

2006/2007 SEMESTER 1 - SEMESTRAL EXAMINATION

Course : Diploma in Business Management
Diploma in Marketing
Diploma in Financial Services
Diploma in Accountancy and Finance
Diploma in Sport and Wellness Management
Diploma in Banking and Financial Services

Module : BM0771 / BM6771 – Quality Management

August 2006

Time Allowed: 2 hrs

INSTRUCTIONS TO CANDIDATES

- 1 This examination paper consists of **Six (6)** pages including this page.
- 2 There are **THREE (3)** Sections in this examination paper.
Section A (30 marks): Answer **ALL** the questions.
Section B (40 marks): Answer **Any TWO out of THREE** questions.
Section C (30 marks): Answer **ALL** questions.
- 3 All answers must be written in the answer booklet(s) provided.
- 4 Start a new question on a fresh page and indicate the question number clearly.
- 5 This examination paper carries a total of **100 marks** and constitutes **60%** of your grade.

SECTION A – COMPULSORY (30 marks)

Answer **ALL** the questions.

Question 1**PSA Corporation**

PSA is one of the leading port operators in the world, providing one fifth of the world's total container transshipment throughput, and providing shippers a choice of 200 shipping lines with connections to 600 ports in 123 countries. Through these port projects, PSA delivers best-in-class services to its customers, so that they enjoy high levels of efficiency and reliability. PSA continues. It was voted the "Best Container Terminal Operator (Asia) for the 16th time at the 2005 Asian Freight & Supply Chain Awards, and "Best Container Terminal" at the Lloyd's List Maritime Asia Awards, for the 5th time. PSA continues to bring its experience and expertise in port management and operations to ports around the world. PSA's dedication to quality, training and development of human resource has won it awards like ISO 9000:2000, ISO4000, National Productivity Award (Training and Development), People Excellence Award, and Singapore Innovation Award.

(Source: adapted from PSA website)

- (a) State and briefly explain the THREE (3) quality concepts with an example each from the above case.
(9 marks)
- (b) Briefly describe three (3) principles of total quality relevant to the case above.
(6 marks)
- (c) Briefly explain the terms ISO 9000:2000 and ISO 14000.
(4 marks)
- (d) State any five (5) benefits of ISO 9000:2000 certification to PSA.
(5 marks)
- (e) State two (2) differences and one (1) similarity between ISO 9000:2000 and ISO 14000.
(6 marks)

END OF SECTION A

SECTION B (40 MARKS)

Answer any TWO (2) of three questions.

Question 2

The slogan "I can, I will. Higher Further." captures the spirit that permeates Singapore Airlines (SIA); its service philosophy is to consistently deliver quality service that exceeds customers' expectations. Customers' comments and complaints are taken seriously. As part of its quality control, SIA adopts a rigorous employee selection process to ensure that only qualified people with the right service mentality and who fit into the organization's culture are recruited. SIA also sets aside a large portion of its budget for staff training to equip its employees to provide quality service. SIA staff is also encouraged to review existing procedures, and seek creative solutions to customers' problems. They are encouraged to inculcate a sense of continuous improvement.

SIA's service excellence has enabled the company to sustain its competitive advantage and make it difficult for its competitors to outdo its success. SIA was presented with the Best Airline to Asia award at the *Travel Weekly Award 2005*. In the *Singapore International 100* ranking awards, SIA was ranked first for Outstanding Overall Achievement.

(Source: adapted from SIA website)

- (a) Briefly explain Joseph Juran's Quality Trilogy. (6 marks)
- (b) Using Juran's concept of "quality trilogy", briefly explain how organizations like SIA can achieve service excellence. (9 marks)
- (c) Briefly explain two (2) reasons why quality management is important to SIA. Support your answer with examples. (5 marks)

Question 3

An organization exists to serve their customers. Ability in knowing and responding to the customers' needs and offer innovative products and services is critical to the retention of existing customers and attracting new customers.

