

## Chapter 2: Foundations of Quality Management

### TRUE/FALSE

- Deming laid out a “quality improvement program” for companies such as Ford, GM, and Procter & Gamble, when invited to work with them to improve their quality.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

- Unlike other management gurus and consultants, Deming defined and described quality precisely.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

- Deming stressed that the lowest levels of operational staff in an organization must assume the overriding responsibility for quality management.

ANS: F                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

- Improvements in operations are achieved by reducing the causes and impacts of variation.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

- Deming emphasized that knowledge is not possible without theory, and experience alone does not establish a theory.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

- Unlike Deming, however, Juran proposed a major cultural change in the organization, and did not take up improving quality by working within the system familiar to managers.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Juran Philosophy      KEY: Bloom's: Knowledge

- Juran advocated the use of quality cost accounting and analysis to focus attention on quality problems.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Juran Philosophy      KEY: Bloom's: Knowledge

- Juran opposed Deming’s policy which stated that fear can bring out the best in people.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
 TOP: A-Head: The Juran Philosophy      KEY: Bloom's: Knowledge

- According to Crosby, quality is judged solely on whether requirements have been met and nonconformance is the absence of quality.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic

TOP: A-Head: The Crosby Philosophy KEY: Bloom's: Knowledge

10. Crosby's philosophy demonstrates that quality management practices will not save, but cost money.

ANS: F DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: They Crosby Philosophy KEY: Bloom's: Knowledge

11. Dr. Kaoru Ishikawa, a quality philosopher, is best known for coining the phrase—total quality control.

ANS: F DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Other Quality Philosophers KEY: Bloom's: Knowledge

12. A. V. Feigenbaum, a quality philosopher, promoted the use of quality costs as a measurement and evaluation tool.

ANS: T DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Other Quality Philosophers KEY: Bloom's: Knowledge

13. Dr. Kaoru Ishikawa, a quality philosopher, advocated collecting and analyzing factual data using simple visual tools, statistical techniques, and teamwork as the foundations for implementing total quality.

ANS: T DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Other Quality Philosophers KEY: Bloom's: Knowledge

14. According to Dr. Ishikawa's philosophy, data with dispersion information are false data.

ANS: F DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Other Quality Philosophers KEY: Bloom's: Knowledge

15. According to Dr. Ishikawa's philosophy, the ideal state of quality control occurs when inspection becomes necessary.

ANS: F DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Other Quality Philosophers KEY: Bloom's: Knowledge

16. The total quality philosophy was initially based on only one principle—customer focus.

ANS: F DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Principles, Practices, and Techniques of Quality Management  
KEY: Bloom's: Knowledge

17. One of the most important quality management techniques is basic statistics.

ANS: T DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: Principles, Practices, and Techniques of Quality Management  
KEY: Bloom's: Knowledge

18. Setting simple goals and targets is one of the practices that are used for implementing leadership as a quality management principle.

ANS: F DIF: Difficulty: Moderate NAT: BUSPROG: Analytic  
TOP: A-Head: Principles, Practices, and Techniques of Quality Management  
KEY: Bloom's: Knowledge

19. Variation in a production process increases capacity utilization.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Variation and Statistical Thinking                      KEY: Bloom's: Knowledge

20. Variation in a production process makes it easier to find the root cause of the process issues.

ANS: F                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Variation and Statistical Thinking                      KEY: Bloom's: Knowledge

21. Common causes of variation in a production process are a result of the design of the product and production system.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Variation and Statistical Thinking                      KEY: Bloom's: Knowledge

22. Special causes of variation in a production process arise from internal sources that are inherent in the process.

ANS: F                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: Variation and Statistical Thinking                      KEY: Bloom's: Knowledge

23. A quality management system represents a specific implementation of quality concepts, standards, methods, and tools, and is unique to an organization.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Quality Management Systems                      KEY: Bloom's: Knowledge

24. The core of a QMS is focused on creating the goods and services that customers want.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Quality Management Systems                      KEY: Bloom's: Knowledge

