

C E



**Center for
Effective
Organizations**

**Quality Circles
a Self-Destruct Approach?**

**CEO Publication
G 84-1 (49)**

Susan A. Mohrman
Edward E. Lawler III
Center for Effective Organizations

May 1994

**Quality Circles
a Self-Destruct Approach?**

**CEO Publication
G 84-1 (49)**

Susan A. Mohrman
Edward E. Lawler III
Center for Effective Organizations

May 1994

QUALITY CIRCLES
A SELF-DESTRUCT APPROACH?

G 84-1 (49)

ABSTRACT

The stages of quality circle development are reviewed and threats to their continued existence enumerated. Suggestions are made concerning how quality circles can be managed more effectively. Consideration is also given to the use of quality circles as an evolutionary stage in development of a long term employee involvement program.

QUALITY CIRCLES - A SELF-DESTRUCT APPROACH?

by Edward E. Lawler, III and
Susan A. Mohrman

Suggestion programs have always been popular in the United States. Until recently most programs were based on written input and were oriented toward individual contributions. This has changed with the widespread adoption of Quality Circles and other group suggestion programs. Although these programs are relatively new in the United States, we have studied their effects in a wide range of situations. The results of these studies are very consistent and suggest some important conclusions about how organizations should think about and use quality circle programs. But before we deal with their effects we need to briefly describe their characteristics and examine their popularity.

Characteristics of Quality Circles. The Quality Circle programs that have been implemented in the United States follow a rather similar pattern. Not all programs are the same, but there seems to have developed a collective "agreement" on how they should be done. Exhibit 1 summarizes the characteristics of the typical program.

SEE EXHIBIT 1

Each organization typically does its own fine tuning of the Quality Circle approach. For example, organizations vary in the kind of recognition they give for circle activity, in the size of groups, and in whether the supervisor is used as the facilitator. Nevertheless, there is enough similarity in what goes on across organizations to speak with some confidence about how Quality Circles are usually installed.

It is interesting to contrast Quality Circles in the United States with those in Japan and with the type of suggestion groups that for

several decades have been used in Scanlon and other Gainsharing companies. American Quality Circle programs are very much like those used in Japan and to a substantial degree are copied from them. There are, however, several important differences. Those in Japan emphasize statistical quality control much more; the Japanese Quality Circles often meet on the individual's time rather than on company time; and, finally, in Japan there is usually a financial bonus that rewards everyone in the organization for the performance of the organization.

The problem solving groups which are installed in conjunction with the Scanlon Plan differ in some important ways from the typical Quality Circle. They often have the authority to make decisions and implement them if they affect only their work area. Indeed, they generally have a small budget that they can draw upon. Most Scanlon Plan organizations have a hierarchy of committees so that problems which are not solvable at the lower level are given to higher level problem-solving groups. This is also sometimes done in more mature Quality Circle programs. Higher level management groups in Quality Circle programs generally perform a legitimation and approval function rather than problem solving. Overall, Scanlon Plan groups seem to have more power than Quality Circles and like Japanese Quality Circles exist in organizations where bonuses are based on organization performance.

Quality Circle programs in the United States clearly fit the model of a parallel structure. That is, they are programmed to operate independently and in different ways from the existing organization. They emphasize different kinds of group processes, assign new roles to people, and take people out of the normal day-to-day work activities. In order to get anything done, they have to report their results back to

the existing organization because it is, after all, that existing organization that is the object of change, and that controls the resources necessary to effect change. Except for those suggestions which are accepted and implemented, they leave the organization itself unchanged.

Growth of Quality Circle Activities. Quality Circle activity has grown dramatically in the last five years. For example, a 1982 study by the New York Stock Exchange showed that 44% of all companies with more than 500 employees had Quality Circle programs (NYSE, 1982). Seventy-four percent of these programs had started in the last two years. Although no hard data are available, a good estimate is that over 90% of the Fortune 500 companies have Quality Circle programs somewhere within their structures. Such well regarded companies as IBM, TRW, Honeywell, Westinghouse, DEC and Xerox are currently heavy users of Quality Circle programs. This is particularly interesting since such companies as TRW and DEC are well-known for their participative management traditions.

