

# How to Avoid Quality Circle Failure in Your Company

By SUD INGLE

**R**ecent articles on *quality circles* have shown that the quality circle concept has not worked in many U.S. companies, thus creating doubt about circle success.

Mercury Marine, a leading outboard motor manufacturer, has experienced much success with quality circles during the last three years.<sup>1</sup> Starting in 1978, the program carried the following objectives:

- Improve quality;
- Reduce waste;
- Better communication;
- Learn group problem-solving;
- Work satisfaction.

The Mercury Marine quality circles program began on a pilot basis in two of its plants, in Wisconsin and Florida, with five circles implemented at each location. The program now includes 1,200 trained circle members conducting more than 100 circles. It is also open to union employees. *MERC employee recognition circles* were set up to add expertise to the complex process of manufacturing high-quality products at reasonable prices.

Participation in a circle is voluntary, with discussion geared strictly toward solving production problems in a given work area. For example, circle discussion helped solve a problem with production of pulse transformers. Circles quickly built a reputation for themselves when group

members eliminated a costly deburring process. Discussion by group members led to the suggestion that a softer aluminum alloy might eliminate burrs, thereby eliminating a costly deburring process. MERC circles also led to a simplified assembly training operation by organizing and coordinating approximately 100 photographs of the process, showing step-by-step assembly procedures for manufacturing electric trolling motors.

At the main MERC assembly plant in Fond Du Lac, Wisc., quality circle members tackled a list of production snags and came up with a series of workable solutions. Confronted with a problem of piston damage at one production point, circle members suggested that installing bumpers would prevent the pistons from falling from the processing oven. Implementation of that idea coupled with a related suggestion to prevent bearings from becoming lodged in piston assemblies, eliminated damage to pistons.

As a concept, quality circles have also had wide application at Brunswick Corp., following Mercury's lead.<sup>2</sup> The Lancer division facility in Bridgeton, Mo., uses a program called "Circles 80." Bridgeton's circles tackled two major projects: one dealing with cost savings to be generated in the scrap and molding department; the second involving increased efficiency by changing equipment in the bottling line.

Employees at the Brunswick division facility in Eminence, Ky., have three active circles working

on a variety of problems, from making more efficient use of available floor space to correcting loose stitching on one type of bowling bag.

At the Defense division's facility in Marion, Va., employees launched a "Defect Reduction Program," a variation of quality circles, to involve employees who work on the General Dynamics F-16 aircraft in efforts to reduce defects. The program was successful and drew positive employee reaction.

Quality circle programs continue to grow at Mercury Marine and other Brunswick divisions, training approximately 50 employees per month. The goal of Mercury Marine is to establish at least one quality circle in each department by the end of 1982.

## Reasons for QC failures

Based on experience in implementing quality circles, I will discuss some of the reasons for quality circle failures in American industries:

- *Poor communication.* It is important to inform everyone in the company about quality circle programs, particularly management and supervisors.
- *Closed policy.* When this type of program is introduced, it is important to form a policy about implementation. Although it is essential that management plan and adopt the policy, it should be based on the involvement of most of the work force, as well as management.

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- *No training.* Quality circles cannot be installed overnight. Training is essential as the "heart" of the program.

- *No proper listening.* Very few people like to listen. This is a severe problem between employees and management. We need to listen to people and then do the best for the company.

- *No follow-ups on projects.* Quality circles present completed projects to management. Most of the time, the project shows hard work by circle members.

Sometimes, however, management needs to approve solutions because of financial and other factors. Experience shows that if a company does not plan proper follow-up procedure, many circle members will lose interest.

- *Poor middle management support.* Some management personnel feel they will lose authority if quality circles are used to solve problems. Many feel the

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company might relieve some management personnel and, therefore, show poor support to the program.

- *"Lip service" from management.* Sometimes, management personnel either feel forced into the program or want to get involved but do not have time to participate. With this type of "lip

service," the program may not grow at all.

- *No "union" involvement.* It is essential that companies ask union members (employees) to get involved from the beginning. With union cooperation, the program grows faster and operates efficiently. Some companies may find it difficult to get this cooperation at the beginning. In this case, the company should keep trying and keep the program open to all employees.

- *No objectives for the program.* Many programs start without objectives or goals. If this is the case, the program can become short-lived because no one knows what is to be accomplished. Companies should establish objectives from the start.

- *"Not-for-me" attitude.* This type of attitude creates problems in the program. People accept new ideas, as long as they don't

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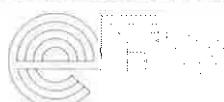
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have to get involved and do the work. They forget, however, that the company is one team and everyone has to help make it successful.

