


Subject: Management

Production of Courseware

 -Content for Post Graduate Courses



Paper: 5, Principles of Management

Module: 25, Direction



Principal Investigator

Prof. S P Bansal
Vice Chancellor
Maharaja Agrasen University, Baddi

Co-Principal Investigator

Prof Yoginder Verma
Pro-Vice Chancellor
Central University of Himachal Pradesh, Kangra, H.P.

Paper Coordinator

Prof. Tejinder Sharma
Department of Commerce
Krukshetra University, Kurukshetra

Content Writer

Prof. Tejinder Sharma
Department of Commerce
Krukshetra University, Kurukshetra

Items	Description of Module
Subject Name	Management
Paper Name	Principles of Management
Module Title	Direction
Module Id	Module no.-25
Pre- Requisites	Basic knowledge of what management is.
Objectives	Discuss the meaning, importance and elements of direction
Keywords	direction, elements, motivation, supervision, leadership, communication, efficiency,

QUADRANT-I

1. Module 24: Staffing
Learning Outcome
Introduction
Nature of direction
Importance of direction
Principles of direction
Elements of direction
Communication
Motivation and Supervision
leadership
Summary

Learning outcome:

After completing this module the students will be able to:

- Explain the meaning of directing.
- Discuss nature, elements and principles of directing.

Introduction: -

Directing is the fifth function of management. It is the heart of management process. Directing refers to instructing, guiding and overseeing the performance of the workers to achieve the predetermined goals. Directing helps to create an appropriate work environment that facilitates efficient discharge of duties. It is Directing that initiates action. Other functions create preconditions only. Directing is related to dealing with human elements and is concerned with directing human efforts towards achieving organizational goals. The quality of direction determines the Satisfactory or non satisfactory performance of the organization.

Definition:

According to **Haimann**: “Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried on as originally planned.”

According to **Koontz and O’Donnel**: “Direction is the interpersonal aspect of managing by which subordinates are led to understand and contribute effectively to the attainment of enterprise objectives”

According to **Urwick and Brech**: “Directing is the guidance, inspection and the leadership of those men and women that constitute the real course of responsibility of management.”

According to G. R. Terry “Directing means moving to action and supplying simulative power to a group of persons”.

According to Dale ,“Direction is telling people what to do and seeing that they do it to the best of their ability”.

According to Marshall, “Directing involves determining the course, giving orders and instructions and providing dynamic leadership”.

Direction Ensures that sub-ordinates do their work. well as per the expectation of management in order to achieve the goals. It also develops interpersonal relations in a group.

There are four elements of Directing:

- Supervision
- Motivation
- Leadership
- Communication

Nature of Directing

Nature of Directing can be briefly explained as follows:

1. **Pervasive Function:** - Directing is required at every level in an organization. every manager provides guidance and inspiration to his subordinates. It is to be performed from top level to lower level in the organization.
2. **Executive Function:** Directing is an executive function. The guidance and instructions are given by all managers and executive at all levels throughout the working of an organization. A subordinate always gets instructions from his superior only.
3. **Human Factor:** - Directing function is related with human beings. It relates to guiding and inspiring subordinates. And since human behaviour is complex and unpredictable, Direction function becomes all the more important.
4. **Continuous Activity:** - Directing is a continuous activity as it continues throughout the life of an organization. The managers has to give direction to his subordinates, guide and motivate them continuously so that the desired goals can be achieved.
5. **Creative Activity:** - Directing function helps in converting plans into performance. A manager needs to have a creative and innovative thinking so that he can guide and motivate his subordinates in such a way, that it leads to realization of organization objectives. Without directing, employees become inactive
6. **Flow from Top to Bottom Level:** - Directing functions includes providing instructions to the subordinates. Directing flows from top to bottom. It starts with top level management and ends with subordinates at the lower level.
7. **Facilitates Co-ordination:** - Directing brings harmony among employees and balance between all the activities of an organization. A good system of communication between the superior and

his subordinates helps to improve coordination. Upwards communication helps a manager to understand the subordinates feelings.

