

# **ARGYRIS, DEMING AND TRANSFORMATION**

## **Our Values in Action Will Transform Us**

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### **ABSTRACT:**

My study of transformation in organizations has brought me to understand much of W. Edwards Deming's System of Profound Knowledge (SoPK) and the synergies between the work of Dr. Deming and many other authors.

Chris Argyris's work resonates strongly with Dr. Deming's philosophy and themes on transformation. Like many philosophers and social scientists, Argyris has perspectives about organizational transformation through understanding systems, the people in them and the power of shared purpose.

Any leader of a learning organization can encourage a team to begin with knowledge and start the practice of productive dialogue. This requires "discussing the un-discussable" as Chris Argyris described ways to counter the common defensive routines in organizations. The key in this process is leadership's demonstrated commitment to productive reasoning and dialogue, to remove fear and embarrassment by new learning and improved productivity for their whole enterprise, starting with themselves.

In the context of his studies and writing, it seems the common purpose in each of the Argyris case studies was to transform the organization under study by transforming the leaders. In his practice and writings, Argyris provided us hard evidence of many of Deming's points and provides actionable solutions. I propose to share a number of these solutions from Argyris and evidence from others as well.

-- Dennis M. Sergent - October 1, 2013

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"Most people imagine that this style of management has always existed, it is a fixture. Actually, it is a modern invention, a trap that has led us into decline. Transformation is required. " -- W. Edwards Deming – The New Economics – 1993

In the many books and articles of Chris Argyris, a repeated theme is that we must learn and transform ourselves to demonstrate skilled, competent action toward our common aims as managers and leaders.

Our environment can change in a heartbeat and what is important to us as professionals can change, including our personal values which may also change over time. As members of a system in our work, we know the aim or purpose of our organization's parts serve the purpose of the whole, including our part. We have a social system which transforms the purposes of the parts, the larger system that contains it and the other systems contained within a larger system.

We know that in the absence of an organization's values, every member substitutes their own values. So, we must understand and use our shared values in a common purpose or aim. Common with our organization's aim, our personal and professional aims also should coincide. Our values in action are paramount, our values and proclamations should support our actions, always.

This paper is about a way out of the "prevailing system," as Deming described it. That way out is through knowledge, through common aim and through transformation. W. Edwards Deming defined a way through the PDSA and the System of Profound Knowledge, as well as by leadership action on the 14 Points. Chris Argyris also defined ways to use complementary processes that are very similar to address "skilled incompetence" a phenomena he described much the same as Deming described the prevailing system. The synergies are described in detail below.

### **Our Constant Purpose Depends Upon Transformation**

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Dr. Deming said in his work that there is hope for the future and faith in the future is required to innovate. Innovation, cannot “stick” unless top management has commitment to quality and productivity in their actions and words. (1) Dr. Deming has described how management can begin to transform. He's described how all employees suppliers and customers know the difference between management's past and present style of management. They also understand what the intentions are of both management and leadership, even when they are in conflict.

What is frequently an issue – management's mission statement should state a social value and provide a long-term purpose. Where you want your organization to be in 5 years, 10 years or 20 years is an important question that only management can answer. This can change but not shift with each crisis or fad and we need to create and deliver the detailed methods to accomplish that transformation to the future state. We need to understand that workers and managers need to understand the mission so they can all plan for the future that they share.

In his book “Overcoming Organizational Defenses”, Chris Argyris makes a similar case for transformation when he describes the aim of his work, “This book is about a way out.” That way requires work and time, as well as constant purpose, which will become clear as we proceed. (2)

### **Similarities and Synergies**

There are several documented areas within this text, where the ties are many. There are a few less-directly documented areas. I encourage others to reinforce these points through their own writing, if they have the evidence. Otherwise the connections between Deming the statistician and Argyris the sociologist will remain our focus through their works.

Examine the models that both used and you will see many similarities. Examine their philosophies about learning, the damage done by fear in the workplace, the need to respect people in the dignity of their work, the need to treat everyone as an individual and you will see the connection.

One striking difference is that Dr. Deming spoke and wrote extensively about his ideas, the philosophy, principles and practices, and urged managers and leaders to develop their own methods of implementation, with the numerous tools he developed, shared and taught. When we look at the Deming videotapes, look into his writings, we discover sometimes when asked “how”, he told managers and leaders they should “figure it out”.

In comparison Chris Argyris has given managers and leaders many methods and volumes of guidance on implementation, and learning a new way of communicating, woven into numerous case studies to guide us.

### **PDSA- The Plan, Do, Study, Act Cycle of Learning and Improvement**

Many people describe the plan-do-study-act (PDSA) cycle as the heart of Deming's work through the system of profound knowledge. I have adapted my own version of the PDSA cycle over the years and think of it very much the same way Deming described it, repeatedly testing of theories about what I know, always subject to the possibility of being wrong in my predictions and learning with every cycle, on every theory and prediction.

