Whit: In general Deming’s philosophy was all about the individual. The human side of a working environment. His philosophy was one about life in general. He wanted each individual in a business to understand their position in the business and what they did or did not do was very important to the overall aim of the business.

Ya think Congressmen/women and Senators understand the 14 Points? Don’t think so. Do they need to? Think so. Do they care? Nope!

As Deming would say the 14 Points (Obligations) for Management are an integrated system. They must be viewed and understood as a system. Each point is a component of the system. Individually they are just that, an individual, or one component of the system. But together as a system they must all work together to optimize the system not just their individual component. The steering wheel needs to steer, the breaks need to break, the carburetor needs to carb, and the pistons need to p… They all must work together to provide the aim of the system, to transport people or things.

Below I have attempted to look behind the scenes into what is the real meaning or implication of what Deming called (later in life) his 14 Points (Obligations) for Management. I have looked at other’s analysis of what Deming meant and included them here. There is a reference list at the end, and I have put citations after each author’s views. I have added some stories of my own experiences to help illustrate the points being made.

A look at before the 14 Points follows.

The French Deming Association has a mission to implement the management theory designed by Deming. They offer The New Economics and Out of the Crisis in French as well as other related books.

Their web site also offers several interesting papers including: Before Deming’s 14 Points for Management by Jean-Marie Gogue, The French Deming Association.
In that paper Jean-Marie examines a speech W. Edwards Deming gave in Tokyo at the International Conference on Quality Control, with the title a “Quick Review of Some New Principles of Administration.” In that speech Dr. Deming proposed 25 principles for management (as Jean-Marie’s title suggests this is before Deming used the 14 points for management).

**principles 1 to 5 – The new philosophy**
These five principles concern the supervision of production-workers, the best practices for training and hiring, the failure of specification limits to guide the production-worker and the need to include the concept of statistical control in job descriptions. It is clearly stated that management must use control charts in order to separate problems which belong to the system from those which belong to individuals or special events.

…

**principles 6 to 11) Economic losses**
These six principles require management to take measures in order to reduce chaos in the company, and consequently to eliminate the source of big economic losses. They establish that causes of high production costs may be usefully subsumed under two categories called: «Faults of the system (common or environmental causes)» and «Special causes». Percentages are estimated: 85% for the former and 15% for the latter.

…

**principles 12 to 15) Constantly improve the production-line, viewed as a system**
These four principles stress the fact that problems of the system are problems for management and show the way to solve them.

…

**principles 16 to 21) The consumer is the most important point**
This six principles concern the producer-consumer relations. A fundamental rule, that Deming explained later in Out of the Crisis, was stated as follows: «Performance of a product is the result of interaction between three participants: (1) the product itself; (2) the user and how he uses the product; (3) instructions for use, training of customer; service provided for repair.

The photo shows W. Edwards Deming greeting workers at Ricoh in Japan in the 1970s. It wasn’t taken at the speech discussed in this post.

The paper provides a fascinating look at the history of the presentation of Deming’s ideas. Even more important the paper provides insight into the Deming management system and the challenges of convincing managers to adopt new ideas in their practice of management.

The 14 Points and a look of what they mean follows.

1. Create **constancy of purpose** toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs.

Notes from the Deming Institute:

Fear of takeover, along with emphasis on the quarterly dividend, defeats constancy of purpose.

W. Edwards Deming, Out of the Crisis, preface.
Establish constancy of purpose. People ask me, “How?” Well, I don’t know how. That’s up to the company. If it isn’t done, the company will be under handicap, and that handicap may have severe consequences.

…

Even when top management has announced constancy of purpose, it takes a little while for credibility to seep and soak around.


Do all employees of your company know about this stated constancy of purpose (raison d’être), if you have formulated one?


Supervisors need to find ways to translate the constancy of purpose to the individual employee.

Dr. Paul Batalden and Dr. Loren Vorlicky quoted in Out of the Crisis, as included as part of the Adaptation of the 14 Points to Medical Service on page 201.

Our political system, which elects the senior management for our federal service, must understand above all else the importance of constancy of purpose and the importance of knowledge. Politically appointed managers must comprehend the 14 points and the deadly diseases and the obstacles. Only then may they place themselves in roles of leadership.


“…improvement of competitive position to keep the company alive and to provide jobs for their employees.” … “The next quarterly dividend is not as important as existence of the company 10, 20, or 30 years from now.

Establishment of constancy of purpose means acceptance of obligations like the following:

a. Innovate
b. Put resources into: Research Education
c. Constantly improve design of product and service”


https://deming.org/

2. Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.

The DI had no additional notes on this point.

“We can no longer tolerate commonly accepted levels of mistakes, defects, material not suited for the job, people on the job that do not know what the job is and are afraid to ask, handling damage, antiquated methods of training on the job, inadequate and ineffective supervision, management not rooted in the company, job hopping in management, buses and trains late or even canceled because a driver failed to show up.”

W. Edwards Deming. Out of the Crisis, pages 26/27
“Americans are too tolerant of poor workmanship and sullen services. We need a new religion in which mistakes and negativism are unacceptable”

Mary Walton. The Deming Management Method, page 34

Whit: But we have done it that way for the past many years, why should we change? (I have a personal story about that thought.) In too many companies the new philosophy has not been, will not be, adopted. See my comment on point 3 below. For the Western World change comes with difficulty. The culture of cooperation is just not there, not ingrained in our society. The Japanese culture is all about cooperation, it is ingrained in their society, therefore, it was easy for them to adopt what Deming taught them, in addition to their need for improvement after the war ended. They needed to survive and become leaders of production of products that met consumer quality requirements. US companies failed to see the need for improvement until we lost market shares to Japan, when in 1980’s things began to change in the US and TQM came along.

3. **Cease dependence on inspection to achieve quality.** Eliminate the need for inspection on a mass basis by building quality into the product in the first place.

“Inspection to improve quality is too late, ineffective, costly. … Quality comes not from inspection, but from improvement of the production process.”


“Inspection does not improve the quality, nor guarantee quality. Inspection is too late. The quality, good or bad, is already in the product. As Harold F. Dodge said, “You cannot inspect quality into a product.”

W. Edwards Deming. Out of the Crisis, page 29

Whit: I have two daughters that currently work in manufacturing companies. Both companies do 100% inspection of outbound products. Why does it still happen today? What customers do not comprehend is that they are also paying for the company to produce defective products if it does not build quality into the production process.

4. **End the practice of awarding business on the basis of price tag. Instead, minimize total cost.** Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.

” This point is one of the less controversial points (at least the first 2 sentences of it). Looking at total costs instead of just the price is hard to argue with. So if a product would last twice as long it is obviously silly to buy the alternative just because you save 5% on the initial price. This isn’t a controversial idea.

Though it is something that is often done when organizations fail to take a long term view, fail to see the organization as a system, fail to see the dangers of simplistic targets (purchasing will reduce costs by 5% this year…), etc.”

John Hunter. [https://blog.deming.org/2016/06/minimize-total-cost/](https://blog.deming.org/2016/06/minimize-total-cost/) From the DI website
“Even today many organizations treat suppliers as adversaries to beat at the negotiating table. Dr. Deming explained that the organization was a system that included the suppliers and customers. You need to manage and continually improve that entire system.

And to do so most effectively you need to partner with your suppliers over the long term. You need to treat them as partners. Saying they are partners is nearly worthless. What matters is how you operate. Toyota, Honda and others have taken this message to heart. Many others still have not.”


From the DI website

Whit: While I served as Production Manager in a small-medium manufacturing company, we produced premium paper give-away products for our customers which had us mail them out to the public looking for a small donation to the Veteran organizations, our customers. (PVA and EPVA) These included a packet of 10 all-occasion or Christmas cards and a packet of white envelopes to go with the cards. The envelopes were banded with a small strip of paper. Through extensive process improvements I worked up the production of a team of 5 members on a machine to produce 30,000 units during an 8-hour shift. The Purchasing Manager decided to make a name for himself went and bought new packets of envelopes from a new company at a much-reduced cost than the ones we had been getting the envelopes from. He was going to save the company several thousand dollars. When my crews got the envelopes to run on my machines their production dropped to about 50% of what it had been. This got the attention of the GM who called me in to ask why the reduction in production. I invited him and the Purchasing Manager to come see why our production dropped so dramatically. The cheap envelopes cause the machines to jam frequently causing the crew to stop production to clear the jam. This single component, the Purchasing Manager, trying to make a name for himself, ended up causing the company to lose many thousand dollars in lost production and missed shipped dates.

Deming: Yup, stick with a single vendor who provides reliable quality products with loyalty and trust. Fire the Purchasing Manager. That did not happen as he and the GM were close friends.

In Out of Crisis Deming uses 17 pages to expound on this one point.

5. **Improve constantly and forever the system of production and service**, to improve quality and productivity, and thus constantly decrease costs.

The DI did not expound on this point.

“Downstream, there will be continual reduction of waste and continual improvement of quality in every activity of procurement, transportation, engineering, methods, maintenance, locations of activities, sales, methods of distribution, supervision, retraining, accounting, payroll, service to customers.”

W. Edwards Deming. Out of the Crisis, page 49

Whit: In Out of Crisis, Deming seems to ramble a bit on this topic. What he does say, all points to the Shewhart’s Cycle -- Plan, Do, Study, Act. Which translates to continuous improvement in every aspect of the business, every process.
In *The Deming Management Method* Mary Walton puts it this way, “Everyone and every department in the company must subscribe to constant improvement. It cannot be limited merely to manufacturing or the service delivery systems.” … “Dr. Deming emphasizes that management must lead the way. Only management can initiate improvement in quality and productivity. Production workers on their own can achieve very little.”

