

MADE BY
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CBSE CLASS 12
BUSINESS STUDIES
PREMIUM NOTES

CHAPTER 2
**Principles of
Management**

NCERT BASED | EXAM FOCUSED | EASY LANGUAGE

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Chapter Snapshot

A 60-second overview before you start.

#	Question	Answer
1	What is this chapter about?	The basic guidelines every manager should follow — given by F.W. Taylor (Scientific Management) and Henri Fayol (14 General Principles).
2	Why is this chapter important?	Heavy weightage every year (8-12 marks). Fayol's 14 principles is a CBSE favourite for 5/6-mark questions.
3	Where is it used in real life?	Every modern factory, office, hospital, school still uses these principles — knowingly or unknowingly.
4	Why do students find it tough?	14 Fayol principles look similar. Taylor's techniques have unfamiliar names. Many students confuse 'principles' with 'techniques'.
5	How should I study it?	Don't cram. Learn each principle with ONE example. Use the memory tricks given here. Practice case studies.
6	Expected exam relevance	Very high. Fayol's principles are tested almost every year. Taylor's techniques regularly appear in case studies.
7	Most important areas	Fayol's 14 Principles, Taylor's 4 Principles, Taylor's 8 Techniques, Taylor vs Fayol difference table.
8	Difficulty level	Medium-High. The volume is high but each concept is simple once understood.
9	Time to revise	First read — 2 hours. Second revision — 1 hour. Final revision — 30 minutes.
10	One-line summary	Taylor improved how WORKERS do work (shop floor); Fayol improved how MANAGERS run the whole organisation (top management).

Section 1 Big Picture of the Chapter

Imagine this...

Suppose you want to open your own **food delivery business** in Mehsana. You have 20 delivery boys, 5 cooks, 2 supervisors, and 1 manager.

On day 1, the chaos hits:

- Two cooks are making the same dish; one dish nobody is making.
- Three delivery boys are reporting to two different supervisors, getting confused.
- Workers don't know if they will get paid daily or monthly.
- Nobody knows who has authority to give a refund to an angry customer.
- Some delivery boys are working 14 hours; others are sitting idle.

Now imagine a wise manager walks in and gives you these rules:

- **'Divide the work properly — each cook gets one dish.'** (Principle: Division of Work)
- **'Each delivery boy reports to ONLY ONE supervisor.'** (Principle: Unity of Command)
- **'Fix a clear salary structure for everyone.'** (Principle: Remuneration)
- **'Give your supervisor authority equal to their responsibility.'** (Principle: Authority & Responsibility)
- **'Balance the workload — no one overworked, no one idle.'** (Principle: Order)

Your business will run smoothly. Welcome to the world of **Principles of Management** — guidelines built over 100 years ago by two great thinkers, **F.W. Taylor** and **Henri Fayol**, which still run every business today.

TEACHER TIP — SMIT SIR

Smit Sir's classroom hook: Bring this delivery business story alive on day one. Ask students — 'If you open a tea stall tomorrow with 5 workers, what RULES will you make?' Their answers will literally be Fayol's principles in their own words. They'll feel the chapter belongs to them.

Section 2 Learning Objectives

After studying this chapter, you will be able to:

1. Define principles of management in CBSE language.
2. Explain the seven features (nature) of principles of management.
3. List and explain the six points of significance of principles of management.
4. State and explain Taylor's 4 principles of scientific management.
5. Describe Taylor's 8 techniques of scientific management with examples.
6. List and explain Fayol's 14 principles of management with one example each.
7. Differentiate between Taylor's and Fayol's contributions.
8. Identify the relevant principle/technique from any case study.
9. Write structured 5-mark and 6-mark answers using the right keywords.
10. Apply these principles to real-life and student-life situations.

EXAM TIP

Exam mindset: CBSE doesn't expect you to memorise all 14 Fayol principles in alphabetical order. It expects you to recognise WHICH principle applies in WHICH situation. Master case-study identification — that's 60% of exam questions from this chapter.

Section 3 Chapter Map

One glance — the whole chapter at a structure-level.

Topic No.	Topic Name	What You'll Learn
1	Meaning of Principles of Management	Definition + 7 features
2	Nature of Principles of Management	How they were formed and why they are different from scientific laws
3	Significance of Principles	6 reasons why they matter
4	Taylor's Scientific Management	Background — who he was, what he did
5	Taylor's 4 Principles	Science not rule of thumb, Harmony, Cooperation, Development
6	Taylor's 8 Techniques	Functional foremanship, Standardisation, Method study, Motion study, Time study, Fatigue study, Differential piece wage, Mental revolution
7	Fayol's 14 Principles	Division of Work to Esprit De Corps — all 14 with examples
8	Taylor vs Fayol	Difference between the two thinkers

MEMORY TRICK

Anchor: Meaning → Nature → Significance → Taylor (4 principles + 8 techniques) → Fayol (14 principles) → Comparison.

Hindi short flow: "Pehle principles ka meaning, phir features, phir importance, phir TAYLOR (factory wala), phir FAYOL (office wala), phir dono ka difference."

Section 4 Key Terms Before Starting

Lock these 14 terms before reading further. They will appear in every section.

Term	Simple Meaning	One-line Example
Principle	A general guideline or rule of behaviour.	"Honesty is the best policy" is a principle of life.
Principles of Management	Guidelines for taking managerial decisions.	"There must be one boss for one worker" — unity of command.
Universal applicability	The principle applies everywhere with little change.	Discipline is needed in school, army and a software company.
Flexibility	The principle bends as per the situation.	A startup may centralise decisions; a large MNC must decentralise.
Contingent	The principle's application depends on the situation.	How much to pay depends on the industry, role and experience.
Behavioural	Deals with human behaviour at work.	Motivation, equity and team spirit are about how people behave.
Scientific Management	Using scientific methods to improve work and productivity.	Time-and-motion study to reduce wasted effort.
Rule of Thumb	Doing work based on old experience / guesswork, not science.	An old foreman saying 'always pack 50 boxes per hour' without measuring.
Functional Foremanship	Splitting one foreman's role into 8 specialists.	One foreman for planning, another for quality, another for speed, etc.
Standardisation	Fixing standards for materials, methods, time and cost.	All Maggi packets weigh exactly 70 g.
Differential Piece Wage	Higher pay for workers exceeding the standard output.	A worker who makes 100 units gets ₹500; one who makes 120 gets ₹720.
Mental Revolution	Workers and managers stop seeing each other as enemies.	Both sides realise they grow only when the business grows.
Authority	The right to give orders.	A manager has the authority to assign work.
Esprit De Corps	Team spirit — workers feel like a family.	Saying "we did it" instead of "I did it".

COMMON MISTAKE

Don't confuse: Principles (the general guidelines) ≠ Techniques (the actual methods to apply them). Taylor gave 4 principles AND 8 techniques. Fayol gave 14 principles only.

Section 5 Detailed Topic-wise Notes

Topic 1 Meaning of Principles of Management

A. Simple Meaning

Principles of management are **broad and general guidelines** that help managers take decisions and manage people in any organisation.

B. CBSE / NCERT Definition

DEFINITION

Principles of management are general guidelines for managerial decision-making and behaviour of managers in relation to the organisation.

They are **not rigid rules** like " $E = mc^2$ ". They are **flexible guidelines** that help managers, but the actual application depends on the situation.

C. Detailed Explanation

Three key words to remember:

11. **Guidelines** — not commands. A manager can adapt them as needed.
12. **Decision-making** — they help managers decide what to do in confusing situations.
13. **Behaviour** — they shape how a manager interacts with employees, customers and seniors.

