

If Americans Don't Want To Listen to Me, It's Their Funeral

By Dan Gottlieb
January 15, 1984

The Outlook Interview; W. Edwards Deming, U.S. Guru to Japanese Industry, Talks To Daniel Gottlieb; Dr. W. Edwards Deming, 83, sometimes comes across as a prickly if not bitter man. Few of his fellow Americans know who he is, but in Japan his name is as familiar as Nobel's. Deming is the world's preeminent expert in quality control. Quality control is total management of a product from design to use to see that it performs reliably the function intended. In the '40s, Deming tried but failed to interest American management in his quality-control techniques. After World War II, however, he did find an eager audience among Japan's industrialists, and is credited with helping turn the "Made in Japan" label from a joke to a threat to American industries. For his contributions, he was awarded the Emperor's Medal of the Sacred Treasure. Japan's highest industrial honor is named after him -- the Deming Prize -- and its presentation is made on national TV with much fanfare -- like the Academy Awards in the United States. Deming's life reaches back to the pre-assembly-line age. As a youngster, he got \$10 a month lighting gasoline lamps in the town of Powell, Wyo., and 25 cents an hour or less mopping floors, shoveling snow, cleaning out boilers and cutting up old railway ties for firewood. Yet his doctorate from Yale is in mathematical physics. A Washington resident since 1927, Deming's modest basement home office just off Westmoreland Circle is now where American companies like Ford call, hoping for help in meeting foreign challenges. Married and the father of three daughters, Deming has been on the road virtually nonstop since American industry began to appreciate his ideas in the late '70s. His consultations and seminars are booked solid into 1985. William H. Conway, president of the Nashua Corp., one of Deming's clients, calls him "the father of the Third Wave of the industrial revolution." Dan Gottlieb is a Washington writer and consultant.

Q: How long have you lived in Washington?

A: First of August, 1927, I began.

Q: In all that time has anybody in government ever called you up and said listen, we'd like your ideas?

A: I've done some government work. I don't do very much because I don't fill out papers and will not write reports.

Q: You won't fill out proposals?

A: They come to me, I don't go to them. I'll do no more than sign my name. Any more than I would with some companies.

Q: Has anybody at the White House ever called you?

A: No, why should they?

Q: Well, right now they're very concerned about the issue of U.S. competitiveness.

A: So concerned that they don't know anything about what's going on? So concerned that they have no idea what the problems are, what's got to be done? So concerned that they have no idea about the transformation that must take place?

Q: If you were to get such a call, what would your advice be?

A: In the first place I wouldn't have time. They would have to make the same arrangements and same pay as I would expect from a company. I would be totally in charge. I don't give advice. People follow it.

Q: What do you like and what do you dislike about this area?

A: Nothing to dislike.

Q: Look, there must be some places you like to go here.

A: Go to?

Q: Yeah.

A: How do you mean?

Q: I mean, like to see the river? To see buildings, museums, concert halls, anything?

A: Well, yes, Dan, there's many attractions here and I've not taken advantage of the things I ought to have.

Q: Were you much interested in politics?

A: I don't know what politics are. I never heard of such a thing. I don't know anything about it.

Q: How did it come about that you got the invitation to go to MacArthur's command in Japan?

A: They took me because they thought I knew what to do. I'd seen the mistakes in America and I did not repeat them in Japan.

Q: You came out of mathematics and physics. You never studied American business methods?

A: I hope not. That would be the worst thing you could do.

Q: What do you think of the courses that they give for the MBA at Harvard and Stanford?

A: The theory that they learn -- the mathematics, economics, probability, psychology -- all those are excellent. But what they learn about business is wrong. They think that management consists of using figures. A good manager has figures but knows that the figures that are unknown and unknowable are the important figures. For example, the multiplying effect on sales that come from a happy customer. You don't know how much that is. If you don't take that into consideration, you can't run the company.

Q: Well, certainly there have been other people who have preached that -- saying you've got to involve the worker; it can't be top down?

A: They never told management that the production worker is already interested. Has never been interested in anything but quality and productivity. That is his life. He knows that poor quality in the hands of a customer may cost him his job. The management doesn't care. Nobody ever lost a job in management for doing nothing about quality.

Q: What do you think it is that blocks an attitude of looking towards people as a resource, to this people approach?

A: A lot of nonsense. People approach? I don't know what the hell you mean.

Q: I mean that everybody has to be involved. Feel they have a stake.

