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2006

Baldrige National Quality Program

Education Criteria for Performance Excellence

ethics



leadership

recognition



THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD

A Public-Private Partnership

Building active partnerships in the private sector—and among the private sector and all levels of government—is fundamental to the success of the Baldrige National Quality Program in improving national competitiveness. Private-sector support for the Program in the form of funds, volunteer efforts, and participation in information transfer continues to grow.

To ensure the continued growth and success of these partnerships, each of the following organizations plays an important role.

Foundation for the Malcolm Baldrige National Quality Award

The Foundation for the Malcolm Baldrige National Quality Award was created to foster the success of the Program. The Foundation's main objective is to raise funds to permanently endow the Award Program.

Prominent leaders from U.S. organizations serve as Foundation Trustees to ensure that the Foundation's objectives are accomplished. A broad cross section of organizations throughout the United States provides financial support to the Foundation.

National Institute of Standards and Technology

The U.S. Department of Commerce is responsible for the Baldrige National Quality Program and the Award. The National Institute of Standards and Technology (NIST), an agency of the Department's Technology Administration, manages the Program. NIST promotes U.S. economic growth by working with industry to develop and deliver the high-quality measurement tools, data, and services necessary for the nation's technology infrastructure. NIST also participates in a unique, government/private-sector partnership to accelerate the development of high-risk technologies that promise significant commercial and economic benefits. Through a network of technology extension centers and field offices serving all 50 states and Puerto Rico, NIST helps small- and medium-sized businesses access the information and expertise they need to improve their competitiveness in the global marketplace.

American Society for Quality

The American Society for Quality (ASQ) assists in administering the Award Program under contract to NIST. ASQ is dedicated to the ongoing development, advancement, and promotion of quality concepts, principles, and techniques. ASQ strives to be the world's recognized champion and leading authority on all issues related to quality. ASQ recognizes that continuous quality improvement will help the favorable positioning of American goods and services in the international marketplace.

Board of Overseers

The Board of Overseers advises the Department of Commerce on the Baldrige National Quality Program. The board is appointed by the Secretary of Commerce and consists of distinguished leaders from all sectors of the U.S. economy.

The Board of Overseers evaluates all aspects of the Program, including the adequacy of the Criteria and processes for determining Award recipients. An important part of the board's responsibility is to assess how well the Program is serving the national interest. Accordingly, the board makes recommendations to the Secretary of Commerce and to the Director of NIST regarding changes and improvements in the Program.

Board of Examiners

The Board of Examiners evaluates Award applications and prepares feedback reports. The Panel of Judges, part of the Board of Examiners, makes Award recommendations to the Director of NIST. The board consists of leading experts from U.S. businesses and education, health care, and non-profit organizations. NIST selects members through a competitive application process. For 2006, the board consists of about 540 members. Of these, 10 (who are appointed by the Secretary of Commerce) serve as Judges, and approximately 110 serve as Senior Examiners. The remainder serve as Examiners. All members of the board must take part in an Examiner Preparation Course.

In addition to reviewing applications, board members play a significant role in sharing information about the Program. Their membership in hundreds of professional, trade, community, and state organizations helps them disseminate this information.

Award Recipients

Award recipients are required to share information on their successful performance and quality strategies with other U.S. organizations. However, recipients are not required to share proprietary information, even if such information was part of their Award application. The principal mechanism for sharing information is The Quest for Excellence® Conference, held annually.

Award recipients in the 18 years of the Award have been extremely generous in their commitment to improving U.S. competitiveness and furthering the U.S. pursuit of performance excellence. They have shared information with hundreds of thousands of companies, education organizations, health care organizations, government agencies, and others. This sharing far exceeds expectations and Program requirements. Award recipients' efforts have encouraged many other organizations in all sectors of the U.S. economy to undertake their own performance improvement efforts.



