

A Social Approach for the Successful Settlement of the Company's QC Circle Activity

Won Joong, KIM*
Geun Heui, Yi**

Abstract

Laborers have its great effect upon the quality of the manufactured goods directly. This presentation will treat its subjects to rearrange the Q C Circle activities in Korea concerned with the Korean way of living and their judgement of value, and present its direction in future. Examining all the present problems such as the occupational morality of the Korean people, wages, labor productivity and its distribution, working hours, disaster, seperation rates, and we will see how those factors effect the laborer's expectation, his will to work and Q C Circle activities, compared with those of Japan.

1. PREFACE

In the 1970's, the system of Quality Control has been introduced and applied in Korea, the aim of which was mainly intended to improve the management of the company and make it more modern.

Especially the Q C movement was seriously done from 1974 through 1975. In 1975 our government suggested that every November should be regarded as "The Month of Q C" and spread its movement to support the drive of its movement to the whole fields of industry.

In spite of this institutional policy and drive by the government, there appeared many inevitable side-effects in the course of development process such as massive (quantitative) disorderliness, blind unconditional entry and external superficial imitation, showy activity for its own sake, without settling the actual purpose and basic concept and still remained in the category of trial and error.

Therefore, we should face the reality to arrange the Korean-Pattern Q C Circle activities and settle with fundamental counter-measure and bold reform, thus trying to search a new direction ahead.

2. OCCUPATIONAL MORALITY IN THE KOREAN SOCIETY

Modern society is, what so called, a competitive society. But a harsh competition often shows its undesirable aspect. In this point of view, the labourer in an organization cannot be remained as an exception.

Then, problems of occupational ethics in

this highly industrialized society can be pointed out as following:

- 1) Mutual distrust between the management and the laborer
- 2) Severe competitive way of thinking which interferes cooperationship
- 3) Unattachment to his job and regarding his job only as a means to lead a life
- 4) Evasion of responsibility and idleness
- 5) Poor understanding of teamwork
- 6) Considering money as a barometer of weighing the value, and pressure from the influence which can be enoughly applicable not only in the political & the bureaucratic society but also in the company's organization.
- 7) Way of thinking to regard physical labour as a low-levelled job

In this highly industrialized society, labour is indispensable element for our society. So the laborer should be treated with consideration and wrong concept for labour should be changed.

3. LABORER'S EXPECTATION AND ITS CHARACTERISTICS

The laborers have following factors of expectation from offering their labor.

- 1) Increase of income which can fulfil their physical need
- 2) Contribution to society
- 3) Self-accomplishment
- 4) To be a member of social organization
- 5) Following the social custom

* Dept, of Industrial Engineering, Ajou Univ

** Dept, of Industrial Engineering, Han Yang Univ

Like this, though one would have his own motive or expectation through the occupational activity, it differs by his individual taste in giving the first priority. The characteristics of labor can be specified as follows:

- 1) Monotonousness of his function
- 2) Mechanized human characteristics
- 3) Sense of alienation

Therefore, for the most of the labourers, it seems true, as days go by, that labor goes far from feeling a life worth while to live, showing their ability or creativity, and etc.

Based on such reasons, the issues such as human oriented management and recovery of human nature have been introduced into today's industrialized society.

4. LABOR SITUATION IN KOREA

4.1. Wage Problem

According to the official resources published by Korean Labor Confederation and Ministry of Labor, since 1980, the increasing rate of cost of living has continually exceeded that of wages, naturally producing a wider gap annually between the real wages and the minimum cost of labor; the real wages---less half of the minimum price of labor production---has obstructed them creating a physical reproduction, let alone the cultural reproduction(Ref. Table 1, Fig.1).

In case that a man should keep a 3-person family only by his earning, the report says, the 86.9 percent of wageworkers had to live on a lower level than the average minimum cost of living.

As of 1985 the 29.4 percent of manworkers and the 86.4 percent of womanworkers, it reveals, have been paid on a lower level than the minimum cost of living of single person with no family.

4.2. Labor Productivity and its Distribution

Compared labor production with real wages at Table 2, it is easily noticeable that the increasing rate of real wages have not followed that of labor production by far, from 1965 through 1985.

And the distributing situations has been getting worse from the beginning as much as the surplus amount accumulated by the contributions of the labor production.

Furthermore, it shows that there is a sharp decline in the distributing rate of labor, forecasting a wider gap in income distribution ahead.

4.3. Working Hours

As it can be seen at Fig.2, the working hours of the Korean wageworkers, compared with other countries, are much longer than anything else and there is no sign of becoming less even in future.

Moreover, referring the working conditions indicated by I L O(The International Labor

Organization), the Korean wageworkers have worked under the worst conditions in the world through all the items indicated.

