Quality and global competitiveness essay sample

Countries, Canada

TRUE OR FALSE: Place T or F in the space provided to the left of the statement.

1. U. S companies, mistakenly seeing quality as the issue, learned that quantity was the key to success in the global marketplace.

2. The need to improve an organization's financial condition correlated directly with the process of making and measuring quality improvements.

3. A nation's ability to compete in the global marketplace has a direct bearing on the quality of life of its citizens.

4. The only way the U. S. can overcome business-related inhibitors is for the government to enact policies that will reduce non-value-added costs to a minimum.

5. In order to be an exporter, a manufacturer must be able to outperform foreign competitors in terms of both quality and productivity.

MULTIPLE CHOICE: Circle the letter before the correct answer in each of the following questions.

1. Of the trends listed below, which one increases the level of globalization in business?

A. Growing irrelevance of distance.

B. Shifts in the interest rates.

C. Quality of the product.

D. Rise of small towns.

2. Which of the following statements are considered true concerning the affects of global integration?

A. It has helped fuel economic growth throughout the industrialized world.

B. It can be the Achilles heel of economic growth.

C. Downturns in one country can now have a ripple effect that quickly spreads to other countries.

D. All of the above

3. Which of the following countries is the most competitive country in the world?

A. Germany

B. United States

C. Japan

D. Switzerland

4. When making comparisons among internationally competing countries, the following indicators are used:

A. Standard of living and investment.

B. Quality is the key to success.

C. Government infrastructure.

D. Ability to compete.

5. The most important key in maximizing competitiveness is:

A. Education

B. Human resources

C. Teamwork

D. Government

Test Key

True/False

1. F
2. T
3. T
4. F
5. T

Multiple Choice

1. C
2. D
3. C
4. A
5. B

Chapter Two

QUALITY AND GLOBAL COMPETIVENESS

1. Explain the relationship between quality and competitiveness. Companies that used to compete only on a local, regional, or national level now find themselves competing against companies from throughout the world. Some of these companies find the competition to be more intense than any they have ever encountered. Those who are able to produce world-class quality can compete at this level.

2. Explain how the cost of poor quality can affect competitiveness. The need to improve an organization’s financial condition correlates directly with the

process of making and measuring quality improvements. Lower deficiencies will lead to lower total costs. Improvements in product or service features can lead to higher market share at a better price, which means higher revenue.

3. Describe the evolution of the rebuilding effort undertaken by Japan and Germany following World War II. As Japanese and German manufacturers rebuilt, two things became apparent to them: 1) In order to succeed, they would have to compete globally; and 2) In order to compete globally; they would have to produce goods of world-class quality. This meant producing better goods but at reasonable competitive prices.

4. Explain the actions of U. S. manufacturers during the same period on which Japan and Germany were rebuilding following World War II. The U. S. came out of World War II as the only major industrialized nation with its manufacturing sector completely intact. A well-oiled manufacturing sector and the availability of abundant raw materials helped the U. S. become the world leader in the production and export of durable goods. This resulted in a period of unparalleled prosperity and one of the highest standards of living ever experienced by any country. While the U. S. was enjoying its position as the world's preeminent economic superpower, the other industrialized nations of the world, particularly Japan and Germany, were busy rebuilding their manufacturing sectors.

The U. S. manufacturers were slow to catch on that the game had changed from mass production with acceptable levels of waste to quality production with things done right the first time every time. With foreign companies, through a combination of better people, better technology, and better management began to eat away at markets, U. S. companies, mistakenly seeing cost rather than quality as the issue, learned that quality was the key to success in the global marketplace, Japan, Germany, Taiwan, and Korea had made major inroads into global markets previously dominated by U. S. manufacturers (i. e., steel, automobiles, computers, and consumer electronics).

5. How does a nation's ability to compete affect its quality of life? A nation's ability to compete in the global marketplace has a direct bearing on the quality of life of its citizens. Because the ability to compete translates into the ability to do a better job of producing quality goods, it is critical that nations and individual organizations within them focus their policies, systems, and resources in a coordinated way on continually improving both quality and competitiveness.

