

# CHAPTER 15

## THE FORK MODEL FOR QUALITY MANAGEMENT: THE NECK, OR MANAGEMENT'S EDUCATION

### Sections

Introduction

Management's Fears Concerning Education and Self-Improvement

Education and Self-Improvement Groups

Studying the System of Profound Knowledge

Establishing Life-Long Programs for Education and Self-Improvement

Identifying and Resolving Personal Barriers to Transformation

The Quality Management Leader

The Decision Point

Summary

Exercises

References and Additional Readings

### Chapter Objectives

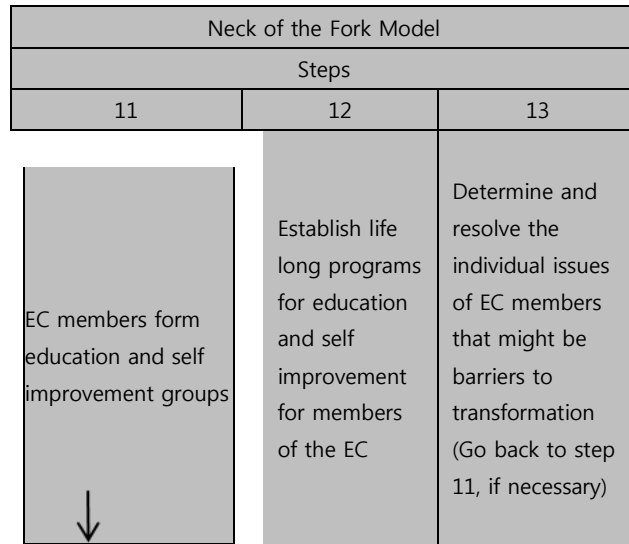
- To examine management concerns about the process of education and self-improvement
- To discuss the role of education, training and self-improvement groups to identify and resolve barriers to organizational transformation
- To discuss and illustrate how the System of Profound Knowledge impacts transformation
- To illustrate how the Quality Management Expert guides group meetings
- To present several case studies illustrating how top management uses the System of Profound Knowledge to transform their decision-making processes
- To illustrate how workshops can promote understanding of the System of Profound Knowledge
- To examine personal barriers to transformation and illustrate the use of a questionnaire to identify problem areas
- To discuss the attributes of a quality management leader
- To discuss how to make a Go or No-Go decision

### 15.1 Introduction

Once the top management of an organization commits to transformation, its members enter a period of education and self-improvement, or “the neck” of the detailed fork model for quality management, as shown in Figure 15.1. In this chapter, we explain what top management needs to do to promote and

coordinate its education and self-improvement with respect to the organizational transformation.

**Figure 15.1**  
**The Neck of the Fork Model**



A

A = Step 29 of Prong 3: see chapter 18.

## 15.2 Management's Fears Concerning Education and Self-Improvement

Education and self-improvement are both exciting and frightening processes. Top managers who have decided to become involved in these processes look forward to, and fear, them. They are anxious to learn about themselves and the improvement process, but they also have concerns. Some questions they may be pondering are:

- What actually happens in meetings about quality management?
- Will I lose power?
- Will I be embarrassed?
- Will I look stupid?
- Will I "get it"?
- Will I be able to do it?
- Will I have to change my personality?
- Will I be exposed as incompetent?
- Will I have to justify myself to the others?

These fears and questions are a natural reaction to the task that lies ahead for top management. As quality guru Philip Crosby has often noted, “The only one who welcomes change is a wet baby.” Education and self-improvement are difficult, soul-searching activities that have a profound effect on the individual and the organization. It takes courage and strength of character to involve oneself in these processes. The guidance of an outside expert and the support of colleagues who share the same concerns will be very valuable during this arduous process.

### **15.3 Education and Self-Improvement Groups**

One of the first tasks of the **Executive Committee**, or EC, described in Chapter 14, is forming one or more education, training, and self-improvement groups, as shown in step 11 of the detailed fork model in Figure 15.1. The aim of each group is to expand and deepen its understanding of Deming’s System of Profound Knowledge.

A group contains between three and six members, and meets frequently (weekly, for example). The areas of concentration are studying the System of Profound Knowledge, introduced in Chapter 2, and identifying and resolving personal barriers to transformation. The purpose of these areas of concentration is to transform an individual’s or organizations’ decision-making process from producing “lose-lose” or “win-lose” decisions to generating “win-win” decisions.