Any discussion of the prevalence and popularity of Quality Circles inevitably must ask the question, "Why are they so popular?" As with most management trends, there is no simple answer. Probably the single most important reason for their popularity is the Japanese success in producing high-quality goods which can be sold at competitive prices in the United States. The successful Japanese invasion of the U.S. auto, steel, and electronics markets led many to examine what the Japanese were doing that could explain their success. The popular press, along with many academics, stressed that Japanese success was due to their superior management approach and that included Quality Circles. Thus, Quality Circles came to be seen as a reason for the Japanese success and

as a way for American companies to compete effectively. This perception was further reinforced by press reports of some early successful uses of Quality Circles in the United States.

Quality Circles have some other features which seem to contribute to their popularity. First, they can be bought as a program, a standardized package complete with training, support materials, and procedures. This means that a company can, for a fixed price, buy the establishment and operation of a certain number of Quality Circles. This appeals to many managers because this is the way they are used to buying things (for example, machines and training programs).

Second, because Quality Circles do not have to involve everyone, an organization can easily control the number of people involved and the size of the program. Thus, they can start with a small number of experimental Quality Circles and expand if success is realized. This tends to make Quality Circles look like a relatively low risk activity and eliminates some of the concerns that managers have when new unproven programs are started.

Third, Quality Circles programs have no decision making powers, thus, managers perceive that are not giving up any power or prerogatives. This, combined with the fact that Quality Circles typically involve no financial incentives or rewards, means that they are a relatively low risk movement toward "participative management" and the Japanese model. Because they are a parallel structure and a program, they can be eliminated if they begin to become troublesome. Therefore, all that is and ought to be at risk is the money that is put up to start the program and do the training, and this can be controlled and budgeted for.

Finally, any discussion of the popularity of Quality Circles must note their "faddish" character. It seems clear that the popular press coverage has led some companies to try Quality Circles simply because they are symbolic of "modern participative management." In some cases we have studied, the CEO saw a TV program lauding them or read a magazine article praising them and decided that they were worth trying in his company. He then ordered the Personnel Department to "try a few in order to see how they work." In these cases, Quality Circles became something the top told the middle to do to the bottom. This kind of adoption can best be described as uninformed faddism and is characteristic of a number of companies that have gone into Quality Circle programs on a limited or trial basis.

In summary, Quality Circles seem to be popular in the United States because they are associated with a winning model of management, they involve relatively low risks, the costs are controllable, and they do not undermine the traditional management structure and authority.

Stages of Quality Circle Activity. Like virtually any planned organizational change effort, Quality Circles go through a series of identifiable phases or stages in their development. Each one has its own key activities as well as its own threats to the continuation of the Quality Circle program. Exhibit 2 summarizes the different phases, the key activities during each phase, and the major threats to continuation which are present during each phase. The time that it takes to go through each of the phases varies, but almost without exception every Quality Circle program which we studied has gone through these phases. Every Quality Circle program that survives the threats of the first stage moves into the second stage, and so forth. That is, each

organization either drops the program at one of the stages or moves on to the next one. They rarely skip stages or become stuck at one stage or another.

1. Start-up Phase. During the start-up phase, a high level of activity is demanded and considerable effort needs to be put into a Quality Circle program. There are relatively few serious threats to the continuation of the Quality Circle program during the start-up phase. The primary threats are whether anyone will volunteer, whether adequate training will be provided, whether the learning capability of the volunteers will be adequate, and finally, whether an adequate budget is available to allow for meetings, facilitator time, and training.

SEE EXHIBIT 2

In our experience, most organizations are able to effectively deal with the threats during the start-up phase and, as a result, most Quality Circle programs successfully move from the start-up phase to the next phase. This is aided by the fact that there are many firms offering good training packages for Quality Circle program participants and by the fact that most people like the idea of participating in problem solving groups. As decades of research has pointed out, people want to contribute to the place they work and want to participate in decision making. Deficiencies in start-up activities, either inadequate orientation or inadequate training and resources, generally do not become apparent until later stages.

2. Initial Problem Solving. Once circles are trained and officially sanctioned, they turn to problem solving. It is at this point that they identify the problems that they are going to work on and

begin to come up with solutions. During this phase, like in the initial phase, there are relatively few serious threats to the continued existence of the circle program. Some groups get in trouble because they are unable to agree on an appropriate problem to work on. This is particularly likely when the group has members from different areas in the organization and there is no solvable problem that affects everyone. Nevertheless, most groups do identify problems and begin to problem solve. Once they start problem solving, they may find they have inadequate business and technical knowledge to solve the problem, but this too can be overcome through additional training or through adding expertise to the group, sometimes in the form of resource people. Therefore, in most Quality Circles, initial problem solving does take place and success is experienced. This leads to the next phase of activity.

