

# Contents

## **PART I FUNDAMENTAL QUALITY CONTROL AND STATISTICAL CONCEPTS**

- 1. Introduction 3**
  - 1.1 Quality Costs, 3
  - 1.2 Quality and Productivity, 5
  - 1.3 The Need for Statistics, 6
  - 1.4 The Use of Statistics in Various Companies, 7
  - 1.5 Early Use of Statistics for Quality Improvement, 8
  - 1.6 Statistical Methods versus Inspection, 9
  - 1.7 Acceptance Sampling, 11
  - References, 12
  
- 2. Japan's Approach to Quality Control 14**
  - 2.1 Deming's Views and Influence, 14
  - 2.2 The Deming Award, 16
  - 2.3 Quality Circles, 17
  - 2.4 Japanese Companies in America, 18
  - 2.5 Statistical Techniques, 19
  - 2.6 Cause and Effect Diagram, 19
  - 2.7 Pareto Diagrams, 21
  - 2.8 Graphs, 24
  - References. 26
  
- 3. Basic Concepts in Statistics and Probability 27**
  - 3.1 Probability, 27
  - 3.2 Sample versus Population, 29

- 3.3 Location, 31
- 3.4 Variation, 32
- 3.5 Discrete Distributions, 36
  - 3.5.1 Binomial Distribution, 37
  - 3.5.2 Poisson Distribution, 44
  - 3.5.3 Hypergeometric Distribution, 45
- 3.6 Continuous Distributions, 47
  - 3.6.1 Normal Distribution, 47
  - 3.6.2  $t$  Distribution, 52
  - 3.6.3 Exponential Distribution, 55
  - 3.6.4 Lognormal Distribution, 55
  - 3.6.5 Weibull Distribution, 57
  - 3.6.6 Gamma Distribution, 57
  - 3.6.7 Chi-Square Distribution, 58
  - 3.6.8 Truncated Normal Distribution, 58
  - 3.6.9 Bivariate and Multivariate Normal Distribution, 59
  - 3.6.10  $F$  Distribution, 60
- 3.7 Statistical Inference, 61
  - 3.7.1 Central Limit Theorem, 61
  - 3.7.2 Point Estimation, 62
  - 3.7.3 Confidence Intervals, 62
  - 3.7.4 Tolerance Intervals, 64
  - 3.7.5 Hypothesis Tests, 64
  - 3.7.6 Bonferroni Intervals, 64
- 3.8 Enumerative Studies versus Analytic Studies, 65
- References, 65
- Exercises. 67

## **PART II CONTROL CHARTS AND PROCESS CAPABILITY**

### **4. Introduction to Control Charts**

71

- 4.1 Basic Idea of a Control Chart, 71
- 4.2 Process Control versus Process Capability, 73
- 4.3 Real-Time Control Charting versus Analysis of Past Data. 74

- 4.4 Control Charts: When to Use, Where to Use, How Many to Use, 76
- 4.5 Benefits from the Use of Control Charts, 77
- 4.6 List of Control Charts Covered in This Book, 77
- Appendix to Chapter 4, 79
- Reference, 81
  
