Institute of Health Management Research, Jaipur

PGDPM

(2014-2016)

Paper-Principles of Management

Time-3 Hour M.M-70

Note –Read the case carefully and answer the following questions.

Bharat Engineering Works Limited is major industrial machineries producer for pharmaceutical sector besides other engineering products. It has enjoyed market preference for its machineries required by pharma companies because of limited competition in the field. Usually there have been more orders than what the company could supply. However, the scenario changed quickly because of the entry of two new competitors in the field with foreign technological collaboration. For the first time, the company faced problem in marketing its products with usual profit margin. Sensing the likely problem, the chief executive appointed Mr Arvind Kumar as general manager to direct the operations of industrial machinery division. Mr Kumar had similar assignment abroad before coming back to India.

Mr Kumar had a discussion with the chief executive about the nature of the problem being faced by the company so that he could fix up his priority. The chief executive advised him to consult various heads of department to have first hand information. However, he emphasized that the company lacked an integrated planning system while members of the Board of Directors insisted on introducing this in several meetings both formally and informally.

After joining as General Manager, Mr Kumar got briefings from the heads of all departments. He asked all heads to identify major problems and issues concerning them. The marketing manager indicated that in order to achieve higher sales, he needed more sales support. Sales people had no central organization to provide sales support nor was there a generous budget for demonstration teams which could be sent to customers to win business.

The production manager complained about the old machines and equipments used in manufacturing. Therefore, cost of production was high but without corresponding quality. While competitors had better equipments and machinery, Bharat Engineering had neither replaced its age-old plant nor reconditioned it. Therefore to reduced the cost, it was essential to automate production lines by installing new equipment.

Director of research and development did not have specific problem and therefore, did not indicate for any change. However, a principal scientist in R&D indicated on one day that the director of R&D, though very nice in his approach, did not emphasize on short-term research projects, which could easily increase production efficiency by at least 20 per cent within a very short period without any major capital outlay.

Questions -

(a) Discuss the nature of management problems with respect to the functions of management in this case.(10)

(b) Design the steps of Strategic planning should be taken by Mr. Kumar to overcome these problems keeping in view environmental changes in mind?(15)

(c) What guidelines would you suggest Mr. Kumar to ensure effective organizing in marketing department? (10)

(d) Critically analyzed Kumar's role as a leader. Discuss the qualities of a good leader. Identify which leadership style Mr. Kumar should adopt in this situation?(15)

(e) Do you think the present situation in R&D department likely to affect the work motivation? As G.M. what would you recommend to improve work motivation and dyadic relationship? (10)

(f) Discuss the importance and steps of organization control in case of high production cost. (10)