The Baldrige Award Evaluation Process

The Baldrige evaluation process is rigorous, and designed to be objective and tamper proof against political pressures. In the first stage, each application is thoroughly reviewed by up to 10 examiners chosen from among leading quality professionals in business, academia, healthcare, and government (all of whom are volunteers). Examiners evaluate the applicant's response to each examination item, listing major "strengths" and "opportunities for improvement" relative to the criteria. Strengths demonstrate an effective and positive response to the criteria. Opportunities for improvement do not prescribe specific practices or examiners' opinions on what the company should be doing, but rather deficiencies in responding to the criteria. Based on these comments, a percentage score from 0 to 100 in increments of 10 is given to each item. Each examination item is evaluated on approach/deployment or results.

Approach refers to the methods the company uses to achieve the requirements addressed in each category. The factors used to evaluate approaches include:

1. The appropriateness of the methods to the requirements
2. The effectiveness of methods, namely, the degree to which the approach is repeatable, integrated, and consistently applied; the degree to which the approach embodies evaluation/improvement/learning cycles; and is based on reliable information and data
3. Alignment with organizational needs
4. Evidence of innovation

Deployment refers to the extent to which the approaches are applied to all requirements of the item. The factors used to evaluate deployment include:

1. Use of the approach in addressing item requirements relevant to the organization
2. Use of the approach by all appropriate work units

Results refers to outcomes in achieving the purposes given in the item. The factors used to evaluate results include:

1. Current performance levels
2. Performance levels relative to appropriate comparisons and benchmarks
3. Rate, breadth and importance of performance improvements
4. Linkage of results to key customer, market, process, and action plan performance requirements identified in the approach/deployment items and other important factors to the organization

The scoring guidelines by which an application is evaluated can be found in the criteria document on the CD-rom. Basically, each item is scored from 0 to 100 percent in increments of 10 percent to reflect the strength in addressing the evaluation factors described above. The scoring guidelines are constructed so that 50 percent represents a very solid and effective approach; few organizations – including winners – receive item scores exceeding 70 or 80. Numerical scores for each examination item are then computed by multiplying the examiner's score by the maximum point value that can be earned. For example, the Organizational Leadership item is worth 70 points. Thus, a score of 60 percent would result in 42 points toward the maximum possible point total of 1000.

The scores are reviewed by a national panel of nine judges without knowledge of the specific companies. The higher scoring applications enter a consensus stage in which a selected group of examiners discuss variations in individual scores and arrive at consensus scores for each item. The panel of judges then reviews the scores and selects the highest scoring applicants for site visits. At this point, six or seven examiners visit the company for up to a week to verify information contained in the written application and resolve issues that are unclear. Final contenders each receive more than 1,000 hours of evaluation. The judges use the site visit reports to recommend award recipients to the Secretary of Commerce. All information is kept strictly confidential, and examiners are bound by conflict of interest rules and a code of conduct.

All applicants receive a feedback report that critically evaluates the company's strengths and areas for improvement relative to the award criteria. The feedback report, frequently 30 or more pages in length, contains the evaluation team's response to the

written application. It includes a distribution of numerical scores of all applicants and a scoring summary of the individual applicant. This feedback is one of the most valuable aspects of applying for the award.