8. Dual Objective: - Direction helps to achieve dual objectives of an organization. On the one hand it aims at getting things done by the subordinates and on the other hand, it provides an opportunity to the managers to prove their leadership qualities.

9. Psychological Factor: -Directing function is directly related to an individual working in the organization. Directing function deals with human behaviour which varies from individual to individual and is unpredictable. Leader has to take care of feelings, emotions, etc. while giving direction to the subordinates. The manager has to take care that the feelings and emotions of any employee do not get hurt.

Importance of Directing

Direction is described as the heart of the management process. It is the life spark of an organization which sets the organizational machine into motion. Direction function is important because of the following reasons:

1) Direction initiates action: Management through direction motivates individuals in the organization to function in the desired way to achieve organizational objectives. In the absence of direction no one can understand what he is supposed to do and whether he is doing it in the right way or not.

2) Integration of objectives: Direction helps in integration of personal goals with the organizational goals. Employees are made to know as how the achievement of organizational goals will help in fulfilling their personal goals as well. Thus Employees feel motivated to achieve their personal goals through achieving organizational goals.

3) Direction facilitates changes in the organization: Changes in the work system are disliked by the employees and they always resist it. Any changes in the business environment may necessitate changes in the organization as well. Resistance to change can be avoided through proper direction. In order to accept and implement these changes management has to motivate the employees affected by these changes,

which is the essential part of direction. For example, a company wants to introduce computerization, employees will hesitate to accept it as they may lose their jobs since they don't know how to handle the computers. Here leadership plays an important role. Leaders can communicate employees that they will be given training to use computers and also there will be no loss of jobs.

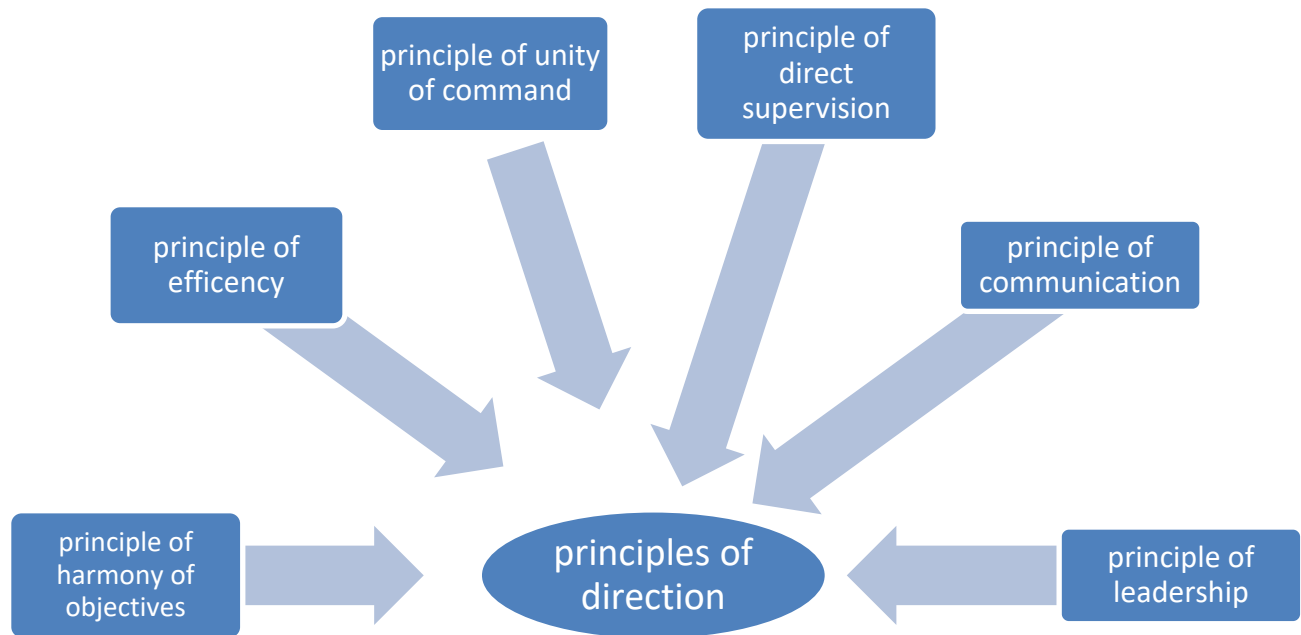
4) Direction provides stability and balance to the organization: Direction through effective motivation communication and leadership provides stability to the organization and helps in maintaining balance between different departments in the organization. Hence the organization can function efficiently and effectively over a long period of time. For example, a Sales Manager is of the opinion that the price of a product be reduced so that more orders can be generated whereas, General Manager does not hold the same opinion.. In such a situation, directing function may try to balance both the opinions by instructing and guiding say, the Sales Manager to find out other ways of increasing sales.