- 5. Control Charts for Measurements with Subgrouping (for One Variable) 82**
  - 5.1 Illustrative Example, 82
    - 5.1.1  $R$  Chart, 86
    - 5.1.2  $R$  Chart with Probability Limits, 88
    - 5.1.3  $s$  Chart, 89
    - 5.1.4  $s$  Chart with Probability Limits, 90
    - 5.1.5  $s^2$  Chart, 94
    - 5.1.6  $\bar{X}$  Chart, 94
    - 5.1.7 Recomputing Control Limits, 97
    - 5.1.8 Applying Control Limits to Future Production, 98
    - 5.1.9 Standards for Control Charts, 98
    - 5.1.10 Deleting Points, 99
    - 5.1.11 Target Values, 100
  - 5.2 Illustrative Example with Real Data, 100
  - 5.3 CUSUM Procedures for Controlling a Process Mean, 102
    - 5.3.1 CUSUM Procedure versus  $\bar{X}$  Chart, 103
    - 5.3.2 CUSUM Procedures: Principles and Historical Development, 105
    - 5.3.3 FIR CUSUM, 110
    - 5.3.4 Combined Shewhart–CUSUM Scheme, 112
    - 5.3.5 V-Mask CUSUM Scheme, 116
  - 5.4 CUSUM Procedures for Controlling Process Variability, 118
  - 5.5 Geometric Moving Average Chart, 122
  - 5.6 Acceptance Control Chart, 124
    - 5.6.1 Acceptance Chart with  $\bar{X}$  Control Limits, 126
    - 5.6.2 Acceptance Charts versus Target Values, 129

|           |   |            |
|-----------|---|------------|
| 5.7       | Modified Limits, 129  |            |
| 5.8       | Difference Control Charts, 130  |            |
| 5.9       | Other Charts, 131   |            |
| 5.10      | Unequal Sample Sizes, 132   |            |
| 5.11      | Assumptions for the Charts in This Chapter, 132                                   |            |
|           | Appendix to Chapter 5, 142  |            |
|           | References, 144   |            |
|           | Exercises, 147  |            |
| <br>      |   |            |
| <b>6.</b> | <b>Control Charts for Measurements Without Subgrouping<br/>(for One Variable)</b> | <b>150</b> |
| 6.1       | Individual Observations Chart, 150  |            |
| 6.1.1     | Control Limits for the $X$ Chart, 151   |            |
| 6.1.2     | Trended Data, 152   |            |
| 6.1.3     | Illustrative Example: Random Data, 153  |            |
| 6.1.4     | Illustrative Example: Trended Data, 155   |            |
| 6.1.5     | Trended Real Data, 158  |            |
| 6.2       | Moving Range Chart, 160   |            |
| 6.3       | Moving Average Chart, 161   |            |
| 6.4       | CUSUM for Individual Observations, 162  |            |
| 6.5       | CUSUM for Process Variability, 167  |            |
|           | Appendix to Chapter 6, 167  |            |
|           | References, 168   |            |
|           | Exercises, 169  |            |
| <br>      |   |            |
| <b>7.</b> | <b>Process Capability</b>   | <b>172</b> |
| 7.1       | Process Capability Indices, 172   |            |
| 7.2       | Determining Process Capability with Control<br>Charts, 174                        |            |
| 7.2.1     | Using an $\bar{X}$ Chart, 174   |            |
| 7.2.2     | Using an $X$ Chart, 176   |            |
|           | References, 177   |            |
|           | Exercises, 178  |            |

**8. Control Charts for Attributes**

179

- 8.1 Charts for Nonconforming Units, 180
  - 8.1.1  $np$  Chart, 180
  - 8.1.2 Arcsin Transformation for Proportions Data, 182
  - 8.1.3  $np$  Chart with Runs Criteria, 186
  - 8.1.4  $p$  Chart, 188
  - 8.1.5 Modified  $p$  and  $np$  Chart Limits, 189
  - 8.1.6  $p$  Unknown, 189
  - 8.1.7 Unequal Sample Sizes, 192
  - 8.1.8 CUSUM for Binomial Data, 193
- 8.2 Charts for Nonconformities, 196
  - 8.2.1  $c$  Chart, 196
  - 8.2.2 Transforming Poisson Data, 197
  - 8.2.3 Illustrative Example, 197
  - 8.2.4 CUSUM Procedures for Nonconformity Data, 201
  - 8.2.5  $u$  Chart, 204
  - 8.2.6 CUSUM Alternative to a  $u$  Chart, 206
  - 8.2.7  $ku$  Chart, 207
  - 8.2.8  $D$  Chart, 208

