HOME INNOVATION LEADERSHIP WORKPLACE FINANCE POLICY CONTRIBUTORS BLOGS

Q

Line vs. Staff Professionals: The Differences are Key

by Ernest Auerbach on May 26, 2011

What's the difference in a company between "line" and "staff" professionals, and why is that important?

First, a brief history. Corporate organization follows the 19th century Prussian Army model. Line soldiers serve on the line of battle, take risks, and get big promotions and decorations if they succeed; or, they die if they fail. Staff troops support the line soldiers, serving behind the lines at less risk. They also get promotions and decorations if they succeed but don't rise as high or get as many. If they fail, they get transferred or booted out.

Line

This division still exists in many company organizations. Line professionals are executives and others who take risks for enterprise success and are the combat soldiers of business. They are general managers, sales, production and operations people and others who bring in revenue and profit. They figuratively live and die by their results. If a corporate CEO or product line manager fails to deliver on her revenue, profit and expense plan over a longer period, she soon will be in outplacement. If she succeeds, substantial bonuses, raises, and other remuneration will be awarded.

Staff

Staff employees — accountants, attorneys, and communications people, for example — take less risk, for their role is to support the line. While important, sometimes greatly so, they are costly overhead and do not directly bring in revenue and profit. They should receive substantial but not lavish rewards when they perform well and be dismissed for failure, especially when they do not support the line efforts to increase revenue and profit.

Case History: A Staff Executive

I worked years ago for a major insurer where a very successful staff executive, the chief financial officer, became chairman and chief executive officer. He was uncomfortable with line executives and the sales and marketing process. He was not a good ambassador for the company with shareholders and customers. He elevated staff pals over line people, which caused morale problems and led to cautious, inward-looking leadership. He forced out line people he could ill afford to lose. His tenure was not a complete failure, but it was not a great success. This should never occur.

It's important for line and staff to work as a team, so managers should establish a culture that breaks down the usversus-them philosophy. Bring both groups into decision-making teams and make sure subordinates do the same. It's okay — even desirable — for staff and line to enter vigorous debate. The dialogue must end when the boss makes a decision.

Balance Line with Staff

Here are some ideas about how to organize to help ensure maximum revenue and profit with the right balance between line and staff:

- Only line people should be in jobs involving enterprise risk. Staff people should not take these positions.
- Don't let staff elitists dominate the company. Eliminate staff heads who build empires and accrue political power.
- Don't let the line bully the staff. Staff must have independence to give their best advice to help the enterprise succeed. When they are marginalized, there is no point in having them.
- Ensure line people have the top titles; staff people should have subordinate titles.
- Pay line people well for success. Pay staff people moderately well for success. There is one caveat: Never be afraid to
 pay the great inventor or top sales person more than the CEO if their contribution results in outstanding enterprise
 success.

0 Comments



Takeaway

- Line professionals are responsible for core business functions, as well as profit and loss
- Staff employees play important support roles butdo not directly bring in revenue and profit
- Managers should establish a culture that breaks down the us-versus-them philosophy

Share this Comment on this Like this Print this Flag this as objectionable

Featured Article



Taxing Spending Rather Than Income?

Read Our Blogs



Related Posts

US CEO Positions More Vulnerable in Down Times 12/05/2010

Crisis is Your Opportunity to Shine

10/10/2010

05/07/2011

Level-Headed Employee Discipline 09/22/2010

Start-up Survival Tips 06/21/2011

Topics

<u>Management</u>

MOST

Likes	Comments	Views
	s your plan if economy	5
	PIPA, and the rike: What's	4

• If you have one slot to fill, make it a sales, operations or production person, not another staffer. Always seek more revenue and profit.

Leading the Battle

To bring home my philosophy, think of our Army in war. Who leads? Not a logistician or the communications officer. It's the infantry officer who knows strategy and tactics and has succeeded in earlier assignments. In the best corporations, it's the line executive who has sold, managed sales, operations and taken product risks who ultimately becomes the boss. He has met his targets of revenue, profit and expense containment. It's not the staff executive. And that's the way it should be.

Copay Programs – 4 Drug Coupons Improve H... The Back 98™: A Blog Series about Your... Upstarts: 3 Bootstrapping 1 of 39>>

connect with McCOMBSTODAY





About The Author



Ernest Auerbach

Formerly with Xerox, CIGNA, New York LIfe, AIG and Anderson Consulting, Retired Executive Ernest Auerbach is a recently retired corporate general manager who held senior positions in the U.S. and overseas at Xerox, CIGNA, New York Life...

Leave a comment

We want to hear from you! To keep discussions on-topic and constructive, comments are moderated for relevance and for abusive or profane language.

Your name *
Eral: *
The content of this field is kept private and will not be shown publicly.
Нопреде
Comment: *
A
Save Preview

Contents

All Stories

Videos

Series

Audio

Infographics

Topics

Contributors

Connect

Newsletter

<u>LinkedIn</u>

Twitter

Facebook

YouTube

Sponsorship

Resources

McCombs TODAY

UTexas KNOW

Cockrell School News

LBJ School News

Texas Enterprise

About Us

Contact Us

Donate

Feeds

<u>Mobile</u>

Privacy Policy

Terms of Use

User Feedback

Login/Sign Up