### **15.4 Studying the System of Profound Knowledge**

The System of Profound Knowledge is discussed by the group, under the tutelage of an expert who creates an environment in which group members deepen their understanding of how the System of Profound Knowledge might affect organizational and personal decision-making. The expert may use group meetings, role-playing, case studies, or workshops to generate the individualized feedback necessary for each top manager so that she can transform personally, and consequently, promote the transformation of the organization.

The purpose of this type of session is not to “mess with” anybody’s personal beliefs and values, but rather to make them aware of an alternative system of beliefs, the System of Profound Knowledge, and its potential impact on them and their decision-making processes.

#### **15.4.1 Group Meeting Example**

An example of a group meeting in which the concepts of the System of Profound Knowledge are being discussed is presented below. The group consists of the QM (Quality Management) Expert; the CEO of the company, Bob; the VP of Sales, Carol; the VP of Production, Ted; and the VP of Quality, Alice.

**QM EXPERT:** Last time we were in the middle of a heated debate about **intrinsic** versus **extrinsic motivation**. I'd like to continue that discussion. Carol, you were having a hard time figuring out how you were going to motivate your people without sales incentives.

**CAROL:** I still am. I've been thinking about it a lot. Some of my people will do a good job, even without the awards, but there are others who need that carrot to get them going.

**TED:** I know what you mean. I feel the same way, except it's worse in Production. If I don't reward them for output, they'll just slack off.

**QM EXPERT:** Alice, what are your feelings?

**ALICE:** I agree with Deming's theory of management, but I'm at a loss as to what can replace our incentives. I understand Carol and Ted's concerns.

**QM EXPERT:** Bob, what do you think about what you're hearing?

**BOB:** I feel pretty much the same way, but I guess we have to try and look at it differently. We need to address everyone's concerns, and at the same time, we have to be looking for ways to change our system to be more in line with the direction we're going in.

**QM EXPERT:** I feel that we're making some progress. Everyone seems open to some more information about alternative action. Last time you weren't as receptive. Let's get into how we can create joy in work at your company, without relying on extrinsic rewards. We'll start with each of you telling us what motivates you to do your job. Bob, let's hear from you first.

**BOB:** Well, I have to tell you that I enjoy getting my paycheck. (Everyone laughs.) But that's an extrinsic motivator.

**QM EXPERT:** I appreciate your honesty, Bob. Nobody expects you to work for no pay. But I'm sure there are other things that make you get up and come to work.

**BOB:** Sure -- I love what I do. It's a challenge running this company. I have to be on my toes, always thinking, planning, and learning. It's exciting watching my ideas get played out, especially when they work. I like mentoring

people, watching them grow and develop. Do you want me to keep going?

**QM EXPERT:** Actually, that's enough for now. You've given us a lot to work with. All the motivators that Bob mentioned, aside from his paycheck, of course, were intrinsic. Our task now is to transform the organization so that each and every employee in it can experience the same positive feelings about work that Bob has expressed. What I'd like to do now is some role-playing. Ted, I want you to pretend that you're one of the line workers in your department, Sam, reporting for his shift. Alice, I want you to be Ted.

**TED (as SAM):** Good morning, Mr. Lawrence.

**ALICE (as TED):** Hi Sam. No time for chit-chat this morning. We've got to get to work to fill the Dynamic order that just came in.

**TED (as SAM):** That might be a problem. The sorter was giving us a problem yesterday. Unless the night shift took care of it, it's going to have to be down for awhile.

**ALICE (as TED):** Why didn't you tell Jim yesterday?

**TED (as SAM):** I tried to see Jim, but he was in a meeting with you the whole afternoon.

**QM EXPERT:** Let's stop right there. Ted, what were you experiencing?

**TED:** I was feeling bad and getting angry. First, the guy barely says good morning to me. Then he starts blaming me for something that's not my fault.

**CAROL:** I think we all do that to the line workers. When we're under pressure, we take everything out on them.

**BOB:** When you think about it, why would they want to come to work? No wonder we have such a high absentee rate.

**QM EXPERT:** I think we're really onto something here. If we can make working here a more positive experience for all employees, we can begin to create intrinsic motivation for everyone, not just Bob.

