An Elaboration on the Concepts of Management and Leadership in the light of their Differences

Seyyed Danial Pourhashemi

1M.B.A, Islamic Azad University, Reassert & Science Branch, Tehran, Iran.

ABSTRACT: Responsibility for a team of people and its success -- not to mention each team members' well-being and professional development -- is a big assignment to take on. Leadership has very little to do with controlling, budgeting and so on. It has little overlap with assigning work and evaluating it. Our traditional view of management is task-based and mechanical. In that worldview, we don't think about topics like: How are my teammates holding up? Are they stressed out? Are they feeling good about the future and about the energy on the team? For years we pretended that human energy isn't a factor in a team's success, even though anybody who has ever been on any kind of team knows that the team energy, also known as trust level, is the whole ballgame. We can use the carrot and the stick to get people to perform for a while but eventually, if they don't care about the mission, about their leader and/or about one another, the team will fracture and lose steam. It's inevitable! Today we know that empathetic, trust-based human leadership is not only the most effective way to lead a team but also the most profitable way to run a company. If you hold a leadership role now or aspire to do so in the future, think about steps you can take in each of these areas. Leadership and management are the terms that are often considered synonymous. It is essential to understand that leadership is an essential part of effective management. As a crucial component of management, remarkable leadership behaviours stresses upon building an environment in which each and every employee develops and excels. Leadership is defined as the potential to influence and drive the group efforts towards the accomplishment of goals. This influence may originate from formal sources, such as that provided by acquisition of managerial position in an organization. A manager must have traits of a leader, i.e., he must possess leadership qualities. Leaders develop and begin strategies that build and sustain competitive advantage. Organizations require robust leadership and robust management for optimal organizational efficiency.

KEYWORDS: Management, Leadership, Qualities, Managers, Leaders

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1. INTRODUCTION

A manager is a person in an organization who is responsible for carrying out the four functions of management, including planning, organizing, leading and controlling. You will notice that one of the functions is leadership, so you might ask yourself if it would be safe to assume that all managers are leaders. Theoretically, yes - all managers would be leaders if (and this is a big 'if') they effectively carry out their leadership responsibilities to communicate, motivate, inspire and encourage employees towards a higher level of productivity. However, not all managers are leaders simply because not all managers can do all of those items just listed. An employee will follow the directions of a manager for how to perform a job because they have to, but an employee will voluntarily follow the directions of a leader because they believe in who they are as a person, what they stand for and for the manner in which they are inspired by their leader. A manager becomes a manager by virtue of their position, and subordinates will follow the manager because of his or her job description and title.

Because managers are responsible for carrying out the four functions of management, their primary concern is to accomplish organizational goals. Managers get paid to get things done in organizations. As such, the manager is accountable for themselves as well as the behavior and performance of his or her employees. A manager has the authority and power to hire, promote, discipline and fire employees based on those behaviors and performance. Management is about efficiency and getting results though systems, processes, procedures, controls and structure.

Perhaps the greatest separation between management and leadership is that leaders do not have to hold a management position. That is, a person can become a leader without a formal title. Any individual can become a leader because the basis of leadership is on the personal qualities of the leader. People are willing to follow the leader because of who he or she is and what the leader stands for, not because they have to due to the authority bestowed onto him or her by the organization. The leader will show passion and personal investment in the success of his or her followers reaching their goals, which may be different from organizational goals.

A leader has no formal, tangible power over their followers. Power is awarded to the leader on a temporary basis and is contingent upon the leader's ability to continue to motivate and inspire followership. Notice the shift in terminology here: managers have subordinates, while leaders have followers. Subordinates do not have a choice but to listen to the demands and
wishes of their managers, but following is (and always will be) a voluntary choice for those who follow a leader. Those who no longer wish to follow the leader will simply stop. That is, if an employee initially sees his or her manager as a leader and eventually ceases to be inspired by that manager, the employee will still obey the manager, but only because the employee is required to do so, not because he or she wants to [1].

Leadership is about effectiveness through trust, inspiration and people. Leaders often challenge the status quo that managers spend much of their time upholding to bring innovation to organizations. Leadership is visionary, change-savvy, creative, agile and adaptive. Managers are concerned with the bottom line, while leaders spend time looking at the horizon.

2. MANAGEMENT AND LEADERSHIP: CLOSER INVESTIGATION

The traditional view of management assumes that a manager's job is to run an apparatus -- perhaps a corporate Credit Department or a team of programmers. There are clear inputs and outputs and expected results from the engine each manager is responsible for. The manager's job is to keep the machine running smoothly.