References, 210

Exercises, 211

**9. Multivariate Control Charts for Measurement Data**

215

- 9.1 Charts for the Process Mean Using Subgroups, 216
- 9.2 Variations of Hotelling's  $T^2$ , 217
  - 9.2.1 Illustrative Example, 220
- 9.3 Multivariate Chart versus Individual  $\bar{X}$  Charts, 223
- 9.4 Charts for Process Variability, 224
- 9.5 Charts Constructed Using Individual Observations, 224
- 9.6 When to Use Each Chart, 226
- 9.7 Actual Alpha Levels for Multiple Points, 227
- 9.8 Requisite Assumptions, 227

References, 227

Exercises, 228

|   |            |
|---|------------|
| <b>10. Miscellaneous Control Chart Topics</b>                   | <b>230</b> |
| 10.1 Economic Design of Control Charts, 230                     |            |
| 10.2 Administrative Applications of Control Charts, 232         |            |
| 10.3 Software for Control Charting, 233                         |            |
| 10.4 Applications of Control Charts in Specific Industries, 234 |            |
| References, 234   |            |

### **PART III BEYOND CONTROL CHARTS: GRAPHICAL AND STATISTICAL METHODS**

|   |            |
|---|------------|
| <b>11 Graphical Methods</b>                           | <b>241</b> |
| 11.1 Histogram, 242                                   |            |
| 11.2 Stem-and-Leaf Display, 245                       |            |
| 11.3 Dot Diagrams, 247                                |            |
| 11.4 Boxplot, 247                                     |            |
| 11.5 Normal Probability Plot, 251                     |            |
| 11.6 Scatter Plot, 253                                |            |
| 11.6.1 Variations of Scatter Plots, 255               |            |
| 11.7 Plotting Three Variables, 256                    |            |
| 11.8 Displaying More Than Three Variables, 257        |            |
| 11.9 Plots to Aid in Transforming Data, 257           |            |
| References, 260                                       |            |
| Exercises, 262  |            |
| <b>12. Linear Regression</b>                          |            |
| 12.1 Simple Linear Regression, 264                    |            |
| 12.2 Worth of the Prediction Equation, 269            |            |
| 12.3 Assumptions, 270                                 |            |
| 12.4 Checking Assumptions Through Residual Plots, 271 |            |
| 12.5 Confidence Intervals and Hypothesis Test, 272    |            |
| 12.6 Prediction Interval for $Y$ , 273                |            |
| 12.7 Regression Control Chart, 274                    |            |
| 12.8 Inverse Regression, 276                          |            |
| 12.9 Multiple Linear Regression, 278                  |            |

- 12.10 Issues in Multiple Regression, 278
  - 12.10.1 Variable Selection, 279
  - 12.10.2 Extrapolation, 279
  - 12.10.3 Multicollinear Data, 280
  - 12.10.4 Residual Plots, 280
  - 12.10.5 Regression Diagnostics, 280
  - 12.10.6 Transformations, 281
- 12.11 Software for Regression, 281
- References, 282
- Exercises, 283

### 13. Design of Experiments

285

- 13.1 A Simple Example of Experimental Design Principles, 285
- 13.2 Statistical Concepts in Experimental Design, 287
- 13.3  $t$  Tests, 289
  - 13.3.1 Exact  $t$  Test, 290
  - 13.3.2 Approximate  $t$  Test, 292
  - 13.3.3 Confidence Intervals for Differences, 293
- 13.4 Analysis of Variance for One Factor, 293
  - 13.4.1 ANOVA for a Single Factor with More Than Two Levels, 296
  - 13.4.2 Multiple Comparison Procedures, 301
  - 13.4.3 Sample Size Determination, 301
  - 13.4.4 Additional Terms and Concepts in One-Factor ANOVA, 302
- 13.5 Regression Analysis of Data from Designed Experiments, 304
- 13.6 ANOVA for Two Factors, 309
  - 13.6.1 ANOVA with Two Factors: Factorial Designs, 310
  - 13.6.2 Effect Estimates, 312
  - 13.6.3 ANOVA Table for Unreplicated Two-Factor Design, 313
  - 13.6.4 Yates' Algorithm, 316
- 13.7 The  $2^3$  Design, 318

