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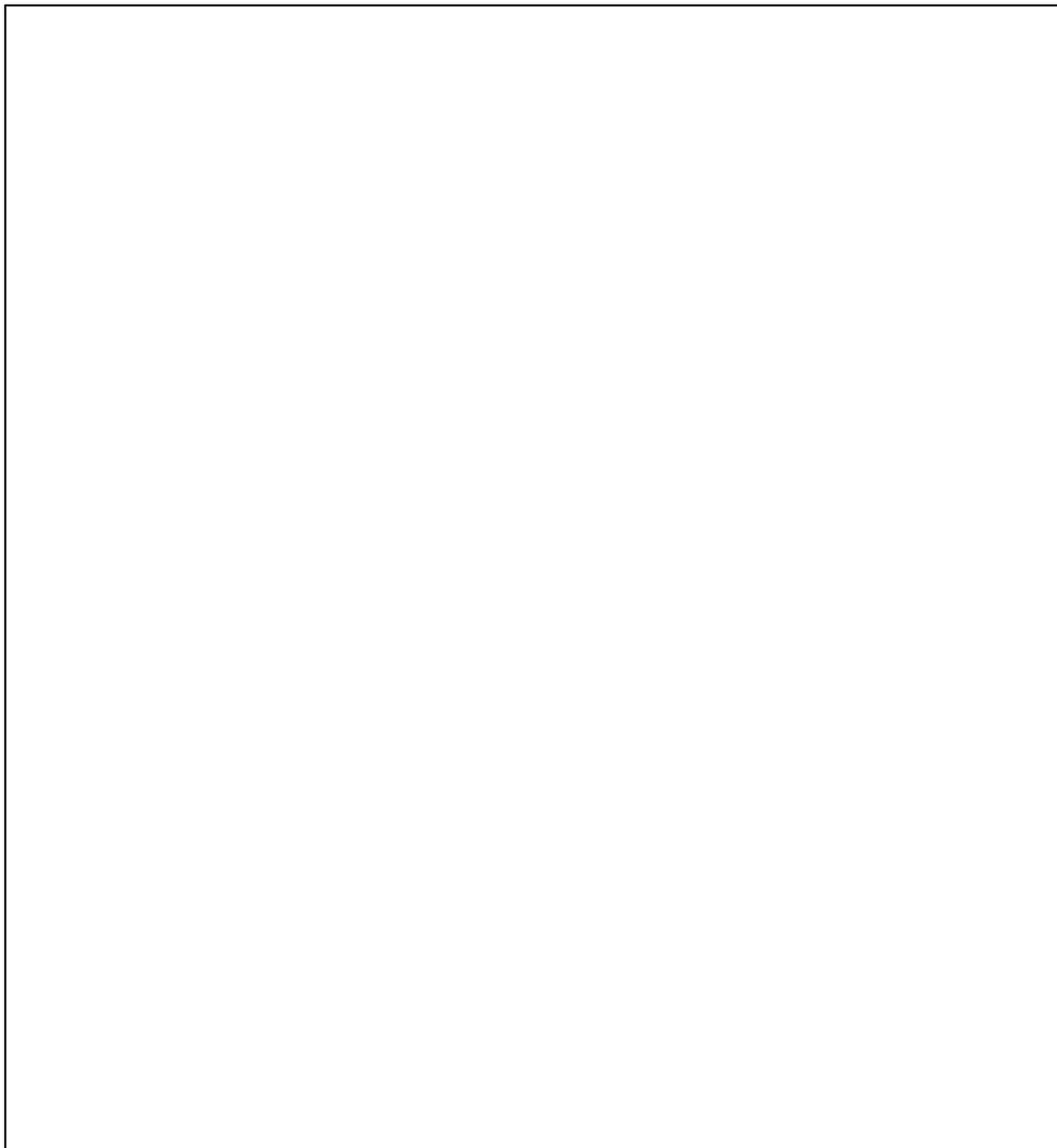
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The Official Baldrige Blog

Good Governance: 10 Baldrige Questions for Your Board of Directors

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Washington Post business columnist Steven Pearlstein and others have written (<http://www.washingtonpost.com/blogs/wonkblog/wp/2013/09/09/how-the-cult-of-shareholder-value-wrecked-american-business/>) about the problem of an excessive and short-sighted focus by many business leaders today on stock values for shareholders.

