Workplace Co-operation through Work Teams at Dankotuwa Porcelain

Work Teams and Employee Performance

The interest in work teams in the study of organisational behaviour has increased quite rapidly in the recent years. Recent research conducted in the Anglo-American context has provided substantial evidence on the positive impact of team work on improved decision making, productivity and quality, greater service efficiency, customer satisfaction, employee satisfaction, reduced labour costs and low employee turnover (Batt 1999; Banker et. al.,1996; DiGiacomo 1997). Similar results have been reported by Fonseka and Jayawardane (1996) in a study of self-managed teams (SMT) in a textile mill in Sri Lanka. In this study the researchers found that the SMTs had shown superior performance in terms of production efficiency, quality and attendance over other employees organised on traditional lines. It is widely recognised that such outcomes are due to increased employee involvement and commitment generated by the successful operation of work teams.

Different forms of work teams based on purpose, location and nature of responsibilities have been reported in the literature. These include management teams, quality circles, problem solving teams, self-managed teams, autonomous work groups and cross-functional teams (Dumain 1994; Muller 1994) and more recently virtual teams (Eom & Lee 1999), where team members based in different locations, dialogue with each other through advanced telecommunication devices. Teamwork has assumed such a prominent place that it is considered as a key feature of high performing work systems (Whitfield & Poole1997; Rees 2000).

All teams are not equally effective. In an analysis of self-managed teams in the Xerox Corporation's customer service organisation Wageman (1997) has identified seven critical factors determining the success of teamwork. These are clear engaging direction, a real team task, rewards for team excellence, basic material resources, authority to manage the work, team goals and team

norms that promote strategic thinking. Similarly, Greer (2001) has noted several features of effective work teams such as small size, commitment to a common purpose and performance standards, willingness for collective accountability and complementarity of skills.

Much of the available literature on this subject deals with the outcomes of teamwork and factors affecting team effectiveness. While this is acknowledged, one should not underestimate the importance of analysing the process of setting up work teams as it involves crucial issues of implementing organisational changes. In the case material presented in this chapter, three such issues have been identified:

❏ In a situation where quality circles have been in operation with explicit support from top management, how best can top management commitment be obtained for a trade union led initiative to establish and operate work teams as a parallel mechanism at the shop floor level?

❏ How can employee resistance to the formation of work teams be overcome?

❏ What mechanisms should be established to solicit managers' support to spread the practice of work teams into different work units in the production line?

The present case study, based on the experience of setting up work teams on an experimental basis in several work units of a porcelain factory in Sri Lanka, shows that dialogue among different parties including top and middle managers, frontline managers, trade union leaders, supervisory staff and the shop floor workers play a decisive role in addressing the above issues.

Relative to almost all the cases cited in the literature on work teams, the experiment reported in this case study is a unique one as the idea of establishing work teams was mooted by the trade union leaders and not by the management. Within this unique context, those union leaders who promoted the idea of establishing work teams had to first initiate a dialogue with the chief executive officer (CEO) to solicit his support. Thereafter the services of an external facilitator was obtained to provide awareness training

to front line managers, supervisors and shop floor workers on the nature and the potential benefits of team work. The training, whilst imparting knowledge on team work to the target group, opened a window of opportunity for the trade union leaders to dialogue with more personnel including some frontline managers, supervisors and shop floor workers who had taken some interest in work teams. The achievements gained through this process, some of the limits to employee initiated change and the need for greater managerial involvement in the dialogue process to spread work teams into other units in the factory are discussed in the following analysis.

Enterprise Profile

Dankotuwa Porcelain, which is located 50 kilometres north of Colombo, the Sri Lankan capital, was incorporated in 1984 and it is listed in the Colombo Stock Exchange as a public quoted company. The company manufactures a range of porcelain products primarily for the export market. The export sales constitute 83% of the total sales. The company has a workforce of 941. The breakdown of the workforce by occupational category and sex is given in Table 1 below:

Table 1 – Personnel Strength by Occupational Category ad Sex

Employee Category	Male	Female
Managerial	10	01
Executives including Supervisors	50	16
Clerical and Allied	68	46
Skilled Labour	387	285
Unskilled Labour	27	08
Trainees	03	01
Others (Temporary workers)	17	22
Total	562	379

Source: Company data

Two trade unions, one of which is affiliated to the main political party in power and the other one to the main opposition party have branch unions in the

company. The former has a membership of 550 while the latter 200. The membership in both unions is confined to non-executives.

