

The Circle Game

Below we republish an article - based on a report from a carworkers conference - from TIE Europe (Transnationals Information Exchange, No 16, Sept 1983) on the dangers of Quality Control Circles. It is to be expected that as recession deepens more South African firms will adopt this strategy in order to maintain profits. According to the National Productivity Centre, 50 organisations here are using quality circles - including Anglo American Life, ISCOR, ESCOM, CSIR and NPC (Star 21.5.84). Quality circles draw on the knowledge and effort of workers to solve problems and increase productivity and profits ("Quality circles have key role in S Africa", Engineering Week 23.2.84). In addition they have an ideological role: to "improve communications", to foster a corporatist spirit, and to get employees to identify with the company. It also gives management a way around the union to the shopfloor. This ideological function is especially crucial in the South African context where capital has until recently relied upon very crude repressive means of control (see "Dairy Maid boycott" elsewhere in this edition).

Major changes have been introduced on the shopfloor in the last few years and it is likely that most companies will continue to come up with new ideas, affecting working conditions for those who manage to keep their jobs. It's not only technological innovations in product design and improvements with regards to techniques of production and assembly. No less important is the way in which management is trying to gain control over the shopfloor. Sometimes they use well tried methods such as work-measurement, greater supervision and camera-monitoring. But there are also more subtle means: many firms are establishing so-called Quality Control Circles (QCCs). Groups of workers have regular brainstorming sessions on possibilities to improve their production quality and output. The idea is "to get out of them as much as you can, because who knows

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the job better than they" by accomodating them and giving the feeling of being treated as equals.

It will be clear that many shopfloor union activists are not in favour of this development, because they feel it as a threat to the union's position within the plant. Although the phenomenon was introduced first in Japan, it now has become popular among management in many other countries, including the Third World.

Quality Control Circles were introduced into Japan after the management had broken the unions around 1953. Until then, the unions has been similar to British unions. But in a massive confrontation that led to a 100 day strike at the Nissan/Datsun plants, the democratic unions were smashed and so called "Company Unions" put in their place. QCCs were introduced as a method of communication between management and the shopfloor which favoured management. [According to Ichiro Saga of Rodo Joho and University of Tokyo] these QCCs were at first used to try to motivate a young workforce which was disillusioned over the destruction of their union. Management, worried about sabotage, absenteeism and high turnover, invited workers to make suggestions about how the job and general conditions could be improved. By responding positively, management was able to gain the support of many of the workers.

Of course it was not long before the whole thing was turned around, with "special allowances" and bonuses being dependent on the number of suggestions made by a worker and his or her general attitude and motivation.

The Annual Report of Toyo Kogyo, which is 25% owned by Ford, shows that in 1981 a total of 1.7 million individual suggestions were given to management. The report goes on to say: "Once a suggestion has been adopted, it is up to them to prove the validity of their idea on the production line. If it does not work, the group will re-examine its original suggestion and make corrections".

Taking part in QCCs, working overtime, doing the Company's physical exercises, working part or all of your holiday

and generally cooperating with management are certainly a feature of your life in a Japanese car factory. But a look at the wage slip of a Japanese car worker will give you a pretty good idea of how much depends on this kind of co-operation. [Quoting the case of a young Japanese car worker employed by Nissan it was shown that basic pay was less than 20% of total earnings.] The rest is made up by special allowances, bonuses and other benefits, given at the discretion of the foreman or plant manager and dependent upon one thing - good behaviour and cooperation. Foremen and group leaders work alongside workers on the line. There they evaluate their fellow workers and provide management with a valuable source of contacts and sources of information and control on the shopfloor.

The three P's

The QC system represents a largely successful strategy on the part of Japanese management to incorporate trade unions into the managerial process and thus control labour relations. Indeed, often such initiatives arise from the unions themselves. In 1977 the Nissan Labour Union came up with the 3-P campaign. The "three P's are:

- Participation: of labour in management;
- Productivity: to enhance productivity in every branch and every industry;
- Progress: of both enterprises and human beings.

As the union has explained: "The [3-P] campaign seeks to improve both labour's welfare and that of the nation through the sound development of enterprises and industry in general." The campaign brought together Nissan, subcontractors and sales companies with the objective of raising productivity by 30% over two years. Although they fell short by 4%, this didn't put them off a second campaign which started in 1980. As part of this system, regular meetings take place to explore ideas which will increase productivity and quality. For example, if a component is discovered with a hole 1/100 of a millimeter too large, operators, supervisors and technicians immediately get together to work out how this happened and to ensure it doesn't again.

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However, the jagged edges of the Japanese circle movement are increasingly being felt, resulting in a degree of disillusionment from all ranks of the labour movement. On the shopfloor it is being realised that the QCCs are in the business of improving profitability, not working conditions. A profitable idea gets picked up immediately; grievances do not. For example, last year at Nissan a worker explained to a meeting that his machine was dangerous to operate and suggested how it could be made safer. Nothing was done. Some time afterwards the worker was killed by his machine.

At an official level the unions are beginning to question who exactly is benefitting from these systems. Indeed the Nissan union has gone so far as to drop the 3-P campaign altogether. However, this arises more from a personal conflict between Nissan's president and the union chairman rather than a born-again militancy on the part of the union.

