Test Bank for Supervision Concepts and Skill-Building 9th Samuel Certo

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Chapter 02 Test Bank KEY

1. Attracting new customers costs several times more per customer than keeping existing customers satisfied primarily because it increases:
A. inventory costs.
B. marketing costs.
C. labor costs.
D. overhead costs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: Attracting new customers costs several times more per customer than keeping existing customers satisfied because marketing costs are higher.

2. Poor quality work is most likely to lead to:
A. reduced recalls.
B. high costs.
C. high return on investment.
D. higher revenues.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: Poor-quality work can lead to high costs. Poor quality often results in much wasted time and materials, in addition to requiring that unacceptable items be fixed or discarded.

3. Supervisors must care about quality because poor quality:
A. limits the organization's access to resources.
B. leads to reduced organizational costs.
C. prevents inspection and rework.
D. saves much needed raw materials.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: Supervisors must care about quality because poor quality limits the organization's access to resources and raises its costs.

4. In the context of dimensions of quality, _____ refers to a product's primary operating characteristic, such as the picture clarity of a television set.
A. aesthetics
B. conformance
C. performance
D. features
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: The performance dimension of quality refers to a product's primary operating characteristic, such as the picture clarity of a television set.

5. In the context of dimensions of quality, _____ primarily refers to supplements to a product's basic operating characteristics.
A. performance
B. conformance
C. aesthetics
D. features

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AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: The features dimension of quality refers tosupplements to a product's basic operating characteristics. For example, power windows on a car or the ceremony with which a bottle of wine is opened in a restaurant.

6. In the context of dimensions of quality, _____ primarily refers to the probability that a product will function properly and not break down during a specified period.
A. reliability
B. conformance
C. durability
D. aesthetics
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: In the context of dimensions of quality, reliability refers to the probability that a product will function properly and not break down during a specified period. For example, a manufacturer's warranty is often seen as an indicator of reliability.

7. In the context of dimensions of quality, _____ primarily refers to the length of a product's life.
A. aesthetics
B. conformance
C. durability
D. reliability
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: In the context of dimensions of quality,durability refers to the length of a product's life. For example, whether a stereo lasts for 5 years or 25 years shows its durability.

8. In the context of dimensions of quality, _____ refers to the degree to which aproduct's design and operating characteristics meet established standards.
A. reliability
B. performance
C. durability
D. conformance
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: In the context of dimensions of quality, conformance refers to the degree to which a product's design and operating characteristics meet established standards.

9. In the context of dimensions of quality, _____ refers to the speed and ease of repairing a product.
A. serviceability
B. performance
C. reliability
D. conformance
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

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Feedback: In the context of dimensions of quality, serviceability refers to the speed and ease of repairing a product. For example, whether a computer store will send out a repairperson, service the computer in the store, or provide no maintenance service at all.

10. In the context of dimensions of quality, _____ refers to the way a product looks, feels, tastes, and smells.
A. reliability
B. features
C. aesthetics
D. conformance
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: In the context of dimensions of quality, aesthetics refers to the way a product looks, feels, tastes, and smells.

11. Barbara visits a car showroom. She test drives the car she likes and thinks that the car looks amazing. She likes the smell of the car and the color of its interiors. In the context of dimensions of quality, Barbara likes the _____ of the car.
A. reliability
B. features
C. aesthetics
D. conformance
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: In the given scenario, Barbara likes the aesthetics of the car. In the context of dimensions of quality, aesthetics refers to the way a product looks, feels, tastes, and smells, such as the styling and smell of a new car.

12. Productivity is best defined as the:
A. success rate of the efforts to prevent defects in a firm's goods or services.
B. amount of results an organization gets for a given amount of inputs.
C. statistical representation of the effectiveness of a quality control method.
D. organization-wide focus on satisfying lifelong customers.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

Feedback: Productivity is defined as the amount of results (output) an organization gets for a given amount of inputs. Productivity can also refer to the amount of acceptable work employees do for each dollar they earn or the number of acceptable products manufactured with a given amount of resources.

13. Quality control is best defined as an organization's efforts to:
A. prevent or correct defects in its goods or services or to improve them in some way.
B. produce goods that are of the same quality as its competitors' goods.
C. control all whistleblowing activities so as to maintain the positive image of the organization.
D. let employees know that they will be penalized for any complaints related to the quality of their goods or services.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Types of Quality Control

Feedback: Quality control refers to an organization's efforts to prevent or correct defects in its goods or services or to improve them in some way. Many organizations—especially large ones—have a department or employee devoted to identifying defects and promoting high quality.

14. When a city's park district considers ways to upgrade its playground equipment or improve the programs it offers senior citizens, it is focusing on:

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A. concurrent control.
B. process control.
C. method control.
D. product quality control.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-02: Compare product quality control and process control.
Topic: Types of Quality Control

Feedback: Product quality control refers to the efforts of an organization to improve the product itself by enhancing it or adding better features to it. When a city's park district considers ways to upgrade its playground equipment or improve the programs it offers to senior citizens, it is focusing on product quality control.

