

Directing

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- Leadership
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Meaning of Directing

It refers to the process of instructing, guiding, leading, counselling and motivating people in an organisation to achieve predetermined objectives.

According to Theo Haimann, “Directing consists of the processes and techniques utilised in issuing instructions and making decisions that operations are carried on as originally planned.”

Features of Directing

- It initiates action in the organisation.
- It takes place at every level of management.
- It is a continuous process.
- It flows from top to bottom.

Importance of Directing

- It helps in achieving goals of the organisation.
- It integrates employees efforts towards achievement of organisational goals.
- It improves efficiency of the employees.
- It facilitates change in an organisation.
- It provides stability to the organisation.

Elements of Directing

The process of directing involves guiding, coaching, instructing, motivating and leading the people in an organisation to achieve organisational objectives.

So, in view of the above statement, the elements of directing are as follows

- Supervision
- Leadership
- Motivation
- Communication

Note As per latest syllabus, we will discuss motivation, leadership and communication in detail.

Motivation

It means to act in a desired manner to achieve certain organisational goals.

According to William Scott, “Motivation means a process of stimulating people to action to accomplish desired goals.”

Features of Motivation

- It is a psychological phenomenon.
- It encourages goal directed behaviour.
- It may be positive or negative.
- It is a complex process.

Process of Motivation

- An unsatisfied need of an individual creates tension, which stimulates his drives.
- These drives generate a search behaviour to satisfy such need.
- When the need is satisfied, the individual is relieved of tension.

Importance of Motivation

- Motivation helps to improve the performance level of employees.
- Motivation helps to change negative attitude of employees to positive attitude.
- Motivation helps to reduce employee turnover and thereby saves the cost of new recruitment and training.
- Motivation helps the managers to introduce changes and motivated employees show less resistance in accepting the changes.
- Motivation helps to reduce absenteeism by providing proper working conditions.

Maslow's Need Hierarchy Theory

This theory was given by Abraham Maslow. It is based on human needs.

Maslow has explained his theory as a hierarchy of five needs

1. **Basic Physiological Needs** These are the basic needs, which a person is required to satisfy in order to survive. Hunger, thirst, shelter, sleep are some of the examples of these needs. In an organisation, basic salary helps to satisfy these needs.
2. **Safety/Security Needs** These needs are concerned with physical, economic and social security, in the form of job security, stability of income, etc.
3. **Affiliation/Belongingness/Social Needs** These needs are concerned with affection, sense of belongingness, acceptance and friendship. It is fulfilled when employees have cordial relations with colleagues.
4. **Esteem Needs** These needs include factors such as self-respect, status and recognition. When these needs are fulfilled through job title, it enhances self-confidence and prestige of employees.
5. **Self-actualisation Needs** It is the highest level of need in the hierarchy. These needs include growth, self-fulfilment and achievement of goals.

Assumptions of Maslow's Need Hierarchy Theory

The main assumptions of Maslow's need hierarchy theory are

- People's behaviour is based on their needs. Satisfaction of such needs influences their behaviour.
- People's needs are hierarchical in order. They start from basic physiological needs and reach to high level needs.

- A satisfied need can no longer motivate a person, only next higher level need can motivate a person.
- A person moves to the next higher level need, only when the lower level need is satisfied.

Financial Incentives

It refers to those incentives which are measurable in monetary terms and serve to motivate people for better performance.

The various financial incentives are as follows

- Pay and allowances
- Bonus
- Profit sharing
- Co-partnership
- Productivity linked wage incentives
- Retirement benefits
- Perquisites

Non-financial Incentives

It refers to those incentives which are provided to satisfy psychological, social and emotional needs.

The various non-financial incentives are as follows

- Status
- Job security
- Organisational climate
- Career advancement opportunity
- Employee recognition programmes
- Employee empowerment
- Job enrichment
- Employee participation

Leadership

It may be defined as the process of influencing the behaviour and performance of people in a group, so that their efforts are directed towards the achievement of goals.

According to George Terry, "Leadership is the activity of influencing people to strive willingly for group objectives."

Features of Leadership

- It is the ability of an individual to influence people.
- It tries to bring change in the behaviour of others.
- It is exercised to achieve common goals of the organisation.
- It explains the interpersonal relationship between leaders and followers.
- It is a continuous process.

Importance of Leadership

Leadership is a key factor in making an organisation successful, because of the following benefits

- A good leader influences the behaviour of people and contributes their energies for the benefit of the organisation.
- A leader maintains personal relations and helps his followers in fulfilling their needs. He provides confidence, support and encouragement to his followers.

- Leaders play a key role in introducing required changes in the organisation. They help in solving the problem of resistance to change by inspiring and persuading employees to accept the changes.
- A good leader helps in solving the conflicts, allows his followers to ventilate their feelings and disagreements and persuades them by giving suitable clarifications.
- Leaders provide training to their subordinates, in order to make them efficient and to facilitate a smooth succession process.

Qualities of a Good Leader

Certain qualities or traits possessed by individuals help them to become successful leaders.

These qualities are as follows

1. **Physical Qualities** A good leader must possess a good height, weight, health and appearance. Health and endurance help a leader to work hard and inspire others also to do so.
2. **Knowledge** A good leader should have required knowledge and competence, so that he can influence others.
3. **Integrity** A leader should possess high level of integrity and honesty, so that he can be a role model to others.
4. **Initiative** A leader should have courage and initiative to do things on his own, rather than waiting for others to do it first.
5. **Communication Skills** A leader should be a good communicator. He should be able to clearly explain his views to others. He should not only be a good speaker, but a good listener, teacher and counsellor.
6. **Motivation Skills** A leader should understand the needs of his employees and motivate them by satisfying their needs.
7. **Self-confidence** A leader should have a high level of confidence. He should not lose confidence even in the most difficult times.
8. **Decisiveness** A leader must be decisive in the sense that once he has taken a decision, he should be firm on it.
9. **Social Skills** A leader should be sociable and friendly with his colleagues and followers, so that he can understand them and their needs.

Leadership Styles

It refers to the behaviour pattern which the leader reflects in his role as a leader.

Different types of leadership styles are as follows

1. **Authoritative or Autocratic Leadership** An autocratic leader exercises complete control over the subordinates. He centralises power in himself and takes all decisions without consulting the subordinates.

2. **Democratic or Participative Leadership** A democratic leader takes decisions after consultation and encourages the participation of subordinates. He decentralises authority and allows the subordinates to share his power.
3. **Free Rein or Laissez Faire Leadership** It involves complete delegation of authority, so that subordinates themselves take decisions. The free rein leader avoids holding power and surrenders the authority to subordinates.

Communication

Communication can be defined as a process of exchange of ideas, facts, feelings and views between two or more people to create common understanding.

