

ABSTRACT

Calculating The Cost of Quality Related to the Production Processes at the Plastic Industries in Hebron and Bethlehem

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This study aims to recognize the cost of quality related to the production processes of the plastic industries in the southern part of the West Bank, and to explore the types of these costs. This study, furthermore, aims to determine the percentages of these costs, checks the ways of calculation, and to how it can be useful.

To meet the objectives as well as examining the questions and hypotheses raised in this study, the quantitative and the qualitative strategy were used. The researcher chose the questionnaire tool for collecting the required data for the quantitative strategy, and the case study and direct interviews as tools for collecting the required data for the qualitative strategy. The population of the study and the sample were taken from all the firms of the plastic industries working in the southern part of the West Bank. The number of organizations was (66) as it appears in the records of Hebron and Bethlehem Chambers of Commerce and Industries in 2008. The researcher analyzed and manipulated the outputs of the questionnaire statistically and then manipulating and presenting it by

SPSS statistical group by using mean, standard deviation and percentages.

The study epitomized the following results :

1. The level of quality cost knowledge and interest was found low when conducted. It shows also that the firms which apply systems to calculate the cost of quality get higher benefits than those who did not apply any system.
2. The percentage of quality cost categories to the total cost of quality cost was low, and the total cost of quality formed small percentage of the sales volume. The study also shows that the methods used to calculate the cost of quality was somehow plane.
3. The results raised from the case study show a high commitment of the top management towards the quality. while it concerns quality as a competitive advantage, it works hard to meet its vision and mission taking into account the balance score card.
4. The case study shows that the four categories of the cost of quality do exist in the plastic industries. The portion of the preventive cost is found to account up to 39.35% of the total cost of quality, where as the appraisal cost is found to account up to 26.52% of the total cost of quality. The internal failure cost counts up to 20.41% and the external failure cost counts up to 13.72% excluding the lost sales due to the poor quality. Finally the percentage of the total cost of quality to the sales volume is found to be 11.66%.