Social Control and Social Contract in NetWORKing

Total quality management and the control of work in the United States*

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Abstract. Networks can be understood as organizational control strategies. As an example, we present two case studies of team-based networking strategies associated with the Total Quality Management movement in the United States. TQM's implied social contract requires some form of power sharing. In practice TQM team organization can also become another form of labor intensification. Similarly, TQM appeals to democratic values by emphasizing participation, communication, cooperation and team work. Such claims can also serve to legitimize major organizational changes, some of which follow familiar Taylorist patterns. Two cases illustrate how the technical components of communications systems help redefine control systems in TQM-based work reorganization experiments. In the manufacturing setting, communications took the form of web-and-hub networks, centralizing off-site engineering control of production workers. In the design and engineering workplace, peer-to-peer communications implemented by self-managed teams reduced intellectual 'slack time.' In both cases the communications systems provided means to intensify labor.

Key words. TQM, Communication, Social Contract, Empowerment, Control, Teams

1. Introduction

This paper has two purposes: (1) to explain the range of ideas and approaches which U.S. management literature subsumes under the label of Total Quality Management and (2) to examine the organizational implications of TQM-based teams for networking.

TQM is an eclectic organizational strategy which managers use to improve quality and productivity. It is used chiefly to compress hierarchies and command and control systems in the work place. Because it seeks to regulate both symbolic interactions between individuals and the technical systems used to gather, organize and transmit data, TQM seeks organizational as well as technical realignments. TQM is thus, in the United States, an implicit social contract governing industrial relations. Specifically, TQM promises to equitably organize and regu-

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late work place relationships. Our principal contention is that in the United States TQM also rationalizes communications in order to impose new and more precise forms of work measurement and management control.

It is therefore appropriate to raise the *cui bono* question: who benefits from TQM and who loses in specific instances? In this context, our focus is less on the technological components of networking than on the social transformations which accompany computer-based work reorganization. Thus, ‘networking’ must be understood to mean more than implementing technical infrastructures to support communications, such as LAN’s, client server software, GDSS or other groupware. In the following discussion we use ‘networking’ to refer to broadly defined social communication patterns among people in groups and organizations.

## 2. TQM theory in the United States

### 2.1. BACKGROUND

Under great competitive pressure, U.S. manufacturers are in the process of transforming their organizations to be adaptable, flexible and responsive to constant change. American managers are now aware that the brief dominance of U.S. industry after World War Two was due at least as much to the temporary absence of competition as it was to the superior technology and organization of U.S. firms. European and especially Asian competitors have forced U.S. manufacturers to undertake major and sometimes drastic reorganizations in order to compete in global markets often dominated by foreign producers.

In particular, senior U.S. managers are now convinced that conceptual and coordination delays, not restrictive work practices on the shop floor, are the remaining obstacles to timely production of competitive products. For management theorists and practitioners, the most difficult problem facing U.S. industry is not simply the hostility of production workers. It is the unreliable and sporadic nature of value-adding activities in general. Value-adding workers directly contribute to the process of transforming partially complete products into deliverable commodities. Those who do not add value, in contrast, only police and bookkeep goods-in-process.$^1$

U.S. managers, therefore, have critically reexamined traditional organizational and work place relationships. Their criticisms have focused on rigid hierarchies, linear product development cycles and the hidden organizational costs of employees

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$^1$ Cf. the flood of complaints about design, engineering and marketing bottlenecks which fill the pages of the *Harvard Business Review* and the *Sloan Management Review*, as well as *Fortune*, *Forbes* and *Businessweek*. An excellent representative analysis is Stalk and Hout, whose *Competing Against Time* emerged from a widely cited article by Stalk in *HBR*. Popular (and more fun to read) entreaties were published about the same time by Peters, Naisbitt, and Toffler. Toffler in particular deserves to be more widely read by academics. In contrast, by the mid-1980’s there was was much less discussion of how to overcome work place resistance by U.S. production workers, who were by 1990 almost entirely non-union.