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THE ROLE OF TOP MANAGEMENT IN BUSINESS ORGANIZATIONS

Okafor Obiefuna A. (Ph.D)
*Department of Hospitality And Tourism
Management Federal
Polytechnic, Oko*

Abstract

The success of any organization towards meeting its objectives, depend largely on the vision of top management. It is a well known fact that a ship without a good captain continues to hover aimlessly without tiding the right movement. Top management in any organization is like a compass through which the organization finds its bearing. The failure of most organization stems from the fact that the top management of such organization failed woefully in their duties. In this papar, attempt is made to define management as well as undergaining the interchangeability of the quality management with administration. A light was thrown also on the various levels of management in any organization because there has to be synergy in organization, for it to perform optimally. The functions of these various levels of management were highlighted as having an impact on the overall functions of top management. Most organizations that are seen to be doing well are being run by efficient managers who understand what it means to run an organization. This write up also highlighted the various roles being played by top management using the model developed by Mintzberg.

Key words: Management, administration, first time management, middle management, functional management6, managerial roles.

Introduction

Definition of Management

The concept of management which is central to this work, is one of the most crucial variables in organization study on which there is no consensus as to its definition. Many writers have conceptualized management in various ways depending upon the approach and orientation.

The word management is usually used in four major ways viz as a resource, a body of knowledge, a process of organizational action, and as an economic act of allocation of scarce resource (factor of production).

As a resource, Johnson and Page (1975) see management as those “People responsible for directing and running an organization”. According to Drucker (1979), management is multipurpose organ that manages a business, manages managers and manages workers and work. Management is seen by others to be a body of knowledge about the activity or science and art of managing which is regarded as a profession.

As a purpose, Longe Necker (1981), defines management as the process of “acquiring and combining human, financial and physical resources to attain the organization’s goal of the community”. While Brench (1973), sees management as a social process “entailing responsibility for the effective planning and regulation of the operation of an enterprise. Fayol (1959), argues that Management is “to forecast, plan, to organize, to command and to control.

So popular is management as a process that some writers like Mali (1981), suggests the addition of management to the four factors of production. He sees management as a factor of production concerned with the organization and coordination of the other factors.

The term management is usually used interchangeably with “administration” to denote the same kind of activity and people found at the apex of bureaucracies in organizational settings. Although administration is the term preferred, in the public sector, both terms refers to “a process, the way people get things done through other people in an organizational setting. Management is, therefore thought of as a special kind of leadership activity in which the accomplishment of organizational goals and objective is paramount.

Management can then be seen as the art and science of achieving the objectives of an organization in the most efficient way. It also includes getting things done through other people and the effective control of men, money, machines and materials.

Whereas administration can be seen as the art of formulating and implementing policies of an organization through a bureaucratic system to achieve desired objectives. One cannot divorce management from administration, because when there is management, administration is the accompanying factor. Hitherto, administration and management were misconstrued. Management is oriented towards establishments, but is now being realized that administration and management are synonymous. Consequently, management has come to be used in the public sector and vice versa, for instance, institutional management, military/hospital administration and business administration.

There, management and administration are the same, despite the minor differences in their technical usage and their areas of application. Furthermore, both terms are made up of the same organizational functions of planning, organizing, controlling, staffing, motivating, communicating, and coordinating.

Although the history of management is as old as ancient civilization, manifested in such areas as the military escapades of Alexander the Great, and the construction of the pyramids in Egypt, the hanging garden of Babylon, the study of management and the role of the manager in

an organization came into prominence and consciousness largely as a result of two revolutions. One of these, which Boulding has called the “Organizational Revolution”, occurred in America. The manifestations of this revolution showed up in the emergence of “large, complex organizations in government, business enterprises, and the labour movement.

According to Boulding, there had been two prominent factors that ignited the growth of organizations prior to the organizational revolution. In the first instance, “as organizations grew in size, they increasingly faced longer geographical and social environments which organizations when grew in size, they bred increasingly unfavourable internal environments”. But, with time and a series of developments in communications, coordination, scientific discoveries of sophisticated equipment, large scale production and improved skills acquired by Managers, the limiting factors were overcome, and this, gave birth to the organizational revolution.