I give credit here to Ron Moen and his colleagues at Associates in Process Improvement (API) for their fundamental questions for improvement of the PDSA as a tool. (“Circling Back – Clearing Up Myths about the Deming Cycle and seeing how it keeps evolving”; Quality Progress, November 2010) This article also reinforces Deming's point that the PDSA demonstrates the scientific method in management. (3)

In his book “Overcoming Organizational Defenses”, Chris Argyris explained the concept of productive thinking and reasoning, as well as defensive reasoning in organizational settings. “Let's begin with how managers must be thinking and reasoning. Whenever individuals or organizations are free to act as they wish and yet choose to act in ways contrary to their own interests, there is defensive reasoning going on.

Defensive reasoning occurs when individuals (1) hold premises the validity of which is questionable if they think it is not, (2) make inferences that do not necessarily follow from the premises if they think they do, and (3) reach conclusions that they believe they have tested carefully, yet they have not because the way they have been framed makes them untestable.” (4)

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#### **System of Profound Knowledge (SoPK)**

This philosophy encompasses a lifetime of Deming's work and several lifetimes of foundational wisdom from those other authors cited in his description of the SoPK. It is adaptable to new learning and ever more profound in continued use. "The aim . . . is to provide an outside view - a lens . . . provides a map of theory by which to understand the organizations that we work in" "One need not be eminent in any part of profound knowledge in order to understand and to apply it." "The various segments of the system . . . cannot be separated. They interact with each other. For example knowledge about psychology is incomplete without knowledge of variation." (5)

As we use the SoPK, we discover new knowledge, the boundary of our knowledge gets longer, further demonstrating that we cannot know it all, we can only know more. Through our experience we test our theories and in lengthening the borders of our knowledge, we also realize there is so much more to know. I think of the SoPK as an enveloping system to help me combine my aim, subject matter expertise and my desire for improvement with the PDSA, then understand better what I can predict tomorrow.

Chris Argyris explained a situation in "Flawed Advice and The Management Trap" that was fundamentally related to both Deming's use of the PDSA cycle and the SoPK. During a particular workshop the participants claim to have achieved learning that assumed a certain level of understanding that did not exist.

"To understand something is to be able to explain it. To explain it, it is necessary to state a causal relationship or mechanism that brings about whatever is supposed to be understood. In other words, to be proven valid, understanding must be tested in the world of practice to the implementation of the causal claims underlying it. That means the premises for any action must be made explicit, the inferences made explicit, and the conclusions put to as tough a test as possible." (6)

#### **Psychology**

In a striking similarity to the work of W. Edwards Deming, his points on fear and the impact it has on the human in the work place, Argyris casts a familiar theme. "There should be a warning label on advice on how to deal with difficult human problems. The label should say: It is unlikely that you will be able to produce this advice when you are dealing with issues that contain components of embarrassment or threat. You are likely to be unaware of this fact while you are implementing this advice. Or, if you are aware, you will tend to blame factors other than yourself." (7)

"Upward from the employees flows information about attitudes, expectations and production problems, only to disappear in the triangle like the Bermuda Triangle! Managers in the triangle have neither the respect for the rank-and-file nor an understanding of how better knowledge can enhance quality output and efficiency." (8)

In his description of defensive reasoning, Argyris described a difficulty that the executives for a fast growing firm had with developing a sound strategy and making sound decisions. Their actions were incompetent in the sense that they produced what they did not intend and did so repeatedly. "Let us begin by asking three questions: is this the behavior that is counterproductive also natural and routine, does every participant seem to be acting genuinely, do the participants get in trouble even though they're not trying to be manipulative and political in the negative sense of the word?"

The answer to each of these questions for the executive group, is yes. That means that their motives are clean and their actions represent their personal best. If this is the best that they can do, then their actions are skillful in that they are produced in milliseconds and are spontaneous, automatic and rehearsed. Yet their interactions are counterproductive. But, the executives act as they do, partially in order not to upset each other. These very actions, however, inhibit working through the important intellectual issues imbedded in developing the strategy, therefore the meetings end up with lists and no decisions." (9)

Chris Argyris went on to describe the "left hand columns" of the executives, a set of thoughts and feelings that are not communicated, but which ought to be. These thoughts and feelings are described as that which would embarrass us or others and are part of a learned conversation we internalize and which can be very powerful when we learn to

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express it productively.

“One reason for the lack of success in meetings may be that it is unlikely that individuals will make public in a regular meeting what is in their left-hand columns. Yet, as we shall see, what individuals choose to censor has an important impact, because the individuals not only cover up that they are censoring something, but they also strive to cover up the cover up. The irony is that the other participants sense this, but they also cover up that they sense it and then they cover up their cover up.” (10)

#### **Variation**

Although Argyris’ work in *Overcoming Organizational Defenses* supports the Psychology component of Profound Knowledge with many references, he has only a handful of things to say about the importance of understanding the variation present in all data. He did not describe the control processes and statistical methods to understand systems the way W. Edwards Deming did, however, he did get into specifics about organizational surveys and the polarization of data that can lead to wrong conclusions.

