



CHAPTER - 9

DIRECTING

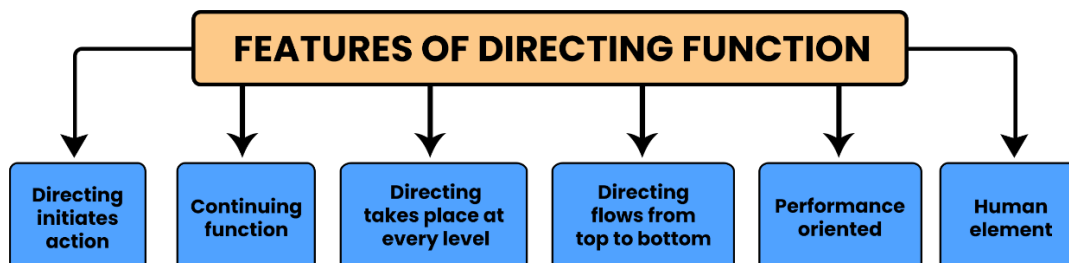
Directing

Directing function of management is concerned with instructing, guiding, inspiring and motivating the employees in the organisation so that their efforts result in achievement of organisational goal.

According to Ernest Dale, "Directing is telling people what to do and seeing that they do it to the best of their ability."

Characteristics of Directing

- (i) **Directing initiates action:** Directing is considered to be most important function of management. A manager has to perform this function along with planning, organising, staffing and controlling while performing his duties in the organisation. While other functions prepare a base or setting for action, directing initiate or start action in the organisation.
- (ii) **Directing is a continuous process:** Directing is not a one time activity, it is on ongoing process. A manager cannot just rest after issuing orders and instructions. He must guide, supervise and motivate his subordinates on continuous basis. He must continuously take steps to ensure that the orders and instructions are carried out properly and the performance is according to standards. The function of directing goes on throughout the lifetime of the organisation.
- (iii) **Directing takes place at every level:** Directing is pervasive function as it is performed by all members at all levels of the organisation. However, the time spent on directing is comparatively more at supervisory level of management. Directing takes place where superior-subordinate relation exist.
- (iv) **Directing flows from top to bottom:** Directing starts from the top level and flows to the bottom level through the organisational hierarchy. A manager gets instructions from his boss and give instructions to his subordinates.
- (v) **Directing is performance oriented:** Directing is performance function. The main aim of directing is bring efficiency in performance. Directing converts plans into performance. Directing converts plans into performance. Performance is essence of directing. Directing functions directs the performance of individual towards achievement of organisational goal.
- (vi) **Directing is human element:** Directing involves study and moulding of human behaviour. It improves interpersonal and intergroup relationship. It motivates employees to work with their best ability.



Importance of Directing

- (i) **To initiate action:** The employees in the organisation start working only when they get instructions and directions from superiors. In the directing function, the superior directs the action of employees towards the predetermined goals of the organisation. If the directing function is executed successfully then it results in unity of direction and achievement of goals.
- (ii) **To integrate employees efforts:** In the organisation number of employees are working at different levels and in different job positions. The employees may differ in their levels of authority and the type of job assigned. But all are interrelated to each other as they are the part of one organisation. When the employees are working at different levels then their efforts are integrated and they co-ordinate only with the help of directing function as while issuing instructions the continuity of the work can be maintained.
- (iii) **Means of motivation:** Directing function does not mean giving orders only but through directions and instructions the superiors try to motivate the employees to perform to their best ability. Motivation is a very important element of directing. Directing function develops the feeling of belongingness and encourages employees to perform to their best ability.
- (iv) **Bring stability and balance in the organisation:** The directing function tries to create balance in the organisation. Generally, when the employees are working at different levels they develop different attitudes and the balance between their attitudes is made by directing function. For example, the salesman may insist on reduction of price to get more orders whereas the high officials are against the reduction as it will bring down or reduce the total revenue. The directing function tries to balance both the attitudes by instructing and guiding the salesperson to find out other means and ways of increasing sale. Sometimes there can be difference of attitude between the employee and the employer. Here also directing function creates balance by instructing the employees that their interests and organisation's interests are in same direction. For example, employees want more earnings, organisation wants more production. The employees can earn more by producing more which will achieve the organisational goal also.
- (v) **To facilitate change:** Generally the employees hesitate in accepting the changes but through directing function the changes can be implemented more easily as while giving directions the superiors guide the subordinates that the changes are better for them also. For example, when the company is planning to computerise its working generally the employees hesitate to accept it as they are not aware of the technology. But when in the directing function the employees are guided that through change they will also be updated as they will have chance of learning new technology which will increase their value in the market. So through proper

guidance the employees readily and happily accept changes.

Elements of Directing There are four main elements of directing

- (i) Supervision
- (ii) Motivation
- (iii) Leadership
- (iv) Communication



Supervision

The supervision means instructing, guiding, monitoring and observing the employees while they are performing jobs in the organisation. The word supervision is a combination of two words i.e., supervision where super means over and above means seeing. So, supervision means seeing the activities of employees from over and above and giving instructions to ensure optimum utilisation of resources and achievement of organisation's targets.

Importance of Supervision

- (i) Supervisor maintains friendly relationships with workers.
- (ii) Connects management plans and ideas to workers and represents workers grievances and problems to management.
- (iii) Helps to maintain unity amongst workers.
- (iv) By giving instructions and motivating workers helps in achievement of targets.
- (v) Provides training to the workers and builds them as an efficient and skilled team of workers.
- (vi) Helps in bringing out untapped energies of employees and builds up high morale.
- (vii) Suggests ways and means to develop new skills.

Motivation

Motivation can be defined as stimulating, inspiring and inducing the employees to perform to their best capacity. Motivation is a psychological term which means it can not be forced on employees.

Few Inter-related Terms

Motive: A motive is an inner state or desire which energises an individual to move or to behave towards achievement of goal. Motive arises out of needs of an individual. When a motive emerges in an individual. It causes restlessness as he wants to fulfill his motive. For example motive to earn induces an individual to search for job or work.

Motivation: It is a process of inducing people to perform to their best ability to accomplish the goal.

Motivators: Motivators are the incentives or techniques used to motivate the people in an organisation. Common motivators used by the managers are increment, bonus, promotion, recognition, respect, etc.

Features/Characteristics/Nature of Motivation

- (i) **Motivation is a psychological phenomenon:** Motivation is an internal feeling which means it cannot

be forced on employees. The internal feelings such as need, desire, aspirations etc. influence human behaviour to behave in a particular manner. For example, desire to have a new house, respect and recognition, etc.

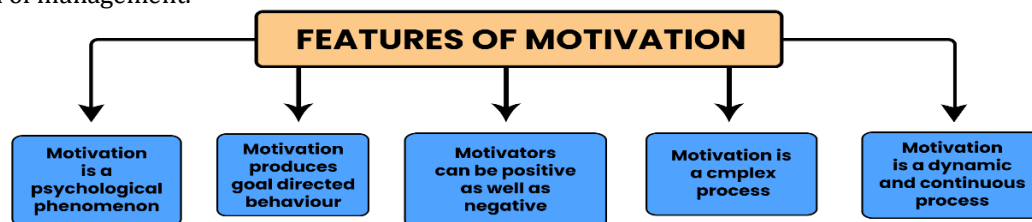
(ii) Motivation produces goal directed behaviour: Motivation induces people to behave in such a manner so that they can achieve their goal. Motivated person need no supervision or direction. He will always work in desired manner. For example if a person has a motive to get salary appraisal so he will work efficiently to get salary appraisal.

(iii) Motivators can be positive as well as negative: To motivate employees managers use various motivators. Some motivators are positive and some are negative few examples of positive motivators are: promotion,

(v) Motivation is Dynamic and Continuous Process: Human beings are everchanging. Human needs are unlimited and go on change continuously. Satisfaction of one need gives rise to another needs so managers have to continuously perform the function of management.

increment, bonus, respect, recognition, etc. If employee does not improve his performance with positive motivators then manager uses negative motivators such as warning, issue of memo, demotion, stopping increments, etc. Sometimes fear of negative motivators also induces person to behave in a desired manner.