3. Presentation and Approval of Solutions. Because Quality Circles are a parallel structure, the results of Quality Circle problem solving activities must be reported back to decision-makers in the line organization. This report back activity is a particularly critical one in the evolution of Quality Circle programs. If circles are to succeed, the reporting back must be done well and the line organization must respond quickly, knowledgeably, and, in a significant percentage of the cases, positively to the ideas. It is during this phase that the typical Quality Circle program encounters the first serious threats to its continuation.

Most of the individuals who have to accept and act on the ideas from the Quality Circle program are middle level managers and in many organizations they have had little or no prior role in the Quality

Circle activities. Indeed, they probably have little previous experience soliciting and responding to ideas from subordinates. They are often presented with ideas that they feel they should have thought of themselves or with ideas that will change their own work activities. They also have other things to do and, as a result, they do not have the time available to respond to the ideas of the circles. Not surprisingly, they often resist the new ideas and, as a result, either formally reject them or are simply slow in responding to them.

A scenario can develop in which the Quality Circles present their ideas and this is followed by literally no activity on the part of the people to whom they were presented. This is particularly likely to happen to those suggestions which follow the first Quality Circle suggestions. A great deal of pressure exists to accept the initial suggestions because of the time and resources invested and because it is known that if the ideas aren't acceptable the program will lose its momentum. We have even seen situations where top management has ordered that all initial suggestions be accepted.

Subsequent ideas often are received far less positively. Quality Circle participants often get discouraged at this point and feel that the program is a sham, waste of time, and a management trick. If, in a high percentage of cases, Quality Circle suggestions are reacted to negatively or not at all, this usually ends the Quality Circle program. The individuals in the group become discouraged and stop meeting. They feel that management never took the program seriously and react against the whole idea. If, however, the ideas are accepted, then the program moves to the next phase.

4. Implementation of Solutions. In most organizations, approval does not mean implementation. Indeed, because the pressures for acceptance of the initial ideas of a Quality Circle are quite strong, many of these ideas are accepted but not implemented. Time after time we found situations where ideas had been accepted with great fanfare, but were never implemented. The result was a significant loss of program and management credibility.

Implementation of ideas often involves the cooperation of many people and of course it involves the allocation of resources to support the implementation. As was noted earlier, in many cases the people who need to put their time into implementing the Quality Circle ideas are not involved in the initial activities of the circle. In addition, recognition and rewards are given to the individuals who developed the ideas, not to those who implement them. Approval, therefore, is often easy compared to implementation. Staff engineering groups, maintenance groups, and middle management are often faced with a choice between continuing their normal activities and picking up on ideas that have been suggested to them by the Quality Circle programs. Unless they are willing to change their activities and implement the Quality Circle program ideas, the ideas are never implemented.

Just as with approval of the ideas, if the ideas are not implemented, Quality Circle programs typically lose their momentum and die. Although participants are delighted to have their ideas officially approved, this is not sufficient to reinforce their Quality Circle activity. They need to see some tangible implementation of their ideas and receive feedback which indicates the impact of their suggestions. Because of the difficulty in producing major change in organizations, it

is at this point that an increasing percentage of Quality Circle programs end. However, some do successfully implement some of the ideas of the Quality Circle program, produce large savings based upon them, and move on to the next phase.

5. Expansion and Continued Problem Solving. During this phase the program is often expanded to include new groups and old groups are either phased out or told to work on new and additional problems. If the program has gotten this far, then there is usually considerable commitment of resources to it and it becomes a major operating part of the organization. However, there are a number of threats to continuation that appear during this phase. Simply reaching this phase provides no guarantee of a stable continuing program.

Problems that confront a Quality Circle program at this point are many and varied. Some of them are a product of the initial success of the program while others are related to the fact that the Quality Circles are in fact a program that requires the maintenance of a parallel organization.

