

QUALITY CIRCLE – – PARTICIPATIVE MANAGEMENT IN ACTION

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INTRODUCTION

The concept of Quality Circles (QCs) is essentially Japanese. When Japan lost the Second World War, its economy suffered a major setback. In order to revive a shattered economy, Japan started to imitate the manufacture of several western goods. The strategy, however, did not work because the quality of most of these goods was poor. Despite price advantage, Japan found it difficult to face and survive global competition. It was then felt that a sustained effort to employ Statistical Quality Control (SQC) techniques to manufacturing operations would be the only way to revive the economy of Japan.

The Japanese Union of Scientists and Engineers (JUSE) was formed in 1946. One of the major objectives of JUSE was to propagate and popularise the concept of SQC in a large number of Japanese industries. JUSE undertook the responsibility of educating the Japanese managers, supervisors and workers in SQC techniques through training programmes, seminars and dissemination of relevant information.

A Quality Circle refers to a group of employees who meet regularly to solve problems affecting the work area. Generally six to 12 volunteers (the number may vary depending upon the nature of business) from the same work area constitute the circle. Quality Circles are known by different

names such as Small Group Activities (SGA), Zero Defects (ZD), Jishu Kanri (JK), and Work improvement Teams (WIT). It is difficult to identify the differences in these concepts as there is considerable overlapping. However, it could be said that except for ZD, all other techniques emphasise voluntary participation of workers.

GENESIS OF QUALITY CIRCLE :

Japanese, particularly after World War II, realised that unless they worked on the tarnished reputation that they had about their product, quality, the nation will be further doomed. A non-profit organization known as Japanese Union of Scientists and Engineers (JUSE) took up this concern for quality very seriously and JUSE set up a Quality Control Research Group (QCRG) in 1949. The QCRG was expected to propagate the idea of quality improvement programmes in Japanese organizations.

The QCRG initiated several activities to promote quality consciousness, and statistical quality control (SQC) was the first approach in that direction.

During this visit to Japan, W.E. Deming, a renowned American statistician, addressed a gathering of top Japanese Executives in July, 1950 and emphasised the importance and scope of SQC in the Japanese industry. His talk reinforced the

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efforts of JUSE and SQC became a popular concept in Japan.

In 1954, JUSE invited J.M.Juran, another reputed American statistician to talk on the management of quality control. While Deming succeeded in creating awareness of the importance of SQC at the top management level of the Japanese industry, Juran highlighted the need for looking upon quality function as a comprehensive managerial function that cuts across the entire organisation. The Japanese interpreted the views of Juran in a much broader perspective and became aware of the need for the involvement of a large number of supervisors and workers in Quality Improvement Programmes.

Quality Circles in Japan were formalised in 1960 by K.Ishikawa. He succeeded in convincing the management about the potential of significant contribution from the large workforce to quality, productivity and several work-related issues. During the last two decades, the number of these Circles has increased at a phenomenal rate in Japan. In reputed Japanese Companies, there is hardly a worker who is not a member of one Quality Circle or the other.

In a sense, Juran had sown the seed of Quality Circles in Japan. It was Juran who, for the first time, propagated the broad role of quality function which traditionally was confined to the preparation of inspection reports on the quality of raw materials, semi-finished and finished goods. Juran's definition of quality was concerned with the quality of performance of an organisation where every employee, irrespective of his status or nature of work, has the potential to contribute to the overall quality function. The concept of Quality Circles is based on the management's faith in the capabilities of employees. A Quality

Circle is only a forum to operationalise this faith.

In mid-sixties, the West became aware of the success of Quality Circles in Japan. Several European and American Companies started forming these circles with fairly encouraging results in the areas of quality control, cost reduction, productivity, safety, housekeeping, etc.

CONCEPT OF QUALITY CIRCLE

'Quality Circle' essentially is a participatory management process where the actual involvement of people at the grass-root level of the organisation is effectively applied. For the past several decades, organizations all over have been trying different approaches to involve employees in decision-making process. In the past, diverse types of attempts have been made to initiate participative management models at different levels in organization. In all these attempts, failure experiences outnumber success. Research studies on the other hand, have time and again proved employees involvement in decision-making is a viable concept and it can certainly bring positive returns to employees and organizations.

At this stage, it is necessary to understand the concept of quality circle along with the underlying principles in detail before its other dimensions are examined. A working definition of quality circle which has now been accepted in Japan and in all other countries where quality circle is practised is as follows :-

"Quality Circle is a small voluntary group of people from the same workarea who meet together on a regular basis for the purpose of identifying, selecting, analyzing and solving quality, productivity, cost reduction, safety, customer service and other work-related problems in their work area, leading to the improvement in

their work effectiveness and enrichment of their work life".

The 'Quality Circle' is a group of persons consisting of 3 to 12 employees doing similar work and drawn from the same section of the unit. The group members volunteer to meet regularly for one hour every week or fortnight usually in 'paid time', identify all the problems or opportunities for further improvement in their own work area. Thereafter, the group takes up one problem after another, collect pertinent data, analyse them, apply different quality circle tools, techniques, and based on their findings, make their recommendations and solutions, to the management for decision before implementing them. The group is also aware that at best only non-monetary recognition will be extended to them by their management.

