

or grinding, retailing or wholesaling.

Managers and Entrepreneurs

Both managers and entrepreneurs are answerable for producing results. The results are, of course, different. In their respective result areas, the buck stops with them. While they can delegate, they are finally accountable.

Both have to produce results through people working with them though they deal with different sets of people. they are not effective in the long run, if they are loners.

Both are decision-makers but the decisions are different as their tasks vary.

Both have to operate under constraints which are understandably different.

To be effective in their respective roles, both have to follow sound principles of management like planning, staffing, delegation and control. The focus of these management tools may vary depending upon the ultimate purpose.

Table 5.1 summarises the similarities, focusing on the different perspective within each similarity.

A successful organisation needs both entrepreneurship and management. The entrepreneurial role may be played by the Chief Executive and his team of top-level executive, the managerial role by the middle-level and joint-level executives.

TABLE 5.1: SIMILARITIES BETWEEN MANAGERS AND ENTREPRENEURS

Areas of Similarity	Differing Focus	
	Managers	Entrepreneurs
To produce results	Results of today, this month, this year. Short-term and medium-term.	Results of tomorrow, next year and coming five years. Long-term and very long-term.
To produce results through people	Have usually to handle people oriented to day-to-day management nitty-gritty and nuts and bolts type — Men of details.	Have to deal with people who can conceptualise with aggregate perspectives. — Strategists
To take decisions	Operational and administrative decisions, which have a bearing on short-term and medium-term results.	Mostly strategic decisions, involving growth through expansion, diversification, take-overs and mergers.
To co-operate under constraints	The constraints are usually organisational, i.e., those within an organisation like machine capacity, labour productivity, routing and scheduling, information availability, financial limitations etc.	The constraints are usually environmental which lie outside an organisation like the policy of financial institutions, import policy, licensing policy, infrastructural constraints etc.
To follow sound principles of management	The principles are more oriented towards internal administration and control like delegation, accountability, responsibility, planning, budgeting, reporting and information system.	The principles are with reference to macro-social aspects like social responsibility, equal opportunity, employment, ethical advertisement practices, adherence to government policies, etc.

Managerial Versus Entrepreneurial Decision Making

The difference between the entrepreneurial and managerial styles along five key business dimensions — strategic orientation, commitment to opportunity, commitment of resources, control of resources, and management structure — is summarized in Table 5.2.

A Management Tool

The efficiency of professional management lies in the managerial approach which does not suffer from dogmatic, ideological and political trappings. It is an approach which tackles the problem as a 'whole' and not in 'fractions.'

The professional manager brings into operation planning, organising, staffing, motivating, controlling and coordinating the work of technocrats and professional aspects to achieve pre-determined goals. The professional manager must possess a desire to achieve, to expand, to build and to grow. His goal should be to produce the best results in the shortest time and at least cost. The manager, who has had to benefit of management education and has exposed to the managerial tools and techniques of achieving the profit-cum-growth, will be in a position to deliver the goods to developing economy like ours.

It is characteristic of an established profession that its members accept the obligation to contribute to the advancement of standards and to the education of the future aspirants. The more eminent the member, the more readily he recognises the obligation. It is quite likely that his personal contribution to teaching may be small but it will be of high quality. This is the task facing the professional managers of the future.

Illustrations

Professional managers are the forerunners in the corporate sector. Two brief profiles reflect on the varied aspects of these achievers and doers. They are young, energetic, educated and possess the much needed drive.

Arvind Vijh, 29, is the group manager for chemicals and allied products at Birla 3M in Bengaluru, a company he joined last year because he was taken up by the American multinational's plans to "manufacture a range of products which will make it a force to reckon with soon." An MBA from IIM, Kolkata, Vijh has had a rapid rise since he began his career at the Indian Organic Chemicals in Mumbai as a management trainee. After a six-month stint there, he moved to the ICI, first as a management trainee and then as sales manager in charge of speciality chemicals. During his three and a half years with the chemical and fertiliser giant, he claims to have first picked up the ropes on "how to get into new business" — and this is what he intends doing successfully in Birla 3M.

TABLE 5.4 : DISTINCTIVE FEATURES OF TRADITIONAL MANAGER AND THE ENTREPRENEUR

	<i>Manager</i>	<i>Entrepreneur</i>
<i>Primary Motives</i>	Wants promotion and traditional corporate rewards. Power-motivated.	Wants freedom, goal-oriented, self-reliant, and self-motivated.
<i>Time Orientation</i>	Respond to quotas and Budgets, weekly, monthly, quarterly, annual planning horizons, the next promotion or transfer.	End goals of 5-10-year growth of business in view as guides. Takes action now to move the next step a long way.
<i>Action</i>	Delegate action. Supervising and reporting take most of energy.	Gets hands dirty. May upset employees by suddenly doing their work.
<i>Skills</i>	Professional training. Often business-school trained. Abstract analytical tools, people-management, and political skills.	Knows business intimately. More business acumen than managerial or political skill. Often technically trained if in technical business. May have former P&L responsibility in corporation.
<i>Courage and Destiny</i>	Sees others in charge of his or her destiny. Can be forceful and ambitious, but may be fearful of others' ability in case of optimism.	Self-confident, optimistic, courageous.
<i>Attention</i>	Primarily on events inside corporation.	Primarily on technology and marketplace.
<i>Risk</i>	Careful	Like moderate risk. Invests heavily, but expects to succeed.
<i>Market Research</i>	Has market studies done to discover needs and guide product conceptualisation.	Creates needs. Creates products that often can't be tested with market research — potential customers don't yet understand them. Talks to customers and forms own opinions.
<i>Status</i>	Cares about status symbols (corner office, etc.)	Happy sitting on an orange crate if job is getting done.
<i>Failure and Mistakes</i>	Strives to avoid mistakes and surprises. Postpones recognising failure.	Deals with mistakes and failures as learning experiences.
<i>Decisions</i>	Agrees with those in power. Delays decision until he gets a feel of what bosses want.	Follows private vision. Decisive and action-oriented.
<i>Who they Serve</i>	Please others.	Pleases self and customers.
<i>Attitude Toward the system</i>	Sees system as nurturing and protective, seeks position within it.	May rapidly advance in a system, when frustrated, reject the system and form his or her own.
<i>Problem-solving Style</i>	Works out problems within the system.	Escapes problems in large and formal structures by leaving and starting over his own.
<i>Family History</i>	Family members worked for large organisations.	Entrepreneurial small-business, professional, or agricultural background.
<i>Relationship with Parents</i>	Independent of mother, good relations with father, but slightly dependent.	Absent father or poor relations with father.
<i>Socio-economic Background</i>	Middle-class background.	Lower-class background in some early studies, middle-class in more recent ones.
<i>Educational Level</i>	Highly educated.	Less well educated in earlier studies, some graduate work but not Ph.D. in later ones.
<i>Relationship with Others</i>	Hierarchy as basic relationship.	Transactions and deal making as basic relationship.