BALDRIGE
National Quality Program

The Baldrige National Quality Program

National Institute of Standards and Technology • Technology Administration • Department of Commerce

To: U.S. Education Community

From: Harry S. Hertz, Director
Baldrige National Quality Program

Subject: Take the Baldrige Challenge and Excel

The Baldrige Education Criteria for Performance Excellence are about students excelling! They also are about an organization that is high-performing, has high integrity, and is characterized by the ethical behavior of its students, faculty, and staff.

The Criteria help organizations respond to current challenges and address all the complexities of delivering today's results while preparing effectively for the future. The 2006 Education Criteria include 19 simple new questions, one for each of the Baldrige Criteria Items (see page 11). While the questions are simple, providing the answers is challenging and gets at the core of how your organization operates today and how you prepare for the future. How does your organization measure up?

Whether your organization is small or large; is involved in elementary, secondary, or higher education; or has one location or multiple sites, the Education Criteria provide a valuable framework that can help you measure performance and plan in an uncertain environment. The Criteria can help you align resources with approaches, such as Plan-Do-Study-Act, a Balanced Scorecard, and accreditation self-studies, improve student achievement, communication, productivity, and effectiveness; and achieve strategic goals.

How to begin that first Baldrige assessment? Take a few minutes and scan the questions in the Organizational Profile on pages 12 and 14. A discussion of the answers to these questions might be your first Baldrige assessment. For additional guidance, refer to our free booklet *Getting Started with the Baldrige Criteria for Performance Excellence*.

Do you need to know what your faculty and staff and your senior managers think? Do you believe you have been making progress but want to accelerate or better focus your efforts? Try using our simple *Are We Making Progress?* and *Are We Making Progress as Leaders?* questionnaires. Organized by the seven Baldrige Criteria Categories, they will help you check your progress toward meeting your organizational goals and can improve communication among your faculty and staff and your leadership team.

Even if you don't expect to win the Baldrige Award, submitting an Award application has valuable benefits. Every applicant receives a detailed feedback report based on an independent, external assessment conducted by a panel of specially trained and recognized experts.

The Criteria are in your hands . . . so is an incredible opportunity. Why not take advantage of that opportunity? When you turn these pages, you turn the corner toward performance excellence. If you want more information, contact me at nqp@nist.gov.

Need some useful tools to meet the Baldrige Challenge? Try using

- *Getting Started with the Baldrige Criteria for Performance Excellence*
- E-Baldrige Organizational Profile found on our Web site at www.baldrige.nist.gov/eBaldrige/Step_One.htm
- *Are We Making Progress?* and *Are We Making Progress as Leaders?*

Contact the Baldrige National Quality Program or visit our Web site for these and other educational materials.

Linkage of the Education Criteria to the Baldrige Business Sector Criteria

The 2006 Education Criteria incorporate the Core Values and Concepts described on pages 1–5 and are built on the seven-part framework used in the Business Criteria. The rationale for the use of the same framework is that it is adaptable to the requirements of all organizations, including education organizations. However, this adaptation does not assume that these requirements are necessarily addressed in the same way. This adaptation for the education sector, then, is largely a translation of the language and basic concepts of business excellence to similarly important concepts in education excellence. A major practical benefit derived from using a common framework for all sectors of the economy is that it fosters cross-sector cooperation and sharing of best practices.

Education Criteria for Performance Excellence Framework

The Core Values and Concepts are embodied in seven Categories, as follows:

- 1 Leadership
- 2 Strategic Planning
- 3 Student, Stakeholder, and Market Focus
- 4 Measurement, Analysis, and Knowledge Management
- 5 Faculty and Staff Focus
- 6 Process Management
- 7 Results

The figure on page 5 provides the framework connecting and integrating the Categories.

From top to bottom, the framework has the following basic elements.

Organizational Profile

Your Organizational Profile (top of figure) sets the context for the way your organization operates. Your environment, key working relationships, and strategic challenges serve as an overarching guide for your organizational performance management system.

