORE's dedication to our mission to Save and Heal lives through donation. It is a showcase of our values, and of our relentless drive to innovate and integrate programs and best practices. It is proof that, in the improvements we make and the excellence toward which we strive, CORE is changing the lives of grieving donor families, courageous transplant recipients, and those holding out hope for a life-saving transplant.



Today, amidst the challenges of the COVID-19 pandemic, CORE is not slowing down—in fact, just the opposite. The emergency plans CORE established during our performance excellence journey have allowed our team to remain safe and mission-focused and ensured the continuity of the organization's operations.

Even though many of our key work processes have been significantly affected by the pandemic, CORE is, day after day, making donation and transplantation happen. Because we already had focus on these critical paths and we knew they must continue uninterrupted, we found ways to continue to execute these processes despite facing issues with space, supplies, testing, and logistics. The work we put into Baldrige and the lessons we learned on our journey did not just help turn us around in 2018, but also prepared us for the challenges we have seen this year.

The results: Year-to-date, CORE has seen a more than 50 percent increase in the number of organ donors over the same period in 2019. We are Saving and Healing more lives than ever through donation. In other words, CORE is in overdrive.

All this said, it is always important to remember that no matter how excellent an organization may be, there is always room for improvement. That is why our Baldrige excellence journey has no destination. And it is CORE's pledge for life, that until every single one of the more than 100,000 people in the United States who are waiting for a life-saving organ transplant have received their second chance, we will be traveling down Highway 8.



Baldrige Foundation Establishes Institute for Performance Excellence



The Baldrige Foundation in 2020 launched its Institute for Performance Excellence, a focal point for students, scholars, leaders, and practitioners of Baldrige and performance excellence. It will provide thought leadership on performance excellence, leadership, and management.

“The Baldrige impact on America and the world is indisputable,” said Baldrige Foundation President and CEO Al Faber. “The mission of the Institute is to amplify the influence of the Baldrige Framework and to improve the practice of leadership and management in pursuit of performance excellence, broadening its impact in an ever-changing world.”

The Institute will undertake research projects, host conferences and other activities, conduct executive-level training, and publish and distribute a wide variety of educational materials, among other efforts to help organizations and individuals improve leadership and management skills.

Becoming a partner of the Institute for Performance Excellence provides your entire organization with full access to the Institute’s recourses, strategy execution tools, conference discounts, networking, and educational opportunities.

“The Institute will also make available exclusive curated and original content,” continued Faber, “along with training and educational opportunities through online and classroom instruction. We will also have a best practice sharing online library and many other helpful resources. The exclusive networking opportunities and sharing of best

practices alone can provide organizations and their employees with invaluable assistance in pursuing their performance excellence goals.”

“The Baldrige Foundation has been cultivating relationships with key partner organizations during the past several years,” said Kathryn Eggleston, Ph.D., Chair of the Baldrige Foundation Board of Directors. “The vision has always been to leverage those relationships to advance performance excellence in all sectors of the economy. Through the Institute, we will be able to connect our partners with other organizations and individuals pursuing Baldrige and performance excellence.”

For more information about the Baldrige Institute for Performance Excellence, visit their website at <https://www.baldrigeinstitute.org/home>, or contact Josh Racette at 614-785-0214 or jracette@baldrigefoundation.org.



Mac Baldrige Society

In announcing the Institute, Foundation President and CEO Al Faber noted, "The Institute will help the Foundation move boldly into the next era of Baldrige with great confidence in our future, thanks to the support of our initial Institute Trustees who comprise the Mac Baldrige Society®."

The Mac Baldrige Society is an exclusive, invitation only membership for the world's most influential leaders to come together and discuss issues shaping the future of U.S. competitiveness in the global marketplace.

Faber continued, "The Mac Baldrige Society is our campaign to establish the Institute with the generous support of the first twenty major donors. The first Trustees are: the Baldrige Family, Adventist Health, MidwayUSA, and Stellar Solutions. We look for others to join them in

the coming months to help us continue in our mission."

Baldrige Foundation Board Chair Dr. Kay Eggleston summed it up this way, "The Mac Baldrige Society is a way to honor the past 30 years of Baldrige while we look ahead to the next 30 years of continuous improvement driving performance excellence. The Mac Baldrige Society, made up of individual and corporate leaders and philanthropists, has a singular purpose, improving the quality of life for all."

**Mac Baldrige Society
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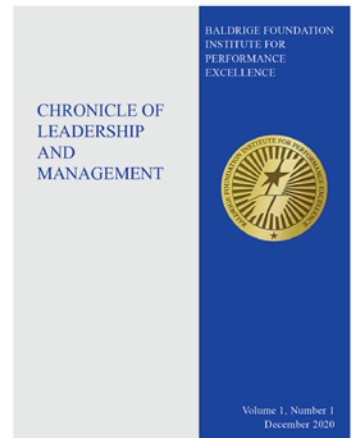
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The *Chronicle of Leadership and Management* is a peer-reviewed publication by the Baldrige Foundation's Institute for Performance Excellence, edited by Dr. James Evans. The purpose of the *Chronicle* is to facilitate sharing of knowledge by providing insightful and practical perspectives for leading and managing performance excellence in business, health care, education, government, nonprofit organizations, communities, and cybersecurity applications.



We are now accepting submissions for Volume 1, Number 2 of the *Chronicle of Leadership and Management*. Your original research can help shape the future of quality and performance excellence. Guidelines for authors and information about submitting your papers can be found at www.baldrigefoundation.org/clm.

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Why Baldrige? Reflections of a Retired New England Business Leader

by Christine Schaefer, Baldrige Performance Excellence Program
National Institute of Standards and Technology



Laurence (“Larry”) Smith is a long-time advocate of quality and systems-thinking-based management of U.S. businesses. In the early 1980s, while he was leading a chamber of commerce in northeastern Massachusetts, Smith recognized “the need for a transformation of American management,” he told me recently. A learning experience that inspired him to appreciate a holistic, systems view of business leadership and management was a four-day workshop his chamber sponsored in his community by the late Dr. W. Edwards Deming. “I learned to think of quality as a 360-degree process that includes quality of life,” Smith recalled recently.

“Managers from one of my chamber’s members, the 10,000-employee Western Electric & Bell Labs plant, attended that Deming course and decided to adopt his teaching. In 1992, eleven years later, that plant won a Baldrige Award,” Smith said.

What happened next convinced Smith of the value of the Baldrige framework through difficult consequences for his entire community: “Unfortunately, with the AT&T break-up, the plant was taken over by another company. I met a manager from Western Electric five years later who told me that, after getting the Baldrige Award, the new management stopped using the Baldrige Criteria for Performance Excellence, and unresolved failures increased,” Smith recounted. “The manager said life was much happier and more productive when they were using Baldrige. Not long after, the plant closed. The community lost what had been a 10,000-employee factory in 1980—one that had an annual \$1 billion economic impact in the area.”

Following are additional reflections from my recent exchange with Smith.

Would you please share more about how you came to believe the Baldrige Excellence Framework (which includes the Criteria for Performance Excellence) provides a superior approach to business leadership and management?

It started with Deming's teaching about the need for a transformation of American management, and Total Quality Management (TQM), and then, with the Malcolm Baldrige National Quality Awards program, it became abundantly clear to me that the Baldrige Criteria, as a systemic approach to leading and managing organizations, is what is needed and what is right for America at this time, as in past decades.

Let me share a few background experiences that led me to this conviction: In the 1980s, after getting an MBA (majoring in executive management), I thought I knew something significant about organization management. Actually, I'd pursued the MBA because my BS in industrial technology education didn't prepare me for management or managing organizations in a globalized economy.

However, as executive director of a chamber of commerce in an old industrial city in Massachusetts that lost most of its job-producing industry after World War II, I saw that nothing anyone in my city or state had done during the 25 years after the industrial evacuation was able to grow jobs and improve the economy of the city.

Then, in 1980, we learned about how Dr. W. Edwards Deming (<https://deming.org/deming-the-man/>) helped Japan recover economically from the war, and we wondered if he could help our communities recover, too. Our community leaders invited him to our community, and he told us that the major problem was that the American style of management was ineffective in the new environment of a globalized economy and that we needed a transformation of American management. We invited him to teach us how to transform American management so that it could be competitive and profitable in the new, globalized economy. I applied Deming's thinking in my chamber of commerce work, which enabled us to be one of the 10 percent of chambers of commerce in the nation to be accredited, and to win a top award in the President's

Citation Program for Private Sector Initiatives in 1985. The award was for finding innovative private solutions to public problems.

In the 1960s and 1970s, chambers of commerce were networked, in a free and democratic fashion, to work in and on the public systems in which our businesses resided throughout the nation, facilitated by the U.S. Chamber's state and local chamber department. There was a strong, 10-year-plus professional development program for chamber staff. The mission of chambers of commerce back then was to advance systems-thinking-based total community development. The understanding was that if the whole community did not function well and keep improving, then business and the economic climate would not be sustainable. Virtually all of this was quietly dismantled in the mid-1980s.

From 1995 to 2008, while editor of the *Journal of Innovative Management*, I attended the annual Baldrige Quest for Excellence® conference in Washington, DC. I heard the presentations and talked with Baldrige Award winners as well as other attendees, and we developed journal articles. Then I retired but worked for a year in 2010 to help the Massachusetts Council for Quality recover from its deficit and try to grow its Baldrige programming.

Why do you think more organization leaders are not using the Baldrige Criteria (or any similar systems-based management process) to lead and manage their organizations?

In our society, I think people are often rewarded for outstanding individual behavior. Winning—being number-one in individual competitive exploits—reaps the top reward. That's true both for individual people and individual organizations. But human organizations are complex communities of relationships. To be successful and sustainable, everyone has to work smartly, cooperatively, and—as I learned in the Coast Guard—to be always ready, relevant, and responsive to the environment, nature, people, and communities in which they live and serve. That requires participative, systems-based management processes, which Baldrige teaches and rewards. But our schools have not been teaching that to people in the past, so they don't understand it. I hope that is changing now.

There's another reason, too: systems-based customer- and quality-focused management is also a movement away from traditional command-and-control styles of management to a participative style of management. The Baldrige approach does it all, creating a clear and measured process system, from leadership to results, one that links and documents an organization's results all the way back up to leadership decisions; and that can stimulate some fear from top management, depending on how organizations deal with and learn from mistakes.

You have observed that not many U.S. business schools are teaching about systems thinking and other core concepts of the Baldrige framework; why?

I asked that question of a business graduate school professor who was on my Massachusetts Council for Quality board. His answer was that business school systems are organized in individual "stove-pipes," where each professor attends to his/her specialty. That is understandable because individual students take individual courses to get individual degrees to get individual jobs in individual companies. Few, if any, are dedicated to an integrated whole. The result is that there's little interest in a holistic, systems-based, comprehensive approach to organization/community/national/world leadership and management for the common good.

The outcome of that is that there is little recognition of the need for leaders of all organizations to be interested and informed about working on the larger systems they're living in, as well as working in the systems that produce the money they need and want. Those big-picture affairs tend to be left to interested individuals who see a need and work it out for themselves.

What do you see as a key challenge for increasing use of the Baldrige framework by leaders of U.S. businesses and other organizations?

Our social, economic, and political culture today is a tough one for Baldrige because our culture is so divided and ruggedly individualistic in vision, mission, and practice. There's a pervasive zero-sum, winner-take-all mentality and short-term

profitability imperative. A leader considering using a Baldrige system would quickly see that his/her major leadership and management decisions would become participative, shared, measured, visible, and transparent. While that's expected and allowed in sports and military organizations, it is not required (or embraced) in a political or stock-market-driven economic system that simplistically demands continuously winning popular votes or quarterly monetary increases.

Also, it can take a long time to change a management culture, even in a single organization, and you need a leader at the top of each organization who's persistent, patient, and has the time in office to build the culture and demonstrate the good results. I had an experience where I worked with a mayor and his department heads to learn TQM, but due to the city's mayoral term limit, a new mayor came in and didn't want to use TQM methods.

Nonetheless, the Baldrige framework's approach is the right thing, at the right time. And it is essential to quality of life for the organization, the community in which it gets its people and operates, and the environment in which we all need to be able to live well.

How do you think interest in the Baldrige framework could grow in the contemporary environment?

I think the Baldrige Program and its Criteria for Performance Excellence is and has been doing the right things for running an organization. The Criteria is continuously improved and expanded to keep it ready, relevant, and responsive to the needs of organizations and communities.

It would be beneficial for Baldrige adherents to also work on the larger legal, economic, community, and political systems that enable everyone in a society to survive and thrive. I think we will know that we're on the right track when our leaders in all sectors create systems that serve to finance and facilitate a high quality of life for all, with a triple bottom-line of people, planet, and profit.

How do you view the relatively new Baldrige-based initiatives of Communities of Excellence 2026—including the proposed addition of a Baldrige Award eligibility category for communities?

Adding an award category and criteria for communities would be a great capstone for the Baldrige Program, one that could have the potential to bring people and the nation together and form a real sense of community, a real united states of America. As far as I can see, there isn't another leadership and management system that can do that today, and Baldrige would create a path for enabling that to happen by including communities in its criteria and program. I hope that, with the help of the Baldrige Program, Communities of Excellence 2026 will gather enough power and speed to take off and fly.

In recent decades, business and industry leaders have tended not to think of the community as being a living part of their organizations that they need to care for. I believe that such inattention to the community by business leaders is a cultural error in judgment, perhaps created and made worse by the design of the monetary and economic systems in which we live and work that demand ever-increasing consumption and short-term monetary (paper) profits, which leads to problems in communities, nations, and the world. The matter is holistic and complex—something we tend not to be taught about in school or think about, and it is controversial when we do.

There are times when a local chamber of commerce can help, but it's not the sort of integrated systems approach that Communities of Excellence would enable. An example I can cite is what my chamber of commerce did in the 1980s. Two of our largest industries, which employed some 16,000 people, asked us to become involved with the local schools, encouraging higher graduation rates, higher grades, and a good work ethic. They said they needed that if they were to be able to hire from a local labor pool because it would be too expensive to move entry-level people into our local communities. That led us to create an extensive business-education collaborative that these two industries, along with many other businesses, actively supported and participated in. We actually created an adopt-a-school program where

every school in the inner city was adopted by one or more businesses.

If our local communities were engaged in a Baldrige Communities of Excellence program, this sort of need would easily be brought to the table and made to happen, improving both community development and economic development.

As a cautionary tale, I want to share one more relevant experience: While working to create a community quality council in our region in the mid-1990s, I recall that a member of our board of directors, who was the Baldrige leader for a manufacturing organization, came to me and said he was leaving the board because he couldn't see how the Baldrige framework could apply to a community. It seems to me that many leaders just don't understand how a management system focused on quality; total community development; a triple bottom-line of people, planet, and profit; and the pursuit of excellence could prevent some breakdowns and improve quality of life. I hope this is changing.

Communities of Excellence may be just what the nation, its individual organizations, and their communities need to enable a good quality of life for all.



COVID-19—Responding to the Defining Challenge of Our Generation Using Baldrige Principles

by Patrick J. Lawton
Germantown City Administrator

Franklin Delano Roosevelt became the 32nd President of the United States in 1933. With the country at the height of the Great Depression, Roosevelt, during his inaugural speech, issued a powerful call to action for all Americans when he said, “In every dark hour of our national life a leadership of frankness and of vigor has met with that understanding and support of the people themselves which is essential to victory.” With these few words Roosevelt created an environment for success.

“During the past nine months, Germantown has truly put Baldrige-based principles into action. Problems are not roadblocks but opportunities for improvement. In Germantown, necessity has truly been the mother of invention. In this time of crisis, Germantown has demonstrated the courage to act and the commitment to move forward rather than passively accepting the present circumstance.”

As the world continues to manage through the operational risks and challenges resulting from COVID-19, it brings to mind the extreme sacrifices made by the men and women of the Greatest Generation, who lived through the Great Depression and went on to defeat the Axis Powers in World War II. There were no stimulus checks for these Americans. But what they did have was a deep understanding of the great challenges before them and a national commitment to succeed and never give up hope. While they were far from perfect and many societal issues were left unaddressed, this generation understood that the enemy was at the gates and failure was not an option.

Fast forward more than 80 years and many historians are calling COVID-19 the current generation’s greatest challenge. Will today’s men and women rise to the occasion and make the special effort required to successfully address the pandemic? Where is the call to action? The Baldrige Excellence Framework encourages acting decisively and with purpose. Within the leadership category, senior leaders are asked to create a focus on action and to manage organizational change by responding quickly and with agility. There is no doubt that COVID-19 has created significant challenges and opportunities on a global scale within every industry.

For Germantown’s senior leadership team, the focus on action from the beginning of the COVID-19 crisis came from words of Admiral James Stockdale, an eight-year prisoner of war during the Vietnam War. Stockdale said, “You must never confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality, whatever they might be.”

In early March, with Stockdale’s words as a battle cry, City leaders entered a strange new world where life would be forever changed. From the beginning, Germantown’s senior leaders have communicated the brutal facts to employees, emphasizing that no one has immunity to the virus; best efforts are only buying time and, to date, more than a million people have died worldwide. And while several vaccines show promise and have strong footing, effective deployment of the vaccine to the majority of the population is still months away. However, employees were also constantly reminded to never give up hope and that the team will endure together even though members are apart. Germantown will survive, adapt, advance, and thrive.



City of Germantown Mayor Mike Palazolo (Left) and City Administrator Patrick Lawton proudly display the city's 2019 Malcolm Baldrige National Quality Award.

Overwhelmed and not sure how to create a focus on action during a crisis, once the brutal facts are clearly communicated and a basis for hope is created, teams can move into problem-solving mode and move the organization forward to tackle the work at hand.

In category six, the Baldrige criteria encourages the use of comparative data and information to support fact-based decision making. As a Baldrige organization, Germantown leaders from the beginning were very clear that all decisions would be made based on hard data and not arbitrary dates. Because COVID-19 is first and foremost a public health crisis, leaders must depend on partners in the health field to provide evidence-based COVID-19 metrics to ensure evidence-based decisions.

As a local government, the City of Germantown is responsible for providing essential city services to customers while protecting health and safety. Successful continuation of City services during 2020 is the direct result of a focus on data from the county health department including virus reproduction rate and hospital capacity, strict contact tracing, and unwavering compliance with public health measures.

Data-driven decisions had an extreme impact on how the City engaged with employees as well. There continues to be a great deal of fear and anxiety surrounding COVID-19. As an employer of choice

with an overall employee engagement score of 86 out of 100 and a community net promoter score of 71, leaders know that the success of the organization is built upon the workforce. Therefore, rather than panic in the wake of the economic slowdown and furlough employees, leaders gathered data to assess the City's current and ongoing fiscal position and adopted a "we are in this together" mentality. In return, employees have developed creative solutions to financial and service-delivery issues and commitment and engagement have soared.

During the past nine months, Germantown has truly put Baldrige-based principles into action. Problems are not roadblocks but opportunities for improvement. In Germantown, necessity has truly been the mother of invention. In this time of crisis, Germantown has demonstrated the courage to act and the commitment to move forward rather than passively accepting the present circumstance.

Martin Luther King, Jr. once said "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands in times of challenge and controversy." COVID-19 has certainly provided challenge and controversy. The City of Germantown is proud to stand as an example of how continuous improvement can make all of the difference when it comes to success or failure in times of crisis.

communities of excellence²⁰²⁶TM



San Diego South Region and North County San Diego celebrate their Community of Excellence Recognitions during the California Council for Excellence's Celebrating Excellence 2020 Conference. Left to right: Front Row: Muquxi La, Mitsuru Ramirez, Katherine Casabar-Briggs. Back Row: Carey Riccitelli, Stephanie Norling, Tina Emmerick, Allison Boyer. All except Stephanie Norling, Executive Director, Communities of Excellence 2026, are with the San Diego County Health and Human Services Agency.

Success for Communities of Excellence 2026

by Stephanie Norling, Executive Director, Communities of Excellence 2026



Stephanie Norling,
Executive Director,
Communities of
Excellence 2026

The COVID-19 pandemic has taught us all how important it is to work together. Whether we are dealing with a global health crisis or any of the numerous challenges communities face every day, we know from experience that no single individual, organization, or sector can address the grand challenges our communities face on their own. We accomplish more when we work together.

"The networks, communication channels, and relationships established through our Communities of Excellence (COE) work over the 2½ years are

proving extremely beneficial to community leaders during this time. As we move into recovery, these same channels will be used to coordinate a long-term response and recovery effort. We have a common strategic planning process that can be replicated to develop a community-wide response. Our shared processes or network would not exist without the work we've put in because of COE. The systems approach provided in the COE framework is an asset to communities anytime, but especially in times of crisis and instability."

Kim Halfhill, Community Coach, COE Learning Collaborative Cohort 1 – Excelsior Springs, Missouri

The events of the past year resulted in significant interruptions to many of the efforts of the 21

communities involved in our National Learning Collaborative. The community leaders participating in our online learning sessions and driving this work in their community excellence groups were the same leaders responding to COVID-19 in their regions. Whether they were involved in public health, safety, economic development, or education, nearly all had to turn their focus to emergency response. Internally, we shifted our efforts and sought to understand how we could best help these leaders while acknowledging and respecting their shift in priorities.