D. Real-Life Example

EXAMPLE

Your parents may have a principle: "Always treat guests with respect." This is not a strict rule (you don't have to bow down) but a guideline that shapes behaviour. Principles of management work the same way.

E. Business Example

EXAMPLE

TATA Group has a principle: "The community is at the centre of everything we do." This guideline shapes every decision, from hiring policies to where to build factories.

F. Why This Topic Matters

If you do not understand WHAT a principle is, you cannot understand the rest of the chapter. CBSE often asks 1-mark and 2-mark direct definition questions.

G. Keywords for Exam

KEYWORDS FOR EXAM

Must-use: general guidelines, broad, decision-making, behaviour, flexible, not rigid, situational.

Topic 2 Nature (Features) of Principles of Management

These are the **7 features** that describe what principles of management really are. A common 4 or 6-mark question.

1. Universal Applicability

Simple meaning: Principles apply to all types of organisations — big or small, profit or non-profit, private or government.

Explanation: However, the **EXTENT** of their application may differ. The principle of discipline applies to a school, a hospital, and the army — but in different intensity.

EXAMPLE

The principle of 'unity of command' (one boss per worker) applies to Reliance, your school, and the Indian Railways — everywhere.

Keywords: universal, applicable everywhere, all organisations

2. General Guidelines

Simple meaning: Principles are general, not specific. They don't tell you exactly what to do; they only point the direction.

Explanation: For example, the principle 'discipline must be maintained' is general. **HOW** to maintain it (fines, warnings, suspension) depends on the situation.

EXAMPLE

A school principle is 'students must be punctual'. **HOW** to enforce it (gate closure, late fee, parent SMS) is left to the principal.

Keywords: general, broad, guidelines, not specific

3. Formed by Practice and Experimentation

Simple meaning: Principles are not made by guessing. They are formed by observing how managers worked, what succeeded, and what failed — over many years.

Explanation: Taylor spent years on shop floors doing time-and-motion studies. Fayol used his 50+ years of experience as a manager in a French coal mining company. Principles emerged from real experience, not from a book.

EXAMPLE

The principle 'remuneration should be fair' came from observing that underpaid workers leave or strike — verified across hundreds of factories.

Keywords: practice, experimentation, observation, experience

4. Flexible

Simple meaning: Principles can be bent or adjusted based on the situation. They are not rigid laws.

Explanation: If a startup has 10 people, the principle of 'centralisation' may apply — one boss takes all decisions. If a large MNC has 50,000 people, 'decentralisation' is better. The principle is flexible.

EXAMPLE

Centralisation may work for a single-shop bakery but not for Domino's with 1,000 outlets.

Keywords: flexible, can be modified, adjustable, not rigid

5. Mainly Behavioural

Simple meaning: Principles deal mainly with human behaviour at work — not with machines or materials.

Explanation: Topics like discipline, motivation, equity, fairness, team spirit are all about how PEOPLE behave. That is why management is also called a 'social science'.

EXAMPLE

The principle of 'equity' (fairness) is purely behavioural — it tells managers how to treat employees, not how to operate machines.

Keywords: behavioural, human, people, social, attitude

6. Cause and Effect Relationships

Simple meaning: Each principle tells what cause produces what effect — like a recipe.

Explanation: If you apply the principle (cause), a certain outcome (effect) will follow. For example, if workers are paid fairly (cause), they will be motivated and stay (effect).

EXAMPLE

Apply 'division of work' (cause) → workers become specialists, productivity rises (effect).

Keywords: cause and effect, if-then, consequence, outcome

7. Contingent

Simple meaning: The application of a principle depends on the situation (context). Same principle, different action in different cases.

Explanation: The amount of pay (remuneration) should be 'fair' — but what is 'fair' in Mehsana is different from Mumbai or Dubai. The principle is the same; the application is contingent on the place.

EXAMPLE

Centralisation may suit a 10-person startup; decentralisation suits a 10,000-person company. The principle applies, but how it applies depends on the situation.

Keywords: contingent, situational, context-dependent, depends on

MEMORY TRICK

Memory trick — "U-G-P-F-B-C-C":

U — Universal applicability

G — General guidelines

P — Practice and experimentation

F — Flexible

B — Behavioural

C — Cause and effect

C — Contingent

Story: "Universal Guidelines, Practically Flexible, Behaviour-based, Cause-effect, Contingent" — U-G-P-F-B-C-C.

Topic 3 Significance (Importance) of Principles of Management

Six reasons **why principles of management are important**. Very common 5-mark or 6-mark question.

1. Provides managers with useful insights into reality

Explanation: Principles tell managers what generally works and what doesn't. This saves them from learning everything by trial and error. They can take better decisions faster.

EXAMPLE

A new manager joining a factory doesn't need 10 years of trial. By applying 'unity of command', he avoids confusion from day one.

2. Optimum utilisation of resources and effective administration

Explanation: Principles like 'division of work' and 'order' help in best use of men, money, machines and materials. Less waste, better output.

EXAMPLE

By applying 'division of work', a clothing factory assigns cutting, stitching, packing, and dispatch to different teams — output rises 30%.

3. Scientific decisions

Explanation: Decisions taken based on principles are logical, structured, and free from personal bias. Not emotional, not random.

EXAMPLE

Promoting an employee based on 'merit' (a principle) instead of 'favouritism' makes the decision scientific and fair.

4. Meeting changing environment requirements

Explanation: Since principles are flexible, managers can adapt them to changing technology, laws, customers and competition.

EXAMPLE

When work-from-home rose during the pandemic, the principle of 'unity of command' was still applied — just over Zoom instead of in-person.

5. Fulfilling social responsibility

Explanation: Principles like 'equity', 'fair remuneration' and 'stability of personnel' force managers to think about workers and society — not just profit.

EXAMPLE

Paying minimum wages, providing safe working conditions, treating women workers fairly — all derived from these principles.

6. Management training, education and research

Explanation: Since principles are well-documented, they form the basis of MBA, BBA and B.Com courses. New managers are trained on them, and researchers keep refining them.

EXAMPLE

Every IIM and B-school in India teaches Fayol's 14 principles in the first semester.

MEMORY TRICK

Memory trick — "I-O-S-C-S-T":

- I — Insights to managers
- O — Optimum utilisation of resources
- S — Scientific decisions
- C — Changing environment
- S — Social responsibility
- T — Training and education

Recall phrase: "Insightful Optimum Scientific managers Change with Society & Training".

Topic 4 F.W. Taylor — Background

Frederick Winslow Taylor (1856–1915) was an American engineer who is called the '**Father of Scientific Management**'. He worked in a steel company in USA where he saw workers wasting time, not using proper methods, and managers using 'rule of thumb'.

He believed there is '**one best way**' to do every job, and that science (not guesswork) should decide it. His book '**The Principles of Scientific Management**' (1911) became the foundation of modern factory management.

DEFINITION

Scientific Management: the use of scientific methods to determine the most efficient way to do every job in the workplace.

In Taylor's own words: "Scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way."

TEACHER TIP — SMIT SIR

Classroom hook: Walk into class, write 'Rule of Thumb' on the board. Ask: "How does your mother know exactly how much salt to put in dal?" Most students will say 'by experience' or 'andaaza'. THAT is rule of thumb. Now ask: "What if a 5-star hotel chef used andaaza for 1,000 customers a day?" The answer — scientific management.

Topic 5 Taylor's 4 Principles of Scientific Management

These four principles changed how factories work. CBSE almost always asks one direct question on these.

