



## MANAGEMENT VERSUS LEADERSHIP IN THE MODERN WORLD

**Abstract:** Management and leadership are one of the most important factors for the efficiency and effectiveness of the overall business activities in the companies.

Managers are planning, organizing, coordinating, directing, controlling. Leaders motivate people and help them in communication and cooperation with each other while working in teams, they innovate, create strategies and seek solutions in order to achieve certain goals.

Effective management and leadership together with top quality skilled managers and leaders, will have positive impact for the success of the development companies in order to move forward in this modern world.

Only with a proper understanding of management and leadership, the goals of the individual, the company and the social community as a whole will be achieved, because in that way an optimal modality can be found that will provide a competitive advantage to companies.

Management and leadership seem to be very similar, but there are differences. The aim of this article is to determine the differences between them.

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### 1. Introduction

The difference between management and leadership has been a subject of debate within the business and academic community for more than fifty years. Leaders lead. Managers manage. This simplistic definition - often paraded around by laymen - ignores the significant overlap between the two roles. Managers, after all, are also leaders, and leaders also managers. So how do you really define the difference between management and leadership? The only way to really differentiate between leadership and management then is to define the two roles in the context of their role within a business, their psyches, and what they bring to an organization.

In a landmark paper published in 1977 titled 'Managers and Leaders: Are They Different', Abraham Zaleznik, a former professor at Harvard Business School, argued that the traditional conception of management – creating and following processes meant to maximize efficiency and delegate authority – disregarded critical aspects of leadership, including vision, inspiration and passion.

Leaders, Zaleznik<sup>1</sup>, argued, are more like artists than managers. While managers concern themselves with creating structures and order, leaders embrace chaos and throw themselves into the deep end. *Managerial development at the time focused exclusively on building competence, control, and the appropriate balance of power. That view, Zaleznik argued, omitted the essential leadership elements of inspiration, vision, and human passion—which drive corporate success. The difference between managers and leaders, he wrote, lies in the conceptions they hold, deep in their psyches, of chaos and order. Managers embrace process, seek stability and control, and instinctively try to resolve problems quickly—sometimes before they fully understand a problem’s significance. Leaders, in contrast, tolerate chaos and lack of structure and are willing to delay closure in order to understand the issues more fully. In this way, Zaleznik argued, business leaders have much more in common with artists, scientists, and other creative thinkers than they do with managers. Organizations need both managers and leaders to succeed, but developing both requires a reduced focus on logic and strategic exercises in favor of an environment where creativity and imagination are permitted to flourish*<sup>2</sup>.

Warren Bennis, one of the pioneers of Leadership studies, argues in his 1989 book “On Becoming a Leader”, that the key difference between managers and leaders is their attitude to risk and innovation. Managers, he argues, administer. They focus on systems and processes, on maintaining order through formal structure. Leaders, on the other hand, innovate. They ask ‘why’, not ‘how’.<sup>3</sup>

Management and leadership are important for the delivery of good services. Although the two are similar in some respects, they may involve different types of outlook, skills, and behavior. Good managers should strive to be good leaders and good leaders, need management skills to be effective. Leaders will have a vision of what can be achieved and then communicate this to others and evolve strategies for realizing the vision. They motivate people and are able to negotiate for resources and other support to achieve their goals. Managers ensure that the available resources are well organized and applied to produce the best results. In the resource constrained and difficult environments of many low – to middle-income countries, a manager must also be a leader to achieve optimum results. One may assume that all managers are leaders, but that is not correct since some of the managers do not exercise leadership, and some people lead without having any management positions. Therefore, there is a continuing controversy about the difference between leaders and managers.<sup>4</sup>

Although all managers perform the traditional management functions of planning, organizing, staffing, controlling and directing, it seems that the higher the management level within an organization the more important it is for the manager to exhibit great leadership qualities. At upper management levels the manager’s duties are concerned less with the minutia of running the organization and more on setting strategic goals and maintaining a collective focus on corporate direction.<sup>5</sup>

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<sup>1</sup> Abraham Zaleznik, *Managers and Leaders: Are They Different?*, Harvard business review, link:[https://hbr.org/2004/01/managers-and-leaders-are-they-different?fbclid=IwAR1vg2e2C\\_GfJ1ZS\\_H6OOy58VXK8sbnKrk\\_Bv7aeANxR3RUQlzAd55X3jtQ](https://hbr.org/2004/01/managers-and-leaders-are-they-different?fbclid=IwAR1vg2e2C_GfJ1ZS_H6OOy58VXK8sbnKrk_Bv7aeANxR3RUQlzAd55X3jtQ), [Accessed 10 Oct. 2020]

<sup>2</sup> Ibid.

