

Edwards deming management philosophy



**ASSIGN
BUSTER**

Edwards Deming was a man who created a system of profound knowledge. He taught principles of management that organizations could use to increase quality and reduce costs. He is somewhat of a hero in Japan where his statistical methods helped introduce high quality products. His philosophy of business management can be used in all workplaces. During the scope of this paper first, we cover his early beginnings after World War II where he introduces his statistical process controls and quality control programs to the Japanese manufacture sector. Second, we will show how his management philosophies from Japan affected car industry within the United States. Last, we will break down his management philosophies and identify how they can be applied.

Edwards Deming came up with the concept of Total Quality Management.

Total Quality

management is defined as “ approach to quality that emphasizes continuous improvement, a philosophy of “ doing it right the first time” and striving for zero defects and elimination of all waste” (Answers. com, 2005, p. 1).

Deming went to Japan in 1950 to teach the leading industrial companies in Japan his management methods and statistical techniques. Industry in the United States was prospering, due largely to an overabundance of resources and an accelerated market caused by the end of five years of wartime sacrifice. The U. S. did not take his ideas of quality improvement seriously because they were already the world economic leader. Japan’s economy, on the other hand, had been crippled by the war. Japan’s executives were ready to accept change. History has shown that the methods they implemented, largely due to Deming’s direct influence, have made Japan a world leader in

<https://assignbuster.com/edwards-deming-management-philosophy/>

manufacturing of automobiles and electronics, among others. Today, he is revered in Japan as a major mover in its economic success (Halwes, 1998, p. 1). The major catalyst for Deming's ideas entering U. S. business was an NBC News white paper documentary aired in 1980 entitled, " If Japan Can, Why Can't We?" It documented Deming's teachings and the effect those teachings had on Japanese industry. The documentary was a wakeup call for manufacturers in the United States that Japan had moved to the lead in manufacturing. Since that time, his ideas have gradually become more accepted in U. S. business, and quality has been a major business focus of the past two decades (Voehi, 1995, p. 2). Deming's connection to Japanese business made his consultation services in high demand for U. S. businesses trying to compete with Japan (Rosander, 1991, p. 3).

According to Deming, " The prevailing style of management must undergo a transformation" (Halwes, 1998, p. 2). Generally, an institution cannot know itself. A conversion requires an outside source, which is called a system of profound knowledge (Halwes, 1998, p. 3). It gives a theory of guidelines by which to comprehend. For instance, the first step in the transformation of an individual comes from understanding the information from the system of profound knowledge. Then in a period, the individual becomes transformed where he or she will perceive new meaning to their life (Halwes, 1998, p. 3). For instance, when I went to leadership school for the Army, I learned important traits of leadership. These new traits helped me to become a more productive leader.

According to Deming, there are four components to profound knowledge. They are appreciation for a system, knowledge of variation, theory of

<https://assignbuster.com/edwards-deming-management-philosophy/>

knowledge, and psychology. It is important to note that these four elements must be used together to truly affect the transformation of management they are meant to affect (Halwes, 1998, p. 4).

1. Appreciation for a system. This emphasizes the need for managers to understand the relationships between functions and activities. Everyone should understand that the long-term aim is for everybody to gain – employees, share holders, customers, suppliers, and the environment. Failure to accomplish the aim causes loss to everybody in the system (Halwes, 1998, p. 4).
2. Knowledge of statistical theory. This includes knowledge about variation, process capability, control charts, interactions and loss function. All these need to be understood to accomplish effective leadership and teamwork (Halwes, 1998, p. 4).
3. Theory of knowledge. All plans require prediction based on past experience. An example of success cannot be successfully copied unless the theory is understood (Halwes, 1998, p. 4).
4. Knowledge of psychology. It is necessary to understand human interactions. Leaders must use differences between people for optimization. People have intrinsic motivation to succeed in many areas. Extrinsic motivators in employment may smother intrinsic motivation. These include pay rises and performance grading, although these are sometimes viewed as a way out for managers (Halwes, 1998, p. 4).

Deming saw variation as the disease that threatened U. S. manufacturing. Variation is like a length of parts that need to be in uniform, in delivery

times, in prices, in work practices instead of generating more waste from improper training, which creates more defects that generate into lost revenues. Deming's believed that training employees and senior management will help the two separate entities to work better in a cohesive way (Cohen, 2008, p. 1). An example of reducing variation was when the Ford hired Deming to look at their operations to improve their profits. Deming found that management actions were responsible for 85% at Ford. Last, after following Deming's recommendations Ford Motor Company hit a series of home runs, including the aerodynamic Taurus-Sable cars, and by 1986 had become the most profitable American auto company (Manufactures, 2000, p. 1).