Thus direction stands out as an important function of management. It has also been observed that there is a high correlation between direction and work performance.

Principles of direction:

The principles of direction have been shown in fig 1 below. Principles of direction serve as a guide as to what is to be observed while directing. These principles are:

Figure 1: Principles of Directing



1) Principle of Harmony of objectives:

Direction should bring harmony between the individual and organizational objectives. Directing is regarded as essential in personnel management as it helps all the members to satisfy their personal goals through organizational goals.

2) Principle of efficiency:

Direction should bring efficiency to the operations. Leaders should try to motivate sub-ordinates to increase performance & attain objectives at minimum cost by avoiding wastages.

3) Principle of unity of command:

Command must come from only one executive or one superior. Workers must come to know from only one executive as to what to achieve & how to achieve. If there is no unity of command there will be duplication of work leading to confusion and chaos.

4) Principle of direct supervision:

The superior should directly supervise his subordinates. It boosts the morale of the subordinates. This also makes the atmosphere trustworthy in the organization.

5) Principle of communication:

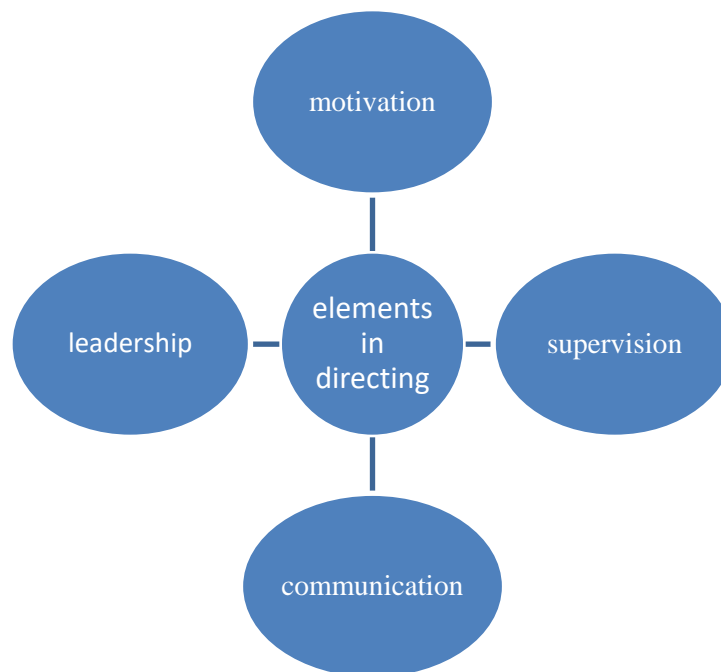
A good system of communication between executives & sub-ordinates ensures success. Effective communication serves as an instrument of direction, supervision & advice. Leader should maintain an effective system of communication within the organization. It also helps clear misunderstandings.

6) Principle of leadership:

Good leadership ensures cooperation, co-ordination & confidence in the work force. Direction should provide leadership for guiding employees in their work and also timely solution to the problems faced by them.

Elements of Directing:

Communication, Supervision, Motivation and Leadership are the four essential elements of directing. Now we shall discuss the nature and significance of each of these components.