6. **Institute training on the job.**

From the DI: Good practices to institute training on the job include, training on:

- **understanding variation** (understanding what data does, and does not indicate is critical to data-based decision making)
- how to use **standard work instructions**
- creating and understanding process flowcharts
- how to use PDSA to experiment, learn and improve
- job skills (so for example, training new managers and team leaders on how to coach effectively)
- quality tools (control chart, fishbone diagram, value stream map…)

[https://blog.deming.org/2016/03/institute-training-on-the-job/](https://blog.deming.org/2016/03/institute-training-on-the-job/)

“Training must be totally reconstructed. Management needs training to learn about the company, all the way from incoming material to customer. A central problem is need for appreciation of variation.”

W. Edwards Deming. Out of the Crisis, page 52

Whit: Training must be standardized. When I took over the Mail Processing Department of PVA-EPVA, Inc. training of temp employees was assigned to who was available that day. To improve the output (production) of the temp employees I found out which one of my permanent employees, Becky, had top notch production numbers and was a good trainer. She was assigned to do all the training of new employees from then on. This simple process change significantly improved the production of new and temp employees.

Since Becky had the highest production numbers (and fewest mistakes) while opening and processing mail, I videotaped her hands while working. I then set up a TV by each employee, one at a time, and slowed the video down so the employee could see how Becky opened and processed the mail. By doing this I improved the production of the entire department such for that year I came in some $100,000 under budget for that particular function, opening and processing mail.

I used control charts to monitor each employee’s production every day. We understood there was variation in the process. Each individual was different. We monitored the charts to tell us when the system was stable or when it was going wrong. We also used them to see if an individual needed more training or needed to be moved to a different task.

Training must be standardized and accomplished by those who are good at training others. Not everyone can or should be asked to do that.
7. **Institute leadership.** The aim of supervision should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.

The phrase “institute leadership” is difficult to understand without context. But Dr. Deming provided context. Point 12 addresses the need to create management systems that provide people joy and pride in work. And he specifically mentions the need to **abolish the annual performance appraisal.**

For Deming, instituting leadership meant creating management systems that allowed people to take pride in their work and was consistent with the principles he expressed (understanding the organization as a system, understanding variation, etc.). That system allows the organization to be successful by **providing for the needs of the employees, delighting customers** and meeting the needs of other stakeholders. This system had to be led with an understanding of the interactions between the interrelated components.

The title of chapter 5 of the *New Economics* is Leadership. From that chapter, page 116

*As I use the term here, the job of a leader is to accomplish transformation of his organization. He possesses knowledge, personality, and persuasive power* (chapter 6 [Management of People]).

*How may he accomplish transformation? First, he has theory. He understands why the transformation would bring gains to his organization and to all the people that his organization deals with. Second, he feels compelled to accomplish transformation as an obligation to himself and to his organization. Third, he is a practical man. He has a plan, step by step, and can explain it in simple terms.*

*But what is in his own head is not enough. He must convince and change enough people in power to make it happen. He possesses persuasive power. He understands people.*

See more of my thoughts related to that quote in our previous post: **Dr. Deming on Leadership.** That post includes another important quote:

*The aim of leadership should be to improve the performance of man and machine, to improve quality, to increase output, and simultaneously to bring pride of workmanship to people. Put in a negative way, the aim of leadership is not merely to find and record failures of men, but to remove the causes of failure: to help people to do a better job with less effort.*

Actually, most of this book is involved with leadership. Nearly every page heretofore and hereafter states a principles of good leadership of man and machine or shows an example of good or bad leadership.

As you can see, Institute Leadership, for W. Edwards Deming had a very specific meaning. That meaning was directly connected to leading the transformation of the management system into one designed to: **let people contribute to their full potential,** to delight customers using an understanding of variation (how to use data to improve and how to avoid being misled by data), operate with an understand of process thinking and viewing the organization as a system while always focused on continually improving.

Support of top management is not sufficient. It is not enough that top management commit themselves for life to quality and productivity. They must know what it is that they are committed to — that is, what they must do. These obligations can not be delegated. Support is not enough: action is required.

— W. Edwards Deming, page 21, Out of the Crisis

**The Deming Institute** [https://blog.deming.org/2016/03/institute-leadership/](https://blog.deming.org/2016/03/institute-leadership/)
Leaders play a crucial role in quality. The leaders have to be primary agents for improvement. Leaders must understand common causes and special causes and be able to tell the difference. Leaders have to understand the overall system and where their group fish in. They have to cooperate with those in the steps ahead of and following them.

Leaders build trust. They help but do not judge. They encourage everyone to improve. They work to create an environment where the workers can experience pride. Their efforts are directed at allowing each worker to perform his or her job to the utmost while experiencing joy in his or her work and performing in a manner consistent with the aims of the organization.”

DR. DEMING, What every U.S. business person should know about successful management and bringing quality back home, Rafael Aguayo, © 1990

Leadership is the activity of influencing people by providing purpose, direction, and motivation to accomplish the mission and improve the organization. Leadership as an element of combat power, coupled with information, unifies the warfighting functions (movement and maneuver, intelligence, fires, sustainment, protection and command and control). Leadership focuses and synchronizes organizations. Leaders inspire people to become energized and motivated to achieve desired outcomes. An Army leader is anyone who by virtue of assumed role or assigned responsibility inspires and influences people by providing purpose, direction, and motivation to accomplish the mission and improve the organization.


Whit: I was taught about effective leadership while taking Army ROTC courses while doing my undergraduate work at the University of Massachusetts, Amherst, MA. When I first entered the Army on active duty, I volunteered to attend the U.S. Army Ranger school. It is considered one of the top military leadership schools in the U.S.

Ranger School is one of the toughest training courses for which a Soldier can volunteer. Army Rangers are experts in leading Soldiers on difficult missions - and to do this, they need rigorous training. For more than two months, Ranger students train to exhaustion, pushing the limits of their minds and bodies.

https://www.army.mil/ranger/

It was this training that inspired me to excel as an Army Leader. The primary mission of the Ranger school is to train both Officers, Noncommissioned Officers and Enlisted Members to be leaders in combat. I served as Company Commander in two different companies in Vietnam. This experience along with serving as an Advisor to the Vietnamese Combat Engineers provided me with the expertise to become an educator for the Army Corps of Engineers at the US Army Engineer School. My specialty was Landmine Warfare, a very deadly functional area for any military force. I know I fulfilled Deming’s role as a leader both in my Combat Command tours and as an Educator of those going into combat. I was also the Commander of two other companies, one in Germany before deploying to Vietnam, and another in the 326th Combat Engineer Battalion, 101st Airborne Division after my tour as an instructor at the Army’s engineer school.

After retiring from the Army, I took a job in a manufacturing company as a Department Manager. I had 30 permanent employees and during peak production periods ramped up to 90 with temp employees. In that assignment I made many successful changes to the processes leading to significant improvements in the operation. There I managed the Fund-Raising Donation Processing Department operating two shifts, normally and three shifts during peak production periods, processing 10M pieces of donation mail
annually with weekly deposits averaging well in excess of $1,000,000. I designed and installed a Fund-Raising Donation Processing System using an automated high-speed remittance processing unit and a Local Area Network system of Personal Computers. Results were improvements in donation processing turnaround times (time from arrival to deposit), cost savings to the company and the customers, and eliminated labor-intensive functions resulting in a 25% reduction in staff requirements. I managed an annual six-figure budget. The last year of that assignment the department ended the fiscal year in excess of $100,000 below budget and processed 10% more donation mail than forecasted. During this assignment I began my self-study of Quality Management studying Drucker, Deming, Juran, and a host of many others.

I was later assigned as the Internal Quality and Safety Consultant. This was a high profile, change agent, management position leading the Total Quality Management process company-wide working directly with the General Manager, the Executive Vice President, and the President. I was responsible for Statistical Process Control; developing and conducting training in Total Quality Management / World Class Manufacturing methods, tools and techniques; facilitating cross-functional process improvement teams; leading the Company's journey to improve upon the Business System by developing a Quality Business Management System. As the Project Director I worked beside the CEO & President and Senior Management Executives in leading the Company's effort to improve the Business Management System by bringing processes in line with ISO 9001 (1994) Standards, Baldrige Criteria, Deming’s System of Profound Knowledge, and Systems Thinking. During this assignment I continued my self-study of Quality Management gurus learning what they had to offer.

I was later selected to the position as Manufacturing Production Manager for the entire Manufacturing operations. There I achieved significant improvements in productivity in 5 of the 7 functional areas under my control. Achievements were the direct result of my leadership and well planned and executed operator training and machine preventive maintenance programs and process improvement actions. Several individual operator and team production records broke company records demonstrating success.

I have had some great experiences as a Leader both in the Army and in a manufacturing operation. I have seen the good, the bad, and the ugly. I have seen great leaders and piss poor ones. I know what great leadership is and I know what bad leadership is. I served in the Army for 3 days and 20 years retiring at the rank of (03) Captain. I served as a Manager in the Manufacturing business for thirteen years.

8. Drive out fear, so that everyone may work effectively for the company.

Fear invites wrong figures. Bearers of bad news fare badly. To keep his job, anyone may present to his boss only good news.


Using data to make decisions is important to effective management. But using data goes far beyond math. To make judgements we need to understand the source of data. We need to understand the potential weaknesses in the data. We need to understand how to apply statistical thinking to make decisions using the data.

The data gathered are a result of the system. If the system creates fear among employees the chances of tainted data increases. Another way Deming stated this is where there is fear you do not get honest figures. If the system creates incentives to have the data look good to get promotions or bonuses or credit the chances of
tainted data increases. If the system doesn’t use good operational definitions to define how to collect the data the chances of tainted data increases. If those looking at the data don’t deeply understand the processes from which the data are meant to measure (they don’t understand the gemba) the chances of tainted data being used increase.