In that worldview, the people on the manager's team are essentially machine parts. They are interchangeable. Once they are hired into a role, their job is to perform that role (to run their piece of the machine) according to goals and standards that preceded them and that will outlast their tenure in the job. The presumption is that the machine is more important and more powerful than anyone who helps to run it.

Leadership takes just the opposite view! The energy on your team powers everything you will accomplish.

The machine can change whenever it makes sense to change it, even many times a day. Maybe your machine should change, or maybe it's time to junk the machine and invent something totally new. People are creative. Machines in general are not.

Leaders allow people to design their own jobs as much as possible and to put their own stamp on their jobs.

A leader is not working to achieve machine-like process perfection to be repeated over and over until the end of time [2].

A leader and his or her team have a mission. They all know what the mission is and they know their piece in it. Maybe at one point your mission is to replace your outdated Credit
Department procedures with new procedures that are faster and simpler. Apart from the fact that they have a job and need the paycheck, your teammates know what the Credit Department modernization means for customers, for themselves and for the company.

A mission has a beginning, a middle and an end, no matter what the mission is. When you complete the mission, you'll start a new one.

Maybe your mission is to produce an off-Broadway play or to invent a better mousetrap. Leadership is inextricable from a specific mission that people are excited about. Without a mission, there is no place to lead your team toward! Without a mission, where are you headed?

Who can get excited about doing the same things day after day, year after year, to no visible end except to make a few executives rich? There has to be more to the mission than that, and part of a leader's job is to explore and exalt the connections between his or her team's mission and each team member's personal mission.

Despite valiant efforts to separate leadership from management, the two roles remain entangled. Many refuse to differentiate between them at all. Some ignore management or confine it to a menial maintenance role operating in the engine room, “keeping things ticking over.” With such a poor image, it’s no wonder that so few want to be managers. Leadership is the glory role on the white charger, inspiring the troops to carry out grand visions.

Because leadership hogs the lion’s share of the responsibility and credit for driving organizational success, management has little to do. This reality is unsustainable; today’s complex business environment demands a broader sharing of the load. In an age of obesity, our current concept of leadership is the most bloated idea in town. To slim leadership down, management must be given more to do. This calls for a major upgrade, making management a much more proactive, positive force in organizations.

3. LEADERSHIP: AN OVERVIEW

Our thinking about leadership went off the rails when we over reacted to Japanese business success in the 1970s. Recognizing that efficient execution was no longer enough, we demanded more innovation and condemned managers for being bureaucratic. Instead of upgrading management from a mechanical, controlling function to a facilitative, developmental one, we reacted emotionally, replacing managers with leaders. Managers were
tarred and feathered with language previously used to describe management styles. For example, prior to the Japanese invasion, we said that managers could initiate structure or show consideration for people, be task oriented or people oriented, theory X or theory Y. To punish managers for letting us down, we blessed leaders with the good-guy styles and damned management with the bad-guy ones. The next step was to portray leaders as transformational and managers as transactional. Management henceforth became a virtual four-letter word.

This whole train of thought had disastrous consequences. Newly labelled “leaders” got stuck with the impossible demand of being cheerleaders, while management was painted into a dark corner where nobody wanted to be seen dead. If managers weren’t quite in the grave yet, Abraham Zaleznik, a Harvard Business School emeritus professor of leadership, buried them by claiming that they were different types of people. They apparently lacked empathy and were control freaks, who could only motivate employees with “rewards, punishments, and other forms of coercion.” John Kotter attempted to save management with a functional definition. Management, he claimed, deals with complexity while leaders focus on change. But in the 1980s, Kotter’s thinking was constrained by management’s fall from grace and he failed to create a fully functional story. Instead, his managers were limited to mechanical control with little to do but keep things ticking over in the engine room. Warren Bennis’s well known saying: “leaders do the right things, managers do things right” at least recognized that doing things right was still important. But by the time Jim Kouzes and Barry Posner started writing about leadership, management was long gone, which is why it is completely absent in their writing. It has been all about leadership, however bloated, ever since.

By seizing the territory once occupied by management, leadership aims to motivate high levels of performance in employees. Motivation used to be what managers did until leadership usurped its role. The whole point of the transformational leadership bandwagon is nicely summed up in the title of Bernard Bass’s well-known book: Leadership and Performance Beyond Expectations. Clearly such leadership is all about employee performance. Note that this book was published in 1985, at the height of the backlash against management.