- 13.8 Assessment of Effects without a Residual Term, 324
- 13.9 Residual Plot, 326
- 13.10 Two-Level Designs with More Than Three Factors, 329
- 13.11 Three-Level Factorial Designs, 330
- 13.12 Mixed Factorials, 330
- 13.13 Fractional Factorials, 331
  - 13.13.1  $2^{k-1}$  Designs, 331
  - 13.13.2  $2^{k-2}$  Designs, 338
  - 13.13.3 Fractions of Three-Level Factorials, 340
  - 13.13.4 Incomplete Mixed Factorials, 340
- 13.14 Other Topics in Experimental Design and Their Applications, 340
  - 13.14.1 Mixture Designs, 340
  - 13.14.2 Response Surface Designs, 340
  - 13.14.3 Computer-Aided Design and Expert Systems, 341
  - 13.14.4 Sequential Experimentation, 341
- References, 342
- Exercises, 345

#### 14. Taguchi Methods and Related Procedures

348

- 14.1 Quality Engineering, 348
- 14.2 Loss Functions, 349
- 14.3 Distribution Not Centered at the Target, 352
- 14.4 Loss Functions and Specification Limits, 352
- 14.5 Asymmetric Loss Functions, 352
- 14.6 Signal-to-Noise Ratios and Alternatives, 356
- 14.7 Experimental Designs for Stage One, 358
- 14.8 Taguchi Methods of Design, 359
  - 14.8.1 Orthogonal Arrays as Fractional Factorials, 361
  - 14.8.2 Other Orthogonal Arrays versus Fractional Factorials, 364
- 14.9 Determining Optimum Conditions, 369
- 14.10 Taguchi or Not?, 374
- References, 375
- Exercises, 376



**15. Evolutionary Operation**

- 15.1 EVOP Illustrations, 379
- 15.2 Three Variables, 388
- 15.3 Simplex EVOP, 390
- 15.4 Other EVOP Procedures, 393
- Appendix to Chapter 15, 394
- References, 395
- Exercises, 396

**16. Analysis of Means**

- 16.1 ANOM for One-Way Classifications, 399
- 16.2 ANOM for Attribute Data, 402
  - 16.2.1 Proportions, 402
  - 16.2.2 Count Data, 405
- 16.3 ANOM When Standards Are Given, 405
  - 16.3.1 Nonconforming Units, 405
  - 16.3.2 Nonconformities, 406
  - 16.3.3 Measurement Data, 407
- 16.4 ANOM for Factorial Designs, 407
  - 16.4.1 Assumptions, 411
  - 16.4.2 An Alternative Way of Displaying Interaction Effects, 411
- 16.5 ANOM When at Least One Factor Has More Than Two Levels, 412
  - 16.5.1 Main Effects, 412
  - 16.5.2 Interaction Effects, 417
- Appendix to Chapter 16, 422
- References, 423
- Exercises, 423

**Answers to Selected Exercises**

**APPENDIX: STATISTICAL TABLES**

**Table A. Random Numbers**

**Table B. Normal Distribution**

|                 |   |            |
|-----------------|---|------------|
| <b>Table C.</b> | <b><i>t</i> Distribution</b>  | <b>431</b> |
| <b>Table D.</b> | <b><i>F</i> Distribution</b>  | <b>432</b> |
| <b>Table E.</b> | <b>Control Chart Constants</b>  | <b>434</b> |
| <b>Table F.</b> | <b>Percentage Points of the Sample Range for Producing<br/>Probability Limits for <i>R</i> Charts</b> |            |
| <b>Table G.</b> | <b>Analysis of Means Constants</b>  |            |
|                 | <b>Index</b>  |            |