Deming saw quality as an entire philosophy of management, not as a specific process or set of procedures and guidelines. His ideas are captured in his " 14 Points," which we will review here (Hartman, 2002, p. 19). The 14 Points are interdependent and overlapping, not simply a chronological sequence of steps (Voehi, 1995, p. 2). In actuality, Deming never laid out a sequence of accomplishing these objectives. He wanted the institutions of manufacture to understand the whole system and adopt a new way of thinking. This is the basis of his later " System of Profound Knowledge." The 14 Points are:

1. Creating a constancy of purpose. Organizations must have established, focused goals of satisfying the customer. Business decisions should be based on the long-term focus of the organization, not on short-term performance measures (Hartman, 2002, p. 19).

2. Adopting the new philosophy. Becoming a quality-driven organization requires everyone,
3. starting with top management, to fully embrace a new way of thinking that involves seeking the greater good for everyone involved and implementing continuous improvement (Hartman, 2002, p. 19).
4. Ceasing dependence on mass inspection. Quality should be designed into products and processes. Inspection adds nothing to the value of a product and consumes valuable resources. With a good process, statistical sampling using control charts will signal when a process is out of control (Hartman, 2002, p. 20).
5. Ending price tag awards. The contracted price for a material or service tells only part of the story of its actual cost. Good single supplier relationships with built in trust will result in lower variation and a lower overall total cost of use (Hartman, 2002, p. 20).
6. Improve the process constantly. To remain competitive, a company must always seek to better its products, from design through production and customer support (Hartman, 2002, p. 21).
7. Institute training and retraining. Education and training for employees is an investment. All employees should understand concepts of probability and variation because everyone is an important link in producing quality. Training also fosters better relationships and more trust between managers and employees (Hartman, 2002, p. 22).
8. Institute Leadership. Managers are ultimately responsible for production of quality. They must see employees as assets and be facilitators to allow everyone the resources they need to do their jobs

- correctly. Managers must respond quickly to special variation in processes (Hartman, 2002, p. 22).
9. Drive out fear. Open dialogue and two-way communication between managers and employees is essential to successful operation of a business. Fear causes grave inefficiencies in production and delayed action when processes go out of control. In service industries, customers must be free from fear of operational error (Hartman, 2002, p. 24).
 10. Break down department barriers. Organizations are systems in which competition causes serious inefficiency. All members of an organization should realize that they share the common purpose of the organizational mission and values. Teams of people from different departments should cooperate to ensure goals are met (Hartman, 2002, p. 24).
 11. Eliminate slogans and targets. Slogans and sayings are hollow and do not provide the means to achieve quality. The focus should be on understanding the system and its inherent variation, not on catch phrases (Hartman, 2002, p. 26).
 12. Eliminate numerical quotas. Much like slogans, targets are useless without a means for achieving them. With a stable process, quotas are useless because the system should deliver consistent results. If the process is not stable, quotas are useless because there is no defined method to achieve them and results cannot be predicted (Hartman, 2002, p. 26).
 13. Remove barriers to pride. Workers inherently want to do a good job and have a right to be proud of their work. Performance reviews

and merit systems cause competition and focus on short-term results. This is counterproductive to the long-term organizational focus that Deming's teachings are based on (Hartman, 2002, p. 27).

14. Education and retraining. Education allows employees to understand their jobs better, to understand process variation, and to become better at problem solving. Even in areas not directly job-related, education generally improves worker morale (Hartman, 2002, p. 27).
15. Involve everyone in transformation. The responsibility for implementing a new system of quality rests with top management. They must commit to a new culture and constantly reinforce the previous 13 points in all business decisions. They must emphasize it to all employees in the company if change is to be made and processes are to be continuously
16. improved. Involving all employees is critical because they are the ones who will actually make a product or perform a service, and only they can implement quality (Hartman, 2002, p. 28). In closing, Edwards Deming who came from humble origins has left a legacy that will impact the global market for many generations to come. Deming's vision of philosophy, commonsense and his ability to analysis numbers as a statistician gave him insight for his management philosophy where he could influence a nation by sharing his views on Total Quality Management. Further, Edward Deming taught that by adopting appropriate principles of management, organizations can increase quality and simultaneously reduce costs by reducing waste, rework, staff attrition and litigation while increasing customer loyalty (Halwes,

1998, p. 9)The key is to practice continual improvement and think of manufacturing as a system, not as bits and pieces (Halwes, 1998, p. 5). Last, Deming’s successful management philosophies are required reading at most business schools worldwide which is a tribute to all of his accomplishments.