

### *Abstracts*

*This study examines the relationship between implementation of Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) and corporate financial performance. This study employs a multiple regression to test the hypothesis that implementation of MBCfPE and corporate financial performance of the Indonesian Quality Award (IQA) winners are positively related. The score of IQA for 2005, 2006, and 2007 by the Indonesian Quality Award Foundation is used to measure the MBCfPE implementation, and Return on Assets (ROA) of the IQA winners for 2004, 2005, and 2006 as related financial performance measurement. The analysis shows that there is a significant positive relationship between IQA Score and ROA.*

*Focusing on the IQA winners with predicate "Good Performance", this study also analyze their objective historical financial data to be obtained for the years before they effectively implemented MBCfPE through to years after that. The results show that there is a significant difference (better/increasing) in the performance of ROA between period of after and before the MBCfPE effectively implemented. The same result obtained while using Return on Equity (ROE) as another variable for sensitivity analysis. Thus, those mean that the MBCfPE implementation affects the corporate financial performance.*

*Keywords : MBNQA, MBCfPE, IQA, financial performance, Return on Assets, sensitivity analysis, Return on Equity*