

Image source: https://www.census.gov/history/www/census\_then\_now/notable\_alumni/w\_edwards\_deming.html

## W. Edwards Deming **Reassessing the** "Deadly Diseases" and "14 Points for Management"

## It has been 41 years since *Out if the Crisis* was published.

# What have we learned since then?

#### First, The "Seven Deadly Diseases."

# Why do these "Deadly Diseases" exist? What is their purpose?

Deadly Disease*	Principal Purpose For Existence
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.	<b>To maintain autonomy and flexibility in response to changing</b> <b>conditions.</b> There is no requirement for constancy of purpose, long- term goals, to keep the company in business, or to 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.	<b>To accelerate wealth creation at the top</b> . There is no rule against short-termism. Staying in business is not a requirement. Business leaders can sabotage all or parts of the business if it is more profitable to do so. Failures can be profitable. Takeovers, unfriendly or not, create wealth for shareholders.
3. Evaluation of performance, merit rating, or annual review.	To maintain the status quo in relation to the power that managers have over workers.
4. Mobility of management; job hopping.	<b>To strengthen and expand the class of wealthy managers.</b> There is no requirement for managers to be immobile. The market for managers is free. Individualism motivates managers to find the best remuneration for their services.
5. Management by use only of visible figures, with little or no consideration of figures that are unknown or unknowable.	To maintain the status quo in relation to the power that managers have over workers.
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.	The result of the post-World War II system of healthcare jointly established by industry and the U.S. Government. These costs, whether through direct expense or government taxation, are passed onto customers throughout domestic and international supply chains.
7. Excessive costs of liability, swelled by lawyers that work on contingency fees.	To maintain a loyal and reliable network of legal specialists whose interests are tightly aligned with managers.

"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."

### Most top business leaders view these "Deadly Diseases" as anything but deadly.

They are seen as helpful; needed drivers of economic creative destruction...

### which generates wealth for the top 1% and for much of society...

#### and, more importantly, avoids political creative destruction. (loss of wealth, power, rights, and privileges)

#### You or I may not like the existence or purpose of the "Deadly Diseases"...

### the first five of which have long been part of human history in some form or another.

#### That's not to excuse their existence or dismiss any harm they may cause. But...

## are the "Deadly Diseases" of management still relevant?

Yes.

But only if your knowledge of the history of leadership, the purpose of leadership, how top leaders think, and why they do what they do is...

#### nil.

### But if you know about the history of leadership, the purpose of leadership, etc...

## then the "Deadly Diseases" are irrelevant because...

#### you begin to understand why they exist and why they remain largely fixed over time.

If you do not care to understand the history of leadership, the purpose of leadership, etc., then... you are just guessing at solutions to the "Deadly Diseases" problem...

# and you are unlikely to achieve any real change.

# What about Deming's 14 Points for Management?

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. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.

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. Supervision of management is in need of overhaul, as well as supervision of production workers.

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

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.

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.

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

11b. Eliminate management by objective. Eliminate management by numbers, 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.

12b. 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 14 Points for Management are of no interest to most CEOs because...

#### they upset the status quo.

### The 14 Points for Management severely diminish leaders' rights and privileges and risk...

#### political creative destruction...

#### which is toxic to most leaders...

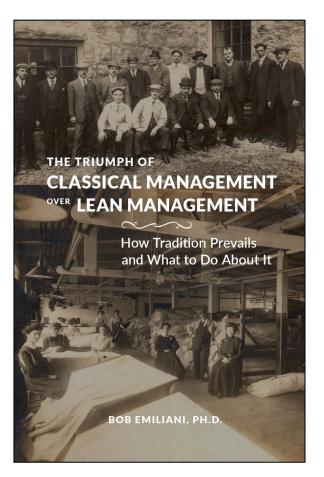
and thus, the 14 Points for Management are also irrelevant.

#### While Deming was visionary and his wisdom is popular on social media...

#### his work distracts people from knowing what they really need to know...

### which is the history of leadership, the purpose of leadership, etc., so that you can...

start to understand the different types of constraints peculiar to the long-established **Institution of Leadership** and **System of Profound Privilege**...



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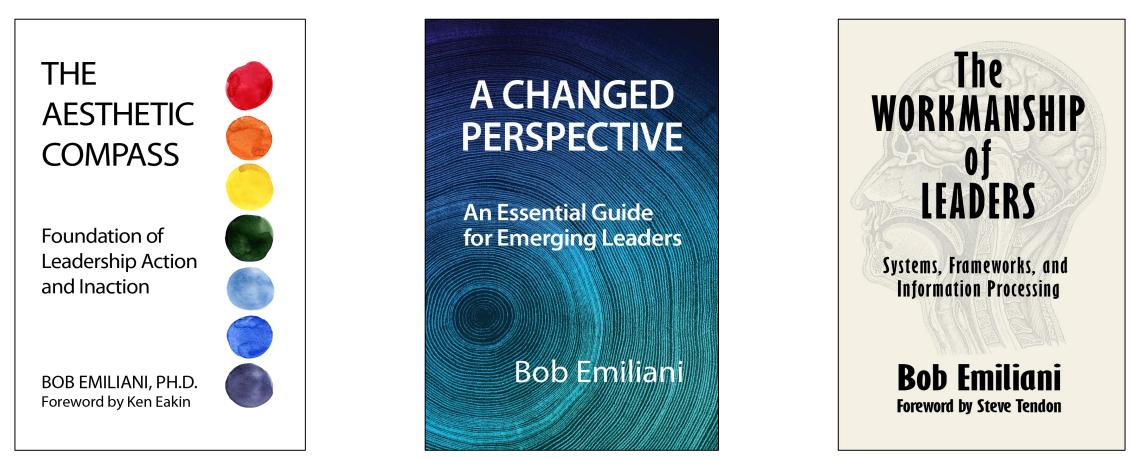
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which will force you to think differently and develop creative solutions for improving the leadership and management of organizations...

## and achieve what Deming hoped was possible:

## TRANSFORM MANAGEMENT

"It is staggering to me, however, that, in spite of the remarkable clarity of his words, and the coherence of his teachings, Deming's work did not directly lead to full-fledged transformation anywhere, beyond Japan." – Niels Pflaeging

Source: "What Would Deming Do?", Niels Pflaeging, The Lean Mag, No. 15, May 2023, p. 35

#### No, it's not "staggering" to me.



#### Curious to learn more? Read "Why is Deming Irrelevant to CEOs?"

https://bobemiliani.com/why-is-demingirrelevant-to-ceos/