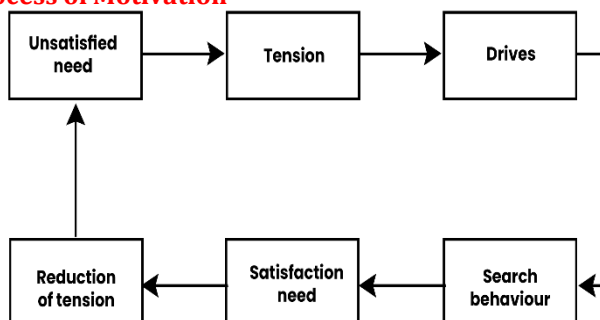
(iv) Motivation is a complex process: Motivation is a complex and difficult task. In order to motivate people a manager must understand various types of human needs. Human needs are mental feelings which can be measured accurately. If manager measures them accurately then also every person uses different approaches to satisfy his need. Some get satisfied with monetary incentives, some with non-monetary, some with positive and some with negative motivators. So it is not possible to make generalisation in motivation.



Importance of Motivation

- (i) Improves Performance:** Motivation helps to improve the performance level of employees. It bridges the gap between the ability to work and willingness to work resulting in higher level of performance.
- (ii) Builds Positive Attitude:** Motivation helps to change negative attitude of employees to positive attitude, so as to achieve organisational goals by using various incentives.
- (iii) Reduces Employee Turnover:** Motivation helps to reduce employee turnover and thereby saves the cost of new recruitment and training. Thus, it helps to retain talented people in the organisation.
- (iv) Introduces Changes:** Motivation helps the managers to introduce changes and motivated employees show less resistance in accepting the changes, as they know it is necessary to adapt to changes in order to survive in the competitive world.
- (v) Reduces Absenteeism:** Motivation helps to reduce absenteeism by providing proper working conditions, adequate rewards and good relations with supervisor.

Process of Motivation



- (i) Unsatisfied need
- (ii) Tension
- (iii) Drive
- (iv) Search behaviour
- (v) Satisfaction need
- (vi) Reduction of tension

Maslow's Need Hierarchy Theory of Motivation

This theory was developed by Abraham H. Maslow, an eminent and a famous U.S psychological in 1943. This theory is based on human needs. According to Maslow, a man has innumerable and countless needs. If one need is satisfied, another level emerges in that place. Maslow proposed that human needs can be classified into five categories and can be arranged in order of their importance or priority.

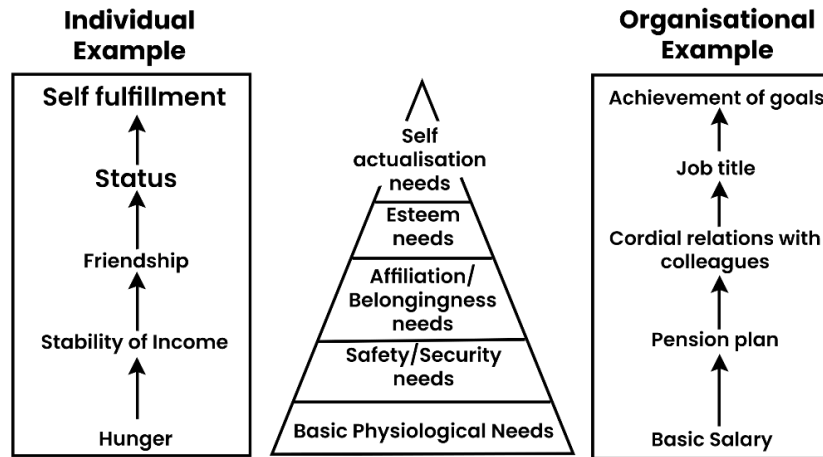
- (i) Physiological needs:** In this category, those needs are included which are very essential for survival and maintenance of human life. Physiological needs are most basic needs and must be satisfied before all other needs. The organization satisfies these needs by giving basic salary to the employees.
- (ii) Safety and security needs:** Once physiological needs are satisfied, safety or security needs arise. Safety needs include physical and economic needs. Physical needs include protection against accidents, illness. Economic security means having adequate funds to meet the future physiological needs and to come out of physical security fear or threat. The organization satisfies these needs by providing job security, stability of income, pension plans etc.
- (iii) Social or belonging needs:** These needs include affection, acceptance, friendship, sense of belongingness, etc. The organization satisfies these

needs through informal organization and cordial relations among employees.

(iv) **Esteem needs:** Esteem needs refer to those needs which leads to self confidence and prestige. These

(v) **Self-actualization needs:** These needs are the highest needs in the hierarchy of needs. These needs include growth and self- fulfillment. Self- Actualisation needs refers to the desire to become what one is capable of becoming. The organisation satisfies these needs by allowing the employees to take initiative to become what they are capable of becoming.

needs include the need for self-respect, recognition, autonomy, status, etc. The organization satisfies these needs by offering challenging jobs, recognition, providing job titles etc.



Maslow's Need Hierarchy Theory

Assumptions of Maslow's Need Hierarchy Theory

- (a) Behaviour of people depends upon their need.
- (b) People's need are in hierarchical order
- (c) A satisfied can no longer motivate a person.
- (d) A person moves to the next higher level need only when the lower need is satisfied.

Financial and Non-Financial Incentives

Incentive means all measures which are used to motivate people to improve performance. These incentives may be broadly classified

(i) **Financial Incentives** The reward or incentive which can be calculated in terms of money is known as monetary incentive.

The common monetary incentives are

- (a) **Pay and allowances:** Salary is the basic financial incentive for every employee. It includes basic pay, dearness allowance, house rent allowance etc. In some companies, pay hike and allowances are directly linked with the performance of employees. To get increment and allowances perform to their best ability.
- (b) **Profit sharing:** Under this scheme, employees are given a share in the profits of the enterprise if the profits exceed the level fixed by the management and employees jointly. This motivates the employees to work with greater enthusiasm and devotion to increase the profits of the enterprise so that they get share in increased profits.
- (c) **Co-Partnership/stock option:** Under this system, employees are issued company's shares at a price which is lower than market price. This creates a feeling of ownership in the employees and encourage them to contribute for the growth of the company.
- (d) **Bonus:** Bonus is an incentive offered and above the wages/salary to the employees. It is customary to distribute bonus to employees every year. The law

requires payment of minimum 8.33% of annual pay as bonus and it does not any price limit. Thus, the rate of bonus will be higher if the annual profits are higher. Bonus can be paid in cash or kind. Some organisations have the scheme of offering bonus during the festival time like Diwali, New Year etc.

- (e) **Productivity linked with wage incentives:** Some firms have adopted wage incentive plans where the amount of incentive is linked of productivity of the worker or the group which he belongs.
- (f) **Retirement benefits:** Most of the companies offer retirement benefits such as provident fund, pension, gratuity etc. to their employees. These create a sense of security among employees. Such incentives help in satisfying safety or security needs to employees.
- (g) **Perks/Fringe benefits/perquisites:** In many organisation, perquisites benefits such as car allowance, education to children etc. are offered to employees over and above salary. These benefits motivates the employees for better performance.
- (ii) **Non-Financial Incentives:** The incentives which can not be calculated in terms of money are known as non-financial incentives.

The common non-financial incentives are

- (a) **Status:** Everybody has a wish for status. Therefore, employees can be motivated by increasing their rank or position, by providing furnished room etc. The achievement of a higher status fulfil the psychological, social end esteem needs.
- (b) **Organisational climate:** It indicates the characteristics which describe an organisation and distinguish one organisation from the other. These characteristics include individual autonomy or freedom, reward orientation, risk taking etc. Such

characteristics directly influence the behaviour of an individual in the organisation.