According to Rogers, "Communication is a process by which people create and share information with one another in order to reach common understanding."

Elements of Communication Process

Communication has been defined as a process.

This process has the following elements

1. **Sender** He is the person who conveys his thoughts, messages or ideas to the receiver.
2. **Message** It is the subject matter of communication.
3. **Encoding** It refers to converting message into communication symbols such as words, pictures, etc.
4. **Media** It is the path, channel or medium through which encoded message is transmitted to the receiver.
5. **Decoding** It is the process of translating the encoded message into effective language which could be understood by the receiver.
6. **Receiver** He is the person who receives the message of sender.
7. **Feedback** It is the process through which receiver expresses his reaction to the sender.
8. **Noise** It is any obstruction or hindrance which hampers the communication process.

Importance of Communication

Effectiveness of a manager depends on his ability to communicate with his subordinates.

Therefore, communication is important because of following reasons

- Communication acts as basis of coordination. It helps in coordinating the activities of various departments and persons in an organisation.
- Communication ensures smooth functioning of an enterprise. Existence of an organisation depends fully on communication i.e., transmitting information. When communication stops, organised activity cease to exist.

- Communication provides needed information for decision-making. In its absence, it may not be possible for managers to take decisions. Thus, it serves as basis of decision-making.
- Various functions of managers like providing information, instructions, allocating jobs and resources would not be possible in the absence of communication. Thus, communication is essential for effective performance of managerial functions.
- Effective operation is only possible when there is industrial peace in the factory and mutual cooperation between workers and managers. Two-way communication promotes cooperation and mutual understanding between them.
- Communication is the basis of leadership. A good leader must possess efficient communication skills for influencing the behaviour of subordinates.
- Good and effective communication enables managers to motivate, influence and satisfy the employees.

Formal Communication

It refers to the communication taking place through official channels in an organisation. It may be oral or written. Formal communication may be two types

1. **Vertical Communication** It takes place between two levels in the organisation. It can be upward or downward communication.
2. **Horizontal Communication** It takes place between individuals working at the same level.

Networks of Formal Communication

Some of the popular networks used in formal communications are as follows

1. **Single Chain Network** Under this network, communication flows from every superior to his subordinate through single chain.
2. **Wheel Network** In wheel network, all communication passes through one superior who acts as a central authority.
3. **Circular Network** In circular network, each person can communicate with his two adjoining colleagues.
4. **Free Flow Network** In this network, there is no restriction on the flow of communication.
5. **Inverted-V Network** In this network, a subordinate is allowed to communicate with his immediate superior, as well as his superior's superior.

Merits of Formal Communication

- It ensures orderly flow of information.
- It helps in fixing responsibility as source of information can be located.
- It helps in maintaining authority relationship in the organisation.
- It facilitates control.

Demerits of Formal Communication

- It is time consuming.
- It obstructs free and uninterrupted flow of information.
- It is usually conveyed in an impersonal manner.

Informal Communication

It takes place in an organisation without following the formal line of communication.

The network of communication followed in the informal communication is referred to as grapevine network. Some of the popular network used in informal communication are as follows

1. **Single Strand** In this network, information passes from one person to another in a sequential order.
2. **Gossip** In this network, one person passes information to everyone else on a non-selective basis.
3. **Probability Network** In this network, information is passed randomly by one person to whomever he comes in contact with.
4. **Cluster** In cluster network, the individual communicates with only those people whom he trusts.

Merits of Informal Communication

- It provides social satisfaction and helps in achieving better human relations.
- It helps in discussing those matters which cannot be discussed officially.
- It links even those people who do not fall in official chain of command.

Demerits of Informal Communication

- It is not authentic, as messages tend to get distorted.
- It is difficult to fix responsibility as source of communication is not known.
- It may lead to rumours.
- It may result in leakage of confidential information.

Directing

PART 1

Objective Questions

• Multiple Choice Questions

1. Which of the following is not an advantage of directing?
- (a) Initiates action (b) Integrates employee efforts
(c) Provides leadership (d) Restricts changes

Ans. (d) Through effective directing, managers bring changes in the organisation, it is the workers who in fact restricts changes.

2. The board of directors of a company has made some guidelines and policies for the workers and wants to communicate these to the workers. Who would be the best communicator in this regard?
- (a) Board of directors (b) Manager
(c) Supervisor (d) Clerk

Ans. (c) Supervisor is the person who is in touch with the workers directly. He acts as a link between management and workers.

3. Suraj works as manager in 'Ignite Ltd'. He has been given the 'Best Employee Award'. The reasons for such award is that he has been able to integrate group efforts and has been able to get maximum out of his subordinates by attaining their willing cooperation. His qualities like initiative, self-confidence and social has helped him to achieve achievement of objectives of the organisation. What function is performed effectively by Suraj?
- (a) Planning (b) Organising
(c) Staffing (d) Directing

Ans. (d) Directing

4. Workers are always unwilling to take up any extra work. Due to rise in demand, a firm wants them to cooperate. The supervisor is finding it difficult to cope up with this situation. Identify the element of directing suitable in the above situation.
- (a) Supervision (b) Motivation
(c) Leadership (d) Communication

Ans. (b) Motivation

5. means acknowledgement with a show of appreciation.

- (a) Job enrichment
(b) Job security
(c) Employee recognition programme
(d) Career advancement opportunity

Ans. (c) Employee recognition programme

6. For the following two statements, choose the correct option.

Statement I To motivate employees, only positive motivation can be used.

Statement II Motivators can be negative as well as positive.

Alternatives

- (a) Statement I is correct and Statement II is wrong
(b) Statement II is correct and Statement I is wrong
(c) Both the statements are correct
(d) Both the statements are incorrect

Ans. (b) To motivate employees, both positive or negative motivations can be used.

7. Ram Murthy, the CEO of 'Goodcare Hospitals', a leading chain of hospitals, decided to reward the good work of the doctors of his organisation. For this he instituted two running trophies. A 'Healthcare Achievers Trophy' to acknowledge and appreciate the tireless efforts of the doctors who rendered selfless services to the patients and another 'Beti Bachao Trophy' to recognise the outstanding work done by the doctors in saving the girl child. Identify the incentive provided by 'Goodcare Hospitals' to its doctors through running trophies.
- (a) Status
(b) Job enrichment
(c) Employee recognition programme
(d) Perquisites

Ans. (c) Employee recognition programme

8. The CEO of 'Apex Heights Limited' invited suggestions from Rajlaxmi, Human Resource Manager, for retaining the talented employees to reduce employees' turnover. She recommended that the good employees should be rewarded in a way that it creates a feeling of ownership among the employees. Name the incentive which has been suggested by Mrs. Rajlaxmi to the CEO of the company.

