#### **BUSINESS STUDIES**

### **Unit-7: DIRECTING**

### **Summary of the Chapter**

**Directing-** It refers to instructing, guiding, communicating and inspiring people to achieve common objectives .

### Elements of directing.

1. Supervision

2. Leadership

3. Motivation

4. Communication

**Supervision.**- Supervision refers to the direct and immediate guidance and control of subordinates in the performance of their task." Or To watch over the routine activities of workers.

**Motivation-**: It refers to that process which encourage people to work for the attainment of a desired objective.

### Maslow's Need Hierarchy Theory-

1. Basic Needs

- 2. Safety and Security Needs
- 3. Affiliation or Social needs
- 4. Esteem needs
- 5. Self actualization needs

### Types of incentives-

(i) Financial Incentives

(ii) Non-Financial Incentives

Leadership-It refers to influence others in a manner to do what the leader wants them to do.

Leadership Styles-

- a. Autocratic Leadership Style
- b. Democratic leadersjhip Style
- c. Laissez Faire Leadership Style.

Communication-Transferring the ideas, thought, facts etc from one person to another.

Type of Communications:

- (i) Formal Communication
- (ii) Informal Communications

#### **Barriers in communication**

- (a) Semantic Barriers: This barrier is related with the words, signs and figures used in the communication. Sometimes they cannot convey the same message which they want to. It can be
  - (i) badly expressed message
  - (ii) symbols and words with different meaning
  - (iii) Faulty translation

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- **(b) Physiological or Emotional barriers**: The importance of communication depends on the mental condition of both the parties. A mentally disturbed party can be a hinder in communication. It can be
  - (i) premature evaluation
  - (ii) lack of attention
  - (iii) Distrust
- (c) Organizational barriers: Organizational structure affects the capability of all the employees as far as the communication is concerned. Some major hindrances are
  - (i) Organizational policies
  - (ii) Rules and regulations
  - (iii) complexity in organizational structure
  - (iv) Organizational facilities
- (d) **Personal barriers:** This barrier is related with personal attitude of employees as well as employer. They fear challenge of authority, lack of confidence in subordinates etc. Employees are some time not willing to communicate, lack of proper incentive and so on.

### Very short answer type Question (1 mark)

Q1: What is meant by Directing?

Ans: It refers to instructing, guiding, communicating and inspiring people to achieve common objectives.

Q2: Give any two elements of directing.

Ans: 1. Supervision 2. Leadership

Q3: Define Supervision.

Ans: "Supervision refers to the direct and immediate guidance and control of subordinates in the performance of their task."

Q4: What is meant by 'Motivation'?

Ans: It refers to that process which encourage people to work for the attainment of a desired objective.

Q5: What is Informal Communications?

Ans: It refers to the communication within an organization that is officially sanctioned.

Q6: How Supervision is helpful in maintaining discipline?

Ans: Through close eye and timely guidance of the employees.

Q7: Give an example of 'employee recognition programmes' as in non-financial incentive.

Ans: Displaying employee's achievements on the notice board or company's newsletter.

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- Q8: Give any two Characteristics of 'Organizational Climate' that influence the behavior of individuals and act as non-financial incentives.
- Ans: Characteristics of 'Organisational Climate' that influence the behavior of individuals are
  - 1) Individuals Autonomy 2) Reward orientation
- Q9: One of the employees of 'Hindustan Agriculture Implements Limited' receives an order from the department manager and passes it on to the non-managerial members. Because the actual work in the organisation is done by the non-managerial Members, therefore, even a little carelessness in delivering the message can lead to a heavy loss. This employee performs the role of the human relation specialist also.

Identify the designation of the employee described above.

Ans: Supervisor.

Q10 Kritika is posted at lower level management at 'libra costmetics pvt. Ltd.' The daily sale of the company is about Rs.50 lakhs only. She has given her responsibility that the production work of the company should continue uninterrupted. The managing director has asked her to focus her attention especially on the speed and quality of production she is doing her efficiently. Her reputation is that of a successful leader. She takes every decision after discussing it with all the concerned persons. Her subordinates are happy with her.

Identify the leadership style adopted by kritika.

Ans: Democratic leadership style.

Q11: The chief Executive Officer –CEO of 'Shri ram ltd.' sent the message to all the departmental Managers: "With effect from today, whatever communication they have to do, they will do so in writing." This communication reached all the departments. In the company, this order began to be followed. Within a few days the unfavorable consequence of this order became apparent. Mainly the speed of work became slow. In this context, whosoever went to the CEO to give a suggestion, he ignored all others.