The second revolution christened “Managerial Revolution” was mainly concerned with business enterprises. As business enterprises grew in size, there was an approximately proportional need to increase the skills of the managerial staff. Hence, selection of top managers was now largely in terms of ability, training and experience. This is because of the need for new techniques to cope with the complexities of large organizations; there began elaborate studies and great emphasis on the theory and practice of management.

Managers

Managers are introduced within an organization, to help such an organization to accomplish its objectives. Hence, Stoner (1982), defines Management as the planning, organizing, leading and controlling the efforts of organizational members, making use of organizational resources to achieve stated organizational goals. Managers initiate organizational activities, use organizational resources, projects, allocate budgetary resources and carry out performance evaluation of their managerial activities. So Managers provide leadership at the various levels of organizational/operational activities.

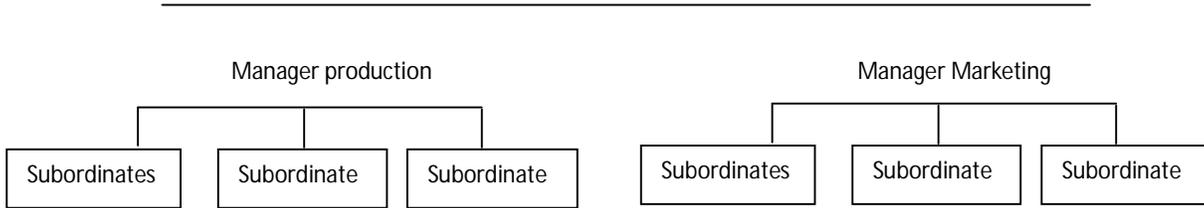
Types of Managers

First-Line Management

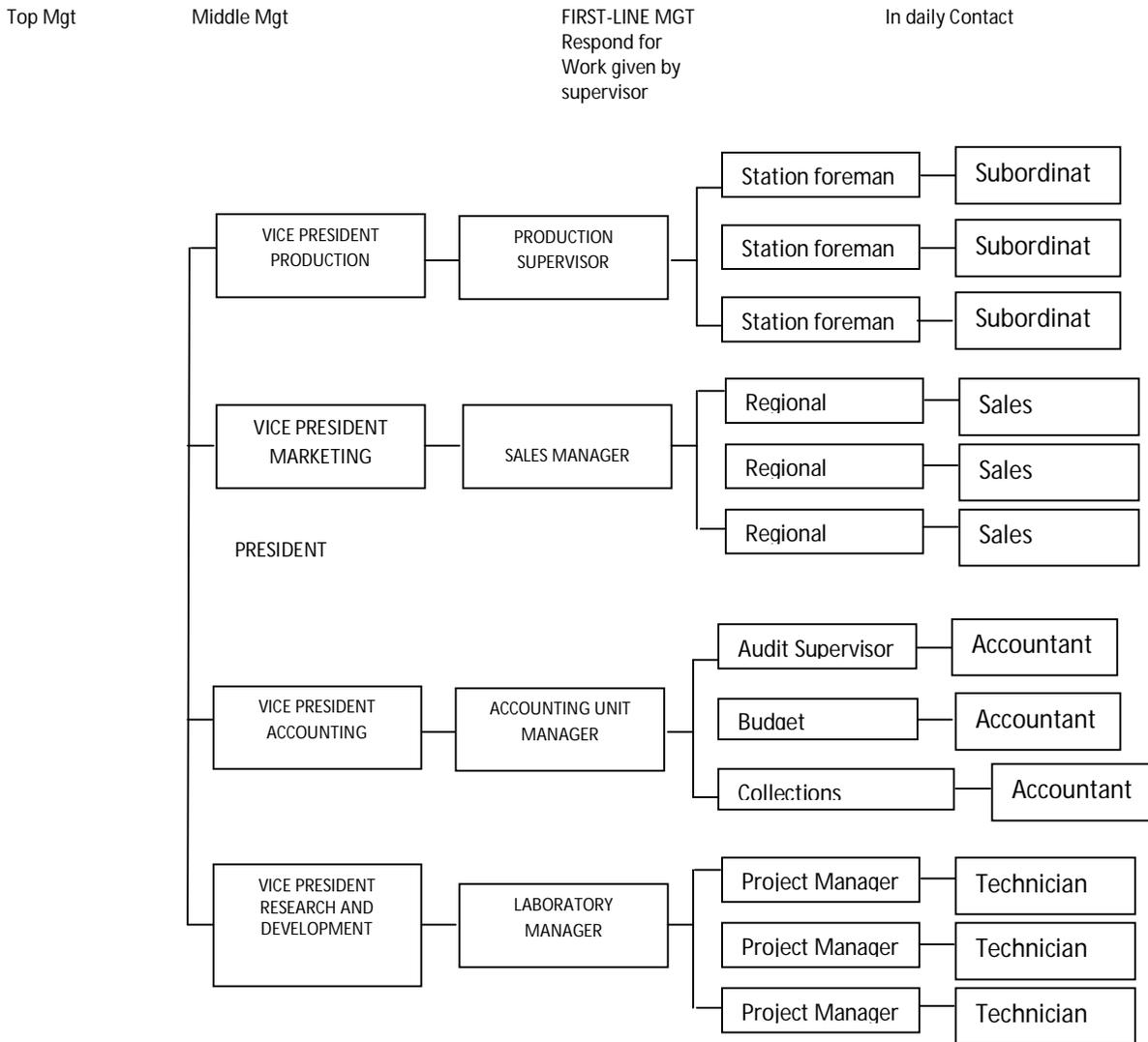
These managers coordinate the work of others who are not themselves managers. Those at the level of first-line management are often called Supervisors, office managers, or foremen. These are typically the entry level line positions of recent college graduates. The subordinates of a first-line manager may be blue-collar workers, sales persons, accounting clerks, or scientists, depending on the particular tasks that the subunit performs. For example production, marketing, accounting or research. First-line managers are responsible for the basics of the organisation according to plans provided by their supervisors.

First-line managers are in daily or near daily contact with their subordinates, and they are ordinarily assigned the job because of their own subordinates and with other first-line supervisors whose tasks are related to their own.

Manager



Horizontal – specialization of the management process