Situation Analysis

The concept of workplace co-operation through labour management dialogue was not totally alien to Dankotuwa Porcelain. At the time of participating in the ILO programme on Social Dialogue the following mechanisms for labour management consultation were in practice.

- Collective bargaining
- Quality circles
- Weekly production meetings
- Union management meetings
- Welfare meetings
- 5S practices
- Suggestion schemes.

These mechanisms had in varying degrees and forms contributed their own share to foster labour management co-operation.

Over the years the company has established a sound track record as an export oriented venture. This was evident from the following national awards won by the company for its outstanding performance in the export marketing field.

1996 & 1997 Gold medal awarded by the National Exporters Association for the best export company

1996   Runner up for the Taiko Akimoto ward for 5S

1997   Gold medal awarded by the National Exporters Association for the best export trade mark

1998   Gold medal awarded by the National Exporters Association for the best export company in the large scale category

In 2001, Walt Disney awarded a major contract to the company to supply tableware. This was in recognition of the superior quality standards

maintained by the company in manufacturing its products to the export market. The senior management was of the view that in realising these achievements the existing consultative mechanisms also have made a certain measure of contribution.

Despite these achievements, a fresh initiative for strengthening labour management dialogue came mainly from the Human Resource Manager with the backing of all the branch trade union leaders. The fresh initiative was prompted by a desire to find solutions to the following issues:

- ❑ The perceived inability of the existing quality circles to foster team spirit among employees mainly due to their lack of continuity and stability and the inter-circle competition for material rewards
- ❑ The eagerness shown by the trade union representatives to receive upto date information on company's financial performance especially due to increasing competition in the export market
- ❑ The need to further improve product quality by minimising wastage

These were brought to the surface as `challenges' by a team of company delegates who participated in the first national workshop on Workplace Co-operation through Social Dialogue held in March 2000. The team comprised the Chief Executive Officer, Human Resource Manager, one of the Production Executives and three trade union representatives from the production line. At the workshop the delegates initially identified twelve challenges, but subsequently prioritised them and shortlisted the following for future action planning.

- ❑ Promoting employer employee co-operation
- ❑ Facing market competition
- ❑ Reducing wastage
- ❑ Enhancing employee capabilities.

Planning for Change

The process of planning for change started with the formulation of an action plan by the delegates to address the shortlisted challenges within a time span of one year. The action plan included five basic elements:

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- ❑ Identified challenge
- ❑ Proposed strategy based on labour management co-operation
- ❑ Mechanism for strategy implementation
- ❑ Parties responsible for plan implementation
- ❑ Time frame

Among the key mechanisms identified for plan implementation were:
- ❑ Establishment of work teams particularly in the production line
- ❑ Information sharing on financial performance of the company
- ❑ creating more opportunities for employer – employee interaction through such activities as sharing the same canteen by both executives and non-executives
- ❑ More training opportunities for the employees.

Managing the Change Process

The Initial Phase of Awareness Creation

The initial phase of the change programme was marked by an over-enthusiasm among trade union representatives and a guarded response towards action plan strategies by the CEO. At the first progress review meeting held between the management and trade union representatives, the modalities to implement all the four mechanism were taken up for further discussion. The CEO, whilst explaining the legal restrictions imposed on a public quoted company in sharing financial information with employees on a regular basis, reaffirmed the management's' readiness to continue the employer employee dialogue on all other matters that have no such restrictions. The trade union representatives accepted this position. Progress on staff training was further reviewed and it was noted that as a policy the company would give priority to in-house training over external training. This was not disputed by trade union representatives. The CEO, while recognising the concern of trade union representatives over lack of team spirit among managers and other employees, observed that a persuasive approach would be more desirable rather than compelling the managers to change their dining habits to foster more team spirit. Finally, the meeting centered on the feasibility of establishing work teams as a solution to most of the issues

including lack of team spirit at the shop floor level. The necessity and even the desirability of another team-based mechanism in addition to the already existing quality circles was discussed at some length. The trade union representatives expressed reservations about the effectiveness of QCs due to such factors as failure to secure employee commitment, lack of continuity in QC operations and the unhealthy competitive element built into them. Due to these reasons, they saw work teams a better instrument of securing employee commitment and labour-management co-operation than the QCs. The representatives felt that work teams will be particularly useful to handle production and operations issues in the factory. This idea was backed by the Human Resource Manager. The CEO remained non-committal and emphasised the need for greater understanding among managers and other employees before work teams are established. Finally the following decisions were arrived at:

- Requesting an external facilitator, in this case the national co-ordinator of the Workplace Co-operation Project, to conduct an awareness session on the objectives and operational aspects of work teams

- Identifying within two weeks, a section where a work team can be established experimentally.