Identify two of the barriers in the communication stated in the paragraph given above.

- Ans: 1. Organisational barrier 2. Personal Barrier
- Q12: Everyday a new problem crops up at 'BALCO Engineering Udyog Limited.' A meeting of the managers was held regarding this situation. After a lot of discussion they arrived at this conclusion that the root-cause of all the problems was the company's weak communication system. Hence, if the communication system was improved, they could be relieved of the problems to a great extent. With this aim in view, the company invited a specialist in communication system. In his lecture, he mainly asserted that it was most necessary to ascertain whether the receiver had taken the communication in the right sense.

Identify the solution suggested by the communication specialist in order to remove the barriers in the communications.

Ans: Ensuring proper feedback.

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### Short answer type question (3/4 marks)

- Q.1. The managing director of 'Narula tyre pvt. Ltd.' held a meeting of the departmental managers. It was attended by all the five departmental managers. In the meeting the managing director said that besides doing their current work efficiently, they had also to make it capable of shouldering more responsibility in future. For the realization of this objective, he invited the suggestions of all of them. He said that on the basis of suggestions of all of them the decision to do so would be taken. The managing director prepared a plan on the basis of suggestions received. Out of the five managers three of them carried out the plan, but two of them did not care for it.
  - (a) Identify the factor of staffing describe in the paragraph above.
  - (b) Two of the managers didn't carry out of the plan. On the basis of this fact, can we take it that the communication process has been incomplete? Explain.
  - (c) What leadership style is being referred to here?
- Ans: (a) Employee development/Promotion and Career Planning.
  - (b) No, it can't be taken that the communication process have been incomplete, because for the completion of communication process, only to understand the message is necessary, not acting upon it.
  - (c) Democratic leadership style.
- Q.2. In a company, the employees is connected with one another, from the highest to the lowest in a straight hierarchy. Their order is has follows: General Manager>Departmental manager>Deputy departmental manager>Supervisor>Foremen>workers. The communication among all of them is taking place as follows. The General Manager held the meeting of all the employees of the company and said, We should delete the word 'I' from our vocabulary and in its place we should substitute the word 'WE'. Some of the employees of the company were explaining the company's policies to some others and were giving orders. Similarly, some employees were sending the reports of their work, while some others were busy in complaining.
  - (a) Which principle of management has been highlighted by the General Manager in his message to the employees?
  - (b) What sort of Formal Communication is taking place here? Explain with examples.

Ans: (a) Espirit De Corps.

- (b) Vertical communication: It is of two types:
  - i) Downward Communication: Policies and orders fall in this category.
  - ii) Upward Communication: Reports and complaints fall in this category.
- Q.3. 'Anvi Pvt. Ltd.' has divided its business into four departments; namely, marketing, Finance, Production, and Personnel. The finance manager has to arrange finance for the following year. With this aim, he asks the Marketing Manager of how much worth he would be able to

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sell goods in following year. The reason for asking such a question was to make an estimate of purchases and production. Similarly, he asked the Personnel Manger to prepare an estimate of the expected number of the employees and the remuneration to be paid to them. The Financial Manager shared all the information received with Mr Rawat, the senior finance Manager. Thus, both jointly prepared the cash budget.

- (a) What type of organizational structure is being adopted by this company?
- (b) What type of formal communication would you call the conversation which took place between the heads of different departments?
- (c) What type of formal communication is the conversation which took place between the two officials of the Finance Department?

Ans: (a) Functional Organizational Structure

- (b) Horizontal Communication
- (c) Vertical Communication
- Q.4.: Mr 'A' is working as the manager in the Marketing Department of 'Mansarovar Handloom Limited'. 'B', 'C', 'D', and 'E' are his four subordinates. All the four of them have to often communicate with their manager Mr 'A' in connection with their job requirement. Besides, 'B', 'C', 'D' and 'E' have to communicate with one another also. But they cannot do any communication directly with one another. This job has to be done through Mr 'A'. For example, if 'B' has to send some message to 'C', he will send this message first to 'A' and the latter will pass it on to 'C'. According to the subordinates, this type of communication becomes a hurdle in the speed of work. They are not at all happy with this system.
  - (a) What main form of communication has been used in the paragraph given above?
  - (b) What system of communication is being used by 'A', 'B', 'C', 'D' and 'E'? (c) Which value is being ignored here?

Ans: (a) Formal communication.