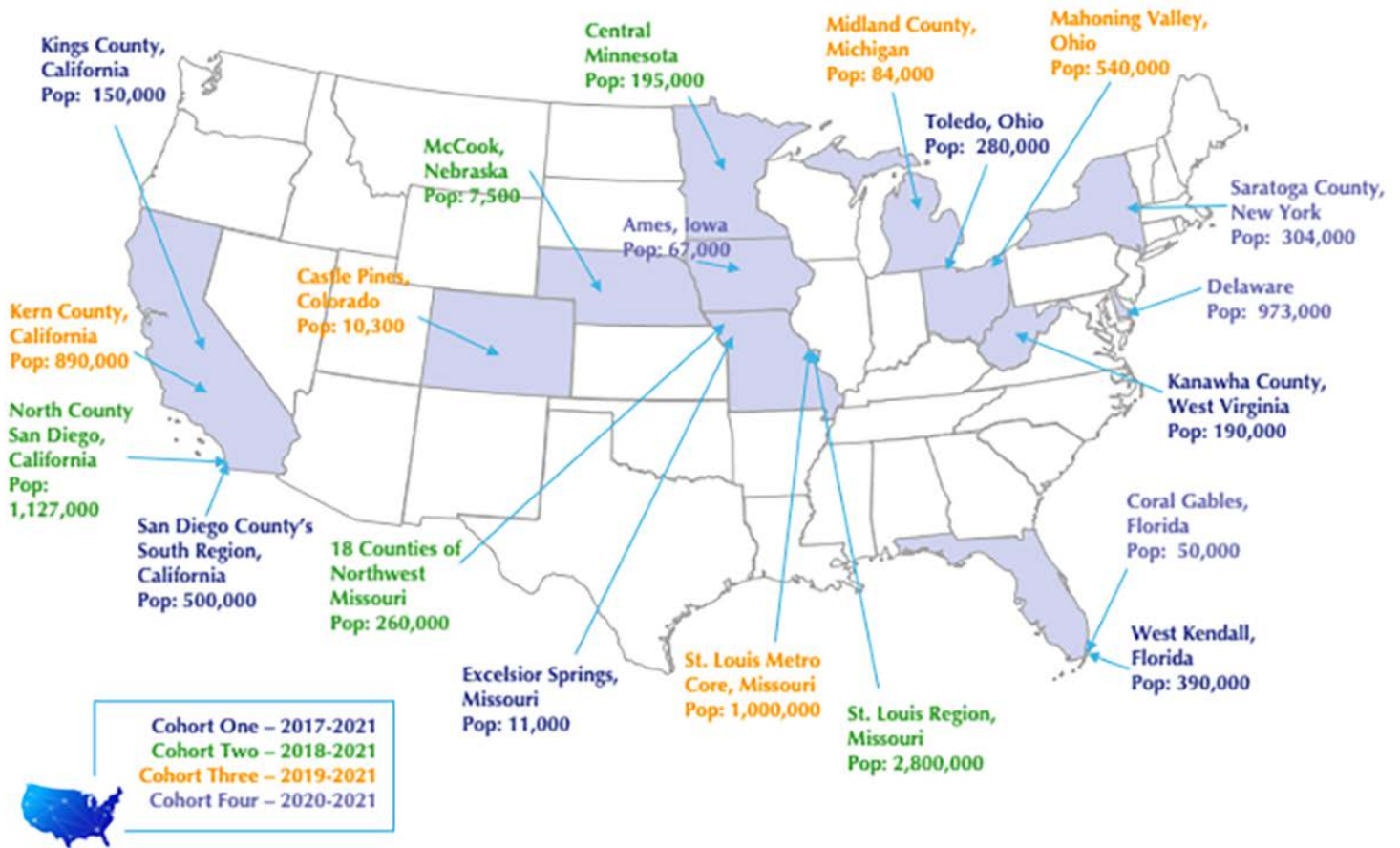
“Communities of Excellence is a top priority. This is when working together has legs, in a crisis like this...This isn’t just something you do when you have time, this is how you solve problems.”

Quentin Wilson, COE Learning Collaborative Cohort 3 – St. Louis Metro Core, Missouri

Instead of continuing with our regular curriculum, which is divided into twice-monthly sessions for our first-year communities and monthly sessions for our second- and third-year communities, we developed twice-monthly online special sessions devoted to topics that could assist leaders through this crisis. We started by using a blog faculty member Harry Hertz wrote called “Lessons for our Times from Two Iconic Leaders,” (also found on page 36 of this *Journal*) discussing the leadership traits and practices that have helped past business leaders weather crises. Subsequent sessions focused on resilience, agility in strategic planning, communication and engagement, self-care, and a discussion about racial equity in response to George Floyd’s killing.

We regularly communicated with the communities and listened to them to determine when it was time to go back to the former curriculum. Even when we did resume in July, there was no “return to normal” for any

communities of excellenceTM 2026





of us. Communication and engagement methods had all changed to virtual formats. The definition of “short-term” planning took new meaning and was no longer years or months, but rather weeks or days. Priorities changed within communities: Broadband access and digital literacy, food insecurity, job displacement, and rising unemployment became more immediate challenges to address. Many communities established equity and inclusion task forces to ensure that the work of their community excellence groups reflected the diverse voices and needs of residents across their communities.

Successes included city-wide mask mandates that would not have occurred without the collaboration from community leaders and “adopt-a-classroom” efforts to help teachers and students adapt to their new teaching format. Ultimately, our biggest insight has been that the time spent building relationships and trust with residents and other community leaders, developing leadership structures, roles, and responsibilities that could quickly adapt to changing circumstances, and establishing two-way communication channels, enabled our communities to respond to COVID-19 faster and better than they would have as individual organizations or sectors.

“Our experience using Communities of Excellence and Baldrige-based principles in the community positioned us to naturally approach the COVID-19 pandemic through a collaborative and inclusive lens. Work Groups for all sectors in the community were quickly formed and now communicate weekly through well-attended robust digital sessions, ensuring all stakeholders are current on the latest developments and can get their questions answered. We swiftly and collaboratively moved to protect vulnerable populations, taking steps that have been recognized by the state governor during his daily news conferences. We worked side by side with all our health care community to creatively expand medical capacity well in advance of the expected surge. Our experience with COE and Baldrige has allowed us to collectively and collaboratively ensure our community remains healthy, safe, and thriving.”

Nick Macchione, Director, County of San Diego Health and Human Services Agency, COE Learning Collaborative Cohort 1 – San Diego South Region and Cohort 2 – San Diego North Regions, California



North County San Diego receives their “Commitment to Community Excellence” Recognition during a special ceremony at the California Council for Excellence’s Celebrating Excellence 2020 Conference. Left to right: Stephanie Norling, Mitsuru Ramirez, Katherine Casabar-Briggs, Carey Riccitelli, Muquxi La. All except Stephanie Norling, Executive Director, Communities of Excellence 2026, are with the San Diego County Health and Human Services Agency.

“Right after the COVID-19 crisis began, the Chair of our Community Success Panel, which coordinates our Communities of Excellence efforts, called a meeting to bring together City leaders, County leaders, our health system, and pretty much all the major players in our community. We formed a coalition that really came out of Communities of Excellence, that meets twice a week to strategize and work together across the community around this crisis. Communities of Excellence provided a great way for us to get started with this coalition, which is now doing some excellent work.”

Sharon Mortensen, President and CEO, Midland Area Community Foundation, COE Learning Collaborative Cohort 3 – Midland County, Michigan



“From Steve Wenger: ‘At the time I submitted this, the caption was, “Who would have thought a picture of a process meeting would be so exciting, until COVID.” Alternatively, “Maximize Northwest Missouri (NWMO)-COE2026 teams gather in Cameron, Missouri to discuss rural community engagement, facilitated by Frank and Kim Spillers of Global Horizon.”’

“The COVID-19 pandemic has taught us all how important it is to work together. Whether we are dealing with a global health crisis or any of the numerous challenges communities face every day, we know from experience that no single individual, organization, or sector can address the grand challenges our communities face on their own. We accomplish more when we work together.”

Throughout the pandemic and into this recovery phase, our work as an organization continued. As of October 2020, 21 communities from 13 different states have adopted the Communities of Excellence Framework. Together they represent a population of almost 10 million people. Other successes include:

- Our first cohort of communities graduated from the Learning Collaborative in September, 2020. All six communities continued their partnership with us and joined our newly formed Alumni Group. The communities continue to participate in quarterly sharing sessions, special trainings, and will soon have their own private online community. They also share their progress, challenges, and successes to our current Learning Collaborative communities during online sessions, and to the public during conference presentations.
- In September, 2020 we released an update to the Communities of Excellence Framework. Starting

- with our first version back in 2013, the framework has undergone four revisions; the last three in partnership with the Baldrige Program and revised based on direct feedback from leaders using the framework in their own communities. Improvements included a focus on diversity, inclusion, equity, resilience, and added detail to the criteria questions in many of the current categories.
- Our virtual 2020 Communities of Excellence Kick-Off Conference was attended by over 150 participants from all 21 participating communities. Highlights included a sharing session from our alumni and a closing presentation from Javier Hernández-Lichtl, CEO of Doctors Hospital in Coral Gables, Florida (COE Year One Community). Javier previously led West Kendall Baptist Hospital, the backbone

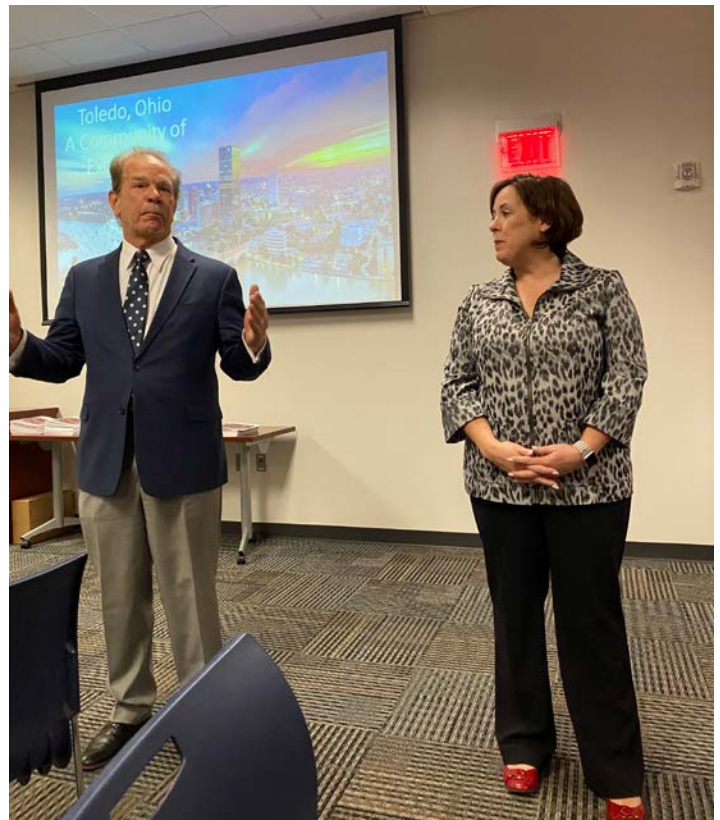


organization for West Kendall, Florida (COE Alumni Community). His message of collaboration and commitment, and his leadership experience, was inspiring.

- Despite a delay in the Assessment and Recognition Program in 2020 by two months due to COVID-19, 13 communities applied across the three levels of the program. And, for the first time, two communities participated in a scoring/judging pilot program that we will expand upon next year. We were overwhelmed with the number of examiners who volunteered. We accepted 61 examiners who spent almost 1,000 volunteer hours reviewing applications and providing feedback. Eight Alliance for Performance Excellence programs assisted us, providing volunteer examiners and leading assessments.
- Volunteers continue to drive the success of the organization. In addition to examiners, 13 mentors assist one or more of our communities, providing additional support beyond the online trainings. Our faculty grows each year; we now have 10 volunteer faculty that determine the curriculum, design, and then lead the online sessions. And finally, our Board continues to provide critical guidance and support.

“In partnership with the Baldrige Enterprise and the communities involved with COE 2026, we are continuing to promote the value of adding “Community” as the seventh category of the Malcolm Baldrige National Quality Award.”

In partnership with the Baldrige Enterprise and the communities involved with COE 2026, we are continuing to promote the value of adding “Community” as the seventh category of the Malcolm Baldrige National Quality Award. As the number of communities adopting the COE Framework continues to grow, congressional authorization for this new award category will enable the entire Baldrige Enterprise to expand our capacity to facilitate excellence in communities, formally recognize role-model communities, and share their promising practices. Our federal partners at the National Institute of Standards and Technology (NIST) are supportive of



Randy Oostra, President/CEO of ProMedica Health System, and Angela Brant, President of ProMedica Physicians Group, present during a Communities of Excellence Leadership Meeting in Toledo, Ohio, in February 2020.

the addition and are working with the incoming Biden administration to achieve this goal.

I want to express my gratitude to all those that have supported us on our journey so far including those in the Baldrige Performance Excellence Program, the Baldrige Foundation, the Alliance for Performance Excellence, and the greater Baldrige community. COE 2026 has prospered because of the support of so many, including our faculty: Manuel Castañeda, Gary Floss, Ellen Garshick, Brenda Grant, Kim Halfhill, Harry Hertz, Brian Lassiter, Sandy Potthoff, and Dee Springer, our co-founders Lowell Kruse and Rick Norling, and the entire dedicated Board of Directors.

The New Normal Will Require RE²ST³

by Harry Hertz, Baldrige Performance Excellence Program
National Institute of Standards and Technology



Rest? you ask. The new normal will be about activity, you say. Actually, I believe some rest will be necessary. After the frenzy of activity since March to establish new work patterns and new home life patterns, many of us—especially those with young families—have been left totally exhausted. So some rest may be in order. However, the rest I am referring to in this posting is RE²ST³ (**R**esilience, **E**cosystems, **e**-Wisdom, **S**ocietal responsibility, **T**elework, **T**ransition, and **T**ransformation).

I believe organizations that pay attention to these REST components will be poised for a successful entry into the new normal. I base my conclusion on a significant amount of reading and many conversations with people across sectors, as well as with community leaders. As I summarize the parameters of each of the RE²ST³ components, I will reference some relevant publications. While my key points are addressed under specific headings below, it is clear that many of these could have been discussed under more than one heading and that indeed the topics are interdependent and part of a systems response to creating the new normal.

RE²ST³

Resilience

Perhaps the single overarching change in the new normal is the need for all organizations to focus on resilience. Multiple definitions of organizational resilience have been put forward. For the sake of my discussion, I propose the following definition, which I based largely on a combination of thoughts from McKinsey on new operating models (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumer-organization-and-operating-models-for-the-next-normal>), Deloitte on the essence of resilient leadership (https://www2.deloitte.com/content/dam/Deloitte/ec/Documents/strategy/DI_Essence-of-resilient-leadership.pdf), and the National Institute of Standards and Technology in defining community resilience (<https://www.nist.gov/community-resilience>):

Organizational resilience is acting on multiple fronts to (1) prepare for anticipated hazards and, (2) protect, anticipate, and enhance employees' and customers' engagement, supply chain and financial

performance, organizational productivity, and community well-being. Organizational resilience is a way of being that builds agility into the organization's DNA.

Clearly embedded within this definition is the concept of *agility* (already part of the Baldrige core values and concepts) (<https://www.nist.gov/baldrige/core-values-and-concepts>), a concept that has been very effectively adopted by the organizations that responded rapidly to recent changes in their external environment. A hidden lesson in the successful practices of agile organizations is that organizations in general have been too centralized, too bureaucratic, too slow, too internally focused, too inflexible, and too complicated.

The BSI states that organizational resilience (<https://www.bsigroup.com/en-US/our-services/Organizational-Resilience/>) comprises operational resilience, information resilience, and supply chain resilience. To achieve such resilience, leaders must be able to respond quickly to both opportunities and threats (agility), adapt strategy to changing circumstance (including their core business models and products), and have robust governance with a culture of trust. And organizations must address other components of the *RE²ST³* approach: adopt an ecosystem mindset, embrace data-rich thought processes, and equip their employees with ongoing learning of new skills. (See also McKinsey on reimagining organizations.) (<https://www.mckinsey.com/business-functions/organization/our-insights/reimagining-the-post-pandemic-organization>)

Ecosystems

Ecosystem refers to operating your organization as part of a larger whole that blends your key attributes with those of your partners, collaborators, customers, communities, and other relevant organizations, including your competitors when appropriate. A recent Harvard Business Review (HBR) article by Mark Greeven and Howard Yu (<https://hbr.org/2020/04/in-a-crisis-ecosystem-businesses-have-a-competitive-advantage>) discusses the necessity of being able to move forward quickly. Businesses (and other organizations) can create advantages by leveraging ecosystem relationships to move and, especially, pivot quickly. Organizations that operate on a digital platform (see "e-Wisdom" below) have a natural advantage. Businesses that create an

ecosystem with a set of interdependent businesses that can run autonomously have the opportunity to diversify revenue streams and business models, fulfill varying customer needs, and cross-sell clients and customers.

Ecosystem steps for organizations to consider as they enter the new normal include reconnecting with partners, maximizing learning through shared information, rethinking customer offerings in a larger context, accepting not-invented-here concepts and using them as idea generators, and building non-traditional partnerships (e.g., with competitors or with private-sector/public-sector/government contributions). Ecosystems, by their nature, enable distributed risk management.

As we have learned through recent global events, rethinking traditional supply networks to be shorter, more efficient, and more flexible is very important. Flexibility includes operating with a just-in-case approach. Where possible, this includes localizing supply networks and conceiving a larger "ecosystem" relationship with critical suppliers by sharing strategies, learning networks, and digital platforms. Successful ecosystems are built on establishing "trust systems." They move from a transactional basis to a trust basis focused on mutual and shared value creation.

e-Wisdom

e-Wisdom is a term I am using for all aspects of a digitally and data enhanced economy. Use of data analytics, the Internet of Things, artificial intelligence (AI), the adoption of cloud operations, large dataset-enabled business and process modelling, and enhanced automation are accelerating at a rapid pace. While some of these tools may not impact your organization immediately or directly, they are most likely going to impact your competitive environment and new entrants that compete for your customer base, including digitally integrated ecosystems. Every business will be a technology business.

Accelerating end-to-end digitization, including use of all smart technologies (Industry 4.0) is one of five economic recovery operational trends envisioned by McKinsey (<https://www.mckinsey.com/business-functions/operations/our-insights/jump-starting-resilient-and-reimagined-operations>) and an extended network of digital solutions is seen by

Deloitte (<https://www2.deloitte.com/us/en/insights/economy/covid-19/guide-to-organizational-recovery-for-senior-executives-heart-of-resilient-leadership.html?id=us:2em:3pa:industry-4-0:eng:di:042420>) as a priority. End-to-end digitization is expected to enhance productivity, sustainable resource use, agility, speed to market, and customization. Two additional trends (of the five McKinsey identified trends) involve digital tools for operational and financial transparency and opportunity identification, and the “next normal” of remote working through more use of digital communication and collaboration tools (see more on this in the “Telework” section).

In the consumer products domain, according to Nielsen data (<https://www.smartbrief.com/original/2020/04/how-consumer-behavior-forever-changing-grocery-cpg-industry>), March of 2020 saw a 60 percent surge in on-line consumer packaged goods purchases; 37 percent of that growth came from households that were new to on-line purchases or had significantly increased their use of on-line purchases. And 40 percent of new on-line shoppers were over the age of 55. While some of this purchasing will return to bricks-and-mortar stores, the landscape has certainly changed, and this will affect service providers and supply chains, as well.

Finally, as another example of the interdependency of the components of the *RE²ST³* approach, digital platforms provide a competitive advantage in the operation of ecosystems. Shared data of all kinds and learning platforms are part of that benefit.

Societal Responsibility

There is a great expectation that, as we rebuild our businesses and economy in the new normal, we will find a way to address key societal issues: social injustice, population-based discrimination, income and quality-of-life disparities, financial and health care challenges of the very young and very old, building trust in our businesses and public sector, unintended consequences of technology, and decreasing our environmental impact. In an April study reported by Accenture (https://www.accenture.com/_acnmedia/PDF-123/Accenture-COVID19-Pulse-Survey-Research-PoV.pdf) (before the death of George Floyd), 82 percent of consumers feared for the health of others, while 64 percent feared for their own health; in addition, 88 percent worried about the economy, while 64 percent worried about

personal job security. As a society we are more cognizant of the world we want and more impatient for all our communities and all our businesses to take leadership roles in creating that world.

In the new normal, we are likely to see a new social contract expected by employees, customers, and communities. The recent events have heightened sensitivities to societal responsibilities broadly. There is a renewed interest in organizational social purpose and how organizations, especially businesses, behaved during the last few months. Employees, communities, partners, collaborators, and most significantly, customers will continue watching behaviors and are likely to have long memories.

In a recent Disruptor League article by Pete Foley (<https://disruptorleague.com/2020/04/20/innovating-now-for-a-post-covid19-world/>), he points out that recent upheavals have “broken more habits and established behaviors than any global event since World War II.” There is now a unique opportunity to create experiences that will disproportionately and positively impact consumer and community behaviors for years to come. Foley also points out that there will be little tolerance for economic disparities between people. He cites the simple example of experiencing long delays or denials in requests for sporting event refunds while extremely wealthy team owners ask us for empathy and forbearance.

At the nexus of our societal unrest is a new need to build trust among citizens, communities, and institutions. We expect our societal needs to be addressed with equity. We want to be physically and economically safe. We want our personal information to be protected. We want transparency in operations, communications, and our justice system. And we will expect all organizations and institutions to develop and report on metrics that build that trust.

Telework

There appears to be general agreement that working from home over the last few months has had some very positive benefits, beyond avoiding virus transmission. Benefits have included higher-than-usual employee productivity; reduced pollution due to less commuting; and greater employee empowerment, with positive outcomes.

I'll share some recent data accumulated by Forbes (<https://www.forbes.com/sites/nextavenue/2020/04/10/is-working-from-home-the-future-of-work/#450aff5c46b1>), Business News Daily (<https://www.businessnewsdaily.com/8156-future-of-remote-work.html>), and Accenture (https://www.accenture.com/_acnmedia/PDF-123/Accenture-COVID19-Pulse-Survey-Research-PoV.pdf):

- Remote employees work 1.4 more days per month on average, which annualizes to almost 17 additional workdays.
- Remote employees take on average 22 minutes in daily work breaks compared to 18 minutes for in-office workers, but the remote employees work an additional 10 minutes each day.
- In-office workers are unproductive for an average of 37 minutes a day, compared to 27 minutes for remote workers.
- 46 percent of people who never previously worked from home now want to work from home more often in the future, and 99 percent of current remote workers would like to work remotely, at least part of the time, for the rest of their careers.
- 37 percent of remote workers would accept a 10 percent pay cut if they could continue working from home.

On the other hand, when working from home, employees report higher levels of stress and more difficulty achieving work-life balance. This provides a reason to further consider how to achieve true rest in the new normal. It will be important for organizations and their employees to set boundaries between work life and home life, or else employees will feel like they are "living at the office."

Looking ahead, remote work offers benefits to organizations and employees and may lead to rethinking how, where, and when we work. Certainly, it will lead to the next generation of digital collaboration and communication tools. Remote work benefits workers with disabilities, making it easier for organizations to attract additional employees with needed skills. Enhanced digital tools and new ways of approaching jobs will likely lead to more geographically remote employees, as well. These employees will give employers more ability to hire employees with needed expertise and knowledge of local markets.

Transition

I believe the new normal will be achieved in two stages, initially a transition and then a transformation in how we work and live. There will not be a clear break from one stage to the next; however, I find it easier to think of two phases divided by a line that is somewhat arbitrary and, hopefully, somewhat logical.

In articles on adapting to a new normal, PricewaterhouseCoopers (PwC) (<https://www.strategy-business.com/article/Adapting-to-a-new-world?gko=5b5d0>) and Hubert Joly in HBR (<https://hbr.org/2020/05/lead-your-team-into-a-post-pandemic-world>) separately argue that countries and organizations will have to rethink the meaning of success. Gross domestic product and profitability will have to be replaced with new measures of material and social progress. Operational models will have to address social and spatial distancing while accomplishing work and sales. Organizations should focus on their greater purpose, as well as their mission: how are they making a difference in people's and communities' lives? Supply chains will have to be rethought so they can operate in an environment with the potential of minimal or no international exchange of goods.

Organizations will be challenged to maintain a clarity of operational focus that they have achieved over recent months. They have also achieved amazing (short-term) strategic focus. Now they need to achieve clarity for the longer term. How do they turn "crisis" into "crisis of opportunity?" Here are some questions to consider during the transition to a new normal:

- What needs to be preserved from your old business model?
- Do your organization's core values need some rethinking?
- How do you shift from "respond" to "recover," from "reacting" to "reinventing?" (See Deloitte Insights on resilient leadership (https://www2.deloitte.com/content/dam/insights/us/articles/us63556_the-essence-of-resilient-leadership-covid/DI_Essence-of-resilient-leadership.pdf).
- Over recent months organizations have developed a start-up mindset without deliberately seeking it. Do you try to maintain this mindset; how?
- What flexible work options will you adopt for the longer-term? What are the human resource and information technology (including security) implications?