(a) Stock option (b) Perquisites
(c) Bonus (d) Job enrichment

Ans. (a) Stock option

9. XYZ company offers its director certain benefits such as car, housing, medical facilities, etc, apart from basic salary. Name the incentive provided here by the company to its director.

(a) Stock option (b) Perquisites
(c) Bonus (d) Job enrichment

Ans. (b) Apart from basic salary, some companies offer fringe benefits and perquisites to employees, e.g. perk like rent free accommodation, education of children, car, medical allowance, etc to motivate their staff.

10. MR Sarthi, the ex-chairman of Swadesh Ltd., built up his successor before retiring.

Following the norms set up by himself, he handed over the reins of the company to the co-founder Mr. Shravan, who had the potential to bring about change in the behaviour of others. Name the concept of management which was the reason why Mr. Sarthi chose Mr. Shravan to be his successor.

(a) Motivation (b) Leadership
(c) Communication (d) Staffing

Ans. (b) Leadership

11. Rakesh, MD of 'Modern Homes' an architecture and design firm has appointed many successful architects. Here Rakesh has given full responsibility of setting goals for various projects to the group.

He avoids use of power. Rakesh acts like a constant person with outsiders and collects information and resources required by the group to accomplish job and take on more on an advisory role. What type of leadership style is being followed by Rakesh?

(a) Autocratic (b) Democratic
(c) Free-rein (d) Participative

Ans. (c) Free-rein

12. In an organisation, employees always feel that they are under enormous unnecessary stress, as the manager does not provide any information about future plans but simply instructs them what to do.

He also does not listen to any of the suggestions given by the subordinates. Identify the type of leadership style followed by the manager in the above situation.

(a) Autocratic (b) Democratic
(c) Free-rein (d) Participative

Ans. (a) Autocratic

13. For the following two statements, choose the correct option.

Statement I Authoritative leadership style involves giving orders by a superior to his subordinates and expecting that his orders will be obeyed by them.

Statement II A democratic leader takes decisions after consultation and encourages the participation of subordinates.

Alternatives

(a) Statement I is correct and Statement II is wrong
(b) Statement II is correct and Statement I is wrong
(c) Both the statements are correct
(d) Both the statements are incorrect

Ans. (c) Both the statements are correct

14. The channel of communication which is transmitted through informal channels is called

(a) Horizontal communication
(b) Formal communication
(c) Grapevine
(d) Gang plank

Ans. (c) Grapevine

15. In a factory, Mr. Suresh is at the position of supervisor and there are twenty subordinates under him. He communicates with all the subordinates in a single line. They are following which type of communication network here?

(a) Single chain (b) Inverted V
(c) Wheel (d) Free flow

Ans. (a) Single chain network is a formal communication channel in which superior communicates with every subordinate in a single line.

• Assertion-Reasoning MCQs

Direction (Q. No. 1 to 6) These are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below.

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
(c) Assertion (A) is true, but Reason (R) is false
(d) Assertion (A) is false, but Reason (R) is true

1. Assertion (A) Directing is an ongoing process.

Reason (R) Without direction, organisational activities cannot continue further.

Ans. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

2. Assertion (A) Motivator means a process of stimulating people to action to accomplish desired goals.

Reason (R) Motivator refers to inner state or desire, which activates, compels and directs the individual to behave in the direction of achievement of goal.

Ans. (c) Motivator is the technique used to motivate people in an organisation.

3. Assertion (A) Leadership is the process of influencing the behaviour of people towards achievement of organisational goal.

Reason (R) Autocratic leader exercises complete control over the subordinates.

Ans. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

4. Assertion (A) In single strand network, each person communicate with another in a sequence.

Reason (R) In cluster network, any person can communicate with anyone else randomly.

Ans. (c) In probability network, any person can communicate with anyone else randomly. In cluster network, an individual communicates with only those people whom he trusts.

5. Assertion (A) Communication acts as basis of coordination.

Reason (R) We must always clarify the idea before communication.

Ans. (b) Communication acts as a basis of coordination between sender and receiver.

6. Assertion (A) Formal and informal communication flow through officially prescribed channels of communication.

Reason (R) Informal communication takes place among the workers to exchange their views and to satisfy their social needs.

Ans. (d) Only formal communication flows through officially prescribed channels of communication.

• Case Based MCQs

1. Direction Read the following text and answer the question no. (i) to (vi) on the basis of the same.

Babita Malhotra was promoted to the post of production manager recently. Mr. Lalit Arora, general manager, was quite confident that she would be able to handle the department well. She worked as a link between management and workers

to remove the misunderstandings, conflicts and brought some reforms in the department. She gave flexible working hours to the employees and paid wages at a higher price rate to those who achieved their targets and low wages to those employees who could not achieve their targets. To make the job environment better, she decided to redefine the workplace by designing jobs having greater variety of content. She established various committees and regularly took the suggestions of the employees to improve the overall functioning of the business. She believed in the transparency in operations and to address the concerns of the employees, she arranged a suggestion box. Her efforts did not go waste and within few months the company's growth rate was almost double.

(i) On the basis of the case study, identify the kind of leadership style which Babita Malhotra followed.

- (a) Autocratic
- (b) Democratic
- (c) Free-Rein
- (d) Bureaucratic

Ans. (b) Democratic

(ii) Which function of management is highlighted in the given case?

- (a) Planning
- (b) Organising
- (c) Staffing
- (d) Directing

Ans. (d) Directing

(iii) Identify one importance of directing focused in the above case study.

- (a) Directing helps to initiative action.
- (b) Directing helps to bring stability and balance in the organisation.
- (c) Directing integrates employees' efforts in the organisation.
- (d) Directing facilitates introduction of needed changes in the organisation.

Ans. (d) Directing facilitates introduction of needed changes in the organisation.

(iv) Identify the feature of motivation highlighted in the above case study.

- (a) It is an internal feeling.
- (b) It can be either positive or negative.
- (c) It is a complex process.
- (d) It is a voluntary process.

Ans. (b) It can be either positive or negative.

(v) Which type of motivation is highlighted in above case?

- (a) Status
- (b) Employee recognition
- (c) Job security
- (d) Bonus

Ans. (b) Employee recognition

(vi) Which need of employees is satisfied in the given case?

- (a) Self-actualisation (b) Esteem
- (c) Security (d) None of these

Ans. (c) Security

2. Direction Read the following text and answer the question no. (i) to (vi) on the basis of the same.

Mr. Sunil Diali is a safety officer in a reputed PSU sector ECL. He supervises the workers towards the predetermined goals of the organisation and directs how to eradicate unsafe practices of inundation, fire breakouts, existence of inflammable gases etc.

On one such instances, there was huge fire breakout in the underground mines and the workers morale was down and demotivated because of several risk hazards.