And all these factors, and more, work together. Weaknesses in any increase the impact of weaknesses in the other areas. The problems fear creates result in bad data, ineffective decision making and the destruction of joy in work.

To improve results management needs to focus on improving the system. Blaming people for problems will increase fear and decrease honest data on the current results. If you find your organization consistently finding the reason for bad results was a person or people failing that is a sign you are likely to have fear based thinking and figures that are not trustworthy. The significant interactions between the various aspects of Deming’s management ideas are clear when you examine one simple quote.

From: https://deming.org/where-there-is-fear-you-do-not-get-honest-figures/

“Most people on the job,” says Deming, “especially people in management positions, do not understand what the job is, nor what is right or wrong. Moreover, it is not clear to them how to find out. Many of them are afraid to ask questions or to take a position. The economic loss from fear is appalling.”

People are afraid to point out problems for fear they will start an argument, or worse, be blamed for the problem.

People are afraid of losing their raises or promotions, a worse, their jobs. They fear punitive assignments or other forms of discrimination and harassment. They are afraid that superiors will feel threatened and retaliate in some fashion if they are too assertive or ask too many questions.

They are afraid to admit they made a mistake, so the mistake is never rectified. In the perception of most employees, preserving the status quo is the only safe course.

It is necessary, Deming says, for better quality and productivity, that people feel secure.

Workers should not be afraid to report broken equipment, to ask for additional instructions, or to call attention to conditions that interfere with quality. Fear, says Dr. Deming, disappear as management improves and as employees develop confidence in management.

“Fear takes a horrible toll. Fear is all around, robbing people of their pride, hurting them, robbing them of a chance to contribute to the company. It is unbelievable what happens when you unloose fear.” Deming

Mary Walton. The Deming Management Method, pages 72/73

Whit: Let me tell you a personal story about fear from when I was in the Army in Vietnam as Commander of an industrial plant operation producing crushed rock and asphalt for road building operations. We operated 24/7.

One night we lost (got tore up from use) a 24-inch-wide 200-foot long conveyor belt which halted our 24/7 crushing operations. At the time I was away from the company site in Long Binh picking up pay for the men of the company. At about 2100 hours (9:00 pm) my Battalion Commander ordered me to return to the company at Nui Soc Lu to manage the repair operations. In the dark on the way back by jeep to Nui Soc Lu my driver and I were ambushed. That is another story for another time but we did not get hit.
The Battalion wanted to know how long we would be operationally down repairing the conveyor belt. I consulted with my CW4 Engineer and the civilian engineers and we estimated that we would be back up operational by about 0700 hours (7:00 am) the next morning. This was reported back up the chain of command through Battalion to Brigade and Corps Headquarters.

Early in the morning, we were nearing completion of the repairs when we discovered, that in the dark, we had measured and cut the belt 20 feet too short. This required us to cut another 20 feet of belt and make a second splice which took us another half hour. At 0700 hours a Huey helicopter arrived with the Corps Commander (One star general, BG), the Brigade Commander (Colonel, COL) and my Battalion Commander (Lieutenant Colonel, LTC).

The General had made several visits to our operation, so he was very familiar with me and our efforts and challenges to make crushed rock and asphalt. He asked me why we were running late from our estimate of being back up and running at 0700 hours. I told him about our mistake of cutting the belt stock 20 feet short and having to add it in with another splice and assured him we would be running in another half hour or so. He was fine with that explanation saying, "Thanks Whit, see you again for coffee soon." He turned and headed back to his helicopter.

The other two, one on each arm of mine, grabbed me and asked why I told the General we screwed up and cut the belt 20 feet short. Stopping, I jerked my arms lose from the two Colonels and said very loudly, "What, did you want me to lie to the General?" They were pissed and followed the General back to his helicopter. We were up and operational shortly after they left. The Brigade Commander COL later became the Chief of the Corps of Engineers. I feel certain that may have contributed to me not getting promoted beyond Captain.

The moral of this story: “Always tell the truth, even if it hurts.” As my Dad taught me. I had no fear in telling the General we made a mistake. The two Colonels obviously were living in fear from thinking the General would think less of them

9. Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production and in use that may be encountered with the product or service.

Some of W. Edwards Deming’s 14 obligations of management have opponents that argue the reverse is wise. Some believe it is good to “motivate” people by making them fearful, for example. Others believe in selecting suppliers for the moment based on whoever gives the cheapest quote today.

But some of the 14 obligations don’t really have opponents arguing against them. I don’t recall anyone advocating for more barriers between departments. Instead the reason so many organizations suffer from the costs of significant barriers between departments is that the overall management system results in behavior that creates barriers between departments.

Addressing these secondary, tertiary… effects is usually more challenging. We normally can’t directly tackle the issue. Just telling people to work together doesn’t do much good if the management system drives them to different behavior. Such support for “teamwork” is merely a slogan without the necessary management commitment. We need to change the management system and the behavior of those in leadership positions in the organization.

From our previous post, Process Behavior Charts are the Secret to Understanding the Organization as a System:
“When we create incentives to optimize parts of the system (low-cost supplier, sales incentives, evaluating return on investment for individual business units, etc.) the overall system is sub-optimized. In order to achieve the best overall results individual parts of the system may have to suffer in order to achieve the best overall result.”

When we evaluate people and provide bonuses and promotions based on optimizing a portion of the system that creates pressures that work against cooperation across departments. When departments have to compete for budget and staff that can build up barriers between departments. When departments have their budgets to protect and spend that often creates barriers between departments.

Often this even progresses to the point where employees are considered more a part of one department than employees of the company and if they apply for jobs outside their department that is seen as disloyal.

As I said there are not proponents for more barriers between departments as a management strategy. And there is often talk about the importance of cooperation and that we are all one team, etc.. But when the management system is structured to undermine that notion it is not much use to tell people to work as if optimizing the overall system is what is desired.

The management system needs to encourage the behavior the organization wants to see. Too many organizations still have difficulty breaking down barriers between departments due to the management systems they have in place that work against that goal.

https://deming.org/break-down-barriers-between-departments/

“Teamwork is sorely needed throughout the company. Teamwork requires one to compensate with his strength someone else’s weakness, for everyone to sharpen each other’s wits with questions. Unfortunately, the annual rating defeats teamwork. Teamwork is a risky business. He that works to help other people may not have as much production to show for the annual rating as he would if he worked alone.”

(Deming, 2000, Out of Crisis pg. 64)

“A score of a musical composition can be viewed as a map for the musicians and the conductor. The score, as map, facilitates interactions between the players and with the conductor. It may be as detailed as a score for a traditional Symphony Orchestra, or it may be more of a guide, a schematic, for jazz musicians that outlines how the performance may evolve. Whichever the case, the score enables some musicians to produce a pattern of sounds that they intend for listeners to perceive as music…

In organizations, customers and suppliers, internal and external, usually are separated in time and place. The challenge to management is how to orchestrate the performers, who are in different locations, into one whole system.”


Whit: When I was the Manager of the Donation Processing Department, PVA-EPVA, Inc., one of my employees had to spend many hours compiling reports for the Accounting Department. As I evaluated this process, I, my Forewoman, and the employee could see a significant savings of labor in creating the reports if we could get the Accounting Department to make a minor change in their process. I approached the Accounting Department Manager concerning the proposed minor change. She was not very appreciative of me “digging into her business” as she put it and asked me to leave. A short while
later I was called to the office of the President, where I found the Accounting Department Manager along with the President. The President asked me about the situation so I explained I was trying to save my department (the company) some labor hours by asking the Accounting Department Manager to make a minor alteration to her process of collecting labor data from my department. In the end, I was suspended for three days without pay for “digging into her business.” So how did I feel about that? Right, never engaged with any other department in the company suggesting an improvement to save the company resources and money. She won, I lost. The company lost.

10. Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force.

Slogans are a way to say you care about quality without actually demonstrating you care. To improve results the system needs to be improved. Slapping up a slogan doesn’t improve the system. Normally all a slogan does is result in blaming people for not delivering what the slogan promises.

The reason that the organization failed is because the systems are producing what they will produce (along with the expected variation) not because an employee isn’t doing their part. To change results change the system.

Nearly everyone knows slogans and exhortations are pointless. If you listen to what people say outside of the meeting all you will hear is derision. Inside a meeting often no-one will object. If so, you should examine your management system. Why do people allow bad practices to go officially unquestioned? It is a bad sign and points to serious management problems. And it is also a common condition.

Targets are less universally seen as pointless. But Dr. Deming understood the damage targets cause.

if management sets quantitative targets and makes people’s job depend on meeting them, “they will likely meet the targets – even if they have to destroy the enterprise to do it.


I achieved my goal but not my aim. That happens a lot, we honestly translate aims to goals. And then we do stupid things in the name of the goal get it the way of the aim. We forget the aim sometimes and put the goal in its place.

There may be cases in which incentives work only as intended, but I suspect they are relatively rare. The trouble is that we are usually dealing with complex systems (people and organizations) that may behave not at all like our myths would predict. The best policy may be to avoid incentives altogether and focus instead on creating systems in which intrinsic motivation, cooperation, ethical behavior, trust, creativity, and joy in work can flourish.

Gipsie Ranney, The Trouble with Incentives: They Work

To improve results, as Brian Joiner said, we have 3 options, to: distort the system, distorting the data or improve the system. Improving the system is by far the most difficult. If the focus is just on meeting a target improving the system is not a sensible strategy.