But surely performance is within management’s domain. There is no convincing argument to the contrary, beyond the emotional rationalizations brought on by the success of the Japanese. By constantly portraying leadership as a downward-directed effort to get work done through subordinates, it’s hard to understand how it can be shown flowing in any other direction. How can leadership be shown going sideways to colleagues or upward if it simply promotes a better way and has nothing to do with getting things done through people? The old
idea of informal leadership is no help because it still entails taking charge of a group and directing its efforts toward a goal.

It is time to put 1980s thinking behind us and make a fresh start. We are over the Japanese crisis, and innovation is even more important than it was in the 70s and 80s.

4. THE FUNCTIONS OF MANAGEMENT AND LEADERSHIP

The function of management

Management can do much more than merely keep things ticking over. It manages complex projects ranging from making a major movie to putting the first man on the moon. Managers can use facilitative skills to foster innovation. By sticking to a purely functional definition, we leave completely open the question of style. This liberating move means that managers can be inspiring. They can empower, nurture and develop talent. An inspiring leader influences us to change direction while an inspiring manager motivates us to work harder. Managers needn’t be restricted to mechanical control, transactional rewards, bureaucratic methods or relating without empathy. Portraying managers in such negative terms was an accident of history that we now must put behind us.

To get the best out of knowledge workers, managers might set up self-managing teams. Here, the classic functions of management (planning, organizing and controlling) are delegated. But the function of management is still operating even though the manager is not personally doing it. This should dispel the myth of the manager as a control freak or bureaucrat [4].

By removing all style connotations, leadership benefits as much as management. No longer needing to be inspiring cheerleaders, leaders find it possible to exhibit quiet, factual leadership. This is essential in technical contexts, where a hard business case often moves stakeholders more than an inspirational delivery. Not being committed by definition to any particular style, both leaders and managers are free to use any style that works for the context in which they want to make a difference.

The function of leadership

Leadership needs to narrow its focus to promoting new directions as one-off acts to promote a better way:

The developer of PlayStation promoted this new product to Sony management, thus showing bottom-up leadership.
An exceptional customer service associate shows leadership by example to colleagues. Martin Luther King promoted justice by marching against segregation on buses. Jack Welch showed leadership by example to businesses all over the world when he implemented ideas at GE such as the need to be first or second in a market.

Key features of leadership reinvented
It consists in showing a better way, either by explicit advocacy or by example.
Those who are led may not report to the person showing leadership, even informally.
No implementation is entailed. This is management’s domain, getting work done through others, motivating people, developing them (more on management below.)
It does not involve managing the people led or getting things done through them.
It comes to an end once the target audience buys the need to change. It sells the tickets for the journey; management drives the bus to the destination.
It relies on influence; since it’s not an actual role, it can’t decide for the group.
It can promote ideas developed by others; no need to be creative personally.

Conventional leadership is a static concept: gaining and holding a position of power in a fixed hierarchy. Such leaders have a stake in the status quo. But rapid change driven by innovation has created a more dynamic context in which leadership has to operate. The rise of the creative class locates the emergence of new directions at the front lines. The advocacy of new directions becomes leadership when the group follows or adopts the proposed change. Since it’s not a role, leadership occurs only when people follow an influence attempt.

In a dynamic context, no one has a monopoly on good ideas. Creative class leadership is ephemeral, no longer a role. Being so fleeting, leadership shifts dynamically from one person to another, much as in guerrilla warfare, thus spelling the end of static, role-based leadership.

How management works
Management actually does much more than merely execute existing directions. Crucially, if leadership works through influence and management takes over once followers get on board, then ALL decision making is managerial. This includes strategic decisions, deciding what to do and not just how to do it. So much for Bennis’s notion that managers only do things right. This is a vastly expanded role for management [5].

Thus, management works by making sound decisions and by facilitating execution and creative thinking. It can be likened to investment. Instead of investing money, managers invest a range of other resources such as people, material, time and finances. But the goal is
the same — to generate the best possible return. Unlike financial investors, managers actively develop their human resources.

Effective managers are catalysts, coaches, facilitators, developers and investors. Their focus is mainly execution, but they can also decide on new strategies, manage change and facilitate innovation. Because leadership works through influence, all decision making, operational and strategic, must count as managerial. This must be the case if leadership can be shown bottom-up where those showing it have no power to decide anything for senior management, their followers in this situation.

