

## **Service Quality Research/10**

# **Deming's Fourteen Points and Service Quality Research - 2**

By Chuck Chakrapani

Deming's remaining nine points on quality are presented below.

### **6. Institute Training on the Job**

*Institute training on the job.* In many north American companies, training consists of attending a seminar or a workshop. However, when the employee returns to his or her job, systems are not in place to put into practice what is learnt. In other words current systems usually have inhibitors already built in. Such inhibitors make the new knowledge marginally useful at best or totally irrelevant at worst. Many Japanese firms provide at least one year of training before giving anyone the sole responsibility for the job. According to Genichi Taguchi, Japanese managers "face much the same pressures to reduce cost that his American counterpart does. He has flexibility to cut costs in many areas, but one area he cannot reduce is his training budget, because training and education are the cornerstones of greater consistency." (W.W. Scherkenbach, *The Deming Route to Quality and Productivity*, Washington: CEEP Press, 1986).

*Questions:* What training is provided to the employees? Is there on-the-job training in the company? Do current procedures make it difficult for the employees to implement what is learnt? Is management committed to quality or is it put on the back burner because current systems dictate that there are other, more important priorities?

*Suggested Research.* Internal research to identify the courses the employees have been exposed to and their objectives. Specific details of the outcome in terms of concrete steps taken to implement what is learnt. Research on a continual basis to identify the possible impediments for implementation.

### **7. Institute leadership**

*Institute leadership.* The aim of leadership should be to help people, machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers. This point refers to empowering the workers to do the job effectively. However, Deming also notes that many leaders do not necessarily participate in the processes that they are supposed to manage. If they don't participate in the process, how are they supposed to teach others and help them achieve productivity? It is important that leaders are familiar with the functional aspects of the processes they manage.

*Questions:* Is the manager aware of and proficient in the processes that are being carried out by others? Can he or she teach and/or help people make the processes more efficient? What steps can the organization undertake to ensure that managers not only manage but provide leadership through teaching and helping those under them.

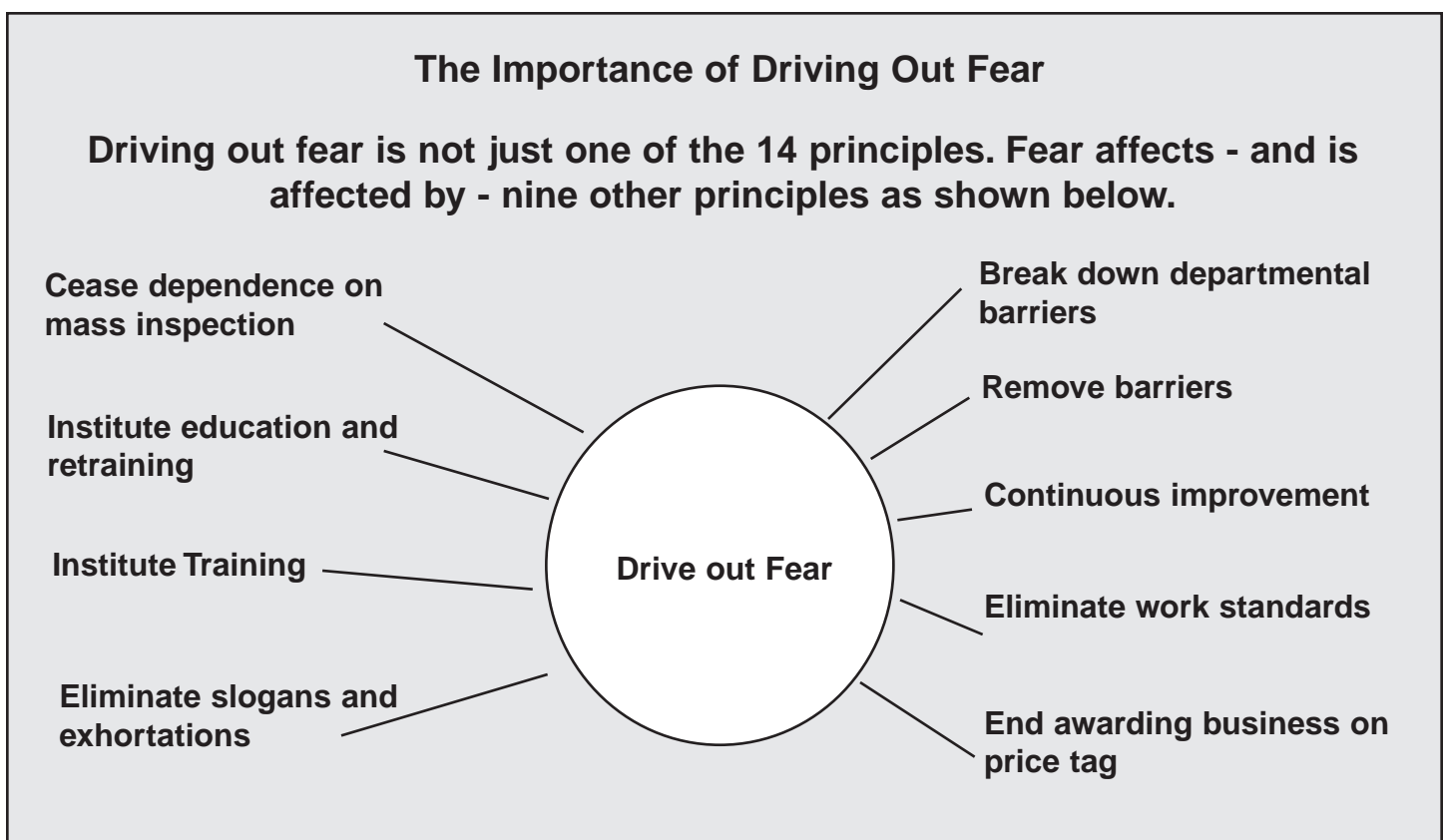
*Suggested Research:* Internal research to identify the functional processes that a manager manages but does not know the details of. Research on processes that typically require help from other people, especially the supervisor.