15.Process control is best defined as the quality control method that emphasizes:
A. how to do things in a way that leads to better quality.
B. how to improve only products.
C. ways to improve only services.
D. the use of sampling techniques to find defects in products.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-02: Compare product quality control and process control.
Topic: Types of Quality Control

Feedback: In general, when supervisors look for high-quality performance to reinforce or improvements to make, they can focus on two areas: the product itself or the process of making and delivering the product. Process control emphasizes how to do things in a way that leads to better quality.

16. Dexter, a supervisor at Rensil Inc., emphasizes how to do things in a way that results in better quality. In the context of types of quality control, Dexter is inclined toward _____.
A. product conformance
B. process control
C. turnover
D. benchmarking
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-02: Compare product quality control and process control.
Topic: Types of Quality Control

Feedback: In this scenario, Dexter is inclined towardprocess control. Process control refers to quality control that emphasizes how to do things in a way that leads to better quality.

17. Which of the following is true of total quality management (TQM) strategies?
A. They require the participation of higher-level management only.
B. They are exclusively handled by employees at the lower level.
C. They are usually outsourced.
D. They require the involvement of employees at all levels.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Total quality management (TQM) strategies call for the involvement of employees at all levels. It is an organization-wide focus on satisfying customers by continuously improving every business process for delivering goods or services.

18. Statistical quality control primarily involves:
A. maintaining a customer feedback log and making the necessary improvements in products whenever required.
B. checking each and every product for possible defects so as to reduce high costs related to poor quality.
C. looking for defects in parts, finished goods, or other outcomes selected through a sampling technique.
D. monitoring production quality on an ongoing basis and making corrections whenever the results show that the process is out of control.

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AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Looking for defects in parts, finished goods, or other outcomes selected through a sampling technique is known as statistical quality control. The most accurate way to apply statistical quality control is to use a random sample.

19. The most accurate way to apply statistical quality control is to use a:
A. specific sample.
B. random sample.
C. quota sample.
D. stratified sample.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: The most accurate way to apply statistical quality control is to use a random sample. This means selecting outcomes in a way that each has an equal chance of being selected.

20. Statistical process control is a quality-control technique that primarily involvesusing statistics_____.
A. to monitor production quality during the production process
B. to improve production quality of products
C. to look for defects in the random sampling process
D. as a formal process in which teams study processes to limit defects to 3.4 per million operations
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Statistical process control is a quality-control technique using statistics to monitor production quality on an ongoing basis and making corrections whenever the results show the process is out of control.

21. A _____ can be best defined as the quality-control technique based on the view that everyone in the organization should work toward the goal of delivering such high quality that all aspects of the organization's goods and services are free of problems.
A. lean process improvement
B. statistical process control
C. zero-defects approach
D. just-in-time approach
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: A zero-defects approach is a quality-control technique based on the view that everyone in the organization should work toward the goal of delivering such high quality that all aspects of the organization's goods and services are free of problems.

22. In the context of quality improvement methods, employee involvement teams primarily involve:
A. using a formal process in which teams study processes and correct problems to limit defects to 3.4 per million operations.
B. setting up teams of employees to identify quality-related problems and come up with possible solutions.
C. focusing the whole organization on continuously improving every business process so it satisfies customers.
D. using statistics to monitor production quality during the production process.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

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Feedback: In the context of quality improvement methods, employee involvement teams refer to setting up teams of employees to identify quality-related problems and come up with possible solutions. The typical employee involvement team consists of up to 10 employees and their supervisor, who serves as the team leader.

23. Employee involvement teams are most successful when membership is _____.
A. given to all workers whose productivity levels are high
B. made voluntary
C. given to workers who qualify for the program
D. made mandatory
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Employee involvement teams are most successful when all group members are eager to participate. For that reason, it is a good idea to make membership in the team voluntary.

24. In the context of quality improvement methods, _____ can be best described as using a formal process in which teams study processes and correct problems to limit defects to 3.4 per million operations.
A. lean process improvement
B. Six Sigma
C. zero-defects approach
D. total quality management
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: In the context of quality improvement methods, Six Sigma is using a formal process in which teams study processes and correct problems to limit defects to 3.4 per million operations.

25. In the context of quality improvement methods, _____ can be best described as a practice that considers any costs other than a cost that adds value for the customer to be wasteful and, hence, something to be eliminated.
A. lean process improvement
B. Six Sigma
C. total quality management
D. zero-defects approach
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: In the context of quality improvement methods, lean process improvement is a practice that considers any costs other than a cost that adds value for the customer to be wasteful and, hence, something to be eliminated.

26. _____ can be best described as the quality improvement method that involves focusing the whole organization on continuously improving every business process so it satisfies customers.
A. Lean process improvement
B. Zero-defects approach
C. Total quality management
D. Statistical process control
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: In the context of quality improvement methods, total quality management involves focusing the whole organization on continuously improving every business process so it satisfies customers.

27. An operator who periodically measures some aspect of ongoing production and plots the results on a control chart is most likely using:

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A. statistical quality control.
B. statistical process control.
C. the zero-defects approach.
D. the just-in-time approach.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Rather than wait until a process is complete to take a random sample, the operators of a process can use statistics to monitor production quality on an ongoing basis. This quality-control technique is known as statistical process control (SPC). The operator periodically measures some aspect of what he or she is producing—say, the diameter of a hole drilled or the correctness of an account number entered into a computer—then plots the results on a control chart.