System Operations

The system operations are composed of the six Baldrige Categories in the center of the figure that define your operations and the results you achieve.

Leadership (Category 1), Strategic Planning (Category 2), and Student, Stakeholder, and Market Focus (Category 3) represent the leadership triad. These Categories are placed together to emphasize the importance of a leadership focus on strategy and on students and stakeholders. Senior leaders set your organizational direction and seek future opportunities for your organization.

Faculty and Staff Focus (Category 5), Process Management (Category 6), and Results (Category 7) represent the results triad. Your organization's faculty and staff and key processes accomplish the work of the organization that yields your overall performance results.

All actions point toward Results—a composite of student, stakeholder, market, budgetary, financial, and operational performance results, including faculty and staff, governance, and social responsibility results.

The horizontal arrow in the center of the framework links the leadership triad to the results triad, a linkage critical to organizational success. Furthermore, the arrow indicates the central relationship between Leadership (Category 1) and Results (Category 7). The two-headed arrows indicate the importance of feedback in an effective performance management system.

System Foundation

Measurement, Analysis, and Knowledge Management (Category 4) are critical to the effective management of your organization and to a fact-based, knowledge-driven system for improving performance. Measurement, analysis, and knowledge management serve as a foundation for the performance management system.

Criteria Structure

The seven Criteria Categories shown in the figure are subdivided into Items and Areas to Address.

Items

There are 19 Items, each focusing on a major requirement. Item titles and point values are given on page 11. The Item format is shown on page 57.

Areas to Address

Items consist of one or more Areas to Address (Areas). Organizations should address their responses to the specific requirements of these Areas.

KEY CHARACTERISTICS OF THE EDUCATION CRITERIA

1. The Criteria focus on results.

The Criteria focus on the key areas of organizational performance given below.

Organizational performance areas:

- (1) student learning outcomes
- (2) student- and stakeholder-focused outcomes
- (3) budget, financial, and market outcomes
- (4) faculty and staff outcomes
- (5) organizational effectiveness outcomes, including key internal operational performance measures
- (6) leadership and social responsibility outcomes

The use of this composite of measures is intended to ensure that strategies are balanced—that they do not inappropriately trade off among important stakeholders, objectives, or short- and longer-term goals.

2. The Criteria are nonprescriptive and adaptable.

The Criteria are made up of results-oriented requirements. However, the Criteria *do not* prescribe

- how your organization should be structured;
- that your organization should or should not have departments for quality, planning, or other functions; or
- that different units in your organization should be managed in the same way.

These factors differ among organizations, and they are likely to change as needs and strategies evolve.

The Criteria are nonprescriptive for the following reasons:

- (1) The focus is on results, not on procedures, tools, or organizational structure. Organizations are encouraged to develop and demonstrate creative, adaptive, and flexible approaches for meeting requirements. Nonprescriptive requirements are intended to foster incremental and major (“breakthrough”) improvements, as well as basic change through innovation.
- (2) The selection of tools, techniques, systems, and organizational structure usually depends on factors such as organization type and size, organizational relationships, your organization’s stage of development, and faculty and staff capabilities and responsibilities.
- (3) A focus on common requirements, rather than on common procedures, fosters understanding, communication, sharing, alignment, and integration, while supporting innovation and diversity in approaches.

3. The Criteria integrate key education themes.

The Education Criteria have been adapted to consider several important education concepts and the specific needs of education organizations. These include the following:

- The Education Criteria place a primary focus on teaching and learning because these are the principal goals of education organizations.
- While the Education Criteria stress a focus on student learning for all education organizations, individual organizational missions, roles, and programs will vary for different types of organizations (e.g., primary and secondary schools, trade schools, engineering schools, or teaching and research organizations).
- Students are the key customers of education organizations, but there may be multiple stakeholders (e.g., parents, employers, other schools, and communities).
- The concept of excellence includes three components: (1) a well-conceived and well-executed assessment strategy; (2) year-to-year improvement in key measures and indicators of performance, especially student learning; and (3) demonstrated leadership in performance and performance improvement relative to comparable organizations and to appropriate benchmarks.