## 8. Drive out Fear

*Drive out fear, so that everyone may work effectively for the company.* This is one of the most important of Deming's 14 points. In North America, fear is used as a prime motivator. Fear is highly leveraged. Any punishment or threat meted out to an employee travels fast. Unfortunately, fear immobilizes and as long as an employee is paralysed, no innovation is likely to happen. Fear has a bearing on nine other principles (see Figure below). Thus when this principle is violated, it may affect many other initiatives taken to bring about quality.

*Questions:* Do employees feel that they cannot really say what they think about a situation for fear of offending their superiors? Do senior people deliberately foster a non-threatening work environment?

*Suggested Research:* Internal research to ascertain how secure the employees feel about their jobs, about taking initiatives, about expressing a different point of view to their superiors and about possibly making mistake.



## 9. Break Down Barriers

*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.* Suppose a bank has just completed a survey regarding service quality. Let us take one aspect of this. Customers might have indicated that the most important factor while waiting in a line-up is that they are served quickly. Yet, if we analysed their responses, we might find that they would like all their banking needs to be taken care of once it is their turn at the counter. Thus their primary and secondary needs are not necessarily compatible. There might also be tertiary requirements. Customer requirements cannot be satisfactorily implemented unless different departments - in this case computer department, personnel who are not directly at the counter and others work together to satisfy the apparently conflicting customer expectations. Whether the customer is satisfied might depend not only on the persons behind the counter but whether they have a good

computer system and whether or not they can count on people who do not work at the counter. As long as there are barriers between departments, customer expectations can only be partially fulfilled. The "It's not my department!" attitude is not only an insult to the customer but a deterrent to eventually delivering what he or she wants.

*Questions.* How frequently are customer expectations described in terms of involvement of several departments? How are communications and cooperation among departments managed?

*Suggested Research.* Desk research to identify the departments needed to participate in implementing a specific strategy. Research to identify the barriers to instant cooperation to achieve the objectives.