The initial success of the program leads to a desire of other people to get into the Quality Circle program. Nonparticipants become jealous of participants and wonder why they too cannot have the luxury of meeting and problem solving while others are working. They also resent the recognition and status accorded to successful Quality Circle members. To a degree this issue can be met by expanding the number of groups to include more people, but there almost always is an insider-outsider culture.

Success of the initial groups may also cause higher aspirations to develop on the part of group members. These higher aspirations can take

several different forms. They may, for example, lead to desires for greater upward career mobility and for additional training and technical skills. They can create a desire to transfer the Quality Circle process back into the everyday activities of the organization. Circle members become uncomfortable with the split between the way they are treated in the Quality Circles and the way they are treated in the day-to-day operations of the organization. They ask for more participative management in the day-to-day work activities of the organizations and their aspirations for influence rise.

Some groups also run out of problems to solve. Initially, they pick off the easiest ones to solve. They then find themselves in a situation where, with the limited charter and training they have, there is little additional they can do. They may react to this by simply going out of existence or by expanding into other areas even though it is not in line with their mandate to solve only quality-related problems.

The initial success may also bring a request for financial rewards from the participants. This is particularly likely to happen when organizations talk about their high levels of success and the great savings the circles have produced for the organization. In the American culture, financial gains bring forth the idea of sharing these gains with those people who have contributed to them. Again, this issue can be dealt with by management through various financial sharing plans, but to do this requires a change in the basic structure of the Quality Circle program.

Expansion of the program also may bring to a head issues of the cost of running the program. Not only is there training time, but there

is coordinator time, facilitator time, and meeting time. All this costs a great deal for an organization and ultimately many organizations ask if it is justified by the savings that have been realized. Unfortunately when an effort is made to document the savings from the early Quality Circle ideas, the savings often turn out to be somewhat smaller than had originally been estimated. It turns out that the initial expansion of the program was based on optimistic estimates of just how much was going to be saved and, indeed, people may have been rewarded for projected savings rather than for actual savings. A combination of some disappointment over the actual savings from early ideas and the significant expense of running the Quality Circle program often provides the single most serious threat to its continued existence.

Given the many forces and pressures that develop during this phase, it is not surprising that at this point the typical program either begins to go into a period of decline or changes its direction such that it becomes a different kind of program.

6. Decline. In our experience, few Quality Circle programs end up transitioning into other kinds of programs. More commonly, a period of decline occurs. During this period groups begin to meet less often, they become less productive and the resources committed to the program are decreased. Often the main reason why the groups continue is because of the social satisfaction and pleasure that they bring the members rather than because of their problem solving effectiveness. As the organization begins to recognize this, it cuts back further on resources and as a result the program starts to decrease in size. The people who all along have resisted the Quality Circle program recognize that it is

not as powerful as it once was and they openly reject and resist the ideas that come out of it. The combination of more effective resistance on the part of middle and staff managers, the decreasing budget, and decreasing enthusiasm of the participants usually leads to a rapid decline of the Quality Circle program and ultimately to a cessation.

In summary, then, our analysis of the phases that Quality Circle programs go through suggests that there are many threats to their continued existence. Because of these threats, it is likely that few programs will be institutionalized and sustained over a long time period. Ironically, they contain in their initial design many of the elements which lead to their own elimination and destruction. This raises the issue of how, if at all, Quality Circles can be effectively used by organizations.

Effective Patterns of Usage. Although we have made a case for Quality Circles being unstable organizational structures which are likely to self-destruct, this does not mean that organizations should necessarily avoid them. There are three patterns of usage which we have observed that make sense. Each pattern produces different results and may fit the needs of an organization.

1. Group Suggestion Program. Quality Circles programs can be effectively used for the express purpose of collecting the ideas of "the individuals closest to the work." If there is no interest in changing the management style toward participation or in creating an elaborate parallel structure, Quality Circles can be created, the ideas they produce captured, and then the program stopped. This approach recognizes the strengths and limitations of the circle process and to a degree capitalizes on them. It relies on the initial enthusiasm and

knowledge of workers who are given an opportunity to meet and make suggestions. It recognizes that circle programs are difficult to maintain and therefore plans for their being phased out. If this approach is taken, membership in circles should be rotated, thereby continually introducing "new blood" into groups which may be running out of ideas. In addition, the circle program and its training and facilitation resources are best rotated through various work areas, thus skimming ideas off the top and then moving elsewhere. Introduction of such programs needs to be done carefully with the groups being given a very narrow mandate and no expectation of a new management style.

