

# OUT OF THE CRISIS:

## A BOOK REVIEW

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### Book Details

Book Title	: Out of the Crisis
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### Review

The world of management is a world of getting things done and apart from people who can get things done information in the form of statistics, raw data, and other decision-making material are seen on an equal plane of importance. Businesses that manage themselves well, with the foresight vision that plans for the future, not just for the present are businesses that will last for a longer time in the market today. There are innumerable examples of companies that succeed and companies that fail and the one thing common between both is 'management', which forms the theme of the book 'Out of the Crisis', by the noted statistician, W. Edwards Deming and one of the foremost experts in the field of management ranked as one amidst the great gurus such as Henri Fayol, F.W. Taylor, Elton Mayo, Peter Drucker, etc. and in this book, the author has offered his profound insight into how organization succeeds, just make through and fail in the times of peace and the storms of chaos, presenting a manifesto which will become more poignant as the days go by.

Originally published in the year 1986, the principles expounded in the work are relevant, at any given time in the year and in the years to come as there are innumerable examples and instances of decisions taken by companies, stakeholders, and other managerial personnel that could result in a beneficial end if the 14 Points for management expounded by the author were followed and is a clarion call for the management for a radical, paradigm shift in

the way things are done and managed in organizations around the world to transform the organizations into an entity which is agile, vigilant and is driven through the urge for continuous improvement in the relentless pursuit of quality and excellence, not only for the employees, the stakeholders but all the persons, corporate and human who the business considers as its market.

The gist of the book is emphasised in W. Edwards Deming's 14 points for management and is described here as follows:

**1. Create a constant purpose toward improvement:** Organizations can embody this principle by planning for the deliverance of quality on a long-term basis, which is possible only when they look at the big picture and manage their resources in a way wherein each member of the organization is in congruence with the dedication of the organization for improving themselves, thereby creating more value for their stakeholders and the customers.

**2. Embrace quality throughout the organization:** Quality can be defined in measurable and achievable terms as per the needs and wants of the customers. The organization can benefit from permeating the defined quality throughout the organization so that each member will be in a position to implement the desired level of quality within the bounds of their responsibilities, like an individual gear in a machine, whose smooth working is

dependent on the cooperation between the individual gears, working together as a single unit so that the vision of quality so created, will be implemented in concrete terms.

**3. Stop depending on inspections:** This was a major lacunae examined by W. Edwards Deming who stated that organizations need to 'eliminate the wrong at the source' by building quality into the process, right from the beginning to the end and not just rely on inspection for their identification and usage of statistical control methods can be beneficial for this purpose.

**4. Use a single supplier for any one item:** Consistency in the raw material within the defined levels of norms, dimensions, and quality can create quality products and services as the output, and organizations can benefit from the identification of a single supplier who can be relied upon for deliverance of the raw materials so needed on a long term basis as the costs of replacement of a supplier with a less expensive to save a few cents today can lead to expenditure in tens of dollars in the days ahead.

**5. Kaizen or Continuous improvement:** A river is considered to be cleaner than ponds and lakes because the water in a river, flows constantly. A similar logic applies to organizations, when it comes to quality as organizations who keep themselves in an ongoing state of improvement stand to gain more than their competitors, who don't and the same can be enabled through the impartation of skill training and improvement which can enable any member of the organization to perform their jobs in a better way, without wasting much resources.

**6. Use training on the job:** The process of business and manufacturing is a vast combination of several moving parts ranging from various levels of complexity and can involve several numbers of people with differing levels of responsibilities and deliverables. Organizations can benefit from training their personnel, in a way that enables them to produce the result on a consistent, defined basis using a stored foundation of common knowledge while explaining to them why they are doing the jobs from a 'big picture', broader perspective so that they will know what is at stake, what they stand to gain and how they can achieve the results by themselves and with the assistance of the other personnel in the organization to enable the delivery of the desired output within the desired levels of quality.

**7. Implement leadership:** W. Edwards Deming states that supervisors and managers can benefit from supporting their underlings with the provision of the necessary resources and support, in a way similar to a coach and can be further improved with the managerial and supervisory personnel understanding their workers and the processes within their realm of work. Being that no person is

similar, managers can benefit from understanding how their sub-ordinates work, enabling them to understand how they can be motivated to deliver the best a good way is to train the personnel to lead within their respective bounds so that they can take charge and work autonomously for delivering the results.

**8. Eliminate fear:** A common observation made by management thinkers is that organizations, where governance is more by fear, tend to stagnate in the long run as few people are willing to take the initiative to start something new. W. Edwards Deming states that the personnel needs to be allowed to perform their best by eliminating fear so that they can feel confident in delivering the results and organizations who wish for the desired levels of quality to be delivered, can benefit from making their employees feel that they are valued, that they matter so that they will not fear the consequences of mistakes, but work with their supervisors to ensure that such mistakes do not take place again by understanding what went wrong and how to do it right. Open and honest communication is the key to creating a healthy working environment.