The awareness session was conducted as planned with the participation of twenty four personnel including four managers, four supervisors and sixteen manual and operative employees. The supervisors and the manual workers were from loading, sagger, glazing, casting, RHK, and moulding sections of the factory.

The session, which was inaugurated by the CEO, focussed on two objectives:

- ❑ To provide training inputs before the formation of work teams in the factory
- ❑ To make preliminary arrangements to form work teams in the glazing, loading and sagger sections of the factory.

Selection of these three sections had been a joint management–union decision. The national project co-ordinator provided training on the role of work teams at different stages of team development and the factors affecting team effectiveness.

The basis of forming work teams was discussed at length but no finality was reached. The group decided to nominate an action committee from among those who were present to work out a basis for setting up work teams that will meet the requirements of the production process. The committee comprised the production manager (kiln), production supervisor (glazing), assistant production manager and four other production workers representing the glazing, loading, sagger making sections.

Formation of Work Teams: Facing Resistance in the Pilot Phase

During the pilot phase, the action committee took the initiative to pursuade managers and employees in the glazing, loading and sagger making sections of the manufacturing plant to establish work teams, but no significant progress was made except in the glazing section. Those in the sagger making section showed a lukewarm response due to the reluctance of most employees to change their old work habits. Still worse there were symptoms of resistance among some employees in the loading section. The resistance was purely due to personal reasons. The action committee did not have the strength to overcome resistance as it operated essentially as a low profile body. Faced with this set back, the following steps were taken:

- ❑ Encouraging the employees of the glazing section to establish work teams to demonstrate its usefulness as an instrument of resolving ongoing operational issues in the production line and
- ❑ Persuading other managers and sections to try out work team concept in place of the loading and sagger making sections who opted out of the programme.

Both steps produced encouraging results. Led by the initiative of the production manager (kiln), production supervisor and several other manual and operative employees, two work teams were established on an

experimental basis in the RHK glazing section in August 2000. One of these teams was in charge of cup glazing and the other one casserole glazing. At the initial stage, some employees in the glazing section were somewhat apathetic towards the formation of work teams, but this was overcome by the efforts of the action committee as well as the Human Resource Manager, who took a special interest in promoting the work team concept at the action planning stage. The persuasive efforts of the action committee resulted in a positive response from the manager of the packing section who participated in the third national workshop on workplace co-operation held in March 2001 to orient himself with the concept and practice of workplace co-operation through social dialogue. Following this event another work team was established in the packing section in March 2001.

Contribution of Social Dialogue Practices during the Pilot Phase
Union Management Meetings
Even though the formation of work teams remained largely experimental during the pilot phase, the dialogue process brought about modest improvements in the eyes of both managers and union representatives. One of them was the union management meetings, which have been a useful forum to discuss key problems in meeting export orders due to poor production planning. Besides the employer employee dialogue, the action committee also initiated a dialogue among employees themselves at the shop floor level. Through this process they were able to identify causes of production defects and reduce the reject rate from 6% to 4%. As observed by the production manager (kiln) and other employees who were actively involved in promoting the dialogue this was a modest but significant achievement.

Work Teams in the Glazing section
The main functions of the glazing section include transporting biscuitware from the roller hearth kiln, removing dust settled on biscuits by applying compressed air, glazing (cup glazing and casserole glazing), glazing inspection and thereafter loading the biscuits to carts.

Each team comprises eight members including a team leader and all of them are females. Since establishment the two teams have held twelve meeting at various intervals and minutes of meetings have been maintained. Initially the teams concentrated mainly on personnel issues such as controlling employee absenteeism, handling employee grievances through work reallocation, evaluation of team performance and employee training. Following preliminary discussions with the production manager, the two teams formulated an action plan featuring the following elements:

- Subject
- Objective
- Time Period
- Performance Indicator
- Progress Achieved
- Parties whose support is required

The action plan of Team No. 1 is given in Table 2 below:

Table 2 – Action Plan of Team No. 1

Subject	Objective	Time Period	Performance Indicator	Support Required
Handling team member grievances	To create a peaceful working atmosphere	November 2000 to February 2001	Reduced grievances	Team members
Evaluating team performance	To create an in-depth knowledge of team work	Long term	Review of work completed by the team	Production manager and Supervisor
Maintaining Team Discipline	To make members aware of the importance of team discipline	Daily		Production Manager and Supervisor

Within a short time span, the teams have achieved some degree of progress especially in handling employee grievances and training. Some of these achievements are illustrated in the following vignettes.

