Leadership vs. Management

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Brother Keller

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Abstract

In researching for this report, we wanted to discover the main differences between the tactics of leading and managing. Our results showed that while both are tactics used in business management, both yield different results. "Leadership vs. Management" describes first the unique properties of each strategy and how they differ from each other. This section has taken up the majority of the paper to provide the reader with the most information possible on each subject. We begin first with leadership, describing its strengths, followed by how to implement each strategy, and in closing we describe the dangers of each. After establishing the qualities and implementation of both, we begin to describe how each enhances a business and how to balance the two. Our conclusion is that both are critical in a work environment but must be balanced by the other. Without a proper balance and strong application of the two, an organization cannot reach its full potential.

Hull & Stockinger

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Dear Teancum Publishing:

We are submitting our article for the *Spori Business Review* on the topic of Leadership vs. Management which was requested on January 19, 2011.

This report looks at two different managing skill sets which we have entitled Leadership and Management respectively. The common thought is that one is often considered better than the other; this presents a serious problem, however, because organizations are in need of both skill sets. This report goes into the qualities of leadership and management, their pitfalls, and how to implement them into an organization.

We struggled to define the exact qualities of leadership due to multiple sources that disagreed on this topic. However, in the end we believe that we have selected the most reputable sources for our topic.

Sincerely,

Tyler Hull   John Stockinger

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Introduction

Leaders today often get caught being too light on their employees while management is well known for its ability to micromanage its employees. We're going to explore the idea that both leadership and management are critical for an organization to be successful. Leadership is often viewed as inspiring, the intangible aspects of business life; whereas management deals more with the technical structure and efficiency of employees. Management deals with the specific actions of the organization whereas leadership inspires an organization to accomplish its goals.

What is Leadership?

As we begin our evaluation as to what makes an exemplary leader we are going to draw many of our principles from one whose life changed the world for good; the life of Jesus Christ. Jesus Christ was one who, despite his humble beginnings grew into the most transformational leader this world has ever seen. The principles that we are going to discuss are ones that can be used in all aspects of our lives and will be applicable for all people.

Leadership is the inspiring and challenging of people to become better; to grow and improve to a level that they didn't believe to be possible.

What is Management?

Management is defined as an action that consists of organizing or coordinating the activities of a group of individuals. Such a task can consist of creating policies that establish order in an organization. Management may also refer to the direct, personal interaction an individual has with those who work under them. This type of directing also involves establishing a goal which the group or leader wish to achieve. Without this overarching entity that controls the actions of

other individuals, coordination within a large group would be nearly impossible. The purpose of

management is to ensure the efficient and productive activities of the employees.

<u>Leadership</u>

What are the Qualities of Leadership?

<u>Visionary</u>

The first thing a leader must understand is himself. He needs to understand who he is and where he is going. When a leader understands himself they are able to act from a foundation of fixed principles and lead with strength. When leaders continually change their stance this creates confusion among those who they're leading. When those that are following see the constancy of their leaders they will better understand their responsibilities and what they need to do. We'll see that this foundation of principles is absolutely necessary to have success as a leader in all aspects of our lives.

<u>Trustworthiness</u>

A leader must be above reproach. Those he leads must be able trust him completely. This is a trait that has been almost completely lost in today's world. We have plenty of examples of lost trust whether it's at Enron, WorldCom or Ben Bernanke. There is this perception in the world today that we can forego long term trust for short term profit. We have seen recently the effect that this can have on businesses today. People are now spending their lives in jail and have destroyed the fortunes of others simply because they lost perspective on what's important in life. According to Ring trust comes from knowing that a leader will do what is right, not just what is prudent. When such trust is gained it becomes a powerful tool for working together for change in the world (1992, p. 488).

How to Implement Leadership?

<u>Service</u>

Many of the problems in the workplace stem from greed and selfishness. Because of greed many leaders seek the easy solution, the thing that will stop the short term pain (Kimball, 1979). Many leaders are looking to simply make themselves look good at the expense of others. Unfortunately this type of leadership can destroy an organization. If leaders will put the needs of others before their own they will gain respect of those they lead.

The ability to do this goes back to a leader understanding who he is. When a leader understands what his purpose is he'll be willing to sacrifice for those he leads.

<u>Understanding</u>

Every day employees are subjected to a variety of stresses that impact their performance. If a leader can understand those he leads he'll be able to better help those he works with. Ashkanasky said that while it's important for a leader to understand the emotional state of those they work with, more important is the ability to intervene in an effective and preventive manner (2002, p. 80). In a workplace correction will often be necessary; this creates potentially confrontational settings for leaders. When people feel that a leader understands them as a person, on an emotional level they will respond better to correction. Leaders must be able to look beyond the simple and see the underlying causes for people failings and shortcomings (Kimball).

