

LEADERSHIP VERSUS MANAGEMENT: Critical Agents for Organizational Success

– by Keith A. Sinclair

Introduction

What's the true distinction between leadership and management?

Are they discrete or interchangeable roles?

Do managers need to become effective leaders?

Do leaders need to know how to manage?

How can both roles contribute to organizational success?

It is this writer's premise that they are distinct, but complementary, roles and **both** are necessary to achieve success in today's complex, ever-changing environment.

The Current Leadership Dilemma

Now that the global markets have softened, and capital has become less plentiful and more selective, pressure to run more predictable, profitable enterprises has emerged. "Back-to-basics" management has regained popularity. People are questioning the concept of the "hero" leader, especially with the excesses and improprieties of WorldCom, Tyco, Imclone and Enron executives.

Is leadership "out" of vogue and management once again "in"? Of course it's not that simple. We've never needed strong leadership more than we do now, yet we cannot overemphasize the value of good management to support that leadership. It's not an either/or situation, although human nature tends to swing that way. We're often comfortable seeking one-dimensional, simple solutions when dealing with difficult, complex problems, hence the popularity of pop-psychology and one-minute solutions.

Leadership versus Management

Let's identify the difference between leadership and management. According to Russell Ackoff, leaders' and managers' roles differ as follows:

- "Leaders decide what needs to be done [vision].
- Managers decide how to do those things that leaders have decided must be done."

Jim Kouzes and Barry Posner, in their seminal book "The Leadership Challenge", eloquently describe leadership as "... the art of mobilizing others to want to struggle for shared aspirations." Of management, they state: "... managing is about 'handling' things, about maintaining order, about organization and control." Leaders address matters that drive enterprises, matters that are visionary and emotive, while managers deal with the rational systems and processes that implement the work of the organization.

Clearly, leadership and management are different concepts, but for the success of any organization, they are inextricably linked. It's not just a case of turning to one function or another when things fail to work. Analysis of organizational effectiveness must be more comprehensive than that. Organizations are systems. Organizational components must be viewed in connection with each other, not separately. To use one analogy, an organization isn't a herd of elephants, it's one elephant, with each component (eyes, heart, liver, legs, etc.) functioning interdependently to enable its survival. Similarly, with organizations it's a matter of balancing and coordinating multiple roles to effectively address internal processes and navigate external environments. Leadership and management roles are two such critical components.

Effective Application

The need for strong leadership and effective management increases as organizations expand in size and complexity. Small

businesses and start-ups can function relatively effectively under a capable entrepreneur who may or may not demonstrate strong leadership and/or management capabilities. As enterprises grow, they inevitably hit a stage where they need better control and coordination of processes. Policies and procedures are introduced to manage costs and ensure consistent results. At this point, professional managers are often contracted or hired into the business for the first time, and more are hired and developed as the business grows. The founder/owner of the business often continues to run the business, but begins to relinquish the day-to-day control, even though he/she may or may not be initially comfortable with management-led structure (the tendency to micromanage can be difficult to overcome for some).

As businesses continue to grow and develop they reach another hurdle: that of moving from a niche business to a large-scale, sustainable enterprise. At this stage, good business savvy and capable management skills aren't enough. At this stage, effective leadership skills are critical to sustain and advance the organization.

Formal management systems and processes are necessary to assure operational integrity, but leadership deals with the more informal, behavioural side of the organization. As John Kotter put it:
"Strong networks of informal relationships – the kind found in companies with healthy cultures – help coordinate leadership activities in much the same way that formal structure coordinates managerial activities."

Complex organizations require good leadership to ensure that effective human networks are developed. Good leaders have the ability to inspire people to move mountains to achieve a common purpose.

Leadership entails not only creating a vision but, providing the drive, energy and means to achieve it. Leadership is about change and transformation. Effective leaders cultivate an environment that supports the achievement of the corporate vision. Effective leaders leverage their capabilities through mobilizing the people in the

organization. The best leaders don't have to be present to achieve results. As Lao Tzu described in "The Tao of Leadership", "Of a good leader, it is observed, when the work is done and the deed accomplished, the people will say, 'We did it ourselves.'"

Either/Or...

Can a person be an effective manager without being a strong leader? The simple answer is yes. Managers can function and contribute effectively where they have good direction from a leader or another manager. Truly effective leaders are much less plentiful than effective managers. It has been observed that "leaders are like eagles, they don't flock, you find them one at a time". That being said, you can (and should) come across leaders at any level of an organization. Leaders don't need a specific hierarchical position to lead, mainly because they motivate or affect others through influence, not positional authority. Managers occupy positions that are mandated, with assigned authority to plan, direct, organize and control functions and processes. Whereas a poor manager may have a negative impact on a department or a division, a "rogue" leader can wreak havoc throughout an entire organization.

At senior levels of an organization, leaders must also be effective managers. It is very difficult to direct and evaluate managerial performance if one isn't familiar with the functions and activities of management. A senior executive must also recognize and impose the right balance, knowing when to employ one or the other skill. This is where experienced executives can really earn their keep. In his recent book "Good to Great", Jim Collins observes that the best leaders (Level 5 leaders) "embody all five layers of the pyramid":

- individual capabilities;
- team member contributions;
- management competencies;
- effective leadership skills; and
- executive presence, "a paradoxical blend of personal humility and professional will".

Given the impending dearth of seasoned managers and leaders as baby boomers retire, is there anything more critical for

senior management today than to identify, attract, develop and retain good executive talent?

Conclusion

As we emerge from the market slump of the past two-three years, as we build and grow our enterprises, and as we navigate the dynamic seas of change, there are three interdependent ingredients that organizations need to survive:

- **leaders**, who can inspire and mobilize;
- **managers**, who can coordinate, control and evaluate; and
- **employees**, who can make it all happen.

The organizations that understand the critical, but distinct, contributions of leaders and managers, and cultivate an environment where leaders, managers **and** employees can collaborate have the best chance of enduring success.

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