First, Argyris said that the reason organizational surveys bypass defense patterns is that the methodology used to design such surveys collects only information about their espoused theories, not their theories in action. Espoused theories are beliefs, attitudes, judgments, etcetera, that are held and spoken about by executives managers and people who work at every level of the organization. The concern is that most organizational surveys, when they are implemented correctly, bypass the organizational defense patterns and drive the behavioral patterns underground in the short run, thus they reinforce them in the long run, meaning nothing is ever fixed with this issue of action according to stated values. (11)

#### **Systems**

Much of my understanding of Deming’s work on systems is also shaped by the work of Russ Ackoff and the definitions of the power in systems – the power isn’t from the components, but from the interactions between the components. In *Overcoming Organizational Defenses*, Argyris waited until the very last paragraph to point out the needed interrelationships from the system he studied – the organization.

“It makes little sense to enact laws and rules against organizational defensive routines, fancy footwork, and malaise. The equivalence of such laws are already in place, and they do not work. The answer, as in the case of prohibition, lies in each one of us becoming self managing and helping to create organizations that reward such self responsible actions.” (12) This thinking by Argyris closely relates to Deming’s System of Profound Knowledge.

#### **Theory of Knowledge**

Argyris has described very simple models of learning and improvement that get to the fundamental roots to the old question “how do we know”? In his book, he described single loop learning as a method used to change the actions of an organization or a system, with a problem from the defensiveness it creates in organizations. “It does not solve the more basic problem of why these problems existed in the first place.” A likely outcome from single loop learning is to reinforce that the action plan was valid, the problem must be the person. Without looking at the underlying values that led to the planned actions, this leads to changing the actor as the best choice for future action, a flaw that creates fear and impedes reasoning.

To guide better action and implementation with knowledge, he suggests that the action plan must contain a causal theory in an “if then” scenario, strikingly similar to Deming’s PDSA cycle. He also goes on to say that the method should be contained in the action plan to include inquiry – about how we know. Argyris also recommends actual statements that illustrate what you would have people say and do in a manner very similar to Deming’s frequent rhetorical question – “by what method?” Last he says the action strategy should describe the values to govern the actions to accomplish the purpose in testing out the theory.

Chris Argyris also introduced two companion tools to act with knowledge when advising an organization on using double-loop learning within their system.

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He introduced the “Left Hand Column” tool as a way to create cases that organizations could study to create new learning about organizational defenses. What the tool uncovers is information that is not communicated for some reason, very valuable to understand. This “incompetence” blocks understanding of beliefs, values and attitudes that make up the espoused theory of the organization and it’s members. Uncovering it is essential to understand how to act with knowledge and competence.

The Left Hand Column typically includes a statement of the problem and an intended strategy to solve it, very much like the PDSA. Drawing a line down the center of a page and labeling the right hand column “Actual Conversation” is a place to begin re-creating a difficult discussion about the problem and strategy. (It can also be used to write what you would say in an actual meeting that is planned.) About two pages of writing this dialogue is plenty of real or proposed dialogue, one page is sufficient if you have a shorter conversation in mind.

The next step is to go to the left hand column and write down what you did not say or would not say for whatever reason, document what you felt, but did not say. This with coaching and reflection helps us learn how we cause counterproductive consequences through “highly skilled actions that were automatic, spontaneous and taken for granted. These actions were in the service of being careful and thoughtful.” And, these actions without knowledge cause great harm to the organization and the people in it when they are not discussed. (13)

Use of this simple tool is a fundamental way to uncover our own impact on the organization. By stating our theory about solving a problem and the means we discuss it, we can begin to test it and learn whether our thinking works in practice.

Second he described “The Ladder of Inference”. The ladder demonstrates that the evaluations or judgments that we make automatically are not always obvious nor correct. The problem: “They are abstract and highly inferential.” (14) On the first rung of the ladder are events and data, observable to anyone and not subject to dispute. The second rung is the meaning understood by us all in our own culture, and are our different views of what was seen or heard during that event. The third rung of that ladder represents meanings that we impose on the second rung meanings from our own experience and knowledge, for example we might use different words to describe the same event. The fourth rung represents the theories that we use to create meaning as we seek to understand the actions of other people. This is one root of the problem of acting with knowledge.

As a result of this kind thinking and action, is that people think of consequences that come from positive interactions and then eventually these incorrect inferences lead to negative consequences. This is a fundamental component of what Argyris called skilled incompetence, skill – because people are so good at it, incompetence because what we say we value is not matched by what we do. (Espoused Theory versus Theory in Action.) The Ladder of Inference is a tool to help us recognize this within our own thinking and action, as well as in our organizations.

### THE FOURTEEN POINTS

In the following sections, I have paraphrase W. Edwards Deming's 14 points to emphasize this bias for action mentioned earlier, in action - object form as much as possible. I will briefly review Demings thinking and then expose the Argyris thinking from available sources for your consideration on a point-by-point basis, so you may see the evidence I see and judge for yourself. In some cases, I had many more citations of synergies than there is room for, so I highlight the key points and encourage you to explore further within Argyris’s work.

#### Constant Purpose – POINT 1

As Deming suggested, management can begin the transformation and demonstrate to employees, suppliers and customers that they have different intentions as managers and leaders. This is needed because the employees suppliers and customers have heard and seen many mismatches between words and deeds. They must see the different actions of those people to believe the transformation will continue, once it starts. It must continue, in order for it to work.