1. Science, not Rule of Thumb

Simple meaning: Stop doing work based on guesswork or experience. Use scientific methods to find the ONE BEST way.

Explanation: Earlier, every foreman had his own way of doing things, based on his personal experience ('rule of thumb'). Taylor said this is wasteful — only ONE method is the best, and it should be found by scientific study of the work.

EXAMPLE

Instead of letting each worker decide how to lift a bag of cement, study how the strongest, fastest worker does it, fix that as the standard, and train everyone in that one method.

Exam line: *Taylor argued that managers should replace traditional 'rule of thumb' methods with scientifically tested methods to find the 'one best way' of doing every task.*

Keywords: one best way, scientific method, replace rule of thumb

2. Harmony, not Discord

Simple meaning: Workers and managers should work in harmony, not as enemies.

Explanation: Earlier, managers thought workers are lazy and workers thought managers are exploiters — constant fighting (discord). Taylor said both should realise they need each other and share the gains of higher productivity.

EXAMPLE

Toyota Japan is famous for harmony — workers and managers eat in the same canteen, share suggestions daily, and split bonuses fairly. Result: 70+ years of growth.

Exam line: *Taylor emphasised creating harmony between workers and management through fair sharing of gains, open communication, and mutual respect — replacing the old enemy-relationship.*

Keywords: harmony, cooperation, mental revolution, mutual gain

3. Cooperation, not Individualism

Simple meaning: Workers and managers must cooperate with each other, not work in isolation.

Explanation: Each worker pursuing only his own gain (individualism) hurts everyone.

Cooperation means sharing knowledge, listening to suggestions, and working as a team toward the company's goal.

EXAMPLE

Workers suggest a better way to arrange tools to save 10 minutes per shift. Managers happily accept it. Both gain — workers earn more, company saves cost. That is cooperation.

Exam line: *Taylor stressed full cooperation between management and workers — sharing of ideas, joint problem-solving, and shared rewards instead of working in conflict.*

Keywords: cooperation, teamwork, joint effort, no conflict

4. Development of Each and Every Person to His/Her Greatest Efficiency and Prosperity

Simple meaning: Every worker should be trained and developed to reach their full potential.

Explanation: Don't just use workers — develop them. Train them in the right method, place them in the right job (the one they are best suited for), and reward their growth. This makes them more efficient AND more prosperous.

EXAMPLE

Infosys trains every fresher for 6 months at its Mysore campus before assigning a real project. Result: better-trained employees AND higher productivity.

Exam line: *Taylor stressed that every worker should be scientifically selected, trained, and developed to perform tasks they are best suited for — leading to maximum efficiency and prosperity for both worker and organisation.*

Keywords: development, training, selection, prosperity, efficiency

MEMORY TRICK

Memory trick — "S-H-C-D":

S — Science, not rule of thumb

H — Harmony, not discord

C — Cooperation, not individualism

D — Development of every person

Sentence: "Science Helps Cooperative Development."

Topic 6 Taylor's 8 Techniques of Scientific Management

Principles tell us **WHAT to do**. Techniques tell us **HOW to do it**. Taylor gave 8 techniques to actually apply scientific management on the shop floor.

1. Functional Foremanship

Simple meaning: Split the work of one foreman into 8 specialist foremen — each handling one function.

Explanation: Earlier, one foreman had to handle planning, quality, speed, repairs — too much for one person. Taylor proposed 8 specialist foremen: 4 in the planning office (Route Clerk, Instruction Card Clerk, Time & Cost Clerk, Disciplinarian) and 4 on the shop floor (Speed Boss, Gang Boss, Repair Boss, Inspector).

- Planning Office Bosses (4): Route Clerk, Instruction Card Clerk, Time & Cost Clerk, Disciplinarian.
- Shop Floor Bosses (4): Speed Boss, Gang Boss, Repair Boss, Inspector.

EXAMPLE

Imagine your school exam process. Instead of one teacher doing question paper, invigilation, evaluation, and result — split into 4 specialists. Same idea.

Keywords: specialisation, 8 specialist foremen, planning office, shop floor

2. Standardisation and Simplification of Work

Simple meaning: Standardisation = fixing standards for quality, weight, size, time.

Simplification = removing unnecessary varieties.

Explanation: Standardisation means deciding: every bottle of Pepsi will be 250ml, every Maggi packet 70g. Simplification means removing rarely-sold variants to focus on best-sellers.

EXAMPLE

McDonald's standardises the size, taste, and time-to-serve of every burger across 100+ countries. Coca-Cola simplified its product line to a few core variants instead of 50.

Keywords: standard, uniform, quality, time, cost, simplification, variety reduction

3. Method Study

Simple meaning: Finding the ONE BEST METHOD to do each job — the most efficient sequence of activities.

Explanation: Method study examines how each job is being done now and looks for ways to do it better. Aim: minimum cost, minimum effort, minimum time.

EXAMPLE

A pizza shop studies how the chef makes a pizza, and discovers that placing toppings before sauce saves 8 seconds per pizza → 8×200 pizzas = ~26 min/day saved.

Keywords: best method, sequence of activities, efficient way

4. Motion Study

Simple meaning: Study every body movement of the worker to remove unnecessary motions.

Explanation: Watch how a worker uses his hands, eyes, body to do a job. Remove all wasted motions — bending, twisting, walking back and forth — so that work is faster and less tiring.

EXAMPLE

A factory video-recorded its workers and found they were walking 4 km a day just to get tools. After rearranging tools nearby, the walking dropped to 1 km — same output, 75% less fatigue.

Keywords: body movements, eliminate waste, productive motions

5. Time Study

Simple meaning: Determine the standard time needed for a worker to do a particular job.

Explanation: Use a stopwatch to measure how long the work takes when done in the best method by a trained worker. This becomes the standard time. Pay and bonuses are based on it.

EXAMPLE

If standard time to assemble a bicycle is 30 minutes, a worker doing it in 25 minutes deserves a bonus; one taking 45 minutes needs more training.

Keywords: standard time, stopwatch, target time, productivity measurement

6. Fatigue Study

Simple meaning: Find out the duration and frequency of rest intervals to keep workers from getting tired.

Explanation: If a worker works 8 hours non-stop, fatigue sets in and output drops. Fatigue study finds the right rest pattern (say, 10-min break every 2 hours) that keeps energy high without losing time.

EXAMPLE

Call-centre employees get a 5-min break every hour and a longer break every 3 hours. This was discovered by fatigue study — calls handled actually rose by 18%.

Keywords: rest, breaks, fatigue, freshness, recovery

7. Differential Piece Wage System

Simple meaning: Two wage rates: a HIGHER rate for workers exceeding standard output, a LOWER rate for those below.

Explanation: This system rewards efficient workers and signals to slow workers to either improve or move on. It's a motivation tool — most workers will push themselves to qualify for the higher rate.

EXAMPLE

Standard output = 100 units. Worker A makes 120 units → ₹6 per unit = ₹720. Worker B makes 80 units → ₹4 per unit = ₹320. Big difference motivates B to improve.

Keywords: two rates, higher rate, lower rate, standard output, incentive

8. Mental Revolution

Simple meaning: A complete change in mindset — both workers and managers must see each other as PARTNERS, not enemies.

Explanation: This is the most important technique. Without a mental shift, no other technique will work. Workers must trust managers; managers must trust workers. Both must focus on growing the cake, not fighting over the slices.

EXAMPLE

Toyota's success story — workers and managers brainstorm together daily (called 'Kaizen'). Both believe their fortunes are linked. This mindset took decades to build.