The chief benefit of this pattern of Quality Circle use is the good ideas which emerge, are implemented, and result in savings. It also improves communication, particularly upward, and raises the consciousness of the workers concerning issues of quality and productivity. In addition, organizations that have used it mention supervisory development as a result of exposure to the circles, and the opportunity for management to identify high potential workers.

The danger of such a usage pattern is that workers may feel that they have been manipulated because they see their ideas saving the company money, with no change in their daily worklives or in their opportunity to contribute meaningfully on an ongoing basis. They may also develop a cynicism about the management of the organization when they become aware of the difficulty of getting ideas approved and implemented and become aware of the cumbersome organizational decision-making and resource allocation processes.

2. Special Purpose Usage. Quality Circles can also be effectively used to deal with temporary or critical organizational

issues. Examples here include the introduction of new technologies, retooling for new product lines, or helping to resolve organizational problems such as major quality problems. The circles are used as a vehicle for working out the "bugs" in the change, as well as for achieving worker acceptance. Such usage implies a limited degree of development of the organization toward participative management. Managers who use circles in this manner need to gain an appreciation of the usefulness of participation in the introduction of change. The use of circles to address complex problems such as quality also requires that managers understand the value of multiple perspectives in addressing complex and unstructured problems.

A particular circle, when used in this pattern, should have a lifespan that is defined by the problem at hand. For example, it ceases meeting when the new technology has been debugged, or when quality has been brought within acceptable bounds. Enthusiasm is generally present for this approach because there is an arena in which the group's activities can make an appreciable difference, and because management is concerned enough to be responsive to good ideas.

We found a few organizations that have used Quality Circle programs for over ten years and have gone through successive cycles of start-up and decline. The occasion of a new start-up typically was the introduction of a new product or a new technology where employee input and problem solving is desirable. At this point, managers seemed to almost spontaneously rediscover Quality Circles and start the activity again. Because of past experience, the start-up and development of the circles was much quicker and easier.

This pattern of usage represents significant, but limited, development in the direction of employee participation. Employees benefit from being able to influence change which affects their worklives, and from contributing to quality improvements which may foster pride of workmanship. On the other hand, the daily worklives and job content of workers do not change significantly in the direction of increased responsibility. Likewise, circle usage is limited to management defined problems and changes, and may not extend to worker initiative. We have encountered numerous examples where participants in such special purpose circles feel that the company benefits but that there is nothing "in it" for them.

Nevertheless, the use of Quality Circles to address particular problem areas can be an effective management tool. It has the potential of contributing substantially to organizational performance because it produces good solutions to critical organizational problems. It has the obvious disadvantage of heavy start-up cost and has the potential of raising expectations unrealistically.

3. Transitional Structure. Quality Circles can be used as an interim stage or transitional device in moving toward a more participative management system and culture. Such usage by organizations may be intentional or, as in most cases we have observed, it may occur by necessity. The organization embarks on a Quality Circles program, discovers its limitations, and embarks on a course of action to further develop the participative culture of the organization. Figure 1 illustrates this process.

SEE FIGURE 1

Organizations enter this course of development in one of two ways. First, we see organizations that have developed a belief that their organizational mission can be more effectively achieved through a management style which fosters increased development and involvement of employees. These organizations implement Quality Circles because they believe that they are a means to this high involvement culture. Second, some organizations adopt Quality Circles as a way of "testing the waters" of participative management--to safely determine what it's all about and whether it is potentially a valuable approach for the organization. Such organizations may be motivated by curiosity or by a fear of being left behind. In our experience, organizations which implement quality circles for this reason are the least likely to provide adequate resource support for successful implementation.

As is shown in Figure 2, Quality Circles create forces for the expansion of the organizational commitment to employee participation. Employees often identify the desirability of participation on issues which extend beyond the workgroup and involve inter-group and organizational issues. In our experience, many of the issues which groups identify in their brainstorming sessions involve questions of intergroup relations and of organization-wide policies and practices. Group members become frustrated when they are unable to initiate needed changes in these areas, particularly when they see a close relationship between the problems which they identify and organizational performance. The second force which the quality circle activity may set up is the desire of group members to transcend their status as a parallel suggestion system, and to become an integral part of the decision-making system in the organization.