4. The Criteria support a systems perspective to maintaining organization-wide goal alignment.

The systems perspective to goal alignment is embedded in the integrated structure of the Core Values and Concepts, the Organizational Profile, the Criteria, the Scoring Guidelines, and the results-oriented, cause-effect linkages among the Criteria Items.

Alignment in the Criteria is built around connecting and reinforcing measures derived from your organization’s processes and strategy. These measures tie directly to student and stakeholder value and to overall performance. The use of measures thus channels different activities in consistent directions with less need for detailed procedures, centralized decision making, or overly complex process management. Measures thereby serve as both a communications tool and a basis for deploying consistent overall performance requirements. Such alignment ensures consistency of purpose while also supporting agility, innovation, and decentralized decision making.

A systems perspective to goal alignment, particularly when strategy and goals change over time, requires dynamic linkages among Criteria Items. In the Criteria,

action-oriented cycles of learning take place via feedback between processes and results.

The learning cycles have four, clearly defined stages:

- (1) planning, including design of processes, selection of measures, and deployment of requirements
- (2) executing plans
- (3) assessing progress and capturing new knowledge, taking into account internal and external results
- (4) revising plans based on assessment findings, learning, new inputs, new requirements, and opportunities for innovation

5. The Criteria support goal-based diagnosis.

The Criteria and the Scoring Guidelines make up a two-part diagnostic (assessment) system. The Criteria are a set of 19 performance-oriented requirements. The Scoring Guidelines spell out the assessment dimensions—Process and Results—and the key factors used to assess each dimension. An assessment thus provides a profile of strengths and opportunities for improvement relative to the 19 performance-oriented requirements and relative to process and performance maturity as determined by the Scoring Guidelines. In this way, assessment leads to actions that contribute to performance improvement in all areas, as described in the shaded box on page 7. This diagnostic assessment is a useful management tool that goes beyond most performance reviews and is applicable to a wide range of strategies, management systems, and types of organizations.



Notes:

N1. Student and stakeholder satisfaction and dissatisfaction results reported in this Item should relate to the student segments, stakeholder groups, and market segments discussed in P.1b(2) and Item 3.1 and to the determination methods and data described in Item 3.2. Results data might include feedback from students and stakeholders and their overall assessment of education and operations. Examples of student and stakeholder satisfaction and dissatisfaction indicators are given in the Item 3.2 Notes.

N2. Measures and indicators of students' satisfaction with your programs and services relative to students' satisfaction with competitors and comparable

organizations (7.2a[1]) might include gains and losses of your students from or to other schools or alternative means of education, such as home schooling or corporate educational programs. Results also might include objective information and data from independent organizations and key stakeholders. Such objective information might include survey results, competitive awards, recognition, and ratings. The information and data should reflect comparative satisfaction (and dissatisfaction). Information on the comparative performance of your students should be included in Item 7.1.

For additional description of this Item, see page 51.

7.1 Budgetary, Financial, and Market Outcomes: What are your budgetary, financial, and market results? (70 pts.)

Results

Summarize your organization's key budgetary, financial, and market performance results by student segments, stakeholder groups, or market segments, as appropriate. Include appropriate comparative data.

Provide data and information to answer the following questions:

a. Budgetary, Financial, and Market Results

- (1) What are your current levels and trends in key measures or indicators of budgetary and financial performance, including measures of cost containment, as appropriate?
- (2) What are your current levels and trends in key measures or indicators of market performance, including market share and new markets entered, as appropriate?

Notes:

N1. Responses to 7.3a(1) might include measures such as instructional and general administration expenditures per student; income, expenses, reserves, and endowments; tuition and fee levels; cost per academic credit; annual grants and awards; cost avoidance or savings; performance to budget; program expenditures as a percentage of budget; annual budget increases or decreases; resources redirected to education from

other areas; scholarship growth; the percentage of budget for research; and the budget for public service. Measures should relate to the budgetary and financial management approaches described in Item 6.2.