25. The ISO 9000:1994 series standards were intended to provide confidence to customers and other stakeholders that quality requirements are being achieved in the delivered product.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Quality Management Systems                      KEY: Bloom's: Knowledge

26. The ISO 9001 requirement for audits forces an organization to review its quality system on a routine basis.

ANS: T                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: Quality Management Systems                      KEY: Bloom's: Knowledge

## **MULTIPLE CHOICE**

1. Japanese scientists and Engineers established the Deming application prize in 1951 to recognize companies that show a high level of achievement in:
  - a. variation of production processes.
  - b. human resource policies.
  - c. quality practices.

d. developing innovative products.

ANS: C                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

2. According to Deming, a product or service possesses quality if:

- a. the production process engages more workforce.
- b. the cost of the product or service exceeds its benefit.
- c. it enjoys a sustainable market.
- d. it shows variations in its production process.

ANS: C                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

3. In Deming's view, \_\_\_\_\_ is the chief culprit of poor quality.

- a. concurrent engineering
- b. variation
- c. agility of the production process
- d. low level of tolerance in manufacturing

ANS: B                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

4. The \_\_\_\_\_ theory states that improvements in quality lead to lower costs because they result in less rework, fewer mistakes, fewer delays and snags, and better use of time and materials. Lower costs, in turn, lead to productivity improvements.

- a. Quincunx
- b. Basic Elements of Improvement
- c. Absolutes of Quality Management
- d. Deming Chain Reaction

ANS: D                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

5. According to point one of Deming's 14 points for quality improvement, the responsibility of improving a firm's competitive position lies with \_\_\_\_\_.

- a. top management
- b. suppliers
- c. middle management
- d. employees

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

6. A company and the people in the company need to continually renew themselves to take in new approaches and relearn many older ones. This is called \_\_\_\_\_.

- a. organizational designing
- b. organizational learning
- c. organizational structuring
- d. organizational engineering

ANS: B                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

7. Deming synthesized the underlying foundations of the 14 Points of improving quality into four simple elements which are called:

- a. basic elements of improvement.
- b. a system of profound knowledge.
- c. the four steps to total quality control.
- d. absolutes of quality management.

ANS: B                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

8. Which of the following is one of the four elements of Deming's system of profound knowledge?
- a. Quality leadership
  - b. Suboptimization
  - c. Understanding variation
  - d. Modern quality technology

ANS: C                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

9. A \_\_\_\_\_ is a set of functions or activities within an organization that work together for the aim of the organization.
- a. quincunx
  - b. schema
  - c. hidden factory
  - d. system

ANS: D                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

10. Which of the following terms refers to a device that illustrates a natural process of variation?
- a. Hidden factory
  - b. Six sigma
  - c. Quincunx
  - d. Balanced scorecard

ANS: C                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

11. According to Peter Scholtes, a noted consultant, when people don't understand systems:
- a. they try to resist the process of change.
  - b. they are less likely to distinguish between fact and opinion.
  - c. they see the symptoms but not the deep causes of problems.
  - d. they don't see events as individual incidents but assume it to be the combined result of several independent forces.

ANS: C                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

12. According to Peter Scholtes, a noted consultant, when people don't understand variation:
- a. they see trends where there are none.
  - b. they are more likely to distinguish between fact and opinion.
  - c. they know when expectations are realistic.
  - d. they don't see events as individual incidents.

ANS: A                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

13. Which of the following is the difference between Deming's and Juran's quality philosophy?

- a. Juran made top management commitment an absolute necessity.
- b. Juran sought to improve quality by working within the system familiar to managers.
- c. Juran demonstrated that quality management practices will save, not cost money.
- d. Juran viewed quality as imperative in the future competitiveness in global markets.

ANS: B                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy                      KEY: Bloom's: Knowledge

14. In Juran's quality trilogy, the process of preparing to meet quality goals is called:
- a. quality leadership.
  - b. quality control.
  - c. quality improvement.
  - d. quality planning.