Organizations can transition from Quality Circles by moving in one or both of two directions. They can expand the domain of participative activity by establishing multi-workgroup and/or multi-level participative structures. Alternatively they can move decision-making authority into the group by providing it with the needed information, expertise and resources to make and implement high quality decisions. Organizations with a commitment to participative management will, most likely, move in both directions.

In our experience, inter-departmental and organization-wide suggestion groups tend to be no more stable than workgroup level suggestion groups. They remain dependent on others to approve and implement their ideas. Thus, they do not represent a viable long-term approach to participation.

SEE FIGURE 2

The transition of Quality Circles into self-managing teams is a possibility. Teams are intact workgroups in which the workers assume responsibility for performing many of the functions that have previously been carried out by supervision or support groups. For instance, they may perform their own scheduling, assignment of workers to tasks, monitoring of work quality, and goal setting. In essence, teams foster participation by giving employees responsibility for day-to-day decision-making concerning the work they perform. Responsibility is transferred to those actually performing the work. Quality Circles can help prepare employees for this type of structure because of the skills and knowledge that they develop.

In our studies, we have encountered only one instance where a company attempted to transform a Quality Circles program into a self-managing workgroup design. In this case, all intact workgroups were formed into circles, which meant that they were, in a sense, not special groups. Furthermore, the circles program had been designed to give the groups a broad mandate, and a great deal of organizational resources were committed to supporting circle activities.

In this plant, the circles went through the initial stages. Because the production system was being retooled for a completely new product line, there were plenty of areas in which the circles could make a visible difference through their suggestions. Ultimately, the circles reached their limit. At this point, however, rather than allow the circles to peter out, management encouraged them to continue meeting weekly. A sophisticated measurement and feedback system was developed so team members would know their team's performance along a number of dimensions. The meetings began to assume the appearance of staff meetings, and were used for information exchange, goal setting, performance feedback and social maintenance functions. The plant is currently attempting to provide the teams with other tools to become more self-managing, including additional technical, business and social training.

It is difficult to make the transition from Quality Circles to other forms of involvement because it requires a long list of changes in important features of the organization. Figure 3 illustrates the chain of events which needs to occur in such a transition. This progression implies alternation in job design, personnel policies, and the reward structure. It also implies extensive additional training. In addition,

management must develop a willingness not only to listen to worker suggestions, but to trust workgroups with important responsibilities for self-management. This transformation does not naturally flow from the implementation of Quality Circles. Rather, it is a conscious departure from the assumptions and philosophy of parallel suggestion-type groups. It moves toward stable participation groups that have a clearly defined arena of responsibility, and can command the resources necessary to implement their solutions. These are the conditions which are needed in order to have an institutionalized participative structure.

SEE FIGURE 3

Organizations which seriously desire to adopt a participative philosophy and style of management may want to avoid the use of Quality Circles as a first step because it is such a difficult transition to make. Even if it is successful it is a rather long and inefficient way to participative management. However, those organizations which already have circles process operating may want to try to transition them rather than let them die. In short, if they exist, it is probably better to transition them. If they don't exist, don't start them if the objective is to change management style.

Summary. Quality Circles programs encounter ongoing threats to their viability at all stages in their development. Most programs ultimately do self-destruct. Nevertheless, Quality Circles programs can be used successfully by organizations. It is possible to use Quality Circles as a short-term suggestion device, to surface ideas which exist in the organization. It is also possible to institutionalize the implementation of suggestion groups to deal with particular

problem-situations, such as the introduction of new products and technologies. Both of these uses, when supported by considerable management attention and energy may positively affect the performance of the organization. Some organizations, however, may want to go beyond this relatively limited use of employee involvement. One option this is to use quality circles as a transition approach. However, this is the best approach only if a quality circle program exists. In the absence of a program there are better ways to start a movement toward greater employee involvement and participation.