What are the Dangers of Leadership?

<u>Being to light</u>

One of the big dangers of leadership is the risk of being too light; or thought of as soft. When we're focusing on inspiring people to become better we're often afraid of offending them. In today's world growth and change is often viewed as a personal matter. Individualism has so pervaded our society that we are often unwilling to look outside ourselves for help when we are attempting to become better people. This is where trust plays such a large role in leadership. We have to be able to trust those that are challenging us to become better.

Not Following Up

One of the best ways to help people grow, improve and foster an environment of trust is to hold them accountable for different responsibilities. There is a fine line between holding people responsible and micro-managing their lives. The goal is to create a working environment that allows people to take responsibility for their jobs and report their accomplishments, and failures, to you while not directing the every move of the people who are working under you.

Management

What are the Qualities of Management?

Management is defined as an action that consists of organizing or coordinating the activities of a group of individuals. Such a task can consist of creating policies that establish order in an organization. Management may also refer to the direct, personal interaction an individual has with those who work under them. This type of directing also involves establishing a goal which the group or leader wish to achieve. Without this overarching entity that controls the actions of other individuals, coordination within a large group would be nearly impossible. The purpose of management is to ensure the efficient and productive activities of the employees.

Direct

Being direct is a critical attribute of managers. When goals are made, they are expected to be achieved. It is of the utmost importance that members of an organization understand what are the goals and objectives of the company. If employees do not understand their purpose in these goals they will not perform to their best ability and will have no way of knowing if their work has been sufficient. Communicating directly is necessary for management in order for these expectations to be established and for the business to accomplish the tasks it has set out to do (Eisenhardt, 1985, p.136).

Focus on the Organization

Management focuses more on the organization than the individual. In the world today, it frequently occurs that an individual will acquire a position because of how they fit into the position and not as much as to how impressive their credentials are. In Exhibit 1, we see a hiring

process which managers use to check the "fit" of an individual in an organization. Managers try to create organizations that stick together and remain focused on their goals rarely allowing for individual circumstances to affect their progress. Individuals are now facing an interview process that requires them to demonstrate more of their capabilities in being good for the group and less of their capabilities in fulfilling their specific job description (Brown & Ledford, 1991, p.37).

Exhibit 1 A Hiring Process for Person-Organization Fit

1) **ASSESS THE OVERALL WORK ENVIRONMENT**
   – **Job Analysis**
   – **Organizational Analysis**

2) **INFER THE TYPE OF PERSON REQUIRED**
   – **Technical Knowledge, Skills and Abilities**
   – **Social skills**
   – **Personal Needs, Values, and Interests**
   – **Personality Traits**

3) **DESIGN "RITES OF PASSAGE" FOR ORGANIZATION ENTRY THAT ALLOW BOTH THE ORGANIZATION AND THE APPLICANT TO ASSESS THEIR FIT**
   – **Tests of Cognitive, Motor, and Interpersonal Abilities**
   – **Interviews by Potential Co-Workers and Others**
   – **Personality Tests**
   – **Realistic Job Previews, Including Work Samples**

4) **REINFORCE PERSON-ORGANIZATION FIT AT WORK**
   – **Reinforce Skills and Knowledge Through Task Design and Training**
   – **Reinforce Personal Orientation Through Organization Design**

Routine-based

Along with being direct and organization focused, managers try regularly to establish regular routines. The more routine established a business is, the easier it will be to control. Managers wish to maintain this control in order to achieve their goals in the most efficient way possible. Establishing repetitive and predictable behaviors helps enhance the quality within the business

culture as well as enhance the product or service they offer (Schuler, 1987, p.210). Regular routines also give employees a sense of stability and security in the work place.

How to Implement Management?

The implementation of management is sometimes very coarse and dry. While creativity is invited into the business to allow employees and managers alike to enhance the workplace, the management aspect of a business is focused primarily on results.

Focusing Primarily on Results

Management is charged in an organization with the responsibility of creating and directing goals, and insuring they are completed. These goals can be decided by various means. One organization may see fit to gather all of the employees together and decide as a collective unit what they would like to achieve. Others prefer to reserve that right for the leader. Whatever the means are of establishing the mission of the company, the question at the end of the day is always the same, how did we do? In order for a business to enhance its quality it must determine how well it has done in performing. This is precisely why management is so result-oriented. If the results are below the expectations, changes need to be made; but if results meet or are better than the expectations, managers will decide to maintain their current course (Schuler,1987, p.213).