Many communities, companies and organizations face issues that are the result of broken systems, created and implemented by generations of officials and management in response to short-term crises. However well-intentioned, these past changes only fixed the immediate symptoms of broken systems and did not fix the underlying

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structural and systemic issues. We must work to understand and then address structural and systemic flaws. They require different thinking than the thinking that created these flaws.

Bringing in best practices or benchmarks before we understand the current system is tampering. If it's done at the wrong time, we will not fix anything. The team will consume valuable time trying to fit someone else's solution to a different problem in a different system. First, we must understand what's done within the process, what is working as intended and then dig deeper to understand what doesn't work and why. Then we can look for comparable benchmarks to learn what others do that may apply to our current systems.

“Indeed most of the programs began with a big fanfare and, like old soldiers, they faded away. Again, why were such programs selected in the first place? Because companies emulate the programs other companies used. These programs were easy to sell to line management because they were likely to produce immediate results that top management would applaud. What causes management to encourage such solutions?” (15)

Chris Argyris describes the difficulty of being the leader of the transformation effort and the difficulty with constant purpose in organizations is the same as this challenge. He talks about leaders communicating the need for a constant purpose, associated with a new model to reduce defensive routines, reduce fear, build trust and productive reason. The leader must not only carefully choose the words they use, but must also carefully choose their actions to demonstrate the constant purpose, while effectively modeling the desired change in organizational behavior.

Argyris goes on to conclude that a different type of conversation is required to generate valid information, informed choice and internal commitment. Management theories in the PDSA cycle of learning and development described by Deming are part and parcel of Argyris' conclusions about implementing change while maintaining constant purpose.

#### **New Philosophy – POINT 2**

In his book *The New Economics* Dr. Deming explained that we cannot continue with the same productivity that we once thought was enough to be competitive. He described his economic view of productivity; that it equals output divided by input. He also described that if quality is poor, then output will be less than it can be, because bad quality work items and scrap in the system cause rework. The economic foundation is that when output is low and input is high, then productivity is going to be very low. Likewise, if you improve quality to reverse that system, your output will go up, input will go down and the productivity will shoot upwards. Deming also described that automation costs more than improving quality to improve productivity. When output from automation goes up, so does the input to pay for the automation and productivity will go up slower, if at all, depending upon the way that new technology is implemented.

Managers should have knowledge and a theory, use it to make predictions about their system. They should then gather the facts about how well the theory and predictions work in their system and then adjust them as needed with the people who do the work in the system.

Early in his book, Argyris described a situation with a number of companies that had failed change programs. Despite their best intentions, they found themselves in an uncompetitive position. Policies and practices they created during the change programs had created the uncompetitive position. They found themselves with inflexible and unadaptive rules, poor interaction between functions, a lack of strategic thinking, managers and workers who were not in touch with customer needs, uncommitted, uncooperative and incompetent managers needed to produce change, as well as low trust levels. He asked the question: “Why is it that well-educated and well-intentioned managers, at all levels produce these policies and practices? Again, these practices violate the most basic features of managerial stewardship.” (16)

Argyris described this theme of stewardship again in Chapter Four - Fancy Footwork and Malaise in a way that is synchronous with Deming. “Yet organizational defensive routines and their consequences violate managerial stewardship and accepted management principles. How do individuals live with the double bind? It depends. Individuals were not committed to the organization would distance themselves and would've chosen to play it safe yet not have a serious problem. They find comfort and protection in the defensive routines and their consequences. After all, everyone bypasses them and covers up the bypass. Who can punish these individuals for being realistic

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and practical? (17)

#### **Personal Responsibility**

Something similar to Deming's thinking on this subject came to me out of a quote from Abraham Lincoln who was addressing the Congress on December 1, 1862: "We . . . hold the power and bear the responsibility. The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our cas is new, so we must think anew and act anew. We must disenfranchise ourselves and then we will save our country." -- Abraham Lincoln (18)

Managers and leaders take money to manage the system and lead the people. They have positions and roles of authority and function. Managers have a responsibility to add value to the system they take money to manage. They need to perform their job as well as they know how and have similar high expectations of their team members. They need to create a learning environment and should plan and act on those plans with their team every day.

Chris Argyris has expanded on this need for a new way of managing and in this book said: "During the past several decades, a new theory for managing employees has been developing to the point at which it is now acknowledged as being fundamentally different from the traditional theory. This chapter shows that the new theory of management is consistent with Model II theory-in-use and social virtues. It also shows that without using these concepts, management is likely to limit the ultimate effectiveness of the new theory of managing human beings.

The new theory advises movement away from unilateral control dependency and submissiveness and toward involvement and commitment." (19) This is strikingly similar to the points Daniel Pink makes about the human need for autonomy, mastery and purpose in our work.

