

Chapter 7: Directing

NCERT · Class 12 · Business Studies

Textbook exercises

Question 1

What is informal communication?

Solution

Ans: Communication between employees who are not officially related to each other is called informal communication, this type of communication may flow in any direction thus it is also called 'grapevine'. Informal communication involves the flow of information in all directions without regard for the level or authority of the sender.

Informal communication arises from the need for employees to exchange ideas that cannot be done through formal channels. The informal communication spreads information rapidly and sometimes generates rumors.

Question 2

Which style of leadership does not believe in use of power unless it is absolutely essential?

Solution

Ans: Laissez Faire, or free rein leadership does not believe in using power unless it is absolutely necessary. Subordinates are given complete decentralisation of authority under such leadership. Hence, the subordinates are given complete autonomy and are encouraged to make their own decisions.

Question 3

Which element in the communication process involves converting the message into words, symbols, gestures etc.?

Solution

Ans: Encoding is the step in the communication process that involves converting the message into words, symbols, gestures, and so on.

Question 4

The workers always try to show their inability when any new work is given to them. They are always unwilling to take up any kind of work. Due to sudden rise in demand a firm wants to meet excess orders. The supervisor is finding it difficult to cope up with the situation. State the element of directing that can help the supervisor in handling the problem

Solution

Ans: The element is motivation.

Also, the firm can do the following to enhance workers motivation:

- Supervisor can provide monetary incentives like wages linked with productivity to motivate the employees.
 - He can encourage the workers to work by making them understand that this work will lead to increased exposure to industry and will have better job prospects.
 - Opportunity for effective leadership should be provided to employees so that they get motivated, and have a sense of responsibility.
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Question 5

What are semantic barriers of communication?

Solution

Ans: Semantics is a branch of linguistics that studies the meaning of words and sentences. Semantic barriers are problems and impediments in the process of encoding and decoding messages into words or impressions. Typically, such barriers arise as a result of the use of incorrect words, erroneous translations, or differing interpretations. Some of the causes of semantic barriers are as follows.

1. **Badly Expressed Message:** The information may not be clearly expressed at times due to a lack of vocabulary or incorrect word usage.
2. **Symbols with Different Meanings:** A word may have more than one meaning at times, or two or more words may have the same pronunciation (such as idle and idol). The correct interpretation of the word remains ambiguous in such cases.
3. **Faulty Translations:** In some cases, the proficiency of a language varies between workers and managers. In such cases, a translation of the information into a language that the workers can understand is required. However, some words or sentences may be misinterpreted during the translation process. For example, the meaning of certain words may change in a translation of an instruction from English to Hindi.
4. **Technical Jargon:** When giving instructions, the senior or specialist may use technical terminology that the subordinates may find difficult to understand(such as the meaning of drawings for a commerce student and some either person is different).
5. **Body Language and Gesture Decoding:** Every movement of the body conveys some meaning. The communicator's body movement and gestures are extremely important in conveying the message. Communications may be misinterpreted if there is a mismatch between what is said and what is expressed through body movements. As in your face expression reveals anger, while your hand movements reveal otherwise.
6. **Unclear Assumptions:** Certain assumptions in some communications may be open to different interpretations.

Question 6

Explain the process of motivation with the help of a diagram.

Solution

Ans: Motivating someone entails inducing and stimulating them to act in a certain way. The following points describe the motivational process.

1. **Unsatisfied Need:** The motivation process begins with an individual's unsatisfied need.
2. **Tension:** As the desire goes unsatisfied, frustration builds up in the individual's mind.
3. **Motives/Drives:** Frustration motivates the individual to seek out alternatives to meet his needs.

4. Search Behaviour: He selects one of several options and begins acting in accordance with it.
5. Satisfied Needs: After a period of time, he evaluates whether or not his need has been met.
6. Reduced Tension: Once the need is met, the individual's frustration and tension are relieved.

Example: Assume a person wishes to advance in his or her career. This makes him uneasy, and he begins to look for other ways to advance in his career. He may consider working harder and bettering his performance. After consistently working hard, he may receive recognition and a promotion, which will finally satisfy his desire and alleviate his frustration.

The process of motivation explains by the following diagram:

(Image Will Be Updated Soon)

Question 7

Explain the different networks of grapevine communication?

Solution

Ans: Grapevine communication, also known as informal communication, is a communication that develops as a result of social interaction among employees and spreads without following the formal communication path. The types of grapevine communication networks are as follows.