<sup>3</sup> Udemy editor, *Difference Between Leadership and Management: Two Sides of the Same Coin?*, Udemy, link: [https://blog.udemy.com/difference-between-leadership-and-management/?utm\\_source=adwords&utm\\_medium=udemyads&utm\\_campaign=DSA\\_Catchall\\_la.EN\\_cc.ROW&utm\\_content=deal4584&utm\\_term=.ag.88010211481.ad.455011610792.kw.de.m.dm.pl.ti.dsa-44794821923.li.2807.pd.&matchtype=b&gclid=EAJaIQobChMIwNuxINyp6wIVit4YCh0JIOZ3EAMYASAAEgLSBvD\\_BwE&fbclid=IwAR1k3m1EC7wrQkY0zPujOYR2Zmr70DzU2rIX3hzwZ4Mb8Y9ozAYZLMDI3pQ](https://blog.udemy.com/difference-between-leadership-and-management/?utm_source=adwords&utm_medium=udemyads&utm_campaign=DSA_Catchall_la.EN_cc.ROW&utm_content=deal4584&utm_term=.ag.88010211481.ad.455011610792.kw.de.m.dm.pl.ti.dsa-44794821923.li.2807.pd.&matchtype=b&gclid=EAJaIQobChMIwNuxINyp6wIVit4YCh0JIOZ3EAMYASAAEgLSBvD_BwE&fbclid=IwAR1k3m1EC7wrQkY0zPujOYR2Zmr70DzU2rIX3hzwZ4Mb8Y9ozAYZLMDI3pQ), [Accessed 15 Oct. 2020]

<sup>4</sup> Moh. Barid Nizarudin Wajdi. (2017). *The differences between management and leadership*, SINERGI, Vol 7, No 1, pp. 75-84, DOI: <http://dx.doi.org/10.25139/sng.v7i1.31>

<sup>5</sup> Andrew J. Marsiglia (2009). *Management and Leadership in the Modern World*, link: <http://lead-inspire.com/Papers-Articles/Leadership-Management/Leadership%20in%20Modern%20World.pdf>, [Accessed 15 Oct. 2020]

## 2. Management

At first, management may be considered as a type of function, one which measures financial metrics, adjusts strategic plans, and meets organizational goals. This applies even in situations where planning does not take place. From this perspective, Henri Fayol (1841–1925) considers management to consist of six functions: forecasting, planning, organizing, commanding, coordinating, and controlling. He was one of the most influential contributors to modern concepts of management.

In another way of thinking, Mary Parker Follett (1868–1933) defined management as “the art of getting things done through people.” She described management as philosophy. Some people, however, find this definition useful but far too narrow. The phrase “management is what managers do” occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

Another perspective regards management as equivalent to “business administration” and thus excludes management in places outside commerce, for example in charities and in the public sector. More realistically, however, every organization must manage its work, people, processes, technology, etc. to maximize effectiveness and accomplish its goals.

In the for-profit environment, management is tasked primarily with meeting the needs of a range of stakeholders. This typically involves making a profit (for the shareholders), creating valued products at a reasonable cost (for customers), and providing rewarding employment opportunities (for employees). Nonprofit management has the added importance of attracting and retaining donors.

In most models of management/governance, shareholders vote for the board of directors, and the board then hires senior management. Some organizations have experimented with other methods (such as employee-voting models) of selecting or reviewing managers, but this occurs only very rarely. In the public sector of countries that are representative democracies, voters elect politicians to public office. Such politicians hire managers and administrators.

