

Business Management

Managers and Executives: The Forgotten Difference

By Wayne Halm

Introduction

Managers and Executives -- These are more than steps in a corporate ladder, they are corporate functions. There is a difference between executives and managers that goes beyond title, office size, position on the organization chart, and compensation amount - that difference is function. This article will describe the difference for those that have forgotten.

The Problem

Many people in executive and management positions today don't see a difference between executives and managers. Many people in executive and management positions today shouldn't be there because they don't know the functions of their jobs. Managers are not "mini-executives", and executives are certainly not "super-managers". Disaster awaits most organizations that allow this misconception to exist for long.

The Executive

The executive function is one of constant evaluation and decision and communication. The executive focuses outward from the corporation into the business environment. The executive studies and evaluates the competition, studies and evaluates the marketplace, studies and evaluates the financing options, studies and evaluates the regulatory situation, and studies and evaluates the possibilities and opportunities and pitfalls of the future. The executive considers these evaluations in light of the corporate condition and capability and forms a vision of where the company best fits in the business environment. This vision is the basis for decisions concerning corporate strategy. Once the decisions are made they are formed into actionable achievable plans for turning the vision into reality. These plans are communicated to the corporation's managers for execution. The process is repeated in an endless cycle, refining and adjusting as the environment changes, always trying to place the corporation in the most favorable position possible.

In all but the smallest corporations the executive function is a big job. The good executive hires a staff to assist in the information gathering, evaluation, and communication. The good executive realizes that the vision and decision making functions can not be delegated - and retains that responsibility. The good executive directs the staff to the corporations managers for information about corporate condition and capability.

The executive staff are the "worker bees" of the executive function. They gather data and process it, turning it into information that the executive can use in making decisions - they take the decisions and turn them into plans for achieving the vision. Sometimes members of the executive staff acquire titles that make them appear to be executives, as long as this is just the executive stroking the egos of the advisors and analysts it's relatively harmless. However, sometimes members of the executive staff are put in charge of areas of the corporation, this is usually a disaster as the technical analytical talents that made them good staff members are

mostly irrelevant in a management role.

Executives, supported by their staffs, create the corporate vision and make decisions concerning the outward presentation of the corporation, decisions concerning the corporations placement in the market, and decisions concerning the corporate shape and strategy. The executive function requires a talent for organizing, analyzing, and evaluating industry data and for seeing beyond the numbers to create and describe a corporate vision.

The Manager

The management function is also one of constant evaluation and decision and communications. However, the manager focuses inward on the capabilities and requirements of portions of the corporation. The manager studies and evaluates the employees, studies and evaluates the tools used, and studies and evaluates the processes in place. The manager considers these evaluations in light of the requirements place upon the area and makes decisions on issues of production, efficiency, and quality. Once these decisions are made they are formed into schedules and plans and communicated to the employees. The process is repeated in an endless cycle, refining and adjusting as the requirements and conditions change, always trying to get the best results possible from the resources available.

In a corporation management is a deep function, it extends from General Managers over to Supervisors. There are literally hundreds of titles for management positions, but everyone of them has other employees reporting to them. While the management function does concern itself with tools and processes, it's overwhelming focus is on people. The good manager knows that it is the employees (the people) that produce the products, sell the products, deliver the products, and collect and record the profits. Only the employees can do these jobs, managers and executives can not, and the managers role is to get the job done in the best manner achievable.

Getting the appropriate tools and developing the best processes achievable are issues for managers. The managers objective is to fulfill the area's requirements, and the right tools and processes go a long way toward that goal. If the tools are particularly big and complicated the manager might even have a section of technicians and analyst advising on them.

Good managers know that employees are the key. Employees are the ones that use the tools and follow the processes to meet the requirements. Good managers seek advise from employees about the tools and processes and they seek assistance from the executive in acquiring them. But foremost good managers seek to maximize their area's performance with what they have each and every day.

Good managers devote most of their efforts into matching people's talents with job requirements, motivating employees to put forth their best effort in job performance, and sheltering employees from distractions (letting them do their jobs). The managers daily focus is on getting the most done with the employees and tools available. The managers longer term focus is on improving the employee mix and getting better tools so that even more can be done.

Good managers know that there is more to motivation than money. Good managers study their employees, they find out what each employee responds to and what they ignore, what each employee is good at and what they find a struggle. They try to create employment situations that use each employee's strengths, then provide them the things they respond to in exchange for outstanding performance.

Sometimes managers are called upon to act as executive staff. This is seldom a good idea as their people handling talents are of limited use in a highly analytical environment.

Managers focus within the corporation, making decisions concerning the effective operation of their areas of the corporation. People, the employees, are the prime enablers of effective operation and good managers focus on motivating them. The management function requires a talent for observing and relating to people and for matching observed talents to assigned tasks.

Summary

While there is perhaps a surface similarity, the functions of executives and of managers are vastly different. The talents required to be good at each are vastly different. Good performance of one function is alone no indication of ability to perform the other.

Which is more important, executives or managers? Bad question, strong talent in both functions is absolutely essential if a corporation is to remain healthy. Which is the better job? Another bad question, this depends on the talents of the individual, an individual lacking the required talents will be both unhappy and ineffective in either function.

Few organizations would try to make horses fly and few would fail to see the folly of pidgeons pulling wagons. Yet many try to make executives of managers and allow executives to try their hand at managing. The results are almost always similar.

(Is the analogy of horses and pidgeons ridiculous? Of course it is. Is it intentional? Of course it is. It was placed here simply to get the concept of ridiculous and executive/manager interchangeability in the same thought - the reader will be better for it.)

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