Distorting the numbers, a form of creative accounting aimed at looking good rather than doing well, is rampant in American business.
Given a standard to reduce employee turnover, one vice president of human resources simply changed the formula for calculating turnover. This change reduced the turnover ratio while improving nothing. Distorting the system often occurs because performance appraisal encourages individuals to squeeze or circumvent the system for their short-term individual gain, rather than improve it for collective long-term gain. The sales force pulls out all stops to meet one quarter’s sales quota and sales sag in the following quarter.

https://deming.org/eliminate-slogans-exhortations-and-targets/

Dr Deming Point 10


Have you ever walked into a company and seen motivational posters in the office and manufacturing floor? With Dr. Deming point 10, he believed these are counterproductive to achieving quality. Of all of the Dr Deming 14 points, this one is probably the most controversial.

Managers believe posters, slogans, and targets motivate employees. In most cases these do not work. According to Dr. Deming, the posters slogananeering do not provide the means for employees to do better. While management invests time in posting and promoting these posters and slogans, employees feel the company would be better off if their efforts focused on true quality improvements.


Whit: When I worked at PVA-EPVA Inc. in Wilton, NH the GM bought and had hung large slogan signs in the manufacturing production area of the plant and other smaller ones hung in the hallways in the office areas and cafe. He thought they would motivate (extrinsically) the employees to do a better job. He also did it as a PR thing for when he brought in a prospective new customer to demonstrate we were doing great things. Never made a difference in productivity in the plant or in the offices. They just took up space hanging from the ceiling and walls and cost the company a lot of money. What he failed to
understand is that the output is controlled by the process and management controls the process. “Keep your worms warm.”

11a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.


The Deming Institute did not elaborate on these points.

Management creates numerical quotas or targets for their employees to meet because they believe these targets set a standard and provide a basis for employee performance reviews. Management wants employees to understand and meet their performance requirements. Targets can be easily communicated and shared with the employees. If the employee meets the target then they perform accordingly and they will not encounter repercussions.

Management feels targets ensure reliable production quantities. With these quotas, management believes they can predict deliverable quantities and make predictable forecasts to their customers. Since employees meet the expected targets, then the customer receives expected quantities as forecasted.

Management believes quotas are a win-win-win situation. Employees win because they know the expected performance expectations, management wins because they receive predictable quantities of units and customers win because they receive expected quantities in a given amount of time.

According to Dr. Deming point 11, quotas need to be eliminated. On the surface quotas look like a win win win situation, instead they are the death of quality and quality improvement. Let’s examine the effects of quotas on the employees. dem

Employee A and Employee B work in the same area and have exactly the same quota. Management makes the quota equal to the average production rate of all the employees.

Employee A, works hard, fast and smart. Employee A exceeds the target. If the target is 100 units an hour, employee A makes 120 units. However, overtime, employee A changes his works habits. With peer pressure, he realizes the extra effort doesn't help him. He scales back only to meet the quota. Because of the quota, the company loses out of his extra available production. Also, management loses out on understanding and implementing his methods for the improved production beyond the goal.

Employee B, works hard and tries his best. Employee B performs less than the target and makes 80 units an hour. However, every unit produce meets the quality standards. Management, not realizing people perform differently from each other, reprimands the employee for not meeting the target. Management feels the reprimand will motivate the employee. Instead it demoralizes employee B. Initially, his performance may slightly improve, but overtime, due to the negative feelings, employee B production decreases. Overall, this causes employee dissatisfaction and employee turnover. Because of training and hiring expense, employee turnover is costly for the company. In addition new employees tend to make defects at a higher percentage, which adds to the cost.
The above example based the production target on the average production. Where can a target be set that makes management and employees happy? This is not possible. Based on normal distribution, if you lower the target to the start of the bell shape curve then everybody will produce at that lower rate and not try to increase production. If you set the target to the end of the bell shape curve, then moral will be extremely low because 99% of the employees cannot meet this requirement.

Companies that use production targets eventually lose focus on production improvement. Let’s say all employees meet the production target. What will drive management to improve the production rate? Deming Point 11 argues that management becomes less involve in that area. Targets tend to create an invisible barrier between management and production improvement.


**Does Management By Objectives Stifle Excellence?**

U.S. companies have relied on using some sort of Management by Objective (MBO) type system for so long, it is difficult to think about alternatives.

John Dyer  
Dec 17, 2013

*From Dr. W. Edwards Deming’s 14 Points: Eliminate work standards (quotas) on the factory floor. Substitute leadership. Eliminate management by objective. Eliminate management by numbers, numerical goals. Substitute leadership.*

Why do some companies struggle when it comes to implementing lean and Six Sigma? A critically important step toward a successful improvement implementation is to get buy-in and support from top management. However, do the company’s leaders embrace the improvement initiatives enough to make radical changes in how they operate? What if this meant throwing out their entire way of measuring the success or failure of their employees?

One of Dr. Deming’s more controversial points in running a company is listed above (in italics). When company executives are surveyed about Dr. Deming’s 14 points, they tend to rank this point at the bottom of the list in both importance and ability to implement. U.S. companies have relied on using some sort of Management by Objective (MBO) type system for so long, it is difficult to think about alternatives.
Let’s explore the damage MBOs may have on a company’s ability to improve and what might have been behind Dr. Deming’s thinking when he included this in his 14 points. (The example that follows is based on real-world experiences.)

**Whit: A story!**

Jim Smith, one of the company’s plant managers, was feeling pretty good about his upcoming performance review with his boss. Jim had managed to meet every one of the objectives that was set a year earlier at his last review. He also knew that the next 12 months were going to be difficult since they were expecting several new product launches, so he was hoping to negotiate easier goals for the next year.

“Jim, come on in and have a seat,” his boss said as he was motioning to an empty chair. “I have been looking over your performance objectives for this past year, and frankly, something does not add up. It appears that you managed to meet all of your goals, and while your plant did perform slightly better, it seems that several other plants in the company far exceeded your improvement. Why do you think they were able to do so much better?”

“I’m not really sure,” said Jim as his ego was somewhat deflated. “I mean, we improved in every category that we measured. Our quality yield, for example, went from 92% to 92.6%. Our goal was to get to 92.5%, so we feel pretty good that we not only met the goal but exceeded it slightly.”

Jim’s boss did not look happy. “Our plant across town that is managed by Mary Jones started the year with a quality yield that was also 92%, but they managed to increase it to 99.3%. They had similar improvements in several other categories while also managing to keep their costs down. Before we set next year’s objectives, I want you to go meet with Mary and find out what they are doing to achieve those kinds of results.”

**What Do You Do Differently?**

So, Jim set up a meeting with Mary Jones. He had been to Mary’s plant several times but had not really paid much attention to what they were doing there. He knew that they made similar products, so it would be difficult to rationalize the gap in their performance on the product or the process differences.

Mary welcomed Jim and asked him to join her in her plant’s operations conference room. She also invited her leadership team, and they quickly introduced themselves as Jim got settled in for the meeting.

“I hope you don’t mind if I take a few notes,” said Jim. “I have been challenged with the task of trying to understand how your plant is performing so much better than mine. You must set much higher goals for your workers to get the kind of results I have heard about.”

“No, actually we have not set goals this entire year,” said Mary. “I decided to hold back on sharing the goals our boss gave us, and as the year progressed we have slowly gained his trust to try this approach. Don’t get me wrong. We still measure everything we did before and track improvement trends, but we don’t limit our thinking by setting artificial goals.”

“Limit your thinking? What do you mean?” asked Jim.

“No, actually we have not set goals this entire year,” said Mary. “I decided to hold back on sharing the goals our boss gave us, and as the year progressed we have slowly gained his trust to try this approach. Don’t get me wrong. We still measure everything we did before and track improvement trends, but we don’t limit our thinking by setting artificial goals.”
cost goal and then we designed our process to make that number. We ran the simulation and met all of the goals and thought that we had done very well. Then we found out that the other team decided to ignore the goal and design their business process to reduce the cost as much as possible. They got very creative with the process design and came up with several innovative ideas for dramatic improvement. Their team ended up selling twice as much product and reduced their overall cost by over 50% of what we had done. That was a real ah-ha moment for all of us.”

“If there is a fear that goals could hamper your ability to dramatically improve, then why not set the objectives very high to try and motivate your employees?” said Jim.

Mary’s procurement manager spoke up. “I worked for a company that once tried to use stretch goals, and it absolutely killed morale. In many cases, the stretch goal became THE goal, and your performance would get downgraded if you did not hit the stretch goal. And, if you did hit the stretch goal, then you clearly did not stretch far enough. So, either way, there was no way to win.”

“As we started discussing the impact goals have on the way we do things,” said Mary, “we began to realize how our objectives were causing us to do really stupid things. It became clear that people were manipulating data to hit their targets instead of doing any real improvement.”

“Manipulating data?” exclaimed Jim. “You mean like cooking the books?”

**Lots of Game Playing with Data**

“No, nothing that dramatic,” said Mary. “But there were a lot of games being played. I will give you an example of how easy it is to manipulate data. How many in this room would rather eat liver instead of eating glass?” Everyone’s hand went up. “So, after this little survey, I can now truthfully say that 100% of the people surveyed would rather eat liver over every other choice. Not exactly telling a lie but not really representing the truth either.”

“We also discovered that how we measured people’s performance was hurting our improvement efforts,” said the customer service manager. “One of our production manager’s main goals was to keep his employees 100% utilized. Even though he verbally supported our improvement efforts, he blocked most of the lean initiatives. It turns out that he was worried that if the team figured out a way to improve the process, they might get stuff done faster and if they ran out of things to work on, his employees’ utilization rate would drop and he would fail to meet his objectives.” psychology

“Hmmm… well, that makes sense,” said Jim. “I guess I never thought about how goals can drive the wrong behavior. We recently had a situation where our engineering department figured out a way to reduce the time it takes to issue a drawing to manufacturing. They met their goal, but it turns out that the changes caused major problems in manufacturing. The finger pointing increased and the silo walls between the departments became even thicker.”

