

AVP vs VP

The move from managing work to owning a function. In Hay terms the shift shows up in Freedom to Act and Nature of Impact; in Mercer IPE terms, Impact moves from contributory to direct. It is the first level where the org chart names one person when the number is missed.

	Assistant / Associate Vice President CURRENT LEVEL Senior manager or junior executive. Runs a defined team or process against a plan set above.	Vice President THE STEP UP Owens a whole function or line of business, including its budget, its headcount and its results.
Accountable to	A VP, for delivery against an agreed plan.	An SVP or a chief officer, for the function's results.
Scope of accountability	A team or a defined process inside one function. Contributes to a result someone else owns.	One whole function or line of business. Owns the result outright and is named when it misses.
Freedom to act	Works inside an approved plan and existing policy. Escalates anything outside it.	Sets the plan and the policy for the function, inside a strategy set above. Escalates what crosses into another function.
Type of problem	Problems have precedent. Apply a known method to a new case.	Problems are ambiguous. Chooses between methods and defines what good looks like inside the function.
Breadth of management	One homogeneous activity. Manages individual contributors or first-line supervisors.	Integrates several sub-functions that run on different rhythms and metrics.
Who must be persuaded	Own team and immediate peers. Explains decisions that were already made.	Peer executives, in a live competition for shared money and people.
Money authority	Spends within a budget that was handed down.	Builds the function's budget, defends it, and reallocates inside it.
Time horizon	The current quarter and the plan already agreed.	The annual plan, plus the capability the function needs next year.
Legal & governance standing	Rarely a corporate officer outside financial services. Holds no authority to bind the company.	An officer in title only at most companies. May hold limited signing authority by delegation.

The step up

what is genuinely new, not just bigger

1

Outcome, not output

The AVP is measured on delivery against a plan. The VP is measured on whether the plan was the right one in the first place.

2

Real budget and headcount authority

Hiring, org design and vendor spend become the VP's decisions rather than their requests.

3

A seat in the resource fight

The VP argues against peer executives for money and people. Losing that argument is now part of the job.

Where it varies

by industry and company size

Banking

AVP is an officer title tied to signing authority and tenure. A bank AVP may have no direct reports at all — do not read it as an executive band.

Insurance & asset management

AVP is a genuine, heavily used band and often the first officer level with real exposure to results.

Technology

AVP rarely exists. The equivalent scope sits under Senior Manager or Director, and VP starts considerably higher.

Under ~500 employees

The AVP layer usually does not exist. The VP is simply the only leader the function has, which makes the VP band far wider than at scale.