

Very Short Questions NCERT Business Studies Solutions Class 12 Chapter 7

1. What is informal communication?

Informal communication is the type of communication that does not follow the formal path of communication. It is also known as grapevine. Under this mode of communication, information flows in all directions, irrespective of the level or authority. The social interactions among the employees in the form of a rumour or gossip spread throughout the whole organisation. The characteristic of informal communication is that the actual information might get distorted, and the information presented may be different from the original.

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

Laissez-Faire which is also known as the free reign leadership is the kind of leadership that believes that power should be used only when it is essential. In such a type of leadership, subordinates are given full authority. They are allowed to have maximum freedom to take decisions.

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

The element encoding in the communication process is used in converting messages to words, gestures and symbols. It is the process in which messages are converted into symbols that are to be made into symbols used for communication. It involves developing words, pictures and gestures that form the message.

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

The employees in this situation should be provided motivation. Supervisors should proactively motivate the employees and help them in performing to the best of their abilities. The supervisor should also be able to understand the requirements and needs of the workers. Managers must be able to identify the reason behind the workers not showing the willingness

to work and put all efforts into solving that issue. Managers can also provide monetary benefits in the form of incentives to workers to keep them motivated.

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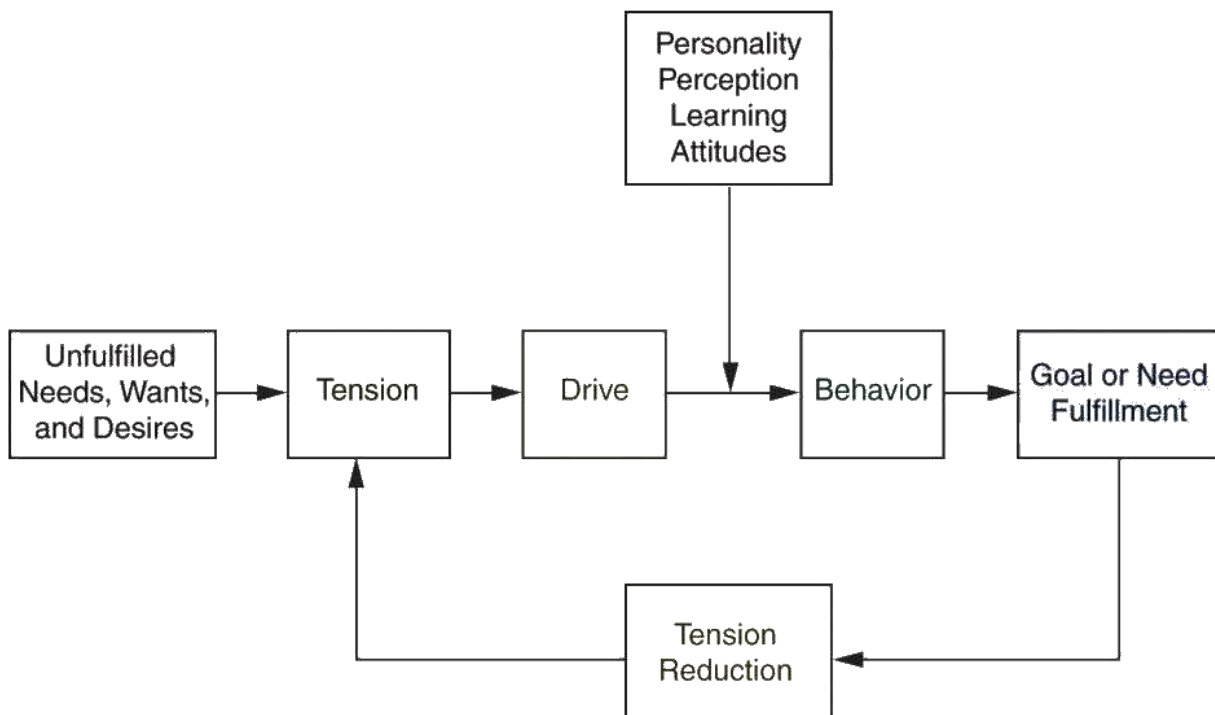
1. What are the semantic barriers to communication?

Semantic barriers are those barriers in communication that is related to using or understanding the language. It can happen that certain words, phrases or sentences can get misinterpreted at times, or they can be misunderstood. This obstructs effective communication. Such barriers in communication that are created due to difficulty in understanding words and sentences are known as semantic barriers.

The following can cause semantic barriers:

1. At times, due to the wrong use of words or choosing poor vocabulary, the information may not be expressed clearly.
2. A word can have more than one meaning, or it may happen that two words can have the same type of pronunciation. In these cases, the interpretation of words is ambiguous.
3. In certain cases, there might be variations in language among managers and workers. For such cases, it is helpful to translate the information into a language that is easy for workers to understand. During this process, some words or sentences may be misinterpreted, which leads to semantic barriers.
4. While giving instructions, the specialist may use technical vocabulary which the subordinates may find difficult to understand.