Redressing Employee Grievances through Work Teams

Glaze seeving, which is the main operation of the glazing department, was hampered due to prolonged illness of three production workers. Making matters worse, there were regular work interruptions due to two pregnant workers and a lactating mother. The latter had to be given a 'statutorily entitled' feeding interval daily. The team discussed all the three issues at length and arrived at the following solutions.

With the consent of other team members, one of the sick employees was given documentation work in the section and the other two were assigned to light duties.

In order to tide over the situation created by the slackness of two pregnant workers and the lactating mother, two temporary workers were recruited with the approval of the production manager.

The new arrangements yielded promising results. Work re-allocation resulted in improved attendance of the sick employees while the recruitment of temporary workers provided an opportunity for other team members to acquire skills in handling other tasks with which they had little familiarity. Besides redressing employee grievances, these new measures enabled the glazing department to minimize interruptions to the workflow.

The capability of work teams to resolve problems of labour shortage through on the job training is illustrated in the following vignette.

Role of Work Teams in On the Job (OJT) Training

The glazing department was experiencing a labour shortage as a result of several skilled workers leaving the company. With the consent of the production manager, the team took two measures to solve the problem:

Recalling a female employee from another section who had been previously trained in glazing

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Training of two male workers in glazing during intervals such as tea and lunch, in order to avoid any interruptions to regular work schedules.

The latter step led to an improvement in attendance, as male workers did not enjoy the same leave entitlements as their female counterparts. More significantly, there was an increase in work efficiency as male workers showed greater capability than the females to glaze large objects.

Despite these encouraging results, the action committee which operated as a low profile body, lacked the strength to overcome continued resistance from certain quarters such as those in the loading section or to disseminate the work team concept among a wider audience. This situation created a need to establish a clear responsibility center to address the key issues in managing the change process while expanding work teams as a core feature of the shop floor labour process.

Establishing an Institutional Mechanism to Manage Change and Expand Social Dialogue

Having experimented with the operation of work teams for little over six months in the glazing department, the company appointed a steering committee in March 2001 to further strengthen workplace co-operation project activities. The committee, which operates under the overall guidance of the CEO and the Human Resource Manager, comprises the production manager (kiln), manager (packing department), personnel officer, supervisor (glazing) and three trade union representatives. The main role of this committee is to monitor the effective dissemination of workplace co-operation concepts, including the concept of work teams, both within and outside the company. Within this mandate the committee undertook the responsibility to:

- ❑ Bring new parties such as senior managers, line managers, other executives, shop floor employees in the stores, maintenance and office employees to the dialogue and
- ❑ Establish work teams in other sections of the company.

During the short period of operation, the committee has held several meetings to review progress of the project and has organised two workshops among company employees to disseminate the company's experience in social dialogue. The workshops were used as the main forum to share the experience of work teams with other employees. The steering committee has been instrumental in persuading employees in the production line to establish two more work teams – one in the packing department and the other one in the biscuit inspection department. The former was established in March 2001 and the latter in September 2001.

In addition to these efforts, the committee has held preliminary discussions with personnel in the mixing and casting departments to explain project objectives in general and the importance of work teams in particular. The casting department was chosen particularly in view of the unhealthy relations between management and labour. In the mixing department, arrangements are underway to establish a work team. Nevertheless, the response of those in the casting department has not been very encouraging and this will be one of the challenges before the steering committee.

Three factors have made the steering committee stronger than its predecessor, the informal action committee. First, unlike its predecessor the committee functions as a formal body, hold meetings and reports project progress to the CEO and the Human Resource Manager periodically. Second, the committee has some responsibility over disbursing ILO project funds allocated for dissemination activities. Hence the management has held the committee accountable for executing the dissemination programme. Third, having been associated with the project activities from the inception, the committee members have developed a sense of ownership of the project. It is to be seen if this sense of ownership would ensure the sustainability of social dialogue practice in the company.