- (c) **Career advancement opportunity:** Every individual wants to grow to the higher level in the organisation. Managers should provide opportunities to employees so that they can be promoted to higher level jobs. Appropriate skill development programmes, and sound promotion policy will help employees to achieve promotions. Promotion is a strong motivator which induces people to perform to their maximum level.
- (d) **Job enrichment:** Job enrichment is concerned with designing jobs that includes great variety of work content, require higher level of knowledge and skill, give workers more autonomy and responsibility, and provides opportunity for personal growth. If jobs are enriched and made interesting, the job itself becomes a source of motivation to the individual.
- (e) **Employees recognition:** Recognition means acknowledgement with a show of appreciation. When employees are appreciated for their good performance of work, they feel motivated.
Some Examples of Employee Recognition are:
 - (i) Congratulating an employee for good performance.
 - (ii) Distributing mementos, T-shirts etc. in recognition of employee's service.
- (f) **Job security:** Job security is an important non-financial incentive for most of the employees. Job security means permanence and stability of job. Employees want their job to be secure. They want stability about future income and work so that they do not feel worried on these aspect and work with greater zeal and enthusiasm. Due to this reason, some people prefer government as compare to private jobs.
- (g) **Employee's participation:** Employee participation means active involvement of employees or their representatives in the decision making process on issues concerned with them. When decisions is taken in consultation with employees then they follow the decision more sincerely.
- (h) **Employee Empowerment:** Empowerment means giving more autonomy and authority to the employees. It makes employees feel that their jobs are important and then contribute positively by using skills and talents in performing the job.

Leadership

It is a process of influencing the behaviour of people at work towards the achievement of specified goal. Leadership indicate the ability of an individual to maintain good inter-personal relations with followers and motivate them to contribute for achieving organisational objectives. The 'leader' emerges from leadership. An individual who possess qualities of leadership is known as leader.

(i) Features of Leadership

- (a) It indicates the ability of an individual to influence others.
- (b) It tries to bring change in behaviour.

- (c) It shows interpersonal relationship between leader and followers.
- (d) It is to achieve common goal.
- (e) It is a continuous process.

Leadership Styles

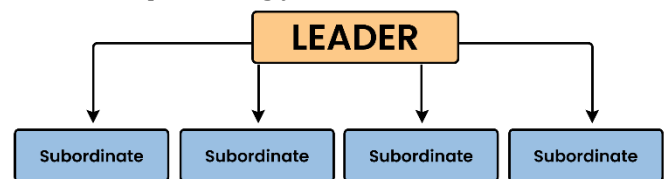
Leadership styles refers to leader's behaviour. Behavioural pattern which the leader reflects in his role as a leader is often described as the style of leadership.

A leadership style depends on flowing factors:

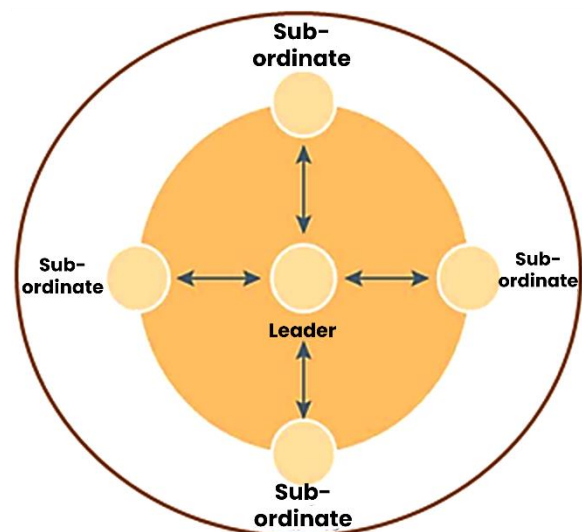
- (i) The leader's philosophy, personality, experience and value system.
- (ii) The type of followers
- (iii) The atmosphere prevailing in the organisation.
- (iv) Use of authority by a leader

Different Styles of Leadership

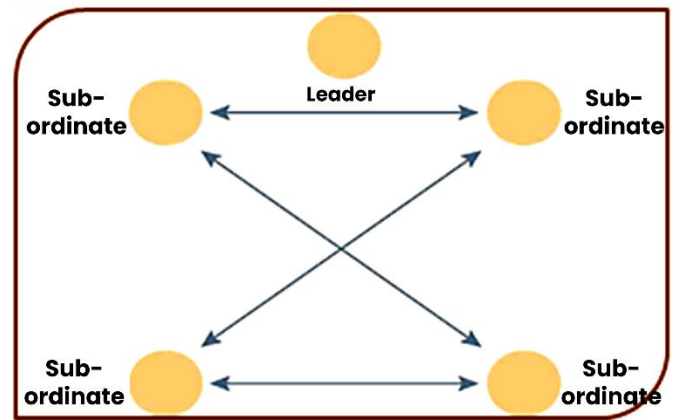
- (i) **Autocratic or Authoritative Leadership:** The autocratic leader exercise complete control over the subordinates. The leader adopts one way communication only. Assumption of the leader in this style is that reward and punishment can be given depending upon the results. Leader does not entertain any suggestion or initiative from subordinates. Leader loves power and never delegates authority. The leader gives orders and the subordinates are expected to follow them unquestioningly.



- (ii) **Democratic or Participative Leadership:** Democratic style of leadership is one in which a leader develops action plans and makes decision in consultation with his subordinates. This type of leader encourages them to participate in decision making and always follow the majority opinion. This type of leader listens to the suggestions, grievances, and opinions of the employees.



(iii) **Free-rein or Laissez:** Faire Leadership- Laissez means to allow and faire means to do. This style of leadership is known as laissez faire which means- no interference in the activities of subordinates. A free-rien leader gives a high degree of freedom to the subordinates to formulate their own objectives and ways to achieve them. The group member work on their own tasks resolving issues themselves. Under this style, leader avoids power. Such type of leader does not believe in the use of power unless it is absolutely essential. The leader is the only to support them and supply them the required information to complete the assigned task. The subordinates also assume responsibility for the work to be performed



S.No.	Point of difference	Authoritative Style	Democratic Style	Laissez Faire Style
1.	Decision-making	Leader only makes decision	Leader makes decision in consultation with subordinates	Subordinates themselves make decisions
2.	Communication	One way, i.e., downward communication	Two way communication	Free flow communication
3.	Motivation Technique	Fear and punishment (Negative motivation)	Reward and involvement (Positive motivation)	Self-direction and self-control
4.	Delegation of Authority	No Delegation	Delegation of authority to some extent	Complete delegation of authority
6.	Role of Leader	Provides Direction	Maintains team work	Provides support and resources
7.	Discipline	Obedience of order and discipline	Interchange of ideas	Self-discipline or control

Importance of Leadership

- Helps in inspiring and guiding the employees.
- Secures co-operation of the members of organisation.
- Creates confidence.
- Improves productivity.
- Improves job satisfaction.
- Improves team-spirit or group cohesion.

Qualities of a Good Leader

- 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.
- Knowledge:** A good leader should have required knowledge and competence, so that he can influence others.
- Integrity:** A leader should have high level of integrity and honesty, so that he can be a role model to others.
- Initiative:** A leader should have courage and initiative to do things on his own, rather than waiting for others to do it first.
- 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.
- Motivation Skills:** A leader should understand the needs of his employees and motivate them by satisfying their needs.
- Self Confidence:** A leader should have a high level of self confidence.

(viii) **Decisiveness:** A leader must be decisive in the sense that once he has taken a decision, he should be firm on it.

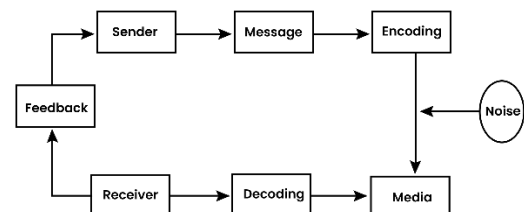
(ix) **Social Skills:** A leader should be sociable and friendly with his colleagues and followers, so that he can understand them and their needs.

Communication

It can be defined as transmission or exchange of ideas, views, message, information or instruction between two or more persons by different means. The common forms or methods of transmission of the subject matter of communication are–

- spoken words,
- written words,
- Diagrams, pictures and graphs and
- gestures i.e. movement of lips, or the wink of eyes or the waving of hand.

Communication Process



(i) **Sender or Communicator:** He is a person who conveys the message to the receiver. Sender may be manager, a speaker.

