

NCERT Solutions Class 12
Business Studies Principles and Functions of
Management
Chapter 2 Principles of Management Class 12

Very Short Answer Type:

Question 1 : What makes principles of management flexible?

Solution :

Management principles are not rigid, they are the prescribed guidelines which can be used by the managers as per the situations. They are flexible enough to be used and moulded by the manager as per the need of the hour. Moreover, individual principles are like different tools serving different purposes, the manager has to decide which tool to use under different circumstances.

Question 2 : State the main objective of time study.

Solution :

The main objective of Time study is setting a standard time limit for completing a particular job. The time taken for completing the job is measured for setting the standard time limit. This helps decide the number of workers to be employed for a particular task, determine their wages, etc.

Question 3 : Name the principle that is an extension of the 'harmony, not discord'.

Solution :

Cooperation, not individualism is the extension of the principle 'harmony, not discord'. Cooperation among the managers and the workers is stressed in this principle, rather than their interests. It ensures that organizational goals are given priority over personal goals.

Question 4 : State any two causes of fatigue that may create hindrance in the employee's performance.

Solution :

The two causes of fatigue that may create hindrance in the employee's performance are long working hours and uncordial relations with the boss.

Question 5 : SanakLal and Gagan started their career in Wales Limited (a printing press) after going through a rigorous recruitment process. Since they had no prior work experience, the firm decided to give them one year to prove themselves. Name the principle of management followed by Wales Limited.

Solution :

The principle of management followed by Wales Limited is 'Stability of Personnel'.

'Stability' means that the management should follow a rigorous procedure for the selection of potential candidates

and should work towards retaining employees for the maximum period. They should be given a reasonable time to show results. This principle ensures the stability of personnel over a longer period.

Question 6 : Which technique is used by Taylor for distinguishing efficient and inefficient workers?

Solution :

The technique used by Taylor for distinguishing efficient and inefficient workers was Differential Piece Wage System. Under this technique, wages are decided according to a set standard. The workers who perform better than the set standards get higher wages than the workers who perform below the standards.

Short answers Type

Question 1 : How is the principle of 'Unity of Command' useful to management? Explain briefly.

Solution :

According to Fayol there should be one and only one boss for every individual employee. If an employee gets orders from two superiors at the same time the principle of unity of command is violated. The principle of unity of command states that each participant in a formal organization should receive orders from and be responsible to only one superior. Fayol gave a lot of

importance to this principle. He felt that if this principle is violated “authority is undermined, discipline is in jeopardy, order disturbed and stability threatened”. The principle resembles military organisation. Dual subordination should be avoided. This is to prevent confusion regarding tasks to be done. Suppose a sales person is asked to clinch a deal with a buyer and is allowed to give 10% discount by the marketing manager. But finance department tells her/him not to offer more than 5% discount. Now there is no unity of command. This can be avoided if there is coordination between various departments.

Question 2 : Define Scientific Management. State any three of its principles.

Solution :

The term 'Scientific management' was developed by Frederick Taylor (1856-1915) in 1911. It refers to the classical outlook of management which focussed on devising the best ways of doing the work and thereby increasing the effectiveness and efficiency of work. Scientific management implies working according to standardised techniques and tools and with the help of specialized personnel so as to improve the quantity as well as the quality of the product and the same time reducing the costs. Scientific management is also known as Taylorism. The Following are three principles of scientific management.

i. *Harmony, Not Discord:* According to this principle, the managers and the workers should maintain a harmonious work environment. They should realise that they are dependent on each other. Only if they work in amity, will they be able to perform better. Taylor emphasised on complete mental revolution. That is, the workers should change their attitude and each one should realise others importance. Management should take care of the needs of the workers and workers on the other hand should work to their best efficiency. Both should work in harmony towards the common goals of the organisation.

ii. *Science, Not Rule of Thumb:* According to Taylor, instead of rule of thumb scientific management practices should be followed. Under the rule of thumb, each manager handles a situation as and when they arise. They used the trial and error method to find solutions to a problem. Taylor proposed that instead of this management practices should be scientific. He suggested that a study of various traditional methods should be done and the best method/solution among them should be adopted and followed by all the managers in the organisation. Such a scientific management greatly reduces the costs and improves efficiency.

iii. *Personnel Development:* Overall efficiency of the organisation depends on the individual competencies of the employees. Scientific management aimed at improving the working capabilities of the employees to their maximum level. It focused on the training and

development of the labourers to raise their productivity.

