

“Towards Total Quality Through Workplace Cooperation”

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Abstract

*Over the years, **quality gurus** such as Juran (1979), Feigenbaum (1986), Harrington (1987), Crosby (1992) and others have advocated participatory approaches for enhancing quality improvement. Since the past decade, it has been noted that more firms in the U.S. have adopted work processes in which non-managerial workers are involved in problem solving and in identifying opportunities for innovation and growth. In recent times, there had been “increased managerial focus on employee involvement, quality management, continuous innovation, and incentive-based compensation to boost labor productivity” (FRBSF, U.S.; April 16, 2004). Across the Asia-Pacific, “employee involvement or participation in workplace decision-making became a major focus of international attention for researchers, managers and policymakers alike as they seek means for improving communication and cooperation between management and labor. This trend was actually the product of broader changes in management practices associated with the spread of strategic human resource management, that seeks improved enterprise efficiency in the context of intensified business competition at a global level” (Markey, 2001). This paper highlights Workplace Cooperation as a strategy in the pursuit of total quality, exemplified by experiences of industry leaders such as the ICTSI in the Philippines and the LGE in Korea.*

Keywords: *quality gurus, cooperation, participatory approaches, work processes*

Globally-acknowledged Quality “Gurus” – Teachings and Precepts

Through the years, **quality gurus** such as Juran (1979), Feigenbaum (1986), Harrington (1987), Crosby (1992) and other notables have advocated participatory approaches for enhancing quality improvement efforts. Selectively culled from their writings and pronouncements (cited in Baugh, R., Changing Work, 1994 & other sources):

1. A.V. Feigenbaum - “The empowerment of employees at all levels is a benefit to the company and should not be considered as cost.”
2. W. E. Deming - believed employers have a responsibility to treat workers with respect, seeking their knowledge and giving them a chance to use it in their jobs.
3. J. M. Juran – dealt with human factors in quality management at the workplace, advocated improving communications between labor and management.
4. H. J. Harrington - Fostered environment of open communications, where:
 - Opinions and suggestions are encouraged and valued
 - Visions, plans and priorities are shared company-wide
 - Provides time, tools and training needed by employees
 - Enables everyone to contribute their personal best – towards the mission of the organization.
 - Teamwork is emphasized
 - Decision-making is accomplished – at the lowest appropriate level.
5. Philip B. Crosby - sought to establish a team-building culture where workers participate with managers in setting & achieving quality improvement goals.
6. Peter Drucker - advocated establishing employee involvement programs, believing that genuine labor involvement is vital to the success of TQM.

Workforce Participation in Quality Efforts

How have the quality precepts and prescriptions of the “gurus” of quality been followed?

“Experts are now preaching full worker participation in running companies.” However, Edward Lawler, University of Southern California, estimates some 80% of FORTUNE's top 1,000 firms have token employee participation. He observes, “few have installed such programs on a systematic, company-wide basis.” (Greenwald, TIME 1992)

“To compete in the marketplace, workers and management must collaborate,” declares Charles Garfield. “It is in these collaborations that human ingenuity and creativity are best realized.” Such thinking has already won converts at Ford, Goodyear and GE. (op.cit.)

Of particular significance has been an “increased managerial focus on employee involvement, quality management, continuous innovation, and incentive-based compensation to boost labor productivity”. Over the past decade, it has been noted that more firms in the U.S. have adopted work processes in which non-managerial workers are involved in problem solving and in identifying opportunities for innovation and growth. (FRBSF, U.S.; April 16, 2004).

The “Glocal” Spread of Quality: Notable Experiences from the Asia-Pacific Region

Question: How have the lessons and learnings from the gurus been applied elsewhere?

Across the Asia-Pacific, “employee involvement or participation in workplace decision-making has been a major focus of international attention for researchers, managers and policymakers alike as they seek means for improving communication and cooperation between management and labor. This trend has been the product of broader changes in management practices associated with the spread of strategic human resource management, which seeks improved enterprise efficiency in the context of intensified business competition at a global level” (Markey, 2001). Fig. 1 below shows the regional location of the Philippines.



Fig. 1. Geographical location of the Philippines in the Asia-Pacific.

Notes and observations:

1. Quality is now a global movement, *adopted but adapted* to various local settings. Universally accepted, quality in practice has become “glocally” applied in different milieus.
2. In the Philippines, the concept and practice of quality is increasingly accepted although applied and adapted to the country’s historical development, and socio-cultural setting.
3. Significantly, its advance is observed to be in consonance with the principles and precepts of the “*quality gurus*”- highlighting the importance of the participation of workers at the workplace.
4. Historically, the records increasingly show that participatory approaches are more widely utilized in the promotion of quality and productivity in large firms rather than in small and medium, enterprises.

