Class 12 Business Studies Chapter 7: Directing - Notes, Important Questions and MCQs (2026-27)

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These Class 12 Business Studies Chapter 7 notes cover “Directing” from the NCERT textbook Principles and Functions of Management (2026-27): meaning, features, importance and principles of directing, and its four elements – supervision, motivation (Maslow’s need hierarchy and incentives), leadership (styles and qualities) and communication (process, formal and informal networks, barriers and remedies) – with tables, Q&A, 10 MCQs and a free PDF.

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Chapter Overview

Directing means instructing, guiding, communicating and inspiring people in the organisation. It initiates action, takes place at every level, is continuous and flows from superiors to subordinates.

The four elements of directing are supervision, motivation, leadership and communication. Together they help managers get work done, bring about change, build stability and integrate employees’ efforts with organisational goals.

Important Topics and Concepts

Features, Importance and Principles

- Features: initiates action, at every level, continuous process, flows downward.
- Importance: initiates action, integrates efforts, motivates employees to realise potential, facilitates change, brings stability and balance.
- Principles: maximum individual contribution, harmony of objectives, unity of command, appropriateness of technique, managerial communication, use of informal organisation, leadership, follow-through.

Supervision

- Overseeing what is being done by subordinates and giving instructions.
- Importance: link between workers and management, maintains group unity, ensures performance, provides on-the-job training, builds morale, gives feedback.

Motivation

- Process of stimulating people to act to achieve goals.
- Motive, motivation and motivators.
- Maslow’s need hierarchy: basic physiological → safety/security → affiliation/belonging → esteem → self-actualisation.
- Financial incentives: pay and allowances, productivity-linked wages, bonus, profit sharing, co-partnership/stock options, retirement benefits, perquisites.
- Non-financial incentives: status, organisational climate, career advancement, job enrichment, employee recognition, job security, employee participation, empowerment.

Leadership

- Ability to influence people to strive willingly for group objectives.
- Qualities: physical features, knowledge, integrity, initiative, communication skills, motivation skills, self-confidence, decisiveness, social skills.
- Autocratic: leader takes decisions alone; one-way communication.
- Democratic (participative): leader consults subordinates.
- Laissez-faire (free-rein): subordinates have high freedom.

Communication

- Process of exchange of ideas, views, facts and feelings.
- Elements: sender, message, encoding, media, decoding, receiver, feedback, noise.
- Formal communication: official channels – vertical (upward, downward) and horizontal; networks: single chain, wheel, circular, free flow, inverted V.
- Informal (grapevine): unofficial; networks single strand, gossip, probability, cluster.
- Barriers: semantic, psychological, organisational, personal.
- Improving: clarify ideas, communicate according to receiver’s needs, consult others, be aware of language, ensure feedback, follow up.

Maslow’s Need Hierarchy

Lowest to highest.

Level	Need	Example
1	Physiological	Basic salary, food, shelter
2	Safety/Security	Job security, pension
3	Affiliation/Belonging	Friendship, team
4	Esteem	Recognition, status
5	Self-actualisation	Growth, achieving potential

Barriers to Communication

Type	Examples
Semantic	Badly expressed message, faulty translation, symbols with different meanings, technical jargon
Psychological	Premature evaluation, lack of attention, distrust, loss by transmission
Organisational	Rigid rules, complex structure, status differences, organisational policy
Personal	Fear of challenge to authority, lack of confidence in subordinates, unwillingness, lack of incentives

Important Definitions and Terms

Term	Meaning
Directing	Instructing, guiding, communicating and inspiring
Supervision	Overseeing subordinates’ work
Motivation	Stimulating people to act
Motive	Inner drive that activates behaviour
Self-actualisation	Highest need – realising potential
Job enrichment	Designing jobs with greater challenge
Leadership	Influencing people towards goals
Laissez-faire	Free-rein leadership style
Grapevine	Informal communication network
Semantic barrier	Barrier due to language and meaning

Short Answer Questions

Q1. Define directing.

Instructing, guiding, communicating and inspiring people in the organisation.

Q2. Name the elements of directing.