- *No publicity.* Once the pilot program is successful, it is of utmost importance that good publicity be given to the project to help it grow.

- *No recognition.* People like

to be recognized for their achievements. Photos, small rewards, visits to seminars or to other plants help improve communication and contribute to the healthy growth of the program. If people realize the company appreciates their work, they will feel like part of the "corporate family."

- *Poor understanding of the*

*quality circle philosophy.* Many companies start QC programs on a small scale, never bothering to explain the basic philosophy and details to employees. Many employees then think the program is only for the "quality control" department. The term "quality circle" itself can be confusing, hence, a suitable name should be adopted (e.g., MERC—Mercury Employee Recognition Circle).

- *"Not invented here."* Many company managers and employees feel this technique was invented in Japan and can only work in Japan because their customs and culture are different. The cultures are different, but the basic philosophy behind the program is *universal*; it can work anywhere at any time.

- *Too much expectation from management.* Quality circles are not panaceas. Many companies expect too much from them. Generally, employees in the shop can solve 20 percent to 25 percent of the problems. There exists a greater proportion of problems in the management areas, such as engineering, purchasing, etc.

- *Too much rush to expand the program and not enough financial support.* Even if a company starts the program properly and within the first six months implements 30 to 40 circles, lack of financial support from management can cause it to fail. This creates a poor image of the program.

- *Problems with other programs.* Some companies start many other programs like suggestion systems, work simplification, etc. Due to the rush in solving "productivity" problems, none of these get proper attention. Failure with these creates problems in starting a good quality circle program.

- *Failure to maintain initial enthusiasm.* Many quality circle members work hard and enthusiastically in the beginning, sometimes forgetting there is no magic in quality circles. It is continuous hard work! For this reason, one has to keep up en-

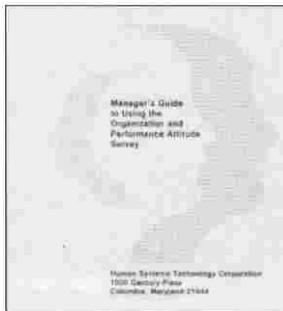
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thusiasm throughout the program.

• *Changes in management.* Many times, quality circles start under managements which like the program. Due to management or organizational changes, however, many times a "theory X" type manager takes charge of the plant. The program is then put on the shelf indefinitely.

• *No interest in improving quality of work life.* Quality circles improve the quality of work life. Everyone is involved in achieving company objectives or goals. Safety projects, better communication, improved morale, teamwork and harmony may not be financial benefits, but they are intangible benefits of quality circles and add to the improved quality of work life.

These are some of the circumstances that create a poor impression of quality circles. Consequently, people are apt to

lose interest. Management then starts to look for something else.

### Keys to success

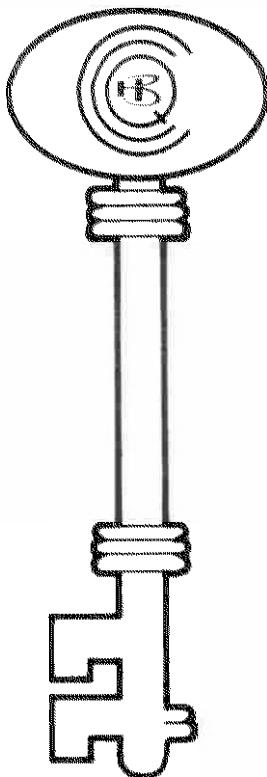
To start a successful quality circle program, one must understand the secrets of a successful program. When *everybody* in the company understands the principles thoroughly and implements them properly, success is close at hand! Ways to achieve success include:

• *Establish a suitable atmosphere for the program.* The company must create a proper atmosphere for the quality circle program. Various management levels in the organization need to accept the idea of participative management. The program chairperson has the responsibility to spread the word. Different meetings should be arranged so that people get to know the basic philosophy of the program. Top

management, middle management and even union leaders should be properly exposed to the program. This will help acquire necessary funding, time and space to initiate the quality circle. A pilot study can be publicized to create a warm atmosphere in the company—the key is to generate warmth and an acceptable atmosphere.

• *Obtain commitment from top management.* Top management commitment is essential to this type of program. One should prepare reports on other companies where such programs exist and present them to top management. Once the basic concept is sold, acceptance and formal commitment can be achieved easily. Without such commitment from the top, it is not advisable to begin the program.

• *Select the right people and the right area.* One of the slogans commonly used in this type of



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program is, "There is no limit to what we can do together." This reflects power, strength and cooperation. It also indicates that, in order to achieve success, one has to seek cooperation from others. The program chairperson or manager has to be enthusiastic, persistent and hard-working. A facilitator is the key to the program; he or she must

be energetic and cooperative. One also has to be careful in selecting the proper areas for implementation. The first trial run should be where one can expect cooperation and enthusiasm from participants.