ANS: D                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy                      KEY: Bloom's: Knowledge

15. In Juran's quality trilogy, the process of meeting quality goals during operations is called:
- a. quality control.
  - b. quality planning.
  - c. quality leadership.
  - d. quality improvement.

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy                      KEY: Bloom's: Knowledge

16. In Juran's quality trilogy, the process of breaking through to unprecedented levels of performance is called:
- a. quality improvement.
  - b. quality control.
  - c. quality planning.
  - d. quality leadership.

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy                      KEY: Bloom's: Knowledge

17. In accordance with Juran's breakthrough sequence, the path from problem to solution consists of two journey's and out of these two journeys, the one from symptom to cause is called:
- a. remedial journey.
  - b. diagnostic journey.
  - c. continuous improvement.
  - d. breakthrough improvement.

ANS: B                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy                      KEY: Bloom's: Knowledge

18. According to \_\_\_\_\_, the only performance measurement is the cost of quality, which is the expense of nonconformance and the only performance standard is "Zero Defects (ZD)."
- a. Ishikawa
  - b. Juran
  - c. Deming
  - d. Crosby

ANS: D                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy                      KEY: Bloom's: Knowledge

19. The essence of Crosby's quality philosophy is embodied in what he calls the:
- absolutes of quality management.
  - the breakthrough sequence.
  - quality trilogy.
  - Deming chain reaction theory.

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

20. Which of the following points about Crosby's absolutes of quality management is true?
- Doing jobs right the first time is expensive.
  - Quality means conformance to elegance, not requirements.
  - The only performance measurement is the cost of quality.
  - The burden of responsibility for solving quality problems falls only on the quality department.

ANS: C                      DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

21. According to Crosby, \_\_\_\_\_ is a performance standard which involves concentrating on preventing defects rather than just finding a fixing them.
- zero defects
  - continuous improvement
  - Baldrige criteria
  - breakthrough improvement

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

22. Which of the following was one of Crosby's basic elements of improvement?
- Agility
  - Variation
  - Implementation
  - Suboptimization

ANS: C                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

23. Which one of the following Crosby's basic elements of improvement means that the top management must take quality improvement seriously?
- Determination
  - Variation
  - Implementation
  - Suboptimization

ANS: A                      DIF: Difficulty: Easy                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

24. Feigenbaum defined the term \_\_\_\_\_ as an effective system for integrating the quality development, quality maintenance, and quality improvement efforts of the various groups in an organization so as to enable production and service at the most economical levels which allow full customer satisfaction.
- absolutes of quality management
  - basic elements of improvement
  - quality trilogy
  - total quality control

ANS: D                    DIF: Difficulty: Easy  
TOP: A-Head: Other Quality Philosophers

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

25. Feigenbaum popularized the term \_\_\_\_\_, which described the portion of plant capacity wasted due to poor quality.
- exponential distribution
  - hidden factory
  - quincunx
  - quality trilogy

ANS: B                    DIF: Difficulty: Easy  
TOP: A-Head: Other Quality Philosophers

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

26. Which of the following is one of the key elements of Dr. Ishikawa's quality philosophy?
- Data with dispersion information are false data.
  - Personnel management is the entrance and exit of quality.
  - Remove the symptoms, not the root cause.
  - Quality begins with education and ends with education.

ANS: D                    DIF: Difficulty: Moderate  
TOP: A-Head: Other Quality Philosophers

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

27. Who among the following influenced the development of a participative, bottom-up view of quality, which became the trademark of the Japanese approach to quality management?
- Joseph Juran
  - A.V.Feigenbaum
  - Kaoru Ishikawa
  - Philip.B.Crosby

ANS: C                    DIF: Difficulty: Easy  
TOP: A-Head: Other Quality Philosophers

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

28. Dr. Ishikawa is best known for developing a popular quality improvement tool called \_\_\_\_\_.
- u-chart
  - process capability index
  - histogram
  - cause-and-effect diagram

ANS: D                    DIF: Difficulty: Easy  
TOP: A-Head: Other Quality Philosophers

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

29. According to the characterization of total quality by James W. Dean, Jr. and David E. Bowen, \_\_\_\_\_ are considered the foundation of the quality philosophy.
- practices
  - techniques
  - principles
  - variations

ANS: C                    DIF: Difficulty: Easy  
TOP: A-Head: Principles, Practices, and Techniques of Quality Management  
KEY: Bloom's: Knowledge

NAT: BUSPROG: Analytic

30. Which of the following principles supports statistical thinking, a philosophy of learning and action?
- Variations make it easy to understand root causes in a production process issue.
  - Understanding and increasing variation are keys to success.