- (a) Distinguish between an internal and an external customer, using example of an organization like DBS Bank (4 marks)
- (b) Briefly describe the steps involved in performing a customer value analysis. (8 marks)
- (c) It is often said that it takes five times more resources to attract one new customer than to retain one existing customer." In the context of the above statement, briefly explain four (4) strategies that organizations like SIA could adopt to retain their existing customers. (8 marks)

Question 4

CG Singapore, one of the leading local departmental stores, has won several prestigious awards in the past few years including People Developer Award and SQC award. Recognizing that people, the employees from all ranks & file are its biggest asset, the Board of Directors of CG Singapore has just approved a company resolution to increase the company's employee training budget from 3% of payroll for the current year to 5% for the year 2007. This increase in budget expenditure is especially crucial for the new quality initiative – the Singapore Service Class award that the company hopes to obtain by the middle of 2007.

- (a) Briefly explain three (3) reasons why a company like CG would apply for the Singapore Service Class award.
(6 marks)
- (b) Briefly explain the four (4) major components and the related sub-components of the Singapore Service Class framework.
(8 marks)
- (c) With reference to the four components of the Singapore Service Class framework, briefly explain with examples how CG might implement them to achieve the Singapore Service Class award.
(6 marks)

END OF SECTION B

SECTION C – COMPULSORY (30 marks)

Read the following short case and answer ALL the questions below.

Question 5**THE SINGAPORE POLICE FORCE**

The Singapore Police Force (SPF) was founded in 1819. From its early days as a small colonial police force, SPF is now recognized internationally as one of the most advanced and forward-looking law enforcement agencies in the world.

The SPF actively pursues its shared vision of being a “Force for the Nation” to make Singapore one of the safest countries in the world. This shared vision was developed with the involvement of all levels of employees, and cascaded to the unit level with each unit having its own vision in support of the SPF shared vision. The driving force behind the organizations is the leadership at all levels. As a result, the organization has witnessed profound changes such as greater openness, respect and trust, greater opportunities for learning, and greater awareness of organizational excellence and customer requirements among the employees.

The 2001 SPF Organizational Health Survey (OHS), conducted by International Survey Research, showed that SPF had performed better than the global norm for high performance organizations. In particular, SPF's top management was ranked high in terms of providing a clear sense of direction and being interested in the welfare of the employees. Officers also expressed confidence in the decisions made by supervisors.

SPF places much attention to the development and needs of its employees. An individual training roadmap is developed for every police officer annually. In 2001, SPF's training investment was 8.8% of the payroll, far higher than the national average of 3.6%. SPF has also implemented a total employee health framework that caters to the social, physical and emotional well-being of employees.

To enhance its operational capability, SPF has made effective use of technology such as the mobile data terminal system, global positioning system, optical character recognition technology and a computerized intelligence system. These technological resources have been well-integrated into key business processes like policing and investigation.

The SPF has strengthened its partnership with the community through initiatives such as Neighborhood Police Centers, Community Safety & Security Program, and the Service Pledge. This has resulted in an increase in the number of public-assisted arrest for major crimes from 30% in 1996 to 50% in 2001. The number of complaints from customers has also decreased by 40% from 678 in 1999 to 402 in 2001.

In a 2002 report on the judicial systems in 14 countries, the Political and Economic Risk Consultancy ranked Singapore first for quality, accountability and standards of the police, ahead of the US, Hong Kong, Australia and Japan.

(Source: adapted from Productivity Digest 2003)



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- (a) State and briefly describe any four (4) elements of SQC/SQA framework.
(8 marks)
- (b) Briefly explain how SPF excelled in any four (4) of the elements in the SQC/SQA framework.
(12 marks)
- (c) Briefly explain how SPF managed to get total involvement of the workforce in the quality initiatives.
(4 marks)
- (d) State and briefly explain three (3) steps that SPF should implement and sustain TQM in the organization.
(6 marks)

END OF SECTION C

END OF EXAM PAPER