Vertical and Horizontal Specialization of the Management Process

Source: Ivancerich et al (1986)

Managing for Performance

Middle Management: Middle managers are known in many organizations as the departmental managers, plant Managers, or Director of operations. Unlike first-line managers those in middle management then plan, organize, lead, and control the activity of other managers yet, like first-line managers, they are subject to the managerial efforts of a superior. The middle manager coordinates the activity (for example, marketing) of a sub unit.

Top Management

A small cadre of managers, which usually includes a chief executive officer, president, or vice president, constitutes the top management. Top management is responsible for the performance of the entire organization through the middle managers. Unlike other managers, the top managers are accountable to none other than the owners of the resources used by the organization. Of course, the top level manager is dependent on the work of all, of his or her subordinates to accomplish the organization's goals and mission.

The designation top, middle, first line classifies managers on the basis of their vertical rank in the organization. The completion of a task usually requires the completion of several inter-related activities. As these activities are identified, and as the responsibility for completing each task is assigned, that manager becomes a functional manager.

Functional Management

As the management process becomes horizontally specialized, a functional Manager is responsible for a particular activity. See overleaf: the Management process has been divided into four functions; production, market, Accounting, and research.

Thus, one Manager may be a first-line manager in production while another may be a middle manager in marketing.

The function refers to what activities the manager actually oversees as a result of horizontal specialization of the management process. The level of the manager refers to the right to act and use resources within specified limits as a result of vertical specialization of the management process.

