

## Management and Leadership What's the Difference?

Having frequently been asked what the difference is between management and Leadership, Gill McKay decided to put pen to paper.

When considering the difference between leadership and management, there are few better starting points than the excellent book "What Leaders Really Do" by John Kotter, who was Professor of Leadership at the Harvard Business School at the time he wrote it.

While many people believe that leaders are born rather than made, Kotter points out that leadership is a learnable skill that is complementary to management. He writes:

*"Leadership is different from management, but not for the reasons most people think. It has nothing to do with having charisma or other exotic personality traits. It is not the province of the chosen few. Nor is leadership necessarily better than management or a replacement for it. Both are necessary for success in a complex and volatile business environment."*

But before considering what the differences are between management and leadership, let's first consider what the terms mean.

One simple definition of management is "coping with complexity". The growth of large organisations led to the creation of management hierarchies as a method of maintaining control over things such as planning, budgeting, reporting, supervising and so on. Good management means that, even in the most complex of organisations, things happen in an orderly and controlled fashion.

Leadership however, is about the process of initiating and coping with change, now a vital factor with significant changes in technology, competition, regulation, economic and demographic changes occurring more and more frequently. While most management processes have in the past been geared towards gradual evolutionary change, organisations are increasingly finding themselves in situations that require constant change. More importantly, this constant need for change is not simply occurring at the top of the organisation, it is a pressure being experienced at all levels in the organisation.



It is for this reason that Stephen Drotter, co-author of "The Leadership Pipeline" points out that "Today's organisations need effective leaders at every level and in every location".

Whilst management focuses on controlling complex processes, leadership is about challenging the existing ways of doing things and setting new directions for the organisation. In other words, management is about doing things right; leadership is about doing the right things.

As Stephen Covey puts it in his book The 7 Habits of Highly Effective People; "Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall."

Management focuses on creating and managing structures whereas leadership focuses on inspiring people to work towards the achievement of the new direction, often through the personal example set by the leader.

Controlling and problem solving is the job of management whilst leadership focuses on motivating and enabling others to work towards new goals. The differences between these activities can be summarised as follows.

## **Planning and budgeting vs. setting direction.**

Planning and budgeting (whether short or long-term) are by definition intended to produce orderly, expected results. Direction-setting is about defining where we need to change and laying out the new direction. It need not be a mystical process but can relate to a hardheaded analysis of what is necessary in a critical situation. The output of direction setting is a vision or a strategy rather than a plan, but this does not imply that the vision is an ethereal concept that only the creative, psychic, or users of hallucinogenic drugs can produce.

For example, the stated vision of Scandinavian Airlines was at one time to be *"the best airline in the world for the frequent business traveler"*. Far from being an altruistic aim, any observer of the airline business would know that this could be translated as "To corner the most lucrative segment of the market airlines market". The success of a vision is not its originality, but the ability to translate it into meaningful action through energizing others.

Having this sense of direction is a leadership function, which long term planning (the management analogue) is not a substitute for.

## **Organising versus inspiring and aligning.**

Modern organisations are complex, interconnected, and contain many dependencies. To create significant change therefore requires the persuasion of a significant group of people to align themselves to the leader's vision and to move together. Many companies assume that change has been achieved when the old organisation chart has had the old reporting lines erased and new lines drawn in. However, this is analogous to changing the labels on the buttons on a control panel, without changing the connections to the things they operate.

Even ignoring the need to change processes to reflect organisational changes (itself a management activity), the vital communications task of aligning people (to use Kotter's word) is a key leadership activity in getting commitment to work for rather than against the change. As well as getting the message across it means enabling people to take the necessary actions to "make it happen", particularly if taking initiative has historically been a risky activity in the company culture. This sort of culture change is not something that one can make rules for.

## **Motivating versus controlling and problem solving.**

If direction setting is about setting the direction, and aligning is about persuading people to start moving along the new path, motivating people is the factor that keeps them moving and helps them to overcome obstacles. This process begins at the vision stage by expressing the vision in a way that appeals to common values and makes achievement of the new direction important to those being led. It involves supporting efforts by coaching, feedback and role modeling (the word "leading" in English has a connotation of being out in front). It involves providing encouragement and help when progress is tough, and recognition of success when it is achieved. This latter behaviour both rewards success and reinforces the belief that the organisation cares about its people.

## **Creating a Leadership Culture**

Increasing change in the organisation's environment implies a need for creating a leadership culture. One key element of success in this is the need for informal networks of likeminded individuals that can facilitate change in the same way that formal management structures ensure control and order.

Most organisations have fragmented networks with a few well connected people and a majority of poorly connected ones. The creation of strong informal networks can help ensure that individual or departmental visions can be complementary rather than fragmented.

Individuals who wish to be successful in creating change need to be aware of how the complementary skills of management and leadership interrelate. Both are necessary but whereas management is about coping with complexity, leadership is about coping with change. While one considers what is probable, the other considers what is possible.

An organisation needs both management and leadership to be successful. Whereas the disciplines of the former have perhaps been better recognised and applied in the past, the successful organisations of the future will be those that recognise, develop and apply both in equal measure.

## **About the author:**

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