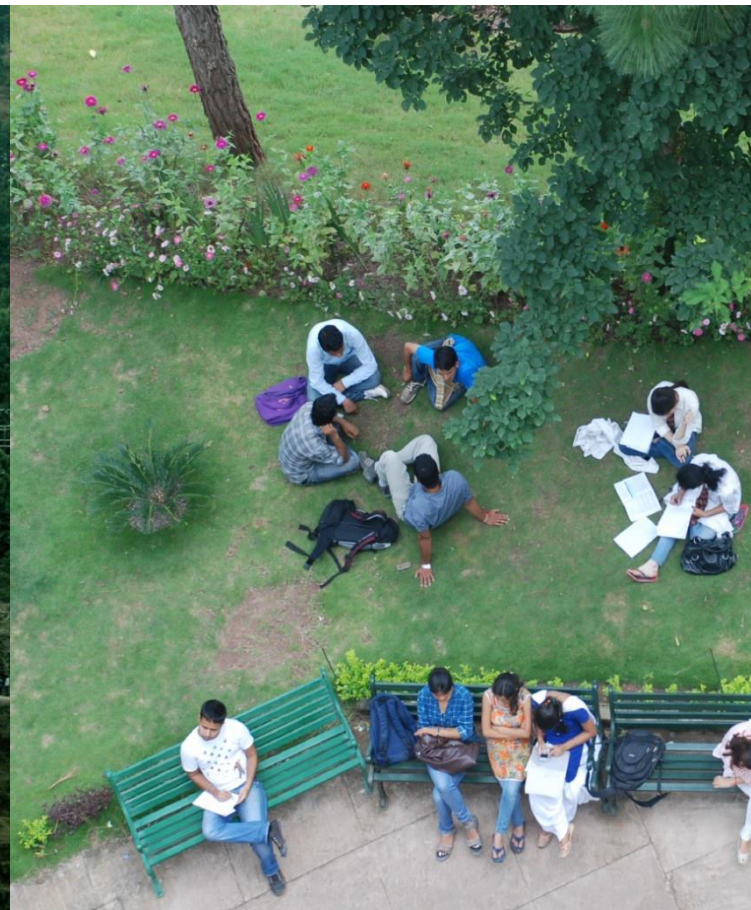


# MST(HR) 552 –MBO and Quality Circles

## Lecture 8



# Recap from last lecture

In the last lecture, we discussed:

- Role Analysis technique
- Interdependency exercise
- Coaching and mentoring

# Topics to be covered today:

- Management by Objectives(MBO)
- Collaborative Management by Objectives(CMBO)
- Quality circles
- Favorable results of using quality circles in organizations.

# Management by Objectives

- MBO programs evolve from a collaborative organizational diagnosis.
- It is a system of joint target setting and performance review
- It is designed to increase a focus on objectives and to increase the frequency of problem solving discussions between supervisors and subordinates.
- Many MBO programs are imposed by line managers or promoted by personnel/HR departments without much diagnosis of the problem to be solved.
- Many MBO programs do not use team approach.

# Collaborative MBO

- A collaborative diagnosis of organizational problems.
- Increased skills in interpersonal communications and group processes.
- Real subordinate participation, in team configurations, in setting goals.
- A team approach to reviewing individual and group targets and their achievement.
- Ongoing individual and team problem solving discussions with superiors.
- A continuous helping relationship within teams and in superior- subordinate relationships.
- Attention to personal and career goals in a real effort to make them complementary to organizational goals.

# Quality Circles

- Quality Circle concept is a form of group problem solving and goal setting with a primary focus on maintaining and enhancing product quality.
- Quality circles have been extensively used in Japan.
- Quality circles consist of a group of seven to ten employees from a unit or across units who have volunteered to meet regularly to analyze and make proposals about product quality and other problems.
- Recommendations are forwarded to a coordinating and steering committee.
- Sometimes the meetings are chaired by a supervisor and sometimes by an employee elected from the group.

# Results based on Quality Circles

- In the first three years of Lockheed's experimentation with the process the company reported that defects in manufacturing declined by two thirds.
- Morale and job satisfaction among participants were reported to have increased.
- In 1990, a study of 313 organizations found 52% evaluated their quality circle programs as successful, 36% were undecided and 12% reported that they were unsuccessful.
- Favorable results have also been reported through the use of cross functional quality circles in organizations such as Ford and IBM.
- IBM has an extensive program using 'Process Improvement Teams' whose members are drawn from multiple functions.



# Summary

In today's lecture, we discussed:

- Management by Objectives(MBO)
- Collaborative Management by Objectives(CMBO)
- Quality circles
- Favorable results of using quality circles in organizations



Thank you

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