6. Explain how education-related factors can inhibit competitiveness. The quality of a country's education system is a major determinant of the quality of its labor pool. The higher the quality of the labor pool, the higher the quality of entry-level employees. The higher the quality of entry-level employees, the faster they can become productive employees and contribute to the competitiveness of their employers. Consequently, a high-quality education system is an important component of the competitiveness equation. What all this means is that businesses in the U. S. are forced to spend money helping employees learn the basic skills of reading and writing while their competitors are able to devote their training dollars to developing

advanced work-related skills. If international competition can be viewed as a footrace, this is the equivalent of forcing U. S. firms to start 100 yards behind the other competitor in a 200-yard race.

7. Compare investment and manufacturing productivity in the U. S with investment and manufacturing productivity in Japan. Investment, from the perspective of global competitiveness, is the percent of gross national product spent on education, equipment, facilities, and research and development in the period of 1970-90, Japan led the list of competitive countries, with an investment level of approximately 30 percent. The U. S. invested just over 20 percent during this period. The other countries, taken as a group, invested slightly more than the U. S. when education is removed from the list of investments, the U. S. invested as much or more than all other countries except Canada.

However, there is evidence that American dollars invested in education are not used as effectively as those invested by other competing nations. It should be noted also that Japanese investment in equipment began to decline in 1992. During the first three quarters of the twentieth century, the U. S. enjoyed the highest productivity levels in the world. For example, in 1972 U. S. manufacturing productivity was 56 percent better than that of Japan. By 1987, this lead had dwindled to just 6 percent. By 1993, Japan equaled the U. S. in productivity.

8. List and briefly explain the basic philosophical constructs underlying the human resource aspects of the competitiveness of Japan and Germany. The basic philosophical constructs underlying the human-resource aspects of the

competitiveness of both Japan and Germany are explained in the following list: Cooperation among business, labor, and government. The term social partners is used in Japan just as it is in Germany. Prior to the war, this prevailing view among top business executives was very like that of the American rugged individualist. As in Germany, however, the crisis provoked by defeat shifted the balance toward those who believed that business must join with the other major economic actors in the task of rebuilding the society, tying its own goals with the larger interests of the nation as a whole. Cooperation

Cooperation that was prompted by the devastation brought by war caught on and became the cornerstone of the competitiveness of both countries. High-quality education and training Germany and Japan take different routes, but they arrive at the same place regarding education and training. Germany uses a highly structured apprenticeship program that emphasizes both skills development and academic achievement. Japan relies on excellent primary and secondary education supplemented by industry-based training to prepare front-line employees. Employee involvement and empowerment

In both Germany and Japan, employees are involved in functions traditionally viewed as management functions in the U. S. These functions include setting working hours, introducing new technologies, establishing compensation levels, human-resource planning, work design, and the provision of training. Leadership at all levels

In both Germany and Japan, leadership occurs at all levels and leadership training is provided not just for managers but also for front-line employees.

This is important in that it tends to improve the quality of employee involvement in continual improvement efforts. Teamwork

In Germany and Japan, not only is work done by teams of employees, but the planning and designing of work, introduction of new technologies, and establishment of compensation levels are also done by teams that involve representatives from labor and management.

9. What is an “ ultimate manufacturer” and what does it take to be one? Ultimate manufacturers are those that perform at world-class levels in the following areas: competitive analysis, production and supply chain management, customization, electronic commerce, and compensation systems.

10. Describe three important current trends that are increasing the level of globalization in business. Growing irrelevance of distance. The importance of distance in the world economy has been steadily reduced by advances in technology. Access to effective, low-cost telecommunications technologies has given businesses anywhere on the globe instant access to markets. Shifts in the rates of growth of countries. The fastest growing nations (5% growth or more) are found in Asia, Eastern Europe, and Latin America. These countries are experiencing a rise in the number of middle-class citizens and the benefits of entering participating in the modern economy. Moderately growing nations (3-5% growth) include the US and Canada. These countries are still the pacesetters in the modern economy and are especially strong in the areas of technology and services. Rise of megacities. The world is experiencing a sharp rise in the number of megacities (urban

population of 10 million or more). Megacities alter the economic face of the world by changing the location of both employees and customers and by concentrating them in specific locations.