Keywords: change of mindset, attitude, partnership, mutual trust, no conflict

MEMORY TRICK

Memory trick for 8 techniques — "F-S-Me-Mo-T-Fa-D-Men":

F — Functional foremanship

S — Standardisation & simplification

Me — Method study

Mo — Motion study

T — Time study

Fa — Fatigue study

D — Differential piece wage

Men — Mental revolution

Sentence: "Foreman Standardised Methods, Motion, Time, Fatigue, Diff-wage, Mentally."

Topic 7 Henri Fayol — Background & His 14 Principles

Henri Fayol (1841–1925) was a French mining engineer and the '**Father of General Management**'. He worked for 30+ years as the Managing Director of a coal-mining company in France. Where Taylor focused on the **shop floor** (workers and methods), Fayol focused on the **entire organisation** — how top managers should think.

His book '**General and Industrial Management**' (1916) gave the world its first systematic set of 14 management principles that apply to ALL organisations.

1. Division of Work

Simple meaning: Divide the total work into small specialised tasks given to different people.

Explanation: When each worker specialises in one task, they become expert at it. Their speed, accuracy, and output rise.

EXAMPLE

In a hospital, one doctor does surgery, another does X-rays, another consults patients. Each becomes a specialist.

Keywords: specialisation, expertise, efficiency

2. Authority and Responsibility

Simple meaning: A manager must have **AUTHORITY** equal to his **RESPONSIBILITY**.

Explanation: If you make someone responsible for completing a project but don't give them the power (authority) to take decisions, they cannot succeed. The two must always balance.

EXAMPLE

Smit Sir gives a team leader the responsibility to run a batch — but also the authority to set timetable, change teachers, and decide tests.

Keywords: authority = responsibility, parity, balance, accountability

3. Discipline

Simple meaning: Obedience, respect for rules, and proper behaviour are essential at every level.

Explanation: Discipline keeps the organisation orderly. It requires three things: good superiors, clear rules, and fair penalties. Without discipline, no business survives.

EXAMPLE

A coaching class with no fixed timing, no rules, no penalty for absent teachers will collapse in 6 months — no matter how good its teaching.

Keywords: obedience, respect for rules, orderly behaviour, fair penalties

4. Unity of Command

Simple meaning: One worker should receive orders from ONLY ONE boss.

Explanation: If a worker gets orders from two bosses, he is confused — whom to obey? Result: stress, conflict, mistakes. One worker = one boss = clarity.

EXAMPLE

If both the Principal and the Vice-Principal give different instructions to a teacher on the same day, the teacher will be torn. Unity of command means one of them is in charge — not both.

Keywords: one boss, single command, no confusion, clear chain

5. Unity of Direction

Simple meaning: All activities having the SAME objective should have ONE plan and ONE head.

Explanation: If a company has 5 marketing campaigns running for the same product but each with a different head and different plan — total chaos. One goal must have one head and one plan.

EXAMPLE

Reliance Jio's launch had ONE plan and ONE head (Mukesh Ambani) directing the entire 4G rollout — that's why it worked in 6 months.

Keywords: one head, one plan, one direction, common objective

6. Subordination of Individual Interest to General Interest

Simple meaning: The interest of the organisation should come above the interest of any individual.

Explanation: An employee's personal goal (more salary, more leave) is fine, but it cannot override the company's goal. If they clash, the company's goal wins.

EXAMPLE

If Smit Sir wants to take a 1-month holiday during board exam time, his personal interest (rest) is clashing with the company's interest (students need him). Students come first.

Keywords: common interest first, organisation > self, sacrifice

7. Remuneration of Employees

Simple meaning: Wages and salaries should be fair and satisfactory to both workers and the employer.

Explanation: If pay is too low, workers leave. If too high, the business loses profit. The right balance is fair pay + suitable bonuses + good working conditions.

EXAMPLE

A teacher paid ₹8,000/month in a Tier-2 city is reasonable; in Mumbai it would be unfair. Fairness depends on cost of living, role, and skill.

Keywords: fair pay, just remuneration, satisfaction, bonus

8. Centralisation and Decentralisation

Simple meaning: There should be a proper BALANCE between centralisation (power at the top) and decentralisation (power spread down).

Explanation: Too much centralisation = top boss is overloaded, decisions are slow. Too much decentralisation = no control. The right balance depends on size, urgency and the people available.

EXAMPLE

A 2-shop bakery may centralise (owner decides everything). A 200-store chain like Café Coffee Day must decentralise (each store manager decides daily operations).

Keywords: balance, centralisation, decentralisation, decision-making authority

9. Scalar Chain

Simple meaning: There must be a clear LINE OF AUTHORITY from the top boss to the lowest worker, like a ladder.

Explanation: Communication should flow along this chain. But in emergencies, two workers at the same level may communicate directly (called 'Gang Plank') to save time.

Note: *Gang Plank: in emergencies, direct horizontal communication is allowed between same-level employees to save time.*

EXAMPLE

In a school: Chairman → Principal → VP → HOD → Class Teacher → Student. That is the scalar chain. Two HODs of different streams can talk directly (gang plank) for a joint event without going up to the Chairman.

Keywords: scalar chain, hierarchy, line of authority, gang plank, ladder

10. Order

Simple meaning: There should be a PROPER PLACE for every person and every thing — and they should be in that place.

Explanation: Material order = right material at the right place. Social order = right person at the right job. Without order, you waste time searching for things and people.

EXAMPLE

Smit Sir's classroom has every book in its shelf and every student in their fixed seat. Result: nobody wastes time looking for material; everyone knows where to be.

Keywords: right place, material order, social order, system, arrangement

11. Equity

Simple meaning: Managers should be FAIR and IMPARTIAL while dealing with subordinates.

Explanation: Equity means equal treatment regardless of caste, religion, gender, language. No favouritism. This builds trust and loyalty.

EXAMPLE

If Smit Sir treats his Hindu and Muslim students exactly the same — same attention, same feedback, same opportunity — that is equity.

Keywords: fairness, justice, equal treatment, impartial, no favouritism

12. Stability of Personnel

Simple meaning: Employees should be given enough time to settle into their job and prove themselves. Frequent transfers / firings are harmful.

Explanation: Recruitment and training is expensive. If a person leaves in 6 months, the investment is lost. Stable employees are more productive, more loyal, and more skilled over time.

EXAMPLE

TCS retains employees for 10–20 years on average; that's why its delivery is reliable. A coaching class where teachers change every 3 months will lose student trust.

Keywords: stability, retention, low turnover, security, long-term

13. Initiative

Simple meaning: Employees should be encouraged to think and act on their own — not just follow orders.

Explanation: When workers are given freedom to suggest ideas, solve problems, and take small decisions, they feel ownership. They become creative and committed.

EXAMPLE

Google gives engineers '20% time' to work on their own ideas. Gmail and AdSense came from this initiative.

Keywords: initiative, suggestions, freedom, creativity, ownership

14. Esprit De Corps

Simple meaning: Management should build TEAM SPIRIT — a feeling of unity and brotherhood among employees.

Explanation: When workers feel like a family, they help each other, share information, and stay loyal. The phrase comes from French — 'esprit de corps' = 'spirit of the body (team)'.

EXAMPLE

TATA group employees often say "I work for TATA" with pride. That pride is esprit de corps — built over 100+ years of fair treatment.

