

ese to want to change for their own long-term survival. Widespread use of Quality Circles was one of the methods which helped propel Japan to the forefront of the international market for quality products by 1980.

The idea of the Quality Circle sounds deceptively simple. It is a group of eight to 10 workers and supervisors, generally involved in related work, who meet regularly to identify and solve product-quality and production problems. Quality Circle members are trained in the use of a variety of statistical and group problem-solving techniques to assist them in gathering and interpreting information and in generating solutions.

What could appear to be more simple?

This illusory simplicity has resulted in a number of Quality Circle programs in U.S. firms experiencing difficulties with management support, union participation, and a host of other problems which are diminishing the potential effectiveness of the program.

Importance of Quality Circles

Because I will be describing problems which affect Quality Circle programs, the reader may get the mistaken impression that I am not in favor of the Quality Circle idea. I strongly support the idea and believe that this program has enormous potential for cost, quality, and productivity improvement in U.S. firms. I also am of the opinion, however, that there is a "myth" developing that a firm only needs to install Quality Circles, turn them loose, and soon all the firm's problems will be solved. This myth belongs with others such as Santa Claus, the Easter Bunny, and the Tooth Fairy. Actual experiences point out that Quality Circles have more potential for failure than for success.

According to Robert E. Cole, professor of sociology and the director of the Center for Japanese Studies at the University of Michigan, only about one-third of the circles established in Japan are doing well.³ Given the frequently parochial and unyielding management styles in many U.S. firms, the generally adversary manage-

ment-union relationship, and the lack of a managerial long-range perspective, it might not be wrong to say that U.S. firms will have even less success with Quality Circles than Japanese firms have had. I am not talking about short-term success. If we look in the short-term at the number of circles which have been started in the U.S. in the last three years, it might be easy to conclude that the program is experiencing strong success on our shores.

Most firms can install Quality Circles and gain some short-term benefits. The real test of success will be whether Quality Circles still exist two, three, or four years later. Or will Quality Circles be tossed onto the organizational trash-heap along with such other programs as MBO, zero-defects, job enrichment, and a variety of other productivity and cost improvement schemes?

I don't believe U.S. firms can afford to continue to have such failures. Our position in world markets is not good. At home, there is a lot of skepticism and, in some cases, outright buyer rejection of U.S. made products. Workers' attitudes toward their jobs and how they are managed have been growing more aversive over the last 25 years. It is difficult to pick up a magazine or newspaper today without reading about the "productivity crisis" in this country.

No, U.S. management cannot afford to allow this idea to fail. We have too much at stake. Programs such as Quality Circles don't just come along every day. It has too much value and potential to allow it to fail. Once a firm has experienced a failure of the program, the resulting impact on the people involved could make the firm worse off than they were before.

What is it, then, that causes a Quality Circle program to fail? If not outright failure, what factors diminish its effectiveness?

Problems

Affecting Quality Circles

A Quality Circle program requires management support for its existence. Management has a great deal of control over the four major

factors which can cause Quality Circles to fail or lose effectiveness. Most of these factors can be traced back to the decisions made by management early in the life of the program. Most people can relate to the observation that managers love to take new ideas such as, for example, Management By Objectives (MBO) and use a cafeteria approach in its implementation, adopting "this" aspect and rejecting "that" aspect. Then, when MBO fails, it's the fault of the program, never the fault of the management who neglected to implement it as a complete system. In like manner, Quality Circles cannot be successfully implemented by eliminating or seriously modifying its major elements.

Let's begin examining the key factors which spell the difference frequently between success or failure:

I. *Not assessing managerial and organizational readiness for Quality Circles:* Quality Circles are a participative, problem-solving process which are not appropriate for every organization, in spite of what the literature and major Quality Circle consulting firms say. While it is true that the process can work in any type of organization, the management practices, climate, and culture of an organization must be at least somewhat supportive of the participative ethic. A certain minimum level of "readiness" needs to exist in order to give Quality Circles a fair chance to survive.

In some organizations where the prevailing management practices are too parochial or autocratic, where the key support and reinforcement elements are weak, and where major systems deficiencies exist, the implementation of Quality Circles is to be discouraged until, either through natural organizational evolution or planned change, the management practices and climate are more favorable.

What could happen when pre-implementation organization assessment is not done and Quality Circles are started in an organization where the management style is too non-participative? One problem told to me by a facilitator is

"There is a very real danger existing in the tremendously rapid growth of interest in Quality Circles."

Caution: Quality Circles Ahead

BY EDMUND J. METZ

I have just received in the mail a computer printout summarizing 35 articles about Quality Circles published in various journals, periodicals, and trade magazines during the last half of 1980. Because the printout covered only articles from publications in a company library, the actual number of published articles is certainly higher.