28. The zero-defects approach is best defined as the quality control technique:
A. designed to improve the product or service output to 99.97 percent perfect.
B. in which an organization works toward making its goods and services free of problems.
C. in which the employees look for defects in parts, finished goods, or other outcomes selected through a sampling technique.
D. in which the top performer of a process is identified and imitated.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: The zero-defects approach is a quality-control technique based on the view that everyone in the organization should work toward the goal of delivering such high quality that all aspects of the organization's goods and services are free of problems. In implementing a zero-defects approach, managers and employees at all levels seek to build quality into every aspect of their work.

29. Which of the following is most likely to be the first step that the members of an employee involvement team should take?
A. They should select the problems to focus on first step.
B. They should identify quality problems related to the employees' areas of responsibility.
C. They should analyze the problem to identify the causes of poor quality.
D. They should identify possible solutions and select one to recommend to management.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: In a typical process, the members of employee involvement team will most likely identify quality problems related to the employees' areas of responsibility first.

30. Employee involvement teams are most successful when:
A. a strict hierarchical structure is maintained.
B. supervisors outsource the entire process.
C. all the group members are eager to participate.
D. the supervisor follows the essay appraisal method.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Employee involvement teams are most successful when all group members are eager to participate. For that reason, it is a good idea to make membership in the team voluntary.

31. Which of the following skills is most important for an employee involvement team to be successful?
A. Conceptual skills
B. Human relations skills
C. Technical skills
D. Problem-solving skills
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

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Feedback: Successful employee involvement teams consist of members with good problem-solving skills. Employee involvement teams involve setting up teams of employees to identify and solve quality-related problems.

32. Six Sigma is best defined as a process-oriented quality-control method:
A. designed to improve the operations output to 99.9997 percent perfect.
B. aimed at producing goods with zero percent defect.
C. designed to reduce errors to 99.9997 percent perfect.
D. designed to correct problems to limit defects to 2.4 per million operations.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: The Six Sigma quality-control method focuses on bringing the output of operations to 99.9997 percent perfect. This is a process-oriented quality-control method.

33. The primary objective of total quality management (TQM) is to:
A. meet or exceed customer expectations.
B. maximize profits for a company and its employees.
C. form a sustainable organization.
D. protect the employees from any form of discrimination.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Total quality management (TQM) requires that employees at all levels focus on meeting or exceeding the expectations of their customers. TQM involves focusing the whole organization on continuously improving every business process so it satisfies customers.

34. Joseph M. Juran, one of the experts who played an important role in spreading the idea of total quality management (TQM), taught quality concepts to the Japanese. He emphasized the view that management should seek to maintain and improve quality through efforts on two levels: the organization as a whole and the _____.
A. department primarily formed to improve product quality
B. human resource department of the organization
C. most productive departments in the organization
D. individual departments in the organization
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Joseph M. Juran taught quality concepts to the Japanese. He emphasized the view that management should seek to maintain and improve quality through efforts on two levels: the organization as a whole and individual departments in the organization.

35. Eliza, a supervisor, tells her team to cut all costs other than the costs that add value for her company's customers. In the context of quality improvement methods, Eliza is most inclined toward _____.
A. zero-defects approach
B. statistical process control
C. total quality management
D. lean process improvement
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: In this scenario, Eliza is most inclined towardlean process improvement.Lean process improvement is a practice that considers any costs other than a cost that adds value for the customer to be wasteful and, hence, something to be eliminated.

36. Betty, the CEO of Raxen Inc., thinks her organization must work as a unit toward enhancing the company's processes. She believes this will help her organization to improve customer satisfaction. In the context of quality improvement methods, Betty is most inclined toward _____.
A. employee involvement teams
B. statistical process control

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C. total quality management
D. lean process improvement
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Betty is inclined toward total quality management (TQM). TQM is an organization-wide focus on satisfying customers by continuously improving every business process for delivering goods or services.

37. Ronald, a production manager at FindSolutions Inc., finds that his organization's process efficiency has reduced over the past three years. He asks one the supervisors to set up two groups of 10 workers each. He assigns these groups the responsibility to assess the company's processes, make decisions, and evaluate factors that reduce efficiency. In the context of quality improvement methods, Ronald is engaging _____.
A. employee involvement teams
B. statistical process control
C. the zero-defects approach
D. lean process improvement
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

Feedback: Ronald is engagingemployee involvement teams.Employee involvement teams are teams of employees who plan ways to improve quality in their areas of organization.

38. _____ refers to the worth the customer places on what he or she gets (the total package of goods and services) relative to cost of acquiring it.
A. Benchmark
B. Quality
C. Value
D. Standard
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: Value refers to the worth the customer places on what he or she gets (the total package of goods and services) relative to cost of acquiring it. Value may include timely delivery, helpful customer service, and low need for maintenance.