- c. Variation exists in all processes.
- d. All work occurs in a system of independent processes.

ANS: C                      DIF: Difficulty: Moderate  
TOP: A-Head: Variation and Statistical Thinking

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

31. \_\_\_\_\_ are a result of the design of the product and production system and generally account for about 80 to 95 percent of the observed variation in the output of a production process.
- a. Remedial causes of variation
  - b. Common causes of variation
  - c. Assignable causes of variation
  - d. Special causes of variation

ANS: B                      DIF: Difficulty: Easy  
TOP: A-Head: Variation and Statistical Thinking

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

32. The purpose of Deming's \_\_\_\_\_ experiment is to show that people can and do affect the outcomes of many processes and create unwanted variation by "tampering" with the process, or indiscriminately trying to remove common causes of variation.
- a. red beads
  - b. hidden factory
  - c. quincunx
  - d. funnel

ANS: D                      DIF: Difficulty: Easy  
TOP: A-Head: Variation and Statistical Thinking

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

33. With regard to quality management systems, \_\_\_\_\_ is a formal document that demonstrates a commitment to achieving high quality and meeting customer expectations.
- a. quality policy
  - b. quality memorandum
  - c. quality trilogy
  - d. quality minute book

ANS: A                      DIF: Difficulty: Easy  
TOP: A-Head: Quality Management Systems

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

34. With regard to quality management systems, a \_\_\_\_\_ serves as a permanent reference for implementing and maintaining the system.
- a. quality minute book
  - b. quality manual
  - c. quality policy
  - d. quality trilogy

ANS: B                      DIF: Difficulty: Easy  
TOP: A-Head: Quality Management Systems

NAT: BUSPROG: Analytic  
KEY: Bloom's: Knowledge

**ESSAY**

1. The first point in Deming's 14 points for improving quality is "Create a vision and demonstrate commitment". Explain this point.

ANS:

Create a vision and demonstrate commitment is the first point in Deming's 14 points for improving quality. An organization must define its values, mission, and vision of the future to provide long-term direction for its management and employees. Deming believed that businesses should not exist simply for profit; they are social entities whose basic purpose is to serve their customers and employees. To fulfill this purpose, they must take a long-term view, invest in innovation, education, and training, and take responsibility for providing jobs and improving a firm's competitive position. This responsibility lies with top management. Effective leadership begins with commitment, but making a commitment to quality and performance excellence is still difficult for managers. Even when managers have conducted a thorough assessment of their organization and know what they need to change, many do not effectively follow up on opportunities.<sup>4</sup> Reasons range from denial to excuses.

DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

2. What is a quincunx?

ANS:

A device called a quincunx illustrates a natural process of variation. In a quincunx, small balls are dropped from a hole in the top and hit a series of pins as they fall toward collection boxes. The pins cause each ball to move randomly to the left or the right as it strikes each pin on its way down.

DIF: Difficulty: Easy                              NAT: BUSPROG: Analytic  
TOP: A-Head: The Deming Philosophy      KEY: Bloom's: Knowledge

3. List the steps taken by Japanese organizations as a result of Juran's leadership.

ANS:

The steps taken by Japanese organizations as a result of Juran's leadership are:

1. Directing quality from the senior management level
2. Training the entire management hierarchy in quality principles
3. Striving to improve quality at a revolutionary rate
4. Reporting progress on quality goals to executive levels
5. Involving the workforce in quality
6. Revising the reward and recognition structure to include quality

DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Juran Philosophy        KEY: Bloom's: Knowledge

4. Describe the similarities in the quality improvement philosophies of Deming, Juran, and Crosby.

ANS:

Despite their significant differences to implementing organizational change, the philosophies of Deming, Juran, and Crosby are more alike than different. Each views quality as imperative in the future competitiveness in global markets; makes top management commitment an absolute necessity; demonstrates that quality management practices will save, not cost money; places responsibility for quality on management, not the workers; stresses the need for continuous, never-ending improvement; acknowledges the importance of the customer and strong management/worker partnerships; and recognizes the need for and difficulties associated with changing the organizational culture.

