

**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**In collaboration with  
THE COMMONWEALTH OF LEARNING**

**Commonwealth Executive Master of Business Administration**

**QUALITY MANAGEMENT**

**QM321**

**Special Examination**

**Marks: 100**

**Time Allowed: 3 hours**

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**Instructions**

1. This paper comprises of Two sections: A and B
2. Answer **all** questions in section A and any **three** in B.
3. Answer questions according to instructions given in each section
4. Write answers in the answer booklet provided
5. Write in grammatical English

**SECTION A**

**[40 marks]**

**Answer ALL questions from this part. All questions carry equal marks.**

**Read the following case study and answer all the questions that follow.**

**Total quality management: A case study**



Businesses that have implemented a total quality management strategy have subsequently recorded impressive growth, improved efficiency and increased profit margins.

### **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.

#### **AtlantiCare in numbers**

**5,000**

Employees

**\$280m**

Profits before quality improvement strategy was implemented

**\$650m**

Profits after quality improvement strategy

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 receives 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.

Adapted from "Total quality management: three case studies from around the world", Business and Management, <http://www.europeanceo.com/business-and-management/total-quality-management-three-case-studies-from-around-the-world>, [Accessed 16 October, 2015].

### **Question 1**

Citing practical examples from the case, discuss the following philosophies:

- a) Quality Management (10marks)
  
- b) Total Quality Management (10 marks)

**Question 2**

Citing examples from the case study, explain the relationship between customer focus and customer satisfaction. What measures did AtlantiCare put in place to ensure customer satisfaction?

**(20 marks)**

**SECTION B- Essay-type questions.**

**[60 MARKS]**

**Answer any three questions from this section.**

**Question 1**

According to Mintzberg (1971), managers' or leaders' roles can be classified into three basic categories. Within these categories, a manager can take several other roles. Identify and apply these roles to your organisation. **(20 marks)**

**Question 2**

TQM experts have developed the "House of Quality" model for the human resources (HR) function with four cornerstones. With reference to an organisation of your choice, discuss the four cornerstones that constitute the House of Quality for HR. **(20 marks)**

**Question 3**

Apply any five (5) of the seven new management tools used in the improvement of quality planning efforts to improve quality planning in your organisation. **(20 marks)**

**Question 4**

a) With reference to an organisation of your choice, identify and briefly explain any **five** (5) of the 20 guidelines that set the foundation for generic ISO 9001 standards.

**(10 marks)**

b) Highlights some of the benefits of ISO certification to your organisation?

**(10 marks)**

**Question 5**

Early in the process of addressing quality issues, training in team and team building needs to have occurred.

a) With reference to an organisation of your choice, discuss any three characteristics of teams. **(10 marks)**

b) Zander (1982) suggests eight actions that will make teams more cohesive. Identify and examine five of these actions, citing examples from your organisation. **(10 marks)**