39. Which of the following is an annual award administered by the U.S. Department of Commerce and given to the company that shows the highest quality performance in seven categories—leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results?
A. Firestone Inner Circle of Quality Award
B. Baldrige Performance Excellence Program
C. ISO 9000 certification
D. The Presidential Award for Management Excellence
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: The Baldrige Performance Excellence Program is an annual award administered by the U.S. Commerce Department's National Institute of Standards and Technology (NIST) and given to the organization that shows the highest quality performance in seven categories—leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results.

40. Which of the following is a series of standards adopted by the International Organization for Standardization to spell out acceptable criteria for quality systems?
A. ISO 9000
B. Total quality management guidelines
C. Malcolm Baldrige guidelines
D. Benchmarking
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy

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Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: ISO 9000 certification is a measure of success in quality management. It is a series of standards adopted by the International Organization for Standardization to spell out acceptable criteria for quality systems.

41. The practice of identifying the top performer of a process, and then learning and carrying out the top performer's practices is called:
A. diversity training.
B. free riding.
C. total quality management.
D. benchmarking.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: Benchmarking is the practice of identifying the top performer of a process, and then learning and carrying out the top performer's practices. The term first referred to the practice of comparing the products and processes at one's own company with those that are the best in the world.

42. The superstore supervised by Joanne had such high retail sales for the year that the company president decided to identify her store as the premier store for comparisons, not only in terms of gross sales, but also for efficiency in all areas of operations. All the supervisors were then asked to learn and carry out the practices of Joanne at their own stores. What is this practice of determining the quality standards by measuring against the top performer of a particular process termed as?
A. Product control
B. Benchmarking
C. Free riding
D. Performance appraisal
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: Benchmarking is the practice of identifying the top performer of a process, and then learning and carrying out the top performer's practices.

43. Quality improvement directed toward value ideally begins when a(n):
A. supervisor makes decisions aimed at balancing present needs and the needs of future generations.
B. organization starts to recruit more people with sustainable skills.
C. organization's employees communicate with customers to determine their needs and wants.
D. organization sets up departments according to the goods or services produced.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

Feedback: Quality improvement directed toward value begins when the organization's employees communicate with customers to determine their needs and wants. Customers may be evaluating a lot more than whether a product adheres to specifications; value may include timely delivery, helpful customer service, low need for maintenance, and information that helps them fully benefit from using the company's services.

44. In the context of quality improvement, _____ is a larger goal toward which an organization's quality improvement methods should be directed.
A. profit
B. value
C. return on investment
D. cost reduction
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-04: Identify ways organizations measure their success in continuous quality improvement.
Topic: Quality Standards

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Feedback: Quality improvement should be directed at a larger goal, which is to deliver greater customer value. In this sense, value refers to the worth the customer places on what he or she gets (the total package of goods and services) relative to the cost of acquiring it.

45. The most effective way supervisors can overcome the productivity constraint of management limitations is by:
A. collaborating with the labor union to build a sustainable organization.
B. demonstrating by their actions and words that they are interested in the department's productivity.
C. facilitating the formation of informal groups among the members of the production team.
D. encouraging the employees to overcome their resistance to change and adapt to new technologies.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: Employees become frustrated when managers seem to ignore their ideas. In order to overcome the productivity constraints of management limitations, supervisors should demonstrate by their actions and words that they are interested in the department's productivity.

46. People have a natural tendency to resist change because it is:
A. low-cost.
B. frightening.
C. predictable.
D. comfortable.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 1 Easy
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: People have a natural tendency to resist change because it is challenging and often frightening. Employees who fear or resent productivity improvements will not be motivated to make the changes work.

47. Improving productivity requires:
A. increasing employees' daily targets only.
B. avoiding employee recommendations regarding changes.
C. changing employee attitudes.
D. enhancing employee negotiation skills.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: Improving productivity requires changes. People have a natural tendency to resist change because it is challenging. Changing employee attitudes helps in increasing productivity.

48. In the context of constraints on productivity, when government regulations seem illogical, an organization:
A. should disobey the regulations.
B. should ignore the regulations.
C. must follow the government regulations even if they are illogical.
D. must alter the government regulations to suit company's needs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: Even when government regulations seem illogical or unreasonable, an organization can face serious penalties for ignoring or disobeying them. Thus, the proper role of supervisors and other managers is to know these regulations and seek ways to improve productivity without violating the law.

49. Which of the following productivity constraints is most difficult to overcome?
A. A low-skilled employee giving low productivity
B. An employee needing more training
C. An employee being unable to learn
D. A supervisor giving unclear instructions
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand

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Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: When employees want to change but do not know how, supervisors can overcome this constraint by providing more training. When employees are unwilling or unable to learn, this constraint is more difficult to overcome.

50. Jack is a new executive at Costel Inc. He frequently uses social networking sites at his office to keep his job-related stress low. However, this results in low productivity. In the context of constraints on productivity, this is an example of _____ affecting productivity.
A. management limitations
B. employee skills
C. union rules
D. employee attitude
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: The given scenario is an example ofemployee attitudeaffecting productivity. One attitude that many supervisors are encountering today is an expectation that employees will have access to the Internet at all times. Many organizations limit access to certain kinds of Web sites, such as games and social networking, and many employees resent those limitations.