Mr. Diali observed the whole situation and consulted with all his workers and constantly monitored, guided and inspired them to integrate their efforts and accept the situation as a challenge and take adequate safety measures for fire extinguish and subsidising its effects. Thereby, production turnover was outstanding and out performed other subsidiaries. Mr. Diali was recognised with bravery award from CIL.

(i) Mr. Diali worked towards predetermined goals of the organisation. Which important function of directing is addressed here?

- (a) Means of motivation (b) Initiates action
- (c) Facilitate change (d) Brings stability

Ans. (b) Initiates action

(ii) Mr. Diali consulted with all his workers, he listened to their opinions. Which form of leadership is identified here?

- (a) Laissez-faire (b) Autocratic
- (c) Democratic (d) Free-rein

Ans. (c) Democratic

(iii) Bravery award is form of non-financial incentive.

- (a) status (b) job security
- (c) career advancement (d) employee recognition

Ans. (d) employee recognition

(iv) Under Maslow's hierarchy need theory, which need of Mr. Diali has been met through respect and recognition among other employees?

- (a) Self-actualisation need
- (b) Safety and security needs
- (c) Esteem needs
- (d) Physiological needs

Ans. (c) Esteem needs

(v) Which element of directing is highlighted above?

- (a) Supervision (b) Motivation
- (c) Leadership (d) Communication

Ans. (a) Supervision

(vi) Which type of incentive is received by Mr. Diali for his bravery?

- (a) Financial
- (b) Non-financial
- (c) Both (a) and (b)
- (d) None of these

Ans. (b) Non-financial

3. Direction Read the following text and answer the question no. (i) to (vi) on the basis of the same.

EDC Ltd is a highly reputed company and many people want to join this company. The employees of this company are motivated and happy by the working of the company. The employees are rewarded in a way that it creates a feeling of ownership among them and at the same time, make them contribute towards the growth of the organisation.

Bishnoi, seeing the immense growth opportunities started reaching out to the employees of this company to understand how can he get an offer from the company. On enquiring, Aayush said that he was introduced by the present marketing manager, Mr Joe. Tushar said that he was directly recruited from IIM, Bangalore from where he was about to complete his MBA.

Bishnoi also got to know an interesting fact about the company that the production target of the company is usually achieved with production ranging from 220-230 units per day.

(i) "The production target of the company is usually achieved with production ranging from 220-230 units per day." Through which function, company establishes the aforementioned fact?

- (a) Planning (b) Staffing
- (c) Directing (d) Organising

Ans. (c) Directing

(ii) Through which way of recruitment, Aayush was recruited?

- (a) Campus placement
- (b) Advertisement
- (c) Recommendation from present employees
- (d) Placement agencies

Ans. (c) Recommendation from present employees

(iii) Which incentive is being highlighted in the lines, "The employees of this company are motivated and happy by the working of the company.

The employees are rewarded in a way that it creates a feeling of ownership among them and at the same time, makes them contribute towards the growth of the organisation”?

- (a) Pay and allowances
- (b) Stock option
- (c) Profit sharing
- (d) Bonus

Ans. (b) Stock option

(iv) Through which way of recruitment, Tushar was recruited?

- (a) Campus placement
- (b) Advertisement
- (c) Recommendation from present employees
- (d) Placement agencies

Ans. (a) Campus placement

(v) Which type of motivational incentive is provided by the company to the employees?

- (a) Financial incentive
- (b) Non-financial incentive
- (c) Both (a) and (b)
- (d) None of the above

Ans. (b) Non-financial incentive

(vi) Which importance of motivation is highlighted in the case?

- (a) It helps to improve the performance level of employees
- (b) It helps to change negative attitude of employees
- (c) It helps to reduce employee turnover
- (d) None of the above

Ans. (a) It helps to improve the performance level of employees

PART 2

Subjective Questions

• Short Answer (SA) Type Questions

1. Explain any three points that highlight the importance of directing function of management.

(Delhi 2017)

Ans. Directing is important because of the following reasons

- (i) **Integrates Employees** Directing integrates employees efforts in the organisation in such a way that every individual's effort contributes to the welfare of the organisation. Thus, it ensures that employees work efficiently for the attainment of goals.
- (ii) **Improves Efficiency** Directing guides employees to fully realise their potentials and capabilities.

Through this function, managers utilise the potential of employees and persuade them to work with the best of their ability and contribute their maximum efforts towards the achievement of organisational objectives.

- (iii) **Facilitates Change** Business environment is changing very frequently, but the people generally have a tendency to resist change. In this context, directing helps manager to persuade his subordinates to carry out changes from time to time to cope with changes in the environment, as the changes are necessary to adapt and it is the need of modern business.

2. Sultan was a regional manager in 'Homely Products Ltd.' for the last eight years. On the retirement of the marketing manager, Sultan applied for the same post because he was extremely ambitious and had dedicated all his energies to obtain the post of marketing manager. However, the top management decided to fill the position by selecting a better person from outside the company. Because of this, Sultan was heartbroken and his performance declined. When the new marketing manager joined, one of his major problems was how to motivate and inspire Sultan to his former level of performance. Suggest any three non-financial benefits that the new marketing manager may use to motivate Sultan.

(CBSE 2015)

Ans. The non-financial incentives that the new marketing manager may use to motivate Sultan are

- (i) **Job Enrichment** Employees get bored by performing routine job. They enjoy doing jobs which offer them variety and opportunity to show their skill. By offering challenging jobs, autonomy to perform job, interesting jobs, employees get satisfied and they are motivated.
- (ii) **Employee's Recognition** Whenever the good efforts or the positive attitude is shown by the subordinates then it must be recognised by the superior in public or in presence of other employees. Whenever if, there is any negative attitude or mistake is done by subordinate then it should be discussed in private.
- (iii) **Employee Participation** It means involving employee in decision-making especially when decisions are related to workers. Employees follow the decision more sincerely when these are taken in consultation with them.

3. Workers of a factory often come to the production manager with the grievances. The production manager finds himself overburdened with so many tasks. Advise a way to relieve the production manager.

(NCERT)

Ans. The production manager should offer appropriate incentives to the workers in order to improve their performance and to change negative attitude of workers to positive.

Financial incentives such as bonus, profit sharing, stock option and non-financial incentives such as status, job enrichment, employee recognition, employee participation and employee empowerment can be effectively used by the manager.

4. Blue Chips Ltd. offers to its employees, issue of shares at a price which is less than the market price.

(i) Name and explain the type of incentive offered to the employees.

(ii) Explain one more incentive of the same category.
(All India 2010)

- Ans.** (i) By offering its employees, issue of shares at a price less than the market price, Blue Chips Ltd. offered 'co-partnership' which is a financial incentive. The company did so in order to motivate its employees to work with great zeal.