Keywords: team spirit, unity, brotherhood, harmony, pride, we-feeling

MEMORY TRICK

Memory trick for all 14 Fayol Principles — "DAD-UUS-RCC-SOE-SIE":

1. **D** — Division of Work
2. **A** — Authority & Responsibility
3. **D** — Discipline
4. **U** — Unity of Command
5. **U** — Unity of Direction
6. **S** — Subordination of Individual Interest
7. **R** — Remuneration
8. **C** — Centralisation & Decentralisation
9. **S** — Scalar Chain
10. **O** — Order

- 11. **E** — Equity
- 12. **S** — Stability of Personnel
- 13. **I** — Initiative
- 14. **E** — Esprit De Corps

Easy story trick: "Divide Authority. Discipline Unity. United Subordinate Receives Centralised Scalar Order. Equity Stabilises Initiative Esprit." Read 3-4 times — it sticks.

Section 7 Difference Tables

7.1 Taylor vs Fayol — Most Important Comparison

This is the **most asked 4-5-mark question** from this chapter. Memorise this table.

Basis	Taylor	Fayol
Perspective	Bottom-up — focused on the shop floor and workers.	Top-down — focused on top management and the whole organisation.
Unity of Command	Did NOT follow — proposed 8 specialist foremen (multiple bosses).	Strictly followed — only ONE boss per worker.
Applicability	Mainly factories and manufacturing.	Applicable to all organisations (not just factories).
Basis	Observation and experimentation (scientific study).	Personal experience as a top manager.
Focus	Improving productivity through better work methods.	Improving overall administration of the organisation.
Personality	Scientist / Engineer.	Practitioner / Top Manager.
Expression	Called his work 'Scientific Management'.	Called his work 'General Theory of Administration'.
Father of	Scientific Management.	General Management.
Major book	"The Principles of Scientific Management" (1911).	"General and Industrial Management" (1916).

7.2 Principles vs Techniques

Basis	Principles	Techniques
Meaning	Broad guidelines for managerial behaviour.	Specific methods to apply the principles.
Nature	General, abstract.	Specific, concrete.
Example	"Unity of command".	"Differential piece wage system".
Number (Taylor)	4	8
Number (Fayol)	14	Did not give techniques

Section 9 All Memory Tricks at One Place

Topic	Trick	Expansion
7 Features of Principles	U-G-P-F-B-C-C	Universal, General, Practice, Flexible, Behavioural, Cause-effect, Contingent
6 Significance	I-O-S-C-S-T	Insights, Optimum use, Scientific, Changing env., Social resp., Training
Taylor's 4 Principles	S-H-C-D	Science, Harmony, Cooperation, Development
Taylor's 8 Techniques	F-S-Me-Mo-T-Fa-D-Men	Functional foremanship, Standardisation, Method study, Motion study, Time study, Fatigue study, Differential wage, Mental revolution
Fayol's 14 Principles	D-A-D-U-U-S-R-C-S-O-E-S-I-E	Division, Authority, Discipline, Unity-cmd, Unity-dir, Subordination, Remun., Centralisation, Scalar, Order, Equity, Stability, Initiative, Esprit
Functional Foremen (Plan Off)	R-I-T-D	Route, Instruction, Time-Cost, Disciplinarian
Functional Foremen (Shop)	S-G-R-I	Speed, Gang, Repair, Inspector

Section 10 Case Study Practice

Case Study 1 — Easy

CASE STUDY

Case: In 'Sweet Treats Bakery', the owner Mr. Pradeep has hired 12 workers. Each worker is told to do everything — kneading, baking, packaging, cleaning, billing. Output is low and workers are tired. A consultant suggests dividing the work so that each worker does one specific task.

Q: (a) Identify the principle suggested by the consultant. (b) State any two benefits of this principle.

Concept: Division of Work (Fayol's Principle 1).

Answer: (a) The principle is 'Division of Work'. By dividing the total work into smaller specialised tasks and giving each task to a different worker, productivity increases.

(b) Two benefits: (i) Workers become specialists at their task, so speed and accuracy rise. (ii) Less fatigue because each worker repeats one focused task instead of jumping between many.

Keywords: specialisation, expertise, efficiency, focused task.

Mistake to avoid: Don't write 'Functional Foremanship' — that splits managers, not workers. This case is workers, so it's Division of Work.

Case Study 2 — Moderate

CASE STUDY

Case: Anjali joined XYZ Ltd. as an HR executive. On the first day, the General Manager told her to prepare a report. An hour later, the Senior Manager gave her a different urgent task. Then the Director called and gave her a third assignment. Anjali was confused — whom to obey? She made mistakes on all three.

Q: (a) Identify the principle that has been violated. (b) Explain its meaning and significance.

Concept: Unity of Command (Fayol's Principle 4).

Answer: (a) The violated principle is 'Unity of Command'.

(b) **Meaning:** Every employee should receive orders from only ONE superior.

Significance: Anjali got conflicting orders from three superiors, which created confusion, stress, and poor performance. If she had only one reporting manager (Unity of Command), the work would have been clear and well-executed.

Keywords: one boss, single source of command, confusion, conflict, clarity.

Mistake to avoid: Many students write 'Unity of Direction' — wrong. Unity of Direction = one head per goal. Unity of Command = one boss per worker. Remember: Command ↔ Worker; Direction ↔ Goal.

Case Study 3 — Difficult

CASE STUDY

Case: In 'BrightSteel Ltd.', the owner discovered that each foreman in the factory has his own way of judging output, his own way of setting prices, and his own salary system. There is no scientific study of HOW work should be done or HOW MUCH it should take. Workers are paid the same regardless of effort. Some workers do twice the work but earn the same as those who do half. Productivity is falling and good workers are leaving.

Q: (a) Identify TWO Taylor principles being violated. (b) Suggest THREE techniques to fix the situation.

Concepts: Taylor's principles + Taylor's techniques.

Answer: (a) Principles violated: (i) '**Science, not Rule of Thumb**' — work is being done on guesswork, not scientific study. (ii) '**Development of Each and Every Person**' — good workers leaving means there is no system to develop and reward them.

(b) Techniques to fix: (i) **Time Study** — measure standard time using a stopwatch so output expectations are clear. (ii) **Differential Piece Wage System** — pay higher rate to those exceeding standard output, lower rate to those below — this rewards effort and stops good workers from leaving. (iii) **Standardisation** — fix uniform standards for quality, time, pay across the factory so each foreman doesn't follow his own rule.

Keywords: scientific method, time study, standardisation, differential piece wage, motivation.

Mistake to avoid: Students often write 'Equity' or 'Remuneration' here. These are Fayol principles. The case says 'each foreman has his own way' — that screams Taylor's scientific approach, not Fayol's general administration.

Case Study 4 — HOTS

CASE STUDY

Case: In 'TechNova', the CEO has kept all the decision-making power with himself. Even small decisions — like buying ₹500 of stationery or approving leave for one day — must come to him. The middle-level managers are frustrated. Decisions are delayed. Junior employees never get the chance to think for themselves. Innovation has dropped.

Q: (a) Identify the principle that is being violated. (b) Suggest the principle that should be applied. (c) Explain its meaning.

Concept: Centralisation vs Decentralisation + Initiative.

Answer: (a) The principle being misapplied is '**Centralisation and Decentralisation**' — the CEO has chosen extreme centralisation, which doesn't suit a large company. Also, the principle of '**Initiative**' is violated — juniors get no chance to think independently.

(b) The CEO must apply **balanced decentralisation** — keep big decisions (strategy, large investments) at the top, and delegate smaller routine decisions to middle and lower managers.

