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There are fundamental differences between administrating, leading, and managing. Successful CEOs have a clear philosophy about the balance they place on all three.

For decades, academics and business commentators have debated the differences between administrators, managers, and leaders, almost to the point of considering them to be different approaches. Interest in the topic has increased in line with the growing size and complexity of organisations, and the global discussion continues today. In my view, this needs to be a discussion of balance.

There are two compelling reasons why CEOs should understand how the three differ. The

associated skills and traits impact performance at every level of an organisation, and applying the knowledge can turn an average CEO into a great one.

The optimal organisation

In simple terms, most corporate structures can be summarised as a pyramid with individual contributors, managers, and leaders at the top. Each contributor has responsibilities they need to prioritise in order to drive success. The impact of decisions and the requirement to navigate complexity to get the ‘big things’ right

increases exponentially as one rises to the top.

In a high-performing company, all three levels understand what to focus on to get the big things right. Efficient individual contributors are ensuring the work is performed to a high standard and that the operation runs smoothly in line with strategic goals; effective managers are executing well and delivering consistent results to clear KPIs; and visionary leaders are creating direction and driving business success regardless of the trading environment.

To achieve this perfect state, you need the right person in the right job throughout the pyramid. As leadership expert Jim Collins puts it: “Get the right people on the bus, the wrong people off the bus, and the right people in the right seats.” Being good at this is the essence of a good CEO. To do it well, you need to understand capabilities and personal qualities well beyond role descriptors.

If we assume administration is about delivering a practical, detail-focused, and task-driven approach to the rules and standards, then management is about making those rules as well as thriving on challenges and bringing people together to achieve goals. Leadership is about reinventing the rules, seeking out new horizons, being forward-looking, inspirational, and strategically getting the big things right. It is my view that to get the right outcomes, you need to possess all three capabilities.

Most leaders would agree that it is rare to find a single person who is equally good at all three. Most people favour one or two styles, and these determine their working style. Organisations need to be diverse and complementary. Different roles, business cycles, and market conditions demand different styles. If these elements are mismatched, the person will underperform. This is why the concept of having the right person for the right role is so important.

Having someone who possesses the right qualities in a role is just as important as whether they have an MBA or years of service. When appointing their direct reports, many CEOs think deeply about the make-up of roles and capabilities as they relate to their business cycle and market conditions. CEOs often assume that other areas of their organisation are taking the same strategic approach, to the detriment of the organisation.

The multiskilled CEO

Like everyone else, every CEO has an innate working style that is predominantly administration,

Where is the balance of your CEO style?

Administrators: You judge people by how well they follow processes and obey the rules, and you expect to be involved in every significant decision your team makes. You are efficient at executing the business strategy but can get consumed with task and detail and lose sight of the company vision.

Managers: You like to see efficient allocation of individuals, teams, money, time, and other resources. You measure success by how well your direct reports achieve their goals and motivate people with tangible rewards. You are good at learning from the mistakes of the past but not so good at projecting your organisation’s future needs.

Leaders: You see your role as providing the big picture behind the business strategy. You motivate people to buy into it by communicating a vision for the future with conviction. You have strong ideas about the best strategy to achieve the vision but are less interested in the detail, as you expect others to take care of it. You measure success by how well the whole enterprise performs.

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management, or leadership based. It is often believed that getting to the top indicates strong leadership qualities, but this is not always the case. Plenty of MDs manage well but lead badly.

Each style has its advantages. If the CEO has management strengths, good business strategies will be executed well. If leadership dominates, the enterprise will move forward. And being well organised and having an eye for detail are good traits for dealing with business complexities.

The optimal state is a CEO who possesses all three styles and an understanding of which one their organisation needs most from them at any time. In a challenging business environment, an inspirational leader with vision will help everyone to deal positively with change. When it is business as usual, a managerial-style CEO will promote stability.

Getting the balance right is crucial. For example, a CEO who always micromanages like an administrator creates a culture where the focus shifts from big things to minor details.

Whatever your style, it is important to recognise it and determine if it matches what your company needs. If it doesn’t, it may be time to change.

Adapting your style

Most CEOs have honed their personal management style through a combination of

experience and professional development while ascending the corporate ladder. No CEO approaches the role in the same way as when they were a manager. Not only have they matured; they have learned that what works at one level does not necessarily succeed higher up.

Unfortunately, many CEOs no longer see the need to evolve their style once they reach the top, on the ground it got them there. Yet their company needs more than a one-note leader—it needs a three-in-one CEO. Anything less, and neither the business nor the CEO will thrive.

As a senior executive, one of the most powerful actions you can take is to evolve yourself. Start by identifying whether you are inclined to be an administrator, manager, or leader. Armed with that knowledge, you can plan to develop the capabilities that will bring out your best self. Only then can you enable your people to understand the differences between leadership, management, and administration and set the tone to develop all three capabilities throughout the organisation. •

About Vanessa Gaven
For over 15 years, Vanessa has consulted to a range of leading Australian and international organisations to enhance business strategies, improve executive leadership capability, redesign organisational structures, and deliver operational performance solutions. As an entrepreneur and business leader, Vanessa has lived through every business life cycle and has refined her abilities to inspire, deploy, and motivate people to achieve great things.