Financial Incentives It refers to those incentives which are measurable and paid in monetary form.

(ii) **Bonus** is an incentive offered over and above wages/salaries to the employees.

5. 'A leader who has only good physical features and required knowledge and competence cannot inspire others to work'. Then what else is required by a leader to be successful? Explain by giving any four points.
(Delhi 2012, 2012C, 2010C)

Ans. Apart from physical features, knowledge and competence; a leader requires many other qualities which are as follows

- (i) **Good Communication Skills** A leader should have good communication skills so that he can explain his ideas, guide and motivate his followers. He needs to be a good listener too.
- (ii) **Initiative** The leader does not wait for others, but takes the first step and create opportunities.
- (iii) **Motivation Skills** He should be able to influence the actions of people through proper motivation.
- (iv) **Social Skills** A leader must be sociable and have friendly relations with the followers and understand their problems.

6. "Autocratic style of leadership is appropriate where subordinates are uneducated." In the light of this statement, give some advantages of autocratic style of leadership.

Ans. Autocratic style of leadership is appropriate, where the subordinates are uneducated because here the leader gives orders which are to be obeyed.

Advantages of autocratic style of leadership are

- (i) Autocratic style permits quick decision-making.
- (ii) It provides strong concentrated powers to leader.
- (iii) This style may yield positive results when great speed is required.

7. Aarav was working as a supervisor with 'Neer Purifier Ltd.' which was producing water purifiers. The target of the company was to produce 200 water purifiers every day. His job was to make sure that work goes on smoothly and there was no interruption in production. To achieve this, he always gives orders and insists that they are obeyed. He believes that reward or punishment both can be given depending upon the performance. Identify and describe the leadership style being adopted by Aarav.
(CBSE 2015)

Ans. Aarav has adopted autocratic style of leadership. An autocratic leader gives orders and insists that they are obeyed. He determines the policies for the group without consulting them. He does not give information about future plans but simply tells the group what immediate steps they must take. Under this style, all decision making power is centralised in the leader. He does not give the subordinates any freedom to influence his decisions. It is like "bossing people around." This style should normally be used on rare occasion.

8. Pramod was a supervisor at 'Annapurna Aata' factory. The factory was producing 200 quintals of aata every day. His job was to make sure that the work goes on smoothly and there was no interruption in production. He was a good leader who would give orders only after consulting his subordinates and work out the policies with the acceptance of the group. Identify and describe the leadership style being adopted by Pramod.
(CBSE 2015)

Ans. Democratic leadership style is being adopted by Pramod, as he gives orders only after consulting his subordinates with the acceptance of the group.

A democratic leader takes decisions after consultation and encourages the participation of subordinates. This leadership style is more common and popular, as it ensures achievement of goals when they are set with the acceptance of the subordinates themselves. A democratic leader provides freedom of thinking and listens to suggestions, grievances and opinions of the subordinates. This improves the attitude of the employees towards their jobs and the organisation, thereby increasing their morale. This style is of mutual benefit which allows subordinates to become part of team and help leaders (seniors) to make better decisions.

9. "Leadership is an essential element of directing". Do you agree? Give three reasons in support of your answer.

Or "Leadership is considered the most important element of directing". In the light of this statement, explain any three points of importance of leadership.

Ans. Yes, leadership is the most important element of directing as it helps in influencing the behaviour of others for the accomplishment of goals.

Importance of leadership can be explained as follows

- (i) Leadership influences the behaviour of people and makes them to positively contribute their energies for the benefit of the organisation.
- (ii) A leader maintains personal relations and helps his followers in fulfilling their needs. He provides needed confidence, support and encouragement to subordinates.
- (iii) A leader plays a key role in introducing required changes in the organisation. He persuades and inspires the subordinates to accept changes.

10. Explain the meaning and any three characteristics of directing. (Delhi (C) 2010)

Ans. Directing refers to the process of instructing, guiding, leading and motivating people in an organisation to achieve predetermined goals.

Characteristics of directing are

- (i) **Directing Initiates Action** Directing is an executive function of management. While the other functions prepare a setting for action, directing initiates action in the organisation. Therefore, a manager has to perform this function according to planning, organising, staffing and controlling.
- (ii) **Directing takes Place at all Levels** Every manager from top to bottom performs the function of directing or in other words, we can say, directing takes place wherever superior-subordinate relationship exists.
- (iii) **Directing is a Continuous Process** It is an ongoing process. It does not mean issuing an order or instruction but a manager must continuously guide, inspire and supervise his subordinates, so that organisational goals are achieved on time. This function continues throughout the lifetime of an organisation. If direction in the organisation stops, it ceases to work and grow.

11. 'AS Environs Ltd.' is dealing in Environment-Consultancy. To get the business, the team leader and his team used to travel to different states to give presentation to their clients. As per the policy of the company, the team leader used to travel by air whereas his team travelled by road/train.

It was not only time consuming, but also at times forced the female team members to travel alone. As a result, the subordinates were not acting in a desired manner to achieve organisational goals. The CEO of the company came to know about it. He called the team leader, discussed the matter

with him and decided to change the travel policy of the company.

It was decided that in future all the members including the leader would travel together and usefully utilise the travelling time in discussion about the presentation to be given to the clients. This made a positive impact and every member of the team started acting in a manner as desired by the team leader.

State the features of the element of the function of management used by the CEO. (CBSE 2016)

Ans. The function of management being performed by the CEO is 'direction' and the element of 'direction' used by him is 'motivation'.

Features of motivation are as follows

- (i) **Psychological Phenomenon** Motivation is an internal feeling which means it cannot be forced on employees. The internal feeling such as need, desire, aspiration, etc. influence human behaviour to behave in a particular manner.
- (ii) **Goal Directed Behaviour** It induces people to behave in such a manner so that they can achieve their goals. A motivated person works towards the achievement of desired goals.
- (iii) **Motivation can be either Positive or Negative** Positive motivation means inspiring people to work better and appreciating a work that is well done, e.g., pay increase, promotion, recognition, etc. Negative motivation means forcing people to work by threatening or punishing them. e.g., issue of memo, demotion, stopping increments, etc.
- (iv) **Complex Process** It is a complex and difficult process. Individuals differ in their needs and wants and moreover human needs change from time to time.

12. Sadaf is the Chief Executive Officer of a reputed company. She introduced appropriate skill development programmes and a sound promotion policy for the employees of her company. To motivate and retain the best talent in the company, she designed the jobs of the managers to include greater variety of work content.

Identify and explain the two incentives introduced by Sadaf to motivate the employees of her company.

(CBSE (C) 2017)

Ans. The two incentives used by Sadaf to motivate the employees of her company are

- (i) **Career Advancement Opportunity** Every individual aspires for growth and development in his life. Managers should provide opportunity to employees to improve their skills and be promoted to the higher level jobs. Interesting, enriched and challenging job itself is a very good motivator.