Argyris urges us to pay attention to defensive patterns in organizations for good reason; "implementing the new theory of management can lead to an increased potential for an embarrassment or threat on the part of managers and employees. For example, the managers may find the employee initiative that is unleashed difficult to control; they may become threatened; and they may revert to the old theory of unilateral control. The likelihood that these responses will occur during the transitional stages is very high if for no other reason than that we know so little about implementing the new managerial philosophy in every individual situation. As it is true with any social innovation there's going to be a lot of experimenting that may produce embarrassment or threat to the managers." (20) Argyris describes the problem is greatest with implemented changes, if they become embarrassing or threatening.

#### **Cease Dependence on Inspection – POINT 3**

Throughout Deming's works, he described the need to look upstream for causes of defects instead of at the end of the production line. This has been illustrated vividly in the "Red Bead Experiment and his many references throughout *The New Economics* and *Out of the Crisis*.

Argyris' text provides very little example of the factory floor or workplace inspections, yet an insight or two may strike the reader as they seem applicable. In his section on designed errors and organizational defensive routines, Argyris explained the situation with management consulting and advice that reinforces these errors. He extensively described examples of analysis formed from incomplete information that is based on defensive routines and that also triggers the defensive routines and by-pass. (21)

In one example, he described a number of action steps that were proposed to the executives at the top of an organization. They discussed how to manage their issues, to encourage dialogue and discovery on the issues so that they could be fully understood. The challenge - the questions they asked were based on defensive routines and a search for a cause instead of all the causes. A suggested remedy was to reduce the analysis and talk more with the client. A second remedy was to reduce reliance on the rigorous analysis and on the desire to be heroes as well as to become aware of gaps and difficulties that arise during the analysis cycle. I think this is a managerial parallel to looking for the defect at the end of production instead of looking at the process and the system as causes of defects.

#### **End Business on Price Tag Alone – POINT 4**

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In his chapter on cost reduction, Argyris described an example of the mindset that must be changed to achieve a true transformation in an organization. He set up the situation we described in the section on Point 2, unawareness and drift in managerial stewardship. (22)

With sustained research, there are not many other details of principal synergies between Argyris and Deming on this point. In my research, I found no writings or publications where Argyris referenced either pricing, or purchasing, acquisition or marketplace rates as a point of comparisons to Deming's many references. Google searches for matches to these terms turned up no promising references to these terms in Argyris' work.

Owing to the possibility that someone else has evidence in the many writings that I have not found from either of these scholars, I am open to any citation you may share. Also, the many practitioners who are familiar with the work of both men may have case studies and experiences that draw useful comparisons between Argyris and Deming. With respect for learning, we all will benefit with the sharing of the results from any experience in this regard, for which I will be thankful.

#### **Improve Quality & Productivity Forever - POINT 5**

We should review Dr. Deming's thinking that putting out fires is not enough for managers to claim stewardship. We should always strive to be better today than yesterday and learn from our predictions using the PDSA cycle. In our organizations we can focus on creating an internal culture of always getting better and innovating at new levels to make our business and our organization sustainable. We need to make data and information easier to come by, easier to use and flowchart processes to measure them. This helps us understand the voice of the process as we seek to answer the needs we hear from the voice of the customer.

Again, I refer to Argyris on cost reductions and the example of the mindset that must be changed to achieve a true transformation in an organization.

"Most of the of the programs intended to change the organizations either failed or had limited success. Indeed, even in the program judged to be the most successful, there was little sign of change of the top and some signs that after several years the change program may have reached its limits. Indeed most of the programs began with a big fanfare and, like old soldiers, they faded away.

Why? Because, the authors state, most of the programs were packaged. Many were guided by off-the-shelf products that were not intimately connectable with what was really going on in the organization. Most of the programs were designed for quick success in the quickfix. The focus of these programs was on changing what the root causes produced, rather than the root causes themselves." (23)

"Reflecting on this story, we see that the criterion for success was a fix that was quick and easily measurable. The cost reduction program was judged to success. However, the big question was not asked by those who managed it.

The change programs also focused on the quickfix of the cosmetic. They also use the cosmetic measuring process that produced hard numbers that, over time, became soft. The only thing that was hard was that most of the programs never met their objectives and faded out." (24)

Chris Argyris also described the need to set values that are not a fad, which makes the new values not credible. He cited the value of "excellence" espoused by the organization, yet the action was that mediocrity rose to the top unless it was continually beaten back by top management. (25)

#### **Institute Training – POINT 6**

Dr. Deming's teaching on instituting training is that learning and self-improvement needs to be for everyone in the organization. Leadership must engage in training people and teaching them how to do a particular work in a particular job that's required by the purpose and the aim of the organization. The important consequence of this is that the management helps the employee reduce variation, to reinforce operational definitions. This is something that we have to get right or the damage is permanent, both to the individual and the organization. Unlearning bad



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habits, once taught, is certainly more difficult than learning the process right from the start of the interactions.

In his May 1991 Harvard Business Review article “*Teaching Smart People How To Learn*”, Argyris exposed the difficulty most organizations and people have with learning in the workplace.

“Most companies not only have tremendous difficulty addressing this learning dilemma; they aren’t even aware that it exists. The reason: they misunderstand what learning is and how to bring it about. As a result, they tend to make two mistakes in their efforts to become a learning organization.