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



3. State the different networks of grapevine communication.

Grapevine communication is a type of informal communication that is a result of social interaction among employees. It does not follow a formal communication path. The following types of grapevine communication networks are present:

1. Single Strand Network: In such type of a network, the mode of communication and spread of information is from one individual to another. This forms a chain of communication with multiple individuals engaging in the communication.
2. Gossip Network: In this type of network, information is shared by one individual with many other individuals.
3. Cluster Network: Information sharing in this type of network is between two people who trust each other. Information is distributed between the trusted persons and therefore forms a network.
4. Probability network: In this type of network, the individual shares the information randomly with people. It can be anybody who he chooses to share information with.

4. Explain any three principles of Directing.

Directing process is a critical function of management. These are certain principles that help in the directing process:

1. As per the principle of maximum individual contribution, the managers should use techniques of directing in such a way that makes the worker perform their best. These techniques should motivate an employee to work to achieve the goals of the organisation. It can be in the form of incentives or motivational sessions that help employees in contributing more to the organisation.
2. As per the principle of unity of command, the employees should receive instructions from only one superior. If multiple superiors are directing the worker, it creates confusion and causes delays in the work.
3. The principle of managerial communication states that managers should communicate clearly and in a way that workers can understand, and in a similar way, workers should also communicate with superiors without any hesitation. Two-way communication must take place between the managers and workers.

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

In this situation, it can be seen that there is an obstruction in the free flow of communication. In an ideal situation, the manager should involve his subordinates in the decision-making process and also encourage the workers to provide suggestions and feedback. This will be beneficial for the organisation.

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

The incentive that GyanPradan provides its employees in the form of medical aid and free education to children is called a Financial Incentive. Two other types of financial incentives are:

1. Bonus: This could be in the form of benefits that are apart from salary, and it can be provided in the form of a festival bonus or yearly bonus.
2. Retirement benefits: Employee benefits in the form of pensions, provident funds, gratuity, etc., can be offered to employees.

Long Questions NCERT Business Studies Solutions Class 12 Chapter 7

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

A successful leader should have some set of qualities. Here are some of the qualities that a good leader must possess so that success can be achieved.

1. A person with a good personality will be deemed attractive. A healthy person can work hard and be efficient, and therefore, such a person can also set an example for others. If this person is made a leader, they can guide their subordinates well.
2. A good leader should be honest. They should follow business ethics and values. The subordinates will follow a person who has such qualities.
3. Another quality that is sought after in a leader is intelligence. A person who is leader must be able to examine the problems and effectively solve them. The leader must be intelligent to take proper decisions taking into account the facts and logic.
4. A leader should inspire others and should lead from the front by showing exemplary work prowess while maintaining performance and organisation values. They must also bring a feeling among the workers to be more productive.
5. Having confidence is a necessary quality of leaders. The confidence of a leader must be high in difficult situations. A confident leader is able to make the workers more confident.
6. A leader must have a high sense of responsibility for their own and for their group of workers. They should be responsible for the mistakes committed by their team members. A good leader puts their team first.
7. The ability to communicate effectively is one of the essential qualities of a leader. By expressing ideas and instructions clearly, the leader makes sure that workers understand what

is being communicated. Communication helps in bridging the gap between workers, managers and management.

8. Decision-making ability is necessary for a leader, as situations will be there where a decision needs to be taken in order for a process to move forward. The decisions need to be taken by weighing the pros and cons and analysing the figures and facts.

9. The leader should have friendly behaviour with the workers. They should be supportive of the workers' decisions. By maintaining good social relationships with employees, a manager can ensure a good response from the workers.

10. A leader must be dynamic in nature. They should be able to take the initiative and be proactive in nature. These steps will benefit the organisation.

All these qualities are necessary for a leader, but the presence of all these factors in a leader is not sufficient to ensure success.

2. Discuss Maslow's Need Hierarchy theory of motivation.

Maslow's need hierarchy theory helps us understand the concept of motivation. As per Maslow, human needs can be categorised in a five-tiered pyramid structure in the form of a hierarchy. A manager who has an understanding of this theory will be in a better position to understand employee behaviour.

Maslow's need hierarchy is based on the following points:

1. Needs of people influence their behaviour.
2. Individual needs can be arranged in the form of a hierarchy.
3. The shift to a higher level can only be achieved when an individual is satisfied at the lower level.
4. On satisfaction of a need, an individual is motivated to reach a higher level of need.

