

Quality Circles Threaten British Unions

The popular view of quality circles is that they are a technique created and developed by Japanese management, and exported back to the West by courtesy of American multi-nationals. This view is misleadingly oversimplified, and may lead British workers to conclude that such a "foreign" management tool presents no danger here, because our culture and industrial traditions are different. In fact, the idea on which quality circles is based - of small semi-autonomous, problem-solving groups of employees - was originally developed for use in Britain, by management-oriented social scientists at the Tavistock Institute of Human Relations in London, as long ago as the 1950's. The idea was not taken up at that time for two major reasons. First, to a backward management, such groups appeared to carry the threat of an experiment in industrial democracy. Secondly, and probably more important, the trade union movement was growing in size and strength and was, with justification, suspicious of such techniques in so-called "human relations".

Japanese management, however, ever watchful for good ideas, spotted this idea and modified it to fit their own requirements. In the early 1960's, the expanding Japanese economy was having difficulty exporting its goods, particularly to the lucrative markets in the West. The label "Made in Japan" was widely seen to denote poor quality. To improve quality, management made the entire workforce responsible for quality control. The technique they employed to achieve this was the quality circle - a basically Western idea modified to deal with a specifically Japanese problem. The reason why management were able to introduce the circle concept onto the shop floor without much concerted resistance was that the major independent trade unions had been smashed in the preceding few years and "yellow" company-run unions installed in their place. These unions then collaborated with management in introducing a wide range of techniques in worker manipulation.

The success of circles in tapping workers' expertise and ideas was rapid and they spread to most sectors of industry. There are now over a million circles in operation in Japan involving ten million workers. To begin with, they concentrated on

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ideas for improving quality. However, after an initial burst of good suggestions, there was an inevitable tail-off. At this point, the circles became more blatantly involved in discussions of productivity and cost-cutting generally. In recent years, as circles have found it more and more difficult to come up with ideas on improving the production process, members have been forced back into making suggestions like cutting pay or not taking holiday entitlement, in order to fulfil their quota of cost-saving recommendations.

A concept comes home to roost

The idea of introducing quality circles back to the West was pioneered by American multinationals like Lockheed in the 1970's. By the end of that decade, over 750 major corporations and government agencies had adopted them. By 1982, a New York Stock Exchange survey showed that 75% of large manufacturing companies (those with more than 10,000 employees) had used them. American managements have been quite open about the benefits of circle development. Gone is any pretence that they are only to be concerned with quality improvement - higher productivity and the improvement of management's image are stressed as the chief aims.

The appearance of quality circles on the British scene has been more recent. British Leyland began limited experiments in 1978, but the real expansion dates from 1980. Articles published in the management journals emphasising the potential of circle development, and in the Financial Times played a major publicising role by running a series of articles early in 1981. Since then, they have spread rapidly. A recent report by Barrie Dale of the University of Manchester Institute of Science and Technology suggests that over 200 major British companies have introduced quality circles. Though it is difficult to get comprehensive evidence of where circles are in operation, often because management call them by other names, a number of firms with household names are known to participate. These include BL, Rolls Royce, Ford, Jaguar, Dunlop, British Aerospace, Imperial Tobacco, May and Baker, UB Foods, Marks and Spencer, ICL, ITT, Philips, Mullard, Chloride, and Wedgewood. Moreover, circles are spreading to service organisations like British Airways, British Rail and the Central Electricity Generating Board. At least one District Health Authority is known to be considering their use.

This rapid take-off has been by no means accidental. Behind the scenes, circle development is being pushed to management by a number of government and unofficial bodies. Conferences, training sessions and teach-ins led by managers experienced in introducing circles have been arranged around the country and huge amounts of publicity and information distributed. In the wake of this fanfare has sprung up a host of specialist trainers and self-styled "consultants".

The advantages to management

The exploitation by management of what has been recently termed the "gold in the mind" of their employees has resulted in considerable cost saving. Circle promoters generally reckon that the savings will be in the range of five to eight times the cost of setting circles up. Yet, even if a group of workers in a circle never provided a single useful suggestion, the circle would still provide two valuable advantages for the employer. First, quality circles encourage workers to develop a management perspective on work - to think about how costs can be cut and productivity improved. In many cases, the circles are given instructions to work in this direction and the participation of front-line supervisors keeps them firmly on the management track. Secondly, circle meetings are used by management to keep tabs on workers. The meetings allow supervisors to identify pro-management employees and pick up useful information about what is going on on the shopfloor.

The potential danger posed to trade union organisation by quality circle development is clear. Whilst in the short term participants may indeed derive satisfaction from being able to contribute ideas, what they should bear in mind is that in the current state of the economy, suggestions as to how to improve efficiency are more likely to result in redundancy than an expansion in the firm's activity. From the point of view of the union rep, circle schemes may well be seen as an attempt to re-establish the authority and status of the supervisor, with a consequent weakening of the ability of the shop steward to hold his or her members together. At plant level, circles may lead to a fragmentation of the workforce, with circle members seen as "favoured" in the eyes of the rest of the employees and the circles themselves encouraged to compete.

More dangerously, there is evidence that union-busting con-

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sultants have used quality circles as an early phase of their campaigns. In the US, the Council on a Union Free Environment places great emphasis on the usefulness of circles. One British researcher who has studied circle development there has revealed that some managements do indeed see circles as a prerequisite to campaigns for the withdrawal of union recognition. In Britain, "management consultant" Roger Rosewell (renegade ex-Trotskyist who was once full time industrial organiser for the Socialist Workers' Party) who has advised foreign multinationals on how to keep unions out of their plants, is on record as recommending quality circles as a way of undermining union power.

There is a good reason, for trade unionists to regard quality circles with some suspicion. In workplaces where union organisation is very strong and a close watch is kept to ensure that they do not cross rigid boundaries laid down by the unions, circles may have a limited advantage in convincing workers of their collective creative ability and to enable them to question the function of management. But in the long run, a genuine mobilisation of workers' untapped talents will demand a more thorough-going redistribution of power in favour of the organised workforce. That is something which quality circles are most definitely not designed to achieve.

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