- Will you develop a permanent talent-anywhere strategy, with members spread across business locations and geographically remote from any of your current business location?
- What is your new (agile) operating model? How do you focus on the customer, employee, and key operational processes?
- How do you permanently flatten your organizational structure and continue to empower employees who have enjoyed the “freedom” and success it brought? What happens to middle managers?
- How will your leadership team develop an organizational recovery playbook, and what will it contain?

Transformation

Although the heading “Transformation” implies arriving at a new organizational state, I think its permanence is not a given. Part of transformation will be building an agile organization capable of being resilient in every sense of the definition given at the start of this article. After the last few months, no organization can say it can’t act faster than it did in the past.

I will break this section into two parts based on my analysis of the new normal: *Imperatives* and *Considerations*.

Imperatives

- Overcoming inertia. According to McKinsey (<https://www.mckinsey.com/featured-insights/leadership/from-thinking-about-the-next-normal-to-making-it-work-what-to-stop-start-and-accelerate>), from one year to the next companies reallocate 2-3 percent of their budgets. Those that create more value already reallocate 8-10 percent.
- Building and retaining loyal customers and employees: This will require a consideration of increased health and safety.
- Thinking about the end customer—who wants accelerated product development, customer experience and contact innovation, improved societal responsibility, and new transparency
- Rapid decision making, reduced bureaucracy, and effective, efficient communication with all employees, partners, and suppliers
- Enhanced employee empowerment and continuous learning
- Speed, flexibility, and high productivity

Considerations

- Open innovation has abounded during recent months. Is it time to participate in Innovation 2.0, seeking even wider participation?
- Innovative collaborations among government, business, and nonprofits have been established over the last few months. How will that be considered in your future collaborations, innovations, and ecosystems?
- How and how soon will you define the next destination for your organization? What will be your path to get your desired outcomes? What will be your measures of progress and do you have a rapid decision-making process for mid-course shifts or corrections?
- What will your organization’s digital transformation be? How will you generate, mine, and analyze data? Will you achieve an agile, digitally enabled cost/budget structure? What re-skilling will you do to achieve the needed capacity for data scientists with analytical and technical skills?
- Will you set fewer and bigger priorities? How will leadership time be focused on major decisions?
- What should and will your brick-and-mortar footprint be?
- How will you load-balance peaks and troughs? (Some organizations will labor share (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumer-organization-and-operating-models-for-the-next-normal>) with non-competing organizations.)
- What else must you reimagine?
- How will you stay connected to your organization’s purpose and communicate it to employees, customers, and your community?

A Systems Response

While it is too early to know the specific impact of the new normal on the 2021-2022 revision of the Baldrige Excellence Framework, it is clear that there will be an impact.

A final thought: the difference between RE^2ST^3 and ST^3RE^2SS is just the addition of two “S”s. Might they stand for a Substandard (or Secretive) System? I think the key to strategic success and to employee engagement (and “rest”) is transparency, communication, and empowerment—now more than ever in the new normal.



The Baldrige Journey in Education

by Kathleen Hetherington
President, Howard Community College

Fourteen years is a long time to be on a journey. That is how long Howard Community College (HCC) was on its Baldrige journey before winning the 2019 Malcolm Baldrige National Quality Award. We had just completed our third consecutive site visit, and I was awaiting news of our status while traveling in Portugal. With the call taking longer than I had anticipated, I assumed I would hear from Bob Fangmeyer, director of the Baldrige Performance Excellence Program, that we were not a winner.

“When the global pandemic struck in March 2019, the college converted its mainly face-to-face instruction and services to primarily remote classes within two and a half weeks. Because we had been operating for well over a decade using the Baldrige framework, the shift was successfully completed.”

I was, however, certain that the college was doing its best to improve in our metrics, thanks to the dedicated faculty and staff working every day to meet the college’s mission of “providing pathways to success.” At the site visit, the board of trustees, faculty, and staff were crystal clear in communicating our core competencies, mission, vision, values, strategic goals, and most importantly, results, the work that goes into having a top-notch organization. As I sat in a restaurant, I received a call asking me to stand by for Secretary of Commerce Wilbur Ross. When I heard congratulations from the Secretary, it was one of the most thrilling moments in my professional career.

HCC is an open-access, public community college offering associate degrees, certificates, and workforce development training and continuing education classes that help students prepare for careers or transfer to four-year institutions. With over 2,700 employees, the college educates more than 26,000 students annually.

When the global pandemic struck in March 2019, the college converted its mainly face-to-face instruction and services to primarily remote classes within two and a half weeks. Because we had been operating for well over a decade using the Baldrige framework, the shift was successfully completed. It was a difficult pivot in operations, and yet we found a new way of doing business and measuring the impact on our students and employees. We have kept in constant communication with faculty and staff to ensure we are planning in a way that students will reach their educational goals.

Some highlights that contributed to HCC winning the Baldrige award are our efforts to consistently benchmark results and outperform local and national comparators for associate degree and certificate attainment by more than 200 percent. HCC tripled its graduation rates for Black/African American and Hispanic/Latino first-time-to-college students within two years of entry. The graduation placement rate for health sciences students is 100 percent for seven out of eight of HCC’s health sciences programs. And, HCC’s full-time equivalent enrollment growth, which impacts state funding of the college, is the best in the state over the last ten years.

Supporting its strategic goal of student success, HCC deploys numerous methods to listen and interact with students. The national Community College Survey of Student Engagement (CCSSE) indicates that HCC’s overall ratings of students’ educational experience and perception of college support are better than its large community college comparators, as well as the national CCSSE ratings. These ratings have continued to improve over the last five years.

Senior leaders create an environment to achieve the college’s mission, engage the workforce, and cultivate organizational and individual learning by aligning workforce plans to departmental action plans to core institutional goals and objectives. They encourage employees to participate in plan-do-check-act improvement projects that are vetted by applying



With several members of our Board of Trustees, celebrating our receiving the 2019 Malcolm Baldrige National Quality Award.

intelligent risk taking. Progress on achievement of institutional objectives is shared across the organization and with the Board of Trustees through reporting of key performance indicators.

HCC has been named a “Great College to Work For” for 12 consecutive years in an extensive workplace survey by ModernThink and recognized in *The Chronicle of Higher Education*, the top national higher education publication. Our community college is the only one in the United States to have achieved this record status. The college serves a majority minority population, reflecting the demographics of Howard County’s rich diversity. The college’s efforts to increase diversity among employees is reflective of the increasing number of diverse faculty, with full-time faculty at over 28 percent and administrative/professional staff over 31 percent, both the highest figures since records have been kept.

HCC fosters a high degree of stakeholder involvement in its strategic planning process. Every five years, it holds its Commission on the Future, which includes county leaders to help the college identify community needs and recommend potential strategic initiatives. Through a process of learning and improving over a six-year period, the college reduced its number of strategic objectives by more than half and the number of action plans by two-thirds. These actions helped to strengthen the alignment of contributing work group plans to those objectives, resulting in a 100 percent completion rate for strategic objectives for fiscal years 2016 through 2019. For example, focused objectives

have resulted in an improved student graduation-transfer rate performance after four years of 55 percent and increased percentage of developmental completers (students who entered HCC needing at least one developmental education course and became college ready) of 45 percent. The following results reflect our focus on student success:

- HCC outperformed its peer community colleges with a more than 100 percent growth rate for associate degrees awarded for over 10 years.
- Transfer-associated degrees have increased more than 181 percent from its 2007 baseline year.
- Career associate degrees at HCC have increased 186 percent from 2007 to 2019.
- Associate degree graduates in Howard County earn more than someone with a high school diploma or GED by more than \$428,400 in a lifetime.

Howard Community College has much to be proud of since winning the 2019 Baldrige award. While the global pandemic meant that the college could not participate in the 2020 Quest for Excellence conference, we have been invited to share our Baldrige journey virtually across the nation in 2021. As college president, my admiration for our trustees and employees has only grown as they have shown their dedication to our students during very challenging times.

“Providing pathways to success” has undergirded all our efforts as we move forward on our continuous quality journey.



The Alliance for Performance Excellence

by Brian Lassiter, Chair, the Alliance for Performance Excellence



Brian Lassiter,
Chair, the Alliance
for Performance
Excellence

The Alliance for Performance Excellence is the 501(c)(3) nonprofit network of Baldrige-based programs across the United States. Sometimes called the “front door” or the “feeder system” to the Baldrige Performance Excellence national program, the Alliance represents 29 programs covering all 50 states and U.S. territories.

In 2020, Alliance member programs evaluated over 1,600 award applications, trained 1,700 examiners, served over 700 members, and hosted 16 conferences that had over 3,500 combined attendees. The Alliance has over 300 non-examiner volunteers, over 30 paid staff, and a combined budget of nearly \$9 million.

In many ways, Alliance member programs are “developmental” in nature, helping organizations of all sizes and types begin or accelerate their journeys to excellence.

Pivoting in 2020

As with all organizations, 2020 brought challenges and opportunities to the Alliance and its member programs. Literally overnight, Alliance members had to put all of their events and programs online, which included training for the 1,700 examiners; hosting hundreds of webinars, workshops, and conferences online; and conducting Baldrige-based assessments with virtual site visits.

The Alliance also hosted the Baldrige Fall Conference online last October. Originally to be held in Milwaukee (with the theme “Excellence on Tap”), the conference was hosted online. The Alliance researched nearly 30 online conference platforms, picking one that maximized learning, networking, and functionality.



Said Liz Menzer, Executive Director of the Wisconsin Center for Performance Excellence, one of the two lead programs, along with Michigan Performance Excellence, “We learned a great deal about how to host an online conference—it’s not just putting an in-person conference on Zoom, but thoughtfully redesigning sessions to maximize interaction and learning. It’s also about trying to capture the energy—the buzz—that you usually get by going to a conference. We sent everyone a Starbucks gift card by mail, used the Chat features and “networking lounge” to create connections, and even tried some games and fun.”

The Baldrige Fall Conference had over 450 attendees, the highest participation rate since the Alliance began collaborating with the Baldrige Program and Baldrige Foundation to host this event four years ago. The 2021 Baldrige Fall Conference will be hosted by the Quality Texas Foundation, also online, the week of October 25.

Other Activities

The Alliance has also been active in several other mission-related initiatives which benefit organizations across the United States on the journey to excellence:

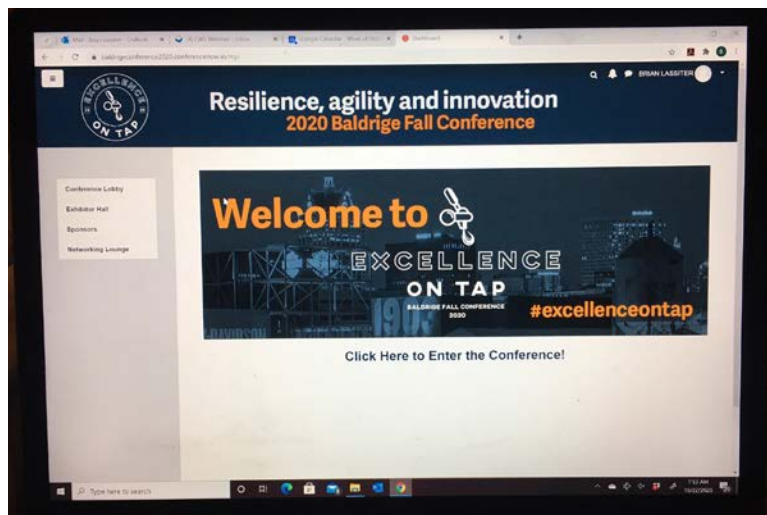
- The Alliance created a new membership category in 2019, “Supporting Members,” which is intended

for organizations and individuals interested in gaining access to Alliance products and services designed to grow performance excellence across the United States and the globe. As of this publication, the Alliance has six Supporting Members.

- The Alliance recently launched a Professional Development Series, a quarterly online workshop series that features a leading expert facilitating discussion on a topic important to achieving and sustaining excellence. The first in the series was March 31, 2021, on the topic of managing change, and the second, May 26, entitled The Courage Zone (a workshop designed to help leaders take risks and achieve their goals).
- The Alliance continues to partner with Communities of Excellence 2026, another part of the Baldrige Enterprise, that is helping to support the implementation of Baldrige within communities across the United States. Alliance members began to conduct Baldrige-based community assessments on behalf of COE 2026 last year, and Alliance members increased access to its training, coaching, and conferences in support of teaching and sharing the principles of excellence to community leaders. As COE 2026 continues to grow, the Alliance is eager to deepen the partnership to accelerate the impact of Baldrige in communities across our country.

The Alliance also continues to partner with the Baldrige Program, the Baldrige Foundation, COE 2026, and ASQ to grow and sustain the Baldrige Enterprise. Deeper collaboration across all parts of the Baldrige community will increase the impact of this Framework, helping organizations and communities of all sizes and types improve outcomes and reach higher levels of performance.

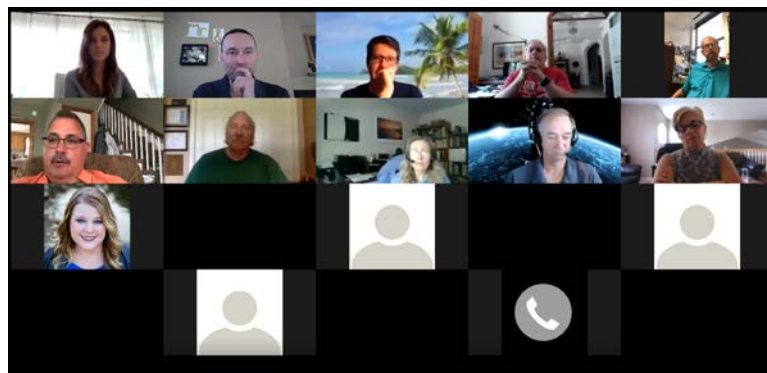
All of these efforts are in pursuit of the Alliance mission: “Enhancing Our Members’ Ability to Grow Baldrige-based Performance Excellence.” To find a local program near you or for more information on the Alliance, visit www.baldrigealliance.org.



Welcoming screen for the Baldrige Fall Conference presented virtually in response to the COVID-19 pandemic.



Lindel Fields, Superintendent and CEO of 2018 Malcolm Baldrige National Quality Award-winning Tri County Tech, discusses best practices at the virtual Baldrige Fall Conference.



Attendees enjoying the virtual Baldrige Fall Conference.



Our Baldrige Journey

by Brian Collins
Executive Director, Illinois Municipal Retirement Fund

I often get asked two questions at once: why did the Illinois Municipal Retirement Fund (IMRF) embark on the long and expensive Baldrige journey? And was it worth it? The answer to the first question is complicated, the second is easy.



First, a little background. IMRF is an organization that was established 80 years ago by the State of Illinois to administer (today) the pension plans of over 3,000 units of local government (cities, towns, school districts, libraries, park districts, etc.—our employers) on behalf of nearly 450,000 working men and women, retirees, and their dependents. IMRF's responsibilities also include the administration of disability and life insurance plans for those same employers and members. As of November 2020, IMRF was responsible for prudently investing over \$48 billion to ensure the sustainability of these plans.

at the lowest possible cost. We accomplish all this with only 220 employees. That is no small task.

Ten years ago, when IMRF was roughly half its current size, management and our Board recognized the challenge

ahead and determined that if we were going to accomplish our Vision, we would need a new approach to managing IMRF that would ensure sustainable success. We needed a talented and engaged workforce, sophisticated and secure data systems, and a delivery platform that was easy for our stakeholders to use. After much research, we determined that we already had most of what we needed—great people. What we lacked was a systematic approach and set of organizing principles that would help sustain and guide us in the future, and we found and embraced the Baldrige Excellence Framework.

“The Baldrige Journey will pay off, in the short term and the long term. We saw improvement in our first year and the improvements have never stopped. As I noted above, we have the highest quality and lowest cost combination in our industry. What Board of Directors would not want that?”

Our Vision is to provide the highest quality retirement services to all stakeholders, all the while staying true to our values of Respect, Empathy, Accountability, Accuracy, Courage, and Honesty. The administrative complexity of the program is daunting, not to mention the challenge of managing a portfolio that spans the globe and includes every imaginable investment product: stocks, bonds, real estate, private equity, etc. And, just for good measure, we want to do it

Today, ten years after we embarked on our Baldrige Journey, IMRF is recognized as a national leader in operational excellence, customer service, low delivery cost, and high investment returns. Independent benchmarking surveys in the public pension space have consistently ranked IMRF in the top decile for service quality and customer satisfaction, while only ranking at the industry median for delivery cost. Our net investment returns have also been consistently strong. High quality at low cost is a combination rarely seen in any industry. Baldrige did not show us how to do this but, rather, gave us a management framework that helped us find our own way.

The Baldrige approach also helped us understand the importance of our people. We have a diverse workforce that deserves a great place to work, opportunities for career growth, competitive compensation, great benefits, and a work/life balance that sustains the organization and our



people. Our employee engagement surveys, taken regularly and administered anonymously by outside consultants, indicate that the IMRF staff is highly engaged and satisfied with their work.

IMRF's commitment to the Baldrige Framework has been particularly helpful over the past year as everyone grappled with the pandemic. As you might imagine, the Baldrige Framework encouraged us to be ready for potential disasters. When the State of Illinois went into lockdown, IMRF was able to immediately pivot to a remote work model. During 2020, despite the pandemic, productivity has been up, as is customer satisfaction and employee engagement.

If you are reading this essay, you may have already started, or are at least considering the Baldrige Journey. You may be worried about the commitment of time and resources to such a long journey. Make no mistake, the commitment is substantial, and it will take a while—it took IMRF ten years! But I can assure you that it will pay off, in the short term and the long term. We saw improvement in our first year and

the improvements have never stopped. As I noted above, we have the highest quality and lowest cost combination in our industry. What Board of Directors would not want that?

I began with two questions: Why did we do it? Was it worth it? Our Board and the men and women of IMRF did it because they wanted to be the very best—for their own sake and the sake of our members. And it has paid off more than we could have ever imagined. Winning the 2019 Baldrige National Quality Award was only the icing on the cake.



The Baldrige and I

by Tom Raffio, CEO of Northeast Delta Dental
Recipient of 2020 Baldrige Foundation Award for Leadership Excellence
Chair of ExcellenceNorth Alliance

Investing in the Baldrige Approach Has Paid Off

The Malcolm Baldrige National Quality Award was established in 1987, about the time I began my career in the dental insurance world. It captured my interest, and by the time I became CEO of Northeast Delta Dental (NEDD) in 1995, I was firmly convinced of its power. This article describes how the Baldrige and I grew up together as Baldrige matured and my organization prospered.

My hope is that readers will be attracted by the results that come from incorporating the Baldrige principles in their own organizations but, at the same time, be aware that this success is not something that happens overnight. Building an efficient and effective organization requires investing time and funds with an eye to long-term

success rather than short-term profits.

Let me illustrate with NEDD’s results for three key measures we use to assess our performance: number of covered lives (subscribers and their family members), revenue, and surplus (what we would call profit if we were not a not-for-profit 501(c)4 organization). In the first few years of my tenure and use of Baldrige, the covered lives and revenues grew faster than the surplus (profit) because we were investing in our employee colleagues, our processes, and our customers. Today, over the 24 years of increases since I became CEO, we have made the greatest gains in our surplus (profit), which has grown an average of over 60 percent a year. As I like to say, “If you take care of customers and do the right things, the numbers will take care of themselves.”

How and Why I Started with Baldrige

When Ronald Reagan was President in the late 1980s, the Japanese auto makers were eating the American firms’ lunch, so we had to fight back by using their arsenal of tools including the teachings of W. Edwards Deming, Armand Feigenbaum, and others. The Malcolm Baldrige National Quality Award, named after President Reagan’s recently deceased Secretary of Commerce, combined quality improvement principles and values from many sources into a holistic approach that I loved because I could see how all the different points of view fit together. As the first winners of the award were announced in 1988 and 1989, when I was Vice President of Operations for Delta Dental Plan of Massachusetts (DDPMA), I read about the award, attended conferences put on by the state quality award nonprofit—Massachusetts Council for Quality (MCQ), now called Partners in Performance Excellence—and took the Baldrige Examiner training to learn all I could about this exciting approach.

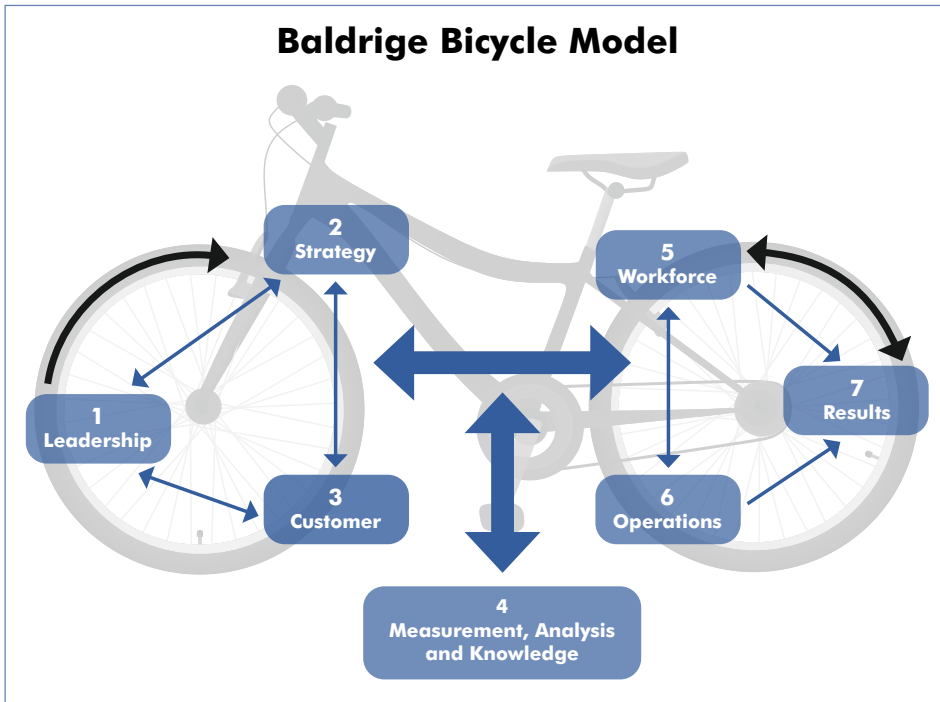
I found the explanation of how the seven Baldrige categories worked together using a bicycle model to be especially intuitive. The users of the Baldrige model are the bicycle riders. We use the Leadership, Strategy, and Customer tools to steer the bicycle. We use the Workforce and Operations tools to pedal or power the bicycle, and we use Measurement, Analysis, and Knowledge as our road map. Finally, the Results are the speed, distance, and other measures

Average Annual Increases in Our Key Growth Measures

Years Since 1995	Covered Lives*	Revenue	Surplus**
1 (1995-1996)	8.5 percent	8.9 percent	7.6 percent
2 (1995-1997)	10.6 percent	13.6 percent	8.3 percent
3 (1995-1998)	12.3 percent	17.9 percent	12.4 percent
12 (1995-2007)	10.8 percent	25.5 percent	60.5 percent
24 (1995-2019)	8.7 percent	24.7 percent	62.7 percent

* It is important to note that our growth in covered lives has slowed markedly in the past twenty years because we have achieved a market share of nearly 50 percent of eligible people in our states and 1/3 of all residents in our states!

