Is the Organization Ready For Quality Circles?

By WALT THOMPSON

As quality circles become more popular in the United States, many organizations have jumped on the bandwagon to undertake a QC program. In implementing such a program, many different strategies have been used, and each has boasted of its success. If the organization, however, is not ready for the effort and effect of QCs, the program will fail in spite of the best implementation strategy.

Quality circles are projects of planned change and, therefore, should be considered as an organizational development (OD) effort. This type of change will affect management decision making, strategic planning, financial management, product development and labor relations. A QC project not considered and planned carefully, in time with the readiness of the organization, will most likely fail.

General conclusions

Pfeiffer and Jones (1978) indicated why a particular organization development intervention might fail. The reasons include: unrealistic expectations, inadequate support, failure to follow through, ineffective use of consultants, management resistance, size of the organization, unwillingness to model behavior and inadequate skills.

Franklin (1976) contrasted organizations with successful and unsuccessful OD efforts along eight dimensions: the organization's environment, the organization itself, initial contact for the OD project, formal entry procedures and commitment, data-gathering activities, characteristics of the internal change agents, characteristics of the external change agents and exit procedures.

Organizations oriented toward, and committed to, planned change are more successful in QC projects than those who are satisfied with current progress and organizational status. Since QC projects involve employees not normally included in problem-solving and decision making, organizations that are change-oriented are most likely to have the culture necessary for experimentation and employee development. These conclusions are a helpful beginning point for exploring indicators which will reveal if organizations are ready to deal with the change implied in undertaking a QC program.

Characteristics of successful QC programs

Reiker (1976) identified basic characteristics of successful programs from both Japan and the

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United States. The critical elements relating to this discussion are:

• *People building.* A QC program will not work unless there is a sincere desire on the part of management to help employees grow and develop. Any organization whose only goals are gains for management is advised not to try quality circles. Such an effort will be seen for just what it is: another attempt at manipulation by management. A program begun on this premise will fail.

• *Voluntary.* This is the second most important element of the program and one which seems difficult for management to accept. This is the visible proof to members that the program is for their benefit. Members should be completely free to participate, not participate or drop out if the QC does not meet their expectations or needs.

• *Training is provided to workers and management.* For workers to find solutions to their problems, it is not enough to simply turn them loose to proceed in any unstructured manner. They need to know effective techniques or they will become frustrated by their ineptitude. Management must also receive training for the role they are to play: a role of support without domination.

• *Management that is supportive.* Unless there is someone in management willing to give quality circles some time, advice and commitment in the beginning, circles will not have the nourishment they need to grow into mature, fruitful programs.

Readiness indicators

The following indicators are based on my experience and used as the basis of the "QC Readiness Check List" which follows.

1. *Internal Project Staffing.* The best staffing normally involves managers, internal project staff and external consultants. Providing the equivalent of one full-time position to the QC project is the most important indicator of the organization's commitment. The internal project staff might be one full-time per-

son, or a part-time person, with several additional persons serving as group facilitators. The project coordinator's role, usually requiring 50 percent of a position, fulfills these major activities:

• Orientation of company personnel;
• Implementing the program;
• Instructing and developing circle leaders;
• Educating and training members;
• Encouraging non-members to join;
• Coordination of circle activities;
• Monitoring and measuring results;
• Assessing progress;
• Informing management of progress;
• Scheduling management presentations;
• Publicizing and expanding the program.

The balance of the time required in the position is usually spent in the role of group facilitator or group process observer. This role requires the person to attend each circle meeting to provide coaching and counseling to the leader, giving feedback to the circle on process issues, helping the circle through the process and, with the leader's approval, training the circle members. This position should also be supported by clerical staff and may work with an advisory or steering committee, if established.

2. *Openness from management.* It is necessary that those people in positions of power in the organization open themselves to influence from below. It is necessary to begin the QC effort

at the top, because it's critical that top executives be knowledgeable about and supportive of the program and willing to open up the decision making system. It is also important that they understand the changes required of them in their management style and their role in the project. Their role involves these activities:

• Understand the concept and operation;
• Provide sincere and active support;
• Use circles to achieve goals;
• Attend management presentations;
• Communicate with circle leaders and stay informed;
• Implement circle solutions when feasible;
• Offer suggestions and feedback;
• Provide recognition for achievements;
• Assist in removing organizational blocks;
• Train leaders in the politics of organization.

The project should be designed to allow managers who feel uncomfortable with a participative management style to postpone or not volunteer their work force for the project. If volunteering under pressure from senior executives, middle managers most often will sabotage the program, consciously or unconsciously.

3. *Time commitment.* Is the time commitment of the organization or the managers of the organization adequate to allow for the development of a meaningful QC project? Another way to look at this point is whether the organization is committed to all the meetings necessary in QC

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projects. Since quality circles progress primarily through myriad meetings, it is important for the organization to be aware of the depth of its commitment to the process. Organizations take a long time to establish operational norms, and a reasonable expectation of the time it takes to initiate this planned change is at least six months of concentrated work by employees, normally meeting one hour per week on organization time. In addition, time should be allowed for management and supervisor training, management presentations and collecting relevant data to measure improvement. To stabilize a QC project, normally one year is needed.

4. *Financial commitment.* Is the organization able to afford the cost involved in a QC effort, both indirectly in time taken away from work and directly in fees for external and internal consultants? Is management ready to invest sufficient money into the project? For an organization hoping to begin four to six circles initially, out-of-pocket cost is normally between $12-20,000, plus indirect costs of staff time, circle members' time and training time, often doubling that cost. While the returns to organizations on their investment indicates a 4-1 to 10-1 return, the initial outlay will often shock the top executives into reconsidering the program. This reconsideration is important in terms of the realization that a QC program is not a "fad" approach to be taken lightly.