Question 3 : If an organisation does not provide the right place for physical and human resources in an organisation, which principle is violated? What are the consequences of it?

solution :

In the stated situation, the Principle of Order is violated. As per the Principle of Order, there should be right arrangement of things. The principle of order states that 'A place for everything (everyone) and everything (everyone) in its (her/his) place'. Essentially it means orderliness. If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. This will lead to increased productivity and efficiency.

If this principle is violated, then it leads to chaos and delay in work. For instance, if the files are not kept in a certain order, then it will lead to difficulty in locating a file when required. This will further lead to delay in the work.

Question 4: Explain any four points regarding significance of Principles of Management.

Solution:

Principles of management play an important role in managerial practices. They guide the managers in taking actions and decisions. The following

points highlight the significance of
Principles of Management

1. *Providing Managers with useful insights into Reality:*

Principles of Management are based on years of experimentation and experience. Thus, these principles guide the managers, when they face the real-world problems. Managers can use them in different situations to solve the recurring problems.

2. *Scientific Decisions:* Decisions regarding management should be taken carefully. They should be based on reasons and proofs rather than beliefs and ignorance. As principles of management were developed from real life problems so, they stand the test of logic and reasoning. Thus, principles of management help the managers in taking logical decisions that are free from personal bias.

3. *Management Training, Education and Research:*

These principles form the basic roots of management education. Without them management as a discipline could not have been developed. That is, they form an important part of management curriculum. In addition, they also form the basis of further research on management techniques and methods.

4. *Optimal use of Resources:* Principles of management help in the optimum utilisation of the available resources. With principles of management the exact cause and effect relationship of the decisions of the managers can be predicted. Thereby, the wastages of resources that may be associated with the hit and trail method can be avoided. Thus, by following the principles of management, best

possible usage of resources becomes possible such that maximum benefit can be derived with minimum possible cost.

Question 5 : Explain the principle of 'Scalar Chain' and gang plank.

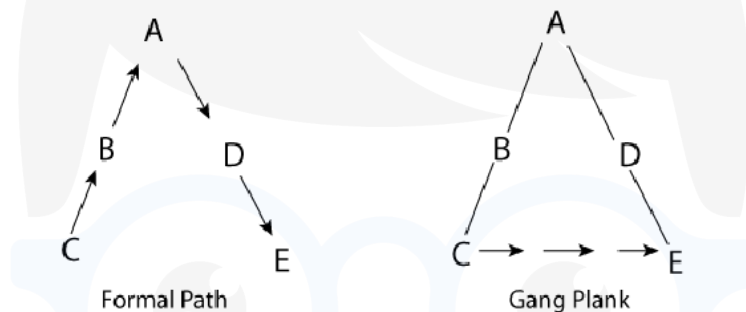
Solution :

An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain. According to Fayol, “Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates.”

Scalar Chain refers to a pre-defined, formal path of authority and communication in the order of highest to the lowest. For example- if A is the CEO of an organisation and he has two paths of authorities under him. One, A-B-C and the other A-D-E. Everybody in the organisation follows this chain of authority for communication. For example, If C wants to contact with E then he will have to follow this formal path, as $C \rightarrow B \rightarrow A \rightarrow D \rightarrow E$. That is, C has to first contact the higher authorities ($C \rightarrow B \rightarrow A$) over him who then transverse the communication to E ($A \rightarrow D \rightarrow E$).

However, in case of emergency C may directly contact E through 'Gang Plank'. Gang plank is a shorter emergency route through which the workers lower in the authority

chain can directly contact the persons of higher authority or those working in other scalar chains. In practice you find that a worker cannot directly contact the CEO of the company. If at all she/he has to, then all the formal levels i.e., foreman, superintendent, manager, director etc have to know about the matter. However, in an emergency it can be possible that a worker can contact CEO directly.