The articles either describe what Quality Circles are all about or are written in glowing words telling how successfully the concept is being applied. I have yet to come across (and don't expect to) an article about a Quality Circle program which has failed. Yet, I know there have been a number of failures already, in U.S. firms, from conversations with numerous facilitators representing various industries.

The over-selling of the Quality Circle concept by some consultants and writers as a panacea for a multitude of organizational and managerial ills really makes me nervous. The truth is that Quality Circles can fail. The key to having

a successful program lies in recognizing the major factors which cause and contribute to such failure.

Are Quality Circles a Fad?

There is a very real danger existing in the tremendously rapid growth of interest in Quality Circles. A potential consequence could be that Quality Circles will become just another "fad." This appears to be happening already. One indicator is the number of independent consultants who are adding Quality Circles to their list of client program offerings in spite of the fact that many of these consultants have no actual full program experience. Another indicator is the dramatic growth in the number of people who attended the International Association of Quality Circles' (I.A.Q.C.) Third Annual Conference held in March 1981 in Louisville, KY. Approximately 350 people attended the 1980 I.A.Q.C. conference and well over 1,100 attended the 1981 conference. Membership in the I.A.Q.C. was 300 in 1980 and jumped to 1,800 members in 1981,

according to R.D. Diener, executive director of the I.A.Q.C.

The rapid growth and spread of Quality Circles themselves tells the same story. The first Quality Circles in the U.S. began at Lockheed Missile and Space Company in October of 1974. By the end of 1975, there were 15 circles. This grew to 30 by 1977.¹ In 1980, it was estimated that approximately 230 U.S. companies had implemented Quality Circle programs. Donald L. Dewar, president of the three-year-old I.A.Q.C., estimates that there are over 3,000 circles operating in U.S. companies.² It probably wouldn't be inaccurate to estimate that this number will likely double by the second half of 1981.

Quality Circles first started in Japan in 1962. They grew out of the post-World War II industrial reconstruction efforts which introduced the concepts of statistical quality control and participative management techniques to Japanese managers. The recognition that they had a reputation for shoddy products helped create an adequate motivation for the Japan-

that management will exert over control on the circle process.

For example, management may decide to start Quality Circles and to stop them at their own discretion rather than allow the circle members to make such decisions. In some cases, management dictates to the circle members which problems they are to solve. Because this type of management style is more task focused, some circles report that they are given

deadlines by which to solve certain problems, or that management establishes a specific cost/savings figure they expect the circle to achieve.

One facilitator from a food processing company in California told me that his circles are having difficulties in solving problems because management has put overly tight restrictions on the information available to circle members, demonstrating a lack of trust in them

and the process.

Another frequent problem which I hear repeatedly from facilitators in all types of industries is the lack of support for Quality Circles from the middle-management group. One cause for this may be that the top manager in an organization really wants the program and, because he or she tends to be somewhat autocratic in style, the middle management group gives visible lip-service support but in hidden ways work to undermine the program.

This process also works in reverse. A facilitator from a steel company in Utah told me that their circle program died when a participative general manager left the organization and was replaced by someone who behaved in a more autocratic manner and who did not really believe in such programs. Lack of the existence of a steering committee also prevented having broader based management support needed to overcome the new general manager's objections to the program.

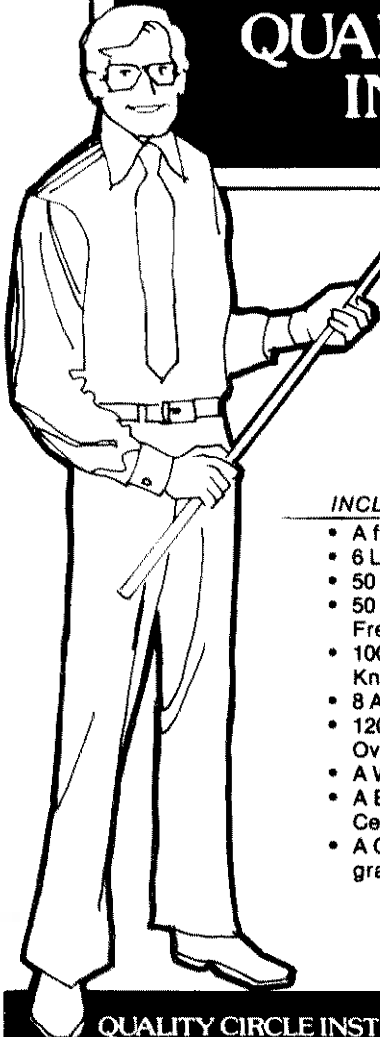
Another reason for lack of management support comes from poor implementation planning. Quality Circles end up with poor support because the middle management group doesn't really understand enough about them and, consequently, see Quality Circles as a threat to their power and authority.

