



***The National Housing Quality Award  
A First Step for Home Builders on the Road to  
The Malcolm Baldrige National Quality Award***



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The Malcolm Baldrige National Quality Award (MBNQA) Criteria for Performance Excellence has certainly been successful since it was established in 1987. The Baldrige model provides a non-prescriptive conceptual model of performance excellence, which can articulate many of the basic precepts of quality in a systems theory approach. In this manner the criteria can present and highlight such crucial issues as the:

- Importance of leadership
- Need to consider all elements of an organization
- Strategic importance of scanning and analyzing the business environment
- Value of creating focus on customers and employees
- Emphasis of identifying and monitoring key performance indicators
- Methods of approach and deployment for improvement action plans

The Baldrige Criteria is based on seven categories:

1. Leadership
2. Strategic Planning
3. Customer and Market Focus
4. Measurement, Analysis and Knowledge Management
5. Workforce focus
6. Process Management
7. Results

These are underpinned by core values and concepts:

1. Visionary Leadership
2. Customer Driven Excellence
3. Organizational and Personal Learning
4. Valuing Workforce Members and Partners
5. Agility
6. Focus on the Future
7. Managing for Innovation
8. Management by Fact
9. Social Responsibility
10. Focus on Results and Creating Value
11. Systems Perspective

The MBNQA has been the inspiration for the creation of 43 state award organizations and nearly 45 quality award programs internationally. A great example of its success and adoption is the National Housing Quality Award (NHQA).

### **The National Housing Quality Award**

The NHQA is modeled after the Malcolm Baldrige National Quality Award and represents the housing industry's highest recognition for achievements in quality management. It is organized by Professional Builder Magazine. For 16 years the NHQA Criteria for Performance Excellence has been an important tool for hundreds of home builders and trade contractors to assess and improve performance on critical factors to business success. These help to:

- Align resources
- Improve communication
- Increase productivity
- Boost effectiveness
- Achieve strategic goals

Since the start of the NHQA in 1993 through 2009, 67 builders have received recognition, of which 8 builders have earned awards multiple times. These organizations range from small family owned to large national builders, building custom, production, single and multi-family homes of a wide price range. In addition 6 remodelers and 5 trade partners have been awarded recognition.

The NHQA has two divisions with one open to all US companies that build or remodel residential homes using light construction methods. The other is open to all independent trade contractors that provide construction services to builders or remodeling companies.

The NHQA consists of a set of eight criteria:

1. Leadership—How do your company's senior leaders guide the organization toward a common purpose based on shared values and priorities?
2. Strategic Planning—How do you create and implement a strategic plan to achieve a vision for the future, enhance your competitive position and improve overall performance?
3. Performance Management—How are your company's business processes developed, managed, measured and improved to achieve performance excellence?
4. Customer Satisfaction—How does your company manage the design and delivery of products and services that promise a high level of customer satisfaction?
5. Human Resources—How do your employee selection and development practices, as well as staff performance management, well-being, motivation, satisfaction and compensation contribute to the growth of your organization?
6. Construction Quality—What methods does your company use to drive quality in the home construction process and ensure high performing, trouble free products and services?
7. Trade Partnerships—How do you create high performance relationship with your independent trade partners?
8. Business Results—What are the tangible measurements of the business benefits resulting from your high performance practices in the financial, operational, customer satisfaction and product and service quality areas?

There are a further series of sub-criteria with further detail within each criteria.

The NHQA has three levels of recognition: honorable mention, silver and gold.

Gold is awarded to those that have attained a national benchmark level within each area of evaluation; they have mature, fully integrated quality management principles and consistently demonstrate high level sustained

results.

Silver is awarded to those that are industry leaders in most evaluation areas; they have many refined business practices, key measures for continual improvement and good business results.

Honorable mention, is awarded in special circumstances for those that demonstrate an understanding of quality principles and show a sound, fact based improvement process. Key measures are in place and good business results are achieved in most areas.

Just as with the MBNQA, self-assessment can be conducted using the criteria. This can be used to identify strengths and target opportunities for improvement that impact: customers, employees, owners, suppliers and the public. This is not only a first step toward driving improvement throughout your organization but also toward the ability to write and submit an application. Writing an application is in itself a method of self-assessment, detailing how your organization addresses each of the criteria.

The application is reviewed by a team of judges who are experts in both the homebuilding industry and quality management. Those that are approved by the judges receive a site visit by a judging team that may last several days. In either case, the applicant receives a detailed, actionable feedback report to support continued improvement.

The application involves 15 pages, single sided, 12 point, Times-New-Roman font on 8 1/2 x 11 pages. One hard copy and one electronic is required. In addition a brief one-page profile of the company is provided. The profile will discuss:

- The types of products and services you offer
- The market and geographic areas you serve
- Your competitive situation
- New business directions
- Other relevant information

The NHQA process is lighter than the MBNQA but this is ideal to allow organizations to be introduced to the concepts, begin self-assessment, implement improvement, submit an application and gain valuable independent feedback for improvement. Also the NHQA is focused on the specific needs and expertise of the home building industry. The next step is to submit applications for Baldrige based State and local programs as a further step toward the MBNQA itself.

**The deadline for applications this year is April 30<sup>th</sup> 2009.**

For further information contact  
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