“Yeah, we have had similar problems in purchasing,” said the procurement manager. “I have to admit that my team was so focused on meeting our price-cutting goals that we lost sight of what the total costs of our actions were. The quality and on-time delivery from our suppliers had gotten so bad that manufacturing had no chance to meet the customers’ needs.”

“What about the use of a balanced scorecard type approach to goals?” asked Jim.
“Keeping track of several metrics that balances all of our customer and business needs definitely helps,” said Mary. “And we do use a balanced scorecard to communicate to our employees how we are doing. However, we focus more on rate of improvement instead of setting arbitrary goals. We also celebrate when we hit certain milestones, but that is something we do as an entire plant.”

“We call them celebration points,” said the customer service manager. “For example, when we hit a quality yield of 95%, we bought everyone pizza. When we hit 99%, we bought everyone a steak lunch. We also now send a survey card to our customers with every order. Each time we get a card back with all excellent marks, we hold a random drawing and give away a major prize.”

“Our union has asked if they can add their logo to our survey cards and even asked if it would help to have several operators sign the cards,” added Mary. “Everyone in the plant is now really focused on the customer and is asking what they can do to help.”

“One other thing about MBOs,” added the production manager. “We soon realized that most of what we do takes a team effort. So, it really does not make sense to reward or punish an individual for certain performance metrics. For example, our on-time delivery performance began to suffer when our demand exceeded the capacity of our bottleneck (see Understanding the Demand/Capacity Curve). We realized that we had to work with our sales team to do a better job of planning and communicating our available capacity. This led to weekly sales and operations planning meetings, and our on-time delivery metric is back on track.”

“Exactly,” added Mary. “Once we realized that we are all in this together, we began to focus on initiatives that would improve our performance and give us a competitive advantage with our customers. I mean, if you really think about it, the entire company is being measured by our customer on a daily basis.

“Ok, I think I am getting the picture,” said Jim. “However, my concern is that if you don’t use MBOs, then how do you measure people and decide how to adjust salaries and bonuses or who to put on get well plans if they are not doing well?”

“Since we are mostly team based now,” said Mary, “it becomes apparent pretty quickly who is not pulling their weight or who is missing their deadlines. We now do a lot of 360-degree reviews where we get anonymous input from direct reports, peers and the leader. I mean, we ask our customers to fill out surveys of our performance, why not use a similar approach to providing feedback to our employees? Then, as leaders, it is up to us to help put together a plan to develop and improve the skills of those who are not rated very high. And frankly, some of our employees are not cut out to work in a team-based environment, and in those cases, we have some tough decisions to make.”

So, Jim went back to his boss and explained what he had learned. He then pulled his leadership team together and worked out a way to track and communicate their overall plant performance and develop a vision and strategy that would allow them to focus on achieving excellence in the eyes of their customers.

Note from John Dyer: Dr. Deming spoke often about how using Management by Objectives created roadblocks to achieving significant improvement in the classes he taught. In one class I attended in 1991, a CEO of a major company asked Dr. Deming what made him an authority in this area and why should he listen to a word Dr. Deming said. After a long pause, Dr. Deming stood up, looked at the CEO and said “Sir... it is clear to me that you do not understand and will never understand. I am wasting your time and you are wasting my time.” The man left the room to the wild applause of the 700 participants. We have come a long way since then but I think Dr. Deming would agree that there is still much work to do.
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Whit: This true story demonstrates why Deming said to eliminate quotas. In my Donation Processing Department in PVA-EPVA, Inc. in Wilton, NH we did not tell the employees we needed them to meet a certain quota each day. The previous manager of the department had been publishing daily quotas for the employees for years. It took time for me to convince the employees we just wanted them on focusing on doing better each day to satisfy our customer’s wants and needs. After some time for this new philosophy to become ingrained in the heads of my employees, when I walked around the floor the employees would ask, “So Whit, how are we doing for the customer?” I could then tell them overall how the department was doing but I never mentioned how that individual was doing. I had a quoter of what the system would do and that is what I used to create my budget plans.

Another review of Deming and Drucker concerning MBO along with a story:


12a. Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.

12b. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, inter alia, abolition of the annual or merit rating and of management by objective.

Dr Deming point 12 focuses on improving quality by eliminating barriers to workmanship pride. It's natural for people to take pride in their work. I don't know anyone who lacks that pride gene. Yet the company's management team unknowingly strips employee's self-respect by limiting his / her involvement in decisions, process issues and quality improvement.

What is the most important asset within any company? It is not money, It is not machines, It is not the building, It is not the raw or finished goods..It is the people.

While working with corporate clients, Dr Deming would meet with the workers without the presence of management.

During this meeting he would record the employee’s responses with regards to quality improvement and the current state of the company. The employees showed frustration with management, they feel powerless to make changes. Even though they were the experts and they understood the process details, they could not make changes to their own processes.

Afterwards, to illustrate Dr. Deming point 12, he shared the recordings with the management team.
Within the meeting, often he found management stress production as the most important business criteria. If workers experienced issues with the production machines, they could not stop the line. They report the machine issues, but management showed delay reaction. If the machines still produced parts, sometimes supervisors and managers ignored the reports.

New employees received inadequate training. Another worker trained them and they read poorly written instructions. Engineers wrote many of the instructions, but the complicated instructions language and flow confused the new employees. Instructions lacked pictures, flow charts, and problem resolution details. In addition, management failed to test the employee's competency in these procedures.

Employees were not allowed to inspect their own work and make process adjustments. Instead, QC inspectors judged the employees work. This causes constant rework on the material and slows down the production.

Many times, the workers showed confusion because they did not understand management's expectations as management constantly change the expectations. The only time they received feedback was during performance reviews. The only time management took notice was during crisis situations.

Management only gets involved when one of these two things occur.:

1. Production goals are not met.
2. Customer complains about a quality issue.

Dr. Deming Point 12 wants to abolished yearly performance reviews. Performance reviews from the workers perspective create fear, reduces communication between management and the workers, and focuses on visible results only. Management uses performance reviews to punish or reward employees. However, these subjective appraisals do not reflect the employee's actual performance.

Barriers to workmanship pride cause low employee morale. Oppositely, employee empowerment breaks down these barriers and increases employee morale. Making employees responsible for quality and quality improvement makes them own the production. When one owns their work, they take pride in their work. Quality improves, production improves, it is a win-win situation.

Empowerment is not easy to implement. Management cannot just say "you are now empowered". It does not work this way. Management needs to provide extensive training for this mode of operation. Management must create company systems that allow for employee empowerment.

Here is an action list to remove the barriers of pride and improve Dr. Deming Point 12.

1. Teach employees continuous improvement tools.
2. Allow employees to stop production when they encounter problems.
3. Teach employees to troubleshoot problems with machines.
4. Teach employees to inspect their own work. Teach and implement SPC.
5. Include the employees in all process improvement activities.
6. Improve instructions to include pictures, flow charts, and readability.
7. Eliminate yearly performance reviews.
8. Respond quickly to employees’ concerns.
9. Measure employee competency (by witnessing and testing) and retrain on issues.

Whit: Before I took over the Donation Processing Department at PVA-EPVA Inc. in 1987 the previous person in charge was also the Master Forecaster for the organization. He was a bright young man with a college degree. I found out he ran the department like a dictator. The department supervisor would often come to me with every little issue asking what she should do. The first few times this happened I offered her suggestions of how to handle the situations and told her it was her responsibility to figure it out and solve the problem. I then told her that I was in no way able to solve the day-to-day problems on the shop floor because I was not there doing the work and did not have a detailed knowledge about the work in question. It took some time to teach her that she had the authority to solve the problems and only bring them to me if it was far beyond her ability to do so. I soon gathered her and all the lead people for a meeting. I explained to them that I was not a dictator that I trusted them and expected them to do their job and not bring the day-to-day problems to me for me to tell them what to do. It took a while for me to break them of their past habits but eventually they began to accept the responsibility and the empowerment I gave them. They began to feel more in control of their work and accept the responsibility. They felt a relief from the overpowering ways of my predecessor. I believe it improved production since it was not held up waiting for me to provide a solution to the issue at hand. They took care of it and moved on. The barrier here was they had not been trusted to do their job. They were not given the authority to resolve minor issues. They had not been involved in process improvement. We developed a new way of running the department and they began to enjoy coming to work. As time went on, we began to use PDSA and make improvements to our processes. All employees were involved in these activities and felt appreciated for their knowledge.

Another improvement I did was to change the performance review process dictated by the HR Manager. First, I refused to do them but was counselled by the President that I had to do them. I did try to explain to both the President and the HR Manager why performance reviews were not good, but they would not listen to me. “The merit rating nourishes short-term performance, annihilates long-term planning, builds fear, demolishes teamwork, [and] nourishes rivalry and politics. It leaves people bitter, crushed, bruised, battered, desolate, despondent, dejected, feeling inferior, some even depressed, unfit for work for weeks after receipt of rating, unable to comprehend why they are inferior. It is unfair, as it ascribes to the people in a group differences that may be caused totally by the system that they work in.

The idea of a merit rating is alluring. The sound of the words captivates the imagination: pay for what you get; get what you pay for; motivate people to do their best, for their own good.