The above example demonstrates the role of the QM expert and the desired atmosphere for the group setting. The QM expert is supportive and provides

continuity from one meeting to the next. She creates a nonjudgmental atmosphere in which group members are comfortable about expressing themselves.

The QM expert includes everyone in the group in discussions and helps the leader become a role model for the others. The expert praises the group for growth and gently pushes the members when they are at an impasse. She then summarizes where the group is going next and identifies the task in relation to the transformation.

#### 15.4.2 Case Studies

Some case studies in which top managers use the System of Profound Knowledge to change their decision-making process are presented below. The QM expert works through selected case studies with each group, depending upon the particular issues and concerns about Quality Management raised by group members. It will take time and patience for top management to change their paradigms from the traditional set to the set proposed by Deming.

*Business example: The Alcoholic Employee.* My name is Chuck. As the manager of a department in my company, I supervise 27 employees. Carl, one of my subordinates, repeatedly comes into work inebriated. His behavior causes productivity, safety and morale problems among his co-workers. Additionally, his behavior affects the customers and suppliers of our department, the Human Resources department, his family and friends, and stockholders.

As part of my job, I try to understand the situation from the perspective of each stakeholder in my department. Whenever possible and appropriate, I talk to each stakeholder about the situation and identify his perspective.

Situation from Carl's perspective: I'm in a lot of emotional pain. I don't know how to handle my situation. Everybody is on my back.

Situation from co-worker's perspective: We're sorry that Carl developed a drinking problem, but why does the boss let him get away with it? He makes my job more dangerous. He could get me seriously hurt.

Situation from customer's perspective: Carl's output isn't up to standard. He creates a lot of problems for me and for the people further down the line.

Situation from supplier's perspective: My customers are starting to blame me for some of Carl's problems. I wish somebody would deal with Carl.

Situation from HR department's perspective: We recently discovered Carl developed a drinking problem that affects his performance on the job.

Situation from Carl's family's and friends' perspective: We are worried about Carl. He is getting more emotionally distant and abusive every day. He needs help. We don't know what to do. We are worried that he will lose his job, then what will happen to us?

Situation from the stockholder's perspective: We want maximum profitability from the company, hopefully in the short term, but definitely in the long term.

Upon careful review of the situation from the perspective of each stakeholder, I conclude that there is no win-win solution, only win-lose or lose-lose solutions. Consequently, I think about the new paradigms presented in Chapters 1 and 2 to create options for resolving the situation such that all stakeholders can "win."

I study the new paradigms and decide that the paradigm "improve the process that creates results, don't just demand results" is an excellent new way to think. In other words, change the company's policies and procedures concerning inappropriate behavior and dealing with the drunken employee. Given this shift in thinking, I develop the following potential win-win solution:

(1) Organizational policies and procedures should be continuously studied and improved to decrease the frequency of employees who experience drinking problems. This is accomplished by improving hiring, training and supervisory practices. This is a long-term solution.

(2) The company must work with each employee who has a drinking problem. If he or she cannot resolve the drinking problem in an Employee Assistance Program (E.A.P.), the company will help to identify a community program, such as Alcoholics Anonymous. While in the community program, the company will provide benefits, but no compensation. The company will stick by the employee as long as the community program says the employee is working towards a positive resolution of the problem. The employee understands that if he stops making progress in the community program, the company will terminate his employment. This is a short-term solution for the company and the alcoholic employee, and a long-term solution for the company and all other employees who see the company's treatment of its sick employees.

Finally, I check to see if the solution using the new paradigm creates a win-win from the perspective of each stakeholder.

Chuck: I believe that the solution is a win-win. The company gets a more productive and joyful work force in the long run, and treats employees with problems in a humane way in the short run. All employees see and understand both the short- and long-run behavior. The company realizes

that they will have a superior work force in the long run and a more secure work force in the short run.

Carl: I get help with my drinking problem. I believe that the solution is a win-win. If I can't resolve my drinking problem in an Employee Assistance Program, the company will help me find a community program like Alcoholics Anonymous, which can help me. I understand that if I stop making progress in the eyes of the community program, the company will terminate my employment.

Carl's co-workers. We believe that the solution is a win-win. We like the policy that the company has adopted for dealing with alcoholic employees. It is great that the company recognizes both their responsibilities and the worker's responsibilities in the policy.

