

A Comparison of the Criteria and Strategies of Different Awards

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The Baldrige Award was established by the Malcolm Baldrige National Quality Improvement Act. It was signed by President Reagan on August 20, 1987 to recognise and encourage quality in American organisations. The Award was developed under the tutelage of the former Secretary of Commerce and developed guidelines and criteria that would facilitate the evolution of American quality improvement efforts. The Act identified certain management principles and techniques such as worker involvement, strategic planning and customer driven programs, however, the specifics of criteria, process, and scoring were given to the National Institute of Standards (then known as the National Bureau of Standards) for development. The basic criteria, process and methodologies were developed in consultation with industry, academics and quality practitioners. The program recognised up to two winners in the categories of manufacturing, service and small business. (See *Harvard Business Review*, November – December, 1991, "How the Baldrige Award Really Works", pp. 80-95)

The process established for the award consisted of a number of steps. Each year the criteria are established. Organisations make written application outlining in their submission their merits relative to the criteria. A team of external adjudicators rates the submission against the criteria and establishes potential winners in each category. Site visits are then conducted and winners are identified.

The Baldrige Award grows out of recognition of the state of American commerce and industry. During the 1970s superior Japanese products were hammering American industry: faster, cheaper, better. Steel and cars for example, just could not compete. American industry needed to do something to get the quality of its products up. Hence, the US government looked for and developed an award package that would draw attention to American organisations that were successful in competing in the quality arena.

President Reagan also laid the groundwork for application of quality recognition in the US Government. In 1988, he requested that agencies submit applications for the President's Award for Quality. This evolved into the 1990 Presidential Quality Award and the Quality Improvement Prototype Award. These awards used Baldrige-related criteria, external examiners, and a very similar process. By 1992, Baldrige-type quality programs were operational in 27 states, however, since some predated Baldrige, the question of the chicken and egg arises. By 1993, Baldrige was the clear-cut gold standard of the US award and recognition programs (see Hunt, *Quality Management for Government*, ASQC Press, 1993).

Canadians started addressing the quality issue with the Canada Awards for Business Excellence in 1984. This joint industry - government program evolved into the Canada Awards for Excellence in the 1990's. This program recognises quality in Education, Government, Health Care as well as Entrepreneurship, Innovation, Manufacturing Quality, and Quality Service. All sectors of the economy compete on a common set of criteria, which identified and built on the quality principles and practices.

The process used is similar in Canada and the US and fairly stable throughout other programs world-wide. Australia, Europe and Japan for example all offer recognition with a similar process.

The Canada Awards for Excellence like the Baldrige Award, is held yearly as part of Quality Month (October). Baldrige is a competition where a limited number of corporations are recognised, and a lot of money is attached to the award. Everybody competes and industry actively seeks the award. This factor has led to a certain amount of displeasure on the part of some individuals and groups for the award was designed to promote quality practices. An ongoing debate on the award surfaces occasionally in the business journals.

In their award, Canadians recognised that there are many ways to use an award and promote the quality message. During the 1980s the then Department of Industry Trade and Commerce recognised that Canadian companies were significant actors in the world trade network and that quality was of great importance in the growing global community. As the globe shrunk, recognition processes increased. The awards highlighted companies producing superior products and being recognised worldwide. The orientation in the Canadian award was recognition not competition.

Now more and more organisations are adopting a quality approach and more and more award and recognition programs are being developed to promote the message. The National Quality Institute-type criteria are used in other countries besides Canada- for example Australia, New Zealand, the European Common Market, and South Africa.

Although the American Baldrige process and criteria are somewhat different, most of the awards programs share common elements. In fact, the awards may have more in common than they have differences. The National Quality Institute recently did a comparison of the Baldrige and NQI criteria and the results are quite surprising (www.nqi.com)

ISO registration is frequently lumped in with and considered as an award or recognition program. The International Standards Organisation and Standards Council of Canada's ISO registration is not an award. It is an assessment of select processes. ISO recognises only those parts of the organisation that selected for inclusion. ISO identifies key processes and 20 key elements for each. Management is reactive.

ISO focuses on making sure what is promised to the purchaser is delivered as promised. It doesn't address whether it is the right product, or how the company treats people, but ensures that the processes produce what was promised. In the service industry other issues are also important, such as how the service is delivered, whether or not it is the right services, whether the pieces around the service are good enough. For example, at say a Macdonald's restaurant the hamburgers all taste the same, whether they are made in China or Edmonton? That is an ISO type application. It does not address whether they taste good, whether they are healthy to eat, how they treat their people or how they have planned to make their hamburgers better.

ISO registrations in Canada are growing. Canada is estimated to have over 5,000 in place or in the process of being registered today with prospective registrant numbers rapidly growing. Numbers like doubling every 3 years are considered realistic. In fact, government organisations

are currently actively moving in this area too. Today there are about 30 ISO registrations in Canadian government organisations.

The Deming Prize is the biggest or most prestigious quality award for most. It is a Japanese competition held every year. Teams are sent out to do on-site assessment and the process and criteria are remarkably similar to Baldrige and NQI. It is the creme de la creme of quality awards having been established first and with a track record of recognising quality and promoting the pioneering ideas of many of the quality practitioners who would become its gurus.

In summary, the Baldrige Award and the Canada Awards for Excellence are programs, which focus on recognising organisations that are leaders in producing quality produce and services. Both assess an organisations quality system, using criteria to analyse the system. Both recognise that quality is a management approach, driven by a focus on the customer or client that it serves.

Is the NQI's Canada Award for Excellence or Baldrige better? That is not most important point. Both promote recognition and application of quality, using judgement/assessment tools based on certain elements. The point is to recognise what is really good and to build on it. They provide feedback on the management approach being used and identify opportunities for improvement. Baldrige is a competition while the NQI recognises outstanding contributions with as many winners as worthy applicants do. With Baldrige you compete against other applicants rather than against yourself and world class standards.

About the Author:

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