- (ii) **Job Enrichment** It is concerned with designing jobs that include greater variety of work content requiring higher level of knowledge and skill. It give workers more autonomy, responsibility and provide the opportunity for personal growth.

13. Explain any three assumptions of Maslow's need hierarchy theory. (All India 2012)

Ans. Abraham Maslow gave a theory based on human needs. He felt that within every human being, there exists a hierarchy of five needs. His theory is based on certain assumptions which are as follows

- He believed that human behaviour is based on their needs. Satisfaction of such needs influences their behaviour. When one need is satisfied, they will move to strive for other needs.
- A satisfied need can no longer motivate a person to work, only next higher level need can motivate him.
- A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

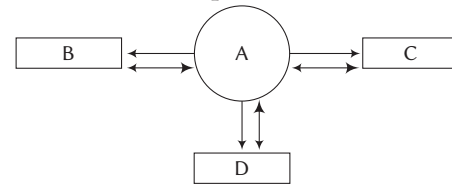
14. Avdhesh is the managing director of Delta Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The production manager, Ms. Priyanka was efficiently handling the processing of orders and had a team of ten motivated employees working under her. Everything was going on well. Unfortunately, Priyanka met with an accident. Avdhesh knew that in the absence of her the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill.

So, he had a meeting with his employees in which accurate and speedy processing of orders was planned. Everybody agreed to work as a team because the behaviour of Avdhesh was positive towards the employees of the organisation. Hence, everyone put in extra time and efforts and the targets were met on time. Not only this, Avdhesh visited Priyanka and advised her to take adequate rest.

- Identify the leadership style of Avdhesh and draw a diagram depicting the style.
- Mention any two qualities of good leader Avdhesh have?

Ans. (i) The leadership style of Avdhesh is democratic/participative leadership. Under this style, leader consults his subordinates in decision-making process and works out policies with the acceptance of the group.

He encourages them to give suggestions in setting goals and implementing decisions. It is group centered leadership.



- (ii) Avdhesh has following qualities of a good leader
- Initiative
 - Communication skills

15. Riya and Jiya are working in different departments, but are very close friends. During lunch time, Riya informs Jiya that due to the impact of COVID-19 on business organisations, many people have lost their jobs.

Identify the type of communication highlighted in the above said case. Also, state any two advantages and one disadvantage of this type of communication.

Ans. Communication between Riya and Jiya is informal communication.

Advantages of informal communication are

- It helps individuals to communicate on matters, which cannot be transmitted through the formal communication.
- It enables the employees to develop friendly relations and get social satisfaction. It satisfies their urge to know, what is happening in the organisation.

Disadvantages of informal communication are (any one)

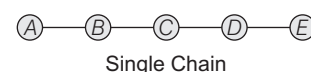
- It tends to be unsystematic, irregular and untimely. It is neither reliable nor predictable.
- It is not easy to fix responsibility for actions taken on the basis of informal communication. The origin of such communication is not easily traceable.

16. Explain the various networks of formal communication.

Ans. The pattern through which communication flows within the organisation is indicated by communication network.

Some popular formal communication networks are as follows

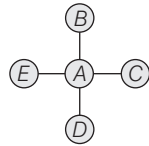
- Single Chain** In this network, communication flows from every superior to his subordinates in a single chain.



Single Chain

As shown in the diagram, communication flows from A to B, from B to C and so on.

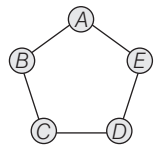
- (ii) **Wheel Network** In this network, all subordinates working under a superior communicates through him only. The superior is at the 'hub' of the wheel, communicating with all at the same time.



Wheel Network

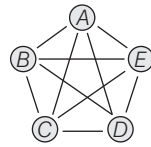
As shown in the diagram, B,C,D and E can only communicate through A.

- (iii) **Circular Network** In this network, communication moves in a circle, from one person to another. But, communication is slow in this network. Each person can communicate with two adjoining colleagues. Here, A can communicate with B and E, and likewise others communicate in the circle.



Circular Network

- (iv) **Free Flow** In this network, each person can communicate with others freely and therefore, communication is fast in this network. In the diagram, A can communicate with B,C,D and E, B can communicate with A,E,C,D and so on.



Free Flow

17. Differentiate between formal and informal communication.

Ans. Difference between formal and informal communication

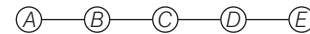
Basis	Formal Communication	Informal Communication
Mutual Relationship among Members	Based on formal superior-subordinate relationship.	Based on interpersonal contacts.
Nature	Systematic and orderly.	Unsystematic and irregular.
Speed of Communication	It is slow and time consuming.	It is fast and time saving.
Authenticity	Official and well planned messages are authentic.	Unofficial and un-planned messages may not be authentic.

Basis	Formal Communication	Informal Communication
Contents or Subject Matter	Work related matters, e.g. orders and instructions are communicated.	Personal matters are discussed.
Objectives	To achieve organisational objectives.	To meet personal needs and interests.

18. Mention about the various informal communication networks.

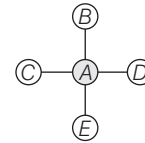
Ans. Some popular informal communication networks are as follows

- (i) **Single Strand Network** In this network, each person communicate with another in a sequence.



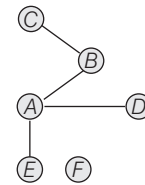
Single strand network

- (ii) **Gossip Network** In this network, one person communicates with all at the same time.



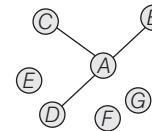
Gossip network

- (iii) **Probability Network** In this network, any person can communicate with anyone else randomly.



Probability network

- (iv) **Cluster Network** In this network, an individual communicates with only those people whom he trusts.



Cluster network

• Long Answer (LA) Type Questions

1. Anjali had been working with 'Tata Enterprises' for the last ten years. She was famous for her dedication towards the work. When the manager senior to her retired, all her colleagues thought that now Anjali would be promoted. But to everyone's surprise the vacant post was filled by an outsider 'Ms Monika'. Anjali felt demoralised and her

performance started declining. She would absent herself often and could not meet her targets.

Ms Monika was a good leader who would not only instruct her subordinates, but also guide and inspire them. She noticed Anjali's behaviour and felt that her performance could be improved.

She started involving Anjali in decision-making issues related to the organisation and made her a part of a high-level joint management committee. Anjali was now punctual to office and her performance started improving.

- (i) Identify the function of management being performed by Monika.
- (ii) Name the element of the above function of management which helped Monika to improve Anjali's behaviour.
- (iii) State any three features of the element identified in (ii) above. (CBSE 2015)

Ans. (i) Directing

- (ii) **Motivation** By providing non-financial incentives in form of making her a part of joint management committee, helped in improving her performance by changing her negative attitude to positive attitude.