1) Communication: - The word communication is derived from the Latin word “Communis” which means common i.e. sharing of information. Communication refers to the process of sharing knowledge,

information and understanding from one person to another. Communication is the sum of all things one person does when he wants to create understanding in the mind of others. Not only the human beings but also animals and plants communicate. The main purpose of communication is to convey ideas, thoughts, and opinions by one person to other.

Definition:

According to Keith Devis: “Communication is the process of passing information and understanding from one person to other. It is essentially a bridge of meaning between people by using this bridge of meaning a person can safely cross the ruin of misunderstanding that separates all people.”

According to Leland Brown: “Communication is the transmission and interchange of facts, ideas, feelings or course of action”.

According to George Terry: “Communication is a continuous and thinking process dealing with the transmission and interchange with understanding of ideas, facts and course of action.”

Thus, communication has the following features:

- Communication is a two way process.
- There are two parties, one is known as the sender and the other is known as receiver;
- There is a message sent by the sender to the receiver
- The receiver receives the message and understands it.
- Communication is not complete until the other person perceives it in the same way as intended by the receiver.

Communication does not always flow from supervisor to subordinate. It can also be from a subordinate to a supervisor. For example, subordinates can pass information to the supervisor about the problems at work.

Importance of communication: - Communication in organisations is so important that it is said to be the lifeblood of the organisation. Success of direction largely depends on how effectively the manager can communicate with his subordinates. Proper communication in organisations at all levels and between all levels can improve both the quantity and quality of output. Some of the benefits of communication are as follows:

- Communication helps employees to understand their role clearly and perform effectively.

- It helps in achieving co-ordination and mutual understanding which in turn, leads to industrial harmony and increased productivity.
- Communication improves managerial efficiency and ensures cooperation among the staff.
- Effective communication helps in moulding attitudes and building up employees' morale.
- Communication is the means through which delegation and decentralisation of authority is successfully accomplished in an organisation.

Process of communication: - Communication is a two way process. The process of communication has been shown in the fig



1. Sender:

When an idea or information is generated in the sender's mind the communication cycle begins. The sender should have some idea which he wants to convey to the receiver.

2. Encoding:

Sender cannot convey his idea until he gives some form to that idea. The process of converting thoughts into any form of message which may be verbal or non verbal is called encoding. In simple words, giving shape to the idea is called encoding. When the sender wants to send the information, the choice of the form should be made carefully so that receiver can properly understand it and is suitable for the receiver. The most common form of encoding is using verbal encoding i.e. encoding in words, either written or oral.

3. Dispatch and reception:

A message is the actual physical product from encoding. When we speak, speech is the message and when we write, writing is the message. For sending the message some medium has to be used. It may be oral or written communication for eg. face to face communication. The encoded message is dispatched to its destination using the appropriate medium. There may be some time interval between dispatch and reception. Face to face communication reach immediately. Today medium of communication have become too fast. The message gets transmitted at the click of a button.

4. Decoding:

Receiver receives the message and tries to understand the meaning of it. The receiver's understanding of the message that was sent to him, is called decoding or The process of retranslation is called as decoding. The message should be understood by the receiver in same sense as intended by the sender.

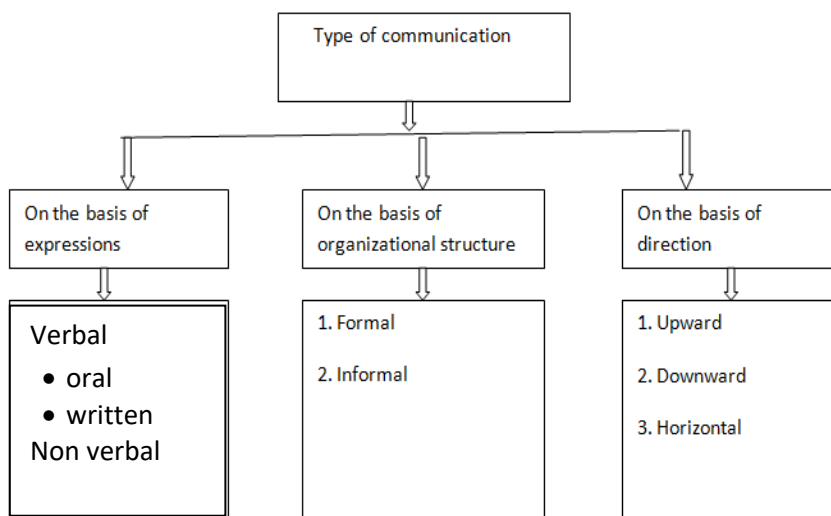
5. Feedback:

Feedback is the response which is communicated back to the sender. Feedback again includes the process of encoding, dispatch, reception and decoding. So the receiver of the message becomes sender and original sender becomes the receiver. Feedback can be given by using same signals or different signals. One cycle of the communication is completed by decoding of feedback. In face to face communication both the sender and receiver continuously give feedback. The responses likely to be as rewards are called as positive feedback and the responses likely to be as punishment are called as negative feedback. Communication becomes complete if message is understood by the receiver in same sense as intended by the sender.

Types of Communication:

Communication may be categorised based on:

- a) Expressions
- b) Organisational structure
- c) Direction



Let us know these briefly: -

Verbal and Non-verbal Communication: -

(a) On the basis of the expressions, communication may be verbal or non-verbal. Verbal communication may be oral or written. Face to face communication, as in interviews, meetings and seminars, are examples of oral communication. Issuing orders and instructions on telephone or through an intercommunication system is also oral communication. The written modes of communication include letters, circulars, notices and memos. Communication which is based on gestures like facial expressions is called non verbal communication or gestural communication. It also supports verbal communication and make it more effective. Examples of non verbal communication are: wave of hand, a smile or a frown etc. This is also termed as the gestural communication

(b) Formal and Informal Communication: -

In every organisation we have both formal and informal channels. The communication which flows through the well defined path as established by the management is called formal communication. When a General Manager communicates a decision to the production manager who may then issue orders or instructions to the foremen is an example of formal communication.

Communication, which takes place on the basis of informal or social relations among staff, is called informal communication. For example, any sharing of information between a production supervisor and an accountant, as they happen to be friends or so. Mostly informal channels are based on friendly interaction of members of an organisation. In fact, it may be purely personal or related to organisational matters.

(c) Upward, Downward, Horizontal and Diagonal Communication: -

On the basis of the flow or direction of communication in organisations, it can be classified as upward, downward, horizontal or diagonal. When communication flows from lower level to upper level , it is called upward communication. For instance, when a foreman reports breakdown of machinery to the factory manager, the flow of communication is upward. Upward communication encourages employees to participate actively in the operations of their department.

The communication which flows down the hierarchy is called a downward communication. For instance, when superiors issue orders and instructions to subordinates, it is known as downward communication. When the General Manager orders supervisors to work overtime, the flow of communication is downward i.e., from top to bottom.

When Communication is amongst members at the same level in the organisation, it is called horizontal communicatoion. For instance, production manager may communicate the production plan to the sales

manager. This is known as horizontal flow of communication. Such communication facilitates coordination of activities that are interdependent.

When communication is made between people who are neither in the same department nor at the same level of organisational hierarchy, It's called diagonal communication. For example, cost accountant may request for reports from sales representatives, not the sales manager for the purpose of distribution cost analysis. This type of communication does take place under special circumstances.

2) Supervision

The process of ensuring that employees have performed the work as per instructions given to them is known as supervision. Supervisors clarify all instructions and guide employees to work as a team in co-operation with others. Supervisors solve most of the routine job-related problems of subordinates. Supervisor, thus, performs the following functions:

- Clarifies orders and instructions issued to subordinates and ensures that they understand and follow them.
- Ensures that subordinates have the required facilities to perform their jobs
- Keeps a watch and guides the activities of subordinates in performing their jobs
- Coordinates the work of different subordinates
- Detects errors and omissions and ensures their rectification.

