



# *A Baldrige Perspective* for the **BOARD OF DIRECTORS**

The Baldrige Criteria for Performance Excellence define the critical factors that drive organizational success. For the members of a board of directors, the Criteria can be a valuable tool in governing and guiding your organization. While they may be tailored to meet your needs—and those unique to your organization—the seven categories of the Criteria cover all aspects of the organization. Here are a few important questions based on the Criteria that directors might consider.

**How does your organization address risks and anticipate public concerns with its products and operations?**

**How does your organization promote and ensure ethical behavior in everything it does?**

Category 1, Leadership

**How does your organization ensure that its strategic planning addresses long-term sustainability, major shifts in markets or the regulatory environment, and its unique strengths, weaknesses, opportunities, and threats?**

Category 2, Strategic Planning

**What does your organization do to gain new customers and to build relationships with existing ones? Specifically, what does your organization do to increase its customers' loyalty and encourage them to return?**

Category 3, Customer Focus

**Is there an effective process in place to review organizational performance and, based on the findings, to prioritize improvements and designate areas for innovations?**

Category 4, Measurement, Analysis, and Knowledge Management

**Does your organization have a process for career progression for members of your workforce, as well as a succession plan for leadership and management positions? Are they effective?**

Category 5, Workforce Focus

**Does your organization have a systematic approach for designing its processes to meet key requirements (e.g., new technology, cycle time, productivity, and cost control)? Are there measures (including in-process measures) and a systematic approach for managing and improving these processes?**

**Does your organization have a process in place to ensure that operations continue if there is an emergency (e.g., a weather-related, local, or national emergency)?**

Category 6, Operations Focus

**What are your organization's results for measures of product and process performance that are important to your customers, and how do they compare with the results of competitors or similar organizations?**

**What are your organization's results for measures of financial and marketplace performance and how do they compare with the results of competitors or similar organizations?**

Category 7, Results

**Can you and/or your organization's senior leaders answer these questions?**

**If not, your organization may have gaps that could require leadership's attention.**

## How do questions from the Criteria help directors?

The Baldrige Criteria for Performance Excellence provide a basis for conducting organizational self-assessments and for awarding the Malcolm Baldrige National Quality Award. The Criteria also provide a framework for directors to use in overseeing and monitoring an organization's performance. As part of their duty of care, directors are expected to be familiar with the organization and its markets; to act diligently; to ask appropriate questions of management and each other; to challenge assumptions; and to seek expert advice when needed. The Baldrige Criteria support your duty of care by providing performance-related questions that can be used in soliciting information from management and outside experts and in questioning assumptions.

The Criteria also can help directors monitor an organization's key results in areas such as product and service outcomes, customer and employee focus, financial and operational performance, and social responsibility.

## How can directors start using the Criteria?

The questions listed on the front are a great starting point. There are several additional opportunities.

**Use the Organizational Profile.** The Organizational Profile is the preface to the Criteria. Answers to the questions in this brief section provide a snapshot of the organization, including its governance system, regulatory environment, strategic challenges, and system for performance improvement. Many organizations start their self-assessments with the Organizational Profile. It also is useful for orientation and training of directors, as well as regular inclusion in board books. Find the Organizational Profile on the Baldrige Web site ([www.nist.gov/baldrige/publications/bus\\_org\\_profile.cfm](http://www.nist.gov/baldrige/publications/bus_org_profile.cfm)).

**Use the full *Criteria for Performance Excellence*.** For a more comprehensive assessment of the organization, directors—and the organization—can use the full *Criteria for Performance Excellence*. You can select the Criteria document that best applies to your organization: Business/Nonprofit, Education, or Health Care. While the basic requirements are consistent among these documents, each one contains adaptations specific to the sector.