- (ii) **Message:** It is the content or subject matter of communication to be sent to the receiver. It may involve any idea, order, request, suggestion etc.
- (iii) **Encoding:** In this step, the sender translates the message into words, symbols, drawings etc. which he feels will make the receiver understand the message. This is called encoding of message.
- (iv) **Media or Communication Channel:** It is the route or medium or way through which encoded message is passed by sender to the receiver. The common ways of transmission are phone call, e-mail, letter, radio, television, movement of body parts etc.
- (v) **Receiver:** The person who receives the message is called the receiver. In other words a receiver is a person for whom the message is sent. The receiver may be listener, a reader or an observer.
- (vi) **Decoding:** Decoding means translating the encoded message into language understandable by receiver.
- (vii) **Feedback:** Feedback is the receiver response to the message sent by the sender. It includes all those actions of receiver indicating that he has received and understood the message of sender. It is necessary to ensure that the receiver has received the message and understand it in the same sense as the sender intended. When the feedback information is received by the communicator only then the process of communication is complete. If there is any deviation, the feedback enable the sender to send the revised message. Thus, feedback is the backbone of effective communication.
- (viii) **Noise:** Noise means disruption or hindrance or interference in the communication process. It can occur at any stage in the process of communication. It reduces the accuracy of communication.

Example

- (i) A poor telephone connection
- (ii) Ambiguous symbols that lead to faulty encoding
- (iii) Gestures and postures which distort the message
- (iv) Letter being lost in mail.
- (v) An inattentive receiver or listener

Importance of Communication

- (i) **Acts as Basis of Coordination:** Communication acts as basis of coordination. It helps in coordinating the activities of various departments and persons in an organisation.
- (ii) **Helps in Smooth Working of an Enterprise:** 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.
- (iii) **Acts as Basis of Decision-making:** 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
- (iv) **Increases Managerial Efficiency:** 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.

- (v) **Promotes Cooperation and Industrial Peace:** 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.
- (vi) **Establishes Effective Leadership:** Communication is the basis of leadership. A good leader must possess efficient communication skills for influencing the behaviour of subordinates.
- (vii) **Boosts Morale and Provides:** Motivation Good and effective communication enables managers to motivate, influence and satisfy the employees. It helps employees to adjust in the physical and social aspect of work, which boosts their morale and motivate them to perform better.

Form of Organisational Communication

- (i) **Formal Communication:** It refers to official communication taking place in the organisation. Formal Communication flows upwards from a subordinate to superior or downwards from a superior to subordinate or horizontally between two departments. Formal communication may be oral or written, but generally recorded and filed in the office. Formal communication is time consuming and aim of formal communication is to achieve organisational goals.

Merits of Formal Communication

- (a) The officially prescribed path of communication is orderly in nature. It can easily be maintained because it derives support from authority relationships. It provides for close contact between members of the organisation.
- (b) It helps in exercising control over subordinates and in fixation of responsibility.
- (c) Formal Communication is authentic.
- (d) Chances of distortion of information are less.

Demerits of formal Communication

- (a) Formal Communication tends to be slow as it has to follow the path laid down by the management.
- (b) It is rigid as deviations are not allowed.
- (c) Organisational distance, screening at various points and narrow route are main demerits in flow of formal communication.
- (d) Formal Communication is impersonal.

According to direction of flow, formal communication can be divided into three types

- (a) **Downward communication:** It refer to the flow of communication from a superior to subordinate.

Example

- (i) Sending notice to workers to attend a meeting.
- (ii) Passing on guidelines framed by top management to the subordinates.
- (iii) Giving orders by Marketing manager to sales manager to sales manager and by the sales manager to salesman.

- (b) **Upward communication:** It refers to flow of communication from a subordinate to superior.

Example

- (i) Application for grant of leave
- (ii) Submission of progress report
- (iii) Work performance
- (iv) Suggestions and Complaints

- (c) **Horizontal communication:** Horizontal Communication means flow of communication between two divisional /departments or two people of equal rank. The subject matter of horizontal communication includes information, personal face to face contacts, mutual problems, contacts etc. The purpose of horizontal communication is to coordinate different activities of two or more departments. It also aims to resolve their interrelated problems.

Common Networks of formal communication are

- (a) **Wheel pattern:** In wheel network, all communication passes through one superior who acts as a central authority.
 - (b) **Single Chain pattern:** Under this network, communication flows from every superior to his subordinate through single chain.
 - (c) **Circular Pattern:** In circular pattern each person can communicate with his adjoining colleagues.
 - (d) **Channel or free flow pattern:** In this network, there is no restriction on the flow of network.
 - (e) **Inverted 'V':** In this network, a subordinate is allowed to communicate with his immediate superior, as well as superior's superior.
- (ii) **Informal Communication:** Informal communication between different members of organisation who are not officially attached to each other is known as Informal communication. Informal Communication is generally oral, therefore it is fast and time saving. It is

not- authentic and generate rumours. To meet personal or social needs of employees to exchange values or ideas, which cannot be done through formal channels.

Merits of Informal Communication

- (a) Grapevine channels may be useful as they carry information rapidly.
- (b) It helps in getting quick feedback. Managers can use the grapevine to know the reactions of subordinates.
- (c) It can help to clarify official messages by talking them over with friends.
- (d) It helps in developing better human relations in the organisation.
- (e) It serves to fill possible gaps in the formal communication due to its flexible and personal nature.
- (f) Grapevine helps to satisfy social needs of employees and provides an outlet for releasing anxiety, frustration etc.

Demerits of Informal Communication

- (a) The informal/grapevine communication is not authentic and message may get distorted.
- (b) Sometimes, informal discussions may hamper work environment.
- (c) It may result in leakage of confidential information.
- (d) As grapevine has no definite origin, nobody can be held responsible for it.
- (e) It also generates gossips and rumours in the organisation. It wastes valuable working time and leads to feelings of insecurity.

Common networks of informal communication are

- (a) **Gossip:** In this network, one person passes information to everyone else on non-selective basis.
- (b) **Clusters:** In cluster network, the individual communicates with only those people whom he trusts.
- (c) **Single strand:** In this network, information passes from one person to another in sequential order.
- (d) **Probability:** In this network, information is passed randomly by one person to whomever he comes in contact with.

Difference between Formal and Informal Communication

Basis of difference	Formal Communication	Informal Communication
Meaning	It refers to communication taking place within the official chain of command.	It refers to communication between individuals and group which are not officially recognised.
Relations	It establishes relation between the subordinates, superiors and relations are highly impersonal.	It establishes personal relationship among individuals irrespective of the levels.
Nature	It is more rigid in nature and cannot be modified.	It is flexible, dynamic and varies from individual to individual.
Channel	It follows formal or established line of command.	It is based on informal relationship and no fixed line of command is followed.
Need	It serves the need of organisation.	It serves the need of individuals working in organisation.
Speed	The speed of formal communication is generally because all information has to pass through an established chain of command.	The speed of informal communication is very fast as it cuts across all the official channels.
Fixation of Responsibility	It is easy to fix the responsibility in formal communication because source of information is known.	It is not possible to fix the responsibility because source of information is not known.

Barriers to Effective Communication

Communication is a nerve system of the organisation. It is very essential for the management to maintain efficient flow of communication in all directions. But in practice, perfect communication is rarely achieved. Several obstructions, hurdles, distortion, delays etc. called barriers of communication reduces the effectiveness of communication. Some of the barriers to effective communication are given below:

(i) Semantic Barrier

- (a) **Badly expressed message:** The message to be communicated must be stated in simple and clear words. Sometimes, the intended meaning may not be conveyed by a manager to his/her subordinates because of use of wrong words, omission of needed words, inadequate vocabulary etc.
- (b) **Words or Symbols with different meanings:** Word or symbol may have different meanings. The receiver is required to understand the meaning of the word used by the sender in the same sense for which sender has used it. For eg. If a superior says, the word 'Shoot' may be used with an intention of taking a photograph or film a scene, but the listener may take it as 'gun fire'.
- (c) **Faulty translation:** Sometimes the communication originally drafted in one language (e.g. English) need to be translated to the language understandable to workers (e.g. Hindi). If the translator is not proficient with both the languages, communications may misunderstood
- (d) **Unclear assumption:** Some communications may have certain assumptions which are subject to different assumptions. Sometimes, the assumptions of the sender and the receiver may differ.
- (e) **Technical jargon:** Many specialist like doctors, engineers etc, use technical words in their communication, which may not understood by the listeners. It leads to poor communication
- (f) **Body language:** The information can be misinterpreted if the sender's body movements do not match with these movements. For eg. A communicator may shake his head sideways while uttering 'yes' and vice versa i.e. he may nod his head while saying 'no'.

