

Applied Knowledge of Psychology

THE FOURTH COMPONENT OF W. EDWARDS DEMING'S "SYSTEM OF PROFOUND KNOWLEDGE"

W. Edwards Deming's passion for much of his life lay in transforming American management. Unfortunately, his early efforts garnered little acceptance in the United States. Deming's concepts won credence here only after his management philosophy was credited with turning Japan into a world economic power.

Deming's principles for transforming management rest on what he called "a system of profound knowledge." This system consists of four components, each of which interacts with the others.

1. Appreciation for a system
2. Some knowledge of theory of variation
3. Theory of knowledge
4. Psychology

Psychology

This fourth component of the system of profound knowledge helps leaders to understand people, their interactions, differences, and different needs.¹ At the center of knowledge of psychology is a leader's ability to understand and differentiate between intrinsic motivation and the effects over time on intrinsic motivation by extrinsic motivators.

Is the appropriate leadership strategy, then, to try to motivate people? Or is it to remove barriers to their own motivation? Peter Senge wrote about this dilemma in efforts to achieve the goal of continuous improvement, "which remains an elusive target" for many American organizations.

Motivate them. From an extrinsic perspective, the only way to get continuous improvement is to find ways to continually motivate people to improve. [After all, Pavlov's dog salivated; it must apply to your co-workers!] Otherwise, they will just sit there – or worse yet, slide backwards. This leads to what workers perceive as management continually raising the bar to manipulate them.

Loose their own motivation with information and appropriate tools. However, from an intrinsic perspective, there is nothing mysterious at all about continuous improvement. If left to their own devices, people [not dogs, but people] will naturally look for ways to do things better. What they need is adequate information and appropriate tools.

From the intrinsic perspective, people's innate curiosity and desire to experiment, if unleashed [I might add, if not blocked], creates an engine for improvement that can never be matched by external rewards.²

Throughout most of his career, Deming's principles came across as a top-down intervention. The message seemed to be, "Top management, clean up your act and drive this thing!" Toward the end of his life, however, Deming shifted gears on us. He would say repeatedly during his lectures, "The transformation begins with the individual; all else follows."

As it relates to psychology, then, we as individuals must sit and ponder and examine our own individual, gut-level value system as it relates to the issue of motivation. Where do you fall on the spectrum of motivation? Do you fall toward the extrinsic end, believing that workers will not apply themselves to their work without some merit reward to pursue? That students will not apply themselves to their studies without some grade or honor roll status to pursue?

Or do you fall toward the intrinsic end of the spectrum, believing that people naturally want to contribute? That people naturally want to experience pride and joy and dignity in the work they do?

Deming couldn't answer these questions for us. Top management can't provide the answers, either. Rather, we as individuals have to make the call. Where do we fall on the spectrum of motivation?

The Deming management system is heavily skewed toward the intrinsic end of the spectrum. Motivation is not something that I do to people. Motivation is intrinsic, and all I can do is either set up or remove barriers to that intrinsic motivation.

Interaction of the Components

Dr. Deming insisted that the different components of the system of profound knowledge cannot be separated; they interact with each other. He described, for example, how knowledge of psychology is incomplete without knowledge of variation, just as understanding of variation will be incomplete without appreciation for a system.

Senge cited one way in which the first component (appreciation for a system) interacts with the fourth component (psychology). He observed that, over time, people will take on the characteristics of the system of which they are a part. "The systems perspective tells us that we must look beyond individual mistakes or bad luck to understand important problems. We must look beyond personalities and events. We must look to the underlying [systemic] structures which shape individual actions."³

I'm intrigued by the interaction of the third and fourth components of profound knowledge (knowledge and psychology). For example, Sigmund Freud and the other determinists worked for the most part with the deranged; but their findings and techniques are applied to people with healthy minds. Absent sound theory of knowledge as a guide, what damage might psychiatrists and psychologists be causing?⁴

Similarly, the work of Skinner, Watson, Pavlov and the other behavioral psychologists was largely with animals; but some are applying their findings to people. How long will we continue to destroy our most important asset – our children – with grading practices based on behavioral carrots and sticks that worked with animals?⁵

Forces of destruction

Deming's philosophy for leadership is grounded in the belief that people are intrinsically motivated; naturally striving for self-dignity, pride and joy in their work. He wrote, "One is born with intrinsic motivation, self-esteem, dignity, cooperation, curiosity, joy in learning. These attributes are high at the beginning of life, but are gradually crushed by the forces of destruction."⁶ He listed the following practices as examples of those forces.

- Forced distribution of grades in school. Gold stars.
- Merit system. Judge people; put them into slots. Competition between people, groups, divisions.
- Incentive pay. Pay for performance.
- Numerical goals without a method.
- Explanation of variances.
- Suboptimization. Every group, every division a profit center.

These forces don't just rob individuals of joy and dignity. They also rob organizations of new ideas and creative innovations that are stifled because people have to play it safe; they can't jeopardize their status, standing, next review. Taking action based on applied knowledge of psychology – the fourth component of the system of profound knowledge – can restore the power of the individual, unleash innovation and ultimately achieve the elusive goal of continuous improvement.

Notes

¹ W.E. Deming, The New Economics for Industry, Government, Education, Second Edition, MIT Center for Advanced Educational Services (1994), p. 101.

² P. Senge, "Building Learning Organizations," Reprint from the Journal for Quality and Participation, March 1992, p. 3.

³ P. Senge, The Fifth Discipline: The Art and Practice of the Learning Organization, Doubleday/Currency, New York, NY (1990), pp. 42-42.

⁴ J.F. Leonard, The New Philosophy for K-12 Education: A Deming Framework for Transforming America's Schools, ASQ Quality Press, Milwaukee, WI (1996), p. 188.

⁵ Ibid.

⁶ Deming, op. cit., p. 122.