An Evaluation of the Performance of Work Teams

Glazing Department

The four work teams, which started their operations at different stages, and with different degrees of exposure to social dialogue, have reached different stages of development. Predictably, the two teams in the glazing department have shown signs of maturity and acquired greater competence in problem solving. This was evident from a problem diagnosis chart developed by the team members. The chart included the following subjects, which have been prioritised on the basis of five criteria (See Table 3). This is now being used for action planning and monitoring by the two teams:

Table 3 – Work Team Performance: Glazing Department

Subject	Importance	Gravity	Amenability to solution	Time Required	Difficulty	Total Points
Implementing 5S concepts	2	1	2	2	2	9
Improving the export quality of Casserole	2	2	2	1	2	9
Handling employee grievances	3	3	1	3	3	13
Reducing the glaze pin hole in cups	3	2	1	2	2	10
Improving repair grades	2	2	1	1	3	9
Training of employees	3	3	1	3	2	12

The teams have now reached the stage of evaluating their performance using quantitative data in addition to qualitative assessments. In quantitative terms,

team achievements were quite visible in controlling absenteeism and in quality enhancement through the reduction of production defects.

The following table illustrates the improvements in attendance behaviour among five employees after the formation of work groups.

Table 4 – Work Teams and Changes in Attendance Behaviour

Worker	% Absenteeism before the formation of work team	% Absenteeism after the formation of work team	% Reduction
A	26	7.6	18.4
B	23.4	22.8	0.6
C	16.9	11.4	5.5
D	11.7	7.6	3.9
E	15.2	11.7	3.5

Where production defects were concerned, the cup glazing team has focused on achieving three quality related targets. The achievements as revealed by the most recent data are presented below:

Table 5: Work Team Achievements in Quality Improvement

Activity	Target %	Achievement %
Reduction of glaze pinhole	3.3	3.2
Reduction of glazing defect	3	5.1
No glaze	1	1.2

In addition to these tangible results, the team members have developed strong norms governing their own behaviour. The influence of these norms on team members is expressed through:

- Increased ability to settle intra-team problems without referring to the manager and

- Improved team spirit and greater sharing of responsibility among team members.

These observations were further supported by the production manager. In his view, the new system has resulted in less supervisory control of employee performance as the two teams are now enjoying a certain measure of autonomy to make internal arrangements on routine matters such as work allocation and controlling absenteeism.

Packing Department

The main operations of the packing department are receiving packing material, receiving finished goods, packing, carrying out random inspections and transporting the packed sets to the stores.

There are thirty workmen attached to this department and they are assigned to five work stations. The work team was established in March 2001, mainly on the initiative of the departmental manager who was convinced of the benefits of social dialogue through work teams, after his participation in the third national workshop. The work team in this department differs from those in the glazing department in three respects. First, unlike in the glazing department, the initiative for establishing the work team came from the departmental manager. Second, the work team is a representative one. It consists of five members representing each of the five working tables. Third, the team leadership rotates among the five members once in every three months.

The main reason for establishing the work team was primarily external in that there was a need to improve accuracy in random checking of packed finished goods (cartoons) to eliminate customer complaints. Such complaints, particularly on design discrepancies in the cartoons and shortage of itmes compelled the department manager to deploy the workers on re-opening the

cartoons and re-counting of items. As a result, there were delays in dispatching the finished goods to the market and the extra time spent on re-checking and re-counting became an impediment to improve labour productivity.

The formation of the work team met with some resistance from workers who had negative perceptions of the functioning of quality circles. As seen by them, the quality circles, which have been imposed on them by the management, have cost the company large sums of money. They felt that work teams would be a similar drain on the company budget. The departmental manager was able to dispel these doubts through dialogue with the workers.

A salient feature of the work team in this department is that it has covered both work-related and non-work related issues. The work related issues were work re-distribution and assignment of specific responsibilities to all workers in the department, sharing of team responsibility for random checking of cartoons and re-scheduling of certain operations within the department to establish better co-ordination with the decoration inspection department, which is the last station in the workflow before finished goods are sent for packing. Among the non-work related activities was an arrangement made by the team to dig domestic wells on a *shramadana* (self-help) basis for employees of the department. It was revealed that three wells have been dug since the formation of the team. The extension of the dialogue to non work-related issues is an indication of cohesiveness and norm formation among team members.