4.4. Disasters

No less than our country has accomplished the remarkable economic growth in a short time, it accompanied the great loss of human lives due to the industrial disasters under these working conditions: In 1983, 4.45 percent of the whole employees have suffered for the industrial injuries and the economic damage amounted to 2.4 percent of G N P(Gross National Product), as stated by Ministry of Labor.

The frequency rate of death disaster, especially in the mining industry and construction industry, marked a high level of 7.4 times 5.7 times each, of the average international mean. Also referring to Fig.3, in case of the whole industry for example, a bar clearly shows how high it was by marking 17.5 times compared with that of Japan, 9.2 times of U.S., 2.9 times of Philippines.

The fact has called our attention newly to the ignorance of the laborer's life and human dignity, which requires our reconsideration of its importance beyond the dimension of the quantitative meaning of the income disparity.

4.5. Turn Over Rate

If you carefully observe turn over rate as below-shown at Table 3, it shows the fact that the monthly average of 12.8 percent in the manufacturing industry is much higher than of 1 percent in Japan.

For the main reason, though it is supposed in many respects, we can chiefly count as the sense of alienation of workers. His sense of isolation begins at the moment he deeply feels the incapability to possess the finished products which have made by his own hand through all the manufacturing process.

Therefore, instead of taking great self-satisfactions from his working life, he has felt painful and helpless from the senses of self-aborrence, self-depreciation and frustration for his being treated trivially.

- Inserted Table 1,2,3, Fig.1,2,3 about here -

Table 1. Increase rate of cost of living and wage increase rage(Private Sector)

Classf. Year	unit : %	
	Increase rate of cost of living(1-5 person)	Wage increase rate
1980	38.7	23.4
1981	24.1	16.4
1982	14.9	9.5
1983	8.7	7.5
1984	8.6	6.7
1985	10.6	8.1
1986	11.8	7.5

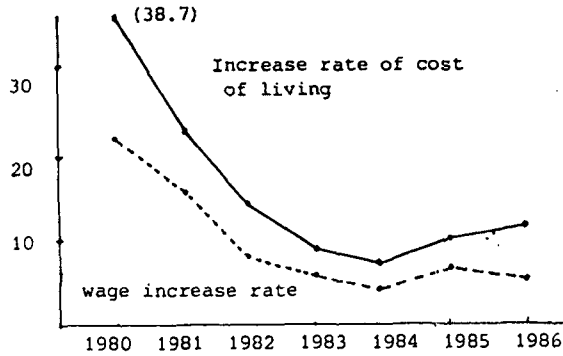
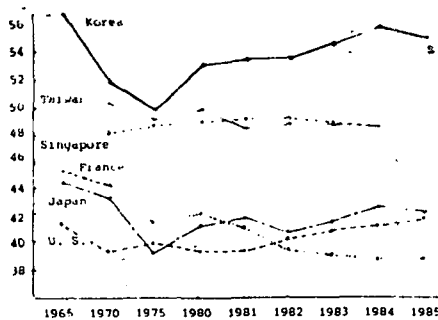


Fig. 1.

Table 2. Annual wage productivity of mining industry & labor distribution Rate (Income)

Classif. Year	Nominal Wages (a)	Consumer's Price (b)	Real Wages #/bx100	Labor Product.	Labor Distribution (%)
1965	100.0	100.0	100.0	100.0	-
1970	107.6	178.6	172.2	209.2	46.6
1965 - 1970	3.1 times	1.8 times	1.7 times	2.1 times	-
1970	100.0	100.0	100.0	100.0	46.6
1980	1000.0	450.5	222.2	259.7	30.0
1970 - 1980	10 times	4.5 times	2.2 times	2.6 times	-
1980	100.0	100.0	100.0	100.0	30.0
1981	120.2	121.3	99.1	116.9	27.4
1982	137.8	130.1	105.9	125.3	27.9
1983	154.2	134.5	114.6	141.6	26.8
1984	166.1	137.6	120.7	155.8	26.8
1985	183.0	141.0	129.8	166.6	-
1980 - 1985	1.8 times	1.4 times	1.3 times	1.7 times	-
1985 upper period	100.0	100.0	100.0	100.0	-
1986 upper period	110.5	102.7	107.6	112.6	-

[2]



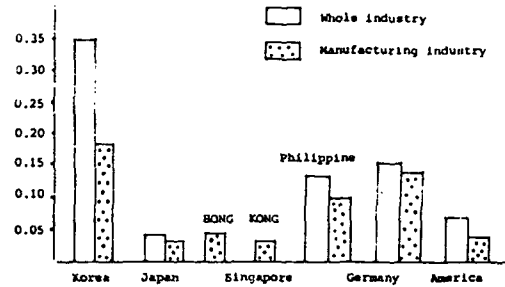
[3]

Fig. 2. International comparison of working hours per week (Manufacturing industry)

