



ORGANIZATIONAL STUDY OF DEPARTMENT X:  
ARE OLD DEMING'S DISEASES STILL ALIVE AND WELL IN  
ORGANIZATIONS TODAY?

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## Abstract

The authors of this paper conducted a brief organizational study of a government department in the United States. The authors mainly applied the organizational theory developed by W. Edwards Deming (1992, 1993, 1994), and ideas on waste (Ivanov, 2011, 2021). Partly, the authors were interested in exploring if the old Deming-identified major management diseases, that Deming found in organizations 30 and 40 years ago, were still present in organizations today.

**Key Words:** Organizational Study, W. Edwards Deming, Leadership, Management, Waste in Organizations, Organizational Improvement

### Department X – Introduction

Department X is a dynamic public agency proudly serving approximately 1,000,000 residents in a state in the United States. Department X provides supply, contracting, and procurement services. The mission of Department X is to partner with vendors and other state agencies to purchase quality goods and services promptly and at a reasonable cost while ensuring that all purchasing actions are also conducted fairly and impartially.

Department X manages the acquisition approximately \$6 to 7 billion USD in goods, services, and construction annually on behalf of many state agencies and departments. Department X is led by a diverse team of professionals committed to helping their client agencies reach their goals and accomplish their missions.

In addition to contracting and procurement services, Department X works closely with other United States Federal Government Departments and Agencies.

### Organizational Study

The authors analyzed Department X using organizational study methods developed by W. Edwards Deming (1992, 1993), and Ivanov (2011, 2021).

During the study, the authors identified many organizational issues, especially waste in the organization (Ivanov, 2011, 2021), the constancy of purpose and lack of innovation (Deming, 1992, 1993), and performance evaluations (Deming, 1992, 1993, 1994).

### *Waste in the Organization*

Organizations have resources that range from the economic capital, human capital, time, and space, among others. Waste in organizations can be defined as underutilized and/or wasted capital and resources on unnecessary activities. A zero-waste organization is a utopic ideal, but every organization must strive to minimize waste as much as possible.

The authors identified waste in different areas of the organization that range from unnecessary steps and bureaucracy to the high administrative

costs and resource utilization. Some identified examples of waste are as follows:

*Incorrect Purchase Orders and  
Inadequate Use of Resources*

Department X tends to buy more than required, and stores the extra purchases in warehouses. The inaccurate purchasing quantities, buying more than what is needed, represents an economic waste. This economic waste is limited to underutilized resources, but they also represent an unnecessary extra cost in managing and storing these purchases.

When purchasing orders are inaccurate, the department is forced to rent storage warehouses to avoid discarding the additional products. Mistakes in purchasing can happen. However, it is the management's responsibility to minimize these errors and conduct an appropriate cost/benefit evaluation when deciding what makes more economic sense for the agency: discarding or even donating the extra purchases, or investing in storing.

Moreover, the department has a culture of wasting resources like paper and utilities that could be better used and lower costs and waste for the agency in the long run.

*Waste of Employees' Time and Talents*

The Department wastes employees' time on unnecessary meetings and seminars to share information that could have been otherwise conveyed more effectively through email.

Hosting unnecessary meetings wastes employees paid working hours that could have been better used on valuable activities. The unnecessary meetings also negatively affect the employees' morale and motivation by breeding boredom and contempt.

Additionally, employees cannot develop their full potential in their roles due to barriers to innovation, mismatch between job requirements and skill set, and the excess of unnecessary projects assigned. The Department's work culture encompasses too many steps and lengthy processes to get any small task done. Many unnecessary approvals through hierarchy represent significant barriers when employees want to think outside the box, collaborate between different departments, and innovate.

*Deming's Management Diseases*

Department X is not exempt from Deming-identified major management diseases. Management diseases, such as Constancy of Purpose/Innovation, and Performance Evaluations hinder the work environment, eliminate opportunities for collaboration, and generate unnecessary stress within the organization. If not handled and cured correctly, management diseases can also lead to the dissolution of the organization.

*Constancy of Purpose/Innovation*

*Deming's Constancy of Purpose* (or Ivanov's *lack of innovation*) refers to the disconnectedness of the organization with its commitment to innovate, allocate resources for education and re-

search, and constantly improve. The constancy of purpose and the lack of innovation can lead to boredom and contempt in the organization. Employees are not encouraged to be fully present and creative, and hence, they usually do their job on “autopilot,” generating poor results and consequently wasting human potential and the company's resources.

This disease of lack of planning and innovation exists in the department and needs to be addressed by management, and cured by becoming a more innovative organization. Innovation leads to organizational growth, collaboration, creativity, and development. Lack of planning in the department is reflected on:

- *Outdated systems that impact customer experience.*
- *Lack of change and lack of opportunities.*
- *Loss of touch with the market.*
- *Customer's lack of interest.*

If this management disease is not handled adequately and promptly, it will continue bringing the organization down.

#### *Deming's Performance Evaluation*

Performance evaluations are metrics in which employees are rated based on their performance. There is no clear evidence that performance evaluation can improve the performance of the employees or is beneficial to the organization. In most cases, performance evaluations create friction among employees and management due to competition,

jealousy, and other disagreements that can hinder the work environment and eliminate opportunities for collaboration.

Furthermore, evaluation metrics fail to comprehend the whole sphere and system in which the employee contributes to the organization and does not reflect on the unique sets of skills and talents each employee brings to the workplace.

The department is not exempt from the negative results of performance evaluations. The department should eliminate performance evaluations altogether to improve performance, and focus more on achieving the outcomes.

Department X should encourage collaborative work environment and conduct brainstorming sessions to engage all employees. It is better to request feedback at individual and organizational levels to improve the business's outcomes rather than solely focus on performance evaluation once a year. Performance evaluations focus on the employee instead of putting an effort to improving the entire organizational system.

Performance evaluations have had negative impacts on Department X. Among the observable negative consequences are:

- *Short-term thinking & performance.*
- *Increased fear.*
- *Fear of failure that kills innovation.*
- *Decreased teamwork.*

- *Competition between employees and teams that kills collaboration.*
- *Increased stress that affects creativity.*

### Conclusion and Recommendations

In conclusion, as we have mentioned, several organizational problems affect both the organization and the employees in the short- and long-term. We raise the idea that when issues affect employees, they inherently impact the entire organization as the employees are the fundamental key pieces of every organization.

The biggest problems in Department X are a waste of time and resources. The agency spends millions of dollars on unnecessary projects, while employees spend half of the day on unnecessary meetings, emails, and phone calls. Moreover, there is a mismatch in several agency departments where employees are either overqualified or underqualified for their positions. Employees who are not fit for their roles should be identified and put in suitable places that meet their skills and qualifications.

Additionally, Department X must address the lack of planning and innovation in the organization. The department must closely monitor the market and shape it according to the customer and market needs. Innovation leads to organizational growth, and the department must commit to education and research to stay informed and up-to-date with the current market trends.

Finally, Department X must eliminate performance evaluations as they only add stress that kills employees' creativity and collaboration. Performance evaluations force employees to focus more on individual performance than working in a team to achieve organizational results. Most of the time, performance evaluations breed and create conflict among employees.

The overall recommendation is that Department X should encourage collaborative work environments and conduct brainstorming sessions to foster creativity and innovation. The agency must direct organizational efforts towards improving the creative and collaborative working environment. By allowing employees to innovate, think outside the box, and work together, the organization would gain in diversity, resilience, and valuable human capital to push the entire department forward through today's local, national, and global challenges.

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