Question 6 : A production manager at top level in a reputed corporate, Mr. Rathore holds the responsibility for ordering raw material for the firm. While deciding on the supplier for the financial year 2017-18, he gave the order to his cousin at a higher price per unit instead of the firm's usual supplier who was willing to lower the rates for the order. Which principle of management was violated by Mr. Rathore? What are the positive impacts of following the above identified principle?

Solution :

The principle of management which was violated by Mr. Rathore is 'Subordination of individual interest to general interest'. According to this principle, organisational goals

should have priority over the personal interests of any individual. The individuals of an organisation should make sure that their personal interests do not affect the organisational interests in any manner.

The positive impacts of following the above principle are:

- Increased productivity
- Harmonious work culture
- Sense of belongingness to the organisation among employees
- Achievement of organisational goals

Long Answer Type/ Essay Type:

Question 1 : Explain the Principles of Scientific management given by Taylor.

Solution :

Scientific management implies knowing exactly what is to be done and devising the best ways of doing it. This term was given by Frederick Taylor (1856-1915) in 1911. It suggests that work should be done according to

standardised techniques and tools and with the help of specialized personnel so as to improve the quantity as well as the quality of the product and the same time reducing the costs. That is, scientific management improves the effectiveness and efficiency of work. The following are the principles of scientific management.

2. ***Science, not a rule of thumb***: Before Taylor developed the Principles of Management, Rule of Thumb was a widely used concept. Under rule of thumb, each manager handled a situation or problem as and when they arose using the trial and error method. Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. The method so developed should substitute 'Rule of Thumb' throughout the organisation. Scientific method involved investigation of traditional methods through workstudy, unifying the best practices and developing a standard method, which would be followed throughout the organisation. According to Taylor, even a small production activity like loading pigs of iron into boxcars can be scientifically planned and managed. This can result in tremendous saving of human energy as well as wastage of time and materials. The more sophisticated the processes, greater would be the savings.

3. ***Harmony, not Discord***: Factory system of production implied that managers served as a link between the

owners and the workers. Since as managers they had the mandate to 'get work done' from the workers, it should not be difficult for you to appreciate that there always existed the possibility of a kind of class-conflict, the managers versus workers. Taylor recognised that this conflict helped none, the workers, the managers or the factory owners. He emphasised that there should be complete harmony between the management and workers. Both should realise that each one is important.

Management should share the gains of the company, if any, with the workers. At the same time workers should work hard and be willing to embrace change for the good of the company. Japanese work culture is a classic example of such a situation.

4. ***Cooperation, not Individualism***: This principle emphasised cooperation among the manager and workers over individualism. This principle was an elongation of the principle of 'Harmony, not discord'. According to it, the workers and the manager should work with mutual understanding of each other. For this, management should not close its ears to any constructive suggestions made by the employees. They should be rewarded for their suggestions which results in substantial reduction in costs. They should be part of management and, if any important decisions are taken, workers should be taken into confidence. At the same time workers should desist from going on strike and making unreasonable demands

on the management. In fact, when there will be open communication system and goodwill there will be no need for even a trade union.

5. *Personnel Development*: Any organisation should focus on the development of its workers along with the company's growth. This is because if the workers will have higher proficiency, then they will be able to increase their contribution to the organisation's development. They should introduce ways and incentives to build up their competitiveness. Efforts towards increasing the efficiency should begin at the very first step i.e. while hiring the workers. Employees should be recruited in a scientific manner. They should be assigned works according to their mental/physical qualities. For increasing the efficiency, the workers should be given a proper training.

Question 2 : Explain the following Principles of management given by Fayol with examples:

- (a) Unity of direction
- (b) Equity
- (c) Espirit de corps
- (d) Order
- (e) Centralisation and decentralisation
- (f) Initiative

Solution :

(a) ***Unity of Direction***- According to this principle, each unit of the organisation should work towards a common objective. According to it, units having same goals should have a single head and plan. This principle helps in eliminating the overlapping of work. For example, if a company is manufacturing motorcycles as well as cars then it should have two separate divisions for both of them. Each division should have its own incharge, plans and execution resources. On no account should the working of two divisions overlap.