But what about the role of corporate governance boards? Aren't members of a board of directors obliged to take a longer-term view of company management and performance results? Aren't they expected to help ensure their organization's future sustainability, in part by creating and balancing value for *all* customers and stakeholders?

As governance board members of Baldrige Award-winning organizations have affirmed, those boards that embrace the role of ensuring responsible governance and leadership of their organizations are likely to find the Baldrige Excellence Framework booklet (which includes the Criteria for Performance Excellence (https://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm)) an essential tool in this endeavor, regardless of the sector or size of the organization.

The “Governance and Societal Responsibilities” section of the Baldrige Criteria (item 1.2) provides a board of directors with self-assessment questions divided into three topic areas: organizational governance, legal and ethical behavior, and societal responsibilities and support of key communities. The first area addresses how the organization achieves accountability for management actions, fiscal accountability, transparency in operations, independence and effectiveness of audits, protection of stakeholder and stockholder interests, and succession planning for senior leaders.

The next questions (also Criteria requirements) guide the board of directors to determine whether it has an effective approach to leadership performance evaluation and improvement, legal and ethical behavior, fulfillment of responsibilities, and support to key communities. For example, the Criteria ask how the organization considers societal well-being and benefit in its strategy and daily operations—including its contributions to the environmental, social, and economic systems in which the organization resides and from which it benefits.

To help boards of directors get started using the Criteria for Performance Excellence, the Baldrige Program has long offered a free resource: [A Baldrige Perspective for the Board of Directors](https://www.nist.gov/baldrige/publications/baldrige_perspective.cfm) (https://www.nist.gov/baldrige/publications/baldrige_perspective.cfm) (downloadable PDF). Following are ten sample questions (spanning all seven categories of the Criteria for Performance Excellence) that can help a board of directors begin to assess the performance of the organization and target areas for improvement:

1. **How does your organization address risks and anticipate public concerns with its products and operations?** (Category 1, Leadership)
2. **How does your organization promote and ensure ethical behavior in everything it does?** (Category 1, Leadership)
3. **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)
4. **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)
5. **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)
6. **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)
7. **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?** (Category 6, Operations Focus)
8. **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)
 9. **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?** (Category 7, Results)
 10. **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 your board members and/or your organization’s senior leaders answer these questions? If not, your organization may have gaps requiring your attention. Check out related posts on Blogrige on how to prepare to conduct a Baldrige self-assessment: “[Baldrige Self-Assessment: Seven Ways to Get Started](https://www.nist.gov) (<https://www.nist.gov>)” and “[Baldrige Self-Assessment: Seven Steps for a Full Examination](https://www.nist.gov/blogs/blogrige/baldrige-self-assessment-seven-steps-full-examination) (<https://www.nist.gov/blogs/blogrige/baldrige-self-assessment-seven-steps-full-examination>).”

And if you serve on the board of directors of a business or nonprofit organization—whether a corporate governance board, a professional association advisory board, or a school board—please continue to share with us how you have used the Baldrige framework to guide the organization to improve its performance and excel.

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About the author



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Christine Schaefer is a longtime staff member of the Baldrige Performance Excellence Program and current leader of the Education Team—a group of four who produce publications and communications and...

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The Baldrige Program offers a comprehensive and proven leadership and management [framework](#) (<https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>) that focuses on results in all areas of your organization. Learn more about the [Baldrige Program](#) (<https://www.nist.gov/baldrige>), the [products and services](#) (<https://www.nist.gov/baldrige/products-services>) available to help your organization succeed, and how to [self-assess](#) (<https://www.nist.gov/baldrige/self-assessing>) using the Baldrige framework.

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