

QUALITY OF PERFORMANCE

1

PAPER

4

TOPIC

Define the following concepts:

Quality (2)

- Quality refers to a good / service's ability to satisfy a specific need.
- It is measured against specific criteria such as physical appearance/reliability/durability/sustainability/after-sales services.

Quality control (2)

- A system that ensures the desired quality is met by inspecting the final product to ensure that it meets the required standards.
- Includes setting targets/measuring performance and taking corrective measures.

Quality assurance (2)

- Checks are carried out during and after the production process.
- Ensure that required standards have been met at every stage of the process.

Quality management (2)

- Refer to techniques/tools used to design/improve the quality of a product
- Can be used for accountability within each of the business functions.

Quality performance (2)

- The total performance of each department is measured against the specified standards.
- Can be obtained if all departments work together towards the same quality standards.

Quality management systems (2)

- A quality management system is a framework that a business uses to manage key processes to ensure they meet the correct standards.

Explain/Differentiate/Distinguish between quality control and quality assurance.

QUALITY CONTROL	QUALITY ASSURANCE
Inspection of the final product to ensure that it meets the required standards.	Checks carried out during and after the production process to ensure that required standards have been met at every stage of the process
Includes setting targets and taking corrective measures.	Ensures that every process is aimed at getting the product right the first time and prevents mistakes from happening again.

Explain/Differentiate/Distinguish between quality management and quality performance.

QUALITY MANAGEMENT	QUALITY PERFORMANCE
Techniques/tools/methods used to design/improve the quality of a product	The total performance of each department is measured against the specified standards.
Can be used for accountability within each of the business functions.	Can be obtained if all departments work together towards the same quality standards.

Explain/Discuss the advantages/benefits of a good quality management system. (4)

- Improves business image as there are fewer defects/returns.
- The business has a competitive advantage over its competitors.
- Increased market share /more customers improve profitability.
- Vision / mission / business goals may be achieved.

Explain/Discuss how quality of performance can contribute to the success and/or failure of each business function.

GENERAL MANAGEMENT (4)

- Ensures the business meets their deadlines.
- Develops/Implements/Monitors/Maintains effective strategic plans.
- Effectively communicates a shared vision, mission and values.
- Set direction and establish priorities for their business.

PRODUCTION FUNCTION (4)

- Products meets customers' requirements by being safe, reliable and durable.
- Monitor processes and find the root causes of production problems.
- Implements quality control systems to ensure that quality products are consistently being produced.
- Accurately calculate the production costs.

PURCHASING FUNCTION (4)

- Buying raw materials in bulk at lower prices.
- Place orders timeously and regulate follow-ups to ensure that goods are delivered in time.
- Selecting reliable suppliers that render the best quality raw materials /capital goods at reasonable prices.
- Implementing and maintaining stock control systems to ensure the security of stock.

MARKETING FUNCTION (4)

- Winning customers' loyalty by satisfying their needs.
- Increase their market share.
- Differentiating products in order to attract more customers.
- Use aggressive advertising campaigns to sustain the market share.

FINANCIAL FUNCTION (4)

- Analyse strategies to increase profitability.
- Obtain capital from the most reliable sources.
- Negotiate better interest rates in order to keep financial costs down.
- Keep financial records up to date to ensure accurate tax payments.

PUBLIC RELATIONS FUNCTION (4)

- Deal quickly with negative publicity.
- Provide regular/positive press releases.
- Implement sustainable Corporate Social Investment (CSI) programmes.
- Positive feedback from public surveys on the business image.