Creating a Firm Structure

In order to succeed in these goals, a business must have a firm structure. Managers try to create a system within the business that will best accomplish their goals. It is not uncommon however,

for businesses to act in a manner which was not how they had envisioned their business acting on a regular basis. Companies must come to terms with the idea that their regular business processes must be adaptable. The ability for a starting, as well as established, business to adapt is critical to its future growth. The environment a company builds will fluctuate with the communities that are built by each individual employee. More often than not employees will create their own support groups from which they can create and help enhance their abilities. Even with these fluctuations due to employee individuality, managers must create a business structure that will ensure success. Establishing the every action of the business is not what is necessary, but rather the establishment of a central, ideal structure of business is what a company requires. The day-to-day transactions will vary due to employee personalities, but with a regular structure established a business has the capabilities of maintaining the stability of their company (Brown & Duguid, 1991, p. 41).

Acting as a Group

Though managers and employees do not always conform, it is important from a management perspective that they act as a whole. Managers attempt to combine the forces of employees in order to create the best results. This is often very difficult to achieve due to the individual perspectives of each manager and employee. Managers try to push together these different perspectives under one banner or one idea; this however may prove disastrous for the work environment. A more efficient method is for the members of the organization to gather and come to a consensus that all can agree upon. While these are not always the easiest outcomes to achieve they are most frequently the best solution (Fiol, 1994, p.404).

What are the Dangers of Management?

While management helps improve a business in efficiency and quality of product or service,

there are risks that a business undertakes in management.

Micro-Managing

Too often managers get caught up in the system of building routines, establishing goals, and

directing employees. Such managers begin to manage every action of their employees, thinking

only of the results. Their primary focus is on results, on the group, and on maintaining order.

Managers who get caught micro-managing often lose the respect and trust of their employees

quickly as well as begin to falter in efficiency. An employee who works under a manager that

micro-manages lacks in creativity and good performance because their work is driven by sole

obedience to their boss (Marrelwijk, 2003, p.172).

Suppressing innovation

If pure management is utilized in the work place, the ability for workers to create and innovate is

often stifled by the organizations structure and rigidity. By creating a strong structure, an

organization is able to remain focused on their objectives and achieve success, but a structure

that becomes overbearing causes a lack of motivation from the employees. Employees that lack

motivation most frequently lack also creativity in the work place. Employees are forced to

remain within the business structure and suppress creativity that could easily improve the

company's success.

To avoid this, managers must always be open in explaining the goals of the company and be willing to accept the opinions of others and appeal to their needs. Creating an environment of consensus allows for employees to feel that their ideas are important to their manager, raising moral as well as creativity in the work place (Bowen, 1993, p.105).

Leadership or Management

When looking at these different skill sets it's important to realize that they are not mutually exclusive. Both are important to the success of an organization.

How does Leadership Enhance an Organization?

Our research has shown that leadership is the key to raising an organization from being merely good, to being great. Leaders hold a special place in the hearts of their employees because of the principles they have established in the work place. Leaders are able to motivate their employees to reach better heights because they themselves have done so.

As leaders operate from an established foundation of core principles they are able to inspire those they lead to become better themselves. They accomplish this by giving their employees responsibility and holding them accountable. This leads to the creation of a more enjoyable work environment because the employees feel that they are a valuable part of the organization.

How does Management Enhance an Organization?

By creating a firm structure a clearly defining expectations and goals, management gives the organization a path to continue forward upon. Managers provide employees with the instructions

necessary to perform their jobs to the best of their abilities. The expectations help employees push to accomplish their tasks and become more efficient.

The managers' responsibility to focus on the organization helps unite employees for the general cause of the organization. Uniting employees helps develop relationships within the workplace that can enhance the working environment as well as the productivity. Management's constant focus on results helps to continually better this productivity and helps the organization to grow.

How to Balance Leadership and Management?

A leader needs to motivate their employees to fulfill the many goals of an organization. A manager needs to demand better results of their employees. Balancing these two strategies can be difficult but creates an enjoyable environment of success.

Leaders must serve their employees by helping them fulfill their tasks. Pushing employees through motivation and understanding helps an employee feel needed in the organization while helping them push for better results. Jeffrey Pfeffer said in his work *Putting People First for Organizational Success*, "People work harder because of the increased involvement and commitment that comes from having more control and say in their work…" (p.40). Balancing leadership and management can often be very difficult for an organization, and how this balance is acquired differs as well. The balance does however require a leader to focus on the needs of an individual and their role in the organization. Maintaining this focus will help them view the overarching goals of the organization while seeing to the needs of the individual.

Conclusion

We've talked about what goes into making a leader and a manager and how to implement those skills into your organization. The balancing act between being a leader and a manager is a difficult one; however, it leads to a better organization. The inspiring presence of a leader is useless without the result focused skill set of a manager. On the other hand, a manager's relentless focus on results can wear down and destroy employees without the inspiration of a leader.

In the end, great organizations are built by those who have a big picture vision with a small picture focus. The challenge for each of us is to become such a person; one whose presence uplifts while at the same time providing direction in the small details of a workplace.

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List of Illustrations

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