(ii) Psychological Barrier

- (a) **Premature evaluation:** It means deriving conclusions before completion of message. Sometimes receives evaluates the meaning of message before the sender completes the message. This type of evaluation may lead to failure of communication. Such premature evaluation may occur due to prejudice against the communicator.
- (b) **Lack of attention:** The pre-occupied mind of receiver and the resultant non-listening of message acts as a major psychological barrier. For eg. An employee explains his problems to the boss who is pre-occupied with an important file.
- (c) **Loss by poor retention:** When oral communication pass through various levels,

successive transmissions of the message result in loss of information or inaccurate information. Poor retention is another problem. Usually, people cannot retain the information for long time if they are inattentive or not interested.

- (d) **Distrust:** For successful communication, it is necessary that the sender and the receiver must trust each other. When the sender or transmitter and the receiver do not believe each other, the message may not be understood in its original sense.

(iii) Organisational Barrier

- (a) **Organisational policy:** Communication hampered if the organisational policy does not support the free flow of communication. For example, if it is the policy of the organisation that all message must be in writing, then it may cause delay in activities.
- (b) **Rules and regulations:** Rigid rules and cumbersome or complicated procedures act as a barrier in the way of effective communication. Communication through the prescribed channels may result in delays.
- (c) **Status difference:** Status of an organisational is determined by his position in the organisation. Generally, people of higher status do not talk freely with those of lower status. Subordinates at lower levels may hesitate to talk freely to superiors. They pass on only what superiors would like to hear and hold back unpleasant facts.
- (d) **Complex organisation structure:** When there are large number of managerial levels, communication gets delayed and distorted due to filtering points.
- (e) **Organisational Facilities:** Proper organisational facilities like complaint box, frequent box, transparency etc. are essential for free flow of communication. In the absence of these facilities people fail to make effective communication.

(iv) Personal Barriers

- (a) **Lack of confidence of Superior on Subordinate:** Process of communication is hampered when superiors do not have faith or competence of his subordinates. In such cases, superior may not seek advice, opinions or suggestions of the subordinates.
- (b) **Lack of incentives:** If there is no motivation or incentive for communication, the subordinate may not take initiative to communicate. For eg. If there is no motivation or incentive for communication, the subordinates may not take initiative to communicate.
- (c) **Fear to challenge the authority:** If a superior perceives that a particular message or information may adversely his authority, he may try to withhold or suppress such message or information.
- (d) **Unwillingness to Communicate:** A subordinate may not be willing to communicate with the superior if he perceives that it may affect his interests, e.g. fear of punishment or demotion.

Improving Effective Communication

- (i) **Clarify the idea before communication:** The message to be communicated must be clear in the mind of communicator. The message can be conveyed properly only when it is clear to communicator himself. The message should be encoded in the clear and simple language, so that the receiver is able to understand it easily and quickly.
- (ii) **Communicate according to needs of receiver:** The level of understanding of the receiver should be crystal clear to the sender. A sender should adjust his communication according to the education and intelligence of receiver.
- (iii) **Consult others before communicating:** Before communicating the message, it is advisable to consult other. Effective communication is the responsibility of all people in the organisation as all have work towards a common goal. If plans are developed with consultation and involvement of employees, they will implement the plans the plans with full cooperation.
- (iv) **Ensure Proper feedback:** The sender ensure the success of communication by asking questions about the message conveyed. The receiver of the message should also be encouraged to respond the message.

Communication is two way process and remain incomplete without feedback.

- (v) **Convey Helpful and Valuable Things:** Communication is more effective, if message contains something useful for the receiver.
- (vi) **Follow-up Communication:** There should be properly follow up of the information. This follow up will help to remove hurdles in the implementation of instructions.
- (vii) **Be a Good listener:** To make communication effective, the receiver should listen to the sender's words patiently, carefully and attentively. The communicator should try to obtain the complete attention of the receiver. Similarly, the communicator should listen to the receiver's words efficiently. A good listener improves the communication process.
- (viii) **Be Aware of Language and Content of Message:** Language, tone and content of the message to be communicated are very important aspect of effective communication.
- (ix) **Consistency of Message:** The message to be communicated should always be consistent with the objectives, policies and rules of the organisation. So while designing the message, it is better to know the needs and interests of people with whom you are communicating

QUESTIONS FOR PRACTICE

MCQ

- Q1.** Ajay Thakur, chairperson of Thakur Enterprises misses no opportunity to praise his subordinates for their good work. Which element of directing is highlighted?
(a) Communication (b) Supervision
(c) Motivation (d) Leadership
- Q2.** If a manager wants to introduce new accounting system, then there may be initial resistance from accounting staff. But, if manager explains the purpose, provides training and motivates them with incentive, the staff may cooperate with manager. Which importance of directing is highlighted here?
(a) Initiate action (b) Means of motivation
(c) Facilitates change (d) Provides stability
- Q3.** The top management of Raheja Ltd. focuses on maintaining an effective two-way communication with their employees. They aim to keep everyone well informed and involve employees in company's activities and provide opportunities for them to give their feedback. What will the company achieve by following such a network of communication? Give any two points.
(a) Smooth functioning of the enterprise
(b) Managerial efficiency
(c) Both (a) and (b)
(d) None of the above
- Q4.** Nitin works as a manager in 'Manglam Ltd.' He has been given the 'Best Employee Award'. The reasons behind this award is that he has been able to integrate group efforts and get maximum out of his subordinates by attaining their willing co-operation. For this, he stimulates and inspires people at work and provides necessary incentives. He also listens to his employees and handles conflict. His qualities like initiative, self-confidence, etc. has helped him to achieve the objectives of the organisation. Which function of management is performed effectively by Nitin?
(a) Planning (b) Organising
(c) Directing (d) Controlling
- Q5.** Ishaan resigned from a company on the ground of 'lack of recognition' in organisation towards his work. Which need is not fulfilled here?
(a) Physiological need (b) Safety need
(c) Affiliation need (d) Esteem need
- Q6.** ABC Ltd. offered its employees, shares having market price of Rs.150 at Rs.110. What is this monetary incentive known as?
(a) Bonus
(b) Co-partnership
(c) Retirement benefits
(d) Both (b) and (c)
- Q7.** Mr. Shriram, the manager of W Ltd. explains a worker about operations to be carried out by him on a hi-tech machine. Which element of directing is highlighted?
(a) Motivation
(b) Leadership
(c) Communication
(d) Supervision
- Q8.** Which of the following is a formal communication network in which each person can communicate with two adjoining colleagues only?
(a) Wheel network
(b) Circular network
(c) Free flow
(d) Cluster network
- Q9.** ABC company Ltd wants to motivate its employees by providing them bonus on the occasion of Diwali. It can pay the bonus
(a) in cash only
(b) in kind
(c) in cash or in kind
(d) transferable coupons
- Q10.** The need of affection, sense of belongingness, acceptance and friendship is related with
(a) safety/security needs
(b) social needs
(c) esteem needs
(d) self-actualisation needs
- Q11.** Which of the following is an example of retirement benefits?
(a) Provident fund
(b) Pension
(c) Gratuity
(d) All of these
- Q12.** 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
- Q13.** 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
- Q14.** In which of the following networks an individual communicates with only those people whom he trusts?
(a) Single strand network (b) Gossip network
(c) Probability network (d) Cluster network

- Q15.** 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.
- Stock option
 - Perquisites
 - Bonus
 - Job enrichment
- Q16.** Which of the following statements is not true?
- Directing initiates action in the organisation
 - Directing helps a manager to integrate individual efforts
 - Directing does not help in developing commitment on part of subordinates
 - None of the above
- Q17.** Which of the following is correct about function of supervisor?
- Maintains group unity
 - Acts as a link between workers and management
 - Maintains contact with workers
 - All of the above

Questions 18–19 contain two statements— Assertion (A) and Reason (R). Each question has FOUR choices (a), (b), (c), (d), only one of which is correct.