Supervision, motivation, leadership and communication.

Q3. What is the highest need in Maslow’s hierarchy?

Self-actualisation.

Job enrichment and employee recognition.

Q5. What is autocratic leadership?

A style where the leader takes decisions alone and expects compliance.

Q6. What is grapevine?

Informal communication that spreads through social relationships.

Q7. Give one example of semantic barrier.

Use of technical jargon not understood by the receiver.

Q8. Why is directing a continuous process?

It goes on throughout the life of the organisation.

Long Answer Questions

Q1. Explain Maslow's need hierarchy theory.

Physiological needs at the base.

Safety and security needs.

Affiliation/belonging needs.

Esteem needs.

Self-actualisation – a satisfied need no longer motivates.

Q2. Explain the leadership styles.

Autocratic – leader commands.

Democratic – participation.

Laissez-faire – freedom.

Choice depends on situation.

Effective leaders adapt style.

Q3. Explain barriers to communication and how to overcome them.

Semantic barriers.

Psychological barriers.

Organisational barriers.

Personal barriers.

Remedies: clarity, feedback, follow-up, consultation.

MCQs with Answers

1. Highest need in Maslow(a) esteem (b) safety (c) self-actualisation (d) affiliationAnswer: (c) self-actualisation

2. Bonus is a(a) non-financial incentive (b) financial incentive (c) leadership style (d) barrierAnswer: (b) financial incentive

4. Free-rein leadership(a) autocratic (b) democratic (c) laissez-faire (d) bureaucraticAnswer: (c) laissez-faire

5. Grapevine is(a) formal communication (b) informal communication (c) downward communication (d) writtenAnswer: (b) informal communication

6. Technical jargon is a(a) psychological barrier (b) semantic barrier (c) personal barrier (d) organisational barrierAnswer: (b) semantic barrier

7. Directing flows(a) upward (b) downward (c) horizontal (d) noneAnswer: (b) downward

8. Link between workers and management(a) leader (b) supervisor (c) owner (d) customerAnswer: (b) supervisor

9. Premature evaluation is a(a) semantic barrier (b) psychological barrier (c) organisational barrier (d) personal barrierAnswer: (b) psychological barrier

10. Job security satisfies(a) safety needs (b) esteem needs (c) physiological needs (d) affiliationAnswer: (a) safety needs

Quick Revision Points

- Features, importance, principles.
- Supervision role.
- Maslow’s five needs.
- Financial and non-financial incentives.
- Leadership styles.
- Communication, networks, barriers.

Chapter Summary

Directing involves instructing, guiding, communicating and inspiring people, starting action at every level. Its elements are supervision, motivation, leadership and communication.

Maslow’s hierarchy explains needs from physiological to self-actualisation, met through financial and non-financial incentives. Leaders may be autocratic, democratic or laissez-faire, and effective communication requires overcoming semantic, psychological, organisational and personal barriers.

Exam Tips and PYQ Pattern

- Identify Maslow’s need in case studies.
- Classify incentives correctly.
- Learn barriers in four groups.
- Know leadership styles with features.
- Remember directing flows downward.

Frequently Asked Questions

Is this chapter in the 2026-27 CBSE syllabus?

Yes. It is part of the NCERT Class 12 Business Studies Part I textbook “Principles and Functions of Management”, prescribed in the CBSE 2026-27 syllabus.

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What are the elements of directing?

Supervision, motivation, leadership and communication.

What is Maslow’s need hierarchy?

A theory of motivation arranging needs in five levels: physiological, safety, affiliation, esteem and self-actualisation.

Conclusion

Directing is the largest management function chapter. Learn the tables and save the free PDF.

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Author Bio: Written and reviewed by the Nextoper Editorial Team, a group of CBSE business studies educators who build chapter notes directly from the NCERT textbook and past board paper patterns.

Freshness Note: These notes follow the NCERT Class 12 Business Studies textbook, Principles and Functions of Management (NCERT reprint 2026-27, rationalised syllabus), and the CBSE syllabus for the 2026-27 session. Last checked on 26 November 2026.