**It is also interesting that surplus continues to grow because our high-quality service means we do not have to be the lowest-cost provider.



of our bike ride. The bicycle model makes it clear that we cannot make progress if we don't use all the tools together—that our accomplishments are the result of a holistic approach.

After taking the training, I thought long and hard about how to introduce Baldrige best practices to DDPMA. I knew that any program would have to show some quick results if I wanted it to be sustained, I knew that it had to be widely visible in the organization, and I knew that it would have to motivate people to do their best. I was fortunate to have time to really absorb the Baldrige model and understand that I had to focus on the long term while still showing some short term improvements.

Our President, Dr. Robert Hunter, was on the Board of MCQ and supported me in using the Baldrige model. We decided to start by offering a Guarantee of Service Excellence (GOSE) to our customers. We promised them we

would deliver exceptional customer service, quick claims processing, appropriate billing, and smooth and speedy implementation when they joined DDPMA. We also promised to pay them \$50 or reimburse fees as appropriate for each lapse. The beauty and power of the GOSE was that the promise to pay required us to keep records and issue reports of our failures, and the breadth of the guarantees meant that all departments were involved. We invested in research to shape GOSE, in company-wide training and communication about GOSE, in empowering employees to make things right and to report EVERY lapse, and in monitoring and celebrating GOSE payouts as learning experiences every month.

Bringing Baldrige to Life at NEDD

When I became CEO of NEDD in 1995, it was very small (only about 300,000 covered lives and \$57.5 million in revenues). It had the right intrinsic values of working hard

and caring about doing the right things, but it lacked defined work processes and leadership in the community. It was basically a small company that needed a leader with good business sense.

I began by joining the Board of the Baldrige award nonprofit in New Hampshire (the Granite State Quality Council, now called ExcellenceNorth Alliance) and putting many senior members of my team through their Baldrige-based examiner training. My hope was that they would become apostles, and they did. Our Senior Vice President of Operations, William Lambrukos, said it was the best training he had ever had, and he became an ardent ambassador for Baldrige. Together, we invested in transforming our operations and processes using the Baldrige Category 6 process management principles.

Once we knew we could deliver, we were ready to introduce NEDD's own GOSE, patterned after the GOSE developed in Massachusetts. Linda Roche, now Director of Account Services and Strategic Projects and former Director of Marketing, headed the internal GOSE team. This focused everyone on customers and empowered everyone to do the right thing for their customers—both internal and external as covered in the Customer Category 3. As a result of this continued focus on the customer, NEDD retains an amazing 98-99 percent of its customers annually, making us the top in the country, where the average group insurance retention rate is closer to 80 percent.

We didn't start with a customer retention rate of over 98 percent. We had to build to it with sustained



attention and communication. I must admit that for the first few years using the Baldrige framework sometimes felt like marching into a strong headwind. To make GOSE and other improvements work in our organization, I had to sell the ideas to two key stakeholder groups: our Board and our staff. To sell the idea to the Board, I focused on showing them how well customers rated us and how we were growing the subscriber base.

To sell the ideas to our staff, our Vice President of Human Resources, Connie M. Roy-Czyzowski, and I focused on increasing their job satisfaction, empowerment, and engagement as covered in the Workforce Category 5.

We began by ensuring that pay and benefits were appropriate and equitable. Then we added job skills training on such topics as GOSE, Baldrige, team building, values, and communication. We actively sought to increase staff empowerment by providing training on management and leadership styles, creating a respectful workplace with conflict management, and we made management coaching from experts available to managers who wished it. Next, we encouraged more staff recognition by stressing in our monthly management meetings the importance of acknowledging and thanking employees, of being mentors and coaches, and of celebrating successes. And, we communicated often and with transparency about operational and corporate results to create a shared culture and set of goals. Recently, we have added mindfulness training to reduce stress.

As a result of our intense focus on employees, we won awards every

year for over 20 years, including the Best Companies to Work for in New Hampshire, the Best Small and Medium Companies in the United States, and the Psychologically Healthy Workplace. The best part is that our employees feel proud of working here. They are not working just to make a buck but to serve their neighbors and communities.

With this strong economy today, we are in a battle to retain and attract outstanding employee talent. We are essentially a technology company in the health care field, so the competition is fierce. We pay at the median level, but still our reputation as a great place to work means that we lose only about eight percent of our employee colleagues annually compared to an average of 20 percent in our market.

Throughout our time making improvements for operations, customers, and workforce, we also worked on the Leadership and Strategy Categories 1 and 2 that we needed to guide our organization. We defined our vision, mission, and core values statement. While they have

matured over time, they have always proved valuable guidance for everyone at NEDD.

Finally, we have collected and communicated our Measurements (Category 4) and Results (Category 7). Of course, the measures have matured, but as I hope our results show, we have every reason to feel proud of our accomplishments.

How We Live the Baldrige Values Today

I have described how we gradually implemented improvement efforts using all seven Baldrige categories. Equally important is how we live the Baldrige core values or what used to be called principles. We did not set out to address them one by one, but I tried to live them from the top down. Of course, the values, like the Baldrige categories, are interconnected, but here is how I tend to group them in my mind when I am doing a mental scan of whether we are successfully incorporating them into our organization.

In 2000, NEDD submitted an application to the Granite State Quality Award. We learned a lot simply by writing the organizational

Our Vision

To be a world-class benefits company that is community focused.

Our Mission

To advance the oral health and overall wellness of our customers and the general public by providing innovative benefits and professional partnerships through diversified strategic business and philanthropic initiatives.

Our Values

We believe that effective **COMMUNICATION** is essential for our continued success as a great place to work and a stellar place to do business for all customers, service providers, and employees. We believe that **TEAMWORK** is key to working effectively toward our mission, being committed to giving 100 percent, and to working collaboratively with shared responsibility and accountability. We believe that **QUALITY** is a core value that enables us to strive continually toward reaching our mission and goals, and to achieving excellence in all that we do, resulting in our consistent feeling of pride in our work at Northeast Delta Dental. We believe that **INTEGRITY** is a crucial value that enables us to be respectfully honest and responsive to internal and external customers.

My Grouping	The Baldrige Core Values
Leadership	1. Visionary leadership – setting vision and values 2. Ethics and transparency – leaders modeling ethical behavior and what’s expected of the workforce
Strategy	3. Focus on success – balancing short term plans with long term goals 4. Organizational learning and agility – building a capacity for change and flexibility
Workforce	5. Valuing people – building an engaged workforce in a cooperative environment
Operations	6. Systems perspective – managing all components as a single interdependent whole 7. Managing for innovation – innovating in all aspects of the business
Customer	8. Customer-focused excellence – focusing on customers as the ultimate judges of performance 9. Societal contributions – contributing to the well-being of society
Data and Results	10. Management by fact – using data to analyze performance 11. Delivering value and results – balancing the needs of key stakeholders and society

profile and application, and we learned even more from the examiner feedback about our Opportunities for Improvement or OFIs. We used these OFIs to guide us for over five years and then began to do internal examinations of ourselves based on the Baldrige criteria. These examinations continue to provide valuable guidance to our organization. While we don’t talk explicitly about the Baldrige values or categories today, they are so embedded in our culture that they have become second nature, functioning as our business framework.

Final Thoughts

I hope that other leaders will see the enormous payoff we have had from Baldrige and will want to embrace this tried and tested model.

Looking back, we did several things that helped us succeed with the Baldrige model, and I share them in the hopes of making others’ journeys equally successful.

1. Take the time to really understand the criteria. I did it by taking the Baldrige examiner training, and I honestly believe that the few weeks

this takes delivers at least as much wisdom as two years of business school. NEDD’s most enthusiastic ambassadors are those employee colleagues who completed examiner training, whether they took it at the state or national level or whether they ever examined another company or not.

- 2. Share the learning with others in your organization.** Having my top leaders also take examiner training created a solid team of ambassadors or apostles who could not only support my efforts but expand the ideas and outcomes through their wisdom.
- 3. Start with early wins for your organization.** Change, like a diet, requires one to have a goal in mind and to stick to the plan. This is not easy, and it is possible for the efforts to become just another forgotten New Year’s resolution or idea of the month. We started with improved efficiency and quality through defining and managing our work processes. This had immediate payoffs. We followed with the GOSE or focus on the customer because I already had seen how this produced results quickly.

- 4. Persuade key stakeholders to support the effort.** We had to persuade both the Board and the staff. We did this by highlighting the early wins and by having lots of measures to prove that we were improving.
- 5. Always focus on doing what’s right – for staff, for customers, for society.** If you do this, the results will come.
- 6. Leadership must have an unwavering commitment to excellence.** A sustained change based on the Baldrige model and values requires a fanatical focus by leaders. To successfully implement Baldrige as we did first at DDPMA and then at NEDD, the commitment must come from the top, from leaders who lead by example. Success cannot be delegated.
- 7. Baldrige can work for any kind of organization.** The Baldrige framework and its core values apply to any size organization in any type of industry. I feel confident Baldrige can work for your organization as it did for mine.

I believe that if you take care of your customers and your people, the results will take care of themselves. If people are happy at work, they will deliver great service and be recognized and rewarded. If customers are happy, they will remain loyal and tell others, increasing sales and revenues. And if operations are efficient and error free, they will save money. It’s a beautiful circle, where paying attention to your people leads to customer loyalty which leads to great results.

**BALDRIGE FOUNDATION
LEADERSHIP AWARDS
2020 RECIPIENTS**



APRIL 14, 2021

The Baldrige Foundation Leadership Awards and the Dr. Curt Reimann Baldrige Scholars for 2020

The 2020 Baldrige Foundation leadership awards were originally scheduled to be presented at the 32nd Quest for Excellence® conference on March 26, 2020. The Baldrige Performance Excellence Program (BPEP) and the National Institute of Standards and Technology (NIST) were forced to cancel Quest in 2020 due to the COVID pandemic, and to host the rescheduled conference virtually. As a result, we presented the 2020 awards, along with the 2021 Awards, in a virtual ceremony on April 14, 2021.

For 2020, the Foundation Awards include the eighth annual presentation of the Harry S. Hertz Leadership Award, the fourth presentation of the E. David Spong Lifetime Achievement Award, the third cadre of winners of the Baldrige Foundation Awards for Leadership Excellence, and the third class of Dr. Curt Reimann Baldrige Scholars.

“These distinguished awards,” said Foundation Board Chair Dr. Kay Eggleston, “are presented annually to recognize the exceptional work our Baldrige volunteers, practitioners, and champions have accomplished in supporting, promoting, and advocating for the Baldrige community.”

“To begin,” Dr. Eggleston continued, “it is important that we acknowledge the individuals and organizations that make these annual awards possible. We express sincere appreciation to Dr. Ken Cohen and the Synergy Organization as the Founding Sponsor of the Harry S. Hertz Leadership Award. We gratefully acknowledge George Taylor and Beyond Feedback for continuing their generous support of these awards for many years. Lori Kirkland, who helped establish and continues to work to fund the Dr. Curt Reimann Baldrige Scholarship, also deserves our sincere gratitude, along with the SOAR Vision Group. Finally, each year the organizations, colleagues, and friends of our awardees make a special effort to celebrate their accomplishment by placing congratulatory notes and ads into the Foundation Awards Program. Thank you all for continuing to make these awards a reality.”





We were required to make significant changes in our Awards presentation due to the COVID pandemic.

2020 Foundation Leadership Awards Tribute Sponsors

- Alabama Performance Excellence Program
- Blanchard Valley Health System
- Charlie Blass
- Core Values Partners
- CynergisTek Inc.
- East Ridge at Cutler Bay
- Elevations Credit Union
- Florida Power and Light
- Paul Grizzell
- Hill Country Memorial Hospital
- Margot Hoffman, Ph.D.
- Janet Johnson
- Jordan Johnson Inc.
- NextEra Energy Inc.
- Northeast Delta Dental
- PRO-TEC Coating Company
- Southcentral Foundation
- Unity Health
- Walden University
- Yuma Regional Medical Center

The E. David Spong Lifetime Achievement Award

"I am honored to announce," said Baldrige Foundation Board Chair Dr. Kay Eggleston, "that W. Paul Worstell is the recipient of the 2020 E. David Spong Lifetime Achievement Award. Paul continues to be an inspiring and visionary leader, teacher, and advocate, mentoring hundreds of other leaders to embrace the Baldrige Core Values and Concepts. As CEO, Paul led PRO-TEC Coating Company to become a 2007 Malcolm Baldrige National Quality Award recipient. He has also served with distinction on the Baldrige Foundation Board of Directors and with The Partnership for Excellence in Ohio, Indiana, and West Virginia."

Paul Worstell grew up in steel, working many years for U.S. Steel before being tasked in 1996 to lead PRO-TEC Coating Company, a joint venture between the United States Steel Corporation and Kobe Steel, Ltd., of Japan.

"Paul believed PRO-TEC could become one of the finest companies in America," said Baldrige Foundation President and CEO Al Faber, "and he believed that Baldrige could provide the tools to make that vision a reality."

The Baldrige Excellence Framework provides the organizing principle that helps all parts of an organization synchronize their efforts and pull in the same direction. "I was blessed," said Worstell, "to be part of a great company and surrounded by great people, who are the reason PRO-TEC earned the Malcolm Baldrige Award."

Paul also recognized that the sharing of best practices, an important feature of the Baldrige process, was an essential component of performance excellence. "I am grateful for the many blessings received from being a small part of the Baldrige community. Two of the most important blessings are the friendships formed and the opportunities to learn from the best. The Baldrige Award was created to identify role-model organizations, to celebrate excellence, and to share best practices. As a leader, being able to replicate best practices from other Baldrige recipients is invaluable."



W. Paul Worstell with the 2020 E. David Spong Lifetime Achievement Award.

"Paul took very seriously the commitment to share best practices as a Baldrige winner," continued Faber. "He has shared his experiences with the executive teams of countless organizations on the Baldrige path, has been a mentor to many Baldrige winners at the state and national level, and committed boundless energy and leadership to his state program, The Partnership for Excellence, and to the Foundation's Board of Directors. He became a thought leader and one of the most liked and respected members of the Baldrige community."

"These friendships," Worstell continued, "are perhaps the most important catalyst for leaders to ensure that their organizations focus on mission, vision, and core values."

The E. David Spong Lifetime Achievement Award recognizes an individual who has performed truly extraordinary service and made a sustained impact which will inspire future generations of leaders in the pursuit of Baldrige. "Paul Worstell," Faber concluded, "is the embodiment of those values."

The Harry S. Hertz Leadership Award

Jayne E. Pope, RN, FACHE, MBA, became Chief Executive Officer for Hill Country Memorial (HCM) in Fredericksburg, Texas, in 2013. Prior to accepting the CEO position, Jayne served as Chief Nursing Officer at HCM. Formerly, Jayne was the CEO of Clinic Systems at a large network of clinics in Central Texas, which she led in achieving the highest level of Patient Centered Medical Home recognition. She is the recipient of the 2020 Harry S. Hertz Leadership Award.

“As CEO of Hill Country Memorial, a 2014 Malcolm Baldrige National Quality Award recipient,” said Baldrige Foundation Chair Dr. Kay Eggleston, “Jayne exemplifies the transformative leadership that drives performance excellence in the health care sector. She is a thought leader who understands the particular challenges of rural hospitals, serving and leading through application of the Baldrige Excellence Framework.”

“Hill Country Memorial won the 2014 Malcolm Baldrige National Quality Award, and Jayne Pope has continued leading HCM, achieving unprecedented levels of performance excellence,” said Baldrige Foundation President and CEO Al Faber. “In the six years since winning the Baldrige Award, HCM continues to produce world-class results.”

Jayne credits Baldrige: “By making the decision to embark on a Baldrige journey, senior leaders commit to guiding their organization to exceed minimum expectations and achieve world-class levels of performance.”

In 2020 Hill Country Memorial was named for the eighth time as one of the nation’s 100 Top Hospitals by IBM Watson Health™. Jayne explains how the Baldrige Excellence Framework is a key element of such success. “At its core, the Baldrige journey is one that allows businesses to discover the needs and expectations of customers and build the processes to meet and exceed them. Throughout the journey, Baldrige acts as a governor to pull an organization back on the right path—a guiding North Star.”



Jayne Pope, CEO, at Hill Country Memorial in Fredericksburg, Texas, displaying the 2020 Harry S. Hertz Leadership Award.

She continued: “The Baldrige framework and award process provide organizations an external perspective through the feedback report, all while providing them a vehicle to ask very important questions of themselves. Most beneficial to us at HCM was the free sharing of best practices and collaboration with other program participants. The richness of learning we experienced from these organizations is unparalleled. Despite the different business sectors represented in the Baldrige community, the lessons learned have applications across industries. Baldrige is an MBA in a book.”

“Jayne Pope embodies the Baldrige leadership principles and values,” concluded Faber. “Jayne has been recognized personally as an innovator, visionary, and strategic leader, having been named by Becker’s Hospital Review five times as one of the nation’s 60 rural hospital CEOs to know. We are honored to name her the 2020 recipient of the Harry S. Hertz Leadership Award.”

Baldrige Foundation Awards for Leadership Excellence



The Foundation presents recipients of the Foundation Award for Leadership Excellence with a sector-specific medal that is suspended on a color silk moiré ribbon, matched to the color representing the sector. The award includes a lapel pin and framed certificate.

Baldrige Foundation Board Chair Dr. Kay Eggleston noted, “The Foundation Awards for Leadership Excellence recognize individuals who actively support the Baldrige Foundation and its mission to promote, grow, and fund the Baldrige Program in supporting organizational performance excellence throughout the world. Awards are presented to individuals working in each of the Baldrige Award sectors and in addition in cybersecurity.”

“There are so many people doing such important work promoting the Baldrige Framework,” said Al

Faber, President and CEO of the Baldrige Foundation. “Through their efforts to grow the Baldrige community, they help thousands of organizations across the country to improve their performance.

“The 2020 recipients of the Baldrige Foundation Awards for Leadership Excellence,” continued Dr. Eggleston, “represent key sectors of the U.S. economy, each honoree demonstrating the finest Baldrige leadership qualities, and working to ensure the continued viability of the Baldrige Program and the Baldrige Excellence Framework.”

In Their Own Words

The 2020 awardees provide their thoughts on Baldrige and how it impacts their organizations and sectors



LAWRENCE “LARRY” ADAMS • BUSINESS
Vice President (Retired),
Florida Power and Light

“I never expected to receive a business leadership award at 93, 29 years after retiring from Florida Power & Light Company (FPL), especially one as personally meaningful as the Baldrige Foundation Award. In 1987-89, as a senior executive of FPL on loan to the service of our country, it was my distinct honor to work with Dr. Curt Reimann as co-chair of the Presidential Committee which created, funded, and deployed the Baldrige Foundation, of which I was the inaugural Treasurer. Since then, I have devoted countless hours of my 29-year retirement encouraging business, government, and charitable organizations to utilize Baldrige and the tremendous benefits it provides. For example, based upon an all-encompassing 350-page presentation of the Baldrige Program and years of meetings with City officials, the City of Coral Gables, Florida recently began the Baldrige Program. I am honored and deeply grateful to receive this prestigious award.”



GERRY AGNES • BUSINESS
CEO, Elevations Credit Union

“Thank you, Baldrige Foundation, for recognizing me with the 2020 Award for Leadership Excellence in Business. Since Elevations Credit Union first began utilizing the Baldrige Excellence Framework in April 2009, our employees, membership, and community have all benefited tremendously. Elevations has experienced continuous improvement and growth thanks to how our high-performing team has embraced the Baldrige Framework. Because of our team’s bold vision, hard work, and commitment to performance excellence, Elevations Credit Union will continue to thrive for generations to come. Thank you so much for this incredible honor.”



GARY FLOSS • BUSINESS
Retired Quality Executive:
Control Data; Medtronic;
Marvin Windows & Doors.
Adjunct Professor, University
of St. Thomas, School of
Engineering, St. Paul,
Minnesota

“Working as a quality executive for a high-tech manufacturing company when the Malcolm Baldrige Performance Excellence Criteria was rolled out in 1987, I was immediately drawn to the comprehensiveness of the question set in the Criteria. The three companies that I have worked in over my career have utilized the Criteria to drive progress on their quality journeys. For the past 21 years, I have taught a graduate-level engineering course built upon the Baldrige Excellence model with an emphasis on leadership. Having served 29 years on the Baldrige Board of Examiners and participating in multiple site visits, I have observed leadership at work in multiple high-performance organizations across all sectors. These experiences have informed my convictions as to the enormous importance of committed leaders who believe in and practice the Baldrige core values.”



**JAN GARFIELD •
EDUCATION**
Director, Professional
Doctorate Innovation and
Assessment, Walden University

“It was 2003, and I was a participant in the training session for the peer review corps of a higher education regional accrediting body. I was in awe of the ability of a fellow reviewer who asked insightful and probing questions during case study exercises. I asked him how he had developed such skill, and he explained that he was a Baldrige examiner. That moment was the beginning of my Baldrige journey. I have served as a national examiner since 2007, and I am still in awe of the ability of Baldrige examiners and practitioners to construct and pursue evidence-based lines of inquiry that lead to performance excellence. As Walden University celebrated its 50th anniversary in 2020, Walden also celebrated its third consecutive recipient of the Dr. Curt Reimann scholarship, recognition of its School of Management by the Performance Excellence Network, and accomplishments of its first Baldrige executive fellow. Walden’s DBA consulting capstone demonstrates the power of the Baldrige framework in the hands of doctorally trained practitioner-scholars. It is an honor to support ongoing efforts to strengthen and ensure the success of Baldrige now and in the future.”



**MAC MCMILLAN •
CYBERSECURITY**
CEO Emeritus, CynergisTek, Inc.

“The Baldrige frameworks have for years provided the tools organizations need to build better programs to meet mission requirements. They are considered the gold standard and are highly coveted by health care. Now the Baldrige Cybersecurity Excellence Builder, a public/private collaboration, provides the tools this critical industry needs to understand how well their security controls support patient care and safety. I am a strong proponent of health care adoption of the NIST Cybersecurity Framework to provide them the comprehensive and dynamic vehicle they need to develop effective cybersecurity programs. Cybersecurity is a top leadership challenge for 21st century health care, and Baldrige is already there.”



**RAY MONTGOMERY •
HEALTH CARE**
Special Projects Executive;
Former President and CEO,
Unity Health

“I believe the Baldrige Excellence Framework is one of the best structures and formats to help guide strategic planning. The criteria are broad to accommodate various structures while still going in depth. It is general enough to allow interpretations of the criteria to fit any organization, and in health care it is particularly appropriate and important.”

“Often an organization focuses on a strategic plan; a great plan is developed and is many times put on a shelf. One of the reasons Unity Health has been able to maintain a consistent plan is because of the use of the Baldrige structure. It has enabled Unity Health to stay focused on the planning process while remaining adaptable to trends and changes in health care.”