Several historical shifts in management have occurred throughout the ages. Towards the end of the 20th century, business management came to consist of six separate branches, namely:

- Human resource management
- Operations management or production management
- Strategic management
- Marketing management
- Financial management
- Information technology management (responsible for the management information systems)<sup>6</sup>

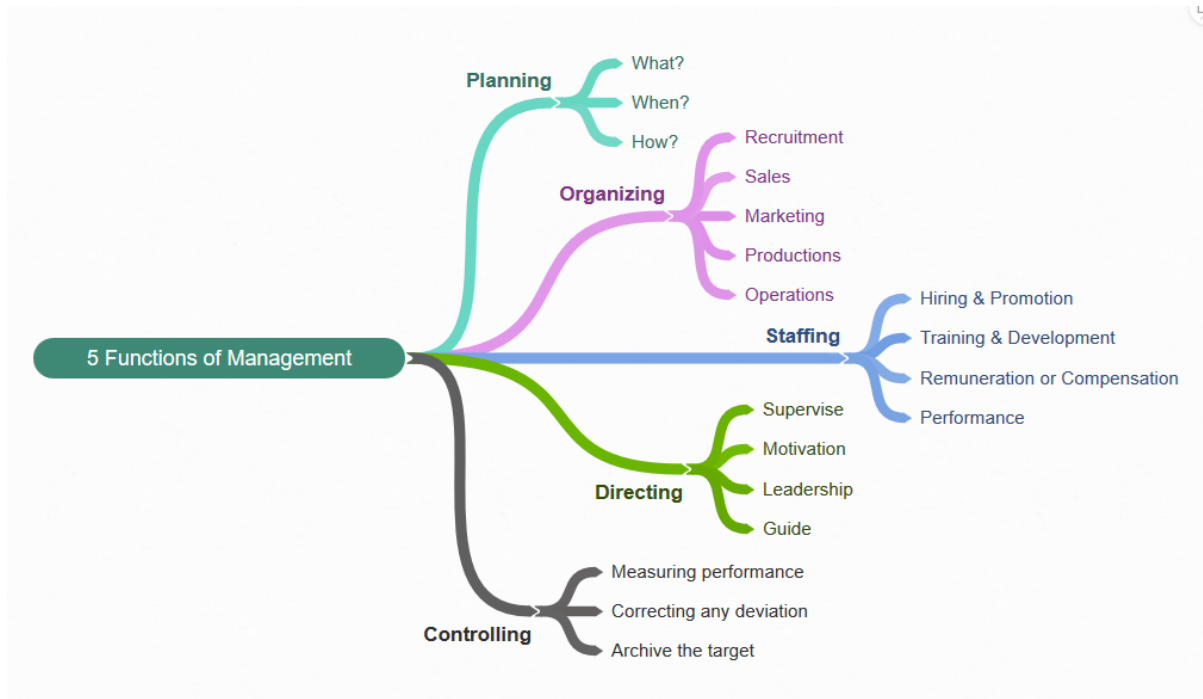
### Functions of Management

Understand of the functions of management can help you effectively manage the company or your team, it can help you understand at the minimum the purpose of some departments such as quality control, recruitment, or training... It can help you appreciate the activities and tasks you need to do. There are 5 functions of management: planning, organizing, staffing, directing, and controlling.

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<sup>6</sup> Lumen Learning, *Principles of Management*, link: <https://courses.lumenlearning.com/boundless-management/chapter/principles-of-management/>, [Accessed 11 Oct. 2020]

**Picture 1. Functions of management**



Source: Lemasky, *5 Functions of Management*, link: <https://www.lemasky.com/managers/5-functions-of-management>, [Accessed 11 Oct. 2020].

**1. Planning** is charting the future, it is deciding in advance **what** to do **when** to do it, and **how** it's going to be done. It can be as big as deciding the invention, vision, and objectives of a company or a plan to improve certain business metric of your team. It is identifying what you want when you should achieve it, and how it will be.

**2. Organizing** is called the backbone of management, organizing is a grouping of activities together. All employees that hire under the **recruitment** department or those who advertise and sell the product served under **marketing** and **sales**, and those who actually make the product or services work under **productions** or **operations**. Organizing is also creating the organizational structure or hierarchy of the business, it's a delegation of authority and creation of responsibilities and tasks. Organizing also ensures that whatever necessary items the business or department needs are met such as the need for materials like machinery or computers, capital, and personnel.

**3. Staffing** is commonly associated with **hiring** and promoting employees as a function of management, it goes more than that as it involves **training** and development **remuneration** or compensation and performance appraisal.

**4. Directing**, on the other hand, makes the plans concrete, it involves supervision, motivation, leadership, and guidance of employees, all of these are done to ensure that **organizational goals are met**.

**5. Controlling** is **measuring** performance on a set of standards, and **correcting** any deviation. let's say your actual score or client satisfaction is lower than the target, the control would mean creating the necessary steps to correct and achieve the target.

