

Chapter 7 · Directing

CBSE Class 12 Business Studies (054) · Part A · Unit 6+7+8 = 20 marks · Ultimate Revision Sheet

60-SECOND RECALL

Definition	Instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives.
Elements (4)	S-M-L-C — Supervision, Motivation, Leadership, Communication
Maslow (5)	Physiological → Safety → Affiliation/Social → Esteem → Self-actualisation
Leadership styles (3)	Autocratic · Democratic · Laissez-faire (free-rein)
Communication	Formal (vertical / horizontal) Informal = GRAPEVINE
Barriers (4 types)	Semantic, Psychological, Organisational, Personal

1. Meaning & Importance

WRITE THIS VERBATIM Directing refers to the process of instructing, guiding, counselling, motivating and leading people in the organisation to achieve its objectives. It is the **heart of the management process** because it initiates action.

Features

- Directing **initiates action**
- It takes place at **every level** of management
- It is a **continuous** process
- It flows from **top to bottom**

Importance (5)

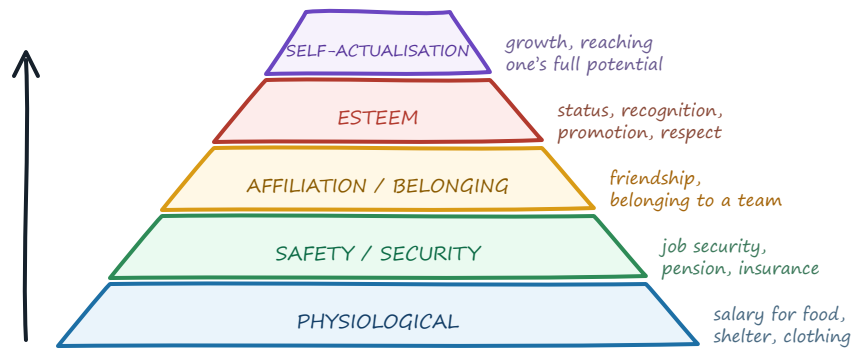
1. **Initiates action** — other functions only prepare the base; directing starts the actual work.
2. **Integrates employees' efforts** — links and unites individual efforts so they contribute to organisational goals.
3. **Means of motivation** — guides employees to realise their potential and work to the best of their ability.
4. **Facilitates the introduction of change** — overcomes employees' **resistance to change** by convincing and counselling them.
5. **Brings stability and balance** in the organisation by fostering cooperation and commitment.

2. Element 1 — Supervision

Supervision means overseeing what is being done by subordinates and giving instructions to ensure optimum utilisation of resources. A supervisor is the **link between management and workers**.

Importance: maintains day-to-day contact and good relations with workers · acts as a **link** between workers and management · provides **on-the-job training** · ensures performance as per **standards** · builds **team spirit** · conveys workers' **grievances** to management · motivates and provides **leadership**.

3. Element 2 — Motivation



A satisfied need stops motivating. You only climb to the next step once the one below is met. So the right incentive depends entirely on which step that particular employee is standing on.

Maslow's hierarchy — bottom-up, one step at a time, and never skipping a level.

DEFINITION Motivation is the process of stimulating people to action to accomplish desired goals. **Motive** = an inner state that energises and activates a person. **Motivator** = the technique used to motivate (pay, promotion, recognition).

Features of Motivation

- Motivation is an **internal feeling**
- Motivation produces **goal-directed behaviour**
- Motivation can be **positive or negative**
- Motivation is a **complex process** — individuals differ

Maslow's Hierarchy of Needs

#	Need	Meaning	Satisfied by
1	Physiological	Basic needs for survival	Basic salary, food, shelter
2	Safety / Security	Protection from physical and emotional harm	Job security, pension, insurance
3	Affiliation / Social	Need for affection, belonging, friendship	Friendly colleagues, team work
4	Esteem	Self-respect, autonomy, status, recognition	Job title, praise, promotion
5	Self-actualisation	The drive to become what one is capable of becoming	Growth, challenging work, creativity

MASLOW'S ASSUMPTIONS — often a separate mark (1) People's behaviour is based on their needs. (2) Needs are in a **hierarchical order** from lower to higher. (3) A **satisfied need can no longer motivate**. (4) A person moves to the next higher need **only when the lower one is satisfied**.

Incentives

FINANCIAL incentives

- **Productivity-linked wage incentives** — wage linked to output
- **Bonus** — payment over and above wages
- **Profit sharing** — a share of company profits
- **Pay and allowances** — basic pay, DA, annual increment

- **Co-partnership / Stock option** — shares offered at a price below market price
- **Retirement benefits** — provident fund, pension, gratuity
- **Perquisites** — car, house, medical facility

NON-FINANCIAL incentives

- **Status** — rank, authority and recognition in the organisation
- **Organisational climate** — the characteristics that describe the organisation

- **Career advancement opportunity** — promotion policy and skill development
- **Job enrichment** — making the job **more challenging and meaningful**
- **Employee recognition programmes** — praise, “employee of the month”, displaying achievements
- **Job security** — stability and safety of the job
- **Employee participation** — involving employees in decision-making
- **Employee empowerment** — giving more autonomy and power

TRAP Co-partnership / stock option is **FINANCIAL**. Job enrichment and job security are **NON-financial**. Also note: an incentive may satisfy more than one Maslow need — if a question asks “which need is satisfied”, match the wording carefully.