TOM RAFFIO • HEALTH CARE
CEO, Northeast Delta Dental

“Since I became President & CEO of Northeast Delta Dental in 1995, our organization has used the Baldrige Excellence Framework and values to plan, educate, improve, and evaluate how we manage ourselves, growing revenues by 670 percent and our customer base by nearly 300 percent. Because we are a service firm, we have placed special emphasis on employee support and well-being, and we have been voted one of the Ten Best Companies to Work For so many times that we are in the Hall of Fame. As the long-time Chair of our Granite State Quality Council (now ExcellenceNorth Alliance), I am honored to receive this Baldrige Foundation Award for Leadership Excellence and can testify that our experience is proof that the Baldrige approach really works.”



JEANNE SHAHEEN • GOVERNMENT
U.S. Senator, New Hampshire

“I am grateful to receive the Baldrige Foundation Award for Leadership Excellence in Government. The Baldrige Program does important work providing organizations in sectors throughout the U.S. economy, from health care to education or nonprofits, with the resources and tools they need to be effective and efficient economic contributors. I appreciate this award, and I’ll continue to support the Baldrige Program and those like it that invest in the innovation, sustainability and strength of our national and global economies.”



MICHELLE TIERNEY • HEALTH CARE
Vice President of Organizational Development and Innovation, Southcentral Foundation

“Southcentral Foundation (SCF) is led by an incredible group of leaders including the board of directors, CEO, and executive leaders who have spent more than 25 years transforming a health care system designed by and for Alaska Native people. I have been privileged to work as part of this team and in support of the work of Alaska Native people and the more than 2,500 SCF employees. The Baldrige Excellence Framework came at just the right time. Rather than telling or prescribing what to do, it asked questions about what and how we do and then asked us to prove it. Southcentral Foundation has proven it twice, with Baldrige Awards in 2011 and 2017. Our journey continues.”



**ROBERT TRENSCHEL •
HEALTH CARE**
President and CEO, Yuma
Regional Medical Center

“Baldrige has provided a map to the future for our origination. It has strengthened our position in our market and has resulted in elevated levels of employee and physician engagement, which has allowed us to provide higher quality and safer care to our patients. Our never-ending journey to achieve the highest quality care and patient experience possible is fueled by the passion of our employees. Baldrige provides the framework for all of us to be moving in the same direction toward the same goal. It has allowed me as a leader to unleash the collective power and intellect of our staff to think critically, act in our patients’ best interests, and to always “do the right thing.”



**LINDA VINCENT •
NONPROFIT**
Executive Director, Alabama
Performance Excellence
Program

“Some 29-plus years ago, I sat in a room with representatives from states across the nation and was introduced to Baldrige and learned how it could drive organizational excellence in my state! Since that very first meeting I have been completely sold on Baldrige, and not only what it can do for an organization, but also for those individuals that devote so much of their time to the state programs by serving as examiners and judges. In directing a state program you learn quickly that you can’t accomplish anything without the support of these dedicated, passionate, and brilliant people that stand beside you each day. With God’s grace and the continued support of folks like this, we will continue in our efforts to make a difference not only in our state but throughout the nation!”



The Dr. Curt Reimann Baldrige Scholarship

Dr. Kay Eggleston, Chair of the Baldrige Foundation Board of Directors, recently said, “The Dr. Curt Reimann Baldrige Scholarship provides an opportunity for graduate students and recent graduates to attend Baldrige Examiner Training. This valuable examiner training experience provides them deep exposure to the Baldrige Framework and the opportunity to build relationships with experienced members of the Baldrige community. It is our collective hope that they become part of the next generation of Baldrige champions.”

“The Foundation Board of Directors established the Dr. Curt Reimann Baldrige Scholarship because the Directors understand that the sustainment of Baldrige also requires an investment in future generations of Baldrige scholars and practitioners. The Reimann Scholars are the future,” said Foundation President and CEO Al Faber. “Through the Dr. Curt Reimann Baldrige Scholarship, by attending Baldrige Examiner Training, Reimann Scholars can learn about and ultimately integrate the concepts of the Baldrige Excellence Framework throughout their various career paths.”

The 2020 Dr. Curt Reimann Baldrige Scholars are Alan Lee Gunnerson and Jason Hazelrigg.

“As a retired Army officer and a professional IT consultant, having the ability to help organizational leaders and members to

accomplish their missions, improve results, and become more competitive, is a wonderful feeling,” said Gunnerson. “As part of Walden University’s Doctor of Business Administration Consulting Capstone, I had the opportunity to work with the Maryland nonprofit organization, the International Critical Incident Stress Foundation, using the 2017-2018 Baldrige Excellence Framework. I was able to help the foundation leadership 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? As a result of this work and my passion to be a change agent, I became a member of the foundation’s board of directors.”

Jason is Regional Manager for Pain Management and Manager of Rehabilitation Services for the Mount Carmel Health System in Columbus, Ohio. He earned an MHA from the University of Cincinnati, has a clinical background as a Physical Therapist, and holds an MBA from the Ohio State University Fisher College of Business. Jason is inspired by patients and the challenge of delivering quality care in a complex, dynamic environment in which decisions impact financial performance and people’s health and well-being. Baldrige training will enhance his impact by providing a framework to effectively, efficiently, and consistently evaluate complex, ambiguous, and biased information and situations.



2020 Baldrige Reimann Scholar Alan Lee Gunnerson, Senior Systems Architect, StellarPeak Corp.



2020 Baldrige Reimann Scholar Jason Hazelrigg (left) receiving his scholarship certificate from Tauana McDonald, COO and President of Mount Carmel Grove City.

True Objective: To Drive Performance in Everything

by Dawn Bailey, Baldrige Performance Excellence Program
National Institute of Standards and Technology



What does the continued success of a 150-year-old, multisector, multinational organization headquartered in India have to do with the Baldrige Excellence Framework?

In the early 1990s, the then-chairman of the Tata Group, Ratan Tata, created the Tata Business Excellence Model (TBEM) (<https://www.tatabex.com/about-us/tata-business-excellence-model>). TBEM is based on the Baldrige Criteria for Performance Excellence (part of the Baldrige Excellence Framework (<https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>)), and since 1995, the holding group has conducted internal assessments, like the Baldrige Award process (<https://www.nist.gov/baldrige/baldrige-award/award-cycle-overview>), for its more than 100 companies operating in ten industries: information technology, steel, automotive, consumer and retail, infrastructure, financial services, aerospace and defense, tourism and travel, telecom and media, and trading and investments.

According to Ratan Tata, “The true objective of setting these criteria, however, was never meant to be merely to use them as an assessment for an award but, more importantly, to utilize them for an institutionalized approach to drive performance and attain higher levels of efficiency in everything that a corporate entity does.”

Blogrige authors have written about Tata’s success with TBEM before in “‘Making an Elephant Dance’: How the Baldrige Criteria Helped Transform a Global Conglomerate,” (<https://www.nist.gov/news-events/news/2014/09/making-elephant-dance-how-baldrige-criteria-helped-transform-global>) “Rediscover an Organization’s Potential with the ‘Baldrige Criteria’s Power,” (<https://www.nist.gov/blogs/blogrige/rediscover-organizations-potential-baldrige-criterias-power>) and “Tata’s Baldrige Advantage: A Multinational’s Model for Performance Excellence.” (<https://www.nist.gov/blogs/blogrige/tatas-baldrige-advantage-multinationals-model-performance-excellence>)

This success and the company's use of TBEM continues today.

S. Padmanabhan Shares Some Insights on Using the TBEM



S. Padmanabhan
Tata Business
Excellence Group

*Photo Credit: Tata
Business Excellence Group*

According to S. Padmanabhan (Paddy), who runs the Tata Business Excellence Program, Tata Consultancy Services (TCS) recently was awarded "Iconic Company of the Decade" by India Business Leader Awards, named number one for customer satisfaction by its United Kingdom clients, and named number-one top employer by USA 2020.

Within the Tata group, TCS has been a benchmark leader using TBEM, surpassing a 750-point (combined process and results scoring bands) milestone in its Baldrige-based 2019 assessments. As a comparison, see the 2019–2020 Scoring Band Descriptors (<https://www.nist.gov/document/2019-2020scoringbanddescriptorsdocx>) (Word) that are part of the Baldrige Excellence Framework.

I touched base with Paddy to see how the TBEM assessment process is working today and how this Baldrige-based model has brought value to the Tata companies.

What is the purpose of TBEM?

The purpose of the model was to have a consistent way "to face up to the significant economic changes being experienced in India specifically and the strong need to compete and excel among the world players," according to a company presentation. "An institutionalized approach was the need of the hour to bring the hundred+ Tata entities together and become a globally recognized brand through world-class products and services."

How does the TBEM Baldrige-based assessment work?

For the Baldrige-based, TBEM assessment, every Tata company that is a signatory to a brand agreement

has to comply with achieving a total score in process and results items of 500 points within four years of signing the agreement.

According to a company presentation, "Achieving 500 points was [once] considered a difficult task. . . . Within a few years of this being institutionalized, many companies started achieving this milestone."

Companies that score more than 650 come for assessments once every three years, companies with a score of 500 to 650 once every two years, and those below 500 every year. Tata companies are considered industry leaders with scores of 651 to 750, benchmark leaders with scores of 751 to 850, and world-class leaders with scores over 851, said Paddy.

He added, "This serves the purpose for companies to continue to strive for excellence, as it is a never-ending journey, and even for achievers in the 650+ band, it is important to sustain their performance at high levels."

Paddy shared a quote from the chief executive officer of a Tata 650+ company,

Some of the key benefits that our company has derived from using TBEM are focused on continuous improvement, process orientation, informed decision making, total picture, and measured risk taking. . . . Benefits have all paid dividends by changing the overall culture of the company. It has changed the organization from being merely impulsive and intuitive to being more informed and process oriented.

According to a company presentation, for the mature Tata companies, "the assessment is a mirror. It gives them an opportunity to benchmark their processes and results and finally recognition and awards at a group level. . . . For newer companies, TBEM is a platform to learn from other Tata companies and improve processes and outcomes."

Said Paddy, all the five companies in the 650+ band have achieved significant success in their respective industries. "In many ways, the excellence has become a way of life and that is the biggest outcome and embodies the original philosophy of the then-

group chairman in introducing TBEM for all Tata companies.”

The TBEM assessment process is entirely conducted by Tata employees, and many companies encourage employees to conduct assessments as a part of their professional development, said Paddy.

“For our employees, it is an aspirational leadership development platform. They get exposure to different industries and companies and an opportunity to interact with the leadership of companies. It is also a great networking opportunity,” he added.

How have you shared learning/best practices across the company?

Paddy said that Tata conducts learning missions to companies within the group and outside the group. Such learning is added to a knowledge portal that has more than 650+ practices covering all areas to address of the TBEM criteria from 50+ Tata companies, and it is available to all companies. In addition, every Wednesday, a webinar by a subject-matter expert is used to share expertise and knowledge; on May 13, 2020, Tata conducted its 250th webinar. Once every two months, a chief executive officer or a C-level executive of a Tata company conducts the webinar.

Paddy said Tata also signed up for enterprise membership with APQC and organizational membership with ASQ for sharing and learning best practices and benchmarking global companies.

What results have Tata companies achieved using the TBEM (Baldrige-based framework) as the basis for excellence efforts?

According to Paddy, Tata companies have progressed despite the changing nature of business, the environment, and the market. He said, based on TBEM assessment scores, the group now has one Tata company as a benchmark leader, four as industry leaders, and twenty-four as emerging industry leaders.

Group revenue was at \$113 billion in FY2019, up from \$110 billion in FY2018.

“Our companies are becoming mature and striving to benchmark with the world’s best and aim for world-class performance in the chosen metrics,” he said.

“This gives us an inspiration to go beyond what we can think of achieving now. . . . The journey is our destination.”

Next steps for the TBEM assessments, according to a company presentation, are to customize engagements with Tata companies to suit an individual company’s context; to ensure data maturity in terms of availability, integrity, reliability, and accessibility; and to continue to explore best practices in the areas of data analytics, artificial intelligence, and the internet of things.

Why do you think excellence matters in today’s economy?

“Excellence as we understand it is not a destination at a point in time but a never-ending journey,” said Paddy. “An excellence framework like TBEM helps companies continuously introspect and hence increase the pace of change internally.”

He added that the excellence framework helps companies focus on all key stakeholders and not just shareholders. “The emphasis on customers, workforce, society, and suppliers—apart from the shareholders—ensures balanced strategy, which does not get skewed by short-term focus on quarterly performances and enables companies to think long-term. In today’s times, this focus on the long-term and a balanced stakeholder focus are very crucial for the long-term success of companies.”



Using the Baldrige Framework to Create a Legacy of Organizational Excellence

by Brian Dieter
President and CEO, Mary Greeley Medical Center

For a health care organization, ensuring customer satisfaction can be a challenge. Our customers come to us during some of the most emotional and vulnerable moments of their lives. Unless the impending arrival of a new baby is involved, chances are most people would prefer not to be here.

This is why Mary Greeley Medical Center puts such an emphasis on making sure patients and families, as well as our employees, have outstanding experiences when they are here. This focus on quality has resulted in Mary Greeley Medical Center becoming the first organization in Iowa to receive the prestigious Malcolm Baldrige National Quality Award. It also helped us earn Magnet Designation, the nation's top recognition of nursing quality. We are one of only 12 hospitals in the country to have both honors.

It took a decade to reach this milestone.

In 2008, we began looking for a system of evidence-based quality principles. During a presentation on the Baldrige program at an American College of Healthcare Executives (ACHE) conference, we realized that we had found what we were looking for.

From the start, we decided our process to document performance improvement would be a long-term priority and not simply an annual goal. Our journey began not in a single moment, but as a culmination of several.

Here are some of the big quality lessons we have learned along this journey.

Onboard Everyone

Adopting a tactic from two-time Baldrige recipient MidwayUSA, we made the decision to expose as many departments as possible to the Baldrige framework and criteria. We enrolled staff as examiners in our state's program, the Iowa

Recognition for Performance Excellence (IRPE). This provided us with exposure to organizations striving to radically improve.

Learning from other Baldrige organizations as well as using the Institute for Healthcare Improvements (IHI) improvement philosophy, we developed what we call our Big Dot goals. There are four of them: reducing patient harm; improving patient engagement; improving employee engagement; and achieving a positive operating margin. These goals helped create laser focus around the most important priorities at the medical center. And today everyone knows them. They are on wallet-size cards on which employees can describe how they contribute to these goals. Each goal has a metric that is tracked both organization-wide and in individual departments.

We track our progress on our Big Dot Goals on huddle boards displayed in clinical and non-clinical departments across the hospital. Using the vernacular of 4DX, a formula for executing on important strategic goals laid out in the book *The 4 Disciplines of Execution*, departments create lead measures that align with the Big Dot Goals so each staff member understands how their work contributes to the organization's goals. Daily huddles are routinely held near these boards during which we stress operations issues, process improvement, and current performance.

Our work process discussions are grounded in understanding and meeting patient expectations. We continually ask our leaders three questions about their departments:

- 1) Is your department doing as well as it could?
- 2) How do you know?
- 3) What and how should your department improve or change?



Leaders respond to these questions monthly with their one up and every nine months with the senior leaders through a process we call the Leadership Business Review. This ‘mini-Baldrige’ document by department is a high-level overview of each department, including a TOWS analysis (SWOT upside down, which we learned from Memorial Hospital in Jasper, Indiana), a review of the departments’ priorities by Baldrige category and department performance by Big Dot Goals and other key department metrics. The Leadership Business Review process has been through several cycles of improvement in the four years of its existence and is currently a standard work document that is transparent to the entire organization.

Create On-Going Improvement and Innovation Mechanisms

Our improvement philosophy is that everyone at Mary Greeley has two roles: Do Our Work and Improve Our Work. To support this, we encourage staff to present improvement ideas through an online system. Additionally, we challenge our leaders to come up with innovative ways to reduce costs or generate revenue through the 100-day workout concept.

We created a quality improvement unit which, among other things, oversees rapid improvement projects, designed to literally break down our processes, develop ideas to improve them, and then execute these ideas. Each of these projects involves cross sections of staff, which further hardwires a culture of improvement throughout the organization.

Act On What You Hear From Your Customers

We get feedback from our customers in a variety of ways, including hourly rounding, patient surveys, a patient and family advisory council, social media, letters, unsolicited phone calls, and through informal

interactions with patients and families. We collect and track these comments through a customer listening system and complaint management process, which enables us to address problems in an efficient and timely manner. It also enables us to monitor trends that indicate larger opportunities for improvement.

Sustain the Focus

During our IRPE journey, we received Gold-level recognition (the highest awarded in the state program) in 2014 and 2017. We remain the only Iowa organization to reach this top level twice. We continued to submit an annual application to the IRPE program even though we were not award eligible (awardees are not eligible for three years following highest recognition) because we receive feedback that helps us remain focused on the process. We also continued to recruit staff to be IRPE examiners. To date we have over 80 years of combined examiner experience!

“Our improvement philosophy is that everyone at Mary Greeley has two roles: Do Our Work and Improve Our Work.”

Perhaps the best example of how all of what we just detailed can have a significant impact is our patient-centered scheduling project. This was a rapid improvement event that was a result of listening to both patient and employee concerns. It was also spotlighted in our 2019 Baldrige feedback report. The idea behind the project is to more efficiently schedule inpatients for daily tests, treatments, and therapies. This required adapting our electronic medical record system, Epic, to create a way for staff to see what is scheduled for a patient. This meant, for example, that a patient did not have to have to



worry about a therapist showing up the same time as a meal. They would know what was going to happen and when, reducing anxiety and creating more comfort for patients and families.

The impact of our efforts can be seen in the measurable quality of our care and the feelings of our patients and employees.

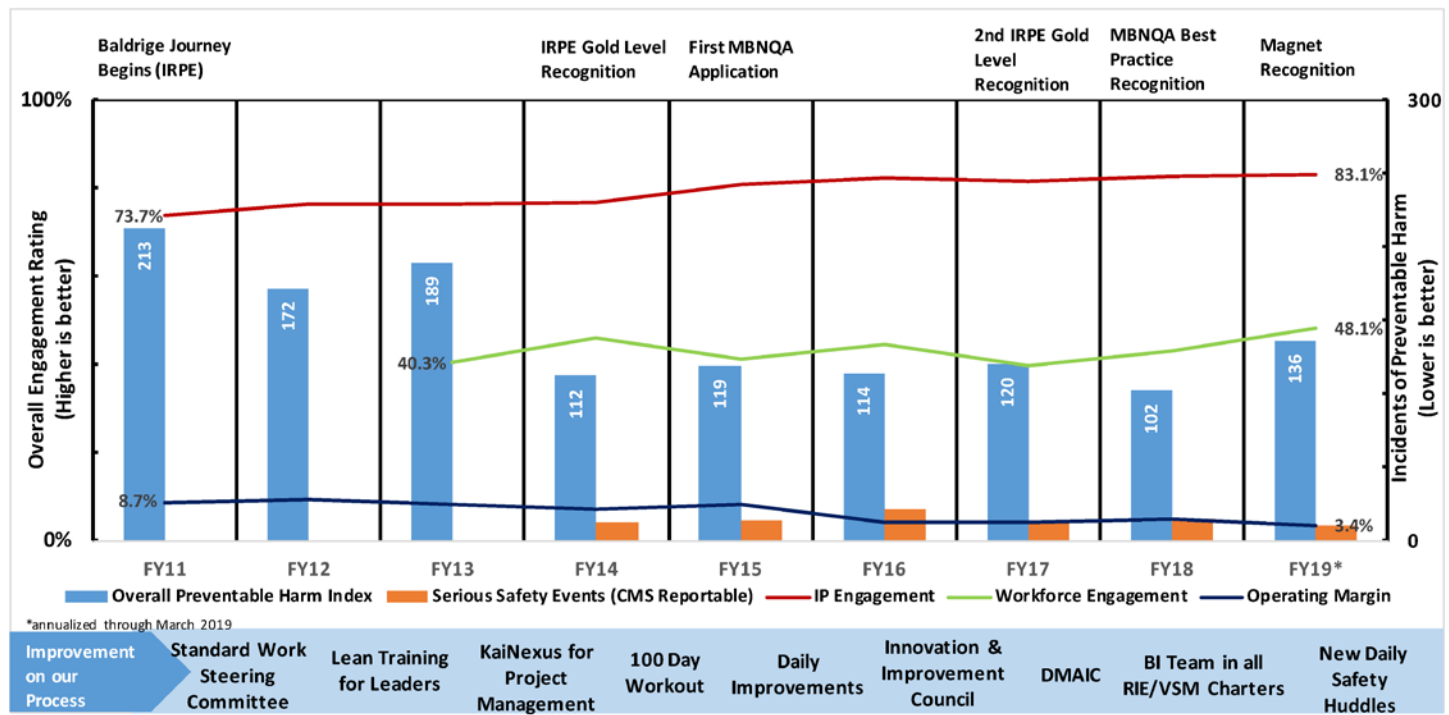
Our key measurements are in the Centers for Medicare and Medicaid Services (CMS) top decile, including 30-day readmissions, 30-day mortality, incidence of preventable blood clots, and compliance with sepsis practices, influenza vaccinations, stroke bundle, and outpatient imaging measures.

Inpatient satisfaction, as measured by HCAHPS, has been at or above top-decile performance since 2016. More than 75 percent of inpatients and outpatients

would recommend Mary Greeley to others, representing top-decile or near-top-decile levels.

Close to the National Research Corporation top decile, 75 percent of employees “talk up” the organization as a great place to work. Meanwhile, physician engagement ranks in the 86th percentile.

Our 10-year journey has had a significant impact on our patients and families and on our staff, and it does not end. The Baldrige Excellence Framework has become the way we do our work and how we improve our work. It has allowed us to document, standardize, and improve some of the most complex and seemingly impossible-to-document processes in our health care system. Most importantly, it has enabled us to provide continually improving care to our patients.



Mary Greeley Medical Center

Our tenacious focus on getting better every day has transformed our performance improvement journey to deliver some of the most exceptional outcomes.

Regaining Trust: Lead with Facts, Listen, and Act with Empathy

by Harry Hertz, Baldrige Performance Excellence Program
National Institute of Standards and Technology

If there is one primary attribute of successful leaders, I would assert it is the trust they have built with their stakeholders. It is now a year since our faith in organizational leaders and all that we believed has been rattled by a pandemic and the social inequities in our culture. I commented on the role of *trust* in a leader's ability to achieve inclusiveness in a recent blog (<https://www.nist.gov/blogs/blogrige/am-i-inclusive-leader>).

The publication of the 2021 Edelman Trust Barometer (<https://www.edelman.com/sites/g/files/aatuss191/files/2021-03/2021%20Edelman%20Trust%20Barometer.pdf>) reinforced the global need for leaders across sectors to regain trust. In a recent Deloitte Insights (https://www2.deloitte.com/content/dam/Deloitte/it/Documents/about-deloitte/The_value_of_resilient_leadership_Deloitte.pdf), Deloitte Global CEO Punit Renjen asserted, "rebuilding the world's economy, our health and safety, our climate, and human relationships requires a renewed commitment to trust."