5. *Crisis status in organization.* An organization or work unit in which visible evidence of crisis is perceived by a variety of people at various levels is highly unlikely to have a successful initial QC project. This crisis may take many forms, such as merger, reorganization, layoffs, budget reductions, labor disputes or staff transfers. A firm base for the project must be established. Once the crisis is resolved, a project can be undertaken involving those units no longer involved. Once the project is established, the circle concept

can be continued under most crisis conditions.

6. *Commitment to skills training.* If voluntarism is the key psychological factor to the success of circles, then training is the key element in their effectiveness. Training is required at these four levels: management/union, project coordinator, (leader) supervisor and member.

Management training normally is conducted with all managers who will come in contact with circles. This enables them to understand their role, the need for their support and how they can benefit. It also allows the managers to experience the philosophy and atmosphere of a QC meeting. Where applicable, union leaders are also encouraged to participate in either this training or the leader training.

The leader or supervisor training usually covers not only the learning of problem solving techniques, but also group

dynamics, the "consensus" process, practice in teaching, communications and motivation. It should prepare a leader to start and operate a QC successfully.

Member training is accomplished during regular quality circle meetings and is thus spread out over a considerable period of time. The total amount of formal classroom training is usually at least five days or more for managers and supervisors and may take the first 5-10 circle meetings to complete.

7. *Voluntariness of employees.* While it is critical for senior managers to volunteer to have a QC project in their division or department, it is also important for all persons involved to feel

they can drop their involvement, if they feel they are being manipulated or their goals are not being met. This aspect allows for persons feeling initial pressure to join a circle finding other reasons not to attend. If enough members of a work unit feel the same way, the circle may be eliminated until workers request its resumption.

The voluntary aspect often does not apply, however, to the initial training of managers and supervisors. Before they can volunteer for the project, a complete understanding of its benefits, problems and skills required should be obtained. A complete QC training program will also provide good basic management skills to the participants for use in any management role.

8. *Growth rate.* At what rate is the organization growing? Those organizations that are declining in size, experiencing a slow rate

of growth or growing very rapidly are less likely to be ready for quality circles than those organizations that are growing at a moderately rapid rate. Organizations that are growing very rapidly may have little or no energy available for QC projects; relatively static organizations may be reluctant to tamper with the status quo. Organizations that are declining in growth may want quick cures rather than long-term planned change.

9. *Size.* The size of the organization and the number of circles desired to be started initially can be a key indicator of the potential success of the QC project. Much of the ultimate success of the project will depend

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upon starting on a pilot basis, with expansion as needed or requested. While some organizations have started projects with as many as 300 circles at once, the power of this form of intervention would cause incredible demands for change on the system. Since every organization has its own unique values, culture and operating norms, beginning small and developing a custom approach for each organization makes the most sense for a successful long-term project.

Some suggest the best approach is to limit the organizational intervention to organization units with 500 or fewer employees. My experience indicates this is the most viable of alternatives as a beginning point, although QCs have been started in organizations from 80-2,000 employees.

If it is determined that an organization does not have the requisite QC readiness, what strategy is open? The most frequent answer is training as a readiness-inducing strategy within organizations. Some of the indicators previously discussed, such as size, rate of growth and crisis in an organization, are beyond the effect of training. Other important indicators, however, are amenable to a meaningful education program. It is possible that the conceptual skills and personal skills that are requisites of QC readiness can be taught in a variety of formal and informal organizational training programs.

By examining the individual factors for a given organization, success can be predicted reasonably well. If those indicators do not predict success, and if they cannot be dealt with in a training education model, the consultant should be direct and simply say that the culture is too strong for the success of change, or that the sense of complacency in the organization is too high for commitment to change, or that the internal history of the organization is such that a new project will not be taken seriously. To undertake a QC effort in the face of predicted failure is unwise—both for the consultant and the organization.

QC readiness check list

The brief instrument that follows summarizes the chief indicators of QC readiness, weighing each indicator according to its relative criticalness. The checklist may be used as the basis for a subjective assessment of an organization to determine the degree to which the organization is likely to support a QC effort. This assessment can be made by a group consisting of key managers, internal change agents and external consultants.

—TDJ

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Quality Circle Readiness

This instrument summarizes the chief indicators of organization readiness for QCs and weighs each indicator according to its relative degree of criticalness. The following interpretations of scoring can be helpful to organizations considering implementation of a QC program: a score of less than 34 suggests doing training or small-scale projects before full implementation; 34-46 indicates exploring with management their actual readiness, concerns about the program and their development needs; 48 and higher indicates the organization is willing to commit itself to a QC effort.

INSTRUCTIONS: Using the following checklist, indicate the degree to which each of the nine dimensions is a concern in regard to the organization's readiness for quality circles. Circle the number under the appropriate heading for each factor. Each dimension has been scaled according to its relative importance in predicting the organization's receptivity to QCs. Total the scores for an overall score.

General Considerations	No Concern	Mild Concern	Moderate Concern	Significant Concern	Critical Concern
Internal Project Staffing	12	9	6	3	0
Openness from Management	12	9	6	3	0
Time Commitment	12	9	6	3	0
Financial Commitment	8	6	4	2	0
Crisis Status in Organization	8	6	4	2	0
Commitment to Skills Training	8	6	4	2	0
Voluntariness of Employees	8	6	4	2	0
Growth Rate	4	3	2	1	0
Size	4	3	2	1	0

TOTAL SCORE _____

Adapted from *OD Readiness*, J. William Pfeiffer and John E. Jones, Annual Handbook for Group Facilitators, La Jolla, California, 1978.