Carl's customers and suppliers: We believe that the solution is a win-win. We like the policy that the company has adopted for dealing with alcoholic employees. It is great that the company recognizes both their responsibilities and the worker's responsibilities in the policy.

HR department: We believe that our policy creates a win-win for all stakeholders of the conflict.

Carl's family and friends: We believe that the solution is a win-win. Carl is getting help. The company is doing more than its fair share.

Stockholders. We believe that the solution is a win-win. An environment of employee well being and concern is created which will yield the maximum return on my assets.

A true win-win solution has been created through adopting a new paradigm of management.

Company policies which deal with an alcoholic employee by providing time-limited substance abuse counseling create a possible wake-up call and consequent "win" for the employee and his or her family and friends. Chuck does not believe counseling creates a "lose" for the employee with the drinking problem. Rather, it creates a needed wake-up call. Moreover, over time the need for post-termination substance abuse counseling will decrease due to improved hiring, training and supervisory processes.

*Daily Life Example: The Misbehaving Child.* My name is Alice and I am a new mother. Recently, I brought my two-year-old daughter, Lisa, to a restaurant for a nice lunch. I gave Lisa a plastic toy. She briefly chewed the toy and then threw it on the floor with great delight. I picked up the toy, scolded her not to throw it again, and gave her the toy. This scenario repeated itself twelve times over the



course of lunch. Both my daughter and I got increasingly frustrated and upset playing this game.

As the decision-maker, I identified the perspective of each stakeholder, as best I can, given the situation.

Alice's perspective: My child is misbehaving. It is embarrassing and I can't enjoy my lunch. Other patrons of the restaurant are looking at me.

Lisa's perspective: I like throwing my toy on the floor, but I don't like mommy yelling at me.

Patrons' perspective: I wish that mother would keep her child quiet.

I realized that a win-win solution did not exist given my current situation. Consequently, I considered the new paradigms for some possible insights. I realized that my method of inspecting my child's behavior was the relevant process in this situation. And yelling at her was just demanding results that she couldn't deliver. So, I decided to change the process that makes results. My solution was to attach the toy with a string to my daughter's blouse. This way, she can throw the toy, but I don't have to pick it up. This process improvement clearly created a win-win for all stakeholders of the situation. I win because I can enjoy lunch. My daughter wins because she can throw her toy. The patrons win because they can enjoy a nice, quiet lunch.

*Business Example: The Lean Organization.* My name is Jan. I am a mid-level manager in my organization. The employees in my department are exhibiting signs of low morale. One of my responsibilities is to keep morale high to promote a productive work force. I am frustrated because there are few promotion slots and little money for pay raises that I can use to motivate my people. I don't know what to do other than to offer a kind word whenever possible.

I identified the other stakeholders of the situation. They are: my boss, my employees, suppliers to my department, and customers of my department. I spoke with each stakeholder to identify their perspectives on the situation at hand.

My boss's perspective: One of the M.B.O.s I set for my staff managers was to keep morale high in their departments. I said I would measure morale by comparing the average number of sick days per employee this year over last year. If the ratio is greater than 1.0 for one of my staff members, there may be a problem.

My employees' perspective: Our manager is always pushing us for more productivity, but he never gives us more pay or bonuses. He always

wants something for nothing. He never shares the company's wealth with us.

My suppliers' perspective: Our customer (*my department*) is always trying to blame us for their quality problems. Why don't they clean up their act before they start blaming everyone else?

My customers' perspective: The subcomponents we receive from our supplier (*my department*) have an unacceptably high proportion of defective parts. Also, the subcomponents frequently do not arrive on time.

Clearly, a win-win solution does not exist in the current situation. Consequently, I considered the new paradigms. I believe that promoting a balance of extrinsic and intrinsic motivation, as opposed to only extrinsic motivation, can be used to develop a win-win solution for all stakeholders. I decide that through empowerment (the SDSA and PDSA cycles), I will create an environment that promotes a workplace in which employees can release their intrinsic motivation. I understand that each worker is simultaneously stimulated by intrinsic and extrinsic motivation. I recognize the constraints placed on my ability to manage due to limited extrinsic rewards. However, I am aware that I can create for my subordinates a work environment conducive to the release of their intrinsic motivation. I actively promote the empowerment process in my department.