In the light of these statements, choose the most appropriate option:

- (A) is incorrect but (R) is correct.
- (A) is correct but (R) is incorrect.
- Both (A) and (R) are correct and (R) is the correct explanation of (A)
- Both (A) and (R) are correct but (R) is not the correct explanation of (A).

Q18. Assertion (A): Directing is a continuous process.

Reason (R): Directing takes place throughout the life of an organization.

Q19. Assertion (A): Supervisor acts as a link between workers and management.

Reason (R): Supervisor plays an important role in maintaining unity among the workers.

- Q20.** Name the barrier which is related to the personality of sender and receiver.
- Semantic barrier
 - Psychological barrier
 - Organisational barrier
 - Personal barrier

SUBJECTIVE QUESTIONS

- Q1.** Mrs. Sita is working as the Human Resource Consultant in a firm manufacturing cosmetic, which is facing a problem of high employee turnover. The CEO of the company has invited suggestions from her for retaining the talented employees & reducing the employee turnover. Mrs. Sita recommends that the good employees be rewarded in a way that it creates a feeling of ownership among the employees and at the

same time makes them contribute towards the growth of the organization.

- Identify the incentive and explain its type, which has been suggested by Mrs. Sita to the CEO of the company.
- Also give two other incentives of the same type.

Q2. Name the element of directing which refers to the ability of influencing the behaviour of people towards the achievement of organizational objectives.

Q3. Himanshu and Shama are working in the same organisation but in different departments one day at lunch time Shama informs Himanshu that due to computerisation many people are going to be retrenched soon from the organisation. Name, which type of communication is this?

Q4. X Ltd. is a bank functioning in India. It is planning to diversify into insurance business. Lately, the government of India has allowed private sector to gain entry in the insurance business. Previously, it was the prerogative of LIC and GIC to do insurance business. But now with liberalisation of the economy and to make to start insurance business under the regulation of Insurance Regulatory and Development Authority. X Limited plans to recruit high quality employees and agents and exercise effective direction to capture a substantial part of life and non-life insurance business.

- Identify how the company can supervise its employees and agents effectively.
- What financial and non-financial incentive can the company use for employees and agents separately to motivate them?
- How can the company ensure that higher order needs, i.e., the esteem and self actualisation needs are met?
- Give a model of formal communication system that the company can follow. Identify the barriers in this model. How can they be removed?

Q5. Mr. Tilak, a recently appointed production manager of Suntech Ltd. has decided to produce jute bags instead of plastic bags as these are banned by the government. He set a target of producing 1000 jute bags a day. It was reported that the employees were not able to achieve the target. After analysis he found that employees were demotivated and not putting in their best for achieving the target. Mr. Tilak's behavior is good towards the employees. His attitude is always positive. So he announced various incentive schemes for the employees like:

- Installing award or certificate for best performance.
 - Rewarding an employee for giving valuable suggestions.
 - Congratulating the employees for good performance.
- Identify the functions of management highlighted in the above paragraph.
 - State the 'incentive' under which the employees are motivated.

- Q6.** M/s Gamma Ltd. deals in consumer goods. It employs 100 workers and 10 operative managers who give guidance and support to the workers while operating the machinery. The company has a policy of granting leave as per the requirement of the workers. Workers are generally granted leave on festivals and special occasions. Recently on Puja festival, it received a big order. Workers are keen to take Puja holidays while management is pressing hard for overtime. This matter was placed before the Personnel Manager who called the meeting of operative managers and workers to inform them about the changes in the incentive plan which states payment of double wages for working overtime and triple wages for working on holidays. Workers without any pressure voluntarily took limited holidays and were able to increase their earning by working overtime and on holidays. During Board of Directors meeting, Personnel Manager was asked to update the management for achieving higher output, meeting timely supplies without any confrontation with workers. Personnel Manager replied, "I just used a carrot with no sticks approach".
- By quoting the lines from above paragraph state any two elements of directing.
- Q7.** Geeta 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.

- Q8.** Vijay is good orator, but he lacks in good listening skills. Due to it, he does not listen to the instructions given by supervisor carefully and completely. Therefore, he doesn't complete the work as per her given instructions.
1. Identify the concerned communication barriers
 2. State the category of such barriers.
 3. How such barriers can be mitigated?
- Q9.** Better human relations is one of the advantages of which type of communication?
- Q10.** 'Rose Ltd' is manufacturing--Textiles, Cosmetics and Kitchenware items. The company has recruited all female freshers directly from a Management Institute located in the city. Each product is headed by different female manager.
- Ms Pooja is looking after Textile. She believes in decentralisation and takes decisions regarding different work by consulting her subordinates.
- Ms. Mona, head of Cosmetics, takes little interest in managerial functions and the subordinates are left on their own.
- Ms Anu is heading Kitchenware items. She has kept all the authority in her own hands and makes employees perform the work exactly as per her orders.
1. Which kind of organisational structure has the company adopted?
 2. State the specific source of recruitment used by the company.
 3. Identify the leadership styles practised by the 3 heads.

HOMEWORK QUESTIONS

MCQ

- Q1.** Mr. Aditya, a production manager of Gupta Sports Ltd. is not able to communicate and provide guidance to the of a factory due to overload of the work. So he decided to appoint Mr. Rishabh who will be able to spend more time with the workers. Mr. Rishabh also gave training to the employees in which the employees were made to work on the equipments, materials, etc. as in real workplace but away from actual place of work. Identify the element of directing that helps Mr. Aditya to reduce his work load.
- (a) Supervision (b) Motivation
(c) Communication (d) Leadership
- Q2.** Mr. Shenoy, Manager (HR) is really appreciative of fresh ideas given by his subordinates. He frames policies only after consulting them. Which style of leadership is the following?
- (a) Autocratic leadership
(b) Democratic leadership
(c) Laissez-Faire Leadership
(d) Either (a) or (b)
- Q3.** While other functions prepare a setting for action, name the function that initiates action in the organisation.
- (a) Planning (b) Organising
(c) Staffing (d) Directing
- Q4.** Rahul and Harsh are working in the same organization but in different departments. One day at lunch time, Harsh informed Rahul that due to computerisation, many people are going to be retrenched soon from the organization. Name which type of communication is this.
- (a) Formal communication
(b) Informal communication
(c) Either (a) or (b)
(d) None of these
- Q5.** Sameer is working as a production manager in an organization. His subordinate Ahmad discussed with him a method of production which will reduce the cost of production. But due to some domestic problem and Sameer's mind being preoccupied he is not in a position to understand the message. Ahmad got disappointed by this. Identify the communication barrier discussed above.
- (a) Lack of attention
(b) Badly expressed message
(c) Unclear assumptions
(d) Premature evaluation
- Q6.** These needs are most basic in the hierarchy of motivation theory and correspond to primary needs.
- (a) Self Actualisation Needs
(b) Basic Physiological Needs
(c) Security Needs
(d) Belonging Needs
- Q7.** Which of the following is not an assumption of Maslow's theory?
- (a) People's behaviour is not based on their needs.
(b) People's needs are in a hierarchal order, starting from basic needs to higher level needs
(c) A satisfied need can no longer motivate a person; only next higher level need can motivate him.
(d) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.
- Q8.** Mr. Ashraf, Production Manager and Mr. Prateek Marketing Manager of a toy manufacturing company are not on talking terms with each other because of lack of faith. Because of that they do not transfer complete information to each other. Name the element of directing which becomes ineffective due to the behaviour of the managers.
- (a) Leadership
(b) Communication
(c) Supervision
(d) Motivation
- Q9.** Girish works as a manager in Tata Ltd. Besides the salary, the company offers him benefits such as free housing, medical aid and education to the children, etc. Identify the type of incentive being offered to him.
- (a) Perquisites
(b) Job Enrichment
(c) Co-partnership
(d) Pay and allowances
- Q10.** On joining TCS Ltd. as Chief Financial Officer, Neha was allotted 500 shares of the company. Identify the type of incentive being described.
- (a) Perquisites
(b) Retirement Benefits
(c) Co-partnership
(d) Pay and allowances
- Q11.** Mr. Manav is the Marketing manager of the company manufacturing readymade clothes. One day, in the morning while leaving home he had a quarrel with a person in his neighbourhood on some issue. That person is criminal who could abuse his family members. Mr. Manav, on that day, is very worried and angry too on the behaviour of the neighbourhood person. On that day, a meeting was held by a team of marketing and design experts to ensure that whatever is produced is according to market demand and tastes and fashion of the customers. But Mr. Manav could not pay attention to the discussion between them. Identify the type of communication barrier referred in the above para.
- (a) Semantic barriers
(b) Psychological barriers
(c) Organisational barriers
(d) Can't say