51. Operative employees will contribute to improve productivity only if they believe:
A. they will get technical help from their supervisors.
B. they can ignore government regulations in order to accommodate union rules.
C. they can change their allotted tasks according to their skills.
D. the management is truly committed to this objective.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: Operative employees will contribute to improve productivity only if they believe management is truly committed to this objective. Too often, however, employees believe management is more interested in the next quarter's profits than in producing high-quality goods or services as efficiently as possible.

52. When the productivity of organizations in a country improves, people:
A. are forced to buy goods and services at higher prices.
B. get goods and services at lower prices.
C. end up paying for services that are taxed at higher rates.
D. get lower wages from their employers.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

Feedback: When the productivity of organizations in a country is improving, people benefit. They can get goods and services at lower prices or with lower taxes than they otherwise could. People also have access to more and better goods and services.

53. Mary processes 96 permit applications in an eight-hour day at the secretary of state's office. If Mary earns $6 per hour, what would be her productivity measure?
A. 2
B. 6
C. 16
D. 48
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-06: Describe how productivity and productivity improvements are measured.
Topic: Measuring Productivity

Feedback: In this scenario, Mary's productivity measure would be 2. The productivity is measured as 96 / ($6 × 8) = 2.

54. The basic way to measure productivity is to _____.
A. divide outputs by inputs
B. add outputs and inputs

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C. multiply inputs and outputs
D. subtract inputs from outputs
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-06: Describe how productivity and productivity improvements are measured.
Topic: Measuring Productivity

55. In the context of productivity equation, to increase productivity, a supervisor needs to:
A. increase outputs and reduce inputs.
B. decrease outputs and increase inputs.
C. increase inputs significantly to lower the pace of outputs.
D. decrease outputs significantly to increase the pace of inputs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-06: Describe how productivity and productivity improvements are measured.
Topic: Measuring Productivity

Feedback: In the context of productivity equation, to increase productivity, a supervisor needs to increase outputs, reduce inputs, or both.

56. In the context of measuring productivity, when the bottom (denominator) of a fraction gets bigger, the number _____.
A. remains same
B. becomes zero
C. becomes greater
D. becomes smaller
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-06: Describe how productivity and productivity improvements are measured.
Topic: Measuring Productivity

Feedback: By applying basic arithmetic to the formula for productivity, the supervisor can see what has to change for productivity to increase. The right side of the equation is a fraction. Remember that when the top (numerator) of a fraction gets bigger, the number becomes greater. When the bottom (denominator) of a fraction gets bigger, the number becomes smaller. For example, 3/2 is greater than 1/2, and 1/5 is less than 1/3.

57. Foodie, a fast-food joint, offers home delivery service. The manager realizes that the purchase of a few motorcycles would make their service more efficient. The estimated cost of purchase is set at $100,000 and it is expected to save $20,000 per year. In this case, the payback period would be _____ years.
A. two
B. three
C. five
D. six
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: If the motorcycles cost $100,000 and is expected to save the outlet $20,000 per year, the payback period is five years ($100,000/$20,000 per year). A payback period is the length of time it will take for the benefits generated by an investment (such as cost savings from machinery) to offset the cost of the investment.

58. Marc, an employee at Tezel Inc., was assigned work by his manager. The manager asked him to start work as soon as he receives instructions from his supervisor. Marc waits for three hours before his supervisor gives him instructions to start work. In the context of productivity, the time spent on waiting for instructions is called _____.
A. interim time
B. payback time
C. downtime
D. overtime
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

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Feedback: In this scenario, the time Marc spent on waiting for instructions is called downtime. Idle time or downtime is the time during which employees or machines are not producing goods or services. Downtime occurs when employees are waiting for instructions, supplies, a computer printout, or a response to a question they asked the supervisor.

59. A percentage that represents the average annual earnings for each dollar of a given investment is referred to as the:
A. average downtime.
B. average rate of return.
C. average idle time.
D. total payback period.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: The average rate of return (ARR) is a percentage that represents the organization's average annual earnings for each dollar of a given investment. It helps in determining whether an investment is worthwhile.

60. Productivity is most likely to improve when:
A. the process quality is improved upon so that employees work more efficiently.
B. an organization's managers decide to put the defective products up for sale.
C. the output of a department or an organization increases along with the increase in cost.
D. an organization adheres strictly to the EEOC guidelines.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: A good way to improve productivity is to improve process quality so that employees work more efficiently and do not have to spend time correcting mistakes or defects.

61. Which of the following is true about installing modern equipment in a company?
A. Installing modern equipment can increase a company's overheads significantly.
B. A supervisor can install modern equipment only if the payback period of equipment is relatively long.
C. A supervisor can install modern equipment only if the average rate of return of the equipment is low.
D. Installing modern equipment can be expensive if its benefits are less than its cost.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Work may be slowed because employees are using worn or outdated equipment. If that is the case, a supervisor may find it worthwhile to obtain modern equipment. However, a supervisor needs to determine whether the expense of purchasing new equipment will be worthwhile.

62. In the context of purchasing new equipment to improve productivity, the _____ department usually has an opinion on what payback period is acceptable for the organization.
A. marketing
B. production
C. hiring
D. finance
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Higher-level management or the finance department usually has an opinion on what payback period is acceptable for the organization.