(c) **Meaning of Centralisation–Decentralisation:** Fayol said there must be a proper **BALANCE** between centralising authority at the top and spreading it down. Pure centralisation overloads the boss; pure decentralisation kills control. The right balance depends on the size of the firm, the urgency of decisions, and the trust in subordinates. In TechNova's case, decentralisation will speed up decisions, free the CEO for big-picture work, and revive employee initiative.

Keywords: balance, centralisation, decentralisation, delegation, initiative, freedom.

Section 11 Exam-Oriented Questions & Answers

A. One-mark Questions

Q1. Who is called the 'Father of Scientific Management'?

Ans. F.W. Taylor (Frederick Winslow Taylor).

Q2. Who is called the 'Father of General Management'?

Ans. Henri Fayol.

Q3. Name the principle that says 'every worker should have only one boss'.

Ans. Unity of Command.

Q4. Name the technique used to find the standard time to do a job.

Ans. Time Study.

Q5. What is 'Gang Plank'?

Ans. Direct horizontal communication between same-level employees in an emergency, allowed under the Scalar Chain principle.

Q6. Which principle deals with fair treatment of employees?

Ans. Equity.

Q7. State the meaning of 'Mental Revolution'.

Ans. A complete change of mindset of both workers and managers — seeing each other as partners, not enemies.

Q8. Which book did Henri Fayol write?

Ans. 'General and Industrial Management' (1916).

Q9. How many techniques did Taylor give?

Ans. Eight (8).

Q10. What does 'Esprit De Corps' mean?

Ans. Team spirit / unity / brotherhood among employees.

B. Three-mark Questions

Q1. Explain 'Science, not Rule of Thumb' as a principle of scientific management.

Ans. Earlier, every foreman used his own method (rule of thumb) based on personal experience and guesswork. Different foremen would do the same job differently — inconsistent output and waste.

Ans. Taylor said this should be replaced with a SCIENTIFIC METHOD. There is one BEST WAY to do every job. This should be found by scientific study and made the standard for everyone.

Ans. Example: Instead of letting each worker decide how to lift a heavy bag, study the fastest, safest method and train everyone in that one method.

Q2. Explain 'Unity of Direction' with an example.

Ans. All activities having the SAME OBJECTIVE should be guided by ONE PLAN and ONE HEAD.

Ans. It prevents overlap, conflict, and duplication of work. Everyone working toward the same goal moves in one direction.

Ans. Example: If 'launch a new product' is one objective, all marketing campaigns and sales drives must be under ONE Marketing Head with ONE plan — not 3 different heads with 3 different plans.

Q3. What is 'Differential Piece Wage System'? Explain with an example.

Ans. It is Taylor's technique of paying two different wage rates: a HIGHER rate to workers who meet or exceed the standard output, and a LOWER rate to those below the standard.

Ans. Aim: motivate efficient workers and signal slow workers to improve.

Ans. Example: Standard = 100 units. Worker A produces 120 units at ₹6/unit = ₹720. Worker B produces 80 units at ₹4/unit = ₹320. The big gap pushes B to improve.

C. Four & Five-mark Questions

Q1. Explain any four principles of management given by Fayol.

Ans.

(i) **Division of Work** — Total work should be divided into small specialised tasks. Each worker becomes an expert at his task, leading to higher productivity.

(ii) **Unity of Command** — Each employee should receive orders from only one superior. This prevents confusion and conflict.

(iii) **Discipline** — Obedience, respect for rules, and proper behaviour are essential at every level. Without discipline, an organisation cannot survive.

(iv) **Equity** — Managers should treat all employees fairly and without bias — no favouritism based on caste, religion, gender or background.

Q2. Explain any four techniques of scientific management.

Ans.

- (i) **Method Study** — Finding the one best method to do each job through careful study and analysis.
- (ii) **Motion Study** — Studying the body movements of a worker to remove unnecessary motions and reduce fatigue.
- (iii) **Time Study** — Determining the standard time required to do a job using a stopwatch and a trained worker.
- (iv) **Mental Revolution** — A complete change of mindset where workers and managers stop seeing each other as enemies and start working as partners.

D. Six-mark Questions

Q. Differentiate between Taylor's and Fayol's contributions to management.

Ans. Both Taylor and Fayol made foundational contributions, but their approaches differed significantly:

1. **Perspective:** Taylor approached management from the bottom (shop floor and workers), while Fayol approached it from the top (management and administration).
2. **Unity of Command:** Taylor did not follow it — his Functional Foremanship gave each worker 8 specialist bosses. Fayol strictly followed it — one boss per worker.
3. **Applicability:** Taylor's ideas mainly suit manufacturing and factories. Fayol's principles apply to ALL organisations — factories, banks, hospitals, schools.
4. **Basis:** Taylor's work was based on scientific observation and experimentation. Fayol's came from 30+ years of personal experience as a top manager.
5. **Focus:** Taylor focused on improving productivity at the worker level. Fayol focused on improving overall administration and management of the organisation.
6. **Personality and Title:** Taylor was a scientist-engineer, called the 'Father of Scientific Management'. Fayol was a practitioner-manager, called the 'Father of General Management'.

Conclusion: Both approaches are complementary — Taylor's techniques improve work; Fayol's principles improve administration. A complete manager applies both.

E. MCQs

Q1. The 'Father of Scientific Management' is —

- (a) Henri Fayol
- (b) F.W. Taylor
- (c) Peter Drucker
- (d) Elton Mayo

Ans. (b) F.W. Taylor

Q2. Which principle of Fayol says one worker should have only one boss?

- (a) Unity of Direction
- (b) Unity of Command
- (c) Scalar Chain
- (d) Discipline

Ans. (b) Unity of Command

Q3. 'Gang Plank' is associated with which principle?

- (a) Order
- (b) Scalar Chain
- (c) Equity
- (d) Stability

Ans. (b) Scalar Chain

Q4. 'Mental Revolution' is a technique given by —

- (a) Fayol
- (b) Drucker
- (c) Taylor
- (d) Mayo

Ans. (c) Taylor

Q5. 'Esprit De Corps' means —

- (a) Hard work
- (b) Team spirit
- (c) Equal pay
- (d) Authority

Ans. (b) Team spirit

Section 12 Board Exam Answer Writing Guide

How to identify the principle in a case study

This chapter is **85% about case-study identification**. Memorise this trigger table.

If the case mentions...	The principle / technique is...
Each worker doing too many things / no specialisation	Division of Work (Fayol)
Worker confused — getting orders from multiple bosses	Unity of Command (Fayol)
Multiple plans for the same goal / multiple heads	Unity of Direction (Fayol)
Direct horizontal communication / emergency contact	Scalar Chain / Gang Plank (Fayol)
Workers getting unfair pay / underpaid	Remuneration (Fayol)
Favouritism / discrimination / bias	Equity (Fayol)
Frequent transfers / firing / high turnover	Stability of Personnel (Fayol)
Workers given freedom to suggest ideas	Initiative (Fayol)
Workers feel like a family / strong team spirit	Esprit De Corps (Fayol)
Things / people not in their proper place	Order (Fayol)
All decisions taken only at the top / no delegation	Centralisation–Decentralisation (Fayol)
No rules followed / disobedience	Discipline (Fayol)
Old method of work / each foreman has his own way	Science, not Rule of Thumb (Taylor)
Workers and managers fighting / no cooperation	Harmony, not Discord / Mental Revolution (Taylor)
One foreman doing 8 different jobs	Functional Foremanship (Taylor)
Pay-rate based on output / extra pay for extra output	Differential Piece Wage (Taylor)
Studying body movements of workers	Motion Study (Taylor)
Setting standard time with stopwatch	Time Study (Taylor)
Rest intervals / preventing tiredness	Fatigue Study (Taylor)

If the case mentions...	The principle / technique is...
Same size / weight / quality everywhere	Standardisation (Taylor)

EXAM TIP

Smit Sir's 4-step case-study formula:

Step 1: Read the case TWICE and underline 2-3 trigger words.