When this situation exists, the total circle program suffers. If the top manager and also main supporter leaves the organization, the support for Quality Circles usually also leaves with him or her.

A factor frequently contributing to lack of middle management support is the complete absence or the short-cutting of middle manager Quality Circle training as part of the total implementation plan. Middle managers frequently complain that they don't have the time to attend a one or two day (preferably two) seminar on Quality Circles. This should be a warning signal for both the consultant and the facilitator. If middle management is not willing to take time to learn about Quality Circles, it is

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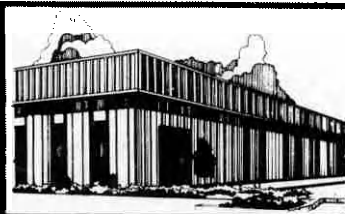
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very unlikely they will devote any time to support the program adequately later.

Organizational systems may also work against Quality Circles. Take, for example, the vertical and horizontal formal communication paths in an organization. These paths may have numerous obstacles to data flow and information sharing. Unless these obstacles are identified and changed or eliminated, Quality Circles will experience difficulty in gaining access to needed information. Another example would be organizational reward systems, both formal and informal.

If the reward system places too heavy an emphasis on the short-term time frame, or it relies too frequently on either explicit or implicit threats and punishments as the major motivational tool, Quality Circles will experience difficulties because circles have a longer term orientation and a heavier reliance on principles of participative positive reinforce-

ment.

The key point to be made is that Quality Circles should not be installed in any organization until readiness factors have been positively identified and assessed.

II. *Not doing adequate start-up and implementation planning:* Some Quality Circle programs receive a "go" decision from management at the beginning of the month and are fully implemented by the end of the same month. This reflects part of that "short term ethic" which exists in our management culture — i.e. the desire for fast results. Quality Circles are, however, a long range effort which should not be hastily rushed into implementation. The advice which I have consistently heard from other consultants and facilitators who have program experience is to "proceed slowly."

What are some of the consequences of this desire to rush Quality Circles into existence? The most immediate consequence is that the necessary implementation planning is often neglected. As a result, key elements necessary for success are either eliminated or minimized.

A critical element sometimes missing in a Quality Circle program is a steering committee. Program goals, policy, and support are not defined, and the circle effort suffers. Even in cases where a steering committee exists, frequently a full experiential orientation to Quality Circles is not given to committee members.

Steering committee members are usually department heads and it is too frequently assumed that they know about Quality Circle programs without having the benefit of really learning about them. As a consequence, sometimes committee members establish improper goals, unrealistic deadlines, and, more seriously, they begin changing the program design elements without realizing the serious consequences of their actions.

For example, they may decide that the first-line supervisor should not be the Circle Leader, and that

leadership should be elected by the circle members. Lack of understanding of such critical program elements erodes the broad-based support needed.

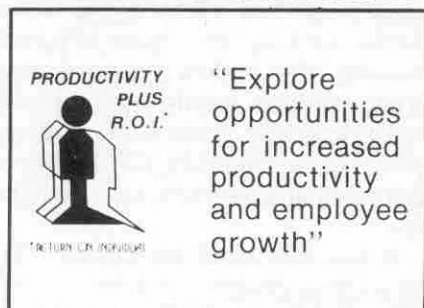
The words "productivity improvement" mean one thing to management but have quite a different meaning to a union. Union leadership needs to be informed of management's decision to have Quality Circles as soon as possible after the steering committee is formed. A union official should be invited to be a member of the steering committee, and one or two stewards invited to participate in the leader training sessions. When the union understands the benefits of the program to the firm, the workers, and the union, they frequently actively support the program.

On the other hand, failure to inform the union and involve them may just arouse their suspicions that this is a tactic to eliminate the union eventually. A facilitator from a metals forming company in Seattle told me that it is very difficult to hold Circle meetings when the members don't show up because the union told them not to.

In some cases, Quality Circles are started on such a low profile that hardly anyone knows of their existence. It is very difficult to get other workers, departments, and staff support groups to cooperate with circles when they don't know what Quality Circles are all about. A modest but broad reaching internal organization publicity campaign about Quality Circles is usually overlooked in the rush to get the program implemented.

When external economic pressures increase, organizations typically look for ways to cut costs. Unless Quality Circles can demonstrate they are contributing more to profits than to costs, the circle program stands a good chance of being axed. The time to consider establishment of the tracking and measuring criteria, as well as the collection of baseline data, is in the early planning phase. In the rush to get circles implemented, this measurement element is easily neglected and, later on, program results are more difficult to mea-

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sure.

Careful pre-planning is one of the critical factors in the long-range success of a Quality Circle program.