- (b) Wheel communication.
- (c) Free communication is being ignored here.
- Q.5. Usually we see that on the occasion of Diwali people buy a large number of gifts. 'Ambe Electronics limited' wants to take advantage of this habit of people. It decided to prepare a big range of attractive gifts. All the employees of the company co-operated fully to implement this decision. One day some of the employees were chatting together in the canteen. One of them, Mr Ravindra had secret and enjoyable information about one of his colleagues. He was telling them all as he stood amidst them. All of them were enjoying themselves the information he shared with them.
  - (a) Identify this factor of business Environment.
  - (b) In which method of communication comes the chatting going on in the canteen? Describe this method.

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(c) To which main type of communication belongs the method referred to in point 'b'?

Ans: (a) Social Environment.

- (b) Gossip Chain
- (c) Informal communication.
- Q.6: Describe any three points which explain the role of supervision in management.

Ans: 1) As a key man

- 2) As a mediator.
- 3) As human Relations Specialist.
- Q.7: Explain any three functions performed by a supervisor that are vital to any organization.

Ans: 1) Facilities control.

- 2) Optimum Utilization of Resources.
- 3) Maintenance of Discipline.
- 4) Feedback.
- 5) Improves Communication.
- O.8.: Describe the Process of communication.

Ans: 1) Sender/Communicator.

- 2) Message
- 3) Encoding.
- 4) Media/Transmission.
- 5) Decoding.
- 6) Feedback
- Q9. State any three non- monetary incentives.

Ans. Three non-monetary incentives are:

- (a) Job Enrichment is a method of motivating employee by making the task to be performed by him more interesting and challenging. The job in itself serves as a source of motivation to the employee and brings out the best in him.
- **(b)** Suggestion System Is a system where suggestions regarding the work procedure, environment are solicited from employees. This increases their participation & importance in the working of the enterprise and hence motivates them.
- (c) Job Security refers to making the employee feel safe in his job positions. He is not threatened by transfers or removal from service and hence performs to the best of his abilities

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Q.10: Explain the difference between formal communication and informal communication.

Ans: The difference between formal communication and informal communication are as follows:

Basis	Formal Communication	Informal Communication
1. Channel	It follows formal or established line of command.	1. It is a based on informal relationship and arises as a result of personal social or group relations Between people.
2. Nature	2. Rigid	2. Flexible
3. Speed	3. The speed of communication is usually slow	3. It transmits Information Swiftly.
4. Need	4. It serves organizational needs.	4. It serves organizational as well as individual needs to socialize with others.

### Long answer type Question (5/6 marks)

Q.1: Explain the formal communication network? Write its Feature.

Ans: It refers to the communication within organization that is officially sanctioned. Features:

- (a) Written and oral. It can be both in written or oral. Daily works are handed through oral communication while the policy matters require written communication.
- (b) Formal Relations: This communication is adopted among those employees where formal relations have been established by the organization. The sender and the receiver have some sort of organizational relation.
- (c) Prescribed path: The communication has to pass through a definite channel while moving from one person to another For example to convey the feelings of a worker to the manager, their foreman's help has to be sought.
- (d) Organisational message. This channel is concerned with the authorized organizational messages only and the personnel messages are out of its jurisdiction.
- Q.2: Explain different networks of grapevine communication.

Ans: (a) Single Strand.

- (b) Gossip chain.
- (c) Probability.
- (d) Cluster.

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- Q.3: Mr Ekant Miglani, after completing his studies of B.B.A is working in the Production Department of 'jai chemicals limited'. There are fifty persons working at different posts in this Department. He tries hard to keep a watch over the Routine Activities of all the employees. He observed one of the employees, Bholo ram and a few others working on machines. They were running the machines in a wrong manner. The machines were very sophisticated. Mr Miglani at once explained the right method of working to them. He wanted to solve this problem of the employees for good. He called a meeting of his subordinates. He took this decision that the company will have to organize training of the employee immediately. They also decided all the employees will drop a suggestion each in the suggestion-box daily, so that the different activities of the department may be improved speedily. It was announced that the employees giving valuable suggestions shall be rewarded. On the basis of the above paragraph answer the following question:
  - (a) Which function of management is being discharged by Mr Miglani by keeping a watch over the Routine Activities?
  - (b) Which method of training of the employees will be suitable to be adopted here? Explain.
  - (c) Which style of leadership is being followed by Mr Miglani?
  - (d) Which method of motivation will be decided to be adopted in the meeting of employees?