DIF: Difficulty: Moderate                      NAT: BUSPROG: Analytic  
TOP: A-Head: The Crosby Philosophy      KEY: Bloom's: Knowledge

5. Describe the three steps to quality which summarize Feigenbaum's quality philosophy.

ANS:

Feigenbaum's philosophy is summarized in his three steps to quality:

1. Quality Leadership: A continuous management emphasis is grounded on sound planning rather than reaction to failures. Management must maintain a constant focus and lead the quality effort.
2. Modern Quality Technology: The traditional quality department cannot resolve 80 percent to 90 percent of quality problems. This task requires the integration of office staff as well as engineers and shop-floor workers in the process who continually evaluate and implement new techniques to satisfy customers in the future.
3. Organizational Commitment: Continuous training and motivation of the entire workforce as well as an integration of quality in business planning indicate the importance of quality and provide the means for including it in all aspects of the firm's activities.

DIF: Difficulty: Easy

NAT: BUSPROG: Reflective Thinking

TOP: A-Head: Other Quality Philosophers

KEY: Bloom's: Knowledge

## CASE

1. Who among the following defined the concept of a luxury hotel in the 1890's
  - a. Dr. W. Edwards Deming
  - b. Philip Crosby
  - c. Caesar Ritz
  - d. Joseph Juran

ANS:

C

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: The Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

2. The Ritz-Carlton Hotel Company LLC is known around the world for its:
  - a. increased turnover rate of front desk employees.
  - b. variation in the service process.
  - c. strict supervision and autocratic style of leadership.
  - d. exceptional service and attention to its guests.

ANS:

D

DIF: Difficulty: Moderate

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company LLC

KEY: Bloom's: Knowledge

3. Which of the following companies became the first hospitality organization to receive the Malcolm Baldrige award?
  - a. Hawthorn suites
  - b. Ritz-Carlton Hotel Company, LLC
  - c. America's Best Value Inn
  - d. Biltmore hotels

ANS:

B

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

4. Which of the following is the motto of Ritz-Carlton Hotel Company, LLC?
- We are ladies and gentlemen serving ladies and gentlemen.
  - Have it your way, we serve it your way.
  - We love to see you smile.
  - We never forget you have a choice.

ANS:

A

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

5. Briefly describe Ritz-Carlton's recruiting process.

ANS:

In the Ritz-Carlton, each hotel has a director of human resources and a training manager, who are assisted by the hotel's quality leader. Each work area has a departmental trainer who is responsible for training and certifying new employees in his or her unit. The Ritz-Carlton uses a highly predictive "character-trait recruiting" instrument for determining candidates' fitness for each of 120 job positions. New employees receive two days' orientation in which senior executives personally demonstrate Ritz-Carlton methods and instill Ritz-Carlton values. Three weeks later, managers monitor the effectiveness of the instruction and then conduct a follow-up training session. Later, the new employees must pass written and skill-demonstration tests in order to become certified in their work areas.

DIF: Difficulty: Moderate

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

6. How are workers empowered to satisfy customers at the Ritz-Carlton?

ANS:

Workers in the Ritz-Carlton are empowered to "move heaven and earth to satisfy a customer," to enlist the aid of others to resolve a problem swiftly, to spend up to \$2,000 to satisfy a guest, to decide the business terms of a sale, to be involved in setting plans for their particular work area, and to speak with anyone in the company regarding any problem.