The work team, being relatively younger than those in the glazing department, is yet to develop measurable indicators to evaluate its own performance. Nevertheless, both the department manager and the team members reported the following qualitative changes directly as a result of the positive impact of the work team on employee behaviour:
  ❑ Minimizing delays in packing finished goods
  ❑ A virtual elimination of design discrepancies in cartoons and

- A considerable improvement in random inspection practices
- The development of a team culture based on sharing of responsibilities instead of finding faults.

Biscuit Inspection Department

The main operations of the biscuit inspection department are unloading biscuits from the kiln, inspection, storage and issuing to the glazing department. The main performance problem of the department was the high percentage of breakage of biscuits while transporting from unloading to storage and thereafter to the glazing department. The breakage rate was as high as 6%. With a view to finding a lasting solution to this problem, the production manager, who is a member of the steering committee, initiated a dialogue with the workers. The dialogue started with an explanation of the potential contribution of work teams in resolving shop floor issues. The workers responded positively and as a result the work team was established in September 2001.

The work team consists of eight male workers including a team leader. Since the team came into being, one meeting has been held but no minutes have been maintained. The team has passed the orientation phase, a phase during which members attempt to define their objectives and the roles, but more time is required for them to review and expand their mission, which at present is limited to a single theme – minimizing the breakage rate of biscuits.

Understandably, the team has not developed concrete indicators to evaluate performance. This should not be seen as a weakness but more as a reality of the team development process. However, within the limited focus of its operations, the team has taken several positive measures to establish its credibility as a result oriented body. These measures include the following:
- Storing biscuits close to the glazing department to avoid breakage due to jerking while transporting
- Repairing the uneven surface on the production floor to prevent jerks
- Reducing the storage period of biscuits

❑ Educating the workforce in the greenware loading department on the need to reduce the breakage rate.

Work Teams in Action: A Summary

In their efforts toward promoting social dialogue at the shop floor level, the four work teams have focused on different issues and are now passing through different stages, characterised by distinct team development features. For purposes of comparison they are summarised in the following table.

Table 6: Comparison of Team Characteristics

Dimension	Glazing Department	Packing Department	Biscuit Inspection Department
Stage of Team Development	Mature and stable	Transition to Maturity	Formative
Coverage of Issues	Wide and expanding	Expanding	Restricted to a single theme
Norms	Well developed	Developing	Not clearly evident
Performance Evaluation	Both quantitative and qualitative	Primarily qualitative	Primarily qualitative

Future Prospects for Work Teams at Dankotuwa Porcelain

Having made a moderate contribution in a number of fields, the four work teams have justified their *raison d'être* as mechanisms of enhancing shop floor level performance through social dialogue. Despite these moderate achievements, there are several issues that should be addressed to make them sustainable.

First and foremost, the dialogue should be extended to other units of the factory as well as the office. The steering committee has already embarked on

this project in the factory, but more effort is required to spread it to other sections of the company.

Second, work teams, which operate mostly with the blessings of few line managers in the factory, need more top management recognition than at present. Here again the steering committee has a vital role to play in creating the much needed awareness among the top and senior managers and bringing them into the dialogue. The committee made an attempt in this direction by holding a workshop on social dialogue for a group of 80 company employees including a cross section of managers and workers. Since then progress on dissemination has been somewhat slow.

Third, some of the likely issues relating to the co-existence of work teams and quality circles, as parallel mechanisms of dialogue having similar but not identical agenda at the shop floor level have to be examined by the relevant stakeholders. Quality circles have been in existence for a considerable length of time with the top management's support. Therefore, work teams should not be seen as a threat to their existence nor should they (work teams) be seen as redundant when matters relating to quality and productivity are already being handled by the quality circles. Some managers in the production line are skeptical about the role of work teams owing to a perceived conflict of roles between the two mechanisms. On the other hand, where the work teams have come into existence in the factory, employees have shown less interest in quality circles. This is a clear manifestation of the potential conflict between the two mechanisms. Although the steering committee does not see such a conflict on the assumption that work teams could focus on a broader range of issues than the quality circles, no concerted effort has been made to change the managers' perception or to ensure the co-existence of the two with minimum conflict. Against this backdrop, the future agenda on workplace co-operation at Dankotuwa Porcelain should necessarily focus on evolving a mechanism to sustain work teams as a central feature of shop floor industrial relations. Invariably this will require a greater dialogue especially among top management, line management, trade union leaders and the steering committee than at present.

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