**9. Break down barriers between departments:** One of the reasons for inefficiency has been identified as the existence of barriers between the departments in organizations and is one of the things that needs correction. The departments in the organization can benefit by recognizing each other as 'internal customers', wherein they can develop a shared vision as everyone wants the same thing - more profitable operations in the market and through the development of a cross-functional teamwork mechanism, intra-organizational strife can be eliminated leading to smoother operations in a way beneficial to the stakeholders.

**10. Get rid of unclear slogans:** Slogans, sayings, and other quotable quotes are often displayed prominently within the business premises in the form of banners, boards, posters, and stickers. However, the slogans, if they are not clear do not work as intended as the message has to be clear and understandable within the first reading only so that the employees will be able to implement the message concretely.

**11. Eliminate management by objectives (MBO):** W. Edwards Deming stated that organizations can benefit from observing how the process is carried out so that the end products will be of high quality. MBOs achieve the intended objectives in the short term as they deliver on the defined targets, but at the cost of quality which is not beneficial in the long run organizations can benefit from designing targets which when compared to the MBO might be smaller, but their quality will be higher, resulting in more satisfied customers in the days ahead.

**12. Remove barriers to pride of workmanship:** Organizations can benefit when their workers are allowed to take pride in their work without the fear of reprisal from being compared to other workers as workers when compared with each other, feel the need to compete against each other which is not healthy in the long run as they fail to see the big picture, over their desire to one-up the other and a system of quality once established, will cause for a rise in the overall level of work in the organization giving beneficial end results for the customers.

**13. Implement education and self-improvement:** Organizations can benefit from training their employees through education and self-improvement to improve their skills, as the in-vogue skills today may not be in vogue tomorrow due to changes and developments in the days ahead and organizations who take the trouble for skilling their employees for the future will be in a better position to achieve the future as per their desire which can give them an edge in the markets.

**14. Make "transformation" everyone's job:** Transformation of the organization can happen in a sure way, when each member of the organization causes themselves to transform in ways wherein they can achieve the desired levels of quality, recognizing the importance of the transformation on a collective scale as microscopic changes will definitely result in macroscopic results which will benefit all the stakeholders, the customers and the employees in the days ahead.

Through the aegis of these 14 points the author, with his lucid prose and compelling anecdotes has made the complex theories of management more accessible, simplifying them in a way that can be understood by any reader. The combination of his experiences in the field of management embodied in several examples sprinkled within the book has resulted in any layperson understanding the message, that W. Edwards Deming wishes to give to the world in the form of his book and can no doubt lead to the qualitative level improvements in their workings in the future.

The book can also be considered as a form of criticism of the conventionally followed practices of management, wherein emphasis is placed more on quantity than quality, leading to short-term thinking, scarcity of cooperation, unhealthy competition and each one looking out to gain more for himself at the cost of the other. An organization wherein the above is found tends

to become a toxic work environment, leaning more toward the bottom right quadrant of Blake and Mouton's leadership grid and might find difficulties in lasting for a longer time. Several examples of the above can be found in the social media 'Reddit', aptly titled 'r/malicious compliance' wherein the instructions that were given were followed to the letter but at the cost of the achievement of the desired end results, the symptoms of which were already mentioned in the book.

What sets Mr. Deming's book apart from the other management books out there is its emphasis on leadership is viewed as a catalyst for the implementation of meaningful change within the organizations, the industry, and the markets the author states that the leaders should behave in a way, causing their subordinates to recognize that their leader 'does what he says' and not just 'do as I say not as I do' as the former can create a shared sense of purpose which can encourage the personnel to work together for achieving the desired target objectives. Mr. Deming's admonition that 'it is the job of the management to improve the system, not the workers' creates a paradigm-shifting change in mindset which emphasises collaboration, not competition for achieving the end goals.

It is to be noted that the book is not free from criticism and many readers have voiced their opinion that they find W. Edwards Deming's ideas as 'too revolutionary' and his advocacy for a complete overhaul of the management system practices has been stated to be as very daunting, particularly in organizations with cultures strongly resistant to change. Further, the book might face difficulties in making its message heard in today's age where digitization and service-oriented industries are more common than manufacturing companies. However, the underlying principles remain relevant even though the picture might have been changed and stands proud like a monolith beacon of management wisdom – a testimony to the legacy of the author and offers a map for organizations seeking to navigate the murky waters of the volatile, uncertain, complex and ambiguous world today, and can enable them to weather through the storms so that they may face the storms ahead with resilience and determination in a way that they will achieve the challenge with flying colours. In conclusion, the author of this book review states that the book 'Out of the Crisis' is an indispensable resource of knowledge in management education and can inspire and empower generations of managers and leaders throughout the world, today and tomorrow.

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