A: The workers have always been involved. The only ones that have been involved. That's the problem.

Q: What about middle management?

A: They wonder if they're gonna have a job. They carry out what they think is the policy of the company. They contribute nothing. You don't dare. Be a traitor if you have any ideas. It's pretty pale.

Q: There seems to be in the popular media the idea that flexible manufacturing systems, robots -- these are the answers to our survival. What do you think of that?

A: They contain 1 or 2 percent along with all the other ideas that people have. American industry is on the decline and the decline will continue until management does their job. And they cannot halt it all at once. Takes time.

Q: You say American industry is in decline. You've seen practically the peak of the rise of U.S. manufacturing to a place of world eminence -- our technology. Do you think the decline is inevitable? That we can't catch up to the Japanese?

A: Catch up! How would you catch up if somebody's running faster than you are?

Q: You've been very successful in attracting people to these seminars. Isn't that encouraging to you?

A: I don't know why it should be. I want to see what they're going to do. It will take years.

Q: As you look back, would you have done anything differently as far as how you went about trying to instill this philosophy in industry?

A: I haven't tried. I've never argued. People come to me, I don't go to them. The Japanese asked me to come. If somebody here wishes to get engaged with me, first place I have no time; second place, he would have to qualify as a client.

Q: You said in your book that the Japanese from about 1950 to 1954 turned things around. How come it took them so little time?

A: All of top management came. Not only listened but went to work. They had already seen evidence from their own engineers that what you've got is this chain reaction. As you improve the quality, costs go down. You can lower your price. You capture the market with quality and price. Americans do not understand it. Americans think that as you improve quality, you increase your costs.

Q: To what do you attribute this attitude -- a throw-away society?

A: If you work for the company or service organizations or the government, you'd find they're extremely careful not to throw anything away. They do throw away but they don't know they're doing it. They don't do it intentionally. They throw away human effort, machine time and materials, not knowing what to do.

Q: What about your youth? Your father was a land settler?

A: Went to Wyoming and took up land, yes.

Q: Did he farm it?

A: Well, he tried to, not very well.

Q: So then he went into law?

A: He was already a scholar.

Q: Where did he go to school?

A: You must remember in those days in Iowa there were no schools as we know them today. He studied under a man who influenced his life who had a private school.

Q: Would you call him a self-taught man?

A: Only one person can do your own study and that's you.

Q: Did he impart some of this to you?

A: Oh, do you think so? Because once successful, does that mean that you're doing things right? A lot of people think so but it could be luck. And if you don't understand that, you can get into trouble.

Q: Do you think we have been lucky in this country?

A: We've been very unlucky I'd say. Did you ever think of the comparison say to 1950 between the Japanese economy and ours? In June of 1950 Japanese industry was on the ground, blasted to pieces. They still have no resources. Everything that they work on is brought in as well as probably two-thirds of their food. They had behind them negative reputation for shoddy quality -- cheap, but worth the price. Now it would be necessary to export because the American Army could not feed them forever.

But they had one asset and that was some lessons in management. And those lessons are not secret. American management just chose not to learn them. At that time, June 1950, the American product had the market the world over in almost everything. They lost it. The Japanese have ascended; American industry has declined. So the loss of market begets unemployment.

Q: Do you think that the people that have lost jobs like in steel, can be computer programmers?

A: Why would they become computer programmers? What the country needs is steel.

Q: Why aren't they preserving our basic industries?

A: I don't know. Ask them. You lose the market, it's pretty serious. Why lose the market? Think Americans don't have brains? They have ability and intelligence. Not using them.

Q: Is it that the training of these managers is wrong or that they just haven't known what to do?

A: Why do you speak of training? They never had any. They went to school and learned what's wrong, and learned it very well.

Q: You're leading a busy schedule now. If you could just do something else, what would you do?

A: I'm a perennial student of the theory of music. I've written several things. I'm working on one now. A mass.

Q: Is it going to be performed here?

A: I don't know. Don't know who likes it.

Q: Are you an investor, or do you just leave it in the bank?

A: Oh, I have investments. I pay no attention to them.

Q: A lot of men your age start thinking about retirement. What do you think about the subject?

A: I don't know what you're talking about. I'm retiring this morning, I guess. Right now I'm not doing anything.

Q: You don't have plans to do anything else, except this work?

A: Not at this point. I can't imagine what you're talking about.

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