

**Course: M.Com Part II**

**Paper IX**

**Topic: Levels of Management**

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### **Definition of Management:**

Management can be defined as the process of administering and controlling the affairs of the organization, irrespective of its nature, type, structure and size. It is an act of creating and maintaining such a business environment wherein the members of the organization can work together, and achieve business objectives efficiently and effectively.

In other words, it is concerned with optimally using 5M's, i.e. men, machine, material, money and methods and, this is possible only when there proper direction, coordination and integration of the processes and activities, to achieve the desired results.

### **Characteristics of Management**

- Universal: All the organizations, whether it is profit-making or not, they require management, for managing their activities. Hence it is universal in nature.

- **Goal-Oriented:** Every organization is set up with a predetermined objective and management helps in reaching those goals timely, and smoothly.
- **Continuous Process:** It is an ongoing process which tends to persist as long as the organization exists. It is required in every sphere of the organization whether it is production, human resource, finance or marketing.
- **Multi-dimensional:** Management is not confined to the administration of people only, but it also manages work, processes and operations, which makes it a multi-disciplinary activity.
- **Group activity:** An organization consists of various members who have different needs, expectations and beliefs. Every person joins the organization with a different motive, but after becoming a part of the organization they work for achieving the same goal. It requires supervision, teamwork and coordination, and in this way, management comes into the picture.
- **Dynamic function:** An organization exists in a business environment that has various factors like social, political, legal, technological and economic. A slight change in any of these factors will affect the organization's growth and performance. So, to overcome these changes management formulates strategies and implements them.
- **Intangible force:** Management can neither be seen nor touched but one can feel its existence, in the way the organization functions.

## **Levels of Management**

Most organizations have three management levels:

- Low-level managers;

- Middle-level managers; and
- Top-level managers.

These managers are classified in a hierarchy of authority, and perform different tasks. In many organizations, the number of managers in every level resembles a pyramid.

Below, you'll find the specifications of each level's different responsibilities and their likely job titles.

### **Top-level managers**

The board of directors, president, vice-president, and CEO are all examples of top-level managers.

These managers are responsible for controlling and overseeing the entire organization. They develop goals, strategic plans, company policies, and make decisions on the direction of the business.

In addition, top-level managers play a significant role in the mobilization of outside resources.

Top-level managers are accountable to the shareholders and general public.

### **Middle-level managers**

General managers, branch managers, and department managers are all examples of middle-level managers. They are accountable to the top management for their department's function.

Middle-level managers devote more time to organizational and directional functions than top-level managers. Their roles can be emphasized as:

- Executing organizational plans in conformance with the company's policies and the objectives of the top management;
- Defining and discussing information and policies from top management to lower management; and most importantly
- Inspiring and providing guidance to low-level managers towards better performance.

Some of their functions are as follows:

- Designing and implementing effective group and intergroup work and information systems;
- Defining and monitoring group-level performance indicators;
- Diagnosing and resolving problems within and among work groups;
- Designing and implementing reward systems supporting cooperative behavior.

### **Low-level managers**

Supervisors, section leads, and foremen are examples of low-level management titles. These managers focus on controlling and directing.

Low-level managers usually have the responsibility of:

- Assigning employees tasks;

- Guiding and supervising employees on day-to-day activities;
- Ensuring the quality and quantity of production;
- Making recommendations and suggestions; and
- Upchanneling employee problems.

Also referred to as first-level managers, low-level managers are role models for employees.

These managers provide:

- Basic supervision;
- Motivation;
- Career planning;
- Performance feedback; and
- Staff supervision.