(b) ***Equity***- This principle focuses on treating each employee fairly equally. That is, it states that each employee should be equal in the eyes of the manager. Although this principle calls for kindness in the behaviour of the manager, however sometimes force can also be used. Lazy personnel should be dealt with sternly to send the message that everyone is equal in the eyes of the management. In addition, the workers should be regarded as equal grounds of religion, language, caste, etc. This helps in building an amiable environment. For example: India-born CEO's such as Rajat Gupta who heads multinational like Mckinsey Inc.

(c) ***Espirit de Corps***- This principle recommends that employees should work in unity with each other. They should work as a team. In other words, team spirit should be promoted by the manager. Each employee

should have a sense of belongingness. This proves useful especially in large organisations where without team work, achievement of objectives would become difficult. Team spirit increases coordination and mutual understanding among the employees and thereby improves efficiency.

(d) **Order**-According to Fayol, “People and materials must be in suitable places at appropriate time for maximum efficiency.” The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’. Essentially it means orderliness. If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/ factory. This will lead to increased productivity and efficiency.

(e) **Centralisation and Decentralisation**- Centralisation refers to the consolidation of power and authority to one or only few hands. Here, the decision-making power gets reserved to the centre point of an organisation. On the other hand, decentralisation refers to the delegation of authority to more than one level. According to Fayol, the involvement of the employees with the higher authority should be balanced by decentralising the authority to the managers. For example, if the CEO of a company is responsible for decision making for the entire organisation then, this is centralisation of power. On the other hand, if the decision-making power is

delegated to managers at the middle and lower level then, this will be called decentralisation.

(f) **Initiative**- According to this principle, workers should be given enough motivation and incentive to work. They should be inspired to come up with suggestions for regarding the work. Although initiatives should be encouraged, but they should be in line with the practices and rules of the organisation. For example, the managers can ask the workers for their inputs over how to increase efficiency. Also, good suggestions can be rewarded.

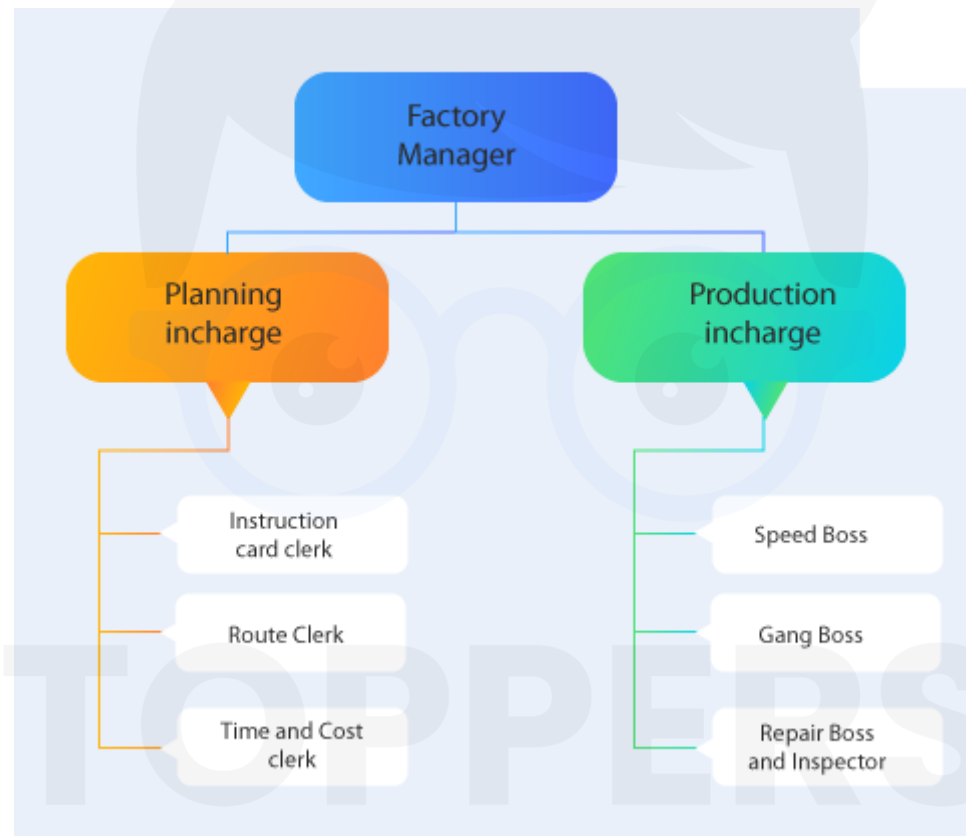
Question 3 : Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor.