First, most people define learning too narrowly as mere “problem solving,” so they focus on identifying and correcting errors in the external environment. Solving problems is important. But if learning is to persist, managers and employees must also look inward. They need to reflect critically on their own behavior, identify the ways they often inadvertently contribute to the organization’s problems, and then change how they act. In particular, they must learn how the very way they go about defining and solving problems can be a source of problems in its own right.” (26)

“Answers such as they were unaware or they drifted into these practices may be true, but they are not satisfactory. We need to learn what caused the unawareness and the drift.” (27)

“This emphasis on managing through involvement is showing some striking results when implemented correctly. . . describing the underlying reasons these programs can be expected to work . . . examining how getting from here to there is required.” (28)

#### **Institute Leadership – POINT 7**

Doctor Deming described this role for leadership and encouraged leaders to coach and counsel, not judge. They should not expect perfection, and should listen and learn, ask questions in order to help people do their jobs. It is the people who can learn to improve the product, the service and the profitability.

Managers need to look for people who are outside the system and give them special help and development. They need to help people understand how their work fits into the aim of the organization and encourage that through their work. Managers and leaders need to see that the system is optimized with the education, skills and abilities of everybody on the team. They need to lead through example and teach people how to use figures and understand the variation that’s normal in the process and that which is outside the process, in order to understand themselves and others. Leaders need to look for people who are outside the system and give them help.

Chris Argyris described the role of managers and leaders providing a social context for people in the society of the organization they work in. “human beings cannot learn . . . without a lot of support from the society in which they live. The support comes from the social virtues that are especially important in dealing with embarrassment of threat. These virtues are 1) caring, help and support; 2) respect for others; 3) honesty; 4) strength; and 5) integrity.” (29) Regrettably, the way in which we create rules to provide this support undermines these social virtues with values in action that do not match the espoused values.

“The situation is very different for individuals who genuinely care for organizational performance, who feel proud to aspire toward excellence, who are committed, who want to be involved. For them, the double bind raises all kinds of internal tensions because of accepting the situation as it is, they are violating their own sense of integrity. How do they live with this violation? Do they feel any shame or even guilt?” (30)

“Emphasis on managing through involvement is showing some striking results when implemented correctly. . . . describing the underlying reasons these programs can be expected to work . . . indeed the very success of these programs can lead to embarrassment and threats.” (31)

“These errors cannot be corrected simply by designing new actions. To correct these actions, we must first alter the governing values. This means we have to learn a new theory-in-action. This is double loop learning.” (32)

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#### **Drive Out Fear - POINT 8**

Synergies between the work of Chris Argyris and Deming is greatest in the area of reducing fear and the organizational defenses that feed fear in the workplace. Deming's thinking on this point of driving out fear come from several places in his writing. The fundamental points he makes are that in order to drive out fear, a manager and leader needs to encourage two-way communication and cooperation. A leader discusses bad results as signs of trouble in the system, not signs of trouble with the people. A leader asks to be told the truth, bad news and all and looks for suggestions while trying to build up the contributions and the dignity of others. A leader in Deming's model prepares people and the team for the changes that they are engaged in and helps everyone come out ahead.

My personal notes in the margins of *Overcoming Organizational Defenses* say: "Build in Trust, Drive Out Fear".

"The first step in empowering an organization with the capacity to learn, especially around problems that are embarrassing and threatening, is to map out how the organization presently deals with such problems." (33) "Stop taking for granted practices that are accepted as correct that, when examined carefully, are not." (34) ". . . there may be aboveground and underground dynamics that go on during board meetings. The aboveground dynamics are used to deal with the routine issues. The underground dynamics are activated whenever the business results are hot and threatening." (35) "Actions intended to increase understanding and trust often produce misunderstanding and mistrust." (36)

#### **Break Down Barriers – POINT 9**

Dr. Deming encouraged people to work and cross team boundaries in order to break down barriers between departments, functional & staff areas, vendors, union and management. His idea was that we need to optimize the system, not the components. We must use communications to build relationships and interactions between the people and the functions in the companies that are involved in transformation. On this point, he describes that we must learn the new philosophy and help accomplish the sustainable difference through the hard work in using the philosophy.

In his section of "worldwide errors", Argyris discusses the familiar theme of communications and problem solving, barriers between levels and functional departments within the broader organizations.

"Upward communications for difficult issues are often lacking. Upward from the employees flows information about attitudes, expectation, and production problems. Managers . . . have neither the respect for the rank-and-file nor an understanding of how better knowledge can enhance quality, output, and efficiency. Managers either think that their bosses do not want to hear employees concerns or believe that is what the union or personnel office is for." (37) "The management team is often a myth." (38)

There are several other references within *Overcoming Organizational Defenses*.

#### **Eliminate Slogans & Targets – POINT 10**

In his books, W. Edwards Deming described the uselessness of slogans and targets to seriously have a positive affect on the performance of people in the workplace. Chris Argyris described that "People do not behave reasonably, even when it is in their best interest. People do not behave reasonably when they are faced with facts that are upsetting. " He went on to describe many examples of the production pressures caused by unrealistic games, goals and the defensive reasoning they trigger. (39)

#### **Eliminate Quotas – POINT 11A**

Deming also has presented ample evidence on the need to eliminate quotas at the shop floor and beyond. Modern neuroscience is beginning to describe the fundamental processes that actually work against that faulty practice.