So far there are few signs of any systematic opposition from the shopfloor to the management's schemes. The disillusionment is being expressed more in higher labour turnover and a general deterioration in labour-management relations rather than any organised response. But although marginal, there is some increasing opposition. For the first time two dissidents have been allowed to run in the Nissan Union elections this year. As Japanese workers increasingly see QCCs as black holes which absorb the mechanisms of organised labour, rather than rising suns which radiate material and social progress, the coming years may well see some dramatic changes on the stage of Japanese labour relations.

Brazil

Being introduced in Japan some 30 years ago, the concept of the QCC has spread widely on a massive scale in recent years. Both Ford and GM in the US have their programmes.

Manuel Veloso Falcao, representing the Metalworkers' Unions of Sao Bernardo at the TIE Conference, works in Volkswagen's Brazilian subsidiary. He explains how his union feels about

the QCCs:

VW is now implanting a series of QCCs along Japanese lines. We think this system is absurd. The companies are already exploiting the workers physically. Now they want to exploit them mentally as well. These QCCs are also the cause of a lot of unemployment. A firm takes a worker from the machine, gets him talking for a week about the job and better ways of doing the work and increasing efficiency, and they try to get it into his head that that's good for him as well as good for the firm. It's not good for him at all, because at the end of it all the firm gets more efficient production and he gets the sack.

The firm tries to get over the idea that QCCs are good for both workers and management. If you look at it closely, you find that every idea that is good for management, that increases efficiency and profits, the firm puts into operation. Every idea that's good for the worker to improve working conditions, the firm ignores. The worker on a machine knows alot about that machine, quite often he knows more than the engineer - so he knows if raw materials are being wasted, or the job could be done better, if it were reorganised, even when the company doesn't. So he gets into a meeting and gives all these ideas about how to make it more efficient; he could get so carried away, he also says you don't need so many workers. On his machine there may be 4 workers, and he could say you could probably do the job with 2- and he's probably one of the 2 who loses his job.

The Company says that the idea of the QCCs has come from Japan, and Japan is succeeding in world trade precisely because of this system. We say this may be O.K. for Japan, but not for Brazil. The situation in Brazil is very different - most of the companies are foreign firms. They say, give us ideas and we will make more profits, but what will happen to those profits? They won't stay in Brazil, and they certainly won't go to the workers either - they'll just go abroad.

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After Japan

The circle game is also being played in Europe. Volvo's use of such systems is well-known and widespread throughout the company's plants. At Ford UK QCCs were sprung on the employees in 1981. Following a visit to Japan the firm's senior management came up with their "After Japan" (AJ) programme. The key elements of this system include: QCCs; more automation; improved manning flexibility; reduced manning; different work practices; management restructuring. In their presentation to the unions Ford UK minced no words: "What has changed in the 1980s is the dramatic increase in overseas competition, with particular reference to Japanese, which means quite simply that unless the changes under the AJ programme are achieved For Britain cannot survive as a major motor manufacturer."

Under the AJ scheme production employees are expected to perform maintenance and stock-moving duties and to assist in line feed. They are also expected to accept any changes arising from increased automation. This is therefore breaking down demarcation between trades and attempts to remove issues of technological change from the bargaining agenda.

Many observers see QCCs as an integral part of a concerted management strategy to break the "power" of trade unions. In many of the developed countries, most notably Britain, Italy and the US, auto workers have through strong shop-floor union organisation developed a high degree of job control. Line speed, supervision and demarcation, for example, were controlled by the effective sanction of strike action. During economic expansion the balance of power on the shopfloor was to the disadvantage of management. But with the present crisis of profitability and recession, managers are making up for lost time in the battle for the frontier of control. Trade unionism is increasingly under attack on a number of levels.

Many countries are witnessing a deftly executed pincer movement with an ideological and legislative assault from governments coupled with more sophisticated managerial techniques. The somewhat crude union busters of yesteryear

have been replaced by consulting firms with their emphasis on "communication" and "team spirit". Some of the Japanese methods are adapted to meet particular national conditions within a framework which redefines industrial relations as human, inter-personal relations. Walter Goldsmith, head of the British Institute of Directors explains where this leaves the unions: "Clearly when a responsible and effective management communicates well with employees, then the vacuum into which unions in the past moved is filled by effective management". Thus the unions, close on the heels of many of their members, become redundant.

Although unions have yet to play their final scene in the script of the new managerial ideology, they are sufficiently on the defensive to be largely impotent when faced with the new technologies and redundancies which comprise the restructuring of the world auto industry. The extent to which they can resist the imposition of the circle game, and all it implies in terms of heightening national competition, incorporating workers into managerial perspectives, breaking trade unions and introducing new production technologies, clearly varies according to national and plant-specific conditions.

But even in cases where union traditions run deep changes are taking place. Certainly there are signs that the empty promises of participation may lead to some disillusionment among the workforce as most of the examples show, but managements are becoming more adept in repackaging their policies and thus stave off any resurgence of militancy.

Participants to the TIE [conference] broadly agreed that a priority for active trade unionists is to expose the threadbare nature of these schemes in terms of enhancing working conditions and job satisfaction, and reveal their true guise as tools to strengthen managerial control. But equally important was a need to assert alternatives. Alternatives which follow from a coherent vision of industrial and social democracy. Most importantly, alternatives which harness the shared aspirations of those who work in the industry and those outside it. Without this the circle game may well be lost.