Management Level and Management Functions

Management functions of planning, organizing, leading and controlling are performed by all managers. However the amount of time and effort devoted to each function depends on the manager's level in the organization. For example first-line managers usually spend less time planning than top managers. However, they spend much time and effort leading and controlling. At high levels in the organization, for more time is spent planning and less time is spent leading. The amount of time and effort devoted to organizing and controlling are usually fairly equal at all level of management.

Management and Managerial Activities

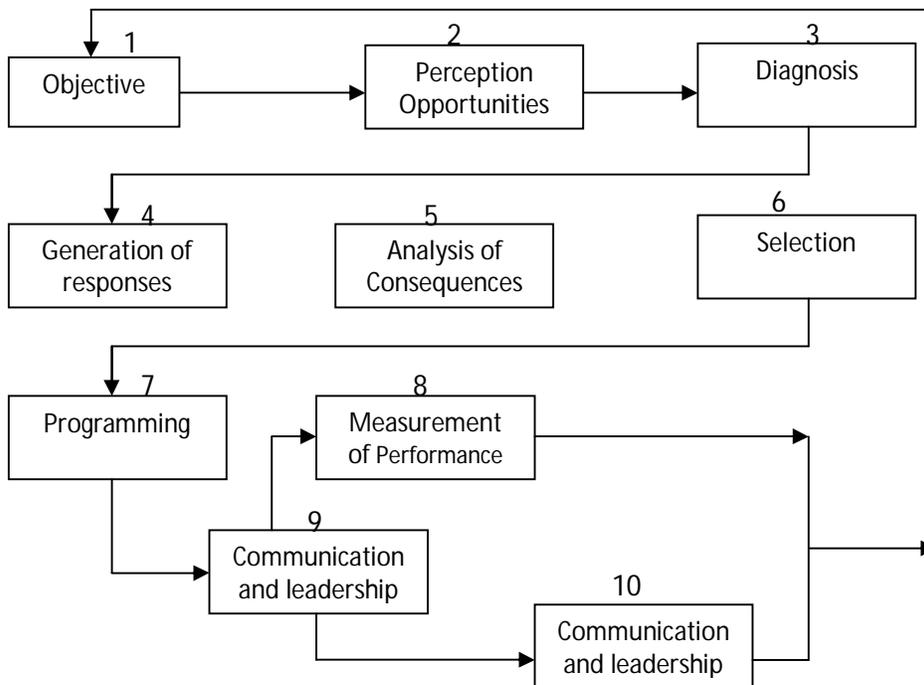
Management is a process of complex problem activities in an organization which has implication for information processing and implementation of activities related to attainment of organizational objectives.

Activities performed by managers in organizations include:

1. Setting objective for a given area of business activity in an organization.
2. Perception of organizational problems and opportunities both from internal and external dimensions of performance.
3. Understand the consequences for an organization, Its present problem and opportunities through diagnosis.
4. Generation of action responses to the current problems and opportunities.
5. Analysis of the consequences for action recommended.
6. Choice of the preferred alternative course of action.
7. Programming and budgeting for the selected alternative course of action.
8. Directing and leading implementation groups, effective communication, motivation and supervision.
9. Measurement of organizational performance in relation to set objectives.
10. Continuous surveillance capacity, in terms of trends, opportunities, threats, break-through etc both in the business environment and internal operative activities.

Sub-Cycle of Managerial Activities

According to Ansoff (1984), there are four sub-cycle of managerial activities in organization. These sub-cycle include:



Managerial Roles in Business Organisations

Five managerial roles can be identified in organizations (Ansoff (1984). These managerial roles fit certain managerial levels, in organizations. These managerial roles are:-

1. Manager – Leader
2. Manager – controller
3. Manager – Administrator
4. Manager – Planner
5. Manager – Entrepreneur.

Manager – Leader

Managers play the role of leadership in organizations especially when they lead groups within the organizations. Under this condition their major role is to influence the group of members towards goal setting and goal attainment. They may perform task related and social related functions in other to influence group members to action. Some other views suggest that leadership roles demand concern for employees and concern for task or responsibility.