1. Single Strand Network: In this network, information spreads from one person to the next person in a certain sequence. That is, one person communicates with another, who then communicates with yet another. Hence, information is passed through a line of persons.
2. Gossip Network: In a gossip network, one person spreads information to a large number of people. Such as gossip about the new employee who recently joined the organization etc.
3. Probability Network: In a probability network, an individual shares information with other people at random. That is, the individual is unconcerned about who he shares the information with.
4. Cluster Network: Information in this network is first shared between two people who trust each other. One of them then passes the information on to another, who then passes it on to another,

and so the information spreads.

Question 8

Explain the three principles of directing?

Solution

Ans: Management's function of directing is quite complex. Certain principles have been developed to aid in the directing process. The principles of directing are as follows.

1. **Maximum Individual Contribution:** A manager should use directing techniques that encourage employees to perform to the best of their abilities, according to this principle. It should motivate employees to work toward the organization's goals. That is, each individual should make the greatest possible contribution to the organization's goals. Managers, for example, can use appropriate incentive and motivation techniques to encourage employees to perform better.
2. **Appropriateness of Direction Technique:** This principle states that the direction technique to be used should be appropriate. It should be appropriate for the employees' needs and attitudes. For example, one employee may be motivated by praise, whereas another requires monetary compensation. As a result, the manager should employ appropriate directing techniques based on the situation.
3. **Managerial Communication:** Effective communication is essential for effective directing. The superior's instructions and commands must be clear and easily understood by the subordinates. Furthermore, subordinates must be able to communicate with superiors without hesitation. They must be able to freely express their opinions and suggestions. As a result, effective two-way communication between the superior and the subordinates is required.

Question 9

In an organisation, one of the departmental manager is inflexible and once he takes a decision, he does not like to be contradicted. As a result, employees always feel they are under stress and they take least initiative and fear to express their opinions and problems before the manager. What is the problem in the way authority is being used by the manager?

Solution

Ans: The manager is an autocratic leader.

An autocratic leader gives orders and expects others to obey them. The decision-making power is centralized. Due to the inflexibility of the leader, employees feel demotivated and discouraged due to the leader's unwillingness to take their suggestions, and the productivity is also impacted due to demotivated employees.

To solve this issue, the manager needs to be a little flexible, and foster positive communication with its employees, as well as welcome suggestions from them.

Question 10

A reputed hostel, GyanPradan provides medical aid and free education to children of its employees. Which incentive is being highlighted here? State its category and name any two more incentives of the same category.

Solution

Ans: GyanPradhan has provided its employees with perquisites and fringe benefits such as free education for children and medical aid. This comes under Financial incentives.

Other financial incentives include:

- **Bonus:** An additional reward given in addition to the salary, such as gifts, a festival bonus, and so on.
- **Retirement Benefits:** Providing employees with retirement benefits such as pensions, gratuities, provident funds, and so on.
- **Stock Option:** Providing employees with shares of the company at a lower price than the market price.
- **Profit-Sharing:** It is the practice of sharing a portion of a company's profits with its employees (any two)

Question 11

Explain the qualities of a good leader? Do the qualities alone ensure leadership success?

Solution

Ans: It is said that in order to be a successful leader, a person must possess certain characteristics.

The following are some qualities of a good leader:

1. **Physical Attributes:** People with attractive physical characteristics such as height, appearance, and health are considered attractive. A healthy and active person is capable of working hard and efficiently and, as a result, can be looked up to. As a result, he can persuade his subordinates to work harder and perform better.
2. **Honesty:** A good leader must be honest at all times. He must be sincere and adhere to ethics and values. In terms of honesty, integrity, and values, he should be an inspiration to others.
3. **Intelligence:** A leader must have a strong mental presence as well as knowledge. He should be competent enough to examine and solve problems that arise during the course of his work. He must have the necessary intelligence to make sound decisions based on logic and facts.
4. **Inspiration:** A leader should be an inspiration and motivation to others. That is, he must be an example of work, performance, and values. He must be able to instill in his subordinates a desire to work to the best of their abilities.
5. **Confidence:** A leader should be self-assured. He must also be able to maintain his confidence in the face of adversity. Only when a leader is confident in himself can he instill confidence in his subordinates.
6. **Responsibility:** A leader should assume responsibility for his group's work and tasks. He should accept the responsibility of being held accountable for his subordinates' mistakes. However, as a token of encouragement, he must share the success with his subordinates.
7. **Effective Communication Ability:** A leader, on the other hand, serves as a liaison between higher authorities and subordinates. He must be able to effectively communicate the problems and suggestions of his subordinates to his superiors. In addition, he should be a patient listener and counsellor.
8. **Ability to take Decisions:** A leader must be able to make sound decisions based on logic, facts, and figures. Furthermore, he should be self-assured enough to stick to his decisions and avoid becoming confused.

