

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

02278

MS-96 : TOTAL QUALITY MANAGEMENT

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

Note : (i) There are two Sections : Section - A and Section - B.

(ii) Attempt any three questions from Section - A.

(iii) Section - B is compulsory.

(iv) All questions carry equal marks.

SECTION - A

1. Discuss the role of human factor in TQM framework.
2. What are the different phases in implementation of ISO 9000 QMS in an organization ? Describe each of them in giving examples.
3. Discuss the key success factors which are required to make TQM work.
4. Write short notes on the following :
 - (a) Poka - Yoke and zero defects.
 - (b) Just - In - Time (JIT).
5. Elaborate on the steps required to develop a quality business plan.

SECTION - B

6. Read the following case and answer the questions given at the end.

The customer knows best : AtlantiCare :

TQM isn't an easy management strategy to introduce into a business; in fact, many attempts tend to fall flat. More often than not, it's because firms maintain natural barriers to full involvement. Middle managers, for example, tend to complain their authority is being challenged when boots on the ground are encouraged to speak up in the early stages of TQM. Yet in a culture of constant quality enhancement, the views of any given workforce are invaluable.

One firm that's proven the merit of TQM is New Jersey-based healthcare provider AtlantiCare. Managing 5,000 employees at 25 locations, AtlantiCare is a serious business that's boasted a respectable turnaround for nearly two decades. Yet in order to increase that margin further still, managers wanted to implement improvements across the board. Because patient satisfaction is the single-most important aspect of the healthcare industry, engaging in a renewed campaign of TQM proved a natural fit. The firm chose to adopt a 'plan-do-check-act' cycle, revealing gaps in staff communication-which subsequently meant longer patient waiting times and more complaints. To tackle this, managers explored a sideways method of internal communications. Instead of information trickling down from top-to-bottom, all of the company's employees were given freedom to provide vital feedback at each and every level.

AtlantiCare decided to ensure all new employees understood this quality culture from the onset. At orientation, staff now receive a crash course in the company's performance excellence framework - a management system that organises the firm's processes into five key areas : quality, customer service, people and workplace, growth and financial performance. As employees rise through the ranks, this emphasis on improvement follows, so managers can operate within the company's tight-loose-tight process management style.

After creating benchmark goals for employees to achieve at all levels - including better engagement at the point of delivery, increasing clinical communication and identifying and prioritising service opportunities - AtlantiCare was able to thrive. The number of repeat customers at the firm tripled, and its market share hit a six - year high. Profits unsurprisingly followed. The firm's revenues shot up from \$280m to \$650m after implementing the quality improvement strategies, and the number of patients being serviced dwarfed state numbers.

Questions :

- (a) Discuss the quality culture followed by the company.
- (b) Describe how 'Plan - Do - Check - Act' cycle helped the company in identifying the gaps in staff communication.

7. Read the following case and answer the questions given at the end.

Hitting the right notes : Santa Cruz Guitar Co.

For companies further removed from the long - term satisfaction of customers, it's easier to let quality control slide. Yet there are plenty of ways in which growing manufacturers can pursue both quality and sales volumes simultaneously. Artisan instrument makers the Santa Cruz Guitar Co. (SCGC) prove a salient example. Although the California-based company is still a small-scale manufacturing operation, SCGC has grown in recent years from a basement operation to a serious business.

Owner Dan Roberts now employs 14 expert craftsmen, who create over 800 custom guitars each year. In order to ensure the continued quality of his instruments, Roberts has created an environment that improves with each sale. To keep things efficient (as TQM must), the shop floor is divided into six workstations in which guitars are partially assembled and then moved to the next station. Each bench is manned by a senior craftsman, and no guitar leaves that builder's station until he is 100 percent happy with its quality. This product quality is akin to a traditional assembly line; however, unlike a traditional, top-to-bottom factory, Roberts is intimately involved in all phases of instrument utilising this dotting method of quality management, it's difficult to see how customers wouldn't be satisfied with the artists' work. Yet even if there were issues, Roberts and other senior

management also spend much of their days personally answering web queries about the instruments. According to the managers, customers tend to be pleasantly surprised to find the company's senior leaders are the ones answering their technical questions and concerns. While Roberts has no intentions of taking his manufacturing company to industrial heights, the quality of his instruments and high levels of customer satisfaction speak for themselves; the company currently boasts one lengthy backlog of orders.

Questions :

- (a) Given the facts of the case, how do you think the company caters to the TQM framework. Discuss.
 - (b) What would be the challenges in case the company decides to scale up the operations ?
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