However, the contingency approaches to leadership suggests type of leadership and subordinate relationship, task structure and power position of the leader as critical factor in leadership influence. Looking at the definitional discussions so far on leadership, we can visualize managerial decisions through group activities in organizations. Managerial leadership demands ability to communicate effectively, identify skills in human beings, motivate people and performance measurement.

Administrative Management (Controller)

General control is the process of ensuring the activities that are planned and the activities that are implemented. So, control has to do with measurement of performance and taking corrective actions. The administrative manager plays the control function in an organization. To be an administrator, one must have a thorough understanding of the variables which are critical to the firms success. There is need for a skill in pin pointing the sources of action. While aware of the human elements, the administrator does not allow personal loyalties and influences to becloud the substantive problems. He is prepared to face up to personal conflicts which are precipitated by through-minded decisions – (Ansoff 1965).

Manager – Planner

The planner Manager is also concerned with the present and future performances of an organization. So, he is concerned with performance and measurement. The planner is devoted to optimizing the firms future performance, though capitalizing in future opportunities in the firms historical business and guiding the firm towards attaining the goals for the firms future performance. The Planner is analytical, methodical and future oriented.

The Entrepreneur Manager

The entrepreneur Manager is a risk taker who does not intend extrapolating the present internal dynamics of a firm into the future. In the real sense an entrepreneur is someone who assumes risk of business ownership and manages it for profitable purposes. Entrepreneurial Managerial characteristic, are needed during the period of strategic change with flexibility, in considering alternative portfolios of business which are needed. During this period, Planner Managers may likely remain incremental by trying to extrapolate the present dynamics of business into the

future. However, an entrepreneurial manager will take the risk of diversifying the present business activities of a firm.

Managerial Roles

One of the most frequently cited studies of Managerial roles was conducted by Henry Mintzberg. He observed and interviewed five chief executives from different industries for a two week period. He determined that managers serve in 10 different but closely related roles. The roles can be divided into three categories:

1. Interpersonal roles
2. Informational roles
3. Decisional roles as described in the diagram below;-

Mintzberg's 10 Management Roles: Description and Activities

Roles	Description	Identifiable activities
A. Interpersonal 1. Figureheads:	Symbolic head; obliged to perform a number of routine duties of a legal or of social nature	Ceremony, status, requests, solicitations
2. Leader	Responsible for the motivation and activation of sub-ordinates; responsible for staffing, training and associated duties.	Virtually
3. Liaison	Maintained self developed net work of outside contacts and informers who provide favours and information	Acknowledgements of mail. External
B. Information 1. Monitor	Seeks and receives wide variety special information (much of it current to develop & through understanding of the organization and environment emerges as nerve centre of internal and external information of the organization.	Handling all mail and contract which are primary informational such as periodic news and observational tours.
2. Disseminator	Transmits information received from outsiders or from subordinates to members of the organization some information factual, some involving interpretation and integration.	Forwarding mail into the organization for informational purposes, verbal contacts involving information flow to subordinates including review session or spontaneous communication.
3. Spokes person	Transmits information to outsiders on the organizations plans, policies, actions and results, serves as experts on the organisation's industry	Board meetings handling mails and contacts involving transmission of information to outsiders.
C.	Search the organization and its	Strategy and review sessions involving

DECISIONAL 1. Entrepreneur	environment for opportunities and initiates improvement projects to bring about change; supervises design of certain projects as well.	initiation or design of improvement projects.
2. Disturbance handler	Responsible for corrective action when the organization faces important unexpected disturbances.	Strategy and review involving disturbances and crises.
3. Resource Allocator	Responsible for allocation of organizational resources of all kinds in effect the making or approving of all significant decisions	Scheduling request for Authorization any activity involving budgeting and the programme of subordinate works.
4. Negotiator	Responsible for representing the organizations at major negotiations.	Negotiation.

Adapted from: H.Mintzberg, the Nature of managerial work (Engle wood Cliffs; N.J.Prentice Hall, 1980) pp. 91-92.