### Ans: Supervision.

- (b) Here the **Vestibule training Method** will be suitable to be adopted. Under this training method a separate training centre is set up. In this centre factory like atmosphere or circumstances is/are created and the employees are trained to work on sophisticated machines.
- (c) Democratic Leadership Style.
- (d) Employee Recognition Programme.
- Q.4. Five students of BBA took part in a discussion. The subject of their discussion was: "Why do people get motivated to do anything?" The main portions of their discussion are as under: The first student said, "People work because they want to deposit wealth enough to protect themselves from diseases and to be relieved of the tension of old age."

The second student said, "People work because they want to arrange food, cloth and shelter for themselves at any rate."

The third student said, "People work because they want to reach the top of the field in which they are. They, therefore, put in untiring efforts."

The fourth student said, "People work, so that when they have money, people will become friendly with them and they will stand by them through think and thin."

The fifth student said, "People work, so that they may get respect in the society and that they may be recognize as exceptional persons."

(a) The discussion given above relates to which function of management?

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(b) The five friends spoke about the different needs of people as the basis of their doing work. Identify these needs.

Ans: (a) Motivation

- (b) First friend: Safety Needs
- (c) Second friend: Physiological Needs
- (d) Third friend: Self Actualization Needs
- (e) Fourth friend: Social Needs
- (f) Fifth friend: Esteem Needs
- Q.5.: Describe five importance of directing?
- Ans: (1) Through directing, managers not only tell the people what they should do, when they should do and how they should do, but also see that their instructions are implemented in proper direction
  - (2) As the superiors direct the actions of employees towards the predetermined goals, it results in unity of direction and achievement of organizational goal.
  - (3) It is well known fact that employees are having lot of individual differences such as differences in levels of authority, types of job, interest, attitude, aptitude etc. But, the directing function integrates and co-ordinates the efforts of all the employees in such a way that every individual effort contributes to the organizational performance.
  - (4) Through directing, managers not only tell the people what they should do, when they should do and how they should do, but also see that their instructions are implemented in proper direction
  - (5) As the superiors direct the actions of employees towards the predetermined goals, it results in unity of direction and achievement of organizational goal.
- Q.6: Explain the barriers of effective communications?
- Ans: (a) **Semantic Barriers: This** barrier is related with the words, signs and figures used in the communication. Sometimes they cannot convey the same message which they want to. It can be (i) badly expressed message (ii) symbols and words with different meaning (iii) Faulty translation and so on
  - (b) **Physiological or Emotional barriers**: The importance of communication depends on the mental condition of both the parties. A mentally disturbed party can be a hinder in communication. It can be (i) premature evaluation (ii) lack of attention (iii) distrust
  - (c) **Organizational barriers:** Organizational structure affects the capability of all the employees as far as the communication is concerned. Some major hindrances are (i) organizational policies (ii) Rules and regulations (iii) complexity in organizational structure (iv) organizational facilities

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- (d) **Personal barriers**: This barrier is related with personal attitude of employees as well as employer. They fear challenge of authority, lack of confidence in subordinates etc. Employees are some time not willing to communicate, lack of proper incentive and so on.
- Q7: Discuss six monetary Incentives.
- Ans. The incentives that have a monetary and financial benefit are called financial incentives. They are
  - a) Profit sharing: It has been accepted that the profit earned by the firm is also due to the effort put by the workers. So they have a full right to receive a share in it. It is an effective incentive which satisfies the workers.
  - b) Co-partnership: Under this system, employees share the capital as well as the profits. Under employees stock option plan the workers are given shares. They are also given Bonus shares and they share the ownership of the firm. It motivates them as they share the profits too.
  - c) Productivity linked wages: Under this system, a sales person is guaranteed a minimum wage as well as commission on sales. A commission plan motivates him to work better.
  - d) Suggestion system: Valuable suggestions are accepted and the most valuable ones are also rewarded with cash money.
  - e) Retirement benefits: Every employee wants his future to be secured. The firm provides retirement benefits, pension, provident fund, gratuity etc.

Perks: various perks such as housing, car allowance foreign trips etc can be given to the managers to boost up his morale.

- Q8. Explain various leadership styles.
- Ans. Autocratic leadership: An autocratic leader gives orders and expects that they are obeyed. He determines the policies for the group without consulting them. All decision making power is centralized with the leader.

Democratic leadership: In this style, the leader consults with his subordinates on proposed actions and decisions and encourages them to participate in decision making. This improves the attitude of the employees towards their jobs and increases their morale.

Laissez faire leadership: This style gives a high degree of freedom to his subordinates. Group members work themselves as per their own choice and competence. Such a leader avoids use of power. He exist as a contact man with the outsiders to bring information and the resources the group requires for accomplishing the job.