The effect is exactly the opposite of what the words promise. Everyone propels himself forward, or tries to, for his own good, on his own life preserver. The organization is the loser. The merit rating rewards people that conform to the system. It does not reward attempts to improve the system.” https://deming.org/the-idea-of-performance-rating-to-capture-merit-is-alluring/

I tried to explain to them that the Performance Rating System (PRS) was good for looking at widgets or apples or pies or guns but did not work on human beings. But their minds were closed and so I had to do them. What I did do was to have the employees fill out the required documents first giving themselves a rating and submit it to their supervisor for review. I then had the immediate supervisor and the department supervisor go over it and make any improvements in it. I then reviewed them and offered my improvements to ensure the review was positive, not negative. It was then given to the individual with encouragement to improve. This became known as the 360-feedback method of performance reviews.

It was then dictated by the HR Manager that all my employees had to fit a normal bell curve with some falling below average and some above average. Unfortunately, my employees did not fit the normal bell curve. We had just instituted a training activity to bring individual productivity rates to a new much higher rate than in the past. It improved the production such that we saved the company in excess of...
$100,000 for my labor budget that year. The HR Manager (if I can call her that) and I went around and around on this and finally after getting the President involved and me demonstrating the improvements I had made. We were allowed to submit the reviews in their current condition, that did fit a skewed bell curve based on the new production numbers we were getting.

13. Institute a vigorous program of education and self-improvement.

A person must grow after joining a company and letting them learn new technology and techniques will increase employee longevity. Encourage people to learn new skills to prepare for future changes and challenges.

https://jesusgilhernandez.com/2013/10/26/encourage-education/

In a business context, Dr. Deming elaborated on the need for continuing education and self-improvement as follows:

“Students in schools of business in America are taught that there is a profession of management; that they are ready to step into top jobs. This is a cruel hoax. Most students have had no experience in production or in sales. To work on the factory floor with pay equal to half what he hoped to get upon receipt of the MBA, just to get the experience, is a horrible thought to an MBA, not the American way of life. As a consequence, he struggles on, unaware of his limitations, or unable to face the need to fill in the gaps. The results are obvious.”

How many graduates of the teachers’ college find themselves in the same position as the MBA Deming described? Too often, they emerge from the school of education ill-prepared to be successful in the classroom. In the absence of a vigorous program for staff development and continuing education, teaching staff will struggle on, “unaware of [their] limitations, or unable to face the need to fill in the gaps.”

Point 13 addresses this critical issue in the healthy environment for work and learning. Attention to this point leads to the provision of opportunities and encouragement for people throughout the local school system to keep learning and growing.

Thus, Point 13 is different from Point 6 (“Institute more thorough, better job-related training”). Point 6 referred to training in work (and learning) methods that one should later observe in the person’s behavior; whereas Point 13 deals with continuing education and gaining new knowledge – not necessarily new “skills,” methods or techniques. As it relates to parents’ needs for education and self-improvement, district leaders may pursue several paths, all interrelated.

First, ongoing efforts to educate the local community about the problems of education lead to a broader understanding of the scope of those problems, as well as greater appreciation for the complexity of education. Second, many districts offer evening courses in adult literacy, parenting skills and other topics. Finally, parents involved in multi-disciplined process improvement project teams (Point 5) and site-based management teams are provided not only training in basic problem-solving and statistical methods (Point 6), but also greater knowledge of the education system and child development in general.

http://www.jimleonardpi.com/blog/elaboration-on-the-14-obligations-points-13-and-14/

People are born with a need for relationships with other people and need for love and esteem by others.
One is born with a natural inclination to learn. Learning is a source of innovation. One inherits a right to enjoy his work. Good management helps us to nurture and preserve these positive innate attributes of people.


Deming's 13th Point advises us to "Institute a Vigorous Program of Education and Retraining". This is critical both for the business entity and for the individual. This is especially true in the 21st Century environment, where technology, as indispensable as it is, changes so rapidly that it is almost impossible to keep up. Some new developments should be ignored, some need to be adopted right away to achieve competitive advantage. Five years ago, Twitter barely existed; now it is ubiquitous. In the 1980's Sears Canada was on the leading edge when we introduced an internal communication system called "PROFS" - it was an early version of something called "email". In 30 years, email has become an essential part of commerce and individual communication in both Developed and Developing worlds. In order to survive, we need to constantly improve and learn.

Dr. Deming has said: "How do you help people improve? What do you mean by improve? I would say that I find a general fear of education. People are afraid to take a course. It might not be the right one. My advice is take it. Find the right one later. And how do you know it is the wrong one? Study, learn, improve. Many companies spend a lot for helping their people in this and that way. In arithmetic, geography, geology. learning about gears. "You never know what could be used, what could be needed. He that thinks he has to be practical is not going to be here very long. Who knows what is practical? "Help people to improve. I mean everybody." (from Mary Walton's "The Deming Management Method")

So, get out there and learn stuff. Adopt a learning culture in your life and your business. Nestle Canada, for example, was (and might still be) very good at this, building such a requirement into their annual HR Review Cycle. Build knowledge into your personal and business tool kit. Your prospects for growth will improve immeasurably.


In order for continuous improvement to become organizational culture, it must also become a personal goal for every employee. Self-improvement should not be limited to immediate application, that would be an example of short-term thinking. Employees are the most important assets of an organization, and therefore require effort to retain and enhance them.

https://www.theicpm.com/blog/item/368-point-13-deming-in-project-management

Encouraging and cultivating a culture that pursues personal growth alongside business growth is a recipe for multiple levels of success. A business that clearly cares about the personal development of its employees will have a more engaged workplace, which directly links to employee performance and profitability over time.

Clearly, personal growth and development are important in the workplace.

It is not selfish for a business owner or an employee to pursue personal development within the workplace. By improving their own unique skills, those involved in your organization can create far more value, both personally and professionally.
Take initiative by encouraging opportunities for development within your organization. Talk about setting goals and putting strategies in place to accomplish them, and always be ready and willing to listen and encourage others along the way.


Role of Organization in Self Improvement of Employees

Self-improvement refers to a process where an individual continuously tries to upgrade his/her knowledge and hone his/her existing skills not only to survive the fierce competition but also grow both professionally as well as personally. Individuals need to move with time and keep abreast of all the latest developments in their respective fields.

Organization plays an essential role in motivating its employees to continuously improve themselves.

The first and the foremost role of organization is to make employees realize the importance of self-improvement. Unless and until they realize the same on their own, no amount of pressure on them would help. You need to make your employees realize how improving themselves continuously would help them accept bigger challenges in life and also lead from the front. Mere sending an email and expecting all your employees to attend training programs or seminars willingly is foolishness. Management needs to understand that there is no need of organizing seminars or training programs just for the sake of it. What is the point of arranging self-improvement programs if employees do not benefit out of the same? Superiors need to sit with their employees and make them realize as to how continuously improving themselves would not only make them capable of bagging prestigious projects but also reach the pinnacle of success.

Make your employees self-dependent. Why do they always have to depend on their Bosses to learn new things? **Motivate them to go through various relevant sites which would expose them to new technologies and software. In today’s scenario, internet is indeed one’s best friend.** You just don’t have to go anywhere in a situation where information is just a click away.

Create a healthy environment at workplace where employees motivate each other to constantly upgrade their knowledge. Encourage your employees to share their experiences and knowledge with each other. Make your employees realize that knowledge is something which can never be stolen. Their knowledge would always be with them but if it is shared, it would definitely grow with time. Motivate your employees to benefit from each other’s expertise and knowledge. If someone does not know something, ask him to get in touch with his fellow workers who in turn can guide him further. Nothing is better if employees discuss amongst themselves and constantly improve themselves.

**Promote employees who constantly upgrade their knowledge.** An individual must see some benefit of self-improvement in his respective organization. Remember, if an individual is investing his/her time in learning new things, he/she must get its benefit. Tom was a marketing executive with Organization A. He was associated with the same for last two years. He lacked the ability to lead a team and thus could not be a team leader. One fine day, he realized his shortcoming and decided to work towards it. He read various articles on team building, leadership, surfed various relevant websites and even sat with his Boss for an hour every day to imbibe his style of working. Within six months, Tom not only got his own team but also got a huge hike in his salary for achieving targets within the desired time frame. Employees who have the urge to improve themselves must be given their due credit. Promote them accordingly and do give them special treatments. Make them feel special and also realize that it is only their dedication to constantly upgrade their knowledge which has eventually helped them to do well and carve a niche of their own.
Review your employees on a regular basis. You need to know where all your employees are lacking and also guide them accordingly to constantly upgrade their knowledge.


Whit: I see this Point 13 as two separate points. One is the organization’s responsibility to provide for or allow individual employees to obtain additional education (knowledge). This is often done through tuition reimbursement or some program like that to support employees financially so they can take courses to improve their knowledge. The organizations that do this and place no expectations on the employee are better than those that for example reimburse the person based on the grade they received. We all know grades are a thing of the past and creates bad stuff (see the article below), but unfortunately still exists. “Ranking is a farce” according to Deming in The New Economics (Ch. 2). The organization that puts no expectation of the performance of an employee taking a self-improvement course will result in better performance.

The second part to this Point 13 belongs to the individual. The individual must have some intrinsic motivation to gain more knowledge. Here is where the Manager has the responsibility to foster that motivation such that the individual will want to seek more education (knowledge). Unfortunately, in today’s business world many managers are focused on production, getting the parts out the door. They view their employees as just part of the machine to produce the parts, or service, not as human beings seeking self-esteem and appreciation for what they bring to the table, their job. Only top management can foster this culture in the organization.

When employed at PVA-EPVA Inc. I frequently encouraged my employees to see improvements by advancing their education or by seeking a better position for more money or better job satisfaction. Most of the positions I managed were dead-end positions with little of no chance to advance within the organization. My Donation Processing Department manage was great at her job and I did not want to lose her, but always encouraged her to seek a better position. She did when a position in the Sales Department opened up. She was accepted and transferred and was incredibly happy at her new position. It was a promotion that she well deserved.