III. *Not exercising care in the selection of the facilitator:* The Quality Circle facilitator carries the burden of circle success on his or her shoulders. The facilitator trains the leaders, initiates new circles, attends circle meetings, counsels leaders to improve their skills, keeps all levels of management informed, coordinates resources, is a member of and meets with the steering committee, arranges meeting facilities, promotes the growth of the program, and facilitates the interpersonal process issues within the circle. Selection of a competent person to handle these responsibilities is one of the first tasks for the steering committee.

If it is true that a highly skilled and competent facilitator can increase the effectiveness of circles, then a facilitator who is less skilled

and competent will just as likely reduce the effectiveness of circles.

Facilitator selection can be influenced by such factors as organization politics or current manpower levels. A lack of understanding adequately the facilitator's role by the steering committee might result in their selection of an individual who is a "favorite son" of a top manager or who is "available" (a person the organization can afford to dump the facilitator role upon). Even though a competent facilitator may be selected, in some cases an organization wants to have a full Quality Circle effort but they choose to have only a part-time facilitator, seriously hampering the ability of this individual to adequately support and assist circles.

A facilitator from a Florida electronics firm mentioned to me that he was the sole facilitator for 55 circles and only reluctantly admitted that his contact and support was in reality very superficial. There are also Quality Circle programs started where there is no

facilitator to support the program.

The facilitator-reporting relationship can be an indicator of the degree of importance and support the Quality Circle program may have. Ideally, the facilitator should report to the top or general manager of the firm or, as a second option, to a manager on the general manager's staff.

This reporting relationship helps to give a more visible indicator of management support for the program as well as providing more circle coordinating autonomy for the facilitator. Unless the facilitator has this type of formal visible backing, he or she may find it more difficult to "run interference" for the circle program when, for example, a manager wants the circle meetings cancelled because of this week's production needs, or some manager fears the program and is not cooperating by sharing data or providing needed assistance.

A lack of some organizational systems knowledge, management theory, and behavioral science

skills by the facilitator can weaken Quality Circles. A facilitator would also benefit by having some experience in training and group dynamics. Unless a facilitator knows how to effectively intervene into groups to facilitate such process issues as group boredom, group apathy, inter-member rivalry, low performance, inter-group communication obstacles, inter-member conflict, and a host of other issues which sap circle member teamwork, the circle program will probably begin to lose its effectiveness.

The facilitator also needs to help prevent a circle from letting success turn it into an elitist group. This could result in a "we-they" attitude in the workplace. There are also numerous training issues and technique application problems which the facilitator needs the skill and preparation to face and handle.

Clearly, a high level of knowledge and interpersonal skills is highly desirable for facilitators.



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IV. *Not recognizing the organization development implications of quality circles:* Quality Circles are more than just another productivity program. Quality Circles represent a management philosophy of trust in workers, of allowing workers to become involved more intimately in the work process, of committing dollar resources to the growth and development of the line worker, of building teamwork within natural work units, and of opening communication channels between management and workers.

In short, the decision to want Quality Circles also means the decision to want to manage more by participative principles. This point is often not made clearly enough to the key decision makers when the program is originally introduced and explained.

Organization development professionals have been trying for a dozen years to generate such planned change within organizations with, unfortunately, more frustration than success. Such professionals readily concede that such a change in management philosophy, practices, and culture should start ideally at the top of the organization and proceed downward. This approach, however, does not always guarantee success. Quality Circles represent more of a "bottom-up" than a "top-down" change effort. If OD professionals have found top-down change difficult, can bottom-up change be any easier?

The Quality Circle facilitator is more than just a program coordinator. The facilitator is also an organization change agent. From the facilitators I have met so far, it appears that most do not even have a minimum basic understanding of OD or how to go about managing or influencing organization change.

Does this mean that OD practitioners should be actively involved in helping implement Quality Circles? The answer is both "yes" and "no." Yes, because facilitators and managers need more help in effectively planning the program, in learning how to manage it, and in

tracking the corresponding impact on the management and organization's culture. No, because such involvement carries with it the danger of diluting the ownership in the program which line management enjoys.

A heavier involvement of human resources and personnel types may make it appear to be just another "personnel" program. More fundamentally, heavier personnel staff involvement could cause a shift in the focus of the effort away from problem-solving for productivity and quality improvement toward a heavier emphasis on group process and relationships. "Warm fuzzies" should clearly not replace the productivity aspect.

Unless management understands the organizational implications of Quality Circles and the corresponding need for managed change in the management culture, the organization's climate and management practices might not support and reinforce the participative ethic.

Too Early to Predict Success

The momentum favoring Quality Circles is still growing within the United States. It is still too early to predict the degree of success this idea will enjoy in this country. There are, however, some indications already that many companies will experience less success than they may expect. Why might one company experience a savings/cost ratio of 8:1 and another firm only a 2:1 or even 1:1 ratio? This doesn't have to happen, however, if the program is carefully planned and implemented into a supportive organization. Success is achievable, but not guaranteed.

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