

Assignment # 04

Ques 181 Explain the hierarchical management structure.

Ans: The hierarchical management structure is as follows:

1. Top level management
2. Middle level management
3. Lower level management

1. Top level management: Top level management is the head of the organisation. It consists of the representatives of the shareholders. The ^{top} level management is the ultimate source of authority in the company. Top level management performs all the functions of management. All the policy decisions are taken by top level management. The top level management is also responsible to the shareholders of the company.

2. Middle level management: Middle level management serves as a link between the top level management and lower level management. It comprises of departmental heads and section officers of purchase, personnel, production, sales, finance and marketing. The important functions of middle level management are as follows:

- i) To co-operate in making a smooth functioning of organisation.
- ii) To establish co-ordination between the different levels of management.
- iii) To build up a contented and efficient staff.

3. Lower level management: Lower level management consists of office superintendents, foremen and supervisors etc. These persons are just above the

Operational staff as per specifications and procedures laid down by middle level management. They are also responsible for maintaining high morale among the workers.

Que 2: Difference between line and staff.

Specification	Line organisation	Staff organisation
1. Simplicity	Very simple	Simple
2. Work load on manager	High work load	Moderate work load.
3. Suitability	Suitable for small enterprises.	Suitable for large and moderate enterprises.
4. Economy	Highly economical	Moderately economical
5. Specialisation	Specialisation is low	Specialisation is medium.