Quality and Workplace Cooperation: Experiences in the Philippines and Korea

The concept and practice of Workplace Cooperation (WPC) as a companion strategy for pursuing the goal of total quality in the Asia-Pacific, is highlighted by the documented experiences of two industry leaders: the ICTSI in the Philippines and the LGE in Korea.

1. In the Philippine experience, workplace relations had first to be stabilized, considering the traditionally adversarial relations between the partners in production: labor and management. Industrial peace and harmony was the paramount objective pursued in the 1980’s, with stress on transforming the social partnership from conflict to cooperation (Gatchalian, 2004).
2. The high incidence of strikes and other work stoppages made it difficult for the Philippine economy to recover from the ravages of social conflict, exacerbated by the “people power” revolution of Filipinos in 1986 against the martial law regime. In the mid-80’s, a program of Labor-Management Cooperation was launched, geared towards stabilizing the tripartite labor relations system with government, unions and employers as institutional components. Figure 2, below, shows the historical phases in the evolution of work relations in the Philippines.



Fig. 2. Changing patterns of work relations in the Philippines.

3. With the changing landscape of work relations in different undertakings in the industrial sector, quality and productivity improvement efforts accelerated as the social partners started to cooperate and raise their sights towards greater competitiveness, regionally and globally. The sequenced illustrations in Figure 2 depict the changing trend from confrontation to cooperation, and the complementary efforts to promote quality as the strategic spearhead for large, small and medium industries in the ASEAN. The more inclusive and participatory vehicle of Workplace Cooperation (WPC) was designed to update and enhance over-all efforts to boost the campaign to promote quality in all sectors.



Fig. 3. The International Container and Terminal Services, Inc. and WPC

In the case of the International Container Terminal Services, Inc. (ICTSI), the transformation of its labor-management relationship from confrontation to cooperation was of major significance (see Figure 3). Considering the long history of the union’s militancy and its adversarial position vis-à-vis the employer, its positional change to a more cooperative stance set the stage for its transformation – *from militancy to mutuality*. This was matched by a positive response from the social partner – as tangibly demonstrated by management in offering unexpectedly much better terms and conditions of employment in the collective bargaining negotiations of 2006. The role of the LMC in this development is acknowledged by the key leaders of the union and the HR officials of the company, particularly the use of the “win-win” strategy of principled negotiations, which was accepted and utilized by both partners in arriving at a mutually satisfying Collective Bargaining Agreement (CBA).

The introduction of labor management cooperation (LMC) was a major turning point in the labor relations history of the company. It provided the impetus for the establishment of a Steering Committee, which was the mechanism to spearhead the plans and programs of workplace partnership and cooperation. Orientations and refresher courses were conducted among its officers and members to ensure that the goals of industrial harmony, quality and productivity would be accepted and realized. Joint problem-solving committees were constituted and one such body was mandated to handle data research and related matters concerning the interpretation of the collective bargaining agreement. Figure 4 shows members of a “Task Force” formed by the Steering Committee (WSC), for training in problem-solving tools and techniques.



Fig. 4. Task Forces undergo training in problem-solving.

Last June, 2015 at the close of a refresher course on WPC, union and management participants adopted and approved a Joint Communiqué containing the following statement:
Whereas, ICTSI has had a long and distinguished experience in promoting WORKPLACE COOPERATION (formerly LMC) at the Manila International Container Terminal, Manila
Whereas Workplace Cooperation has evolved as a major instrument for finding mutually acceptable solutions using non-confrontational means to workplace issues and problems affecting labor-management relations;
Whereas, the workplace changes resulting from rapid globalization are calling for concerted and mutually beneficial responses by management and labor;

The participants of this Refresher Course unanimously agree for ICTSI:

- 1.To attune its organizational structure to the requirements of a globalizing economic and social environment;*
- 2.To enhance its efforts in the area of employee training and related capabilities in support of quality and productivity for competitiveness;*
- 3.To facilitate cooperation and exchange of information within the local network of companies and organizations pursuing similar objectives;*



Fig. 5. Labor Management Cooperation at LGE, Korea

5. The case of LGE in Korea highlights another noteworthy experience in the Asia - Pacific region emphasizing the importance of a harmonious relationship between the social partners in providing a springboard for launching its quality and productivity efforts. It is significant to note how the experience of the LGE in Labor Management Cooperation (Fig. 5, above) coincided with the evolution of labor-management relations in the company (Fig. 6, below).