Finally, I check with all stakeholders to determine if a win-win solution has been developed from their perspective.

Jan: I win because I am doing a great job; my employees' morale is high.

Jan's boss: My employees win because they experience joy in work and pride in the outcome.

My employees: We win because we enjoy our work.

My suppliers and customers: We win because we are working with a great partner.

A win-win situation has been created among the stakeholders of the original situation. As corporate conditions improve, top management should review its package of extrinsic motivators and consider options such as profit-sharing.

*Daily Life Example: The Competitive Husband.* My name is Martin. I have always enjoyed sports and am a very competitive person. I apply my competitive nature to all aspects of my life. My marriage is in trouble. I fight with my wife all the time. I don't like to lose arguments with my wife, or anybody else for that matter.

I tried to identify the problems in our marriage from my wife's perspective. She also thinks that our marriage is not doing well. She thinks I am too stubborn.

Clearly, my wife and I are deeply involved in a lose-lose situation. We can't think of anything to do to save our marriage. Consequently, we consider the new paradigms. We decide that we must start cooperating, instead of competing.

We agree to cooperate to find solutions to frequently occurring problems that create a win for both. Now, we keep a diary of arguments with each other and make a **bar chart** of the frequency of each type of argument. We select the most frequently occurring argument and **brainstorm** ways to eliminate it from our lives to create a win-win solution for both of us. Our marriage has been getting better over time. We both look forward to an improved relationship and future.

*Business Example: The Profit Center.* My name is Michael. I am the Chief Operating Officer of my organization. My company has five mills. I want to maximize the profitability of each mill. Nobody talks about it, but it seems that mill managers sometimes sabotage each other's profitability by demanding resources that could better be used elsewhere. An analysis shows considerable variation in mill manager rankings based on mill profitability. It seems to rotate, year to year.

The situation from the perspective of my mill managers seems to be that each one wants to be the number one mill in profitability, to get the largest bonus. Unfortunately, they will not share improved methods with each other. I cannot figure out how to get them to cooperate to maximize overall profitability for the company. Consequently, I consider the new paradigms.

I decide that the problem may be that I am promoting optimization of the component parts of the system, not optimization of the entire system, through my compensation plan. I work with the mill managers to develop a compensation plan that is connected to the overall profitability of the organization, via profit-sharing, as opposed to mill profitability.

Over time, my mill managers become a unified team. It is in each mill manager's best interests to help his fellow mill managers improve their operations. If a "star" mill manager is unhappy with the new paradigm, then the organization helps him find employment in a traditional organization where his specific talents will be appreciated and rewarded. The entire top management team agrees that the new compensation creates a win-win for all stakeholders of the organization.

### 15.4.3 Workshops

Two examples of workshops that promote understanding of the System of Profound Knowledge are presented below. The first involves each member of the Executive Committee individually preparing an Executive Summary

explaining the System of Profound Knowledge. The second involves the entire membership of the Executive Committee jointly developing a matrix explaining the relationships between the components of the System of Profound Knowledge and the 14 Points for Management, discussed in Chapter 2.

Recall from Chapter 2 that the assumptions underlying the System of Profound Knowledge are:

- manage to improve the process that creates results,
- manage using a balance of intrinsic and extrinsic motivation,
- manage to promote cooperative efforts, and
- manage to optimize the entire organization.

Also recall some of the salient points of the components of the System of Profound Knowledge:

- **Systems theory** involves defining a system, understanding who is responsible for stating the aim of the system, understanding the interdependence among the components of the system, and appreciating the need to optimize the entire system.
- The **theory of variation** involves understanding special and common causes of variation and knowing who is responsible for the resolution of each type of variation, understanding the meaning of stability and capability with respect to a process, and knowing when you can predict a process's future output.
- The **theory of knowledge** involves understanding how to acquire process knowledge, understanding that management is prediction, knowing how to develop operational definitions, and knowing why copying success can lead to disaster.
- **Psychology** involves understanding: (1) people and the interaction between people and circumstances; (2) that people learn in different ways, and at different speeds; and (3) intrinsic and extrinsic motivation.

*Workshop 1.* In the first workshop, the members of the Executive Committee individually prepare an Executive Summary for the QM expert explaining the System of Profound Knowledge in lay terms. The QM expert critiques each Executive Summary and returns it to its author. This process is repeated as many times as is necessary for each member of the EC to exhibit understanding of the System of Profound Knowledge, in the opinion of the QM expert.