Overall a frontline leader would normally do a smaller version of each function on a bigger level, each function can be represented by different departments or roles. Planning is normally done by middle managers and up such as department managers or district head. Organizing is done by HR or senior managers while staffing is handled by training recruitment and HR. Directing is handled by

frontline leaders or operations and control is handled by quality control. These are just some general activities of each function and each industry or business will have more or less depending on their needs, and so these are the functions of management.<sup>7</sup>

### **Management skills**

Management skills can be defined as certain attributes or abilities that an executive should possess in order to fulfill specific tasks in an organization. They include the capacity to perform executive duties in an organization while avoiding crisis situations and promptly solving problems when they occur. Management skills can be developed through learning and practical experience as a manager. The skills help the manager to relate with their fellow co-workers and know how to deal well with their subordinates, which allows for the easy flow of activities in the organization.

Good management skills are vital for any organization to succeed and achieve its goals and objectives. A manager who fosters good management skills is able to propel the company's mission and vision or business goals forward with fewer hurdles and objections from internal and external sources.

Management and leadership skills are often used interchangeably as they both involve planning, decision-making, problem-solving, communication, delegation, and time management. Good managers are almost always good leaders as well.

In addition to leading, a critical role of a manager is to also ensure that all parts of the organization are functioning cohesively. Without such integration, several issues can arise and failure is bound to happen. Management skills are crucial for various positions and at different levels of a company, from top leadership to intermediate supervisors to first-level managers.

According to American social and organizational psychologist Robert Katz, the three basic types of management skills include:

#### **1. Technical Skills**

Technical skills involve skills that give the managers the ability and the knowledge to use a variety of techniques to achieve their objectives. These skills not only involve operating machines and software, production tools, and pieces of equipment but also the skills needed to boost sales, design different types of products and services, and market the services and the products.

#### **2. Conceptual Skills**

These involve the skills managers present in terms of the knowledge and ability for abstract thinking and formulating ideas. The manager is able to see an entire concept, analyze and diagnose a problem, and find creative solutions. This helps the manager to effectively predict hurdles their department or the business as a whole may face.

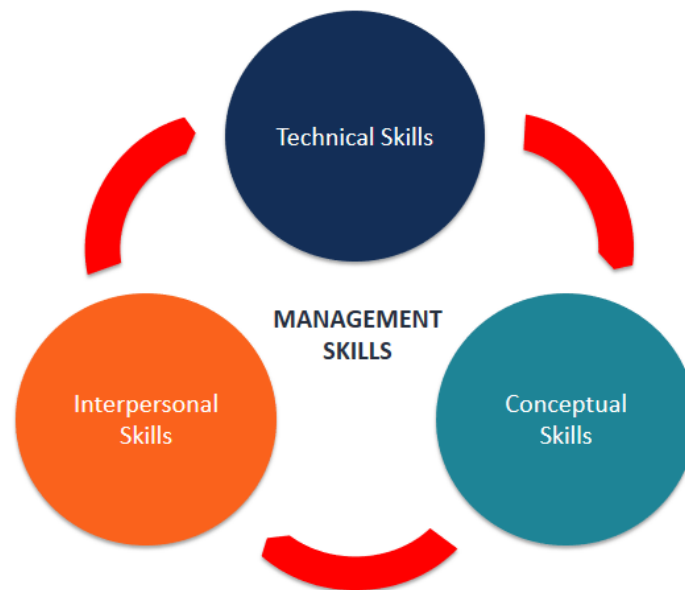
#### **3. Human or Interpersonal Skills**

The human or the interpersonal skills are the skills that present the managers' ability to interact, work or relate effectively with people. These skills enable the managers to make use of human potential in the company and motivate the employees for better results.

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<sup>7</sup> Lemasky, *5 Functions of Management*, link: <https://www.lemasky.com/managers/5-functions-of-management>, [Accessed 11 Oct. 2020].

**Picture 2. Management skills according to Robert Katz**



Source: Corporate Finance Institute, *What are Management Skills?*, link: <https://corporatefinanceinstitute.com/resources/careers/soft-skills/management-skills/>, [Accessed 11 Oct. 2020].

### **Examples of Management Skills**

There is a wide range of skills that management should possess to run an organization effectively and efficiently. The following are six essential management skills that any manager ought to possess for them to perform their duties: Planning, Communication, Decision-making, Delegation, Problem-solving, Motivating.