Table 3. Turn over rate

The average of manufacturing industry	electric & electronics	Transportation equipment	Textile	food & beverage
12.8	12.3	14.0	18.2	15.8

[5]



[4]

Fig. 3. International comparison of the frequency rate of death disaster

5. WAGWORKER'S MENTALITY

Following are the answers from the labour for the questions of their consciousness in various aspects mentioned hereunder:

- 1) The reason to work
 - to lead a life ----- 40.5%
 - to stabilize personal life ----- 31.2%
 - to prepare his own enterprise -- 14.1%
 - well fitted to his aptitude ---- 13.7%
- 2) The intention to go on with present job
 - will stay here ----- 50.1%
 - will transfer to the other company with better condition - 33.5%
 - cannot make decision now ----- 13.5%
 - want to quit right now ----- 3.7%
- 3) Main concern
 - reward from work ----- 28.7%
 - promotion and better treatment- 26.4%
 - company's development ----- 17.0%
 - guarantee for long-term and continuous job ----- 13.5%
 - welfare ----- 11.3%

Following "Table 4" is the comparison table for the concerns of the laborers between Korea and Japan, which was made by Japanese Productivity Center.

According to the report made by Japanese Productivity Center, the labourers of both countries show deep concern at "Wage Raise", Korea 40.0% and Japan 26.3%, and as far as the Korean laborers, the fact that they have little concerns for "Pleasure in work" and "Showing

his ability" can be characterized. It is very interesting that the second main concern of the Korean laborers was appeared in "Welfare" 28.6%, while the Japanese laborers "Development of Company" 17.9%.

For that fact, Japanese Productivity Center analyzed such phenomena as being occurred in parallel with the economic development of the society, and they reflect the present status of Korea, who are just now indulged into the line of the developing countries through the astonishing economic growth, when comparing with Japan who had almost approached to the line of the highly developed countries.

Table 4. Comparison table for the concerns of the labourers between Korea and Japan

Contents		%
Korea	1. Wage raise	40.0
	2. Public welfare	28.6
	3. Development of company	18.5
	4. Promotion	5.7
	5. Human relationship	2.9
	6. Others	4.3
Japan	1. Wage raise	26.3
	2. Development of company	17.9
	3. Pleasure in work	16.9
	4. Showing his ability	9.5
	5. Continuation of employment	8.0
	6. Others	21.4

6

6. COMPARISON WITH THE Q C CIRCLE ACTIVITIES BETWEEN KOREA AND JAPAN

As already mentioned in Chap. 2 "The Occupational Morality in the Korean Society", moral problems of mutual distrust, excessive rivalry, irresponsible attitude and idleness, lackness of teamwork consciousness, mammonism, the traditional old idea which ignores the value of physical labor, in Chap. 4 "The Labor situation in Korea", problems of low wages below the minimum cost of living, labor productivity and its distribution, long working hours, high rates of industrial disasters, and turn over rates, all these problems reflects the reality of worker's mentality as it is in the Chap. 5 "Wageworker's Mentality".

The problems of occupational ethics originated from this highly industrialized society can be described like these: i.e. mutual distrust, severe competitive way of thinking, idleness, regarding labour as a low-levelled job, considering money as a barometer of weighing the value, and etc.

Such occupational ethics caused so many obstacles for the improvement of productivity like below:

- 1) Habitual practice in management based on tact and moderation.
- 2) Trends to neglect the specialty.

- 3) Interests only in the short-term achievement without basic & long-term improvement.
- 4) Weak will to produce quality products with low price.
- 5) Lack of thought to learn
- 6) Lack of perseverance of the management.
- 7) Overwhelming trends to get an unlearned income

Therefore, it is unreasonable that the Q C Circle Activity in Korea under the complex circumstances by these problems, should be compared with that of Japan which has the stable social backgrounds of politics, culture, and economy.

Referring to Table 5,6,7,8 it surely indicates that details of the beginning motive, aims, participation, the contentment of the Q C Circle activity, presents a striking contrast to those of Japan. Also this fact reflects the close connection with all the problems already pointed out.

- Inserted Table 5,6,7,8 about here -

Table 5. What was the motive of the initiation of your Q C Circle?

Contents	Korea (%)	Japan (%)
By suggestion of the small group promotion Dept.	51.8	5.9
Voluntarily	11.8	7.4
By suggestion of the superior	19.0	12.3
According to the company's policy that "all the members should participate"	4.6	71.0
Stimulated by other small group	3.0	2.0
According to the administrator's order	8.5	0
Other	1.3	1.4

Table 6. Aims of Q C Circles activities

Contents	Korea (%)	Japan (%)
Development of circle members	16	12
Improvement and development of a company	47	31
To build a worth-while and happy bright workshop	33	56
No answer	4	1

Table 7. Rate of attendance of the Q C Circle members (circle)

Rate of attendance (%)	Korea	Japan
0 - 50	43	2
51 - 60	27	4
61 - 70	36	19

71 - 80	57	43
81 - 90	69	121
91 -100	72	315
No answer	1	8
TOTAL	305	505

Table 8. How active is your Q C Circle ?