The theory can be described as follows:

1. Physiological needs: These are needs which are considered essential for sustaining human life. It is at the top of the needs. Fulfilling these needs is essential for every individual. Examples of such needs are food, shelter, etc.
2. Safety needs: It is the next level of needs. Once a person has fulfilled physiological needs, they then feel the necessity of safety and security. It is related to both economic and physical safety. Examples are job security, employment, law and order.
3. Belongingness needs: These needs arise once the first two levels of need are satisfied. It is related to the feelings of belongingness that an individual seeks. Examples are friendship, love, family, etc.
4. Esteem needs: It is the need to be respected by everyone and be respectful in one's own judgement. In this category of need, the person seeks reputation and respect from others. Examples are dignity, prestige, etc.
5. Self-actualisation needs: This need is all about the aims and aspirations that a person wants to achieve. It is regarded as the highest level in the need hierarchy. Examples of such a need can be work satisfaction, growth, etc.

The theory, as suggested by Maslow, helps a manager in providing a source of motivation to employees. Having a good understanding of the needs will help managers understand employees' behaviour in a better way.

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

It happens that sometimes, the information is not received by a receiver in the manner that was sent by the sender. It causes misunderstandings as information is passed from sender to receiver. These cause the creation of barriers to communication. The main barriers to communication are as follows:

1. Semantic Barriers: These barriers are related to the use, or we can say understanding of the language. It happens that as sentences, paragraphs or certain phrases become difficult to understand, which makes it more likely to suffer from misinterpretation. Such barriers which are caused due to difficulty in understanding are called semantic barriers.

2. Psychological barriers: It can happen that sometimes certain factors such as fear, anger and frustration can cause obstruction in communication. These types of barriers are called psychological barriers.

3. Personal Barriers: Sometimes, personal factors can cause barriers in communication between a sender and the receiver. In a formal organisation, all information is not shared by superiors with subordinates which can cause barriers to communication. Such barriers are called personal barriers.

4. Organisational Barriers: In organisations, due to the structure of leadership, there arise barriers to communication which cause delays in the flow of information. It can also occur in a centralised organisation where power and authority rest with the top management.

In the following ways you can overcome barriers to communication:

1. Communication should take place according to the level of understanding and capabilities of the receiver. If the receiver is able to receive information clearly, then there will be no barriers.

2. In order to make information clear, it should be taken into consideration to have the language, content and tone in proper order. It makes communication easy to understand and reduces barriers.

3. Proper feedback from the receivers should be taken in order for the information to be complete. It helps providing encouragement to the user in responding to the conversation.

4. The information must be complete in all respects, as it will leave no ambiguousness in the communication.

5. The idea of communication should be very clear between the sender and the receiver. The subject of the communication must be properly conveyed for easier understanding.

6. The person sending the information should be a good listener, which means that the person should be open to all communication from the side of the receiver.

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

The different financial and non-financial incentives used by a company to motivate employees are:

Financial incentives are those incentives that are monetary benefits that are awarded to employees for exemplary performance. Some type of financial incentives used in the organisation are:

1. Salary and allowances form the most basic form of financial incentive. An increase in salary or allowances provides employees motivation and helps in improving their performance.
2. Performance-based incentives are monetary benefits that are awarded to employees who are showing good performance among the employees in an organisation. Such an act will encourage other workers to be more productive.
3. Bonus offered to employees is a form of reward that is given over and above the salary.
4. Stock Option: This option grants employees stocks of the company at lower prices than the market; it will help bring the feeling of ownership, which will motivate them to work harder for the organisation.
5. Profit Sharing: Under this system, there is a system of sharing profit with the employees. It helps in making the employee more active towards the growth of the organisation.
6. Retirement benefits: Some companies have a system of offering benefits to employees upon retirement, which includes offering pension, provident funds and gratuity. It offers security and stability for the employees.
7. Fringe benefits: The organisation offers certain additional benefits such as medical allowance, housing allowance, etc. These benefits are in addition to the salary provided.

Non-financial benefits are those benefits that focus on non-monetary aspects of the employee's needs, such as psychological and social needs. Here are certain types of non-financial benefits that are offered by organisations:

1. If an employee gets a rise in position, it leads to an increase in status, responsibility and authority, which provides motivation for the employees.
2. Certain characteristics, such as freedom of employees, rewards and recognition and appreciation for good work, play an important role in making the employee more motivated. They make employees work more for the organisation.

3. Work that involves challenges will lead to more interest for the employee. Any work which requires high degree of skills opens up ways of personal growth, thus motivating the individual to take the challenge and perform well.
4. If a company provides appropriate avenues for the growth of the employee by having a defined career path, it makes them more responsible and encourages them to perform better so as to achieve growth.
5. An employee must have a certain amount of job security with the job that they are doing. Lack of job security leads to demotivated employees and a high rate of attrition.
6. Organisations allowing the involvement of employees in matters concerning the company will see more productivity, as employees feel that they are a part of the organisation.

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

In the current situation, the system of communication that is followed is informal. The need of the company is to shift to a formal communication system. In such a system, the messages and facts will follow an officially designated channel. Therefore, the information flow would be systematic and in the correct order. It is easier to locate the original source of communication in such a method.