Though supervision is required at all levels of management, it is of great importance at the operational level i.e., at the level of first line supervisor. Managers at this level devote maximum time in supervising the work of subordinates. Though the top or middle level managers also supervise the work of their subordinate managers, but it is the first line supervisors who are in direct and constant touch with operatives i.e., workers in the factory and clerical staff in the office. Thus, they are directly responsible for getting the work done through most of the employees in an organisation.

3) Motivation: -

Motivation refers to inspiring a person to use the best of his ability for achievement of specified objectives. Motivation is one of the important elements of directing. Issuance of proper instructions or orders does not necessarily ensure that they will be properly carried out. It requires manager to inspire or induce the employees to act and get the expected result. This is

called motivation. It may be in the form of financial incentives like such as bonus, commission etc. or, non-financial incentives such as appreciation, growth etc. . It may also be positive or negative motivation. Motivation is directed towards goals and prompt people to act.

Motivation aims at creating an environment which will develop the personnel of an organization.

1. To take initiative
2. To show dynamism and curiosity
3. To work willingly and co – operatively
4. To work in a disciplined manner
5. To take interest in their work
6. To be dynamic and enthusiastic
7. To be responsible and loyal
8. To take pride in their job
9. To have job satisfaction
10. To have personal and group morale satisfaction and
11. To contribute their best to achieve their personal and organizational objectives.

Types of motivation: -

1) Motivation may be positive or negative: -

Positive motivation is the process which influences the employee through rewards. e.g. Bonus, promotion, permanent settlement, increase in working condition, etc. Negative motivation is based on fear of an undesirable outcome . Fear is a powerful motivator when it relates to survival or in case of employee's income.

2) Motivation may be financial or non-financial: -

Financial motivations are those which are associated with money. It includes wages, salaries, bonus and retirement benefit. Non-financial motivations are not associated with monetary rewards. It includes ego satisfaction, participation in the process of decision making, providing good working conditions and providing more responsibility to them.

3) Primary & secondary motivation: -

Primary motivation relates to satisfying basic human needs & secondary motivation relates to social needs & esteem needs and self actualization needs.

4. Leadership:

While motivation is the process through which employees are made to contribute voluntarily to work, leadership is the ability to persuade and motivate others to work in a desired way for achieving the goal. Thus, a person who is able to influence others and make them follow his instructions is called a leader. For example, in an organisation the management decides to install some new machines to which the workers are resisting. However, one of the workers takes the initiative, explains the fellow workers the benefits of working with the new machines and moulds them to accept the management's decision, he is said to be leader as he is able to influence a group of workers

In practice, the managers have to guide and lead their subordinates towards the achievement of goals, so, an effective manager should have leadership qualities as well. An effective leader is able to integrate the individual goals with the organisational goals. The main purpose of managerial leadership is to get willing cooperation of the workgroup to attain the goals.

Importance of leadership: -

The objectives of any organisation can only be fulfilled if its employees are working towards accomplishment of such objectives. To make people work in the desired manner, proper instructions and guidance are necessary. And this direction process becomes effective when the persons who give such direction have leadership qualities. Leadership is essential in functioning of any organisation and its importance and benefits are varied. Some of these are:

Leadership improves the performance of the employees.

Leaders can motivate the followers to work and hence enhance their performance.

With continuous support and guidance, leaders are able to build confidence among the followers, thereby increasing speed and accuracy and decreasing wastage.

With friendly and cooperative efforts the leader is able to build employees' morale which in turn contribute to higher productivity.

Summary

Directing is the forth function of management. Other functions of management create preconditions. Direction makes use of these preconditions for achievement of objectives.

Directing consists of human factors. Direction refers to the process of issuing orders and instructions to the subordinates to achieve goals within prescribed frame of time . It integrates the individual goals with organizational goals. The four elements of Direction are Supervision, Motivation, Leadership & Communication. Managers make use of these elements to direct employees. Directing initiates action. It is from directing that actual work starts. Directing is a continuous activity and is required at all levels. Every manager guides and inspires his subordinates. Without direction, goals cannot be achieved.