Contents	Korea	Japan
Inactive	44.6	10.7
Active	30.8	20.5
Satisfactory	18.0	68.6
Pessimistic	6.6	0

[7]

7. TOWARD THE DEVELOPMENT OF WORKER'S MENTALITY AND HUMAN-ORIENTED MANAGEMENT

The Q C Circles are the organized in combination of mutual relationship made in industrial societies and of course they should be based on the traditional culture and way of thinking of the country. And the harmonious combination between the desirable way of thinking of the laborers and human oriented management of the top management can be an effective method to vitalize the Q C Circle activities in an organization.

Following can be the ways of thinking that the labourers should be equipped with:

- 1) Establishment of subjectivity
- 2) Settlement of practical ethics
- 3) Display of specialty

On the other hand, human-oriented management can be achieved through the implementation of the following 3 crucial ways:

- 1) A way to make the environment for easier creating of employee's originality and ingenuity by themselves under joyful atmosphere
- 2) A way to inject into every labourer's mind the concept of participationship for better management.
- 3) A way to carry this concept into effective achievement under the appropriate environment by every employees.

8. FUTURE SUBJECTS AND DIRECTION TO BE SOLVED

Up to now we have thought of the main problems to link up with the occupational morality in the Korean society, low wages, labor productivity and its direction, excessive working hours, high rates of industrial disaster, high turn over rate and worker's mentality.

All in all, it is very unreasonable to try to let wageworkers do the Q C Circle activity under these difficult situation. It would be a heavy burden, a real trouble to them.

At this moment a new change in management policy is inevitable in the sense that we can not expect any sign of improvement or efficiency of the Q C Circle activity without the pleasant atmosphere including the respect of human dignity, personality, and the development of character.

Therefore, to accomplish the successful Q C Circle activity as a part of T Q C connected with the Korean way of thinking and the value esteem:

- 1) The operation of Q C Circle activity should be done in full activity in the sense of T Q C.
- 2) We should not ignore the basic theory, or a formula of quality Control impariently in its carrying out.
- 3) The official organization within the company should be employed for efficiency.
 - . we must control the whole activities grading by Q C Circles.
 - . the repetition of education
 - . the regular inspection by top-managers
 - . the operation of Theme Bank by item-pool system of matters.
 - . the endowment of proper, timely incentive for the formless effects.
- 4) Every group must be in harmony even with the informal groups.
- 5) We should be always careful not to fall in the mannerism, then put into practice the discussed subjects in Q C circles.

Strong efforts, however, should be designed to provide wageworkers with the improved working conditions for the requisites of effective operation of Q C Circle activity; since the most important factors which contributed to carry out the successful Q C Circle activity are all human.

Therefore, the government authorities concerned and the top-managers in the company must understand, above all, the chronic contradiction of our society structurally, trying to make efforts to solve the basic problems in terms of humanism.

REFERENCE

- 1 Korean Labor Confederation, "Annual Activity Report (1980-1986)"
- 2 Korean Labor Confederation, "Monthly Report of Labor Statistics, 1986 June Economic Planning Board, "Year Book of Labor Statistics, 1985
- 3 Korean Labor Confederation, "A Guide for Wage Negotiation for 1987", P.28, Published in 1986
- 4 ILO, Year Book of Labor Statistics, 1983
- 5 The Industrial Advancement Administration & Industrial Standard Council, The Survey of Q C in Manufacturing Industry & T Q C Improvement Study, 1986.10
- 6 Japanese Productivity Center,
- 7 Kim, W. J. (1981), "A Study of the Stagnant Q.C. Circle Activities", 35th Annual ASQC,

- P.950
- 8 Miyauchi, I.(1982), "International Commonality for Q.C. Circle Activity" ICQCC '82 symposium proceedings, Seoul, Korea
- 9 Jung, D.J. (1984), The Factory Management, V.2, p58
- 10 Korea Science Foundation (1983), counter-measures for Quality, p22, p43.
- 11 Korea chamber of commerce and industry (1984), The consciousness of the middle management, Quality improvement of the industrial society-1983, p57, p125.
- 12 Ministry of labour (1986), Monthly research report of labour, Jun
- 13 Kim, W.J. (1984), "An approach to QC Circle Activity in the aspect of Behavioural Science", World Quality Congress '84, BQA, Vol 2, p457
- 14 Son, H.K, "The Reality of Income Disparity" in Monthly Magazine, "New Dong-Ah", p437, p440, p441, 1987 Feb.