

DEPARTMENT OF BBA

H. D. JAIN COLLEGE ARA

BY- Dr. Rajesh Kumar Ray(Faculty)

ADMINISTRATION AND MANAGEMENT

Management is a specialized activity required for the running of those social institutions which are composed of a group of human beings. The same management functions are to be found everywhere and as such, the management skill is transferable from one kind of social institution to another. Usually, this specialized ability is called “management” in business institutions and “administration” in others. The attempt to draw a distinction between “business administration” and ‘business management’ is thoroughly misleading and all recent studies have tried to avoid it as far as practicable. That there is no distinction even between management and public administration was pointed out by Fayol in his address to the Second International Congress of Administrative Science “All undertakings require planning, organization, command, co- ordination and control and in order to function properly, all must observe the same general principles. We are no longer confronted with several administrative sciences, but with one which can be applied equally well to public and private affairs”. Persons who discharge management functions are universally called ‘executives’ but in business they are further known as ‘managers’.

LEVELS OF MANAGEMENT

In the past, the two broad levels of management used to be denoted by administrative management and operating management. The upper level of management was usually called “administrative management” and the lower level was known as “operating management”. The use of these terms implies a division of the

management functions into two separate groups, viz., thinking functions and doing functions. As pointed out earlier, fundamental management functions are undertaken by all managers, irrespective of their levels or ranks. Accordingly, it does not fit into the facts of the real life to draw any line of separation between thinking functions and doing functions. Furthermore, the use of these terms stems from the acceptance of two different social sciences management and administration which are not existing in fact. The current practice is to denote the upper level of management by the term “top management”. The lower level or echelon of management goes by the name of “middle management”. The adoption of the term middle management undoubtedly suggests that there is a further level below it. Actually, the lowest level is composed of foremen and supervisors who also perform precisely the same management functions of planning, organizing, directing and controlling in differing degrees. To be sure, whoever performs the basic functions of management are to be called ‘managers’ in the technical sense of the term since their functions can be sharply distinguished from those of non-managers.

Levels of management become prominent in large-sized public limited companies. Three distinct levels of management along with their respective functions are stated below:

Top Management

Top management of a company is constituted by its or board of directors and the chief executive. Functions of top management include

- (1) To make an outline of planning through the formulation of basic objectives and policies of the company,
- (2) To determine the basic pattern of the company’s organization

structure,

(3) To arrange for effective co-ordination of all activities,

(4) To make staffing of departmental and other important executives,

(5) To prepare overall budgets and programmes for short-range and long-range operations,

(6) To exercise overall control in respect of all operations,

(7) To ensure continuity of the company through modernization and innovation of material resources and the executive development of human resources and

(8) To maintain public relations with all outside parties for improving the company's image and protecting its interests.

Middle Management

Between top management and supervisory management, there is found to exist another level of management known as middle management. In large enterprises, middle management is bifurcated into two parts upper middle or intermediate management and lower middle management. Middle management is constituted by divisional, departmental and sectional managers and its functions include

(1) To develop derivative objectives and policies and to prescribe procedures and methods in different areas,

(2) To prepare departmental budgets and programmes in the context of overall planning,

(3) To execute plans through orders, instructions and advice,

(4) To exercise control in different areas through the application of quality standards and cost standards and

(5) To effect co-ordination between top management and

supervisory management.

Supervisory Management

Supervisory management is the lowest level of management and it is constituted by superintendents, foremen and inspectors. There are six important functions of supervisory management :

- (1) To supervise the actual operations through guidance, checking and overseeing,
- (2) To translate the plan into actions through the provision of facilities and resources and the creation of a favourable work environment,
- (3) To exercise control over the work-in-progress through applying quantity standards and time standards,
- (4) To send information and progress reports to higher management,
- (5) To motivate the personnel for improving productivity of the company and
- (6) To put all the managerial orders, instructions, policies and programmes into action and to make higher managerial accomplishments.