To start the discussion, let me offer a definition of *trust* from the article by Renjen, "Trust is our willingness to be vulnerable to the actions of others because we believe they have good intentions and will behave well toward us."

Current State of Trust

Why is it so important for leaders to regain trust? Let me share some information about the current state of trust from the 2021 Edelman Trust Barometer. The study involved an on-line survey of 33,000+ people in 28 countries. It looked at trust in business, media, NGO's, and government. Of those four sectors, in 2021 **only business was seen as both competent and ethical**, with a trust index of 61, up 2 points from 2020. Local trust was considerably higher, with a trust index of 76 for "my employer." For comparison,



in the 2014 Edelman Trust Barometer, only 20 percent of the respondents trusted business leaders to tell the truth and make ethical and moral decisions.

86 percent of the respondents expect CEO's to publicly speak out about societal challenges and 65 percent agree with the statement that CEO's need to hold themselves accountable to the public and not just the board of directors or stockholders. From 2020 to 2021, there was a 49 point net increase in employee expectations that employers need to keep workers and customers safe.

In the 2021 study, trust in spokespeople reached an all-time low for academic experts, company technical experts, "people like yourself," NGO representatives, and regular employees. All of those spokespeople had a credibility rating higher than government officials.

The Leadership Challenge

Senior leaders who are trusted always have an advantage with employee and customer engagement, which in turn yields enhanced “business” outcomes. (See next section.) In a blog in 2015 (<https://www.nist.gov/baldrige/if-you-want-build-trust-collect-trash>), I wrote about building trust as a new leader and then establishing a reservoir of trust. Those recommended actions are still relevant.

However, recently, I have been thinking about specific actions that are most relevant at the current time for regaining and maintaining trust. As indicated above, based on the 2021 Edelman Trust Barometer a key action to take now is keeping employees and customers safe.

Drawing upon information from recent publications by Accenture (<https://financialservicesblog.accenture.com/the-importance-of-building-trust-in-the-financial-services-workplace-explained-in-6-eye-opening-statistics>) and Deloitte (https://www2.deloitte.com/content/dam/Deloitte/it/Documents/about-deloitte/The_value_of_resilient_leadership_Deloitte.pdf), as well as other sources, the single most important way to build *trust* is through developing positive, durable relationships. So the next logical question is, how does a senior leader build those relationships? The answer is through **good judgment (competence), consistency, intent, and listening**.

- **Good judgment** refers to leader competence that is relevant, that is able to execute on promises and plans, and that is credible.
- **Consistency** refers to a strategy and actions that align with organizational culture.
- **Intent** refers to the meaning behind a leader’s actions. The actions should reflect genuine empathy and caring for the wants and needs of key stakeholders.
- **Listening** refers to earnest two-way communication and active listening to what stakeholders say.

To achieve these four aims, people want data. According to Stephen Denny and Paul Leinberger in a recently released book entitled *Unfiltered Marketing* (<https://www.youtube.com/watch?v=QXl5rXLOP7g>), people want to form their own opinions based on senior leaders who are unscripted in their

communication and share raw data rather than filtered interpretations.

Organizational agility will be necessary.

The Business Case for Trust — The Data

Let’s start with our four aims from the last section. According to a 2019 Harvard Business Review (HBR) article by Jack Zenger and Joseph Folkman (<https://hbr.org/2019/02/the-3-elements-of-trust>), leaders who displayed 60th percentile ratings for consistency, good judgment, and positive relationships received an 80th percentile *trust* score.

In a May 2020 study conducted by Deloitte, they found that 75 percent of customers who highly trust a brand are likelier to try a new product or service from that brand. Furthermore, 79 percent of employees who highly trust their companies feel more motivated to work for the companies.

In a 2017 *Harvard Business Review* publication by Paul Zak (<https://hbr.org/2017/01/the-neuroscience-of-trust>) on the neuroscience of trust, he reported that employees at high-trust companies exhibit:

- 74 percent less stress
- 50 percent higher productivity
- 106 percent more energy at work
- 13 percent fewer sick days
- 76 percent more engagement
- 26 percent more satisfaction in their lives
- 40 percent less burnout

Consider how you can lead with facts, listen to your employees and customers, and act with empathy.



2020—Resilience is More than Bouncing Back

by Bob Fangmeyer
Director, Baldrige Performance Excellence Program

Like no other time in recent history, the year 2020 exemplified why the Baldrige Excellence Framework encourages organizations of all kinds to foster innovation, strengthen their supply network, leverage their ecosystem, be prepared for expected and unexpected disruptions, and ensure that their workforce—and the processes and systems the workforce relies on—are robust yet agile.

The source of this realization, of course, is the global pandemic, which has caused more devastation, created more challenges, and forced more change in a shorter period of time than any single event in the past 100 years. No organization has been unaffected by the pandemic. And yet, for organizations that are aware and prepared, it has opened up many opportunities. Organizations that have managed to thrive are those that saw opportunity in change, were agile and innovative, and were willing to transform.

It was incredibly gratifying to learn that so many individuals and organizations believe so strongly in

the Baldrige process that they continued to participate as examiners and Baldrige Award applicants during a challenging year. In the end, Secretary of Commerce Wilbur Ross notified five organizations that they had earned the distinction of becoming a 2020 Baldrige Award recipient:

- AARP
- Elevations Credit Union, the first two-time recipient in the nonprofit category
- GBMC HealthCare System
- MESA, the first ever three-time recipient
- Wellstar Paulding Hospital

And why would these organizations continue to apply the Baldrige Excellence Framework during a crisis? Because many of them realized that their prior use of the framework enabled them to be better prepared to respond to the COVID-19 pandemic. Numerous award recipients, applicants, examiners, Baldrige Executive Fellows, and communities testified that the systems and processes put in place due to the use of Baldrige had made all the difference in their ability to be agile and resilient and overcome new challenges.

Like many other organizations, the Baldrige Performance Excellence Program had its share of challenges due to COVID-19. Well before the declaration of a global pandemic in mid-March, we had already begun planning for the impact on our operations and offerings. The Baldrige staff and hundreds of volunteer examiners overcame tremendous adversity to ensure that the program and award process would continue. Of course, we relied on the insights, input, and preferences of our key stakeholders to inform our decision making as we balanced sometimes contradictory needs.

Among the difficult decisions we made in 2020 were postponing the Baldrige Award Ceremony and Quest for Excellence Conference, canceling in-person training



Bob Fangmeyer, Director, Baldrige Performance Excellence Program, hosting a session for Baldrige leaders to share best practices at the 2019 Quest for Excellence conference—the last pre-pandemic Quest—April 8, 2019, National Harbor, Maryland.



for Baldrige examiners, postponing Baldrige Executive Fellows visits to Baldrige Award recipients, and not sending examiners to award applicant organizations for in-person site visits. Changes to the award process and the Quest Conference required a massive, coordinated effort that included comprehensive and timely communications, refunds or forward-funded registrations to all attendees, and the cancellation of numerous contracts while avoiding cancellation charges. Similarly, the conversion of on-site examiner training to a virtual model with only a few weeks to go was also an amazing feat.

“Why would these organizations continue to apply the Baldrige Excellence Framework during a crisis? Because many of them realized that their prior use of the framework enabled them to be better prepared to respond to the COVID-19 pandemic.”

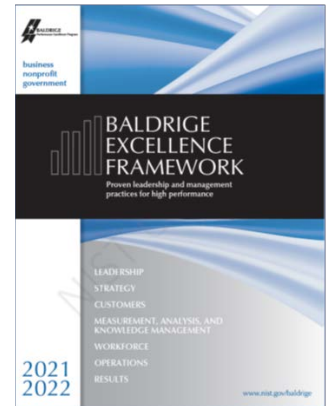
And yet, each of these decisions created new opportunities. The program had a chance—no, a need—to attempt new approaches that would have seemed impossible even 12 months ago. Converting all operations to an entirely virtual work system? Impossible! 100 percent telework, 100 percent of the time, for a whole year? Impossible! A completely electronic and virtual award process that still effectively and efficiently evaluates applicants and identifies deserving award recipients? Impossible!

Well, it turns out, not so impossible. We just hadn't thought these changes were possible.

And in a year like no other, we have a lot to celebrate, significant accomplishments thanks to the hard work and agility of an incredibly dedicated workforce.

Besides a successful award process, 2020 included the establishment and successful first cycle of the Pledge to America's Workers Presidential Award, recognizing and encouraging excellence in workforce education and training; a collaboration with the National Institute of Standards and Technology's (NIST) Manufacturing Extension Partnership Program to develop an assessment to determine a manufacturer's preparedness for and adoption of advanced manufacturing/industry 4.0 technology solutions; the

support of NIST leadership for adding “Community” to the current Baldrige Award categories of manufacturing, service, small business, health care, education, and nonprofit; and the completion of the newest revisions to the Baldrige Excellence Framework. These revisions include an increased emphasis on issues that have proven to be more critical than ever: organizational resilience, equity and inclusion, and the import and impact of technology on organizational efficiency, improvement, innovation, and long-term success.



The Baldrige Excellence Framework is a living document, continuously evolving as the Baldrige community continues to gain experience with the criteria.

It is not possible in this short article to express adequate appreciation to the many volunteer examiners, judges, and overseers who played important roles in ensuring the success of the program over the past year (and who do so every year!). Nor is it possible to convey adequate congratulations, encouragement, and gratitude to the 2020 award recipients, other applicants, and Baldrige staff for their engagement, hard work, and many accomplishments.

Thanks to their service and to the opportunities driven by the pandemic, the program is not just bouncing back following the pandemic but is bouncing forward into a very different and exciting future.

PLEDGE TO AMERICA'S WORKERS Presidential Award

- White House Award Ceremony September 23
- Recognized 9 recipients
 - American Hotel & Lodging Association
 - Associated Builders and Contractors
 - Lockheed Martin Corporation
 - National Retail Federation
 - Northrop Grumman Corporation
 - Oberg Industries, LLC
 - Textron Inc.
 - Volkswagen Group of America
 - Zurich North America

The Baldrige Program helped to establish and execute the Pledge to America's Workers Presidential Award, recognizing and encouraging excellence in workforce education and training.

2020 Baldrige National Quality Award Recipients



Photo courtesy of Elevations Credit Union.



Photo courtesy of AARP.

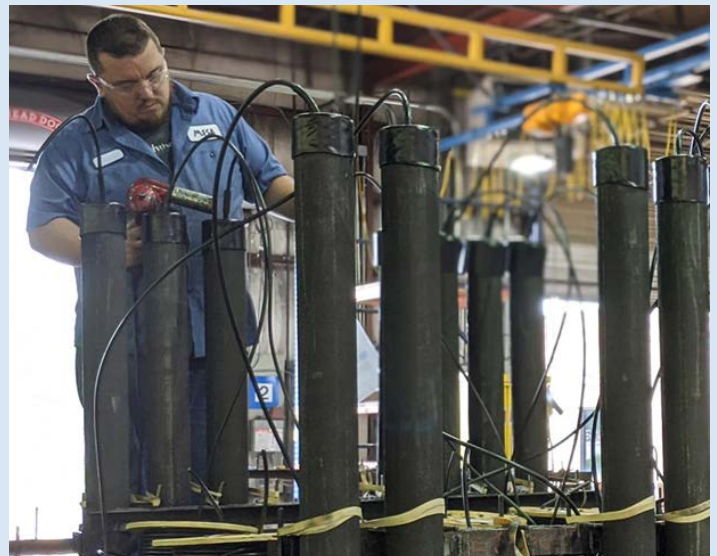


Photo courtesy of MESA.



Photo courtesy of GBMC HealthCare System.

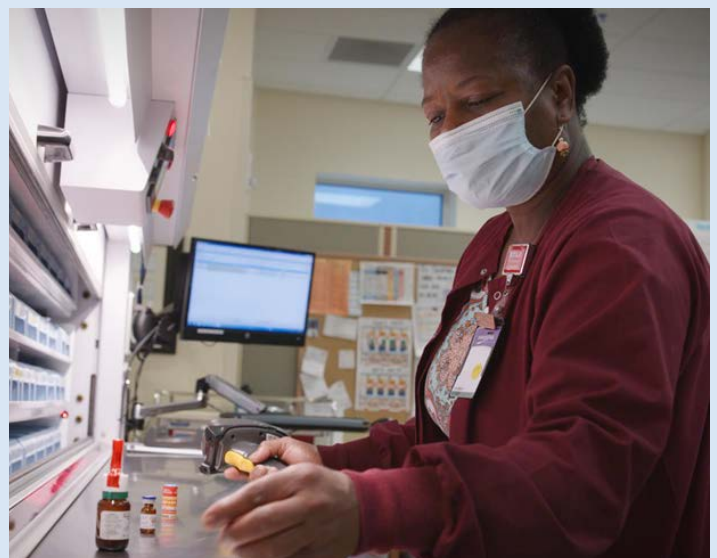


Photo courtesy of Wellstar Paulding Hospital.

Baldrige Economic Impact: #BaldrigeForGrowth

The Malcolm Baldrige National Quality Award was born of the quality crisis in American manufacturing in the 1970s and the 1980s. Manufacturers in Germany, Japan, South Korea, and other American competitors had gained market share due to their reputations for high-quality products. American manufacturing was slipping.

Many of America's competitors had also developed quality award systems and prizes, like the Deming Prize in Japan. Within the Mac Baldrige Department of Commerce and elsewhere, people began to consider whether such a solution could also work for American businesses.

It was widely believed that American companies needed to refocus on quality. Following the death of Secretary Baldrige in 1987, there was a new Congressional impetus behind some proposals along this line that had stalled in Congress.

The Malcolm Baldrige National Quality Award emerged from the broad consensus among policymakers to recognize the late Secretary and continue his work. It would be the prize that would motivate companies to undertake the Baldrige challenge and refocus on quality.

“We have always had a passion for customer satisfaction, continuous improvement, our industry, and our way of life. But Baldrige helps us serve customers better than we ever imagined. We are truly thankful for this gift of Baldrige to America.” – Matt Fleming, President, MidwayUSA

While the prize may motivate some organizations to begin their Baldrige journey, it has become apparent over more than 30 years of experience with the Baldrige Excellence Framework that the true payoff comes from the journey. The leaders of virtually every Baldrige Award recipient organization say that very same thing, that it is the improvement in performance from undertaking the Baldrige journey that is the real prize. Assessing the economic impact of the Baldrige



“The impact of the Program has been amazing. The Baldrige Award process alone generates an estimated \$1 billion a year in benefits to the applicants of the award and their customers. It does this through cost savings for companies that use the criteria, gains to U.S. customers who have access to higher quality products and services, and gains from the improved use of valuable resources.” – Wilbur Ross, U.S. Secretary of Commerce

Performance Excellence Program over 30 years means that assessing the improvements in profits, reductions in costs, enhancement of customer and employee satisfaction, higher levels of employment, and other benefits achieved by the Baldrige Award recipients. But that assessment will yield only a small percentage of the total value generated for the American economy. Such an assessment will fail to capture the gains achieved by the hundreds of organizations on the journey that have not yet, or may never, win a Baldrige Award or one of the state-level Baldrige-based awards.

The total value generated by the Baldrige Enterprise derives from three distinct sources. The first and most obvious is the actual process and performance changes of the organizations employing the Baldrige Framework. Over the years, BPEP has collected data from the Baldrige Award recipient organizations, and their gains are impressive. The Bureau of Economic Analysis and Labor Statistics report that organizations that have twice won the Baldrige Award demonstrate a stunning 92.6 percent increase in median revenue growth in the period between winning their awards; job growth at 2.5 percent, nearly 20 times greater than matched industries; and growth in the number of business sites of 84 percent.

The second source of value is the performance excellence multiplier of the Baldrige Award. One of the commitments made by Baldrige Award recipient organizations is that they will share their best practices and serve as role models for other organizations. George Benson, then-Chair of the Baldrige Foundation Board of Directors, explained that impact in his introduction to the Baldrige Award ceremony in 2016.

“The purpose of the awards we present today is not just to reward these top-performing organizations. From the beginning, the Baldrige Criteria and the Baldrige Awards were designed to trigger transformational chain reactions that would yield a stronger, more competitive economy and a better quality of life for the people of this country.”

“In simple terms, these organizations used the Baldrige Criteria to assess repeatedly their performance and deploy improvements until they achieved role-model status. Then we, in our own organizations, learn from them and repeatedly assess and improve our performance. That, in turn, motivates our competitors, our collaborators, our suppliers, and our customers to improve their performances, and so forth.”

“A very crucial step in that chain reaction is the identification of role models, living and breathing organizations that we can relate to, can communicate with, and therefore can learn from.”

“The Baldrige Criteria challenged us to become leaders by any measure, and we succeeded—seeing productivity, customer loyalty, employee engagement, and financial returns. This award sets the standard for U.S. organizations, driving innovation and economic competitiveness.” – Sam Liang, CEO and President, MEDRAD, Inc.

The third source of value is the vast army of highly-trained volunteers that donate thousands of hours of consulting and teaching to organizations on the Baldrige journey. These are the examiners and judges for the Baldrige Performance Excellence Program at the national level and for the state and local Baldrige-based programs. The estimate of the cash-value equivalent for management consulting by the volunteer Baldrige examiners in 2018 was more than \$37 million.

There have been some efforts to quantify the total economic impact of the Baldrige Enterprise. U.S. Secretary of Commerce Wilber Ross said in April 2017, that the Baldrige public-private partnership generates \$1 billion each year in economic impact. In 2011, economists Albert Link of the University of North Carolina at Greensboro and John Scott at Dartmouth College, calculated that the benefit to cost ratio of the Baldrige Performance Excellence Program was 820 to one—that is, each dollar invested spent to keep BPEP operational results in \$820 of economic benefit.

“I cannot think of a better way to verify the sustainability of a business model than using the [Malcolm Baldrige National Quality Award] process to confirm that your founding business principles continue to be the foundation upon which you grow.”
– Michael Luker, President, Cargill Kitchen Solutions (formerly Sunny Fresh Foods, Inc.)

Some of the specific company-level improvements driven by Baldrige include the following:

- Lockheed Martin Missiles and Fire Control realized cost savings of \$225 million annually through process and performance improvement programs driven by their Baldrige assessment, and attained a leading market share and sustained growth in the four years leading to their receipt of the Baldrige Award in 2012.
- MEDRAD, a business of Bayer HealthCare, achieved revenue increases from \$120 million in 1997 to \$625 million in 2009.
- Since 1999, Sunny Fresh Foods (Now Cargill Kitchen Solutions) experienced rapid growth: three plants grew to five, revenue increased 93 percent, and Sunny Fresh became a net exporter of talent to its parent company.
- At Honeywell Federal Manufacturing & Technologies, customer satisfaction exceeded 95 percent, and customer product quality and reliability reached 99.9 percent for traditional customers, and 99 percent for non-traditional customers.
- The Bama Companies, Inc., increased sales by 72 percent and grew revenue from \$123 to \$211 from 1999 to 2004.

The evidence proves that Baldrige is America’s best investment. #BaldrigeForGrowth.



Baldrige Small Business Impact: #BaldrigeGrowsSmallBusiness



When Congress established the Malcolm Baldrige National Quality Award in 1987, it identified three sectors in which an organization could apply for the Award: Manufacturing, Service, and Small Business.

In keeping with the initial intent to challenge foreign competitors, the first award recipients in 1988 and 1989 were American giants with names like Motorola, Westinghouse, and Xerox. But among those Goliaths, in that very first year, was a David called Globe Metallurgical, Inc. (now Globe Specialty Metals, Inc.).

“I’m a car guy [who] believes in the Baldrige framework. I speak car, not Baldrige. If we can do this, anyone can. We are a testament to the Baldrige framework capacity to provide organizational sustainability and success.” – Gary Housley, President and Dealer Principal, Don Chalmers Ford

Globe Metallurgical had just 210 employees in two locations in Ohio and Alabama. With sales just under \$100 million in 1987, serving about 300 customers, it fit neatly into the Small Business sector, with room to spare!

Through the 2019 award cycle, 29 of the Baldrige Award recipients have been in the Small Business

sector, accounting for nearly 24 percent of all awardees, proving that the Baldrige Excellence Framework is scalable to virtually any size organization.

“Baldrige is the key to winning results and world-class excellence.” – Ken Schiller, Co-Owner and Co-Founder, K&N Management

That Baldrige works for small business is not inconsequential. Small businesses comprise the vast majority of the U.S. economy. U.S. Census Bureau data in 2014 showed that there was a total of 5.83 million employer firms in the United States, meaning firms that had employees in addition to a single owner-proprietor. Companies with fewer than 500 workers accounted for 99.7 percent of those businesses. If you were to narrow the definition of “small business” to mean those with fewer than 20 workers, the category still accounts for a whopping 89.4 percent of all U.S. firms.

It is not just raw numbers of businesses that underscores their importance, but also the economic activity generated by American small businesses. A 2012 report from the Small Business Administration’s Office of Advocacy found that small businesses produced 46 percent of private, nonfarm Gross Domestic Product. From 1992 though 2013, small

businesses generated 63.3 percent of net new jobs in the United States, and by 2015, small businesses employed almost 59 million people or 47.5 percent of the private workforce.

“I have always envisioned Stellar Solutions to be a company that is built to last. And if you ask how we can ensure that we are built to last, I would say the answer is Baldrige.” – Celeste Volz Ford, Founder and Board Chair, Stellar Solutions, Inc.

There have been some efforts to quantify the total economic impact of the Baldrige Enterprise. U.S. Secretary of Commerce Wilber Ross said in April 2017, that the Baldrige public-private partnership generates \$1 billion each year in economic impact. In 2011, economists Albert Link of the University of North Carolina at Greensboro and John Scott at Dartmouth College, calculated that the benefit to cost ratio of the Baldrige Performance Excellence Program was 820 to one. And remember. Much of that growth is generated by small businesses on the Baldrige journey.

The evidence also shows how small businesses improve as they pursue excellence through Baldrige. Some of the specific company-level improvements driven by Baldrige include the following:

- Integrated Project Management’s total annual revenue increased by 62 percent over the four years preceding its 2018 Baldrige Award, while the ratio of annual revenue per consultant outperformed a national comparison by 50 percent.
- As of 2017, Bristol Tennessee Essential Services offered the fastest Internet available in the United States at 10 Gigabits per second, while outperforming regional, industry, and best-in-class comparisons for service reliability as measured by outage minutes per customer.
- Stellar Solutions has seen revenue grow from a rate of 1.18 percent in 2013 to 6.81 percent in 2016.

“For immature organizations, Baldrige is an excellent process for establishing a model and practices that will support insightful strategy development to ensure competitiveness and controlled scalability. For mature companies that have been successful and continually evolved, it provides an opportunity to accelerate growth and competitiveness.” – C. Richard Panico, Founder, President, and CEO of Integrated Project Management Company

“MESA had the opportunity to make ourselves a better organization by using the Baldrige Criteria. Every person at MESA prepared by learning and working to improve the way we do business. Baldrige gave us a business management model.”
– Terry May, president, MESA Products, Inc.