Solution :

Functional Foremanship

A foreman refers to a person who is in charge of the operational level workers. Taylor suggested that to increase the efficiency, performance of the foreman should be improved. That is, Taylor focussed on the importance of the foreman in an organisation. Taylor observed and identified few qualities, such as intelligence, tact, judgement, etc., that a foreman should have. He found that no single person can have all the required qualities. Thus, he suggested that instead of a

single person, there should be eight persons through which the functions of a foreman should be accomplished. This technique was given the name Functional Foremanship. According to this, the planning and the production functions should be separated. That is, under the manager, there would be one planning incharge and one production incharge. Each incharge would have four personnel under him/her.



The following are the four persons that worked under the *planning incharge*.

i. *Instruction Card Clerk*- To give instructions to the workers.

- ii. *Route Clerk*- To show the route of production.
- iii. *Time and Cost Clerk*- To take care about the time and costs.
- iv. *Disciplinarian*- To ensure that discipline is being maintained.

The following are the four persons that worked under the *production incharge*.

- i. *Speed Boss*- To ensure timely completion of tasks
- ii. *Gang Boss*- To keep the machines and tools ready for the workers.
- iii. *Repair Boss*- To ensure proper working of the machines.
- iv. *Inspector*- To control the quality of work done.

Functional foremanship is an extension of the principle of division of work and specialisation to the shop floor. Each worker will have to take orders from these eight foremen in the related process or function of production. Foremen should have intelligence, education, tact, grit, judgment, special knowledge, manual dexterity, and energy, honesty and good health. Since all these qualities could not be found in a single person so Taylor proposed eight specialists. Each specialist is to be assigned work according to her/his qualities. For example, those with technical mastery, intelligence and grit may be given planning work. Those with energy and good health may be assigned execution work

Mental Revolution

Mental Revolution implies changing the attitude of the workers and the managers. Mental revolution aimed at improving the thinking of both, to create a better working environment. The workers and the manager should change their attitude and each one should realise others importance. Both should work towards the common goals of the organisation. Management should take care of the needs of the workers and share the benefits with them. On the other hand, workers should put in their best efforts. Thus, the concept of Mental Revolution enunciated on cooperation and mutual trust between the workers and the managers.

Question 4 : Discuss the following techniques of Scientific Work Study:

- (a) Time Study
- (b) Motion Study
- (c) Fatigue Study
- (d) Method Study
- (e) Simplification and standardisation of work.

Solution :

(a) ***Time Study***- In this technique Taylor emphasised on setting a standard time limit for completing any particular job. Time measuring devices are used for each element of task. The standard time is fixed for the whole of the task

by taking several readings. The method of time study will depend upon volume and frequency of the task, the cycle time of the operation and time measurement costs. The objective of time study is to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs. For example, if, on the basis of observations it is determined that one person can finish making 1 shirt in two hours then, in a working day of 8 hours, each worker should make 4 shirts.

(b) ***Motion Study***- As the name suggests, motion study refers to the study of motion (movements) involved while undertaking a task. This technique aims at removing the unwanted actions/motions so that the work can be completed in a lesser time. Taylor along with his associate Frank Gailberth observed the motions of a worker and categorised them as productive, incidental and unproductive. They demonstrated that by eliminating the unproductive movements productivity can be increased. For example, in brick layering they demonstrated that productivity increased by nearly 4 times by reducing the motions from 18 to 5.

(c) ***Fatigue Study***- This technique is regarding requirement of rest or break during the work. If a worker works continuously physical and mental fatigue sets. This reduces his/her efficiency. Thus, the worker requires rest or break. Fatigue study identifies the intervals required while completing a task. It suggests that

standard break timings should be decided for improving the working performance of workers.

(d) **Method Study**- This study aims at finding out the best method of completing any work. It takes into account each and every activity involved in the task. It helps in reducing the costs and maximising the satisfaction of the customers. Assembly line production, used by Ford Motors is a popular example of method study.