The Quality Circle is :

- not a suggestion scheme
- not a grievance forum
- not a bargaining table
- not a Works Committee
- not a Shop Council
- not a Task Force
- not a committee appointed by the management.

The term 'Quality Circles' as understood in the present context refers to a small group of employees, usually belonging to the same work area or group, who meet regularly and on a voluntary basis to discuss and recommend solutions to work-related problems. The original term for this concept is Quality Control Circles (QCC) and in nearly all the Japanese organizations, they are still referred to as QC Circles. The avoidance of the word 'Control' was preferred by Western countries where managers felt that the word

'control' suggested a "police style approach".

The concept of Quality Circles has originated in Japan in sixties. After Second World War, the economy of Japan suffered a major setback and in an effort to put their industries back on their feet, they looked westward for managerial expertise. One of the main concerns of the industries was to improve the quality of products. While adopting modern management tools they realised that given the opportunity, workers were capable of and even willing to exercise their creativity for identifying problems, solving them and ensuring implementation. They believed that it was the worker who was best familiar with problems relating to his work area and he knew how best they could be resolved. The QC concept was born out of this thinking and spread rapidly. A survey indicated that in 1981 about ten million Japanese workers were members of various QC groups. In mid-sixties, the movement spread in several European and American countries. Today, it is prevalent in over 40 countries all over the globe.

PRINCIPLES OF QUALITY CIRCLE

- 1] Success in business depends upon being at least as good as the competitor in all facets of the organisations' activities, upon generating confidence and creating a good image.
- 2] To achieve this, it is necessary to establish corporate objectives for the whole organisation, in every function and at every level.
- 3] It is necessary to design a system for the organisation and deal with Quality Control, budgetary control and all activities
- 4] Systems do not motivate people, and if people do not really care, no amount of system will make any difference. People need to be involved.

- 5] To involve people successfully it is necessary to abandon 'Taylorism'. In other words, it is necessary to introduce the concept of "self-control". to reintroduce craftsmanship to groups of people.
- 6] People need leadership. Therefore, it is necessary to identify and train group leaders or supervisors. This training should be a continuous development process. Each supervisor should be trained in such a way that he has the desire to make each employee the manager at his own level.
- 7] Quality Circles are a special type of small group activity which form a vehicle for people development and lead to complete self-control within the constraints of corporate policy.

BENEFITS OF QUALITY CIRCLE :

Broadly speaking, the benefits that can be accrued from quality circles for the organization and the individual can be classified into two, namely, tangible and intangible. Fig.1 describes these two aspects of the quality circle benefits. On the intangible side are more positive employee attitudes towards work and employee development. On the other hand, tangible benefits include visible and measurable outputs resulting from the problem solutions in quantifiable terms. Both these can lead to organizational effectiveness in the form of better productivity, profitability, customer service and employee satisfaction and increased quality of work life.

Creativity is latent in most human beings. For want of sufficient opportunities, this latent power of human beings generally remains dormant. Utilization of this human power will be to the great advantage of the individual, organization and society. Quality circle is one of the ways through which this great human potential, hitherto unutilized, can be unleashed.

QUALITY CIRCLES IN DIFFERENT COUNTRIES

The Quality Circle movement has spread to other countries, primarily in the last decade. The interest evinced in the QC movement is seen in almost the global adoption of Quality Circles. Although there is evidence of Quality Circles in many countries, this discussion is confined to a few countries, due to the limitation of available literature. Table 1 identifies the years in which Quality Circles were started in selected countries.

Table 1.

Quality Circle Movement in Different Countries

S. No.	Country	When CCs were started
1	Japan	1962
2	Taiwan	1971
3	South Korea	1973
4	United States	1974
5	Thailand	Late 70s
6	United Kingdom	1978
7	Sweden	1979
8	Hong Kong	1981
9	India	1981

Source :

- i) JUSE, Proceedings of International QCC Conference, 1981.
- ii) Papers discussed at the symposium of SGAs held in Singapore July 9-13, 1985.

QUALITY CIRCLES IN INDIA

The idea of quality circle was brought to India in 1980 by Bharat Heavy Electricals Ltds., (BHEL). The then General Manager of BHEL at its Ramchandrapuram plant in Hyderabad, Mr. S.R.Udpa, has been

primarily responsible for initiating the concept in India.

The Quality Circle Forum of India (QCFI), a non-profit professional body which was started with its headquarters in Hyderabad in 1982, has now several chapters all over India. The QCFI functions as an organization to spread the movement and as a national clearing house for

information on quality circles. With all these efforts, there are now about 200 organization in the country which are currently experimenting with quality circles. There are diverse types of organizations like manufacturing units, banks, government departments, hospitals etc. The movement, thus, is on its growth path in India.