9. Social Behaviour: He should maintain a friendly and supportive attitude toward his subordinates. He must be able to understand people and maintain positive interpersonal relationships with them.
10. Dynamic: A dynamic and outgoing personality is required of a leader. He must be able to take on new initiatives and challenge old paradigms in order to benefit the organization.

No, the mere presence of such qualities does not ensure leadership success. In reality. This is because no single person can possess all of the qualities. Managers must, however, make a concerted effort to obtain them.

Question 12

Discuss Maslow's Need Hierarchy theory of motivation.

Solution

Ans: Maslow's Need Hierarchy theory helps to explain the complex phenomenon of motivation. According to Maslow, each person has a set of five needs that can be arranged in a hierarchy. Understanding the needs of employees aids the manager in understanding their behavior. Appropriate motivation can be provided to employees after identifying their needs. This theory was given by Abraham Maslow in 1943, and is based on human needs.

Assumptions

- Satisfaction of needs influences people's behaviour.
- Needs are in hierarchical order.
- Once need is satisfied only, the next higher need can motivate individuals.
- Satisfaction of lower-level needs motivates to move to the next level of need.

Hierarchy of Needs

According to Maslow need hierarchy theory, employees need and wants can be categorised as a hierarchy of five needs:

(Image Will Be Updated Soon)

- Basic Physiological Needs: It includes basic needs like hunger, thirst, shelter, sleep, etc.
- Safety/ Security Needs: It includes needs of security and protection like job security, etc.
- Affiliation/ Social/ Belonging Needs: It includes needs like affection, sense of belongingness, friendship, etc.
- Esteem Needs: It includes needs like self respect, autonomy, status, recognition, etc.
- Self Actualization Needs: It includes needs that drive to realize a dream.

Maslow's hierarchy of needs theory is widely accepted and is used as a foundation for motivation by managers. However, it is possible that an individual's needs do not always follow the exact order of hierarchy. Nonetheless, understanding Maslow's hierarchy of needs assists managers in practicing effective motivation.

Question 13

What are the common barriers to effective communication? Suggest measures to overcome them.

Solution

Ans: Sometimes information does not reach the intended recipient in the manner intended by the sender. That is, there are times when information is misunderstood or misinterpreted as it is passed from sender to receiver. This obstructs the effective flow of communication.

Communication barriers are classified as follows.

1. Semantic Barriers: Semantic communication barriers are related to the use or understanding of language. Certain words, sentences, or phrases may remain ambiguous or difficult to understand at times. As a result, they are prone to being misinterpreted. Semantic barriers are communication barriers that arise as a result of ambiguity or difficulty understanding words and sentences.

For example, when giving instructions, the senior or specialist may use technical terminology that the subordinates may find difficult to understand. Similarly, when two or more words have the same pronunciation (for example, access and excess), it causes confusion about the correct interpretation of the word.

1. **Psychological Barriers:** Psychological factors such as frustration, anger, and fear can all obstruct effective communication.

For example, an individual's mind may be preoccupied due to frustration with a particular matter, and he may be unable to grasp the information given to him attentively. Similarly, due to preconceived notions about a conversation, an individual may draw conclusions before the information is fully processed.

1. **Personal Barriers:** Personal factors associated with the sender or receiver can sometimes act as a barrier to communication.

For example, in formal organizations, superiors frequently do not share information that they fear will jeopardize their authority. Similarly, if they lack trust in their subordinates, they may be unwilling to listen to the information they provide. Similarly, subordinates may lack the motivation to communicate freely with superiors. As a result, effective communication is hampered in such cases due to personal factors pertaining to both the sender and the receiver.

1. **Organisational Barriers:** Barriers to communication arise in formal organizational structures due to factors such as authority, rules, regulations, relationships, and so on.

For example, if an organization uses long vertical communication chains, the flow of information may be delayed. A highly centralized organizational structure, on the other hand, obstructs free communication.