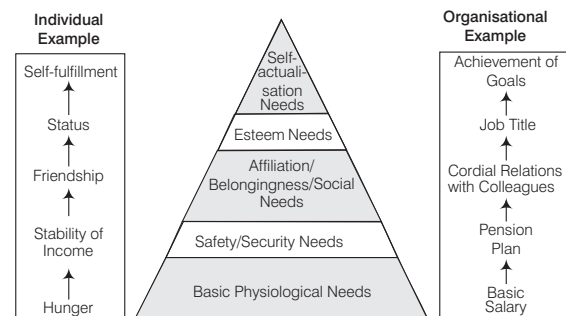
- (iii) Three features of motivation are

- (a) **Motivation is a Psychological Phenomenon** It is a personal and internal feeling like an urge, drives, desires and aspirations of human being, which influence human behaviour.
- (b) **Goal Directed Behaviour** Motivation inspires an employee to achieve goals. Thus, it encourages goal directed behaviour.
- (c) **Motivation may be Positive or Negative** Positive motivation means inspiring people to work better by providing incentives and negative motivation means forcing people to work by threatening or punishment.

2. Markfed Foods Pvt. Ltd. has appointed a new HR manager, who has completed his MBA from the most renowned institution in India. He was a gold medalist and has also been acknowledged as the best trainee during his internship in a firm. Soon after his joining, the management noticed a drastic change in the attitude of workers towards their work.

They were willing to accept new challenges, take up more challenging jobs and were able to achieve targets efficiently and effectively. Soon, the company prospered and established its name in the market. On being enquired, he confessed that all this change is attributed to Maslow's Theory of Motivation. Briefly explain Maslow's Need Hierarchy Theory.

Ans. Maslow's Need Hierarchy Theory of Motivation was given by Abraham Maslow. It is based on human hierarchy of five needs which are depicted and explained below



- (i) **Basic Physiological Needs** These are the basic needs, which a person is required to satisfy in order to survive. Hunger, thirst, shelter and sleep are some of the examples of these needs. In an organisation, basic salary helps to satisfy these needs.
- (ii) **Safety/Security Needs** These needs are concerned with physical, economic and social security in the form of job security, stability of income, etc.
- (iii) **Affiliation/Belongingness/Social Needs** These needs are concerned with affection, sense of belongingness acceptance and friendship. It is fulfilled when employees have cordial relations with colleagues.
- (iv) **Esteem Needs** These needs include factors such as self-respect, status and recognition. When these needs are fulfilled through job title, it enhances self-confidence and prestige of employees.
- (v) **Self-actualisation Needs** It is the highest level of need in the hierarchy. It arises after the satisfaction of all previously discussed needs. These needs include growth, self-fulfilment and achievement of goals.

3. Ela is running a successful business of providing high-end beauty services to the upper section of society. Her parlour boasts of innovative beauty products. She has an in-house training programme for new employees. Also, she believes in high standards of performance and shares her profits with her employees. She also gives them yearly bonus and salary hikes. But still she feels that her employees are not as motivated as she wants them to be.

- (i) Are financial incentives the only way to motivate employees?
- (ii) What are non-monetary incentives?
- (iii) State and explain any four non-monetary incentives which contribute to the performance of employees.

Ans. (i) No, financial incentives are not the only way to motivate employees. Employees can also be motivated with the help of non-monetary incentives.

- (ii) **Non-monetary Incentives** These are not directly related with money. These incentives help in the satisfaction of top hierarchy needs like respect, self-actualisation, etc.
- (iii) Following are the four important types of non-monetary incentives
 - (a) **Status** It means the position or rank of a person in the organisation. It can be high or low. The rank of an employee is directly linked with his authority, responsibility and other facilities (e.g. a separate cabin, costly furniture, car, peon, PA, etc).
Everybody has a wish for a higher status. Therefore, the employees can be motivated by raising their rank or position. The attainment of a higher status fulfils the psychological, social and esteem needs.
 - (b) **Career Advancement Opportunity** Every employee of the organisation wants to advance in his life. Promotion is an important example of advancement. When the avenues for promotion are available, the employees certainly get motivated.
 - (c) **Employee Recognition Programmes** Every employee wishes to be considered as an important part of the organisation. It means that he should have his own identity and he should appear to be distinctive. The manager should distribute work among the employees in such a manner which gives a feeling to every employee that his work is special and he alone is capable of doing it. By getting such kind of importance, they are motivated and work harder in a more responsible manner.
 - (d) **Employee Participation** Employees get encouraged if they are allowed to participate in managerial works. Therefore, they offer their full cooperation in making successful the policies prepared with their help.

4. It is interesting and inspiring to know about NR Narayana Murthy, Ex-Chairman of Infosys, an IT legend, institution builder, a leader par excellence and embodiment of directing abilities. He started his career as head of the computer centre at IIM, Ahmedabad.

He started Infosys, a small software company along with his friends in 1981 and turned it into a global IT company by 2002. He was the chief mentor, CEO of the company for two decades. During that time, he took the company to unimaginable heights.

With an equity capital of ₹ 10,000 in 1981, Infosys market capitalisation reached ₹ 11 billion by 2001. Infosys became one of the biggest exporters of software from India. It is the first company to be listed in Nasdaq stock market in 1999. Narayana Murthy is remembered as a top leader for many things. He had supreme confidence on his team members, executives and workers.

He nurtured and developed leadership qualities through coaching and training. He started Infosys Leadership Institute in early 2001 to help promising infoscians to develop into global leaders. Mr. Murthy leads by example and by trust. Very often, he used to say “A true leader is one who leads by example and sacrifices more than any one else, in his or her pursuit of excellence”. He truly practiced and proved it in Infosys. Mr. Murthy always motivated his team. He introduced number of motivational schemes including the novel stock option scheme for the executives of Infosys. Narayana Murthy was associated with many national and international bodies in different capacities and extended his services to the wide ranging activities.

He received number of awards and rewards from academic, social and business community. Following the norms setup by himself, Narayana Murthy handed over reins of Infosys to his friend and co-founder Nandan Nilekani in 2002.

- (i) In the light of the above case, state the qualities of a good leader.
- (ii) Why do you think leadership is important in an organisation?