EXHIBIT 1

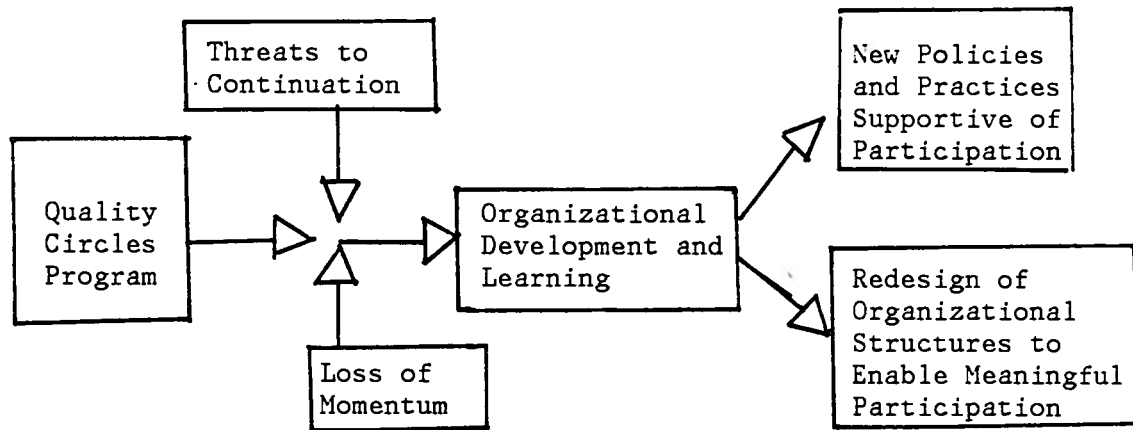
CHARACTERISTICS OF QUALITY CIRCLE PROGRAMS

Membership:	Organization asks for volunteers
Circle Size:	6-12 from different work areas
Topics:	Focus on quality and productivity improvement
Authority:	They make recommendations
Rewards:	No financial rewards, sometimes recognition
Meeting Schedule:	Four hours a month on company time
Leadership/Facilitation:	Trained facilitator but supervisor not present
Training:	Problem solving and group process

EXHIBIT 2

<u>Phase</u>	<u>Activity</u>	<u>Destructive Forces</u>
Start-up	<ul style="list-style-type: none"> • Publicize • Obtain funds and Volunteers • Train 	<ul style="list-style-type: none"> • Volunteer rate • Funding required • Ability to learn group process and problem solving skills
Initial Problem Solving	<ul style="list-style-type: none"> • Identify and solve problems 	<ul style="list-style-type: none"> • Agreement on problems • Knowledge of operations
Approval of Initial Suggestions	<ul style="list-style-type: none"> • Presentation and acceptance of initial initial suggestions 	<ul style="list-style-type: none"> • Resistance by staff groups and middle management • Poor presentation and suggestions because of limited knowledge
Implementation	<ul style="list-style-type: none"> • Relevant groups act on suggestions 	<ul style="list-style-type: none"> • Costs of implementation • Resistance by groups that must implement
Expansion Problem Solving	<ul style="list-style-type: none"> • Form new groups • Old groups continue 	<ul style="list-style-type: none"> • Member/nonmember conflict • Higher aspirations • Run out of problems • Expense of parallel organization • Savings not realized • Rewards wanted
Decline	<ul style="list-style-type: none"> • Fewer groups meet 	<ul style="list-style-type: none"> • Cynicism about program • Burnout