The Executive Summary should contain: (1) an introduction, (2) an explanation of the purpose of the System of Profound Knowledge, (3) a description of each of the underlying assumptions of the System of Profound Knowledge, with an example of each assumption, and (4) an explanation of each component of the System of Profound Knowledge, with examples of each relevant point.

*Workshop 2.* The second workshop requires that the entire Executive Committee prepare a matrix explaining the interrelationships between the four components of the System of Profound Knowledge and the 14 Points for Management. The rows of the matrix are the fourteen points and the columns of the matrix are the four components of the System of Profound Knowledge. Each cell explains how a particular point (of the 14 Points) emanates from a particular component of Profound Knowledge. For example, part of the interrelationship between Systems Theory and Point 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*) is that: “An organization must have an aim stated by its management.” Another example of an interrelationship is between the Theory of Variation and Point 1: “Management must work to reduce person-to-person variation of the understanding of the organizational aim.”

In this workshop, the entire Executive Committee prepares a matrix for the QM expert. The QM expert critiques the matrix and returns it to the members of the Executive Committee. This process is repeated as many times as is necessary for the members of the Executive Committee to attain understanding of the System of Profound Knowledge, in the opinion of the QM expert.

### **15.5 Establishing Life-Long Programs for Education and Self-Improvement**

The period of education and self-improvement should be extended indefinitely into the future, as shown in step 12 in Figure 15.1. The outside consultant may be instrumental in developing an individualized plan of study for each member of the Executive Committee.

### **15.6 Identifying and Resolving Personal Barriers to Transformation**

Each member of the EC, with the guidance of the expert, identifies and resolves any issues that create barriers to the transformation, as shown in step 13 of Figure 15.1. Examples of individual barriers to the transformation are the following beliefs:

- Extrinsic motivators bring out the best in people.
- Focusing on results yields improvement of results.
- Firefighting will improve an organization in the long term.
- Effective decisions can be made using guesswork and opinion.
- Rational decision-making can be performed using only visible figures.
- Quantity is inversely related to quality.
- Your most important customer is your superior.
- Management’s function is to construct, execute, and control plans.
- Competition is superior to cooperation, and winners and losers are necessary in any interaction.

Each member of the EC examines his or her own opinions on the above beliefs or others that would impede the transformation. The QM expert can use the following questionnaire to pinpoint problem areas that individuals may be experiencing [McNary, 1993].

Directions:

1. Below is a list of managerial traits (labeled A through J) that have been placed on a 0-10 scale.
2. Place an X on each scale to indicate the degree to which you exhibit a particular trait in your daily management style.
3. Remember, there are no correct or incorrect answers; there are just different points of view.

**A. With respect to employees, I believe in:**

1	2	3	4	5	6	7	8	9	10	
Fostering motivation through rewards and punishment				Neutral	Fostering motivation through pride and satisfaction in work					

**B. With respect to employees, I believe in:**

1	2	3	4	5	6	7	8	9	10	
Managing for the short term using daily production reports and/or quarterly measures of profit				Neutral	Managing for the long term by expanding the market for all					

**C. In making any organizational decision, I believe in:**

1	2	3	4	5	6	7	8	9	10	
Focusing on the result of a process with an emphasis on numerical goals and quotas				Neutral	Focusing on the process to get results with an emphasis on improvement and innovation					

**D. I believe in:**

1	2	3	4	5	6	7	8	9	10	
Managing with a traditional hierarchical organizational chart				Neutral			Managing with an emphasis on customer-supplier relationships			

**E. For the success of my organization, I believe that:**

1	2	3	4	5	6	7	8	9	10	
Optimizing my own situation or competition is most important				Neutral			Optimizing the system of inter-dependent components or cooperation is most important			

**F. With respect to employees, I believe in:**

1	2	3	4	5	6	7	8	9	10	
Managing by formal appraisal process				Neutral			Managing through informal feedback and coaching			

**G. I believe in:**

1	2	3	4	5	6	7	8	9	10	
Basing decisions on visible figures such as ROI calculations				Neutral			Basing decisions on operational definitions, visible figures, and considering the effect of invisible figures			