How Leadership Works
Leadership works through influence. We can gain a clearer grasp of how leadership influence works by comparing it with selling, although selling is self-interested, leadership is not.

Leading and selling, indeed all forms of influence, share the following features:

They can be done on a one-off basis—anyone can sell something once on e-Bay.

They can work at a distance across group boundaries. Both selling and leading can be done by outsiders. Green leaders have a leadership impact on communities around the world where they are outsiders.

All influence is a one-way impact. This is true even when two parties influence each other in turn. Leadership is often described as a relationship between leader and follower. But if influence can be exhibited from a distance, then it cannot be defined as a relationship. The truth is that management requires relationships, not leadership.

All influence comes to an end once the person influenced accepts the idea. A car salesman doesn’t keep selling once you sign on the dotted line. In fact the rude ones start taking calls from other customers as you complete your paperwork. This shows that influence (including leadership) does not entail ongoing involvement in implementation. And this is one of the keys to separating leadership from management.

An objection might be raised that organizational change is a lengthy process. Leadership conceived as selling the tickets to the journey can’t stop once people board the bus. But, where resistance is minimal, change is a project that requires only good management. Second, selling the tickets for the journey doesn’t have to stop at the start of a change process. There can be as much periodic reselling as needed. Leadership repeated is still a series of discrete acts, not a role.
5. DIFFERENCES BETWEEN LEADERSHIP AND MANAGEMENT

Leadership is a quality of influencing people, so that the objectives are attained willingly and enthusiastically. It is not exactly same as management, as leadership is one of the major elements of management. Management is a discipline of managing things in the best possible manner. It is the art or skill of getting the work done through and with others. It can be found in all the fields, like education, hospitality, sports, offices etc.

You often hear managers referred to as leaders, but the two terms are not synonymous. Managers can be leaders, but not always. And there are people who don’t have formal management positions who are leaders—sometimes unofficially—in their organizations. Understanding the difference can help managers, leaders, and their team members better understand how to be effective in their roles.

Managers and leaders differ in a number of dimensions. “Manager” is a title that conveys some organizational status, while “leader” is a role that anyone can have, regardless of organizational status. Managers typically focus on measuring and reporting value, rather than creating value themselves or enabling others to create value. Managers also have explicit circles of authority, while leaders can only influence people.

The status that the title of manager conveys can mean a variety of things, depending on the kind of management the person is involved in—for example, we have project, product, and people managers. All these titles imply supervision, but a manager can also be involved in training, career guidance, or doing the same work as those on the team—it depends on how the organization functions, or sometimes on how much the managers themselves want to take on [6].

Leadership is a function that need not be associated with a title. Anyone can step into the role of a leader, even without being explicitly appointed. For example, while some teams may have tech leads, others may have someone who fills that role but does not have explicit authority. Someone without a management title can still exhibit the qualities of a leader and help their team be more effective.

Leaders effect change by influence rather than command. People are more engaged, and thus more productive and effective, when they understand the value their work adds to a project, and leaders understand that.

Managers and executives who are also leaders have the added power of being able to shape company culture. If you are a manager who wants to encourage innovation, you can do so by
acknowledging that failure is a part of innovation, and reward appropriate levels of risk-taking—and start taking some risks yourself. These people are able to exert their influence as well as change policy or procedures [7].

Manager and leader are different roles, and there are differences between managing people and leading people. If you are either—or both—you have the opportunity to add significant value to your organization. By understanding this, you can realize the leadership potential for everyone on your team, not just the ones with titles.

The major difference between leadership and management are as under:

- Leadership is a virtue of leading people through encouraging them. Management is a process of managing the activities of the organization;
- Leadership requires trust of followers on his leader. Unlike Management, which needs control of manager over its subordinates;
- Leadership is a skill of influencing others while Management is the quality of the ruling;
- Leadership demands foresightedness of leader, but Management has a short range vision;
- In leadership, principles and guidelines are established, whereas, in the case of management, policies and procedures are implemented;
- Leadership is Proactive. Conversely, management is reactive in nature;
- Leadership brings change. On the other hand, Management brings stability.

6. CONCLUSION

Leadership and Management are inseparable in nature, if there is management, there is leadership. In fact, the qualities of a manager require leadership skills to inspire his subordinate. In an organization, you can see both management and leadership. There is a manager in a department and a number of leaders who work with their teams in assisting the organization in the accomplishment of their goals. Many times managers play the role of a leader too, at the demand of the organization. So they both go side by side as a complement to each other. An organization needs both for its growth and survival.

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