(e) **Simplification and Standardisation of Work**- Taylor holds up standardisation as the very basis of techniques of scientific management. Standardisation as the word suggests implies setting of milestones or benchmarks for any work or activity. Various other techniques by Taylor, such as method study, fatigue study and time study are also based on the concept of standardisation. The objectives of standardisation are:

- (i) To reduce a given line or product to fixed types, sizes and characteristics.
- (ii) To establish interchange ability of manufactured parts and products.
- (iii) To establish standards of excellence and quality in materials.
- (iv) To establish standards of performance of men and machines.

Simplification on the other hand means eliminating any unnecessary diversifications in the product. It aims at fuller utilisation of the resources, reducing inventories and

increasing the turnover. It helps in reducing the costs of labour and machines. This technique helps in optimum utilisation of resources and removes the unnecessary costs related to work.

Question 5 : Discuss the differences between the contributions of Taylor and Fayol.

Solution :

Basis of Difference	Taylor's Contributions	Fayol's Contributions
Contribution	Scientific Management or 'Taylorism' Theory was given by Taylor in 1911.	General Theory of Administration or 'Fayolism' was given by Fayol in 1916
Personality	Taylor was a mechanical engineer/scientist.	Fayol was a mining engineer/practitioner.
Principles and Techniques	Taylor introduced Principles of	Fayol introduced 14 Principles of Management such as Order,

	<p>Scientific Management and Functional Foremanship along with the techniques such as method study, motion study, etc.</p>	<p>Equity, Espirit de Corps, etc.</p>
<p>Application of Principles</p>	<p>Principles are applicable to specialized situations.</p>	<p>Principles are accepted everywhere and are universal in nature.</p>
<p>Perspective</p>	<p>Taylor's principles are based on improving the conditions of floor level workers first.</p>	<p>Fayol's principles are based on the functions of the higher-level managers.</p>
<p>Emphasis and Focus</p>	<p>Focus was on improving the overall</p>	<p>Focus was on increasing the productivity along with the worker's efficiency.</p>

	administration of an organisation.	
Title	Taylor is called 'Father of Scientific Management'	Fayol is called 'Father of General Management'

Question 6 : Discuss the relevance of Taylor and Fayol's contribution in the contemporary business environment.

Solution :

The principles of Taylor and Fayol play an important role in contemporary business environment. Taylor's scientific management principles and Fayol's administrative principles provide guidelines to the managers in taking actions and decisions. They help in explaining and predicting the business situations and thereby, guides the managerial behaviour. Although they cannot be used as it is but they prove as important guidelines in complex real business situations. Managers can use them in different situations to solve the recurring problems. Decisions taken on the basis of these principles are based on facts and logic and are thereby, more appropriate. They are developed over time by a continuous process of observations and experimentation.

Thus, they provide useful insight into the real business situations. These principles have universal applicability and are used by all organisations irrespective of the size, nature, region. Moreover, as these principles are based on the human behaviour so, they help in establishing a relationship between human and material resources in an organisation. The applicability of these principles helps in overall development of the organisation. These principles aim at increasing the overall efficiency in the organisation along with optimum utilisation of resources. They also highlighted the importance of cooperation among the employees and the managers while maintaining a harmonious work environment.

Question 7 : 'Bhasin' limited was engaged in the business of food processing and selling its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market for processed food was increasing. New players were also coming to cash in on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of the workers declined. Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products. This resulted in a lot of overlapping and

wastage. The workers were becoming indisciplined. The spirit of teamwork, which had characterized the company, previously was beginning to wane. Workers were feeling cheated and initiative was declining. The quality of the products was beginning to decline and market share was on the verge of decrease. Actually the company had implemented changes without creating the required infrastructure.

- a. Identify the Principles of Management (out of 14 given by Henry Fayol) that were being violated by the company.
- b. Explain these principles in brief.
- c. What steps should the company management take in relation to the above principles to restore the company to its past glory?

Solution :

1. The principles of management that are being violated in the given situation are as follows.

i. Quote 1: Sometimes the subordinates had to work for more than one superior resulting in declining efficiency.

Principle: Unity of command- This is evident from the situation that the employees are made to work for more than one superior.

ii. Quote 2: The divisions that were previously working on one product were also made to work on two or more products.

Principle: Division of work- In the given situation one

division is made to work on more than one product which leads to wastages.

iii. Quote 3: The workers were becoming undisciplined.