Here is an article on grading in school.

November 1992 | Volume 50 | Number 3
Improving School Quality Pages 28-31

On Deming and School Quality: A Conversation with Enid Brown

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Ron Brandt

A business/education consultant who has worked with Deming interprets how the 14 Points apply to educational issues such as grading, tracking, and school leadership.

A business/education consultant who has worked with Deming interprets how the 14 Points apply to educational issues such as grading, tracking, and school leadership.
Sometimes educators look at Deming's famous 14 Points and think they apply only to profit-making organizations. To what extent does Deming's work on quality apply to elementary and secondary schools?

Dr. Deming's work applies to every organization in the world. It applies to corporations, universities, service organizations, countries, families, and certainly to schools. Deming's work provides a conceptual framework for understanding any system.

The 14 Points apply to any organization, profit or nonprofit. For example, when you talk of cost there certainly are financial costs in education, as well as other costs. In families and interpersonal relationships, there are nonfinancial costs. So when Dr. Deming says that a quality way of living is the most cost-effective in the long run, that principle applies to any type of organization.

So when educators see something like, “Don't just buy from the lowest bidder,” they should see analogies at the school system and classroom levels, too?

Of course, just translation of the 14 Points isn't enough. I have seen schools where they learn a little about this and they start saying, “Oh, we're doing Deming.” But it may be at a superficial level. The 14 Points are not a recipe. They are interconnected and must be used in combination with the theory of profound knowledge.

Will you explain, then, what is meant by “profound knowledge”? It sounds obscure and mysterious, almost mystical.

The theory of a system, along with theories of variation, and of knowledge and psychology—taken together as interdependent components—form Deming's philosophy of profound knowledge.

Profound knowledge results from posing essential questions. The questions inevitably force us to ask about our processes. What is the system doing? Is it stable? In other words, is the distribution of the output highly predictable? Are the outcomes related to common causes—those associated with the system? Or are the causes special? Attempting to improve the process without understanding the causes of variation won't get you very far and may actually be harmful.

Theory of variation relates to an understanding of psychology. For example, many people think that to be fair and equitable that we treat everyone the same, but people are not the same. There is a great deal of natural variation in people.

Fortunately, we are beginning to value our diversity—although much of this is only rhetoric—because we still measure, grade, reward, and track as if there were one ideal. Or we base decisions on “averages” of people. In fact, we have created “standards” based on these false notions.

Right. So why do we try to force everyone to be the same? And learning to read is not necessarily sequential; you can learn different things about reading at different times. So if we know that a group of 1st graders may be learning quite different things even though all of them are perfectly healthy and normal, why do we have a 1st grade? Why do we have a 2nd grade? The notion of grade levels is just one example of how we constrain our ability to tap intrinsic motivation and learning.

Many educators are aware of learning styles and what Howard Gardner calls multiple intelligences—all elements of what are apparently natural variation in humans. Once we've discovered that these differences are natural, not abnormal, then we need to redesign the system to provide for them, right?
Yes, but not only that. We have handicapped, learning-disabled, at-risk, special needs—whatever you want to call all these students who are examples of natural, normal variation in our society. We seem to feel that we’ve got to label all these groups as special causes—but they’re not.

There’s a very important point here. Some educators think that Dr. Deming is always seeking ways to reduce variation. In manufacturing processes that makes sense. In people processes it may not. To standardize everything would be one of the worst things we could do. We could reduce variation by eliminating people that do not fit the perfect profile, but that is not what we need. We must provide for the whole broad range of people and find ways to make them all successful, to experience joy in learning.

*Okay, so human variability is one aspect of profound knowledge. What else?*

I think one of the most important areas of Dr. Deming's work for education is the idea of intrinsic motivation and extrinsic rewards. There are so many activities and practices in education that falsely assume the benefits of extrinsic motivation (forces of destruction, as Dr. Deming calls them): gold stars, merit pay, judging people, MBO (management by objectives), grades, numerical goals, and quotas. Such things cause humiliation, they hurt people, and they channel people into doing things for rewards. And to say, “Well, if only the teachers would teach harder; if only the students would work harder; if only people were more motivated,” is begging the issue. All human beings are born with an intrinsic desire to learn and grow. We can destroy it, but it is there at birth.

We look at many at-risk kids and we say that they are not motivated. They are as motivated as anyone else. We have not learned how to tap into some motivations, so we write some people off because they are “different.” They do what makes sense; we haven't figured out what makes sense to them. We are not *listening*. It's a common cause issue—absolutely common cause—and we treat it as special cause.

*You have said that Dr. Deming's work makes use of system theory, which involves the interrelationships among things. Let me ask, does profound knowledge include our growing recognition that every aspect of the globe we live on involves interdependence? Most people have only begun, in the last 20 or so years, to sense that interdependence. Perhaps the whole environmental movement is representative of Deming's profound knowledge.*

I think so. Our growing awareness of the environment and long-term effects of pollution are examples. Also, our growing recognition that, when we interfere with a food chain, for example, it may change other aspects of the environment.

And in system thinking you recognize that some changes may not have an impact immediately; it may be down the road. What you do with a child in kindergarten may have an effect—positive or negative—20 years later. But too many policymakers want to measure every quarter (or every marking period!), just as corporations have done. Copying industry models can be terribly destructive. We hear of “benchmarking efforts”: look for “best practices” at successful companies or schools. Wrong! According to Dr. Deming, experience teaches nothing without theory. We must apply our experiences to give meaning—to learn. All too frequently schools (and businesses) want to act before planning. Constructing a plan and applying a theory have to come first.

*Okay, with that brief glimpse of profound knowledge, I'd like to ask you a few questions about particular practices. For example, Deming says that it is counterproductive to evaluate individual workers using a formal appraisal system. That must mean that for schools, the common practice of continually grading students is a mistake. If that is true, what should teachers be doing instead?*
Educators can answer that for themselves by asking what is the aim of their system. If the aim is for only some kids to get good grades, it creates a win-lose situation. And what's interesting with win-lose is that no matter who “wins,” there must be losers, so we all lose. Dr. Deming's Point Number 8 is: Drive out fear, create trust, create a climate for innovation. Well, grading drives in fear, creates an environment in which losers are being constantly identified. And even the students with the A+ grades are being told that their value, their importance, is in how they are ranked, not in who they are. If the aim of the system is to create joy in learning, then all students should win.

**But what is the alternative to grading?**

Today, the grading approach is much like the old industry technique of inspection at the end of the line—product inspection. Dr. Deming warns of the dangers of dependence on inspection. The alternative is to focus on process. How can we improve the learning process? Information on student progress, understanding wide normal variation, can help improve the process. Students can be very helpful in collecting this data, perhaps by keeping control charts on their own progress. But be aware that anytime data are used to control, motivate, reward, threaten, or judge people, they will be very biased and invalid.

**Now, Dr. Deming's advice to eliminate individual appraisal applies, of course, to teachers as well as to students. But a lot of states and school systems have laws and policies that require administrators to evaluate teachers using a formal written process. Deming would call such policies unwise, would he not?**

Yes, he would. District policies may say you have to appraise teachers, but there are lots of ways to share information; it may be done even in a group setting. People do not have to be judged; they should never be judged. It could be getting a team of teachers together to talk about where learning is breaking down and what processes they need to work on together. Statistical tools, such as control charts, Pareto charts, and flow diagrams could help collect and analyze data.

**You're saying that in many cases the required written record can simply reflect that kind of self-appraisal and joint decision making?**

No, not exactly. Even self-appraisal that involves ranking, grading, or in any way measuring the person is destructive. We all are interdependent on others and the system. My performance will be, in part, dependent on system causes. If we focus on analyzing the processes, and making improvements, appraisals make no sense.

**The laws that require that teachers be evaluated periodically were adopted because a lot of people feel that there are too many incompetent teachers in schools. If there is no individual appraisal, what can be done about incompetent teachers?**

All people are different, teachers as well as students. Much of the variation is because of system or common causes, which keep people from working to their potential. If it is a system issue, don't try to solve the problem by focusing on individuals, much less threatening them! We do that with students constantly, and with teachers, too. We tend to assume that people are totally in control of their own performances. How could they be? Dr. Deming talks about “Mistake Number One”: to attribute to a special cause what is, in fact, a common cause. Frequently, the result of that is tampering. “Mistake Number Two” is the reverse.

**Let's see if I understand what you're saying. For example, there are many problems with how teachers are educated in the universities, what sorts of specific training and help they get in their day-to-day work, the quality of curriculum and learning materials, the way the school day is organized, the fact that teachers**
rarely get much help from their colleagues. All of these things are part of the total system that prevents teachers from being more effective, is that right?

Yes. In a sense, we have been talking about one of the 14 Points: cease dependence on inspection. The field of education is just now getting into the era that industry frontrunners are beginning to move out of: inspection at the end of the line. The common cry is, “Let's test the teacher; let's test the students.” Everything is focused on outcomes. In industry, we call that product inspection. That is, you conform to specifications, or you're not acceptable. Process improvement requires an entirely different focus.

Certainly the approach to accountability that we often see being applied to schools most these days is what you call “product-oriented.”

Yes, and people think it's Deming. But it's definitely not Deming! And unfortunately the quality movement will probably be misunderstood, and we will see even more emphasis on accountability and numerical standards and goals.

What we should be focusing on is not the product, but the process. For example, the process of preparing educators, developing and supporting them, creating joy in their work. Have you ever seen a teacher who loves his or her job, who is involved and enthusiastic, but who is a bad teacher? I haven't. But we tend to look at every problem as a special cause; it's the individual teacher's fault. We have not refined our approach to dealing with processes. I think statistics can be very helpful here—not just data, but statistical theory, applied with and without numbers. Dr. Deming says that the most important things are unknowable and unmeasurable. So you don't measure people; you focus on the process.