63. Magix Productions orders new equipment for the company. The new equipment costs $50,000 and will help the company to save $10,000 annually. What is the average rate of return of the equipment?
A. 15 percent
B. 20 percent
C. 35 percent
D. 40 percent
AACSB: Analytic

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Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
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Feedback: The average rate of return (ARR) is a percentage that represents the organization's average annual earnings for each dollar of a given investment. In this scenario, the ARR of the equipment would be the $10,000 annual savings divided by the $50,000 cost, or 0.2—a 20 percent return.

64. Which of the following is true about improving productivity?
A. An organization never pays for someone who is not actually working.
B. Absenteeism is independent of the problem of lack of motivation.
C. Training aloneleads to superior performance.
D. Employees should think of ways to achieve their objectives efficiently.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Motivation is a key tactic for improving productivity because employees carry out most changes and are often in the best position to think of ways to achieve their objectives more efficiently.

65. Supervisors play an important role in improving employee productivity because they:
A. are primarily required to utilize conceptual skills.
B. are in direct contact with employees.
C. determine organizational policies.
D. devise strategies that are appealing to employees.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Supervisors play an important role in improving productivity because they are in direct contact with employees. Supervisors can increase their own and their team's productivity by understanding the goals of quality programs and their own role in achieving those goals.

66. When work levels are low, the result is _____.
A. idle time
B. detour behavior
C. increased productivity
D. low turnover
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: When work levels are low, the result is downtime or idle time. A costly form of waste is idle time, or downtime — time during which employees or machines are not producing goods or services.

67. Which of the following would be the best way for a supervisor toensure superior quality of goods and boost productivity?
A. Seeking help exclusively from the top management
B. Utilizing conceptual skills to devise new plans
C. Training employees in human relations skills
D. Including employees in the decision-making process
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: A supervisor who wants to boost productivity by increasing output must first ensure that the new output goals are reasonable, perhaps by including employees in the decision-making process.

68. Supervisors can increase their own and their team's productivity primarily by:
A. understanding the goals of quality programs and their own role in achieving those goals.
B. implementing strict rules and dictating departmental goals that need to be achieved.

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C. focusing on average rate of return and payback period of investments made on new equipment.
D. utilizing conceptual and planning skills to develop new control strategies.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Supervisors can increase their own and their team's productivity by understanding the goals of quality programs and their own role in achieving those goals. Through leadership and motivation, they can help employees contribute to quality goals.

69. Employees often have excellent ideas for doing work better because they:
A. are good at conceptual skills.
B. are often inclined towards change.
C. can change tasks according to their skills.
D. see the problems of their jobs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Employees often have excellent ideas for doing the work better because they see the problems and pitfalls of their jobs. Supervisors should keep communication channels open and actively ask for ideas.

70. Donna, an employee at Falken Inc., takes frequent breaks from her work. She has a habit of spending time gossiping with her colleagues because she feels that her job is too challenging. In the context of wastage of time, Donna's habit is an example of _____.
A. idle time
B. detour behavior
C. tardiness
D. absenteeism
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Bloom's: Apply
Difficulty: 3 Hard
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: In this scenario, Donna's habit is an example of detour behavior. Detour behavior refers to tactics used to avoid or postpone work. Employees and their supervisors use a wide variety of detour behavior: A supervisor enjoys a cup of coffee and the newspaper before turning to the day's responsibilities or an employee stops by a colleague's desk to chat.

71. The rate at which employees leave an organization is termed as _____.
A. conformance
B. payback period
C. average rate of return
D. turnover
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: The rate at which employees leave an organization is known as turnover. High turnover is expensive, because the organization must spend a lot of money to recruit and train new employees.

72. Before a supervisor can make decisions about how to trim costs, he or she has to know where the money is going. The most important source of such information is the:
A. employee handbook.
B. code of ethics.
C. budget report.
D. vision statement.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

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Feedback: Before a supervisor can make intelligent decisions about how to trim costs, he or she has to know where the money is going. The most important source of such information is budget reports. By reviewing budget reports regularly, a supervisor can see which categories of expenses are largest and identify where the department is spending more than it budgeted.

73. A supervisor who wants to boost productivity by increasing output must ideally:
A. ensure that the new output goals are set very high even at the cost of being unachievable.
B. emphasize the positive aspects of the change.
C. exclude employees from the decision-making process.
D. dictate the decisions to his team.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: A supervisor who wants to boost productivity by increasing output must first ensure that the new output goals are reasonable. A supervisor must communicate new goals carefully, emphasizing any positive aspects of the change.

74. Expenses not related directly to producing goods and services are termed as:
A. staff salaries.
B. overhead.
C. core costs.
D. relative costs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Many departments spend more than is necessary for overhead, which includes rent, utilities, staff support, company cafeteria, janitorial services, and other expenses not related directly to producing goods and services.

75. Which of the following is an example of an overhead?
A. Cost of company cafeteria
B. Cost of instruments needed for production
C. Basic salary paid to every employee
D. Amount spent on raw materials
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Overhead expenses are expenses which are not related directly to producing goods and services. Many departments spend more than is necessary for overhead, which includes rent, utilities, staff support, company cafeteria, janitorial services, and other such expenses.

