

Baldrige Glossary HD: Performance**Performance**

The term “*performance*” refers to output **results** and their outcomes obtained from **processes**, products, and services that permit evaluation and **comparison** relative to **goals**, standards, past **results**, and other organizations. **Performance** can be expressed in non-financial and financial terms.

The **Baldrige Criteria** address four types of **performance**: (1) product and service, (2) **customer**-focused, (3) financial and marketplace, and (4) operational.

“Product and service **performance**” refers to **performance** relative to **measures** and **indicators** of product and service characteristics important to **customers**. Examples include product reliability, on-time delivery, **customer**-experienced defect **levels**, and service response time. For nonprofit organizations, “product and service **performance**” examples might include program and project **performance** in the areas of rapid response to emergencies, at-home services, or multilingual services.

“**Customer**-focused **performance**” refers to **performance** relative to **measures** and **indicators** of **customers’** perceptions, reactions, and **behaviors**. Examples include **customer** retention, complaints, and **customer** survey **results**.

“Financial and marketplace **performance**” refers to **performance** relative to **measures** of cost, revenue, and market position, including asset utilization, asset growth, and market share. Examples include returns on investments, **value** added per **employee**, debt-to-equity ratio, returns on assets, operating margins, **performance** to budget, amount of reserve funds, cash-to-cash **cycle time**, other profitability and liquidity **measures**, and market gains.

“Operational **performance**” refers to **workforce**, leadership, organizational, and **ethical performance** relative to **effectiveness**, efficiency, and accountability **measures** and **indicators**. Examples include **cycle time**, **productivity**, waste reduction, **workforce** turnover, **workforce** cross-training rates, regulatory compliance, fiscal accountability, and community involvement. Operational **performance** might be **measured** at the work unit **level**, **key work process level**, and organizational **level**.

Note: **Blue** words above are hyperlinks to other **GLOSSARY HD** terms and their definitions.

I am pleased to offer the **GLOSSARY HD** as a no charge service to Baldrige Criteria users worldwide - [Paul Steel](#)

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