Interpersonal Roles

The three roles of figure-head, leader and Liaison grow out of the Managers' formal authority and focus on interpersonal relationships. By assuming these roles, the manager is also able to perform informally which, in-turn, lead directly to the performances of decisional roles. All managerial jobs require some duties that are symbolic or ceremonial in nature.

The manager's leadership role involves directing and coordinating the activities of the subordinates. This may involve staffing (hiring, training, promoting, dismissing) and motivating subordinates. The leadership role also involves controlling, making sure that things are going according to plan.

The Liaison roles involve managers in interpersonal relationships outside of their area of command. This role may involve contacts both inside and outside the organization. Within the organization, managers must interact with numerous other Managers and other individuals. They must maintain good relations with the managers who send work to the units as well as those who receive work from the unit.

Informational Roles:- The informational role establishes the Manager as the Central point for receiving and sending non-routine information. As a result of the three interpersonal roles discussed above, the manager builds a network of inter personal contacts. The contacts aid him or her in gathering and receiving information as a monitor and transmitting that information as the disseminator and spokesperson.

The monitor role involves examining the environment in order to gather information changes, opportunities, and problems that may effect the unit. The formal and informal contacts developed in the liaison roles are often useful here.

The disseminator role – involves providing important or privileged information to subordinates. The president of a firm may learn during a lunch conversation that a large customer

of the firm is on the verge of bankruptcy. Upon returning to the office, the president contacts the Vice president of marketing, who in-turn instruct the sales force not to sell anything on credit to the troubled company.

In the spokesperson roles, the manager represents the unit to other people. This representation may be internal when a Manager makes the case for salary increases to top management. It may also be external when an executive represents the organizations views on a particular issue of public interest to local civic organizations.

Decisional Roles

Developing interpersonal relationships and faltering information are important, but they are not ends in themselves. They serve as the basic inputs to the process of decision-making. Some people believe decisional roles – entrepreneur, disturbances handler, resource allocator, and negotiator are a Manager's most important roles.

The purpose of the entrepreneurial role is to change the unit for the better. The effective first-line supervisor is continually looking for new ideas or new methods to improve the Units performance.

In the disturbance handler role, managers make decisions or take corrective action in response to pressure that is beyond their control. Usually the decisions must be made quickly, which means that this role takes priority over other roles.

The Resource allocator – places a manager in the position of deciding who will get what resources. These resources include money, people, time and equipment. Invariably there are not enough resources to go around, and the manager must allocate the scarce goods in many directions. Resource allocations, therefore, is one of the most critical of manager's decisional roles.

A first-line supervisor must decide whether an over time schedule should be established or whether part-time workers should be hired.

In the negotiator role, a manager must bargain with other units and individuals to obtain advantages for his or her units. The negotiations may concern work, performance, objectives, resources, or anything else influencing the units. A sales manager may negotiate with the production department over a special order for a large customer. A first-line supervisor may negotiate for new typewriter, while a top manager may negotiate with a labour union representative.

Mintzberg suggests that recognizing these 10 roles serves three important functions: first, they help explain the job of managing while emphasizing that all the roles are inter-related, neglecting one or more of the roles hinders the total progress of the manager. Second, a team of employees cannot function effectively if any of the roles is neglected. Team work is an organizational setting, required that each role be performed consistently.

Finally, the magnitude of the 10 roles points out the importance of managing time effectively, an essential responsibility of managers if they are to successfully perform each of the (10) ten roles.

Managerial Level and Roles

As one would expect, the level in the organization will influence which managerial roles are emphasized, although at every level, each role must be performed to some degree, obviously, top managers spend much more time in the figure head role than do the first-line supervisors. The liaison role of top/middle managers will involve individuals and groups outside the organization

while at first-line level, the liaison will be outside the unit but inside the organization. Top managers must monitor the environment for changes that can influence the entire organization. Middle managers monitor the environment for changes likely to influence the particular function that they manage.

The Implication of the Future Roles of Top Management for the Future Organizations

There are three implications of the future roles of top management for the future organizations.