**H. I believe that:**

1	2	3	4	5	6	7	8	9	10	
Management cannot be responsible for all components of an organization				Neutral			Management is responsible for all components of an organization			

**I. I believe that:**

1	2	3	4	5	6	7	8	9	10
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Management's job is planning, organizing, directing, and evaluating

Neutral

Management's job is prediction through understanding the capability of processes and people as well as the interaction between them

**J. I believe that:**

1 2 3 4 5 6 7 8 9 10

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Managers should not necessarily be leaders

Neutral

Managers should be leaders

A leader who manages in accordance with Deming's theory of management will have a score of 10 on each of the above questions and a total score of 100 points. The closer a manager's score is to 1 for a given question, the less the manager leads in accordance with the System of Profound Knowledge. A QM expert can use a manager's scores on these questions to pinpoint the elements of the System of Profound Knowledge that a manager is having difficulty internalizing.

After identifying the specific areas in need of attention, the expert and individual manager meet to discuss why holding a particular belief is detrimental to transformation. In-depth, private sessions may be necessary to understand the "whys" and "ramifications" of and "alternatives" to the above beliefs. The behaviors that these beliefs promote are also discussed, and ways of changing both attitudes and behaviors are suggested.

Identifying and resolving personal barriers is one of the most important areas in the transformation of an organization because it addresses the root cause of the most common reason for failure; lack of commitment on the part of top management. The following section presents an example of a private session between the QM expert and Bob, the CEO of The Universal Company.

**QM EXPERT:** I wanted to meet with you individually because I sensed an area that you're not entirely comfortable with.

**BOB:** Let's get something out in the open. What is it?

**QM EXPERT:** Promoting cooperation instead of competition.

**BOB:** (thinks for a moment) You're pretty sharp.



**QM EXPERT:** That's what you pay me for. Anyway, it's an area that a lot of top guys have trouble with. After all, you got where you are by being the best you can and beating out other people. It follows that you want to keep competing, and encourage your people to do the same.

**BOB:** I guess.

**QM EXPERT:** When you were in high school did you play a sport?

**BOB:** Yeah, football.

**QM EXPERT:** Did you play varsity?

**BOB:** No, and I was miserable about it. I really wanted that letter, but the coach wouldn't put me on the team.

**QM EXPERT:** So you remember how it felt?

**BOB:** Like it was yesterday. I hated it.

**QM EXPERT:** What did you hate?

**BOB:** I was trying as hard as the guys who made the team. And, I'm not so sure the guys on the team were better than I was.

**QM EXPERT:** Exactly -- that's Deming's point. Competition doesn't help anybody improve. It just creates winners and losers. Do you think you're creating this kind of situation anywhere for our people?

**BOB:** I guess I am. We have an "Employee of the Month" contest. Only one person wins. I'm sure there are others who deserve to win, too. Their morale probably hits the floor when they don't win.

**QM EXPERT:** I'm sure you're right. Now that you understand the downside of competition at a gut level, I know we'll be able to work on improvement in this area.

**BOB:** Thanks for the feedback. I don't think I would have come to this by myself.

**QM EXPERT:** That's what I'm here for. I'm glad I could help.

## 15.7 The Quality Management Leader

Top management's education and self-improvement includes group and individual study of the System of Profound Knowledge and the identification and resolution of personal barriers to transformation. Guided by an expert, the quality management leader will develop a management style to incorporate the attributes necessary to lead the organization [Deming, 1994, pp. 125-128]. The quality management leader should possess the following characteristics:

1. A leader sees the organization as a system of interrelated components, each with an aim, but all focused collectively to support the aim of the system of interdependent stakeholders. This type of focus may require sub-optimization of some components of the system.
2. A leader tries to create for everybody interest and challenge, joy in work, and pride in the outcome. S/he tries to optimize the education, skills, and abilities of everyone, and helps everyone to improve. Improvement and innovation are the aim [Deming, 1994, p. 125].
3. A leader coaches and trains, and does not judge and punish [Deming, 1994, p. 126]. S/he creates security, trust, freedom, and innovation. A leader is aware that creation of trust requires that she take a risk [Carlisle and Parker, 1989]. A leader is an active listener and does not pass judgement on those to whom she listens.
4. A leader has formal power, power from knowledge, and power from personality. A leader develops and utilizes the power from knowledge and personality when operating in an existing paradigm of management. However, a leader may have to resort to the use of formal power when shifting from one paradigm of management to another.
5. A leader uses plots of points and statistical calculation with knowledge of variation, to try to understand both the leader's performance and that of her people. A leader is someone who knows when people are experiencing problems that make their performance fall outside of the system and treats the problems as special causes of variation. These problems could be common-cause to the individual (long-term alcoholic) but special-cause to the system (alcoholic works differently from his peers).
6. A leader understands the benefits of cooperation and the losses from competition [Deming, 1994, p. 128; Kohen, 1986].
7. A leader does not expect perfection.
8. A leader understands that experience without theory does not facilitate prediction of future events. For example, a leader cannot predict how a person will do in a new job based solely on