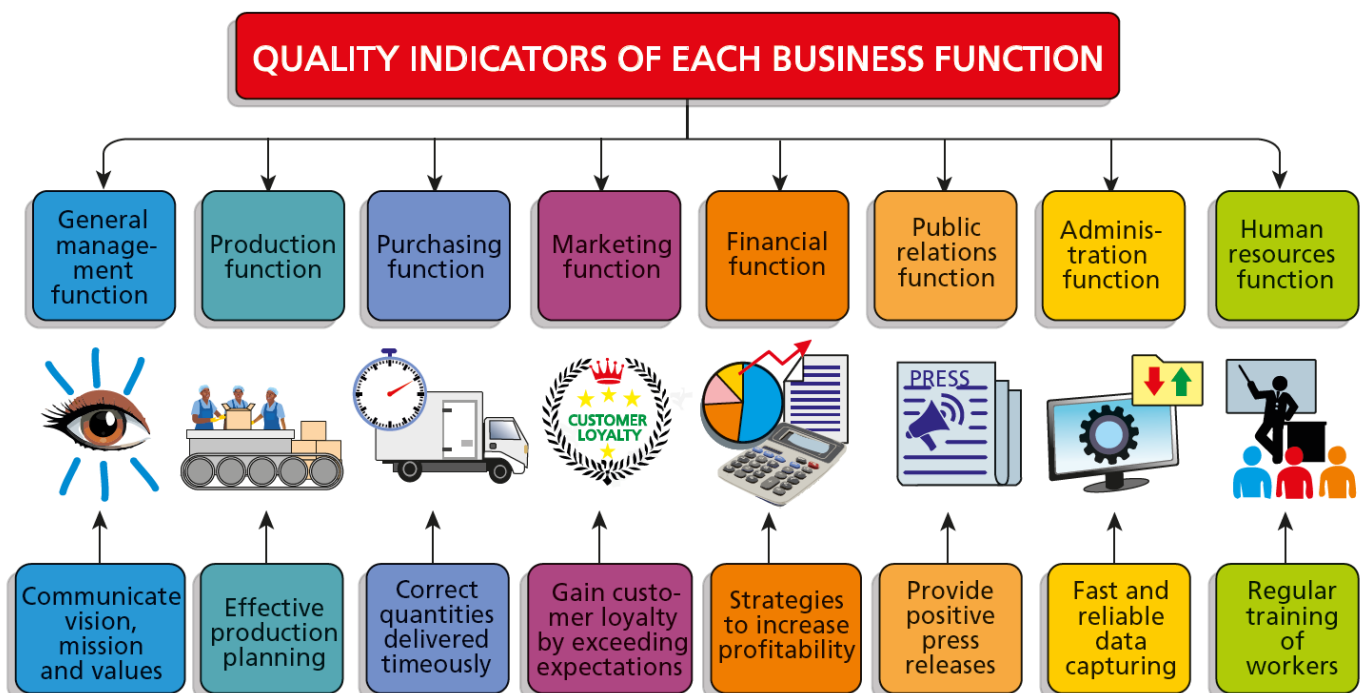
ADMINISTRATION FUNCTION (4)

- Fast and reliable data capturing and processing systems.
- Make reliable information available to management on time.
- Use modern technology efficiently.
- All documentation is kept neatly and orderly in a safe place.

HUMAN RESOURCES FUNCTION (4)

- Ensure fair and equitable selection process.
- Fair remuneration packages aligned to the industry.
- Low rate of staff turnover in the business.
- Offer performance incentives for staff to enhance productivity.

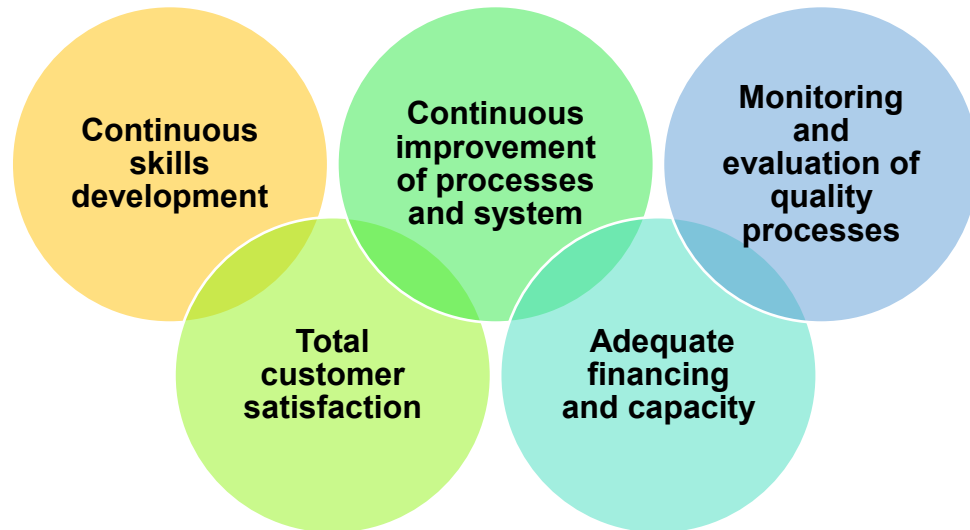
Outline the quality indicators for each business function. (ALL)



