



# ST. LAWRENCE HIGH SCHOOL

A JESUIT CHRISTIAN MINORITY INSTITUTION



## Study Material No. 4

**Sub: Business Studies**

**Class XII**

**Date: 12.06.2020**

**Topic: Principles of Management**

**Chapter – 2**

### Techniques of Scientific Management

**1. Functional Foreman-ship:** Functional foreman-ship is a technique in which planning and execution are separated. There are eight types of specialized, professionals, four each under planning and execution who keep a watch on all workers to extract optimum performance.

#### **Planning Incharges:**

- 1. Route Clerk** to specify the exact sequence and route of production.
- 2. Instruction card clerk** is responsible for drafting instructions for the workers.
- 3. Time and cost clerk** to prepare time and cost sheet for the job.
- 4. Shop Disciplinarian** to ensure discipline and enforcement of rules and regulations among the workers.

#### **Production Incharges:**

- 1. Gang boss** is responsible for keeping tools and machines ready for operation.
- 2. Speed boss** is responsible for timely and accurate completion of job.
- 3. Repair boss** to ensure proper working conditions of tools and machines.
- 4. Inspector** to check quality of work.

**2. Standardization and Simplification of work:** Standardization refers to developing standards for every business activity whereas Simplification refers to eliminating superfluous varieties of product or service. It results in savings of cost of labour, machines and tools. It leads to fuller utilization of equipment and increase in turnover.

**3. Method Study:** The objective of method study is to find out one best way of doing the job to maximize efficiency in the use of materials, machinery, manpower and capital.

**(1)** Which technique of scientific management is being violated here?

(Hint: Functional Foreman ship.)

**(2)** Write one consequence of this violation.

**4. Motion Study:** It is the science of eliminating wastefulness resulting from using unnecessary, ill-directed and inefficient motions by workers and machines to identify best method of work.

**5 Time study:** It determines the standard time taken to perform a well-defined job. The objective of time study is to determine the number of workers to be employed, frame suitable incentive schemes & determine labour costs.

**6. Fatigue study:** Fatigue study seeks to determine time and frequency of rest intervals in completing a task. The rest interval will enable workers to regain their lost stamina thereby avoiding accidents, rejections and industrial sickness.

**7. Differential piece wage system:** This system links wages and productivity. The standard output per day is established and two piece rates are used: higher for those who achieve upto and more than standard output i.e. efficient workers and lower for inefficient and slow workers. Thus, efficient workers will be rewarded & inefficient will be motivated to improve their performance.

**For example:** Standard task is 10 units. Rates are: Rs 50 per unit for producing 10 units or more and Rs 40 per unit for producing less than 10 units

Worker A produces 11 Units; he gets Rs 550 (11 units x 50 per unit)

Worker B produces 09 units; he gets Rs 360 (9 units x 40 per unit)

This difference of Rs 190 will motivate B to perform better.

**8. Mental Revolution:** It involves a complete change in mental outlook and attitude of workers and management towards one another from competition to cooperation. The management should create pleasant working conditions & workers should work with devotion and loyalty. Instead of fighting over distribution of profits, they must focus attention on increasing it.