Measures to Overcome Barriers in Communication

The following are some of the measures that can be taken to overcome various communication barriers.

1. **Clarify the Ideas Before Communicating:** Communication should take place in accordance with the receiver's understanding level and capabilities. That is, it must be ensured that the information is clearly understood by the receiver.
2. **Be Mindful of Message Language, Tone, and Content:** The language, tone, and content of the information should be appropriately chosen. It should be simple to understand and should not offend anyone's sensibilities.
3. **Obtain Proper Feedback:** In order for communication to be effective, proper feedback from the receiver must be obtained. In other words, he needs to be encouraged to respond during the conversation.

4. **Communicate for Both the Present and the Future:** It must be ensured that the information is complete in every way and that nothing is left ambiguous.
5. **Communicate in Accordance with the Needs of the Receiver:** The central idea of the communication must be understood by both the sender and the receiver. That is, the purpose of the communication must be clearly communicated.
6. **Be a Good Listener:** The information sender should also be a patient listener. He should also be open to communication from the other side.

Question 14

Explain different financial and non-financial incentives used to motivate employees of a company?

Solution

Ans: Financial Incentives

Financial incentives are direct monetary incentives given to employees in order to motivate or reward them for better performance. Some of the financial incentives used in organizations are as follows.

1. **Salary and Allowances:** The basic form of financial incentive in any organization is salary and allowances given to employees. Employees are motivated when their salaries are raised on a regular basis and they are given allowances.
2. **Performance-Based Incentives:** Organizations frequently offer monetary rewards for high performance. This motivates employees to improve their efficiency and performance.
3. **Bonus:** A bonus is an additional reward given in addition to the basic salary. It can take the form of money, gifts, paid vacations, and so on. Some organizations, for example, offer bonuses during festival seasons, such as the Diwali bonus.
4. **Stock Option:** Under this incentive scheme, the employee is offered company shares at a lower price than the market price. This instills a sense of ownership and belonging in the employee and encourages him to contribute to the organization's goals.
5. **Profit Sharing:** In this case, the organization shares a portion of its profits with its employees. This encourages employees to actively contribute to the organization's growth.

6. **Retirements Benefits:** Many organizations provide retirement benefits to their employees, such as pensions, gratuities, provident funds, and so on. Employees will feel more secure and stable as a result of this.
7. **Fringe Benefits:** In addition to the basic salary, an organization may provide its employees with additional benefits such as housing allowance, medical allowance, and so on.

Non Financial Incentives

Non-financial incentives are incentives which are given to provide psychological and emotional satisfaction rather than monetary satisfaction.

The following are some examples of non-monetary incentives used in organizations.

1. **Position:** A rise in status in terms of power, authority, and responsibility provides employees with a psychological boost. A promotion, for example, may meet an individual's esteem and self-actualization needs.
2. **Organizational Characteristics:** Certain characteristics, such as employee freedom, performance recognition, incentives, and rewards, play an important role in influencing employee behavior. For example, if employees receive appropriate recognition for their efforts, it motivates them to work more efficiently.
3. **Work Enrichment:** A challenging job with more responsibility and requiring more knowledge and skill often piques an employee's interest. It offers opportunities for personal development to employees. As a result, it serves as a good source of motivation for him.
4. **Career Opportunities:** When an organization provides its employees with appropriate growth and career opportunities, they strive to perform better and thus climb the professional ladder.
5. **Job Security:** An employee should feel secure in his or her association with the organization. Their efficiency is hampered by the constant fear of losing their job. However, complete security can lead to a loss of interest in one's job.
6. **Involvement:** When an organization allows employees to participate in policy and decision-making matters, it instills a sense of belonging in them and motivates them to work toward the organization's goals.

Question 15

In an organisation all the employees take things easy and are free to approach anyone for minor queries and problems. This has resulted in everyone talking to each other and thus resulting in inefficiency in the office. It has also resulted in loss of secrecy and confidential information being leaked out. What system do you think the manager should adopt to improve communication?

Solution

Ans: The manager should adopt a formal system of communication.

Formal communication flows through official channels designed in the organization chart to communicate official information between employees.

Hence the manager should adhere to the single chain, which is a network under formal communication. This network connects a supervisor and his subordinates. Because there are many levels in an organizational structure, communication flows through a single chain from every superior to his subordinate. Only essential information should be passed down the chain of command. Employees at all levels are not permitted to communicate with one another. This will result in increased work efficiency and a leak-proof information system.