Figure 1



Quality Circles as Transitional Structures

Figure 2

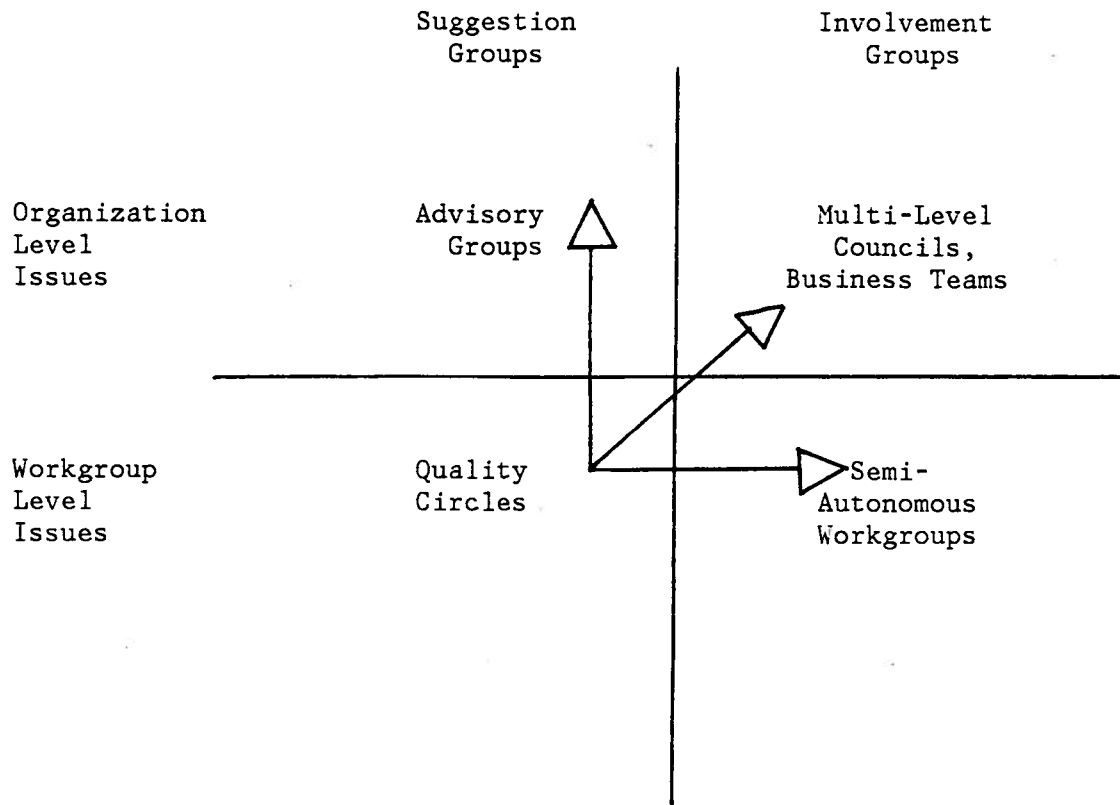
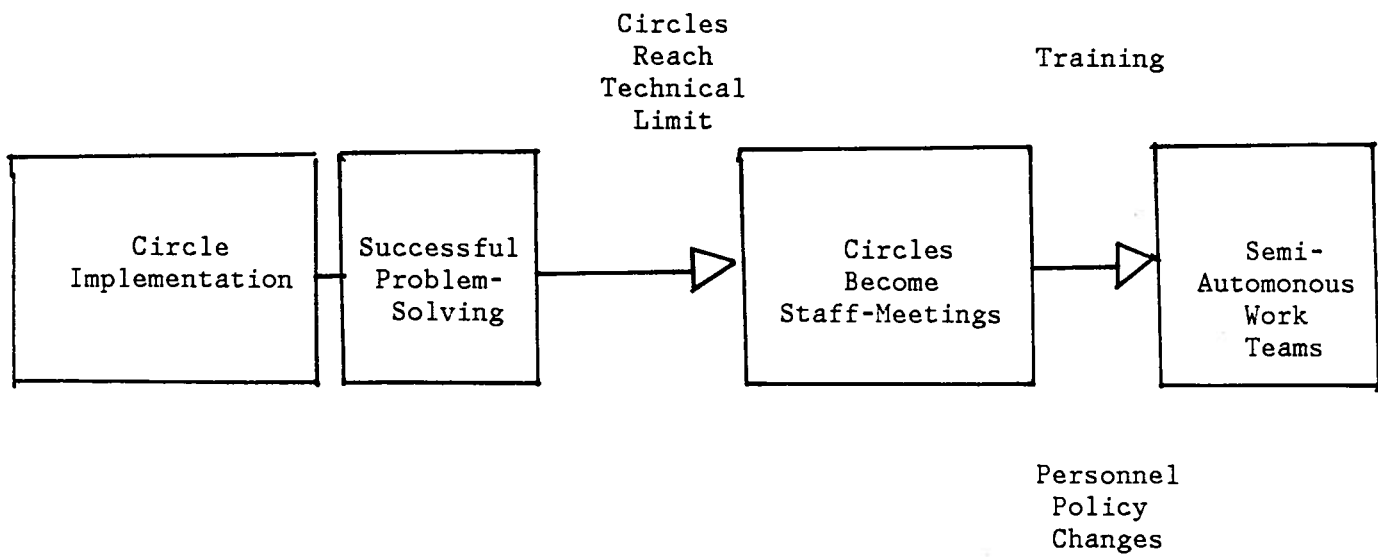


Figure 3



Transition Process: Quality Circle to Semi-Autonomous Work Teams