Ans. (i) Following are the qualities of a good leader

- (a) **Physical Features** A good leader must possess a good height, weight, health and appearance. Health and endurance help a leader to work hard and inspire others also to do so.
- (b) **Knowledge** A good leader should have required knowledge and competence, so that he can influence others.
- (c) **Integrity** A leader should possess high level of integrity and honesty, so that he can be a role model to others.
- (d) **Initiative** A leader should have courage and initiative to do things on his own, rather than waiting for others to do it first.
- (e) **Communication Skills** A leader should be a good communicator. He should be able to clearly explain his views to others. He should not only be a good speaker, but a good listener, teacher and counsellor.
- (f) **Motivation Skills** A leader should understand the needs of his employees and motivate them by satisfying their needs.

- (ii) Leadership is essential in making an organisation successful, because of the following reasons

- (a) **Influences the Behaviour of People** A good leader influences the behaviour of people and

contributes their energies for the benefit of the organisation.

- (b) **Provides Confidence** A leader maintains personal relations and helps his followers in fulfilling their needs. He provides confidence, support and encouragement to his followers.
- (c) **Introduces Changes** Leaders play a key role in introducing required changes in the organisation. They help in solving the problem of 'resistance to change' by inspiring and persuading employees to accept the changes.
- (d) **Handles Conflicts** A good leader helps in solving the conflicts, allows his followers to ventilate their feelings and disagreements, and persuades them by giving suitable clarifications.

5. Leadership is the process of influencing people to make them work enthusiastically towards the achievement of group goals, though, different leaders have different leadership styles. With reference to this, explain the different leadership styles.

- Ans.**
- (i) **Autocratic Leadership** In this style of leadership, leader gives orders and subordinates are expected to follow them unquestioningly, i.e., leader exercise complete control over subordinates. There is no delegation of authority at all with communication being one way only. He takes all the decisions by himself.
 - (ii) **Democratic Leadership** In this style of leadership, leader makes plans and policies in consultation with the subordinates. Leader shares his powers by extending his authority to some extent. The communication process is two-way and there is interchange of ideas and recognition of human values.
 - (iii) **Free-rein Leadership** In this style of leadership, subordinates themselves take the decisions. There is complete delegation of authority and free flow of communication is allowed. Since, the leader avoids power, subordinates assume responsibility for the work to be performed.

6. Prateek is working in a multi-national company in Noida. He was running temperature for the last many days. When his blood was tested, he was found positive for malaria. He was admitted in the hospital and a blood transfusion was advised by the doctors as his condition was very serious. One of his colleagues sent a text message to his superior 'Mr B Chatterjee'. Mr B Chatterjee, immediately sent a text message to the employees of the organisation requesting them to donate blood for Prateek. When the general manager came to know about it he ordered for fumigation in the company premises and for cleaning the surroundings.

- (i) From the above para, quote lines that indicate formal and informal communication.
- (ii) State any two features of both formal and informal communication. (CBSE 2016 Modified)

Ans. (i) Formal communication takes place through official channels in an organisation.

Lines that indicate formal communication are "When the general manager the surroundings."

Informal communication takes place without following the formal lines of communication.

Lines that indicate informal communication are "One of his colleagues for Prateek."

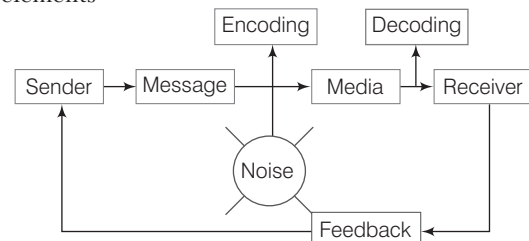
- (ii) Two features of formal communication are
 - (a) It takes place by following the formal lines of communication.
 - (b) It helps in fixing responsibility as source of information can be located.

Two features of informal communication are

- (a) Informal communication spreads rapidly but gets distorted.
- (b) The source of informal communication cannot be detected easily.

7. Discuss in brief the process of communication and show the process through diagram.

Ans. The communication process consists of the following elements



- (i) **Sender** The person who conveys the message, is known as the sender or communicator. He may be a speaker, a writer or an actor.
- (ii) **Message** It is the subject matter of communication. It may consist of facts, information, ideas, opinions, etc. It exists in the mind of the sender.
- (iii) **Encoding** The sender translates the message into words, gestures or other symbols, which he feels will make the receiver understand the message.
- (iv) **Channel or Media** The encoded message is transmitted through some medium, which is known as the communication channel. e.g. speaking, writing, phone call, internet, etc.
- (v) **Decoding** It means process of conversion of symbols into the message by the receiver.
- (vi) **Receiver** The person, who receives the message, is called the receiver. The receiver may be a listener, reader or viewer.
- (vii) **Feedback** The receiver sends his response to the sender of the message. Such response is known as feedback.
- (viii) **Noise** It means an obstruction or hindrance in the communication process.

Chapter Test

Multiple Choice Questions

1. aims at instructing, guiding, motivating people to achieve the desired results.
(a) Communication (b) Directing
(c) Motivating (d) Organising
2. To encourage innovation and creativity, Sunshine Enterprises has set up a team called 'incubators'. They are specially selected senior executives of the company whose responsibility is to ensure that the innovative ideas are generated by the employees. The company rewards and encourages the employees through its recognition and reward. What element of directing is being used by Sunshine Enterprises?
(a) Supervision (b) Motivation
(c) Leadership (d) Communication
3. Which element of directing is used by a manager when he represents problems of employees in front of the top management?
(a) Motivation
(b) Supervision
(c) Leadership
(d) Communication
4. The highest level need in the need hierarchy of Abraham Maslow is
(a) safety need
(b) belongingness need
(c) self-actualisation need
(d) prestige need
5. If a production manager contacts marketing manager to discuss about production schedule, it will be regarded as
(a) upward communication
(b) horizontal communication
(c) downward communication
(d) All of the above

Short Answer (SA) Type Questions

1. 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. Suggest ways for the supervisor to handle the problem.

2. Distinguish between monetary and non-monetary incentives.
3. 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 taking 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?
4. Name and explain the type of formal communication illustrated in the following examples.
(i) Application for grant of leave.
(ii) Sending notice to employees to attend a meeting.
(iii) A production manager contacting a marketing manager to prepare a schedule for production.
5. 'Money is not the only motivator'. Then, what else is required to motivate employees? Explain.
6. State two advantages and disadvantages of free-rein leadership.

Long Answer (LA) Type Questions

1. Mr Saurabh, manager of the customer relations department of LTR Ltd. promoted Ms Saira as office supervisor. Earlier, she was working as a typist in the department. As a supervisor, she manages work assignment effectively, but would not be able to manage the staff. Saurabh received a number of complaints due to her poor performance.
(i) Is Saira an effective leader?
(ii) What qualities are required by her to be an effective leader?
(iii) If Mr Saurabh now decides to remove her from the post of supervisor and abolish the post altogether, would the company be affected?
2. Discuss the importance of communication.

Answers

Multiple Choice Questions

1. (b) 2. (b) 3. (c) 4. (c) 5. (b)