- experience in the old job. A leader has a theory to predict how an individual will perform in a new job.
9. A leader is able to predict the future to plan the actions necessary to pursue the organization's aim. Rational prediction of future events requires that the leader continuously work to create stable processes with low variation.

A manager who does not possess the above attributes will have problems with the transformation. Again, it may be necessary to arrange for private sessions between some members of the EC and an expert in Deming's System of Profound Knowledge to discuss in depth, and confidentially, the "whys" and "ramifications" of the above attributes. As with beliefs, this step may be critical to a successful transformation because it goes to the root cause of the most common reason for failing to transform an organization, lack of commitment on the part of top management.

### **15.8 The Decision Point**

Once the neck phase is well under way, the members of the EC face their last critical decision point in the fork model. If the members of the EC discover that they can not overcome their difficulties with Deming-based quality management, then a "NO GO" decision is made and all efforts toward Deming style quality management stop. On the other hand, if the members of the EC discover that they have overcome their difficulties with Deming-based quality management, then a "GO" decision is made and the quality management effort proceeds to the prongs of the fork model. These prongs begin with:

1. Daily management - Selecting initial process improvement leaders in the departments. This is discussed in Chapter 16.
2. Cross-functional management - Selecting initial cross-functional process improvement projects to address issues concerning transformation that span departments within the organization. This is discussed in Chapter 17.
3. Policy management - Conducting an initial presidential review of the policy of the organization. This is discussed in Chapter 18.

### **15.9 Summary**

This chapter presented a discussion of the neck of the fork model, management's education and self-improvement. After top management of an organization commits to transformation, its members enter a period of education and self-improvement. These are difficult, soul-searching activities that have a profound effect on the individual and the organization.

One of the first tasks of the Executive Committee (EC) is forming one or more education, training, and self-improvement groups that concentrate on studying

the System of Profound Knowledge and identifying and resolving personal barriers to transformation.

The System of Profound Knowledge is often discussed by the Executive Committee under the guidance of a Quality Management expert. The expert creates an environment in which group members deepen their understanding of how the System of Profound Knowledge might affect organizational and personal decision-making. The chapter provided an example of a group session, in dialogue form, to illustrate the role of the QM expert and the desired atmosphere of the group setting. Several case studies and workshops were presented which can be used by group members to deepen their understanding of how the System of Profound Knowledge.

Another area that is important in management's education and self-improvement is identifying and resolving personal barriers to transformation. Each member of the EC examines her opinions to determine if she holds any beliefs that would be detrimental to the transformation. The QM expert can use a questionnaire to help pinpoint problem areas that individuals may be experiencing. Identifying and resolving personal barriers is one of the most important areas in the transformation because it addresses the root cause of the most common reason for failure, lack of commitment on the part of top management. In-depth, private sessions, as illustrated, may be necessary between the QM expert and an individual manager.

Characteristics of the quality management leaders were discussed. These attributes are necessary if the leader hopes to transform an organization. Guided by an expert, the leader will develop these traits through the use of the methods presented in this chapter.

## EXERCISES

- 15.1 Discuss management's fears and concerns over an organizational transformation from the current paradigm of management to a quality management paradigm. Which of the concerns do you think are the most problematic? Why?
- 15.2 Give an example of a win-lose or lose-lose situation that is converted into a win-win situation. What are the benefits of achieving this?
- 15.3 Personally, answer the questionnaire in Section 15.9. What is your total score? In which areas do you differ from a Deming-type manager? Discuss the significance of your findings.

## REFERENCES AND ADDITIONAL READINGS

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