## **10. Eliminate Slogans**

Eliminate slogans, exhortations and targets for the work force that ask for zero defects and new levels of productivity. Slogans and exhortations are often used in place of the training and tools needed to deliver quality. A plaque which loudly proclaims "Customer First!" or "Towards Excellence" is meaningless to an employee and an irritant to the customer, if no procedures are in place to deliver what is proclaimed. When quality is really delivered, there is hardly any need for slogans.

*Questions:* Does your company have slogans and exhortations to its employees? What procedures are in place to make the slogans a reality? Can actions be substituted for slogans?

*Suggested Research.* Desk research to assess slogans and exhortations used by the company. Secondary or primary research to determine training and equipment needed to implement exhortations.

## **11. Eliminate Quotas (Work Standards)**

*Eliminate work standards (quotas). Substitute leadership. Eliminate management by objective. eliminate management by numbers, numerical goals. Substitute leadership.* Numerical goals inhibit long term improvement. When emphasis is on the outcome and not on the upstream process, management limits the ability to deliver what customers want at a price they are willing to pay. Employee concentration shifts from long-term customer satisfaction to short-term target practice.

### **On Management by Numbers**

He who runs his company on visible figures alone will soon have neither company nor visible figures to work with.

W.E. Deming

*Questions.* What are the work standards currently in place for employees? What are your targets? What plans are there in place to achieve your targets?

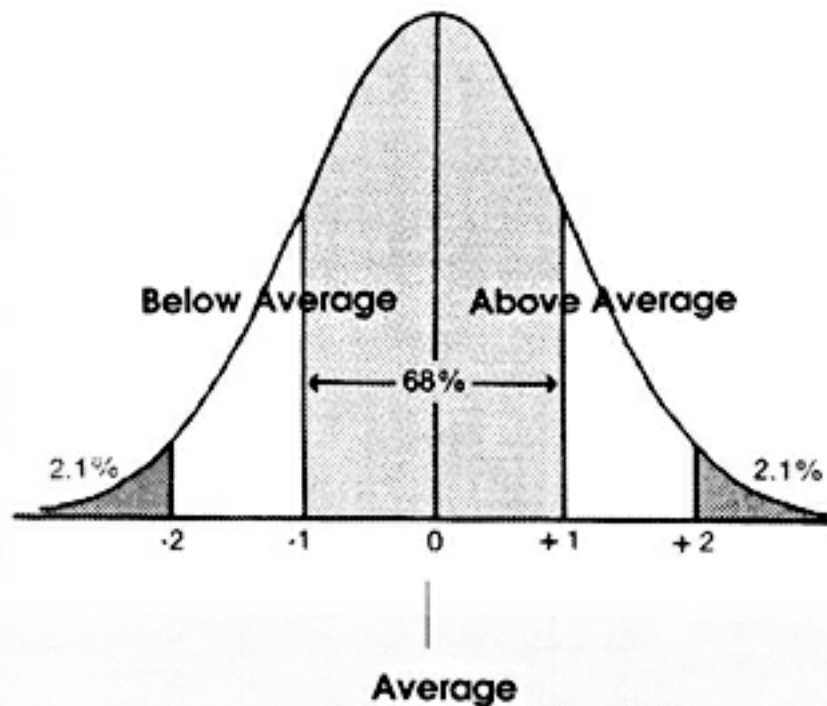
## **12. Remove Barriers**

*Remove barriers that rob the worker of his or her right to pride of workmanship. The responsibility of supervisors must be changed from stressing sheer numbers to quality. This means, inter alia, abolishment of the annual merit rating and of management by objective.* Although it may not be readily apparent, performance evaluations and management by objectives *can destroy teamwork.*

Performance evaluations are usually carried out within specific departments and are often related to numerical goals. Let us consider the performance evaluation in which a person is judged on how fast she can serve customers. The emphasis put on efficiency may work against taking time to service the customer properly. Again, a customer may be shunted from one person to another or from one

department to another so a person or a department can meet the objectives (or the numerical goals) of management. The performance appraisal system also *fosters mediocrity*. When goals are set for appraisals, either the employee negotiates with the employer to lower the standards such that they can be met or, alternatively, he may just do enough to exceed the standards. By doing just enough he keeps the difference between what is achieved and what is achievable 'in reserve', to be used the following year. Yet another problem is that no matter how excellent the performance of each employee is some employee's performance will be above average and others' will be below average. This is a statistical certainty. In addition, in many cases, the visible performance aspects are directly related to the type of job handled by the employee.