Principle: Discipline- In the given instance, principle of discipline is not being followed as workers were becoming undisciplined.

iv. Quote 4: The spirit of teamwork, which had characterised the company, previously was beginning to wane.

Principle: Espirit de corps- It is given that the spirit of team work is declining in the company.

v. Quote 5: Workers were feeling cheated and initiative was declining.

Principle: Initiative- It is given in the situation that initiative is declining and employees are discouraged.

2.

i. Unity of Command: According to this principle, an individual should be answerable to only one boss. If an employee receives orders from more than one superior, the employee will be confused about whose orders to follow, which will affect the work. It might also cause a clash of interests and egos among the superiors.

ii. Division of work: Division of work means that the given task is divided into small groups or units so that the task is completed in a competent manner. This principle

leads to specialisation in work.

iii. Discipline: Discipline means that the organisation should follow rules and regulations and ensure conformity to the set rules and policies. It is important for both the workers as well as the management that they honour their commitments.

iv. Espirit de corps: This principle recommends that employees should work in unity with each other. They should work as a team. In other words, team spirit should be promoted by the manager. Each employee should have a sense of belongingness. This proves useful especially in large organisations where without team work, achievement of objectives would become difficult. Team spirit increases coordination and mutual understanding among the employees and thereby improves efficiency.

v. Initiative: According to this principle, workers should be given enough motivation and incentive to work. They should be inspired to come up with suggestions regarding the work. Although initiatives should be encouraged, but they should be in line with the practices and rules of the organisation. For example, the managers can ask the workers for their inputs over how to increase efficiency. Also, good suggestions can be rewarded.

3. The steps that can be taken by the company with regard to above mentioned principles are as follows.

1. Scientific management must be followed.
2. It must be ensured that the subordinates get instruction from only one superior at a time so as to avoid any confusion and chaos.
3. There must be specialisation in work in the sense that each division specialises in one particular task. This is required to avoid overlapping in work.
4. Workers must be given proper incentives and motivation to work through such measures as differential piece wage system.
5. Team work with proper coordination and understanding must be promoted.

Question 8 : (Further information related to the above question 6) The management of company Bhasin Limited now realised its folly. In order to rectify the situation it appointed a management consultant -Mukti Consultants - to recommend a restructure plan to bring the company back on the rails. Mukti Consultants undertook a study of the production process at the plant of the company Bhasin Limited and recommended the following changes —

- The company should introduce scientific management with regard to production.
- Production Planning including routing, scheduling, dispatching and feedback should be implemented.
- In order to separate planning from operational management 'Functional foremanship' should be introduced.
- 'Work study' should be undertaken to optimise the use of resources.

- ‘Standardisation’ of all activities should be implemented to increase efficiency and accountability.
- To motivate the workers ‘Differential Piece Rate System’ should be implemented.

(The above changes should be introduced apart from the steps recommended as an answer to Part c - case problem 6 above.)

It was expected that the changes will bring about a radical transformation in the working of the company and it will regain its pristine glory.

- a. Do you think that introduction of scientific management as recommended by M consultants will result in intended outcome?
- b. What precautions should the company undertake to implement the changes?
- c. Give your answer with regard to each technique separately as enunciated in points 1 through 6 in the case problem.

Solution :

1. Yes, the scientific management techniques as suggested by ‘Mukti consultants’ would prove helpful for the organisation. With the implementation of scientific management techniques the company would be able to work according to standardised techniques and tools. This would help improve both the quantity as well as the quality of the product. At the same time it would also help in reducing the costs. In this way scientific management would help in improving the effectiveness as well as

efficiency in work.

2. The following precautions can be taken by the Bhasin Limited:

- i. Fresh trained and specialised staff can be recruited for certain specific areas. In addition the existing staff can also be given proper training.
- ii. Production should be planned properly and with utmost care.
- iii. In the introduction of functional foremanship care must be taken that there is enough incentive and motivation for the employees.
- iv. Besides work study, other studies such as method study, motion study, time study and fatigue study should be undertaken.
- v. Technique of standardisation can be used for different aspects of production.
- vi. Monetary incentives can be given to motivate the employees to work more and with better efficiency.