TOTAL QUALITY MANAGEMENT (TQM)

Elaborate on the meaning of TQM. (2)

- TQM enables businesses to continuously improve the delivery of products or services to satisfy the needs of customers.
- Management ensures that each employee is responsible for the quality of their work and actions.



Define/Identify the following TQM elements from given scenarios/statements:

Continuous skills development/Education and training (2)

- The commitment of the business to participate in the continuous skills development and training of all employees at all levels within the business.
- The business should conduct a skills audit to determine the qualifications of employees in their ability to influence the quality of products or services.

Total client/customer satisfaction (2)

- The ability/commitment of the business to achieve total customer satisfaction.
- The business must strive to provide quality products/services to meet/exceed customer needs/expectations/satisfaction.

Continuous improvement of processes and system (2)

- The ability of the business to pursue continuous improvement to processes and systems.
- Businesses need to improve on their processes and systems such as the operating system/service delivery system/production system.

Adequate financing and capacity (2)

- The ability of the business to provide adequate financing and capacity for all operational requirements in the pursuit of implementing TQM effectively.
- The business needs to ensure that there is adequate financing and capacity available for all operations to meet TQM requirements.

Monitoring and evaluation of quality processes (2)

- The effective implementation of TQM requires monitoring and evaluation of quality processes throughout the entire business.
- This is a critical aspect within TQM as it allows the business to enhance existing practices and ultimately improve the degree to which the business meets customer needs.

Explain/Discuss/Analyse/Evaluate the impact of the above stated TQM elements on LARGE businesses.

Continuous skills development/Education and training (4)

- + Large businesses have a human resources department dedicated to skills training and development.
- + Ability to afford specialised/skilled employees.
 - Poor communication systems in large businesses may prevent effective training from taking place.
 - Trained employees may leave for better jobs after they have gained more skills.

Total client/customer satisfaction (4)

- + May lead to higher customer retention/loyalty and businesses may be able to charge higher prices.
- + Large businesses may be able to gain access to the global market.
 - Not all employees may be involved/committed to total client satisfaction.
 - Employees who seldom come into contact with customers often do not have a clear idea of what will satisfy their needs.

Continuous improvement of processes and system (4)

- + Large businesses have more resources to check on quality performance in each unit.
- + Enough capital resources are available for new equipment required for processes and systems.
 - Large-scale manufacturing can complicate quality control.
 - Risk of changing parts of the business that are actually working well.