Step 2: Match the trigger to the principle/technique using the table above.

Step 3: Write the principle NAME in CAPITAL LETTERS or underlined.

Step 4: Add (a) definition of the principle, (b) one feature, (c) link back to the case.

Section 13 Common Doubts Students Ask

Doubt 1: Sir, what's the difference between Unity of Command and Unity of Direction?

Smit Sir's answer: Unity of COMMAND = one boss per WORKER. Unity of DIRECTION = one head per GOAL. Remember: Command ↔ Person; Direction ↔ Goal. Both can coexist in a company.

Doubt 2: Sir, are Taylor's principles and techniques the same?

Smit Sir's answer: NO. Taylor gave 4 PRINCIPLES (general guidelines) and 8 TECHNIQUES (specific methods). Principles tell WHAT; techniques tell HOW. Don't mix them — CBSE marks them separately.

Doubt 3: Sir, how can Taylor's principle 'Cooperation, not Individualism' work with his technique 'Differential Piece Wage' which rewards individuals?

Smit Sir's answer: Good question. Cooperation means workers and MANAGERS cooperate (vertical). Differential piece wage rewards individual workers based on output (motivational). Both can coexist — workers individually motivated, AND cooperating with managers.

Doubt 4: Why is Fayol's principle 'Equity' different from 'Equality'?

Smit Sir's answer: Equality = treating everyone identically. Equity = treating everyone fairly based on need. A teacher giving extra attention to a weak student is being equitable, not equal. CBSE expects 'fairness' as the keyword.

Doubt 5: Can the same person be both a worker (Taylor's focus) and a manager (Fayol's focus)?

Smit Sir's answer: Yes. A team leader is a worker for his manager AND a manager for his team. Both Taylor's techniques (managing his own work) AND Fayol's principles (managing his team) apply to him.

Doubt 6: Sir, what is the difference between 'Authority' and 'Power'?

Smit Sir's answer: Authority = LEGAL right to give orders (comes from position). Power = ABILITY to influence (comes from skill / personality / charisma). A manager has authority over a team; a senior worker may have power without authority.

Doubt 7: Sir, is Centralisation always bad?

Smit Sir's answer: No. In small businesses or in emergencies, centralisation is FASTER and CLEARER. In large companies, decentralisation is better. Fayol said find the BALANCE — neither extreme.

Doubt 8: Sir, do all companies follow ALL 14 Fayol principles?

Smit Sir's answer: In theory, yes. In practice, the EMPHASIS shifts based on size and industry. Google emphasises Initiative; the Army emphasises Discipline; a hospital emphasises Equity. All 14 apply, but in different intensities.

Doubt 9: Why did Taylor propose 8 foremen instead of just 1?

Smit Sir's answer: He believed one person cannot be an expert in all areas (planning, quality, speed, repair). Splitting the role into 8 specialists makes each function more efficient. This is called 'Functional Foremanship'.

Doubt 10: Sir, what should I write if a case study tests two principles?

Smit Sir's answer: Write BOTH. Begin with 'The case involves two principles — X and Y.' Then explain each with one feature and link to the case. Both principles = double the marks.

Section 14 Common Mistakes to Avoid

Mistake 1: Mixing Unity of Command and Unity of Direction

What students do wrong: Writing 'Unity of Direction' when the case shows a worker getting orders from two bosses.

Why it is wrong: Two bosses = COMMAND issue, not direction. Direction is about ONE plan for ONE goal.

Correct way: Memorise: Worker confused → Unity of Command. Plans conflicting → Unity of Direction.

Mistake 2: Writing Taylor's principles when the case actually tests Fayol's

What students do wrong: Seeing 'workers' in a case and assuming it's Taylor.

Why it is wrong: Just because the case mentions workers doesn't mean it's Taylor. Many of Fayol's principles (Equity, Remuneration, Stability) also involve workers.

Correct way: Read carefully. If the case is about ADMINISTRATION (how managers behave), it's Fayol. If it's about WORK METHOD (how the job is done), it's Taylor.

Mistake 3: Confusing Principles with Techniques

What students do wrong: Writing 'Time Study' as a principle.

Why it is wrong: Time Study is a TECHNIQUE, not a principle. Taylor's 4 principles are S-H-C-D.

Correct way: Memorise: 4 Principles = S-H-C-D. Everything else from Taylor (8 items) = Techniques.

Mistake 4: Missing the example in long answers

What students do wrong: Writing only theory without an example.

Why it is wrong: CBSE markers expect 1 example per principle for 5/6-mark answers.

Correct way: Always add: 'For example, ...' — even one line is enough to score the example mark.

Mistake 5: Forgetting Gang Plank in Scalar Chain

What students do wrong: Writing only about scalar chain hierarchy without mentioning gang plank.

Why it is wrong: Gang Plank is a SPECIAL FEATURE of Scalar Chain — examiner expects it in 5+ mark answers.

Correct way: Always end Scalar Chain answer with 'However, Fayol allowed direct horizontal communication between same-level employees in emergencies — this is called Gang Plank.'

Mistake 6: Writing only the principle name without explanation

What students do wrong: Listing 14 principles in one line each.

Why it is wrong: Question may say 'explain', not 'name'. Explanation needs 1-2 lines + example.

Correct way: Read the verb in the question. NAME = list. STATE = list. EXPLAIN = define + example. DISCUSS = define + 2-3 features + example.

Mistake 7: Confusing 'Esprit De Corps' with 'Equity'

What students do wrong: Writing 'Equity' when the case is about team spirit.

Why it is wrong: Equity = FAIRNESS. Esprit De Corps = UNITY. Different things.

Correct way: Trigger words: 'fair treatment' → Equity. 'team spirit / brotherhood / family' → Esprit De Corps.

Mistake 8: Forgetting that Taylor did NOT follow Unity of Command

What students do wrong: Saying Taylor's Functional Foremanship gives unity of command.

Why it is wrong: Functional Foremanship gives a worker 8 BOSSES — it directly VIOLATES Unity of Command. This is a key Taylor-Fayol difference.

Correct way: Memorise: Taylor → 8 foremen (no unity of command). Fayol → 1 boss (strict unity of command).

Section 15 Keywords Bank

Topic	Must-use Keywords	Where to Use
Nature/Features of Principles	universal, general guidelines, formed by practice, flexible, behavioural, cause-effect, contingent	Features questions
Significance of Principles	insights, optimum utilisation, scientific decisions, changing environment, social responsibility, training	Importance questions
Taylor's Principles	one best way, scientific method, harmony, cooperation, development, mental revolution	Taylor questions
Taylor's Techniques	functional foremanship, standardisation, simplification, method study, motion study, time study, fatigue study, differential piece wage, mental revolution	Techniques questions
Fayol — Division of Work	specialisation, expertise, efficiency	Division questions
Unity of Command	one boss, single source, clear command	Unity of Command cases
Unity of Direction	one head, one plan, common objective	Unity of Direction cases
Scalar Chain	line of authority, hierarchy, ladder, gang plank, horizontal communication	Scalar chain cases
Equity	fairness, justice, impartial, no favouritism	Equity cases
Esprit De Corps	team spirit, unity, brotherhood, harmony, we-feeling	Team spirit cases
Initiative	freedom, suggestions, creativity, ownership	Initiative cases
Stability of Personnel	retention, security, long-term, low turnover	Stability cases

Section 16 Quick Revision Notes

QUICK REVISION

Principles of Management: General guidelines for managerial decisions and behaviour.

