During the mid 1980’s in the United States, quality was not a top priority within business and industry. As a result of this and higher quality standards in other countries, foreign competition was increasing in the U.S. market. This was most apparent in the automotive industry. Americans started buying foreign made cars for their greater reliability versus the lower quality American automobiles. With a renewed emphasis on quality and performance greatly needed, the U.S. government created the Malcolm Baldrige Award in 1987. The National Institute of Standards and Technology with its knowledge and skill in the role of quality was given control of the award, with the private sector playing a major part in the application review process. The award was designed to give companies direction to improving quality and competitiveness. The Malcolm Baldrige Award was something for U.S. businesses to strive for and would emerge as a quality standard for not only the United States, but also for the world.

The award was named after Malcolm Baldrige, the Secretary of Commerce under President Ronald Reagan from 1981 until his death in 1987. As stated in his biography, “Baldrige’s award-winning managerial excellence contributed to long-term improvement in economy, efficiency, and effectiveness in government” (www.quality.nist.gov). Because of his great insight and direction in management, the Malcolm Baldrige Award was honored with his name.

There are five categories in which three awards can be given each year. The categories are manufacturing, service, small business, education, and health care. Since the emphasis of the award is on overall quality performance, the award is not based on a specific product, but the business as a whole. The winners are expected to share their strategies as a part of the continual improvement effort of the award.

“Any for-profit organization headquartered in the United States or its territories may apply for the award, including U.S. subunits of foreign companies” (www.nist.gov). The application package consists of three parts: an eligibility determination form, a completed application form, and an application report consisting of a business overview and responses to the award criteria. NIST provides the application package materials. (www.iqco.com)
Companies who submit applications then go through the review process. A Board of Examiners consisting of quality experts from the private sector perform the extensive review process including plant visits to the top companies. Each expert is assigned companies in their respective field of knowledge to review. Every company who applies is given valuable feedback as to their strengths and weaknesses in each area of the award criteria.

The Malcolm Baldrige Award criteria measure different areas of a business or organization. These criteria are not used just to decide a winner of the Baldrige Award, but the businesses and organizations also use the criteria to constantly improve performance and capabilities. The criteria take into account more than just the numbers or the dollars and cents of a company. The criterion also takes into account a company’s “attitudes, perceptions, emotions, values, motivation, and morale” (Miller 2001). Such criteria are hard to quantify but make a large impact in a company’s performance. The award criteria are divided into seven different categories listed below (www.nist.gov):

**Leadership:** This category reviews the organization’s general leadership values of the entire system, the leaders, and the managers. It also examines the goals and expectations to see if they are clear and feasible.

**Strategic Planning:** This area looks at the plans and strategies to see if they are headed in the right direction. It also sees how the plans are carried out through the organization.

**Customer and Market Focus:** This category analyzes the customer relationships and satisfaction. It also examines how the market demands are decided and determined.

**Information and Analysis:** This category focuses on the information the organization collects and how it is analyzed. The analysis of information leads to an interpretation of performance that can be reviewed in terms of the customer, operations, or economic standing.

**Human Resource Focus:** This area focuses on the employees, the workers, and the working environment they are in. It includes the physical environment as well as the interpersonal relationships that occur. This area tries to optimize performance.
**Process Management:** This category assesses the complex processes of an organization and the continuous improvement of them. Areas of focus include learning and improvement, problem elimination, and flexibility and change.

**Business Results:** This category is more of an overall review of performance and improvement. It incorporates all aspects of an organization’s business area, from the supplier to the customer and everything in between.

(www.baldrige.com/baldrige.htm)

The Malcolm Baldrige Award is more than just an annual award given to a select group of companies each year. The criterion for which the award is based upon has helped many companies take a look at the internal workings of their businesses and reevaluate what a quality business means to them and their customers. The total effect that the Baldrige award has had on United States based businesses is difficult to quantify with numbers. Many states have established quality-based awards for local companies to recognize the importance a total quality system has in a competitive business environment. According to Robert J. Vokurka, “In 1991, less than 10 states had quality award programs. Now 43 states have or are establishing award programs, most modeled directly after the Baldrige Award” (18). State governments that implement these quality awards have adapted their criteria for judging the awards based on the National Baldrige Award criteria, with modifications, which may be more suitable to a local industry or business sector.

The Malcolm Baldrige Quality Award is a very prestigious award; one often wonders how a company goes about winning such an award. The road to winning this award, for most companies, is a long but beneficial journey. Take for example one of the 2000 winners, Spicer Driveshaft, an operating unit of Dana Corporation. Their quality journey began almost 10 years ago. Some of the first programs they instituted included statistical process control, problem solving, problem analysis, and root cause analysis. These programs were not as successful as hoped, so management decided to implement a Six Sigma quality challenge. Vince Morgillo, the director of quality at Spicer Driveshaft, commented that, “This program was based on Baldrige Award criteria, but the objective at first was not to win a Baldrige. Rather, it was to become a Six Sigma Company” (qtd. in Phillips-Donaldson). Once again, SD was unsuccessful in implementing their quality program. However, they were determined to succeed. Their next move was to join a corporate program, the Dana quality leadership process (DQLP). This program was also based on the Baldrige Award criteria. This program proved to be much more successful, and Spicer Driveshaft went on to win a DQLP award in 1995. They were now finally
seeing the quality improvement they had been striving for, but that did not slow them down. Next they became QS-9000 certified to satisfy their customers’ and suppliers’ standards. They also implemented annual management reviews and developed a quality council and market strategy teams. Spicer Driveshaft’s next big step was in 1999 when they first applied for the Malcolm Baldrige Award. Their goal in applying for this award was to use the feedback for internal auditing. Vince Morgillo stated in an interview, “We didn’t apply for the award; we applied for the feedback report. We applied to calibrate our process. The win is just frosting on the cake” (qtd. in Green). Since their first application, SD has been taking full advantage of the Baldrige auditing process. Their successes in quality have lead to many other business successes. Spicer Driveshaft embraces their new quality programs and continues to improve. After all, the short version of their mission statement reads, “Committed to the pursuit of excellence as a way of life” (Phillips-Donaldson 54).

Like Spicer Driveshaft companies that choose to apply for the Baldrige award do so with varying degrees of expectations of what type of return they feel they may receive. A company that applies for the award in hopes of winning, has most likely been involved quite extensively in some type of quality program for some time. The framework by which the award is based forces a company to not only look at quality as a product or service, but also how everyone in the company can become a part of the total quality plan. This total quality plan must involve everyone from the top management to the suppliers of goods used to run day-to-day operations of the facility. Some companies apply for the award to receive a feedback report from the panel that reviews and examines the applications, as was the case with the 2000 Baldrige Award winner Spicer Driveshaft. If the panel decides that the application is of top quality and may be in the running for the award the company may receive an in-house examination to further critique the quality system in place. Both the written feedback and in house examinations provide a company with valuable information to better improve the quality program. Not only do the companies who win the award gain from this experience, but companies who are in search of a better way to measure and manage quality also benefit from it. After Award winners are honored for their quality efforts, they conduct seminars for other companies sharing valuable experiences and headaches they have went through to get where they are. This type of shared experience is what the Baldrige Award is all about.
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