Now, some teachers and principals listening to Dr. Deming have said, “We have to have performance appraisals so we can deal with the rotten apples.” But usually there are only a few people who—if you were to chart them—would be outside of control limits, or a special cause, and you deal with them as special causes; you get help for them, which may mean getting them out of the system. But if many teachers are having problems, it is probably a system issue. Then change the system.

So Deming is not saying that you never fire anyone?

No, he's not saying that. And some students might be in the wrong place, too. But all people can learn, and all people have something to contribute. To not be able to contribute because you're in the wrong environment is really one of the most devastating things that can happen to a person.

Let me ask about another issue of great interest to educators these days. There is a lot of talk about site-based decision making. Is this idea, sometimes called school-based management, consistent with Deming's ideas?

It might be—or it could be very destructive. If the central office says, “Okay, local school, we are going to empower you. You don't have the right tools; you don't have the knowledge or theory, but you can sit around and expand the size of your committees and make all your decisions together,” is that going to work? Absolutely not.

A central administrator or a school board might say, “We're giving you all the power and basically all we're going to do is evaluate you on your results.” You're saying that's not Deming.

That absolutely is not Deming. That is like saying, “Okay, willing workers, you run the factory, and we're going to measure the results at the end of the line, goodbye.”
That's abandoning management's responsibility.

Right. Approximately 94 percent of the problems at a plant or school are leadership issues, management decisions.

Yes, but management takes place at different levels. I've heard it argued eloquently that from a curriculum standpoint, all the central office should do is make objectives clear—what it is the students are supposed to learn—and have the best possible means of assessing that. And they should leave it to the schools to decide how best to achieve the objectives. I'm sure that advocates would say their approach is consistent with Deming's ideas about quality. You're saying it's not.

Well, it's a little bit like the national education goals. You know: “Let's raise graduation rates to 90 percent.” They have this vision of the ideal, and they establish goals. They don't tell you how to meet them. There may be easy ways to accomplish some goals: for example, give diplomas to 15-year-olds before they can drop out! If you focus only on the goal rather than optimizing the system, it's not going to work.

So how do you reform a centralized system if simplistic site-based management isn't the answer?

First of all, the leaders must understand what transformation means. They must have a solid theory and vision, and one does not get to that point by doing it superficially. It is an internal process; one must work from the inside first. It calls for soul-searching.

Many of the strategic planning models include in their process a provision to go away for a couple of days, sit down and work through a mission and set of principles. The idea is, you've got to look at your core beliefs and tap into those, because they are so basic to leadership.

But even that is not enough. It may appear to “work well,” but it will only create changes based on the old mental models (to use Peter Senge's term). School reform is taking place everywhere—but much of the activity is only activity. What is needed is transformation.

A little bit of competition, “fairer” grading, a few customer surveys, and an Annual Quality Report are a violation of the Deming philosophy. As one of my favorite tongue-twisters says, “A dab of Deming doesn't do it.”

Transformation, as Dr. Deming describes it, is discontinuous. It means fundamental change. Transformation does not mean adapting here, fixing a little there. An individual or an organization must completely change its way of thinking. Education must be redesigned from the ground up, based on theory, profound knowledge.


14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

Complex systems have many leverage points and can be influenced in many ways. It is unreasonable to have a broken management system and blame those working within it for the naturally poor results than such a system creates. And executives have more authority and thus more responsibility for creating a good management
system that is continually improving. But such a management system requires that everyone in the organization is contributing.

Transforming from old style management systems to those Deming proposed many years ago requires that everyone be engaged in that transformation. While Dr. Deming understood that people were subject to the constraints the management system placed on them, he also understood that it was everyone’s job to transform – not just something for executives or board members or managers.

Those with authority must modify the management system to allow everyone to contribute. But that doesn’t mean everyone else just sits by waiting for those with more authority to transform the organization. Transformation doesn’t work that way. It is a dynamic, interconnected process. It isn’t as simple as turning on a light (or declaring this is our new transformed management system).

Instead the transformation of an organization will take hundreds of distinct events that each provide stepping stones for more to be done. Those events require the active participation of everyone. The events will (and need to) build trust, build confidence in the new methods, build respect for each other, build skills in putting new ideas into practice… Each of those steps reinforces the ability to take the transformation to new levels. That process requires leadership and it requires the active participation of everyone.

The transformation of a management system is a journey. It requires effort through time by many people. As time goes by people change and gain new skills and abilities. And the organization gains the ability to operate with new ideas that were not possible to use successfully earlier. The journey requires that individuals transform so they can operate in new ways and that the organization transforms so it can operate with a management system envisioned by Dr. Deming and discussed in this blog.

https://deming.org/the-transformation-is-everybodys-job/

In response to our request asking what topics readers would like to see addressed on our blog, Dan Bracewell said:

I’d like to see some posts about how to implement change in an organization. How does one get an organization to start looking at itself as a system? How does one get the organization to realize that the most important figures are unknown and unknowable? How does one convince an organization the importance of driving out fear? In short, how does one get an organization to listen to what Deming had to say?

I don’t think there are simple answers to the questions that take the form of “do this simple thing and you will have the results you wish to see.” This makes “selling” organizations on the idea of adopting the Deming management system more challenging. But I think it is a fundamental aspect of a good management system that cannot be avoided. Simplistic “solutions” may be easier to sell, but they don’t work. Managing an organization well just doesn’t allow for recipe solutions.

There are principles that can be fairly easily captured (respect people, improve using iterative experiments, use data to learn and test your understanding when possible but also realize that using data is not always possible…) but thought is still required to apply them within your organization.

That does not offer a simple recipe laying out what steps to take. But I do think it is a good explanation of the process. What should be implemented in your organization and what specific steps to take are not obvious, it requires applying the principles to your organization. And doing that requires building the capability of your organization (including your people) to operate using those principles.
You need to **work with what you can and gain credibility with successes**. Doing so will make others more and more willing to listen to you.

Making progress related to the individual questions Dan asked is a cumulative effort: as progress on any one is made, making progress on the others becomes easier. As people see the organization as a system they can more easily appreciate the importance of things that are unmeasurable (and visa versa) etc..

I have written about the ideas raised in the questions on my Curious Cat Management blog and on this blog: Habits, What to Do To Create a Continual Improvement Culture and How to Start Applying Deming’s Ideas on Management.

My basic belief is that the way to succeed along these lines is to help people improve and while doing so explain how what is done relates to the points you mention (fear caused the problem we had to fix etc.). Few believe you at first. After you help numerous times more people start to believe maybe the overall philosophy actually is worth listening to since you seem to be able to make things better and you keep tying it back to view the organization as a system, understanding variation (and what data can and cannot tell you…), etc..

As I wrote before on this blog: **people take time to believe claims of changed management practices**. Adopting a Deming management system is an iterative process. As you make progress you enable more progress to be made that would have been extremely difficult or unlikely to make prior to those previous changes. And you learn from current efforts what works well in your organization and what doesn’t work (at least as the organization is currently functioning). From that learning you can devise new experiments and use PDSA to tune the efforts (or learn that it is wise to abandon those attempts and try something else).

The transformation process is a **never ending focus on continual improvement**.


**Whit**: Transformation is a great word, but it is exceedingly difficult to achieve. In our Western society change does not happen easily or often. It must come from some intrinsic motivation, not extrinsic. An organization’s leadership must understand, recognize, comprehend that a change is required for success or merely just survival.

I have worked in two major organizations where change or transformation was obviously needed. The first was a manufacturing business that failed thus is no longer with us because it refused to transform its management style. The other is a Higher Education institution where the academic management again refuses to recognize transformation is needed. That is why the organization is on the brink of going out of business because it is not financially sustainable.

I proposed transformation in both of these organizations that fell on deaf ears and closed minds. I was identified as a rebel. One not sufficiently intelligent to know what I was talking about. It is unfortunate, but I continue to work in Higher Education because it is my aim to make a difference for each student I encounter. I love to see the light bulb come on when they get what I am teaching them. That makes me happy and gives me joy in work. I try to ignore the rest of the bullshit that comes with working in Higher Education.
Seven Deadly Diseases of Management

While the 14 Points for Management can be said to express Dr. Deming’s philosophy of transformational management, his Seven Deadly Diseases of Management describe the most serious barriers that management faces to improving effectiveness and continual improvement. Dr. Deming's video discusses in detail the first Five Deadly Diseases. He did not include Deadly Diseases 6 and 7 in the video, which, he said in Out of the Crisis were, “Peculiar to industry in the U.S., and beyond the scope of this book.”

In the third chapter of Out of the Crisis, titled “Diseases and Obstacles,” Dr. Deming explores, in great detail, the diseases listed below:

1. Lack of constancy of purpose to plan product and service that will have a market and keep the company in business, and provide jobs.

2. Emphasis on short-term profits: short-term thinking (just the opposite from constancy of purpose to stay in business), fed by fear of unfriendly takeover, and by push from bankers and owners for dividends.

3. Evaluation of performance, merit rating, or annual review.

4. Mobility of management: job hopping.

5. Management by use only of visible figures, with little or no consideration of figures that are unknown or unknowable.

6. Excessive medical costs. As reported by Dr. Deming in Out of the Crisis (pages 97-98), executives shared with him that the cost of medical care for their employees was amongst their largest overall expenses, not to mention the cost of medical care embedded in the purchase price of what they purchased from their suppliers.

7. Excessive costs of liability, swelled by lawyers that work on contingency fees.

Out of the Crisis (pp. 97-98)
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**Additions:**


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