Management skills are a collection of abilities that include things such as business planning, decision-making, problem-solving, communication, delegation, and time management. While different roles and organizations require the use of various skill sets, management skills help a professional stand out and excel no matter what their level. In top management, these skills are essential to run an organization well and achieve desired business objectives.<sup>8</sup>

### **Management Process**

According to many authors, the management process can be defined as a process of setting goals, planning and/or controlling the organizing and leading the execution of any type of activity, such as:

- a project (project management process) or
- a process (process management process, sometimes referred to as the process performance measurement and management system).

Management is exercised by planning, finalizing the strategies, making policies, taking managerial decisions for different situations and options, so as to achieve the objectives of the

<sup>8</sup> Corporate Finance Institute, *What are Management Skills?*, link:

<https://corporatefinanceinstitute.com/resources/careers/soft-skills/management-skills/>, [Accessed 11 Oct. 2020].

organisation. Management action is taken to utilize the resources of men, machines, money and materials pertaining to the organisation, effectively, economically and efficiently.<sup>9</sup>

Functions of management is a systematic way of doing things. Management is a process to emphasize that all managers, irrespective of their aptitude or skill, engage in some inter-related functions to achieve their desired goals.

The four (4) Functions of management as we previously said are: planning, organizing, leading and controlling that managers perform to accomplish business goals efficiently.

First; managers must set a plan, then organize resources according to the plan, lead employees to work towards the plan, and finally, control everything by monitoring and measuring the effectiveness of the plan<sup>10</sup>.

**Picture 3. Management process**



Source: Toppr, *Management Skills*, link: <https://www.toppr.com/guides/business-management-and-entrepreneurship/nature-of-management-and-its-process/management-functions/>, [Accessed 11 Oct. 2020].

Management is a complex process and requires an excellent manager with adequate management skills for balancing all the different components. Further, in an organization, managers at all levels are involved in all four functions specified above.

However, the balance between them can vary depending on their level/role. The sign of a great manager is the optimal use of all these four functions in a systematic manner. Also, in a business environment, these four functions, along with the resources and outcomes are inter-related and work in tandem as a process.<sup>11</sup>

<sup>9</sup> Bussines Management Ideas, *Process of Management*, link: <https://www.businessmanagementideas.com/management/process-of-management/process-of-management/19793>, [Accessed 15 Oct. 2020].

<sup>10</sup> IEduNote, *4 Functions of Management Process: Planning, Organizing, Leading, Controlling*, link: <https://www.iedunote.com/function-of-management-process>, [Accessed 15 Oct. 2020].

<sup>11</sup> Toppr, *Management Skills*, link: <https://www.toppr.com/guides/business-management-and-entrepreneurship/nature-of-management-and-its-process/management-functions/>, [Accessed 12 Oct. 2020].

### 3. Leadership

Leadership is the art of motivating a group of people to act toward achieving a common goal. In a business setting, this can mean directing workers and colleagues with a strategy to meet the company's needs.

Leadership captures the essentials of being able and prepared to inspire others. Effective leadership is based upon ideas—both original and borrowed—that are effectively communicated to others in a way that engages them enough to act as the leader wants them to act.

A leader inspires others to act while simultaneously directing the way that they act. They must be personable enough for others to follow their orders, and they must have the critical thinking skills to know the best way to use the resources at an organization's disposal.

While there are people who seem to be naturally endowed with more leadership abilities than others, anyone can learn to become a leader by improving particular skills. History is full of people who, while having no previous leadership experience, have stepped to the fore in crises and persuaded others to follow their suggested course of action. They possessed traits and qualities that helped them to step into roles of leadership.

- Leadership is the art of motivating a group of people to act toward achieving a common objective.
- Organizations refer to upper-level personnel in their management structures as leadership.
- To be an effective leader in business, you must possess traits that extend beyond management duties.
- Leadership skills can be learned and leaders may evolve.
- A person may be referred to interchangeably as both a "leader" and a "manager," though the two terms are not necessarily synonymous.<sup>12</sup>

#### Characteristics and abilities of successful leaders

Leaders are the key people in the organizations and the companies, the main factors, initiators, creators and responsible for the entire business policy in the organization. Therefore, they should be distinguished with special qualities that will enable them to be idealized by people. Their example of behavior together with their ability and invention must determine the goals defined in the strategy of the organization, so that it can be successful, ie constantly evolve. Leaders need to not only adapt the company to changes in the environment, but also initiate change themselves.

