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**THE OPEN UNIVERSITY OF SRI LANKA  
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC  
ADMINISTRATION  
FINAL EXAMINATION -2008  
MCP 1654 – QUALITY MANAGEMENT  
DURATION: THREE (03) HOURS**



**Date : 14<sup>TH</sup> March 2009**

**Time : 1.30 p.m – 4.30 p.m**

**ANSWER QUESTION NO.1 AND FOUR OTHER QUESTIONS.**

**Question No.01**

**Tale of Two Restaurants**

Tim Kelley founded Kelley's Seafood Restaurant about 15 years ago. The restaurant was very profitable because of excellent quality of food, but lately it has been having problems with lack of consistency in quality because of numerous suppliers. The restaurant operations are divided into front-end (servers) and back-end (kitchen). The kitchen has Post-It notes to boost employee morale, employees are cross-trained in all areas, and the kitchen staff continually seeks improvements in cooking. Servers, however, have few perks and minimal wages, but their turnover was, a bit of a problem. Tim's primary criterion for selecting servers was their ability to show up on time. Little communication takes place between the front-end and back-end operations, other than fulfilling orders. Tim makes sure that the servers refer any complaints to him immediately.

The restaurant uses no automation, because Tim believes it would get in the way of customers' special requests. "This is the way we've done it for the past 15 years and how we will continue to do it," was his response to a suggestion of using a computerized system to speed up orders and eliminate delays. Tim formerly held staff meetings regularly, but recently went from one each week to one every five or six months. Most of his time is spent focusing on negative behaviour, and he can often be heard to say, "You can't find good people anymore".

Jim's Steak House is a family-owned restaurant in the same state. Jim uses only the freshest meats and ingredients from the best suppliers and gives extra large portions of food to customers so they feel they are getting their money's worth. Jim pays his cooks high wages to attract quality employees. Servers get 70 percent of tips, bussers 20 percent, and kitchen staff 10 percent to foster teamwork. Many new hires come from referrals from current employees and asks them many pointed questions relating to courtesy, responsibility, and creativity. The restaurant sponsors bowling nights, golf outings, picnics, and holiday parties for its employees. At Jim's

birthday customers receive a free dinner, children are welcomed with balloons, candy, and crayons and big-screen TVs cater to sports fans. Jim Walks around and constantly solicits customer feedback. Jim visits many other restaurants to study their operations and learn new techniques. As a result of these visits, Jim installed computers to schedule reservations and enter orders to the kitchen.

### **Discussion Questions**

1. Contrast these two restaurants from the perspective of TQ: How do they exhibit or not exhibit the fundamental principles of TQ?
2. What advice would you recommend to the owners?

Total Marks -30

2. ABC organization top management found that their cost of production has gone up due to the manufacture of defective products. At a Top level meeting Managing Director inquired from the Production Manager the reasons for the above matter. He informed that this is due to two main reasons namely;

- a) the machineries are very old
- b) the existing Quality Control activities are not effective

Then the Managing Director asked from the Quality Assurance Manager about the inspections that they carry out through out the production process. He said those are functioning properly. However, Managing Director wanted to find out the exact root cause for this problem and requested the Quality Assurance Manager to submit a detailed report to make a decision.

Assuming that you are the Quality Assurance Manager indicate which areas you will consider to include in your report to convince the higher management?

3. A Chemical Manufacturing company wanted to go ahead with a massive Productivity improvement programme. However the Vice - Chairman of the company was having a different opinion about this programme. He thought unless the quality of products was improved the ultimate objective becomes fruitless. This was discussed in detailed at the Board room and it was decided to obtain the views of a Consultant. Suppose you are the Consultant hired for this purpose. Explain with examples how you would proceed in advising the management pertaining to this matter.

4. During a Top Management Seminar on Quality, an expert indicated that "Total Quality Management is a cultural change programme". Do you agree or disagree with this statement? Explain your answer with justifications?
5. Explain the Key points of the teachings of Quality Gurus namely Deming, Juran, & Crosby. Considering the above teachings, whose teaching you consider as more appropriate for today's context? Justify your answer with examples.
6. As a road map to success, Top Management of a company providing a Courier service decided to introduce a customer handling process. It was decided to design a system of handling customer complaints to ensure an effective results taking into consideration the Marketing, Quality Assurance & Production Departments. Explain how do you design this process? Do you think any additional departments are required to be considered? If so what are they?
7. Discuss typical reasons for each of the following barriers to Total Quality implementation;
  - a. Poor Planning
  - b. Lack of Top Management Commitment
  - c. Workforce Resistance
  - d. Lack of Proper Training
  - e. In effective measurement of Quality activities

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