7 Features (U-G-P-F-B-C-C): Universal applicability, General guidelines, Practice & experimentation, Flexible, Behavioural, Cause-effect, Contingent.

6 Significance (I-O-S-C-S-T): Insights, Optimum use, Scientific decisions, Changing environment, Social responsibility, Training.

F.W. Taylor — Father of Scientific Management.

Taylor's 4 Principles (S-H-C-D): Science not Rule of Thumb, Harmony not Discord, Cooperation not Individualism, Development of every person.

Taylor's 8 Techniques: Functional Foremanship, Standardisation & Simplification, Method Study, Motion Study, Time Study, Fatigue Study, Differential Piece Wage, Mental Revolution.

Functional Foremen (8): Planning Office — Route Clerk, Instruction Card Clerk, Time-Cost Clerk, Disciplinarian. Shop Floor — Speed Boss, Gang Boss, Repair Boss, Inspector.

Henri Fayol — Father of General Management.

14 Principles: Division of Work, Authority & Responsibility, Discipline, Unity of Command, Unity of Direction, Subordination of Individual Interest, Remuneration, Centralisation–Decentralisation, Scalar Chain (with Gang Plank), Order, Equity, Stability of Personnel, Initiative, Esprit De Corps.

Taylor vs Fayol summary: Taylor → shop floor + workers + techniques. Fayol → top management + administration + 14 principles. Taylor violated Unity of Command; Fayol strictly followed it.

Section 17 One-Page Last-Minute Revision Sheet

Read this on exam day. Nothing else.

Chapter in one paragraph

Principles of management are **general, flexible guidelines** formed by practice and experimentation. They are universal, behavioural, contingent, and have cause-effect logic. Two thinkers shaped them: **F.W. Taylor** focused on the shop floor with **4 principles (S-H-C-D)** and **8 techniques** (functional foremanship, standardisation, method, motion, time, fatigue, differential wage, mental revolution). **Henri Fayol** focused on top management with **14 general principles** — from Division of Work to Esprit De Corps. Both are complementary: Taylor improves WORK, Fayol improves ADMINISTRATION.

5 must-remember lines

14. Taylor = shop-floor scientist. Fayol = top-management practitioner.
15. Taylor did NOT follow Unity of Command (8 foremen). Fayol strictly followed it.
16. Principles = WHAT to do (guidelines). Techniques = HOW to do (methods).
17. Gang Plank = horizontal communication, allowed in emergencies within Scalar Chain.
18. Mental Revolution = both workers and managers must change their mindset to partners, not enemies.

Case-study trigger quick-table

If the case says...	The principle/technique is...
Worker confused — two bosses	Unity of Command
Two plans for one goal	Unity of Direction
No specialisation, doing all jobs	Division of Work
Unfair pay, no bonus	Remuneration
Favouritism, bias	Equity
Frequent firing / transfers	Stability of Personnel
Team spirit / family feel	Esprit De Corps
Workers given freedom to suggest	Initiative
Old method, each foreman has own way	Science, not Rule of Thumb
Stopwatch + standard time	Time Study
Body movements, fatigue reduction	Motion Study / Fatigue Study

If the case says...	The principle/technique is...
Two pay rates based on output	Differential Piece Wage
Workers + managers fighting	Mental Revolution / Harmony

Section 18 How Smit Sir Can Teach This Chapter

1. Best way to introduce the chapter

Walk in and ask: "If I gave you a tea stall to run tomorrow, what 5 rules would you set on Day 1?" After 5 minutes of student answers, write your list on the board — and on the second column, write the actual Fayol principle each rule maps to. They'll be stunned that they 'discovered' Fayol on their own.

2. Opening classroom question

"Two people built modern management 100 years ago — one in the USA, one in France. Why do their ideas still rule every Indian business today?" Hooks them into Taylor and Fayol.

3. Best real-life example

McDonald's. Use it as a single thread for everything: standardisation (every burger looks the same), unity of command (one shift manager per shift), division of work (one person fries, one assembles, one bills), discipline (strict timing), time study (every order under 90 seconds).

4. Best Indian business example

Reliance Jio's 4G launch — used Fayol's Unity of Direction (one plan, one head — Mukesh Ambani), Initiative (engineers given freedom to innovate), and Stability of Personnel (kept top team for years).

5. Best student-life example

Group project chaos vs success. Ask: 'When your group project flopped, was it because there were 4 leaders (no Unity of Command), no plan (no Unity of Direction), or some did nothing (no Division of Work)?' Every student has lived it.

6. Difficult concepts and how to simplify them

Concept	Why students struggle	How to simplify
Unity of Command vs Unity of Direction	Both have 'Unity'	Command ↔ Worker (one boss). Direction ↔ Goal (one plan). Draw 2 different diagrams on the board.
Scalar Chain + Gang Plank	'Gang Plank' is an unfamiliar word	Draw a ladder (scalar chain) with a horizontal plank between two rungs (gang plank). Visual sticks instantly.
Functional Foremanship	8 names of foremen	Group them into 2 sets of 4 (Planning + Shop) and use mnemonics R-I-T-D and S-G-R-I.
Centralisation–Decentralisation	Sounds the same	Centralised = power at TOP (single tree trunk). Decentralised = power SPREAD (branches). Draw the contrast.

Concept	Why students struggle	How to simplify
Mental Revolution	Abstract concept	Use the 'family vs office' analogy — when family fights, nothing works. When family unites, everything works.

7. Board exam focus areas

- Fayol's 14 principles (4-mark or 6-mark every year)
- Taylor's principles + techniques (case-study questions)
- Taylor vs Fayol differences (5-mark question)
- Identifying principle from case study (6-mark question)

8. 10-minute revision strategy

- Minute 1-2: Read the 1-page revision sheet (Section 17).
- Minute 3-4: Chant the memory tricks aloud: U-G-P-F-B-C-C, I-O-S-T-S-T, S-H-C-D, D-A-D-U-U-S-R-C-S-O-E-S-I-E.
- Minute 5-7: Quick-test yourself on the case-study trigger table.
- Minute 8-10: Re-glance at the Taylor vs Fayol difference table.

9. Classroom activity

'Spot the Principle' Game (20 min): Give students 10 short case scenarios (one-liners). They must identify the principle/technique. Best team wins. Builds case-study identification speed dramatically.

10. How to make students remember 14 principles

- Group them into mini-clusters: Authority cluster (1-3), Unity cluster (4-5), Subordination cluster (6-9), Order cluster (10-11), People cluster (12-14). Easier to digest in groups of 3.
- Use the song-method: Sing the 14 principles to a familiar tune. Students remember songs for years.
- Make each student adopt one principle and present a 1-min skit. Active recall is 5x more powerful than reading.

11. How to explain case-study questions

Use the 4-step formula: READ → MATCH → WRITE → LINK. Drill it with at least 5 case studies in every class.

12. How to end the chapter powerfully

"Taylor taught the world how to do work better. Fayol taught the world how to manage people better. Together, they built the foundation of every modern organisation. Whatever career you choose — software, medicine, business, government — these 18 principles will follow you. Master them now, save 10 years of trial-and-error later."

End of Chapter 2

"Discipline is the bridge between goals and accomplishment." — Jim Rohn

Master the principles. Then break the rules.

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