Argyris described the "fundamental state of not in control" in his first chapter when he described: "The bottom line to all the examples and the puzzles is this: managements at all levels, in many organizations, create by their own choice, a world that is contrary to what they say they prefer and contrary to the managerial stewardship they

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espouse. It is as if they are compulsively tied to a set of processes that prevent them from changing what they believe they should change.” (40)

#### **Eliminate MBO – Substitute Leadership – POINT 11B**

Here too, W. Edwards Deming provided necessary evidence on the practice of “Management By Objective” a fad that has come and gone, then has come back again in management practices in the prevailing system. As with the prior point, neuroscience is providing more science about why this fundamental error of tampering does not work.

In his work, Argyris spells out a dialogue in cost reduction meetings among a group of managers, who had achieved six areas of improvement in a short time and thought they were “done”. They were defensive when asked about problems they described but had not acted on for years.

Reflecting on this story, we see that the criterion for success was a fix that was quick and easily measurable. The cost reduction program was quick to success. However, the big question was not asked by those who managed it. (41) Argyris provided additional examples in *Overcoming Organizational Defenses*.

#### **Remove Barriers to Pride of Work – POINT 12A**

Dr. Deming describes the barriers that need to be removed from people in the workplace for two separate groups. One group is the people who are in management or on salary, and the barrier is that the annual rating of performance or merit rating and ranking is an issue that removes pride in the work that people do. The second group is hourly workers, those are on the front lines in any organization. In either case, the labor and talents of human beings are treated as a commodity whether they are in management or on the shop floor.

People in all levels of management need to focus on more than just the transactions. They need to understand the relationships between people and departments, they must see that these people and their talents are not commodities. They are not interchangeable parts, they are human beings who require dignity in order to be productive as part of a system that the managers are supposed to be responsible for managing.

Chris Argyris described the damage done by supervisors tampering with pay, ratings and rankings in several places. “As supervisors saw slippage among the employees at the top of the scale, their sense of stewardship implied that those employees should receive lower ratings. But taking pay away was not an excepted norm; indeed, it could create a grievance.” (42) He also referred to the issue with these barriers elsewhere in this text.

#### **Abolish Annual Merit Rating – POINT 12B**

The annual rating of performance and ranking of people to decide “merit” is an issue that removes pride to both worker and manager alike. Dr. Deming wrote many words about the damage done and suggested what ought to happen and I will not elaborate his thinking here in great detail. It's clear from his work and the body of work by others on this subject - the destruction caused by this practice of the prevailing system.

“Let us look at an example of an action map around the problem of pay for performance. At the outset, the management frame the problems as follows. Too many people are receiving high ratings; managers are not being tough enough in penalizing the poor performers.” (43)

#### **Institute Vigorous Education – POINT 13**

Here too, Dr. Deming encouraged people in organizational leadership roles to help the people who work for them to continue self-improvement above and beyond the short-term needs for knowledge in their immediate jobs. Both management and leadership need to understand that they're not the only ones who need new learning. They need to act so that everybody on the team has responsibilities in the reconstruction of our organizations and our economy.

Argyris described this need for leadership learning and coaching of others as a problem because of the threat they perceive from “needing” to learn more. “They are signs of weakness of modern management technology and behavior used to solve problems that contain embarrassment or threat. The puzzles mean that buried deep in

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organizations is the capacity to be overprotective and anti-learning and to be unaware that this is the case – and to do all this precisely when organizations need the opposite capacity. That is, when the problems are tough and are also embarrassing or threatening.” (44)

#### **Put Everybody to Work on The Transformation– POINT 14**

There is strong evidence from Deming’s philosophy and the methods of breaking down defense as spelled out by Argyris. Deming’s advice will help us all as leaders, managers, engineers, sales, marketing, finance, regulatory and production members of the team. We all need to work at it, starting with transforming ourselves, then helping those around us in their transformation.

Deming described that we need to start with ourselves and lead by example. We need to simply do what we say we will do. We need to learn and help others learn and develop. We need to have a theory, make a prediction and use the facts from the use of the PDSA to learn whether our theory works. We should stop trying to motivate people, we should let them have joy in their work and dignity in their job and do our best to not demotivate them. Our view should be to optimize the system and encourage collaboration between every other participant in the system.

In his book, Argyris said on page 6 “This book is about a way out. “ and this completely supports Deming’s point about the work of everyone being required to accomplish the transformation.