- Q12.** On joining Satyam Public School as a Physical Education teacher, Vikrant realised that he did not have any freedom to introduce any changes in the sports activities being carried out in the school. Identify the incentive which was being ignored by the school.
- Organisational climate
 - Job security
 - Career advancement opportunities
 - Employee recognition program
- Q13.** On the occasion of the Founders Day of the firm, Ruchi was felicitated with the certificate of best performer as a Business Development Manager. Identify the type of incentive being described in the above lines.
- Career advancement opportunities
 - Employee recognition program
 - Organisational climate
 - Job security
- Q14.** Kishan works as an Accounts Officer in Dabur Limited. He also feels very proud of the fact that he is the incharge of recreation committee in his office. Identify the type of incentive being offered to Kishan.
- Career advancement opportunities
 - Employee recognition program
 - Organisational climate
 - Employee participation
- Q15.** As the general manager of an e-commerce company, Yogesh maintains good interpersonal relations with followers and also motivates them to contribute for achieving organisational goals. Identify the concept being described in the above lines.
- Supervision
 - Communication
 - Determination
 - Leadership
- Q16.** Which of the following is not a feature of leadership?
- It shows ability of an individual to influence others.
 - It leads to achievement of organisational goals.
 - Leadership is one-time process.
 - Tries to bring change behaviour of people.
- Q17.** Identify the correct sequence of steps involved in the communication process.
- Sender, Message, Encoding, Media, Decoding, Receiver, Feedback
 - Sender, Decoding, Receiver, Feedback, Message, Encoding, Media
 - Sender, Message, Encoding, Media, Receiver, Decoding, Feedback
 - Sender, Media, Decoding, Receiver, Message, Encoding, Feedback
- Q18.** Name the element of directing which can be understood as the process of guiding the efforts of employees and other resources to accomplish the desired objectives.
- Communication

- Leadership
 - Supervision
 - Motivation
- Q19.** Mr. Yash has a pre-notion that his boss always finds faults in his presentation. During one of his presentations, his boss wanted to appreciate him for good performance of work but before he could complete Mr. Yash closed his presentation and left the room. Identify the communication barrier discussed above.
- Premature evaluation
 - Badly expressed message
 - Loss by transmission
 - Distrust
- Q20.** Mr. Vaibhav is working as a Production Manager in Aryan Ltd. His subordinates are mostly engineers and qualified technicians. N. As a manager, he is very strict, does not listen to any suggestions or feedbacks given by his subordinates. He expects them to follow his instructions without any questions and does not allow them to take any initiatives. Which leadership style is followed by Mr. Vaibhav?
- Autocratic leadership
 - Democratic leadership
 - Laissez-Faire Leadership
 - Can't say
- Q21.** As the incharge of a small scale factory manufacturing glassware, Raghunath guides his subordinates and clarifies their doubts in performing a task, so that they are able to achieve the work targets given to them. Identify the function of management being described in the above lines.
- Planning
 - Staffing
 - Directing
 - Organising
- Q22.** Nitika a teacher in a school generally for 3-7 minutes at the beginning and ending of the class, share a time with students where empathy is defined, discussed and brought to life. Identify the type of need being satisfied for students.
- Social needs
 - Safety needs
 - Esteem needs
 - Basic physiological needs
- Q23.** Vijay told his secretary to inform all department heads about the meeting today at 10:00 am in the conference room. He informed three department heads about the meeting timings. On his way he met his friend and started talking to him and forgot to inform other department heads about the meeting. Identify the communication barrier discussed above.
- Premature evaluation
 - Lack of attention
 - Loss by transmission and poor retention
 - Distrust

- Q24.** Teena runs a confectionary in a local market. In order to make the workers in the Confectionary work optimally, she on one hand provides them overtime wages and on the other hand imposes penalty, if required, by deducting the wages. Identify the feature of motivation being described in the above lines.
- (a) Motivation is an internal feeling.
 - (b) Motivation produces goal-directed behaviour.
 - (c) Motivation is a complex process.
 - (d) Motivation can be either positive or negative.
- Q25.** Nikhil is the sales head of Sargam Electronics. He has a team of nine people reporting to him. During the quarter-end meeting with his managers, he had a clash of opinion with one of the managers over his underperformance which resulted into an aggressive argument. He was so disturbed with his behaviour that he could not focus on matters being discussed by other managers. He left in the middle of the meeting and later realised that the reason for the underperformance of managers was that no targets were set for the managers. There was no set criteria to evaluate their performance. He then laid down the standards expected of each manager and decided to conduct quarterly evaluation meetings. All the managers were informed about the targets set for them. In the next evaluation meeting, each manager presented a report on targets achieved along with the reason for underperformance, if any. Identify the category of communication barrier highlighted in the above case.
- (a) Semantic barriers
 - (b) Psychological barriers
 - (c) Organisational barriers
 - (d) Can't say
- Q26.** Nisha was facing the problem of high labour turnover in her firm. On the advice of her friend, she introduced special benefits for the employees, which helped her to retain talented people in the organisation. Identify the related point of importance of motivation.
- (a) Motivation helps to improve performance levels of employees.
 - (b) Motivation helps to reduce employee turnover.
 - (c) Motivation helps to reduce absenteeism in the organisation.
 - (d) Motivation helps to mould the attitudes of employees.
- Q27.** Jayant and Lokesh work in a garment factory. Jayant always earns a higher wage than Lokesh, as he produces more units of output. Identify the type of financial incentive being adopted by the company.
- (a) Perquisites
 - (b) Productivity linked wage incentives
 - (c) Co-partnership
 - (d) Pay and allowances
- Q28.** During the year 2018, Ram Kishan Limited made surplus profits due to growing reputation of the

business as a result of sincerity of its employees. In order to give due recognition to its employees and motivate them to continue with the good work, the company decided to give a certain percentage of profits to them. Identify the type of financial incentive being adopted by the company.

- (a) Perquisites
- (b) Productivity linked wage incentives
- (c) Co-partnership
- (d) Profit sharing

- Q29.** Jagdish Limited adopts a systematic performance appraisal system which provides opportunity to employees to improve their skills and be promoted to the higher level jobs. Identify the type of incentive being adopted by the company.

- (a) Employee recognition programme
- (b) Organisational climate
- (c) Career advancement opportunities
- (d) Job security

- Q30.** Mr. Lakshay Wadhwa after completing his studies in MBA was appointed in the Production Department of Kapoor Ltd. Soon after his appointment, the company placed a problem before him. The company said that most of its employees did not appear to be happy, and that he should do a research on this problem and give his suggestion to them. Mr. Wadhwa interacted with hundreds of employees of the company and tried to find out why were they not happy. In the course of his interaction with the people he tried to know their expectations from the company. About 20% of people told him that they were happy with the company. The remaining 80% of people stated different reasons for their not being happy. About 80% out of them told that they were never consulted regarding any of the decisions of the company; every decision was imposed upon them. After doing complete analysis, Mr. Wadhwa told the company that the people who were working as managers would have to change their leadership style. Identify the leadership style being used by the company in the above case.

- (a) Autocratic leadership
- (b) Democratic leadership
- (c) Laissez-Faire Leadership
- (d) Can't say

SUBJECTIVE QUESTIONS

- Q1.** The psychology lecture of MBA students of 'Right Institute' was going on. The lecturer discussed that some employees have the desire for status or ego of self-respect and recognition. Some have the desire to be what they want to be. Some aspire for acceptance and sense of belongingness. Some need defence against unexpected problems in future.
1. Identify the topic of psychology lecture.
 2. Identify the desires of employees discussed above along with how can a manager fulfil such desires respectively.