Fig. 6. Evolution of labor management relations at LGE

The installation of the LGE's Labor Management Cooperation program in Korea paralleled closely the institution of the same in the ICTSI, with similar patterns of evolution of labor management relations within the company, and in the wider national setting. However, in confronting the challenge of global competition, the union and management at LGE seem to have recognized the urgency of the need to raise the quality of its products and to work out a strategic response by forging a joint covenant as a wake up call to be heeded by both, below:

60
YEARS

Wake-Up Call

- **LGE cannot compete without continuous improvements in productivity.**
- **LGE cannot compete unless it made top quality products for the global market.**
- **LGE cannot make top quality products and continuously increase productivity**
 - ***unless the Union and management cooperate with each other!***

Figure 7. Wake-up Call jointly issued by Management and Labor at the LGE **Workplace Cooperation and People Participation – Essential to Quality & Productivity**

People are the most important and critical factor for quality and productivity improvement, and their partnership is essential in raising the competitiveness of companies and countries.



Fig. 8 People as principal resource and central factor in production.

Workplace Cooperation can foster a meaningful and productive partnership, where everyone in the organization actively collaborates for the benefit of the undertaking and its workforce. The strategy encompasses a broad range of workplace actions, behaviors and attitudes that

can promote innovation, quality of work and work life and other meaningful changes that delivers mutual benefits to the partners. Figure 9 below shows areas of mutual cooperation.

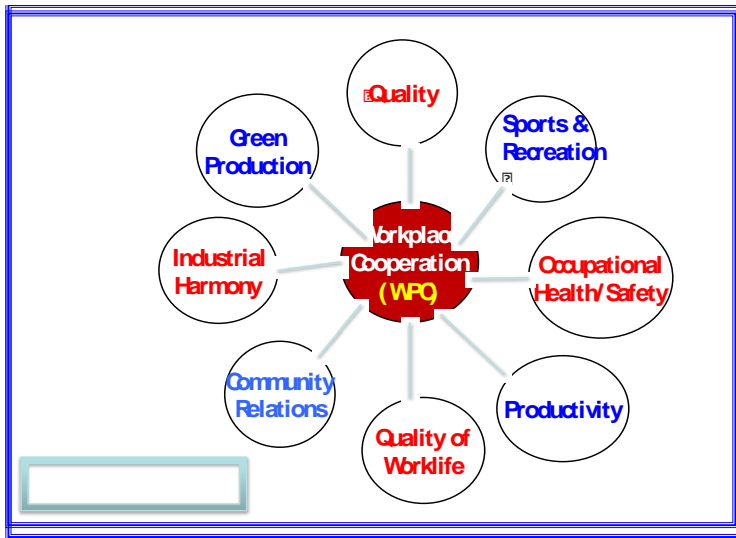


Fig. 9 WPC for quality of work, work life and other issues

Participatory vehicles can be provided for workers to have a say in decision-making on matters that affect their interests and welfare. These serve as communication channels by which management can obtain employee feedback on its programs, policies and their implementation.

For the long term, Workplace Cooperation can improve communication between managers and workers to insure the future of the company and its employees – through the promotion of quality and quality of work life. In particular, the mechanism is designed to help:

- Improve and expand working relations between workers and management
- Provide opportunities to solve problems through a joint approach
- Identify material, utility and financial waste.
- Explore and recommend new ideas to improve customer relations
- Improve the quality of the employees' work life.

Concluding Notes

The ASEAN is an emerging economic region (Figure 1, above). It is a global manufacturing and trade hub, and is considered as one of the fastest growing consumer markets in the world. Its combined GDP in 2013 amounted to US\$ 2.4 trillion, making it the world's 7th largest economy. The region accounts for 5% of global manufacturing, in value added terms, 95% of which comes from 6 ASEAN countries: Indonesia, Thailand, Singapore, Vietnam and the Philippines. (*Proceedings, Seminar-Workshop on Standardization, Productivity, Innovation and Certification for Enterprises, UP-ISSI, Q.C., Philippines 2014*).

Quality is now, and is foreseen to be, an over-arching goal for the ASEAN economies in the future. Workplace Cooperation (WPC) can be the cutting edge for its business undertakings on their roadmap to progress. "The world is rapidly changing. Economies are now becoming more integrated, providing opportunities for businesses to explore and penetrate new markets. Concomitantly, Philippine enterprises, especially the SMEs have to keep up by upgrading their capabilities and cultivating a culture of quality and excellence." (Raneses, op. cit.)

In considering the invaluable ideas and precepts of the Quality Gurus, we are encouraged to posit in closing that, "the quality of work performance and that of the resulting goods and services depend in large measure on the quality of the employees' work life." How workers

are empowered and involved in workplace decisions, and how their participation in problem-solving activities is enabled, will matter importantly in today's highly competitive world. #

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