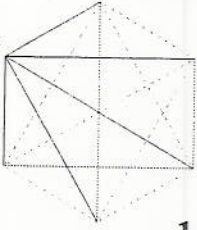


PEOPLE



PEOPLE drive change.

“... purpose without slavery, and freedom without anarchy.”¹⁰

1. **The desire to learn, to improve, and to contribute through meaningful work is inherent in all human beings (intrinsic motivation).**

Many organizations today ignore this fundamental idea. To promote change, they attempt to force or coerce people by manipulating extrinsic motivators such as threat of punishment or offering rewards—sticks and carrots.

Climates of fear, competition, and coercion destroy intrinsic motivation. Rating and ranking of people and other actions which promote competition destroy people and the organization.

Most of the performance differences among people come from the system in which they work. Understanding variation in people's performance can come only through understanding the performance of the system in which they work and their interaction with others in other systems.

Dr. Deming's *Fourteen Points and Deadly Diseases* (see pgs. 49-50) give guidance for bringing about the transformation. They are not a prescription, but rather a description that emerges from theory.

2. **The job of leaders is to create the setting which frees everyone to learn, improve, and contribute.**

The role of leaders is to set the framework of common purpose. This means guiding the development of shared vision, mission, principles, goals, and plans. The idea is not so much to create uniformity of thought among the people in the organization as it is to give them an organizing principle or sense of common meaning and direction.

In such a setting, individuals and teams are encouraged to learn and act purposefully. They continuously create new ways to improve their own performance and the performance of the systems in which they work. Teams work to improve common systems that cut across barriers and divisions.

Social practices and policies foster cooperation in such a setting. The job is to question continually personnel policies, ethics, and other organizational and personal habits for their consistency with the people principle.

¹⁰Ervin Laszlo, *The Systems View of the World*. (New York, NY: George Braziller, Inc., 1972), pg. 52.

3. Transformation requires that everyone develop new behaviors, attitudes, and values.

Ultimately, the transformation of organizations requires the transformation of people in them. “The transformation begins with me,” might be the rallying call. The personal transformation will affect behaviors, attitudes, and values or principles.

Leaders serve as role models. Many people will not be able to make the changes required without the existence and encouragement of leaders who show the way through their own changed beliefs and actions. The opportunity to reflect on new ways of doing things with their peers is important to leaders who are trying to change years of habits and organization culture.

Values, theory, or principles are the foundation for behavior and attitudes. These belief systems are critical to the personal transformation. It is not enough to change behavior alone. The goal is to internalize the *TQT* principles so that they begin to give rise to actions consistent with them. It is worth noting the evolution in Dr. Deming’s thought to this point.

Deming’s Fourteen Points are a guide to action or behavior. For years he focused on them in his seminars and books. Eventually, though, he began to formulate his “theory of profound knowledge.” This was the deep theoretical understanding that formed the basis of the fourteen points. In fact, Deming now explains that the fourteen points follow naturally from the system of profound knowledge.

We might do well to realize that we can change some things on the surface—form a few teams, make a few improvements, control the urge to blame people—but those changes are not the transformation. The real transformation is the one that comes from changed values, theory and principles. Openness to fundamental personal change is essential.

4. Management support behaviors include modeling, coaching, and reinforcing preferred behaviors.

Modeling- In simplest terms, modeling is no more than sending the message, “Do as I do.” Supportive leaders show how to act by acting in the preferred way. Using the language every day to describe current issues and practicing skills being required of others are key behaviors.

Coaching- Leaders coach when they instruct, direct, or prompt others working toward desired outcomes. Modeling is a continuous process, and coaching is oriented toward the future.

Reinforcing- Leaders reinforce when they make deliberate efforts to recognize the use of specific skills and/or actions. Reinforcing closes the loop begun by modeling and coaching, because it follows successful behavior. It increases the likelihood that the behavior will continue. Consistency and immediacy are important to good reinforcement.

Deming's Fourteen Points

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.
2. Adopt the new philosophy. We are in a new economic age.
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.
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.
5. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.
6. Institute training on the job.
7. Institute leadership. The aim of supervision should be to help people and machines and gadgets to do a better job.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments.
10. Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity.
- 11a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
- b. Eliminate management by objective. Eliminate management by numbers and numerical goals. Substitute leadership.
- 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.
- b. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, *inter alia*, abolishment of the annual or merit rating and of management by objective.
13. Institute a vigorous program of education and self-improvement.
14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

Deming's Deadly Diseases

1. Lack of constancy of purpose to plan products and services 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 of 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.
7. Excessive costs of liability, swelled by lawyers that work on contingency fees.