4. Element 3 — Leadership

DEFINITION Leadership is the process of influencing the behaviour of people to make them work willingly towards the achievement of organisational goals.

Style	How it works	Best suited when
Autocratic / Authoritative	The leader gives orders and expects obedience . He takes decisions alone , exercises complete control, and uses rewards and punishments. Communication is one-way .	Subordinates are unskilled or untrained , or a decision is needed urgently
Democratic / Participative	The leader consults subordinates and takes decisions with them . He develops confidence and uses two-way communication.	Subordinates are trained, experienced and willing to take responsibility
Laissez-faire / Free-rein	The leader gives complete freedom to subordinates; he sets goals and then does not interfere . Subordinates set their own targets and solve their own problems.	Subordinates are highly qualified professionals — researchers, doctors, scientists

5. Element 4 — Communication

DEFINITION Communication is the process of exchange of ideas, views, facts and feelings between two or more persons so as to bring about **common understanding**.

Elements of the Communication Process (7)

Sender (who conveys) → **Message** (the content) → **Encoding** (converting into symbols/words) → **Media** (the channel — letter, phone, email) → **Decoding** (converting back into meaning) → **Receiver** (who receives) → **Feedback** (the response). **Noise** = any obstruction that hinders the process.

Formal vs Informal Communication

Basis	FORMAL	INFORMAL (Grapevine)
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Meaning	Flows through official channels designed by the organisation	Flows out of social and personal relations among employees
Types	Vertical (upward and downward) and Horizontal (between same-level employees)	Single strand, Gossip, Probability, Cluster
Speed	Slow	Very fast
Record	Written record is maintained	No record

Formal communication networks: *Single chain* (superior to subordinate down a chain) · *Wheel* (all subordinates report to one superior) · *Circular* (each member communicates with two adjoining members) · *Free flow* (everyone communicates with everyone) · *Inverted V* (a subordinate may contact his superior's superior).

Grapevine networks: *Single strand* (a chain, one to one) · *Gossip* (one person tells everyone) · *Probability* (information passed randomly) · *Cluster* (a person tells selected people, who tell selected others).

Barriers to Effective Communication

Type	Barriers
Semantic (problems with words/meaning)	Badly expressed message · Symbols with several meanings · Faulty translation · Unclear assumptions · Technical jargon · Body language and gesture decoding
Psychological / Emotional	Premature evaluation · Lack of attention · Loss by transmission and poor retention · Distrust
Organisational	Organisational policy · Rules and regulations · Status difference · Complexity in organisational structure · Organisational facilities
Personal	Fear of challenge to authority · Lack of confidence of superior in subordinates · Unwillingness to communicate · Lack of proper incentives

Measures to Overcome Barriers (7)

1. *Clarify the ideas before communication*
2. *Communicate according to the needs of the receiver*
3. *Consult others before communicating*
4. *Be aware of language, tone and content of the message*
5. *Convey things of help and value to the listener*
6. *Ensure proper feedback*
7. *Be a good listener*

6. Case-Study Keyword Triggers 40% of the paper is competency-based

If the case says...	The answer is...
"gave orders and expected obedience, decided alone"	Autocratic leadership
"consulted the team before deciding"	Democratic leadership
"gave scientists complete freedom, set goals and stepped back"	Laissez-faire leadership
"made the job more challenging and meaningful"	Job enrichment (non-financial)
"employee of the month, name on the board"	Employee recognition (non-financial)
"shares offered below market price"	Co-partnership / stock option (financial)
"provident fund, gratuity, pension"	Retirement benefits (financial)

"car and rent-free house given"	Perquisites (financial)
"wanted to be recognised and respected"	Esteem need
"wanted friendship and a sense of belonging"	Affiliation / social need
"wanted to realise his full potential"	Self-actualisation need
"wanted job security and insurance"	Safety / security need
"news spread informally during lunch"	Grapevine / informal communication
"used technical jargon the worker did not understand"	Semantic barrier
"boss judged before hearing fully"	Premature evaluation (psychological barrier)
"subordinate feared the boss because of status"	Status difference (organisational barrier)
"superior did not want to share information"	Unwillingness to communicate (personal barrier)
"employees resisted the new machine but were counselled"	Directing facilitates change (importance)

MOST-ASKED BOARD QUESTIONS

1. [6M] Explain Maslow's hierarchy of needs theory with a diagram.
2. [6M] Explain any six financial / non-financial incentives.
3. [6M] Explain the barriers to effective communication and the measures to overcome them.
4. [4-6M] Explain the styles of leadership with suitability.
5. [4M] Explain the elements of the communication process / distinguish formal and informal communication.
6. [3-4M] Explain the importance of directing / supervision.
7. [1M] Name the informal communication network. → **Grapevine**

SCORING TIP — For Maslow, **draw the pyramid** — a labelled diagram usually carries a mark on its own and takes fifteen seconds. For incentive questions, always state **whether it is financial or non-financial** before explaining it.