76. The expenses that an organization incurs on rent, utilities, and staff support are termed as:
A. return on investment.
B. relative costs.
C. core costs.
D. overhead.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Overhead expenses are expenses which are not related directly to producing goods and services. Many departments spend more than is necessary for overhead, which includes rent, utilities, staff support, company cafeteria, janitorial services, and other such expenses.

77. Downtime is best defined as the time during which:
A. employees or machines are not producing goods or services.
B. employees or machines are maximizing their production of goods and services.
C. the output of a department increases along with an increase in cost.

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D. the output of a department decreases along with a decrease in cost.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: The time in which employees or machines are not producing goods and services is called downtime or idle time. It may occur because jobs and work processes are poorly designed.

78. All kinds of tactics used for postponing or avoiding work that results in wasted time are referred to as _____.
A. detour behavior
B. overhead
C. kaizen
D. free riding
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Detour behavior refers to tactics used for postponing or avoiding work. Detour behavior may be especially tempting when a person's energy is low or a person is facing a particularly challenging or unpleasant assignment.

79. Reviewing and revamping the way things are done is the basic principle of _____.
A. red ocean strategy
B. brown field venturing
C. reengineering
D. patenting
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: There are only limited ways of doing the same thing better or faster. Reviewing and revamping the way things are done is the basic principle of reengineering.

80. _____ is the process in which teams map the details of each work process, looking for ways to eliminate waste.
A. Reengineering
B. Kaikaku
C. Kaizen
D. Seiketsu
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

81. Which of the following is true in the context of regulating departmental workflow?
A. If the workflow must remain even, a supervisor must hire temporary employees during peak periods.
B. When a definite plan is charted out, it hampers the flexibility of the employees and makes it difficult to regulate departmental workflow.
C. A supervisor should ideally avoid working closely with his or her manager and peers in order to effectively regulate departmental workflow.
D. The formation of teams of employees to examine and solve work-flow problems helps in effectively regulating departmental workflow.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: In order to solve workflow problems, a supervisor may find it helpful to work with his or her manager and peers or form teams of employees to examine and solve work-flow problems.

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82. Which of the following is most likely to be the primary cause underlying the problem of time lost to tardiness and absenteeism?
A. Frequent layoffs
B. Lack of motivation
C. Increase in costs
D. Reduction of overhead
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Lack of motivation is often the problem underlying time lost to tardiness and absenteeism. When employees dislike their jobs or find them boring, they tend to use excuses to arrive late or not at all. Lost time is costly; in most cases, the organization is paying for someone who is not actually working.

83. High turnover is most likely to:
A. save the company from unnecessary expenses.
B. motivate employees to increase productivity.
C. prove expensive for the company.
D. attract qualified employees.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: High turnover is expensive. This is because the organization will need to spend a lot of money to recruit and train new employees.

84. Productivity of a department mostly increases when:
A. overhead expenses of the department decrease.
B. the department avoids the use of budgets.
C. poor quality products are manufactured at low cost.
D. employees improve their human relations skills.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Overhead includes rent, utilities, staff support, company cafeteria, janitorial services, and other expenses not related directly to producing goods and services. Reducing overhead expenses increases the productivity of a department.

85. Uneven workflow can be costly primarily because:
A. it increases overhead costs due to unexpected surge in work.
B. employees will need to be paid overtime when there is a surge in demand for work.
C. wastage of resources occurs when work levels are high.
D. when work levels are low, employees engage in detour behavior.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: An uneven flow of work can be costly because when work levels are low, the result is idle time. When the department faces a surge in demand for its work, employees have to work extra hours to keep up. As a result, the department may have to pay workers overtime rates—one and a half or two times normal wages—during peak periods.

86. Increasing output without increasing costs is most likely to make employees:
A. reduce the time they spend in detour behavior.
B. unhappy as it may mean that the new goals are unreasonable.
C. reject the principles of job enlargement and job enrichment.
D. add additional quality improvement measures.
AACSB: Analytic

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Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: It is not always possible to increase output without sacrificing quality. Also, this method of improving productivity often makes employees unhappy. A supervisor who wants to boost productivity by increasing output must first ensure that the new output goals are reasonable, perhaps by including employees in the decision-making process.

87. _____ can be best defined as contracting with specialists to perform business functions.
A. Offshoring
B. Outsourcing
C. Green field venturing
D. Blue ocean strategy
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

Feedback: Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs. Today's business news is full of stories about outsourcing (contracting with specialists to perform business functions) and offshoring (arranging for lower-cost workers in other countries to handle jobs that had been performed in the United States).

88. When a supervisor gives information about productivity improvement, employees should:
A. have an opportunity to ask questions.
B. be discouraged from expressing their views.
C. interrupt at every step to show their involvement in the process.
D. simply follow the instructions without questioning the supervisor as this would help save time.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

Feedback: When a supervisor gives information about productivity improvement, employees should have an opportunity to ask questions. The supervisor who cannot answer some of the questions should promise to get answer—and then do so.