N2. New markets entered (7.3a[2]) might include offering Web-based services or distance learning.

For additional description of this Item, see page 51.

should be embedded and ongoing, allowing for prompt feedback.

- Although better admission criteria might contribute to improved education for all students, improved student learning based entirely on changing students' entry-level qualifications should not be reported in Item 7.1. However, improvement trends in student admission qualifications are appropriate for inclusion in Organizational Effectiveness Outcomes (Item 7.5). Improvement in student learning beyond that which could be attributed to entry-level qualifications is appropriate for inclusion in Item 7.1, along with other measures and indicators of improvement trends and comparisons.



- Determining the correlation between education design and delivery and student learning is a critical management tool for (1) defining and focusing on key instructional requirements; (2) identifying educational service differentiators; and (3) determining cause-and-effect relationships between your educational service attributes and various factors, including evidence of student and stakeholder satisfaction; student persistence, graduation, and course completion; and positive referral. The correlation might reveal emerging or changing requirements, changing markets, or the potential obsolescence of educational offerings.

7.2 Student- and Stakeholder-Focused Outcomes: What are your student- and stakeholder-focused performance results?

Purpose

This Item examines your organization's student- and stakeholder-focused results, with the aim of demonstrating how well your organization has been satisfying students' and stakeholders' key needs and expectations and has encouraged loyalty, student persistence, and positive referrals, as appropriate.

Comments

- This Item focuses on all relevant data to determine and help predict your organization's performance as viewed by your students and stakeholders. Relevant data and information include student and stakeholder satisfaction and dissatisfaction; gains and losses of students; positive referrals; complaints, complaint management, and effective complaint resolution; student- and stakeholder-perceived value; student assessment of the accessibility and availability of educational programs and offerings;

and awards, ratings, and recognition from independent rating organizations.

- Effectively used, satisfaction results provide important indicators of organizational effectiveness and improvement. Effective use entails understanding the key dimensions of satisfaction and dissatisfaction, recognizing that satisfaction and dissatisfaction with educational services and performance might differ among student segments and stakeholder groups, and recognizing that satisfaction and dissatisfaction might change over time. The underlying purpose of the Item is to ensure that satisfaction levels provide a useful tool in assessing key climate factors that contribute to or inhibit education. Satisfaction results are thus principally enablers, not ends in themselves. Together, the results reported in Item 7.2 should help guide action leading to improved student performance, recognizing that the action might address climate, curricula, faculty development, and many other factors. The Item should not be interpreted as emphasizing "popularity" or other short-term, noneducational aims.

7.3 Budgetary, Financial, and Market Outcomes: What are your budgetary, financial, and market results?

Purpose

This Item examines your organization's key budgetary, financial, and market results, with the aim of understanding your management and effective use of financial resources and your market challenges and opportunities.

Comments

- This Item addresses those factors that best reflect the organization's financial, budgetary, and market performance. Measures of budgetary and financial performance might include instructional and general administrative expenditures per student; income, expenses, and reserves; the tax rate; tuition and fee levels; cost per academic credit; annual grants or awards; program expenditures as a percentage of budget; annual budget increases or decreases; resources redirected to education from other areas; scholarship growth; the percentage of budget for research; and the budget for public service. Market performance measures could include market share, measures of growth or loss of students or programs, new educational services entered, entry into Web-based and distance learning markets, and market position. Measures also might include utilization of new educational program offerings; the number of students transferring into or out of the organization, including into or from alternative educational services such as home schooling, charter schools, or vouchers; and new or expanded delivery methods, as appropriate. Comparative data for these measures might include performance relative to comparable organizations, competing organizations, and appropriate benchmarks from within and outside the academic community.