Such growth has occurred despite the constraints in government funding being identified as a key business challenge for the organization.

- Don Chalmers Ford’s total sales volume increased from \$109 million in 2012 to \$126 million in 2015. Total dealership gross profit increased by 13 percent during the same period, with the percentage of gross profit growth in 2015 exceeding Ford’s national benchmark level by 8.4 percent.
- Momentum Group has invested in process upgrades that have reduced sample production time by 50 percent and improved sample yield per yard by 20 percent.
- From 2006 to 2012, MESA more than doubled in size, demonstrating a growth rate during this period that exceeded that of its closest competitor by almost 40 percent.
- MESA, which also won a Baldrige Award in 2006, increased its profitability as a percentage of its revenue from 5 percent to more than 10 percent from 2006 to 2012.
- Freese and Nichols achieved revenue growth between 12 and 16 percent over the four years leading to its 2010 Baldrige Award, exceeding the industry benchmark by 10 percentage points in 2009.

“We were searching for a path to improve our business, but what we discovered was so much more. It’s not about the award. It’s about how this process benefits our clients. Our improvements have strengthened our relationships with our clients and allow us to deliver better service and value. Is it worth the years of hard work and effort? Unquestionably YES. We have seen our profits increase, employee satisfaction go up, and we have achieved sustainable, managed growth.” – Robert Pence, President and CEO, Freese and Nichols Inc.

The evidence proves that Baldrige is America’s best investment for organizations of all size.
#BaldrigeGrowsSmallBusiness.

It Is 2020. Is Your CEO Thinking about Perpetual Reinvention?

by Harry Hertz, Baldrige Performance Excellence Program
National Institute of Standards and Technology



It has been a little more than two years since I last summarized the topics that are keeping CEOs up at night, either thinking about challenges their organization faces or opportunities and innovations that should be explored. I ended that 2017 Insights column (<https://www.nist.gov/baldrige/it-2017-your-ceo-thinking-about-current-issues>) by stating that I looked forward to taking another look a few years down the road to see how those challenges and opportunities have changed. Well, we are now down the road!

As in the past, the findings presented below are generally applicable across industry sectors (including government and other nonprofits) and to organizations of all sizes. Also, as in the past, I have combined what I have heard from senior executives,

what I have read in blogs and publications of all types, and what I have learned from 11 specific studies. I have identified six areas that are important to CEOs as we enter the next decade. Many of these areas are logical outgrowths of the topics highlighted in the 2017 study, but with new twists and a greater sense of urgency. Agility is the key word and, as the title of this column suggests, CEOs sense a forward-looking need for perpetual reinvention.

I will briefly describe the 11 articles included in the current study, share the six areas for consideration in 2020 and briefly relate them to how the 2019-2020 Baldrige Excellence Framework (<https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>) is addressing these topics, comment on the similarities and changes in considerations from

2017 to 2020, and provide some food for thought as the Baldrige framework is revised in future years.

THE 11 ARTICLES

The first article, entitled “What’s Keeping CEO’s Up at Night?” was written by Ben Morton, an opinion columnist for CEOWORLD magazine (CEOWORLD) (<https://ceoworld.biz/2019/05/10/whats-keeping-ceos-up-at-night/>). The second article, entitled “CEO’s Curbed Confidence Spells Caution,” (PDF) is the product of PwC’s 22nd annual global CEO survey (PwC) (https://www.pwc.com/ee/et/publications/CEOSurvey/22nd_Annual_Global_CEO_Survey_Report.pdf). It involved 1,378 CEO interviews in 91 territories. The third article results from the Gartner 2019 CEO survey (Gartner) (<https://www.gartner.com/smarterwithgartner/ceos-look-for-growth-opportunities-in-2019-ceo-survey/>). This study involved 473 business leaders from 32 countries.

The fourth article was produced by the Conference Board (CB) (<https://www.conference-board.org/topics/c-suite-challenge>). The CB’s C-Suite Challenge 2019 is based on a survey of over 800 CEOs and over 600 other C-Suite executives, primarily from the United States, Asia, and Europe. The fifth article, “15 Big Challenges You’ll Face as a Modern CEO (and How to Solve Them),” (<https://www.forbes.com/sites/forbescoachescouncil/2018/11/21/15-big-challenges-youll-face-as-a-modern-ceo-and-how-to-solve-them/?sh=3236538e398e>) results from the challenges shared by 15 members of Forbes Coaches Councils based on struggles their executive clients are facing (Forbes). The sixth article, “3 Priorities for CEOs in 2019,” (<https://www.weforum.org/agenda/2019/01/ceo-priorities-for-success-in-2019/>) was a product of the World Economic Forum annual meeting (WEF).

The seventh article, entitled “Global Trends: Navigating a World of Disruption,” (PDF) (<https://www.mckinsey.com/featured-insights/innovation-and-growth/navigating-a-world-of-disruption>) results from McKinsey Global Institute research and served as a briefing note for the WEF (MGI). The eighth article, “How are CEOs Adapting to the Innovation Challenges of 2020?” (<https://www.europeanceo.com/business-and-management/how-are-ceos-adapting-to-the-innovation-challenges-of-2020/>) comes from EUROPEANCEO magazine (EUROPE).

The ninth article, “Incumbents Strike Back,” (PDF) (<https://www.ibm.com/downloads/cas/Y9JBRJ8A>) was produced by IBM. It shares the perspectives of 12,854 respondents across six C-suite roles from 112 countries and represents the 19th C-suite study in the series (IBM). The tenth article, entitled “Citizenship and Social Impact: Society holds the Mirror,” (<https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2018/corporate-citizenship-social-impact.html>) results from the Deloitte 2018 Global Human Capital Trends (Deloitte). The 11th and final article comes from the November 2019 McKinsey Quarterly (McKinsey) and is entitled “Answering Society’s Call: A New Leadership Imperative.” (<https://www.mckinsey.com/business-functions/organization/our-insights/answering-societys-call-a-new-leadership-imperative>)

THE SIX AREAS FOR 2020

To arrive at the six areas for 2020, I have analyzed and synthesized information across the various articles and studies. I have listed the resulting six areas in order of decreasing mention across the 11 articles, giving some additional weight to the articles that result from studies of many C-suite executives. The first two areas are tied in importance and reflect a focus on the external environment and internal organizational environment, respectively. Areas three and four are also tied. All the areas are considerations for strategic-planning discussions.

1. Emerging Technologies and the Digital

Economy: The importance of this trend is probably best summarized in CEOWORLD. After stating that no single business or sector is safe from disruption by emerging technologies and the digital economy, (even) in the service sector, the article quotes hoteliers and taxi companies who said in effect, “Technology won’t affect us; people will always need a hotel and a taxi.” And then Airbnb and Uber entered the marketplace. Technology, including big data, data analytics, and artificial intelligence (AI), is crossing industries to create new and unique product offerings. Two examples that combine manufacturing and service are a Nike shoe that fastens itself through a mobile app and then collects data via sensors to send back to the company, and a capability developed by General Motors and Volvo to have Amazon deliver packages to car trunks using a one-time digital code to unlock the trunk wirelessly.

According to Gartner, 82 percent of CEOs state that they have initiatives to make the organization more digital, including dealing with cybersecurity concerns. According to the WEF, over 70 percent of CEOs interviewed believe they need to lead a radical digitally led transformation of their business model and that understanding of the cloud, the impact of AI on the workforce, and cybersecurity are becoming table stakes for them. CEOs need to find the right balance between data and intuition, which means they need to get deeper into the way they develop data-driven insights for their business, according to the WEF.

In more than two-thirds of the use cases studied by MGI, AI can improve performance more than other analytics techniques. MGI promotes the belief that AI adoption can boost global GDP by as much as \$13 trillion in the next ten years. IBM writes about the Internet of Things (IoT) bridging the digital and physical worlds. IBM indicates that the IoT will result in value shifting to organizations that best orchestrate the combined digital-physical worlds. And just recently, the Harvard Business Review announced a survey on how executives are using technology and shared data to unite their Human Resources and Finance teams to increase efficiency.

The Baldrige framework has organizational learning and agility and managing for innovation as two of its core values. The 2019 Baldrige Criteria for Performance Excellence (part of the framework) ask how your strategic planning process addresses the potential need for transformational change and organizational agility. The notes refer to the need to integrate data from all sources to generate strategically relevant information, including technological innovations that could affect your products and services.

2. The Right People for the Organization:

While this topic did not generally rank at the very top of CEOs' list of concerns (unlike technology and the digital economy), it was consistently present on their list of concerns. Several different organizational needs related to "the right people" were mentioned repeatedly by C-suite executives: the need for new skills and lifelong learning because of automation, AI, and the digital economy; the need for more cross-functional teamwork; the

growing need for management development in a more empowered workforce environment and for leadership development of the next generation of leaders; the need to "liberate" the workforce through empowerment and encouragement to experiment; and the need to retain talented people in a more mobile workforce. According to Forbes, leaders need to promote a simple statement: "people first."

In the CB study, CEOs globally ranked attracting and retaining top talent as their number-one internal concern. Developing the next generation of leaders was their third-highest concern. CEOs expressed a need for more formal leadership development programs that provide cross-functional rotational opportunities. According to MGI, about 15 percent of the global workforce (approximately 400 million people) could be displaced by automation by 2030. At the same time, 550 to 800 million new jobs could be created that demand increasing digital skills. EUROPEANCEO executives predicted that in 2020, the third and fourth most commonly added C-suite job roles will be focused on digital and cloud, respectively. (The first most commonly added role is focused on customer experience, my sixth area; the second on big data, my fifth area.)

In the IBM study, people skills rose sharply to third place among the external forces that will impact the organization, recognizing the need for having the right people in the organization. Sixty-one percent of C-suite executives rated this as an important external factor. They also believe they will be sharing people skills with other organizations in their value chain. Asked to rank the capabilities most important for innovation, CEOs in the study ranked two characteristics above all others: a willingness to experiment and the support of empowered people in the organization.

A Baldrige framework core value is valuing people, and this core value is thoroughly embodied in the Baldrige Criteria for Performance Excellence. The Baldrige Criteria place a specific focus on building an effective and supportive workforce environment, including preparing your workforce for changing work systems. This focus is accompanied by questions related to workforce and leader development. This development includes supporting the organization's intelligent risk taking. Additional questions relate

to how the organization's workforce engagement processes foster retention. In the Leadership category of the Baldrige Criteria, leaders are asked how they create an environment for success, including the development of future leaders and cultivating individual learning and intelligent risk taking.

3. Evolving and Uncertain Global Markets:

According to PwC, 2018 saw a record jump in global optimism about economic growth. By contrast, 2019 has seen a record jump in pessimism, with nearly 30 percent of CEOs projecting a decline in global economic growth. CEOs are showing growing concern over trade disputes and an unpredictable geopolitical landscape, counteracting a 40-year trend of increasing globalization. According to CEOWORLD, this is happening at the same time when CEOs are challenged by currency volatility, extended and uncertain supply chains, local competition, and a concern about changing policies and legislation that will have to deal with human, ethical, and moral implications of new technology. The CB study indicates that globally, CEOs rank a recession as their number-one external concern and threats to global trade as their second-highest external concern. The WEF concluded that CEOs need to hone their geopolitical skills and engage more with politicians and civil society leaders.

These uncertainties are enhanced by MGI data that indicate that two-thirds of global GDP growth and more than half of new consumption over the past 15 years stems from emerging economies. Furthermore, more than 120 companies from these economies have joined the Fortune Global 500 list since 2000. MGI states that, by several measures, these companies are more innovative, nimble, and competitive than their Western rivals. IBM concludes that companies will have to "dance with disruption," having the fortitude for perpetual reinvention even when the status quo is working well.

Two of the Baldrige framework core values are *visionary leadership* and *organizational learning and agility*. Visionary leaders need to manage risk and deal with external uncertainties. The organizational learning and agility core value states, "Success in today's ever-changing globally competitive environment demands continual organizational learning and agility." In the Strategy Development

component of the Baldrige Criteria (item 2.1) there are specific questions relating to how your strategic planning considers potential changes in your regulatory and external environment and how you prepare for potential blind spots. In Strategy Implementation (item 2.2), organizations are asked how you recognize and respond to needed shifts in your action plans with rapid execution.

4. Responding to Society's Call: According to Deloitte (and others), corporate citizenship has become a CEO-level business strategy—defining the organization's very identity. This strategy involves the organization's ability to do social good, both externally (among customers, communities, and society) and internally (among employees and other key internal stakeholders). According to a 2017 Deloitte study, millennials, who constitute over half of the workforce in many countries, are increasingly sensitive to how their organizations address issues such as income inequality, hunger, and the environment. Eighty-eight percent believe that employers should play a vital role in alleviating these concerns. Furthermore, 55 percent of consumers are willing to pay more for products coming from companies committed to positive social impact. MGI states that gender parity, a scenario where women and men participate in the economy in equal parts, will add as much as 26 percent to global GDP. A longitudinal study of purpose-focused companies found that they outperformed their S&P 500 peers by a factor of eight. Nevertheless, Deloitte found that while 77 percent of their global respondents cited citizenship as important, only 18 percent said it was a top priority in their organization's strategy.

According to McKinsey, nine of every ten Generation Z consumers believe that companies have a responsibility to address environmental and social issues. MGI states that governments and business leaders will have to jointly address societal concerns on misuse of AI, automation, and data privacy.

One of the Baldrige framework core values is *societal contributions*. Societal contributions include leading and supporting the environmental, social, and economic systems in your organization's sphere of influence. Role-model organizations influence other private and public organizations to partner for these purposes. The Baldrige Criteria include

leadership questions related to societal contributions. The questions encompass how your organization considers societal well-being and benefits as part of its strategy and daily operations and how you strengthen and support your key communities.

5. Big Data and Business Platforms: The challenge already faced by CEOs—and growing in importance—is translating vast amounts of data to use for better decision making. According to the WEF, over 70 percent of the CEOs contacted believe they need to lead a digital transformation of their business model. EUROPE cites that in 2020 the second-most important new role in the C-suite will be focused on big data (the first will be focused on customer experience, the sixth area, which is described below). This also impacts directly the workforce skills that will be needed (an overlap with the second area, on the right people).

Big data will be instrumental in the growth of *platform businesses*. A platform business facilitates interactions across many participants. Existing large-scale platform businesses include eBay, Amazon, Facebook, and CVS Health. According to IBM, platform operators double down on data and turn large volumes of data into innovation and the continuous recalibration of their strategy and operations. They excel at creating personalized customer experiences (the sixth area). The IBM study found that 46 percent of organizations are investing in or considering the new platform business model. Organizations enter ecosystems, establish strong collaborative relationships, and emerge as orchestrators on a digital platform.

The availability of large amounts of data challenges our ability to practice the Baldrige framework core value of *management by fact*; it is increasingly difficult to analyze the data available and extract larger meaning for the benefit of organizational decision making. This was a key challenge CEOs faced in my 2017 study, and it is even “bigger” today. The Baldrige Criteria have a component (item 4.2) on information and knowledge management. It asks how your organization blends and correlates data from different sources to build knowledge and how this knowledge is used in your innovation and strategic planning processes.

6. Customer Experience: The CB asked CEOs how they plan on succeeding in 2025. CEOs expressed confidence about their organizations being able to thrive but stated that a challenge is that the customer experience is starting to be more important than the actual product. This will require rethinking their offerings. The IBM study found that 86 percent of organizations say they are at least somewhat effective at creating individual customer experiences, and 53 percent say they are quite effective. Nevertheless, 68 percent of C-suite executives said they will be changing their value proposition to emphasize customer experience over products.

According to EUROPE, the most commonly added role to the C-suite in 2020 will be focused on customer experience. IBM found that over one-quarter of their forefront organizations are using AI and cognitive solutions to improve their customers’ experiences. They are developing customer co-creation communities to better understand human motivations and gain customer empathy. Community members become influencers and brand advocates that extend trust outside the community more effectively than advertising can.

Organizations are trying to stand out from their competitors through new and novel offerings (possibly through ecosystems; see *big data and business systems* above). Competition is coming from different industries that suddenly invade “your” market space. As stated in the IBM study, “The risk for incumbents is that their business models will be turned into Swiss cheese.” Customer desires and market opportunities are breaking down old business silos.

Two of the Baldrige framework core values are *customer-focused excellence and managing for innovation*. *Customer-focused excellence* is about considering all product and service features and characteristics and all modes of customer access that contribute to value for your customers. *Managing for innovation* includes collaboration among people who did not historically work together. This core value may need broadening in the future to include customer co-creation. Since customer focus is so central to the Baldrige framework, the area of customer and market orientation pervades the Baldrige Criteria questions, from category 3 on customers, to work systems, innovation, and knowledge management,

all intended to enhance customer engagement and loyalty.

CEO ISSUES OF 2020 AND 2017

Comparing the CEO issues in 2020 and 2017 reveals some subtle differences, a few significant changes, and a great deal of overlap or ongoing concern.

The seven areas identified in 2017 were

- uncertainty and resilience
- finding the right employees
- short-term and long-term value creation
- partnerships and interdependency
- big data
- customer and market orientation, and
- cybersecurity.

The 2017 area that has disappeared is *short-term and long-term value creation*. The concern about short-term value creation has been superseded by a concern for evolving and uncertain global markets (short-term and long-term). The long-term value creation focus is reflected within the scope of each of this year's areas. This year's concern about evolving and uncertain global markets is a sharpening of the theme of *uncertainty and resilience* expressed by CEOs in 2017. *Finding the right employees* has evolved into the larger topic of the right people for the organization. *Partnerships and interdependency* has been focused in the areas of business platforms (and ecosystems) and customer co-creation of the future. *Big data* remains a major focus for CEOs. Customer and market orientation has been focused on the customer experience and the service relationship that will drive customer decision making. *Cybersecurity* is a major concern within the overall digital economy.

New this year is the area of responding to society's call. While social responsibility was covered in my 2015 study (<https://www.nist.gov/baldrige/it-2015-your-ceo-thinking-about-current-issues>), it did not have the strategic focus that is present now. Concepts that are in this year's study for the first time include the digital economy, AI, business platforms, and customer co-creation.

Implications for Future Baldrige Framework Revisions
While it is still too early to anticipate the next set of revisions to the Baldrige Excellence Framework, the results of this study yield some topics to keep top of mind as we anticipate the near- and longer-term contributors to performance excellence. The clearest contributors to the short-term evolution of the Baldrige framework are probably customer and societal innovations. There are opportunities to consider the enhanced role of the customer experience as we think about customer engagement, an experience that goes to strategic considerations when addressing customer co-creation of offerings. Similarly, in answering society's call, there will be Baldrige framework opportunities to look strategically at offerings that improve the societal and community well-being and to look at broadening the innovation focus to address products, processes, organizational effectiveness, and societal well-being.

Of longer-term strategic significance will be the need and opportunity to address changing work systems. Influencers will be the growing role of AI and its intersection with a digital economy. In addressing the digital economy, organizations will probably find it increasingly important to have a strategy that includes a role in platform businesses. All these areas will require a greater emphasis on re-training and lifelong learning as a core competency for all people in the workforce. While these three areas (AI, the digital economy, and platform business models) are still at the very leading edge (in most business environments), they will have to be watched for rapid advances over the next few years.

I look forward to observing changes in performance excellence over the next few years. And I look forward to another look at CEO challenges and opportunities a few years down the road, to see what has remained the same and what has changed in our insights on the road to performance excellence!



Baldrige Impact in Health Care: #BaldrigeSavesLives



Health care organizations became eligible for the Malcolm Baldrige National Quality Award after Congress expanded the scope of the award in 1998. SSM Health Care, headquartered in St. Louis, Missouri, became the first health care organization to receive the award. That was in 2000.

Since then, through the 2019 award cycle, a total of 27 health care organizations have received the National Quality Award. Hundreds more have been recognized for their role-model performance in their respective state-based programs and nationwide through a number of Baldrige-based health care quality award programs. It has been estimated that over 65 percent of hospitals and health care systems

employ some form of Baldrige-based performance excellence management system.

Baldrige is adaptable and applicable in many different settings, including across the health care spectrum. Each hospital, hospital system, or long-term care facility

“The healthcare industry has increasingly relied on the Baldrige Criteria as a key means to improve patient care and organizational performance. As we navigate healthcare’s changing landscape the Baldrige Framework will continue to be a vital resource.” – Deborah J. Bowen, President and CEO, American College of Healthcare Executives

has its own unique set of needs and goals, determined in part by location, demographics, and a variety of other factors. Whether an organization is involved in ambulatory service, health maintenance, long-term care, or another health care service, the Baldrige Excellence Framework is a valuable tool for measuring performance and leading organizations of all sizes and levels of complexity in an uncertain environment.

“We continue to look for ways to seize our opportunities for improvement. We continue these things because this journey has been more than fruitful. It’s been life-saving. Though a vast majority of our patients will never realize it, the care they receive is more effective, more efficient, more empathic because of the Baldrige Framework.” – Kathy Raethel, President, Adventist Health Castle

The Baldrige Framework is such a powerful leadership and management tool for health care organizations that the President’s Council of Advisors on Science and Technology recommended that the Department of Commerce and the Department of Health and Human Services build on the Baldrige Award to help bring down the cost and improve the quality of health care across the United States.

We now have more than 15 years of experience with Baldrige in the health care sector, and there is overwhelming evidence that Baldrige makes a significant, positive impact on the provision of quality health care.

The improvements reported by the individual award-winning organizations are impressive, spanning patient morbidity and mortality outcomes to cost and process efficiencies to medical and support staff and patient and family satisfaction. Some of the life-saving improvements in clinical outcomes include:

- Memorial Hospital and Health Care Center earned 5-star ratings for overall quality of inpatient care from the Centers for Medicare and Medicaid Services (CMS) every year since the ratings were released, and its performance in CMS’s Value-Based payment system ranked in the top 10 percent of health care organizations nationwide since 2017.
- Memorial Hospital and Health Care Center’s excellent health care outcomes include zero early

“In my heart, I believe that because we applied the Baldrige Criteria, there are people alive today who would not have been had we not been so committed to the Baldrige process.” – Rulon Stacey, Former CEO, Poudre Valley Health System

- elective deliveries before 39 weeks since 2015, zero pressure ulcers in its skilled caring center since 2016, zero central-line-associated blood stream infections since 2016, and zero hospital methicillin-resistant staphylococcus aureus (MRSA) infections since 2015.
- Setting national benchmarks for patient safety, Memorial Hospital and Health Care Center earned the Leapfrog Hospital Safety Grade of “A” since 2016. These patient safety results include a two-year reduction in total harm issues, from 6.2 to 1.1 per 1,000 patient days from 2016 to 2018; a bedside medication verification rate of more than 97 percent, exceeding the Leapfrog benchmarks from 2013 to 2018; and a performance level in the top 10 percentile of CMS comparison data for PSI-90 patient safety composite results since 2017.
- Adventist Health Castle has met or surpassed top-quartile levels—improving its performance by 12 percent from 2014 to 2016—on composite measures of patient safety, evidence-based care, and mortality related to its clinical care processes.
- Advocate Good Samaritan Hospital’s risk-adjusted mortality decreased from 0.73 in 2004 to 0.25 in 2010.