Successful leaders are adorned with many characteristics, and the most prominent are: adaptability to situations, awareness of the environment, ambition and orientation towards competitive success, perseverance, cooperation, trustworthiness, dominance, influential on others, energy perseverance, perseverance, self-confidence

More specifically, the following abilities can be highlighted: ability to attract attention, ability to explain the meaning of things, ability to build trust, and ability to evaluate one's own abilities and the abilities of others.

**1. Ability to attract attention.** Leaders are people who are able to attract others, because they have a vision, a dream, a whole set of intentions, programs and so on. They pay such attention to the people in the organization, as if each of them is unique and especially important and they know exactly from everyone what they expect and what they should get.

**2. Ability to explain the meaning of things.** A leader cannot be a person who has dreams and visions that he cannot present and explain to those around him. It is also important not only to speak and explain, but what he says should be clearly and plastically described, so that it remains permanently in the listeners' memory and is understood by them. Only in this way, followers could join the idea and the vision.

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<sup>12</sup> The balance small business, *What Is Leadership?*, link: <https://www.thebalancesmb.com/leadership-definition-2948275>, [Accessed 14 Oct. 2020].



**3. Ability to build trust.** This ability of the leader means that he should be seen as a person who is consistent in his views and thoughts, a person whom you can trust and whom you can rely on at all times.

**4. Ability to evaluate one's own abilities and the abilities of others.** this is very important, because if one does not know one's own strengths and weaknesses, more harm than good can be done. This does not mean that the leader is sinless, but that he is able to correct his own mistakes if he makes them, never accepting prose. For the leader, failure does not exist.

The research suggests that leaders encourage the organization to create a positive work environment. In conditions when subordinates feel good at work, trust the leader and understand what is expected of them, they dedicate themselves to the work and strive to do it well. Thus, the leader creates a dynamic and stimulating work environment.<sup>13</sup>

Being aware of leadership characteristics appears to be an important component of developing a personal action plan to become a more effective leader. It seems logical, however, to determine the relative importance of various characteristics in order to focus more attention on higher ranking attributes. In this regard, Kouzes and Posner (1993) conducted a survey where they had their subjects rank leadership characteristics in order of importance. The results listed in Table 1 show that the top rated characteristics concern honesty, vision, and inspiration. These findings agree with similar importance posited by other leadership authorities such as O'Toole (1996), Kantor (1995), and Kidder (1995)<sup>14</sup>.

**Table 1. Kouzes and Posner's Leadership Characteristics - Ranked in Order of Importance**

1.Honest	11. Dependable
2. Forward-Looking	12. Cooperative
3.Inspiring	13. Imaginative
4.Competent	14. Caring
5. Fair-Minded	15. Mature
6. Supportive	16. Determined
7.Broad minded	17. Ambitious
8.Intelligent	18. Loyal
9. Straight-Forward	19. Self-Controlled
10.Courageous	20. Independent

Source: Andrew J. Marsiglia (2009). *Management and Leadership in the Modern World*, link: <http://www.lead-inspire.com/Papers-Articles/Leadership-Management/Application%20of%20Leadership%20Concepts.pdf>, [Accessed 14 Oct. 2020]

#### **4. Management versus Leadership**

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 behavior stresses upon building an environment in which each and every employee develops and excels. Leadership is defined as the potential to influence and drive

<sup>13</sup> Miceski T. Nikolovski K. (2013). *The leader as a creator and mobilizer in performing the enterprise strategy*, Goce Delchev-University, Stip, Faculty of economics, Year book, 2013, Vol. 5, pg.7-8

<sup>14</sup> Andrew J. Marsiglia (2009). *Management and Leadership in the Modern World*, link: <http://www.lead-inspire.com/Papers-Articles/Leadership-Management/Application%20of%20Leadership%20Concepts.pdf>, [Accessed 14 Oct. 2020]

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.

Leadership differs from management in a sense that:

1. While managers lay down the structure and delegates authority and responsibility, leaders provides direction by developing the organizational vision and communicating it to the employees and inspiring them to achieve it.
2. While management includes focus on planning, organizing, staffing, directing and controlling; leadership is mainly a part of directing function of management. Leaders focus on listening, building relationships, teamwork, inspiring, motivating and persuading the followers.
3. While a leader gets his authority from his followers, a manager gets his authority by virtue of his position in the organization.
4. While managers follow the organization's policies and procedure, the leaders follow their own instinct.
5. Management is more of science as the managers are exact, planned, standard, logical and more of mind. Leadership, on the other hand, is an art. In an organization, if the managers are required, then leaders are a must/essential.
6. While management deals with the technical dimension in an organization or the job content; leadership deals with the people aspect in an organization.
7. While management measures/evaluates people by their name, past records, present performance; leadership sees and evaluates individuals as having potential for things that can't be measured, i.e., it deals with future and the performance of people if their potential is fully extracted.
8. If management is reactive, leadership is proactive.
9. Management is based more on written communication, while leadership is based more on verbal communication.