**No matter how well all employees perform, about half of all employees will perform 'below average'. Scoring below average under certain circumstances may be unrelated to an employee's real performance**



### **13. Institute programs of Education and Retraining**

*Institute a vigorous programme of education and self-improvement.* It is Dr. Deming's view that a programme of education and self-improvement reduces the need for all incoming resources. This, in turn, reduces waste. Consequently, the cost of doing business will come down. A company must make it clear to its employees that it will be investing in its employees and it should make a lifetime commitment to its employees. This will increase the cooperation between management and the employees because the employees will feel reassured that by spending time in education and self-improvement programmes they will not be working themselves out of a job.

#### **On the Importance of Making Employees Secure**

People ask for security. People would like to know if they are going to have a job next week...How can somebody devote his knowledge to the company and do it with devotion

when he's not sure he will be there next week or next year? He'd be looking around for another job if he had any sense or ability.

W. E. Deming, as quoted by Scherkenbach

*Questions:* How many education programmes did the management attend? How many did the employees attend? What plans are at hand to retain employees in the near future?

#### **14. Accomplish the Transformation**

*Put everybody in the organization to work to accomplish the transformation. The transformation is everybody's job.* This is a global dictum. Management has to communicate to the outside world and its employees that it is not business as usual. It is a call to identify middle managers (and others) who may thwart the new direction and frustrate the organization.

#### **Fourteen Points, Service Quality and Research**

Deming's fourteen points challenge conventional wisdom from at least two angles. One, some principles directly contradict the practices of several organizations and two, they emphasize internal transformation to a much greater degree.

#### **Deming vs. Conventional Thinking**

Many of Deming's 14 points are at variance with what is being practised to achieve quality. Several of his principles are being violated by many companies on a regular basis. Here are some examples.

*Drive out fear.* Many organizations use fear as a strategy to achieve service quality. They believe fear is what keeps employees in line and attempt to achieve service quality by using fear as leverage.

*Eliminate work standards and numerical goals.* Again many organizations attempt to achieve service quality by specifying a standard for the individual by which he or she will be evaluated.

*Eliminate slogans.* Many organizations that have discovered service quality appear to believe that slogans and exhortations are the way to achieve service quality. It is not uncommon to find such slogans displayed proudly in many organizations.

Another critical assumption made by many organizations is that delivering quality is a cost-incurring activity. This is obviously a disincentive to delivering quality. Deming, on the other hand, believes that quality brings the cost down and is therefore a cost-reducing activity.

Thus when we review current management practices and analyse the extent to which they conform to the 14 principles, it becomes fairly evident that most organizations simply have different views on how to achieve quality. It is not my intent to suggest that Deming's approach is superior. However, given his track record on helping Japanese firms achieve quality and profitability, it may be worth giving serious attention to his ideas.

#### **On the Importance of Consumer Research**

Consumer research is an integral part of production. Without consumer research, the product has little chance of being maximally useful...In fact, a manufacturing concern can hardly hope to stay in business today without vigorous consumer research.

W.E. Deming

## **Quality - Internal and External Focus**

Another difference between Deming's approach and conventional approaches is the focus. Deming is very much in favour of research. Yet his 14 points emphasize improvement within a company. The alternative approach that is adopted by many companies is to assess what the customer wants and then attempt to deliver it if it is cost effective without much regard to how the organization must itself transform itself if it is to cater to customer needs. When the organization does not align itself with the philosophy (of quality), what is delivered to the customer is individual behavioural acts that simulate quality. Any time the company makes a loss or any time there is a change in senior management, quality may be sacrificed if it is not part of the management philosophy. Again this may easily be observed in many organizations.

Although Deming is primarily a statistical quality control expert, it is surprising to note that most of his principles can be applied (almost without modification) to any area that emphasizes quality.

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