“The Baldrige framework helped us hardwire systematic communication that has increased transparency and built trust with our workforce.” – Kyle Bennett, President and CEO, Memorial Hospital and Health Care Center

- Memorial Hermann Sugar Land ranks among the top 10 percent of hospitals nationally for its performance on measures of emergency center arrival-to-discharge time, compliance with regulations to reduce medication errors, bed turnaround times, radiology and laboratory result turnaround times, and the use of computerized physician order entry. The hospital’s readmission rates for patients treated for acute myocardial infarction, congestive heart failure, and pneumonia were lower than those of hospitals nationwide, according to data from the Centers for Medicare and Medicaid Services.



- According to the Institute for Healthcare Improvement, Henry Ford Health System's evidence-based global harm campaign is a national best practice. From 2008 through 2011, the campaign led to a 31 percent reduction in harm events.
- Schneck Medical Center has maintained rates of hospital-acquired infections at or below 1 percent since 2008, and no patient has acquired ventilator-associated pneumonia since 2009.
- Atlanticare Regional Medical Center achieved Centers for Medicare and Medicaid Services top 10 percent performance in 2008 for patient care measures related to congestive heart failure, acute myocardial infarction, and pneumonia.

"I retired at the end of 2009, after 25 years as CEO of Heartland Health, with the knowledge and belief that any organization that adopts and implements fully the Baldrige Framework as its management model will ultimately rise to levels of performance excellence exceeding all their expectations." – Lowell Kruse, Former CEO, Heartland Health



"The Charleston Area Medical Center Health System is a better organization today because we made the choice to use the Baldrige Criteria as a guiding framework for quality improvement. This performance improvement framework helps us to achieve our mission of 'striving to provide the best health care to every patient every day.'" – Dr. Glenn Crotty, Jr., Executive Vice President and Chief Operating Officer, Charleston Area Medical Center

More than the year-over-year performance improvement of health care organizations as they pursue their Baldrige journey, broader studies comparing Baldrige-based health care organizations with peer organizations that have not adopted the Baldrige Framework, show that Baldrige organizations significantly outperform their non-Baldrige peers.

According to Thomson Reuters, hospitals using the Baldrige criteria were six times more likely to be in the top 100 hospitals and outperformed non-Baldrige hospitals in:

- Risk-adjusted mortality index
- Risk-adjusted complications index
- Patient safety index
- CMS core measures score
- Severity-adjusted average length of stay
- Adjusted operating profit margin

A study by Ronald Schulingkamp and John Latham compared Baldrige Award winning hospitals with non-Baldrige hospitals across 39 Process of Care, Patient Satisfaction, and Outcomes of Care metrics, and concluded that, "Although not all measures were statistically significant, Baldrige Award recipient hospitals had higher mean values representing higher performance than non-Baldrige Award recipient hospitals in 37 of the 39 (95 percent) study measures.

Substantial data from case studies and comparative analyses shows that health care organizations improve their performance by adopting the Baldrige Excellence Framework for Health Care, and that they become significantly better performers than peer organizations that have not adopted Baldrige. The data proves that #BaldrigeSavesLives.

C – V = D (Culture Minus Values Equals Destiny)

by Harry Hertz, Baldrige Performance Excellence Program
National Institute of Standards and Technology



I have long believed that culture, senior leadership, and strategy set the tone for organizational success. But culture is unique because a healthy culture has to be set and demonstrated by senior leadership and is the basis for employee engagement and therefore customer loyalty, satisfaction, or dissatisfaction. Furthermore, strategic success is accelerated by—and maybe even achieved through—a healthy organizational culture.

I also believe organizational Destiny can take one of three directions depending on organizational culture. When $C - V > 0$, that is, when culture builds on and surpasses the basic core values of the organization, the “D” becomes *Delight* for employees, customers, and other stakeholders. When $C - V = 0$, that is, culture exactly follows the core values, the “D” becomes *Deliver*; the organization is poised to deliver on its brand promise. When $C - V < 0$, that is, the culture does not demonstrate how the organization

is living up to stated core values, the “D” becomes either *Disappointment* or *Disaster* for employees, customers, and other stakeholders.

Given the importance of a healthy organizational culture, I explore core values, culture, and how organizations establish culture (positive and negative) in this Insights column. I have relied on my own observations from years of looking at organizations and, most important, seeing role-model organizations, as exemplified by Baldrige Award recipients. I have also looked at a body of studies and scholarly works on the topic. I will reference some of them as I share my insights with you.

I will look at culture and values from nine perspectives: definitions of the concepts; a focus on core values; a focus on culture; establishing and propagating a healthy organizational culture; hiring for cultural fit; when culture and values are

misaligned; assessing organizational culture; the Baldrige perspective on culture and values; and role-model performance.

Definitions of Values and Culture

There is frequent confusion about the definitions of *core values* and *culture*. And some organizations use the terms interchangeably. According to a study authored by D. Sull, S. Turconi, and C. Sull in the July 2020 MIT Sloan Management Review (SMR) (<https://sloanreview.mit.edu/article/when-it-comes-to-culture-does-your-company-walk-the-talk/>), there are more than 50 distinct definitions of *corporate culture* in the academic literature. Furthermore, 72 percent of the companies in their study of nearly 700 large companies referred to the company's culture as values or core values. They are not the same.

According to the *Baldrige Excellence Builder* (<https://www.nist.gov/baldrige/products-services/baldrige-excellence-builder>), *values* are “the guiding principles and behaviors that embody how your organization and its people are expected to operate.” They can define what makes your organization unique.

I like to define *culture* as “the shared beliefs, norms, and values that are (uniquely) practiced within your organization.” In other words, culture is the behavior demonstrated in your organization when no one is looking.

According to an editorial on the Virgin.com website by Alex Bard (CEO of Campaign Monitor) (<https://www.virgin.com/about-virgin/latest/difference-between-culture-and-values>), core values are foundational, deeply held principles, while culture is formed by the organization's people and is subject to variation and gradual change. A healthy organizational culture stems from the organization's values. One of the most unique company values I have read is the “number one value” of Campaign Monitor. True to its Australian roots, the value is “make mum proud.” It serves as a constant reinforcement of desired behaviors that encourage employees to take pride in their work and treat people with honesty and respect.

Core values are designed to **inform culture** and **guide decisions** that leadership and empowered employees make on a daily basis.

Core Values

I believe core values serve two significant functions in organizations. They serve as boundary conditions and empowering conditions.

Boundary conditions—Values are the guiding principles that no employee should violate. Violation goes outside the acceptable norms of the organization and can result in disciplinary action.

Empowering conditions—Values are the guiding principles that empower employees to act. Commitments made to customers, employees, and other stakeholders that conform to the organization's core values should always be permitted and should never lead to negative consequences for an employee.

In an article in *Forbes*, Chris Cancialosi (<https://www.forbes.com/sites/chrisancialosi/2015/07/20/2-ways-to-ensure-your-corporate-culture-and-values-align/?sh=d9013956e31f>) reports on two tests business leaders can take to test their effective use of their core values:

1. **Three challenging situations:** Think of the three most challenging situations your organization has faced in the last several years. Do your organization's values help you make sense of the actions you took? If not, it may be time to rethink either the values or how they are used to guide the organization.
2. **Three “shoot-from-the-hip” situations:** Think of the last three times your organization made a decision without having data available, shooting from the hip. Think of each decision and how it was made. Do your organization's values explain or justify the decision that was made? If not, it may be time to rethink either the values or how they are used to guide the organization.

The well-known teams' expert Patrick Lencioni wrote in a *Harvard Business Review* article (<https://hbr.org/2002/07/make-your-values-mean-something>), “Empty values statements create cynical and dispirited employees, alienate customers, and undermine managerial credibility.”

In the SMR article, Sull et al. share some interesting data about values statements. More than 80

percent of the companies in their study published official corporate values on their websites. The most commonly repeated values were integrity (298 times), respect (180 times), and innovation (152 times). The most common number of total values was five. And more than 10 percent of the organizations published two or more sets of values under different names on different parts of their website.

Finally, many of the company's core values in the study were so generic they could easily serve as material for a Dilbert cartoon. Indeed, Sull et al. report there are more than 50 Dilbert cartoons lampooning these values statements.

Culture

Over my years of visiting organizations of all types, I have noticed that you can feel the culture when you visit, certainly at the two extremes. When there is a toxic culture, you experience the negative environment and attitudes toward customers and colleagues. When there is a healthy culture, you experience the opposite. You feel "electricity" in the air.

Culture defines and pervades the environment you experience as part of an organization. In its document on organizational culture (<https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/understandinganddevelopingorganizationalculture.aspx>), the Society for Human Resource Management (SHRM) states that "an organization's customs, traditions, rituals, behavioral norms, symbols and general way of doing things are the visible manifestation of its culture."

SHRM identifies three broad concepts associated with culture:

- *Social culture*: the class distinctions and distribution of power in the organization
- *Material culture*: the way people support one another in exchanging required goods and services
- *Ideological culture*: the things the organization's people view as fundamental; the emotional and intellectual guidelines that govern people's daily existence and interactions

Explicit behavioral cues associated with the organization's stated core values provide guidance on translating values into actions and therefore setting

cultural guidelines. According to Sull et al., less than 25 percent of organizations provide such guidance.

Establishing and Propagating a Healthy Culture

Leaders are responsible for establishing and propagating a healthy culture. This requires constant reinforcement and role-modeling of the core values and associated behaviors expected in the organization. As stated above, leaders can start by considering and spelling out a limited set of expected behaviors consistent with the organization's values. They then need to demonstrate those behaviors in their actions. And this must be consistent behavior. Leaders cannot pick and choose situations in which they will exhibit the behaviors.

In a 2018 article in *Forbes* (<https://www.forbes.com/sites/mikekappel/2018/07/25/how-to-create-a-company-culture-that-embodies-your-core-values/?sh=5a94c3e03cc6>), Mike Kappel suggests that leaders establish business processes that are based on these expected behaviors. Leaders and managers can reinforce the behaviors in conversation and performance reviews with employees.

In propagating cultural expectations and norms, leaders need to be careful to recognize three important cultural pitfalls. First, cultural alignment is important, but it should not be synonymous with groupthink. Second, be careful to create an inclusive culture, not a culture of "look-alikes." Third, respect national and other diverse bases for differences in personal belief systems.

While leaders can set a basis for culture, the ultimate determinant of culture in an organization will be the people of the organization. So it is important to select the right set of diverse individuals from the hiring process forward.

Hiring for Cultural Fit

A leader of an early Baldrige Award recipient organization talked about hiring for traits and training for skills. In a manufacturing environment where unique assembly skills were required, the company's primary screen was for the traits that would fit with the demands of the job and the culture of the organization. The company then trained for the manufacturing line skills.

While certain jobs definitely require a defined skill set before joining the organization (e.g., lawyers, physicians, accountants), I have frequently seen “healthy” organizations reject highly qualified candidates because they did not exhibit behavioral traits consistent with the organization’s culture. Role-model organizations include both leader/manager interviews and peer group interviews in the hiring process for this purpose.

Alex Bard states that organizations typically hire people based on what they have done and fire based on who they are. SHRM research found that ill-fitting hires and subsequent rapid departures cost organizations between 50 percent and 150 percent of the position’s annual salary. According to SHRM, nearly one-third of all newly hired employees leave voluntarily or involuntarily in their first year on the job, and that number has been increasing in recent years. I believe toxic cultures are propagated when ill-fitting hires do not leave, and violations of behaviors associated with an organization’s core values are tolerated.

When Culture and Values Are Misaligned

In 2019, the Business Roundtable issued a statement of corporate purpose (<https://opportunity.businessroundtable.org/ourcommitment/>) signed by the CEOs of more than 180 major companies, committing “to deliver value to all stakeholders.” According to the *Wall Street Journal* (<https://www.wsj.com/articles/stakeholder-capitalism-seems-mostly-for-show-11596755220>) about 70 percent of the companies that joined the statement are incorporated in Delaware. According to a 2015 law-review article, Delaware law requires that “directors must make stockholder welfare their sole end.” What does this tell directors of those corporations? How should they behave when making decisions?

Scandals of recent years document corporations around the globe whose core values are misaligned with their behaviors (culture). According to Sull et al., four of the major corporations involved in recent, significant scandals included some combination of ethics and integrity in their core values.

While these two examples are extreme examples of the impact of a clash between values and culture, misalignment is common. Cancialosi suggests that

leaders ask themselves whether their core values are a compass for the organization. Are they a manifesto or just words on the lobby wall? And worst of all, “are the actions of your organization so misaligned with your values that people actually make jokes about it?”

Mergers and acquisitions are fraught with culture issues, according to SHRM. SHRM states that two out of three mergers fail because of cultural clashes between the two organizations.

Bruce Hamilton in a *Quality Digest* (<https://www.qualitydigest.com/inside/lean-column/us-and-them-102020.html>) article refers to the “they” consideration. He says the use of the word “they” in conversation gives him significant insight into an organization’s culture. When “they” is used to refer to management, employees in other departments, suppliers, or boards of directors, it speaks to a non-collegial and quite possibly an adversarial culture. They won’t listen to us. They don’t obey directions. They won’t support our safety. They won’t make needed changes. On the other hand, in conversations in an organization with a healthy culture, “they” is replaced by “we.” How would your organization fare on a “we/they” assessment?

Assessing Organizational Culture

Here is some guidance, largely drawn from SHRM, on measuring something as difficult to assess as culture:

- *Develop a cultural assessment instrument:* start with your core values and build from them.
- *Analyze the results from administering the assessment and use them to conduct focus groups:* focus on areas of disagreement or negative responses.
- *Discuss culture until consensus forms around key issues:* focus on “who we are and what makes us who we are.”
- *Use 360-degree feedback to uncover blind spots:* discuss the results with the people surveyed.
- *Use a commercially available cultural instrument:* this allows benchmarking with other organizations inside or outside your industry.

In my opinion, a quick gauge of cultural health is measuring agreement with this one-sentence statement: I trust my organization’s leaders.

Sull et al. used data from the 2019 Culture 500 study to assess how well companies lived up to their stated values. Every Culture 500 company received a sentiment score that measured how employees talked about a specific value in the free text of their input. The analysis revealed no correlation between the values a company states in its published material and how well the company lives up to those values in the employees' eyes. All the correlations between official values and actual culture were very weak; and collaboration, customer orientation, execution, and diversity were negatively correlated.

It would appear that in aggregate there is a lot of work needed on building healthy organizational cultures.

Baldrige Perspective on Culture and Values

Baldrige considers culture and values in the "Core Values" section and the Criteria questions of the Baldrige Excellence Framework. Signs of a healthy culture include a culture that

- reinforces the vision and stated values of the organization
- is employee- and customer-focused
- is characterized by open communication
- is inclusive and equitable
- capitalizes on the diverse ideas, cultures, and thinking of workforce members
- is highly ethical
- has ongoing learning

Role-Model Performance

In 2018, there were five Baldrige Award recipients from four economic sectors: Alamo Colleges District (ACD), Donor Alliance (DA), Integrated Project Management, Inc. (IPM), Memorial Hospital and Health Care Center (MHHCC), and Tri County Tech (TCT). Each of them is an exemplar of practices that promote healthy culture. I will share a few of their practices, which you might want to adopt or adapt for use in your organization.

MHHCC is guided by "to be" and "to act." It defines what the organization will be and how it will act with other people. MHHCC has a "no pass" zone, never passing without greeting others. Step two of its leadership system is a *culture of compassion and excellence*. And its core competency is *cultivating collaboration*. MHHCC has "Really Impressive Moments" recognition programs.

IPM articulates four essential leadership responsibilities: inspiring culture, strategy, execution, and evolution, thereby fulfilling a holistic approach to culture, strategy, and industry leadership. IPM's vision is to be "the best" by excellence, ethical leadership, community involvement, **the highest commitment to our family members** (i.e. employees). The bold-type emphasis on family is IPM's. IPM celebrates their community by supporting 150 charities with time, talent, and money.

DA's "anchoring" core value is *people first*. This nonprofit's strategic objective number two is *high engagement culture*. The CEO sends out 150 handwritten notes each year celebrating staff successes.

TCT has guiding mantras. Mantra two is *If you are not taking care of the student, take care of someone who is*. That is how you fit in at TCT! TCT presents employee awards for demonstrating the organization's values. 100 percent of TCT's employees voluntarily contribute to the TCT Foundation.

At ACD, leaders practice *service over self*, displaying true servant leadership. There is a monthly meeting to celebrate successes.

Do these practices pay off? Of course. A few examples related to employee engagement:

- In 2018, DA scored 90 percent (top decile) for employee engagement.
- Surveyed employees' recognition of IPM as a great place to work is at a level of 94 percent, within two percent of the Great Places to Work (<https://www.greatplacetowork.com/best-workplaces/>) benchmark.
- TCT has been recognized as a Great Place to Work for 2015-2018, with 96 percent of employees saying it is a great place to work.

A Concluding Challenge

Does your organization have a healthy culture? Are your core values more than a statement on the wall? Are your culture and values aligned? Do you hire for cultural fit, maintaining a diverse and inclusive culture? Have you done a cultural assessment? Have you acted on the results? **Is your C – V > 0?**

Baldrige Impact in Education: #BaldrigeTransformsLives

Congress expanded the scope of the Malcolm Baldrige National Quality Award in 1998 to include the education sector. In 2001, three organizations became the first to receive a National Quality Award in the education sector: the Chugach School District in Anchorage, Alaska; Pearl River School District in Pearl River, New York; and the University of Wisconsin-Stout (UW-Stout).

The data show that the benefits of improved performance associated with Baldrige begin to accrue long before an organization wins a National Quality Award, or even if they never become award recipients. Many of these organizations, like UW-Stout, continue to lead and manage by the Baldrige principles, and they continue to enjoy the benefits of performance excellence.

The adaptability of the Baldrige Framework is evident in the education sector as a wide variety of organizations have used Baldrige to achieve success. Through the 2019 award cycle, a total of 14 education organizations have received the National Quality Award. Of those, eight are K-12 schools or school systems and six are in higher education, demonstrating that Baldrige can be scaled to many different-sized organizations. The school systems are from all parts of the country and are of different sizes with widely varying student demographics. Baldrige works in all of these varied circumstances.

The true power of Baldrige for education is its focus on the systems level. Jeffrey Lucas, former Deputy Director of BPEP, makes the argument that many of the performance measurement systems used in education focus on student achievement data to the exclusion of measuring things that could truly innovate education to the betterment of students. "While the improvement of student learning must remain at the core of what education systems are about, achievement data alone are not sufficient to drive the types of performance improvements required and do not acknowledge that schools and districts are in fact complex systems."



"We have dedicated ourselves to being systematic in the use of the Baldrige continuous improvement process, and we have seen student achievement go up in ways that we never thought imaginable. We've become more efficient and more effective. And these successes aren't just figures and statistics; they do change lives. And in the process, we've become an innovative force in education." – JoAnn Sterneke, Superintendent, Pewaukee School District

The importance of this thinking becomes apparent when one examines the experience of Baldrige Award winning school systems. Schools, administrators, and teachers are balancing multiple, often competing factors, that leave schools with inadequate resources, teachers with not enough time, and students with difficulty focusing on learning. As a systems-level tool, Baldrige can help school systems align their processes and smooth over many of those seeming conflicting factors.

With its focus on the student, teachers, staff, and families as the customers, Baldrige also helps school systems recognize where frustrations may rise and satisfaction diminished. Baldrige helps schools spend their limited resources time on the things that really make a difference, which is why the data show that Baldrige schools improve education and change the

lives of their students and families, often without any increase in budgets.

- Charter School of San Diego (CSSD) serves an at-risk student population with students on average 2-3 grade levels behind their peers in language arts and 3-4 grade levels in math achievement. Yet CSSD's dropout rate of 2.4 percent outperformed the county-wide rate of 2.7 percent in 2013 and 3.1 percent in 2014.
- CSSD maintained overall student and parent satisfaction levels of close to 100 percent for 2010-2015.
- Despite having one of the most rigorous graduation requirements in the state, Pewaukee School District achieved a 97.4 percent graduation rate in 2013 and had a higher rate in 2009-2012 than any other county district.
- Montgomery County Public Schools (MCPS) achieved the highest graduation rate of any large school district in the nation in 2008 and 2009.
- MCPS narrowed the achievement gap between Caucasian and African American students by 13 percentage points from 2006 to 2010.
- Iredell-Statesville Schools improved its academic composite ranking from 55th to 9th in North Carolina, increased its graduation rate from 61 percent to 81 percent (11th in the state), achieved higher average SAT scores than the average score in peer districts, the state as a whole, and for the nation, remaining 107th out of 115 school districts in North Carolina in expenditures per pupil.
- The dropout rate for Jenks Public Schools dropped from 6.3 percent in 1994 to 1.2 percent in 2004.

“The Baldrige Award has increased community awareness of the educational excellence of the Alamo Colleges District. As a result of our Baldrige win, we are sought after by other educational institutions and organizations from as far away as New Zealand as a model of how to achieve organizational excellence.”
– Mike Flores, Chancellor, Alamo Colleges District

In higher education:

- Alamo Colleges District increased its four-year student graduation rate by 150 percent in recent years to become the best in the state of Texas. In four years, it also doubled the number of degrees and certificates it awarded, to 12,750, which is three times the state norm.
- For student completion/retention and job placement

“It is a privilege to accept the Baldrige Award on behalf of Monfort College's faculty, staff, students, alumni, and friends. We are here because of their continued commitment to performance excellence and investment in the approach of viewing yesterday's performance as an opportunity for a better tomorrow.” – Joe F. Alexander, Dean, Kenneth W. Monfort College of Business

after graduation, Tri County Tech maintained rates in the top 25 percent nationally for eight fiscal years. The organization also achieved the top completion/retention rate in its state of Oklahoma for full-time students for five of seven years preceding its Baldrige Award.

- The number of students completing the core curriculum at Richland College, preparing them to transfer to a four-year institution, more than tripled from 2002 to 2005.
- Students performance on nationally-administered exit exams at Kenneth W. Monfort School of Business exceeded the national average and reached the top 10 percent in 2003-2004.
- From 1996 to 2001, the job placement rate for graduates of the University of Wisconsin-Stout was at or above 98 percent.

“By adopting the Baldrige framework, we earned a spot on Fortune's Top Places to Work list four years in a row. Additionally, our enrollment grew from 8,000 in 2009 to over 20,000 in 2018. Our Net Promoter Score matched that of the Ritz Carlton and Costco in 2018 and 2019. Furthermore, our student retention/completion rates averaged 93 percent over five years, with an average student debt of fewer than three hundred dollars.” – Lindel Fields, Superintendent and CEO, Tri County Tech

All of these colleges, schools, and school districts achieved these dramatic improvements while managing stagnant budgets and cuts in education funding. This is clear evidence that #BaldrigeTransformsLives.



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By keeping Baldrige vibrant and growing, your donation:

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- Makes education more effective and give opportunities to our young people
- Makes businesses more competitive and protect American jobs
- Makes digital systems more secure

- Makes communities function more effectively to address the needs of all people

For those people whose lives are longer, healthier, and more full of opportunity because of Baldrige, thank you for supporting the Baldrige Foundation.





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