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

7. The Ritz-Carlton's three steps of service, motto, employee promise, credo, and service values are collectively called the:
- Open Standards.
  - Gold Standards.
  - Standards of Care.
  - Carlton Trilogy.

ANS:

B

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

8. List the Ritz-Carlton Hotel Company's three steps of service.

ANS:

The three steps of service followed in the Ritz-Carlton Hotel Company are:

- a. A warm and sincere greeting. Use the guest name, if and when possible.
- b. Anticipation and compliance with guest needs.
- c. Fond farewell. Give them a warm good-bye and use their names, if and when possible.

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: The Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

9. At the Ritz-Carlton, each production and support process is assigned a(n) \_\_\_\_\_ at the corporate office who is responsible for the development and improvement of these processes.
- a. technical owner
  - b. working owner
  - c. global owner
  - d. executive owner

ANS:

D

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

10. At the Ritz-Carlton hotel, the \_\_\_\_\_, a handbook for employees, describes a nine-step quality improvement process to guide the design, control, and improvement of all processes, and is emphasized during new employee training and continual development.
- a. PinkBook
  - b. GreenBook
  - c. Trilogy Book
  - d. Minute Book

ANS:

B

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: Ritz-Carlton Hotel Company, LLC

KEY: Bloom's: Knowledge

11. By the end of 2002, all of the 32 carry in service centers of sears, Roebuck and Co., were registered to \_\_\_\_\_.
- a. ISO 9407
  - b. ISO 9141
  - c. ISO 9001
  - d. ISO 9126

ANS:

C

DIF: Difficulty: Easy

NAT: BUSPROG: Analytic

TOP: A-Head: ISO 9000 and Sears' Quality Management System

KEY: Bloom's: Knowledge

12. What was the major hurdle faced by Sears during the implementation of ISO 9001?

ANS:

ISO 9001 implementation played a large role in assisting with process standardization across the company. ISO 9001 is often associated with the manufacturing industry, and one major hurdle Sears had to overcome was communicating the value of a QMS within a retail and service environment.

DIF: Difficulty: Moderate NAT: BUSPROG: Analytic  
TOP: A-Head: ISO 9000 and Sears' Quality Management System  
KEY: Bloom's: Knowledge

13. Give an example to show that ISO 9001 became a fundamental tool that provides Sears a safe base for continued improvements.

ANS:

ISO 9001 became a fundamental tool that provides the company a safe base for continued improvements. For example, Sears has made dramatic improvements in calibrating the tools used for repairs and service calls. Although the company had calibrated some of its tools prior to implementing ISO 9001, the standard requires 100-percent tool calibration for safety purposes. Not only does Sears have an expansive program for calibrating its tools, but it has also opened and registered its own calibration lab to ISO/IEC 17025.

DIF: Difficulty: Moderate NAT: BUSPROG: Analytic  
TOP: A-Head: ISO 9000 and Sears' Quality Management System  
KEY: Bloom's: Knowledge

14. Give an example to show that the ISO 9001 implementation has helped Sears' efficiency in completing repairs.

ANS:

The ISO 9001 standard helped Sears' efficiency in completing repairs. For instance, in the Chattanooga, Tennessee, carry-in facility, the average daily completion rate for repairing lawn mowers or other items doubled from four or five to eight or nine per repairman as a result of ISO 9001 implementation.

DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: ISO 9000 and Sears' Quality Management System  
KEY: Bloom's: Knowledge

15. With regard to Quality Management System, define recall rate. Explain with an example how the technician recall rate has improved at Sears' because of the quality management system.

ANS:

The recall rate is the percentage of times service technicians must return to customers' homes for a second time within 30 days. Sears' district office in Houston has improved its technician recall rate because of the QMS. Before the SST, the recall rate in Houston was about 12 percent. In 2004, Houston service technicians made more than a quarter of a million service calls, with a 9.3-percent recall rate. In 2005, the rate dropped to 7.9 percent.

DIF: Difficulty: Easy NAT: BUSPROG: Analytic  
TOP: A-Head: ISO 9000 and Sears' Quality Management System  
KEY: Bloom's: Knowledge