CHAPTER 9

INTRODUCTION OF QUALITY-DRIVEN TEAM-BASED SYSTEMS: ISSUES AT THE BOUNDARY OF OPERATIONS MANAGEMENT AND INDUSTRIAL RELATIONS

Sriram Dasu,
School of Business Administration,
University of Southern California
Los Angeles CA 90089-1421

Christopher Erickson, and Jovan Grahovac
Anderson Graduate School of Management,
UCLA, Los Angeles, CA 90024

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Abstract

1. Introduction

In order to improve the quality of their products many American corporations have begun to shift the emphasis of the organization of production from detection of defects to improvement of the production process. Most quality improvement programs emphasize employee involvement and team work in problem-solving and execution of day-to-day tasks. Based on the experiences of a set of companies, we explore the impact of teams on process improvements. Potential benefits from introducing team-based systems lie in the productive use of workers' knowledge and expertise. The introduction of teams also has the effect of partitioning the tasks of an organization: the proper partitioning of tasks can enhance organizational control and reduce coordination and monitoring costs.

The introduction of teams changes the nature and scope of supervision and requires flexibility in reassigning work among team members. We discuss the impact of these changes on managers, workers, and unions. Most notably, the new work arrangements shift some of the previous domain of management control to the teams and undermine the basis of the traditional system of job-control unionism. Major concerns of the unions are that workers are not fairly compensated for the extra effort or knowledge they contribute under team-based systems, that employers will cut employment in response to worker-inspired efficiency gains, and that teams will undermine union solidarity. As most of our field observations are based in the aerospace industry, we discuss the specific responses of the two leading unions in this industry.

During the 1980s many American corporations were reorganized to restore their competitive positions. A central element in this change was an increased emphasis on quality. For several decades quality was associated with inspection and ensuring that the output conformed to specifications. In the 1980s a major change occurred with a shift in emphasis from detection of defects to prevention of defects. This was accomplished by improving the production process. Obvious consequences of process improvements are products that more closely conform to nominal specifications and a reduction in the number of defects. Process improvements can also result in substantial cost reductions, increased productivity, and shorter manufacturing lead times. Customer satisfaction, the final barometer of most quality improvement efforts, depends not just on the nominal specifications of the product but also on the cost, the delivery schedule and the general responsiveness and reliability of the firm.

It is now widely recognized that continuous improvement of production processes cannot be accomplished by traditional quality departments alone, but requires the involvement of almost all the other functional areas. To effectively improve a process and increase customer satisfaction the involvement of personnel from manufacturing, quality control, industrial engineering, maintenance, purchasing, design, marketing etc. is necessary. The involvement of line workers who possess specific knowledge of the production process is also crucial. In order to