89. When managers start talking about improving productivity, employees usually react _____.
A. in a positive way
B. with fear of unknown changes
C. with a desire to learn new productivity techniques
D. by delivering increased output
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

Feedback: Employees react with fear when managers start talking about improving productivity. Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.

90. Employees have a good reason to be fearful when employers speak about improving productivity because:
A. improving productivity reduces overhead costs.
B. improving productivity hinders employee growth options.
C. cost-reduction strategies often result in overtime and difficult work.
D. cost-reduction strategies often lead to downtime.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

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Feedback: Employees react with fear when managers start talking about improving productivity. Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.

91. Lack of motivation is often the problem underlying time lost to tardiness and absenteeism.
TRUE
Lack of motivation is often the problem underlying time lost to tardiness and absenteeism. When employees dislike their jobs or find them boring, they tend to use excuses to arrive late or not at all.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Lack of motivation is often the problem underlying time lost to tardiness and absenteeism. When employees dislike their jobs or find them boring, they tend to use excuses to arrive late or not at all.

92. Absenteeism is often the first step leading to low turnover.
FALSE
Absenteeism may be the first step to leaving the company. The employee misses more and more days, then finally quits.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: Absenteeism may be the first step to leaving the company. The employee misses more and more days, then finally quits.

93. Low turnover is expensive for any company.
FALSE
High turnover is expensive, because the organization must spend a lot of money to recruit and train new employees.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-07: Identify ways productivity may be improved.
Topic: Improving Productivity

Feedback: High turnover is expensive, because the organization must spend a lot of money to recruit and train new employees.

94. When managers start talking about improving productivity, employees initially react with relief.
FALSE
Employees react with fear when managers start talking about improving productivity.Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

Feedback: Employees react with fear when managers start talking about improving productivity.Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.

95. Employees are fearful of productivity improvements due to possible layoffs.
TRUE
Employees react with fear when managers start talking about improving productivity.Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.
AACSB: Analytic
Accessibility: Keyboard Navigation
Bloom's: Remember
Difficulty: 1 Easy
Learning Objective: 02-08: Explain why employees have fears about productivity improvement and how supervisors can address those fears.
Topic: Employee Fears About Productivity Improvement

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Feedback: Employees react with fear when managers start talking about improving productivity.Employees may have good reason to be fearful. Many have experienced or heard of cost reductions leading to less overtime pay, more difficult work, and even layoffs.

96. What is quality control? Which two areas do supervisors focus on when they look for high-quality performance to reinforce or improvements to make? Describe each.
Feedback: Quality control refers to an organization's efforts to prevent or correct defects in its goods or services or to improve them in some way. In general, when supervisors look for high-quality performance to reinforce or improvements to make, they can focus on two areas: the product itself or the process of making and delivering the product. An organization that focuses on ways to improve the product itself is using product quality control. An organization might also consider how to do things in a way that leads to better quality. This focus is called process control.
AACSB: Analytic
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-02: Compare product quality control and process control.
Topic: Types of Quality Control

97. What is productivity? Mention three activities that are directed toward improving quality and productivity.
Feedback: Productivity is the amount of results (output) an organization gets for a given amount of inputs. Thus, productivity can refer to the amount of acceptable work employees do for each dollar they earn or the number of acceptable products manufactured with a given amount of resources. Many of the supervisor's activities, including planning, leading, and controlling, are directed toward improving quality and productivity.
AACSB: Analytic
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-01: Describe the consequences suffered by organizations as a result of poor-quality work.
Topic: Consequences of Poor Quality

98. Discuss the zero-defects approach and total quality management (TQM).
Feedback: The zero-defects approach is a quality control technique based on the view that everyone in the organization should work toward the goal of delivering such high quality that all aspects of the organization's goods and services are free of problems. Total quality management (TQM) is an organization-wide focus on satisfying customers by continuously improving every business process for delivering goods or services.
AACSB: Analytic
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-03: Summarize techniques for quality control.
Topic: Methods for Improving Quality

99. List three constraints on productivity. Elaborate one of the limitations and discuss how it can be overcome.
Students' answers may vary.
Some of the constraints on productivity are management limitations, employee attitudes and skills, government regulations, and union rules.
Management limitations: Too often, employees believe that management is more interested in the next quarter's profits than in producing high-quality goods or services as efficiently as possible. Employees become frustrated, especially when managers seem to ignore their ideas. The most important way supervisors can overcome this constraint is to set a good example. Supervisors should demonstrate by their actions and words that they are interested in the department's productivity. This behavior includes seeing that the job is done right the first time, as well as using resources wisely, which, on a personal level, includes being well organized. Supervisors also must communicate instructions clearly and plan carefully so that employees are able to live up to managers' expectations. Furthermore, supervisors should listen to employees' concerns and ideas about improving productivity. If the organization has a formal program for submitting ideas, supervisors can offer to help employees write down or explain their suggestions. In organizations that allow or expect employee participation in planning and decision making, supervisors should encourage this participation.
AACSB: Analytic
Bloom's: Understand
Difficulty: 2 Medium
Learning Objective: 02-05: Identify constraints on productivity.
Topic: The Productivity Challenge

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