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DO THEY DO THE SAME WORK?

Lt Col (Retd.) John Warr, DSO, was a good example of an effective leader characterised by honesty and transparent dealings. The way he dealt with salaries and responsibilities might be a lesson for many.

Deming was not always easy to understand. Both his written work and his seminars could be difficult to follow. I made this comment to his daughter, Diana, in about 1990. Her response was, "You know he does that deliberately, don't you?"

Immediately, I had one of those, "How could I be so stupid" moments. Deming grew up in a tar paper shack, and started work at about the same time the great depression struck. Life was a struggle. Remembering his university years, Deming wrote:

The refinery, when it came to town much later (1919 or 1920) when I was about to graduate, provided work for a number of people. One summer I stayed in Laramie and worked for Mr. A. Hitchcock repainting and staining the new Commons on the inside, and working at the refinery cleaning out the boilers. The work was not very heavy, *but I remember being pretty tired at the end of the 16th hour.* (Italics mine)

One cold winter I became acquainted with a Mr. Cook, as I remember it, editor or some official in the Laramie Republican. I wondered if he had any odd jobs, and if he agreed that an ad in the Republican would be the best thing he could think of. Ad or no ad, he had some railway ties to saw up for firewood, and would pay two cents per cut, he to furnish the saw and the ties. It was a long way through a tie -- two, four, six cents, etc. I made 80 cents one evening in the cold.

It seemed to me that Deming believed that if we were spoon fed; if we did not struggle for our knowledge, we would not appreciate it and would be unlikely to excel. So he ensured we got our struggle. The clues were there for the alert, but those expecting him to make their learning easy were disappointed.

One good example of this was his approach to discussing performance based pay at his seminars. Almost without fail at some point someone would ask a question which we may paraphrase as:

Dr Deming ... I have ten (accountants, carpenters, engineers ... imagine you asked the question and insert what works for you ... for now let's use engineers) working for me. Are you saying I should pay them all the same?

Without fail, Deming's response would be, "Do they do the same work?"

Usually, the response was, "Well, sure; they are all engineers".

Immediately Deming's baritone voice would roll like thunder around the auditorium, "Then you must pay them the same!"

Usually, the room was stunned into silence. Everybody in the room heard him roar, "Then you must pay them the same", almost nobody understood the importance of the question, "Do they do the same work?"

Of course, the members of most groups seldom do the same work. Most managers soon figure out the peculiar talents of their people. Bill is great at any kind of design involving structural steel, but is weak in drainage design. Tim, as a water specialist did brilliant work designing tailings dams and similar, and is a first class environmental engineer, but he is not good at vertical construction design. Mary is a first class project manager, especially in terms of building a solid relationship with the client, and she is good at bringing in repeat business, but technically, she is not strong. Clearly, they do different work. Their manager assigns them work according to the workload and according to their strengths and weaknesses. If they do different work; if they have differing levels of responsibility, we would expect their pay levels to vary.

The above example is not imaginary; it comes from a real workplace. On hearing this Tim went through his list of past clients, visited them and suggested areas where he believed he had a skilled team ready to start immediately. He brought in new work. His team was enlarged and his pay was raised.

When this notion was related to Deming's audience, they began to breathe a little more easily. The suggestion is that you might have ten (say) engineers working for you, but it is likely that the more challenging work tends to be channelled to the more talented or experienced people. Technical people might rankle when project managers are paid more than they are, but the truth is that first class project managers are rare and in high demand. Do we not expect this to be reflected in their pay?

It is a manager's job to understand which people contribute more because of their ability to handle tough or additional assignments, and to adjust the pay levels accordingly. This approach requires courage. It requires that this manager be able to stand in front of his or her people and explain why the pay levels are what they are.

In my last real job I worked for a small firm called Enterprise Australia. Twice a year the

CEO, Mr John Warr, the head office managers and the state managers got together for a conference. A couple of weeks before the conference, the agenda and conference papers would arrive. The front page of the conference papers contained a list of all managers, and beside each name was the annual all-up salary each person received. They varied. No two state managers were paid the same.

Salary was one of the first items on the agenda. One state manager questioned the significant difference between the salary of most state managers and the Queensland manager. John Warr calmly outlined the additional duties and programmes the Queensland manager was undertaking. He also turned to the financial report and discussed the significant difference in revenues earned between the two states in question. He finished by saying that any state manager who could satisfactorily perform these additional duties and lift their revenues to a similar level would find their salary elevated to the same level at the Queensland manager.

There was no more discussion. Neither were there any repercussions. The questioner was satisfied. The conference proceeded. Later in the conference the state manager who raised the issue decided not to undertake any additional duties.

This team found it easy to work together. There was little competition between them. They had common aims and values. They had a CEO who did not rank his people and did not use performance based pay. He did, however, pay people what they were worth, and was honest and transparent in his dealings with all managers. He could be demanding, and he could be compassionate. It was a joy to work for him.