

BBA Sem -V
Level of Management in Organization

The term “**Levels of Management**” refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in Following broad categories



1. Top Level Management:

Top level management consists of Chairman, Board of Directors, Managing Director, General Manager, President, Vice President, Chief Executive Officer (C.E.O.), Chief Financial Officer (C.F.O.) and Chief Operating Officer etc. It includes group of crucial persons essential for leading and directing the efforts of other people. The managers working at this level have maximum authority.

Main functions of top level management are:

- (a) Determining the objectives of the enterprise. The top level managers formulate the main objectives of the organisation. They form long term as well as short term objectives.
- (b) Framing of plans and policies. The top level managers also frame the plans and policies to achieve the set objectives.
- (c) Organising activities to be performed by persons working at middle level. The top level management assigns jobs to different individuals working at middle level.
- (d) Assembling all the resources such as finance, fixed assets etc. The top level management arranges all the finance required to carry on day to day activities. They buy fixed assets to carry on activities in the organisation.
- (e) Responsible for welfare and survival of the organisation—Top level is responsible for the survival and growth of the organisation. They make plan to run the organisation smoothly and successfully.
- (f) Liaison with outside world, for example, meeting Government officials etc. The top level management remains in contact with government, competitors, suppliers, media etc. Jobs of top level are complex and stressful demanding long hours of commitment towards organisation.
- (g) Welfare and survival of the organisation.

2. Middle Level Management:

This level of management consists of departmental heads such as purchase department head, sales department head, finance manager, marketing manager, executive officer, plant superintendent, etc. People of this group are responsible for executing the plans and policies made by top level. They act as a linking pin

between top and lower level management. They also exercise the functions of top level for their department as they make plans and policies for their department, organise and collect the resources etc.

Main functions of middle level management are

(a) Interpretation of policies framed by top management to lower level. Middle level management act as linking pin between top level and lower level management. They only explain the main plans and policies framed by top level management to lower level.

(b) Organising the activities of their department for executing the plans and policies. Generally middle level managers are the head of some department. So they organise all the resources and activities of their department.

(c) Finding out or recruiting/selecting and appointing the required employees for their department. The middle level management selects and appoints employees of their department.

(d) Motivating the persons to perform to their best ability. The middle level managers offer various incentives to employees so that they get motivated and perform to their best ability.

(e) Controlling and instructing the employees, preparing their performance reports etc. The middle level managers keep a watch on the activities of low level managers. They prepare their performance appraisal reports.

(f) Cooperate with other departments for smooth functioning.

(g) Implementing the plans framed by top level.

3. Supervisory Level/Operational Level:

This level consists of supervisors, superintendent, foreman, sub-department executives; clerk, etc. Managers of this group actually carry on the work or perform the activities according to the plans of top and middle level management. Their authority is limited. The quality and quantity of output depends upon the efficiency of this level of managers. They pass on the instruction to workers and report to the middle level management. They are also responsible for maintaining discipline among the workers

Functions of lower level management are:

(a) Representing the problems or grievances of workers before the middle level management. The supervisory level managers are directly linked with subordinates so they are the right persons to understand the problems and grievances of subordinates. They pass these problems to middle level management.

(b) Maintaining good working conditions and developing healthy relations between superior and subordinate. The supervisory managers provide good working conditions and create supportive work environment which improve relations between supervisors and subordinates.

(c) Looking to safety of workers. Supervisory level managers provide safe and secure work environment for workers.

(d) Helping the middle level management in recruiting, selecting and appointing the workers. The supervisory level managers guide and help the middle level managers when they select and appoint employees.

(e) Communicating with workers and welcoming of their suggestions. The supervisory level managers encourage the workers to take initiative. They welcome their suggestions and reward them for good suggestions.

(f) They try to maintain precise standard of quality and ensure steady flow of output. The supervisory level managers make sure that quality standards are maintained by the workers.

(g) They are responsible for boosting the morale of the workers and developing the team spirit in them. They motivate ‘the employees and boost their morale.

(h) Minimising the wastage of materials.

Summary of Level of Management and their Function