These are:

1. Top management activities have increased historically, it has only been an enlargement but not a replacement of old general management functions. So as environmental turbulence increases top management functions will enlarge. So, towards the end of this century the volume of top management was decentralization. This was the action adopted in American firms. However, after decentralization, American firms found out that the general managers were still overloaded, then the next solution was to create a corporate office. This means a structural solution which created either multi-divisional organization structure or a holding-company organization structure. The corporate office then handled only limited functions. The two major approaches adopted above (decentralization and hold company solutions) represent what Thompson (1967) called organizations batching out some of the components parts to form independent organizations when the organization has grown so large and becomes so complex. So, one of the ways to manage complexity is to reduce it to manageable levels. This is the essence of batching or reorganizing to form multi-divisional or holding company structures.
2. During the coming years executive decision making will continue to expand. This means that in coming years the top managers will use more expert staff and technologist in the management of organizations and this situation will further widen the gap between line managers and staff advisers to the top management. In the past the solutions to these problems were those of the principles of staff and line relationships. This new decision of the increase of experts in the management of organizations may reintroduce the previous ideas of project management. When the business annoment became discontinuous in the early 50's and 60's. managers brought in experts within the organizational structure to handle peculiar problems with the specific departments of such organizations.
3. Ansoff (1984) sees the future top manager as the "man of the moment" management archetype who can no longer cope with the many inter connected complexities of a general management job. It is increasingly necessary particularly in diversified firms to ensure the knowledge, skills and talents of archtypes.

So, over the coming years the functions of the general management will change its organizations. Events of the past few years reveal that business organizations have continued to grow in size and complexity. This may not be so with some businesses here in Nigeria that are indigenously owned. However, those that are owned by foreign investors have grown in complexity, Government owned business organizations like PHCN (Power Holding Company of Nigeria), NNPC (Nigerian National Petroleum Company), NITEL (Nigerian Telecommunications) etc have grown in complexity.

The sources of this growth in structural complexity include increment in investment and technological innovation. Increase in complexity and technology have already affected decision making by increasing its horizon. The immediate implication is that the general manager can no longer cope with the present complexity of general management functions. As a result of this situation various solutions were sought in the developed countries where this phenomenon of complexity first appeared. The first consequence of general management functional enlargement was that group decision making emerged.

General Management and Organisation Experts

In order to adjust to the new complexities in the organizational structure which have induced general management to employ new staff managers and management scientists to improve the performances of organisations, the top managers must be developing expertise in managing experts.

Caliberating Method

In some business organizations, experienced managers and general managers who work with technologists and scientists calibrate the experts who work with them. They do this by keeping track of the major outcomes predicted by the experts and learn to keep their prediction toward higher or lower expectation.

They may even assign special tasks to experts with a major purpose of verifying the reliability of the expert's predictions.

Development Of A Skill In Cross Ideological Communication

Since managers and experts have distinctive norms and aspirations which they bring to work, understanding of these norms, and of their influence on the behaviour of experts is helpful in evaluating the proposals. So, there is need for managers to understand the roles that experts play in the organisation and then develop skills in cross-ideological communication. The idea of any form of communication is to get the response desired.

Dialectic Confrontation

Sometimes, experienced managers, when confronted with major decisions will frequently use the advice of experts and may engage them on a dialective confrontation of opinions. This approach will provide management the opportunity of investigating the truth about the advice of an expert.

Acquiring Sufficient Knowledge About The Respective Fields Expertise

The continuous growth of the business organizations and the expansion of general management responsibility mean that in the future, there will be multiple general managers in the organization for most of the general management responsibilities. Instead of looking for a general manager who is expected to possess all the talents possessed by the other functional managers, more general managers will be employed to provide the respective functional services.

Conclusion

The degrees of development of managers, structures, management systems and work processes in organizations differ and this situation accounts for differences in organizational effectiveness. In some organization these components of organizational structure are highly developed and

effective, while on others the degree of development is low and there is structural ineffectiveness.

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