- Q2.** Deepika is working in an MNC. She has been given an option to buy the shares of the company at an amount less than the market price because of her performance as an incentive. Katrina has been awarded "Employee of the month" award. Which forms of incentive is being referred here? Explain the incentives along with any other three incentives.
- Q3.** Pramod was a supervisor at 'Annapurna Atta' 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. Explain other two types also.
- Q4.** Rama is a very strict foreman. She punishes late comers by reporting negatively in observation reports of workers. Due to which the wages of those workers who come late, decline considerably. Which kind of motivation is applied by Rama?
- Q5.** Bhavesh was working as a clerk in Hindustan Ltd. since last six months. He was working with full diligence. His boss noticed his performance and gave him "Confirmation letter". Which kind of Bhavesh's need was satisfied?
- Q6.** Safe India Ltd. offers to its employees issue of shares at a price which is less than the market price. Name the type of incentive offered to the employees.
- Q7.** PQR Ltd. is not able to achieve its objective on analysing, they found that employees were not given their best, so he decided to announce an incentive plan, which offers various incentives to employee workers at different level for achieving their target.
(i) Which element of directing is used by manager?
(ii) Suggest incentives suitable for:
(a) Employees operating at lower level.
(b) Employees operating at higher level.
- Q8.** Neeraj, a sales representative of 'Omega Ltd.' has changed seven jobs in the last one year. He is a hard working person but is not able to finalise deals with the customers due to his inadequate vocabulary and omission of needed words. Sometimes he uses wrong words because of which intended meaning is not conveyed. All this created a mis-understanding between him and his clients.
(a) Identify the communication barrier discussed above.
(b) State the category of this communication barrier.
(c) Explain any other communication barrier of the same category.
- Q9.** Hema is working in a company on a permanent basis. As per the job agreement she had to work for 8 hours a day and was free to work overtime. Huma worked overtime, due to which she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only some of her needs while some other needs still remained to be fulfilled.
(i) By quoting the lines from the above para, identify the needs of Hema which she is able to fulfil.
(ii) Also explain two other needs of Hema followed by the above needs, which still remained to be satisfied.
- Q10.** Mr. Karan is the marketing manager of the company manufacturing designer clothes. One day in the morning while leaving home, he had a quarrel with the person in the neighbourhood. That person abused his family and threaten to harm the family. Mr. Karan got very upset and worried. On the same day a meeting was organised in the office to finalise the design according to market demand and taste and fashion of the customers. Mr. Karan could not pay attention to the discussion as he was thinking about the quarrel only.
(a) Identify the type of barrier to communication mentioned in the above para.
(b) State any other two barriers of same category.

SOLUTION FOR PRACTICE QUESTIONS

SOLUTION FOR MCQ QUESTIONS

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|----------|----------|
| S1. (c) | S2. (c) |
| S3. (c) | S4. (c) |
| S5. (d) | S6. (b) |
| S7. (d) | S8. (b) |
| S9. (c) | S10. (b) |
| S11. (d) | S12. (a) |
| S13. (b) | S14. (d) |
| S15. (b) | S16. (c) |
| S17. (d) | S18. (c) |
| S19. (d) | S20. (d) |

SUBJECTIVE QUESTIONS

- S1. (a) Financial incentive.
Co-Partnership/Stock Option
- (b) Other financial incentives
- Pay and allowances
 - Productivity linked wage incentives
- S2. Leadership
- S3. Informal communication.
- S4. (a) Company can supervise its employees by appointing a supervisor as supervisors guide the efforts of their employees and other resources to accomplish the objective of organisation.
- (b) Refer page no. 99-100 for financial and non-financial incentives.
- (c) Generally, higher order needs are not satisfied with money alone. To satisfy these needs, psychological, social and emotional factors also play an important role. Non-financial incentives mainly focus on these needs and common non-financial incentive which can ensure that higher order needs are satisfied are:
[Explain non-financial incentives on page no. 99-100].
- (d) The most suitable model of formal communication system that the company can follow is free flow. In this network each person can communicate with others freely. The flow of communication is fast in this network.

The common barriers in this model are:

1. Semantic barriers
 - (a) Badly expressed message
 - (b) Symbols with different meanings
 - (c) Faulty transactions
 - (d) Unclear assumptions
 - (e) Technical jargon
 - (f) Body language and gesture decoding
2. Psychological barriers
 - (a) Premature evaluation

- (b) Lack of attention
 - (c) Loss by transmission and poor retention
 - (d) Distrust
3. Organisational barriers
- (a) Organisational policy
 - (b) Rules and regulations
 - (c) Status difference
 - (d) Complex organisation
 - (e) Organisational facilities
4. Personal barriers
- (a) Lack of confidence of superior in his subordinates
 - (b) Lack of incentives
 - (c) Fear of authority
 - (d) Unwillingness to communicate.
- These barriers can be removed by taking following measures:**
- (i) Clarify the idea before communication.
 - (ii) Communicate according to the need of the receiver.
 - (iii) Consult others before communicating.
 - (iv) Use of proper languages.
 - (v) Proper feedback.
 - (vi) Communication for present as well as future.
 - (vii) Follow up.
 - (viii) Good listener.
 - (ix) Open mind.
 - (x) Completeness of message.
- S5. (a) Controlling and directing.
- (b) Employee recognition programme (non-monetary incentive).
- S6. Supervision means guiding the efforts of employees and other resources to achieve desired results.
Supervision 'it employs 10 operating managers.....support to the workers.'
Motivation means stimulating people to action to accomplish desired goals.
Motivation 'to pay double wages for working overtime and triple wages for working on holidays.'
- S7. The two incentives used by Sadaf to motivate the employees of her company are:
- (i) **Career Advancement Opportunity:** It means providing an opportunity to employees to improve their skills to be promoted to higher level of jobs. Appropriate skill development programmes and sound promotion policy provide career advancement opportunity to the employees.
 - (ii) **Job Enrichment:** It is concerned with designing jobs that include greater variety of work content and provide the opportunity for personal growth and a meaningful work experience.
- S8. 1. Lack of Attention 2. Semantic Barrier
3. Be a good listener
- S9. Informal Communication
- S10. 1. Divisional structure 2. Campus recruitment
3. Democratic, Free rein, Authoritative

SOLUTION FOR HOMEWORK QUESTION

SOLUTION FOR MCQ QUESTIONS

- | | |
|---------|---------|
| 1. (a) | 2. (b) |
| 3. (d) | 4. (b) |
| 5. (a) | 6. (b) |
| 7. (a) | 8. (b) |
| 9. (a) | 10. (c) |
| 11. (b) | 12. (a) |
| 13. (b) | 14. (d) |
| 15. (d) | 16. (c) |
| 17. (c) | 18. (b) |
| 19. (a) | 20. (a) |
| 21. (d) | 22. (a) |
| 23. (c) | 24. (d) |
| 25. (b) | 26. (b) |
| 27. (b) | 28. (d) |
| 29. (c) | 30. (a) |

SUBJECTIVE QUESTIONS

- S1.** 1. Human needs, Motivations
2. Esteem needs, Self-actualisation, social needs, Safety/Security need
- S2.** Non-monetary and Monetary
Co-partnership, Job enrichment and Recognition
(Refer to page no. 99-100).
- S3.** Democratic, Autocratic and Free-rein Leadership
(Refer to Page no. 100 and 101)
- S4.** Negative Motivation.

- S5.** Job Security.
- S6.** (i) Financial Incentives- Co-partnership/Stock option
- S7.** (i) Motivation is missing.
(ii) **(a)** Lower level offer monetary incentives.
(b) Higher level offer non-monetary incentive.
- S8.** **(a)** Badly expressed message.
(b) It comes under 'Semantic barriers'.
Semantic barriers are concerned with problems in the process of encoding and decoding of message into communication symbols.
(c) Faulty translation, symbols with different meanings.
- S9.** (i) 'Hema is working in a company on a permanent basis'.
According to above line Hema is able to fulfil her following needs:
(a) Physiological needs
(b) Safety or Security needs
(ii) Needs of Hema which still remained to be satisfied are:
(a) Affiliation Need: It refers to the need for affection, sense to belongingness, acceptance and friendship.
(b) Esteem Need: It refers to the need for self-respect, autonomy, status, recognition and attention.
- S10.** **(a)** Psychological barrier--Lack of attention.
(b) (i) Premature evaluation
(ii) Loss by poor retention.