Argyris described the key criterion for success is changing on an organizational or personal level is developing new action and productive reasoning skills. He described the learning for both technical and interpersonal knowledge as a basis for integration of the technical and people issues in organizations. With a focus on learning through education, replacing old constraints and building consensus through actions shaped around the competency model, he recommends the new values in action. (45)

#### **Break the tradition**

W. Edwards Deming described the need to break traditions in favor of the New Philosophy. We’ll still understand that some people in any system will naturally struggle to preserve that which they are familiar with, the status quo, no matter how it is viewed from outside the system. In this context, words from Martin Luther King on August 11, 1956 guide our point of view:

“Let nobody fool you, all the loud noises we hear today are nothing but the death groans of the dying system. The old order is passing away, the new order is coming into being. But whenever there is anything new, there are new responsibilities. As we think of this coming new world, we must think of the challenge that we confront and the new responsibilities that stand before us. We must prepare to live in a new world.” (46)

The employees have their own skilled incompetence in defensive routines. They too may find themselves threatened by the new requirements, such as initiative, personal responsibility, and self-monitoring. . . . They go after the manager, they play “I gotcha” games, or they may set up their managers by waiting until what do you expect to fail those fail and then complain about poor leadership. (47)

#### **Conclusion**

This comparison ends by summarizing something said by both Argyris and Deming. In his book – *The New Economics*, Deming said in the preface that this book is for people who are living under the tyranny of the prevailing style of management. The huge, long range losses caused by this style of management have led us into decline. Most people imagine that the present style of management has always existed, it is a fixture. Actually, it is a modern invention – a prison created by the way in which people interact as managers and workers, leadership, boardroom and the front line. This interaction affects all aspects of our lives – government, industry, education, healthcare. (48)

In his book – *Organizational Traps – Leadership, Culture, Organizational Design*, Argyris explained that a focus on change to increase marketplace effectiveness will have to focus on learning to operationalize it. He talked about “a way out” – of the prison that Deming describes.

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Out of many necessary steps to prepare for that change, we must know the context of the action will be dramatically different for each organization. This depends upon the theories in use and the reasoning mindset used in the organization. It also depends upon the human beings in the workplace who create and fall into their own thinking traps. Reducing the impact of those traps is impractical and difficult, the change will not be easy, but as leaders, we have no other choice.

We can see the destruction caused by organizational traps all around us. If we will expose them by talking about them openly, in an environment that rewards discussing that which was previously undiscussable, we avoid, rather than bypass the defensive traps in our organizations. “Bypassing traps is a moral hazard of the highest magnitude.” (49)

It is good that we have theories, state our hypothesis and test it rigorously, better still that we learn how to improve, that we can set an example of acting in concert with our stated values. Thus, the challenge begins for each of us. Our organizations and our communities need to become more productive and more effective. To transform they need our example. That can only be demonstrated with skill, competence and a humility to engage and learn from others. We need to act with skill and competence, aligning our aim, values, theories and methods for transformation.

As leaders, we must transform ourselves to demonstrate skilled, competent action toward our common aims. In the context of these numerous areas of Argyris’ observations, it seems that we must transform any organization by transforming the leaders and ourselves first. This is the common purpose in each of the Argyris case studies cited. In his practice and writings, Argyris provided us hard evidence of Deming’s points and provides actionable solutions that we can use with all of W. Edward Deming’s writings, philosophies and practices to make a difference in our work and the work of others.

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#### **Footnotes:**

- (1) Page 1, *Transformation of American Management*, Executive Excellence – January 1987
- (2) Page 6, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (3) Page 1-5, *Circling Back – Clearing Up Myths about the Deming Cycle and seeing how it keeps evolving.*
- (4) Page 10, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (5) Page 92-115, *The New Economics for Industry, Government, Education – Second Edition,*
- (6) Page 92, *Flawed Advice and the Management Trap – How Managers Can Know When They’re Getting Good Advice and When They’re Not*
- (7) Page 89, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (8) Page 8, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (9) Page 15, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (10) Page 17, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (11) Page 84, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (12) Page 161, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (13) Page 19, *Overcoming Organizational Defenses – Facilitating Organizational Learning*

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- (14) Page 89, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (15) Page 4, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (16) Page 4, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (17) Page 45, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (18) Page 137, *Lincoln on Leadership – Executive Strategies For Tough Times.*
- (19) Page 118, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (20) Page 121, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (21) Pages 25-44, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (22) Page 4, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (23) Page 4, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (24) Page 5, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (25) Page 62, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (26) Page 1, *Teaching Smart People How To Learn – A Guide to Overcoming Barriers to Organizational Change.*
- (27) Page 4, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (28) Page 66, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (29) Page 19-20, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (30) Page 46, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (31) Page 66, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (32) Page 94, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (33) Page 95, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (34) Page 1, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (35) Page 3, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (36) Page 6, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (37) Page 8, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (38) Page 9, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (39) Page 8, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (40) Page 10, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (41) Page 5, *Overcoming Organizational Defenses – Facilitating Organizational Learning*

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- (42) Page 97, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (43) Page 96, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (44) Page 2, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (45) Page 150, *Organizational Traps – Leadership, Culture, Organizational Design*
- (46) Page 31, *Martin Luther King, Jr. on Leadership – Inspiration & Wisdom for Challenging Times*
- (47) Page 124, *Overcoming Organizational Defenses – Facilitating Organizational Learning*
- (48) Page xv, *The New Economics for Industry, Government, Education*
- (49) Page 200, *Organizational Traps – Leadership, Culture, Organizational Design*

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