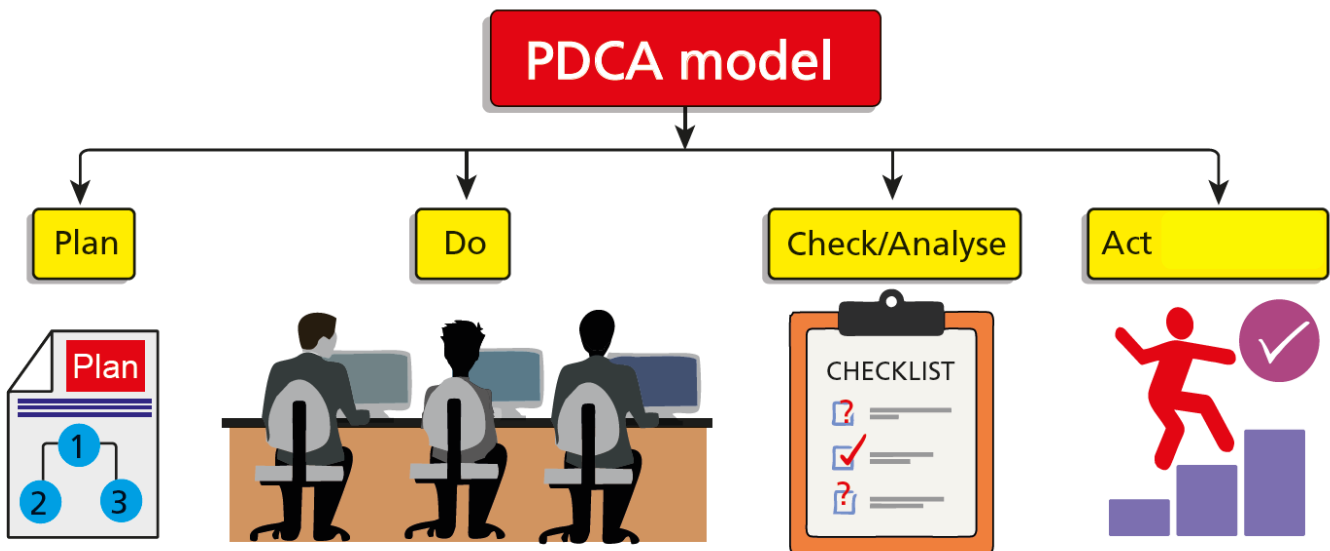
Adequate financing and capacity (4)

- + Able to afford product research/market researchers to gather information.
- + Can afford to purchase quality raw materials and equipment.
 - Large rapidly growing businesses can consume large amounts of capital as they try to balance normal operations and expansion.
 - If the demand for company's product increases, orders begin coming in faster than expected, and the company lacks the capital required to fund the production of the stock to fill the orders.

Monitoring and evaluation of quality processes (4)

- + Large businesses may be better equipped to get things right the first time.
- + Improve performance and increase productivity/sales/profitability.
 - It often takes longer to detect problems or respond to weaknesses.
 - It is not viable to check the quality of all the products.

PDCA MODEL



Explain how businesses can apply the PDCA model/steps to improve the quality of products.

PLAN (2)	<ul style="list-style-type: none">• Plan the new method and approach to improve the quality of their products.• The plan must be logical/sequential for implementation to understand it.
DO (2)	<ul style="list-style-type: none">• The business should implement the change on a small scale.• Implement the processes and systems as planned.
CHECK (2)	<ul style="list-style-type: none">• Use data to analyse the results of change.• Check whether the processes are working effectively
ACT (2)	<ul style="list-style-type: none">• Institutionalise the improvement to meet the needs of the business.• If the change was successful, implement it on a larger scale.

Explain the role/importance of quality circles as part of continuous improvement to processes and systems. (4)

- Solve problems related to quality and implement improvements.
- Monitor strategies to improve the smooth running of business operations.
- Reduce costs of redundancy and wasteful efforts in the long run.
- Ensure that there is no duplication of activities/tasks in the workplace.

Explain/Discuss the impact of TQM if poorly implemented by businesses. (4)

- Setting unrealistic deadlines that may not be achieved.
- The decline in productivity, because of stoppages.
- The reputation of the business may suffer because of poor quality.
- Investors might withdraw investment if there is a decline in profits.
- Decline in sales as more goods are returned by unhappy customers.

Explain/Recommend/Suggest ways in which TQM can reduce the cost of quality. (4)

- Introduce quality circles to discuss ways of improving the quality of work/workmanship.
- Schedule activities to eliminate duplication of tasks.
- Share responsibility for quality output amongst management and workers.
- Train employees at all levels, so that everyone understands their role in quality management.