- *Select objectives.* Companies have to establish clear objectives for the program. A plant at HUGHES Aircraft Company

decided to improve communications for the company. Mercury Marine Corporation's major thrust lies in improving quality. These are a few objectives one can choose for a program. Objectives should be made clear to avoid confusion or unreasonable expectations from the program.

- *Expose people to the program.* Ideas such as quality circles need clear understanding by many people. The idea of participation and sharing authority is new to the American society and needs incubation before one starts this type of program. Even though there is no change in the organizational structure, there is a major change in basic philosophy. Some people feel they've lost their authority, while others don't like the idea of participation. One of the best ways to lessen this tension is to expose numerous people to quality circles through newsletters and articles and by visiting other companies who have already implemented this type of program.

- *Inform and communicate.* Once the program is started, information must be disseminated all over the company. Timely communication is important, and if one neglects it, one might have to suffer consequences in expanding the program. Rumors fly quickly, and people get different ideas and sometimes get discouraged if they do not get involved formally. As soon as the program is accepted, try to inform as many people as possible regarding the contents and its objectives. Better communication will always result in less resistance.

- *Keep the program voluntary.* This is one of the key elements of the quality circle program. Pressure or force will not work to motivate people. People should realize the need and should understand the advantages to be derived from such a program. The basic philosophy and operation of the circle is for the benefit of the society; once people are exposed to the concept, participation becomes easy.

- *Training is crucial.* Training is another important feature of

the program. In Japan, this type of training is formally offered in schools or by employers as a usual practice. The same is not true in the United States. Many companies do not have good formal training programs. It is of the utmost importance that workers as well as management be exposed to the program properly so that all know what is involved. Without proper training, the program will phase out quickly.

- *Start slow and let it grow slowly.* Whenever one tries to initiate a new concept, one has to be careful that it is not too much of a burden to others. Similarly, in order to achieve success, one should proceed slowly but steadily. Slow and brief introduction helps expose people to new concepts and helps eliminate unnecessary doubts about the program. However, if one starts big—publicizes all over yet does not provide the necessary support—one may face grave consequences. There will be little chance to start something similar again in the future.

- *Be open and positive.* Quality circle programs need to be open. Information should be available to everyone. Ups and downs always exist in this type of program, but one should keep a warm spirit and high aspirations.

### Copy wisely

Lloyd Dobyns<sup>3</sup> commented on NBC's White Papers presentation, "If Japan Can, Why Can't We?" In his words, "copying won't work, we are two different societies." This may create doubts in people's minds about the viability of a quality circle program in the United States or in any other country.

It is important for the world to understand the basic concepts behind successful quality circle programs such as statistics, group dynamics and other aspects. One should then change and modify these aspects to suit individual needs. Moreover, the quality circle concept is based on a "people-building philosophy," and since basic motives of people

recognition and self-fulfillment exist in all human beings, copying should work anywhere if done properly.

It would be appropriate to mention Lloyd Dobyns' remark: "All humans think and nowhere is it chiseled in stone that those in management think best." Some form of the quality circle should work anywhere in the world.

### Conclusion

It is reported that more than ten million people participate in quality circle programs in Japan, contributing 20 to 25 billion dollars of savings per year. These programs are successful because of three major reasons: use of basic statistics, job satisfaction or job enrichment and group problem-solving activities.

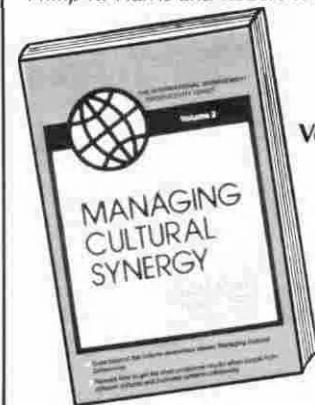
Dr. Ishikawa, a well-known authority on quality circles from Japan, said, "Quality circle activities are rapidly growing in many countries such as Taiwan, the United States, Mexico, Brazil, Thailand, Malaysia, the Netherlands, Belgium, Denmark and the United Kingdom. Judging from the common acceptance of the quality circle concept, I am convinced that quality circle activities have no socioeconomic or cultural limitations. Human beings are human beings wherever they live, and quality circle activities can be disseminated and implemented anywhere in the world for human benefit."

### References

1. Mercury Marine, Fond Du Lac, Wisc.
2. The 1980 Employee Annual Report, Brunswick Corp.
3. "If Japan Can, Why Can't We?" NBC Special Report.

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