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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2022/2023 ACADEMIC YEAR
FOURTH YEAR FIRST SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCO 411
COURSE TITLE: QUALITY MANAGEMENT**

DATE: 14 DEC 2022

TIME: 9:00-11:00 AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE

CASE STUDY

Gillette's Total Quality Management System.

Gillette began its global operations in 1905 when it opened a manufacturing plant in Germany. This global strategy and success saw the firm extending its operation to Latin America. Argentina was a potential market after tariffs and business policies were revised. Having operated under unfavorable regime, the firm perceived future competition and decided to create competitive advantages. Key figures in the firm such as Carlos Rotundo and Jorge Micozzin suggested better quality as the solution to the market issues. The management had to change the organizational culture which was not strategic for the future market circumstances. Rotundo had already begun creating a new organizational culture when Micozzin came up with the idea of total quality management (TQM) that made Gillette Argentina the most successful affiliate in Latin America. The very first initiative Gillette took was to hire the Organizational Dynamics Inc (ODI) as a consulting and training firm. The firm became the key source of information and motivation for the Gillette Latin America management. It can be argued that the source of a successful organizational change begins with leaders who in turn transfer it to employees.

Secondly, Gillette offered training to its employees as a way of preparing them for TQM system. One of the landmark trainings was FADE that prepared employee for quality action teams. The specialized training involved four phases of problem solving: Focus, Analyze, Develop and Execute (FADE).

Thirdly, Team Involvement: Team involvement was paramount for the success of Gillette TQM process. This initiative was adopted by the firm in an effort to enhance overall performance and to position it better in the Argentine market. As Jorge Micozzin observed, the market was opening and thus the firm perceived the entry of new competitors from United States and Europe as a threat worth countering. In that respect, team involvement was the most important tool to create a competitive advantage. This would allow for creativity and emergence of new ideas as the team members presented diverse suggestions. There was need to improve decisions and processes ahead of competition through team work. Therefore, the new competitive advantage was to assist Gillette to compete and keep their market share.

Fourth, Organization Culture: Initially, Gillette's organizational culture was characterized by individualism in which there were leaders and subjects to lead. Apparently, the employees got orders from above and had to act upon them without question. Decisions were solely made by the management without any input from the lower ranks. Each department was assigned to specifically defined roles that were only approved by the management. There were few linkages to other departments with no interaction between departmental employees. Coordination between the departments was the role of managers whereby they advised rather than discussing on the work-related issues.

Fifth, Customer Focus; It can be argued that customer focus was not an important factor when working in the company. Workers pursued their interest and the interest of the customer had little relevance when performing the assigned tasks. Even before the implementation of TQM process, Carlos Rotundo had to change the existing working culture and the negative approach to customer service. He introduced a

quality-focused culture that supported team work with special emphasis on sales. The culture assigned many of the responsibilities to team leaders, but did not give individual employees much autonomy. Each team pursued a specific task that was defined by the customer's critique identified in the customer survey. Also, the management was responsible for most of the decisions that were beyond teams' jurisdiction. Departmental interaction was not supported by this culture which ended prematurely after the introduction of TQM process.

The working culture that emerged from the adoption of TQM process was characterized by team work. Each activity that was accomplished in the firm including product design, development, production and offering was the cumulative efforts of individual teams. The team formation involved both the employees and the management. As a result, decision-making at department level as well as corporate level involved all team members. The culture allowed each employee to contribute to any undertaking of the firm regardless of the source department. The ultimate goal in the new culture was customer satisfaction and all teams endeavored to achieve this goal.

QUESTION ONE

- a) i) Identify **THREE** Common Barriers that could hinder QTM Team Progress in Gillette. (3 marks)
- ii) Explain **THREE** basic factors for successful supplier rating system that could be used in Gillette (3 marks)
- iii) Identify **TWO** Dimensions of product quality (2Marks)
- b) i) List **THREE** Examples of Appraisal Costs (3 marks)
- ii) Outline **THREE** reasons why total quality control concept was adopted at Gillette (3 marks)
- iii) State the **FIVE** phases of Six Sigma methodology in TQM projects. (5 marks)
- c) i) Indicate **TWO** ways to recognize the employees in organizations. (2 marks)
- ii) Recognize **THREE** benefits of performance appraisal in an organization (3marks)
- d) Illustrate **THREE** features of kaizen (3marks)
- e) Describe **THREE** basic concepts of TQM (3marks)

QUESTION TWO

a) Appraise **FIVE** barriers to TQM implementation (10 marks)

b) Assess **FIVE** steps to solve customer complaints (10 marks)

QUESTION THREE

a) Evaluate **FIVE** benefits of a Buyer- supplier partnership to TQM (10 marks)

b) Justify **FIVE** tools an organization can use to collect Customer Feedback (10marks)

QUESTION FOUR

a) Illustrate **FIVE** characteristics that successful quality leaders demonstrate. (10 marks)

b) Explain **FIVE** benefits of Employee Involvement in TQM (10 marks)

QUESTION FIVE

a) Demonstrate **FIVE** external failure costs of TQM (10 marks).

b) Analyze **FIVE** Benefits a company may accrue from of ISO Registration (10 marks)