The organizations which are over managed and under-led do not perform up to the benchmark. Leadership accompanied by management sets a new direction and makes efficient use of resources to achieve it. Both leadership and management are essential for individual as well as organizational success.<sup>15</sup>

### **Leader versus Manager**

Leadership and managership are two synonymous terms” is an incorrect statement. Leadership doesn't require any managerial position to act as a leader. On the other hand, a manager can be a true manager only if he has got the traits of leader in him. By virtue of his position, manager has to provide leadership to his group. A manager has to perform all five functions to achieve goals, i.e., Planning, Organizing, Staffing, Directing, and Controlling.

Leadership is a part of these functions. Leadership as a general term is not related to managership. A person can be a leader by virtue of qualities in him. For example: leader of a club, class, welfare association, social organization, etc. Therefore, it is true to say that, “All managers are leaders, but all leaders are not managers.”

A leader is one who influences the behavior and work of others in group efforts towards achievement of specified goals in a given situation. On the other hand, manager can be a true manager only if he has got traits of leader in him. Manager at all levels are expected to be the leaders of work

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<sup>15</sup> Management study guide, Leadership and Management - Relationship & Differences, link: <https://www.managementstudyguide.com/leadership-management.htm>, [Accessed 12 Oct. 2020].

groups so that subordinates willingly carry instructions and accept their guidance. A person can be a leader by virtue of all qualities in him.

Leaders and Managers can be compared on the following basis:<sup>16</sup>

**Table.1. Comparison of Leaders and Managers on different basis**

<b>Basis</b>	<b>Manager</b>	<b>Leader</b>
Origin	A person becomes a manager by virtue of his position.	A person becomes a leader on basis of his personal qualities.
Formal Rights	Manager has got formal rights in an organization because of his status.	Rights are not available to a leader.
Followers	The subordinates are the followers of managers.	The group of employees whom the leaders leads are his followers.
Functions	A manager performs all five functions of management.	Leader influences people to work willingly for group objectives.
Necessity	A manager is very essential to a concern.	A leader is required to create cordial relation between person working in and for organization.
Stability	It is more stable.	Leadership is temporary.
Mutual Relationship	All managers are leaders.	All leaders are not managers.
Accountability	Manager is accountable for self and subordinates behaviour and performance.	Leaders have no well-defined accountability.
Concern	A manager's concern is organizational goals.	A leader's concern is group goals and member's satisfaction.
Followers	People follow manager by virtue of job description.	People follow them on voluntary basis.
Role continuation	A manager can continue in office till he performs his duties satisfactorily in congruence with organizational goals.	A leader can maintain his position only through day to day wishes of followers.
Sanctions	Manager has command over allocation and distribution of sanctions.	A leader has command over different sanctions and related task records. These sanctions are essentially of informal nature.

<sup>16</sup> Management study guide, *Leader versus Manager*, link:

<https://www.managementstudyguide.com/leader-versus-manager.htm>, [Accessed 12 Oct. 2020].

Source: Management study guide, *Leader versus Manager*, link: [https://www.managementstudyguide.com/leader\\_versus\\_manager.htm](https://www.managementstudyguide.com/leader_versus_manager.htm), [Accessed 12 Oct. 2020].

### **How is leadership different from management?**

The terms “leadership” and “management” are often used interchangeably. While there is some overlap between the work that leaders and managers do, there are also significant differences.

In a keynote discussion at Harvard Business School Online’s annual conference, Connex, HBS Professors Nancy Koehn and Joe Fuller explored the interplay between leadership and management and shared how they define the two disciplines.

Koehn referenced the work of HBS Professor John Kotter, who she said aptly defined the “activity of leadership.”

“Leadership, he wrote, is the creation of positive, non-incremental change, including the creation of a vision to guide that change - a strategy - the empowerment of people to make the vision happen despite obstacles, and the creation of a coalition of energy and momentum that can move that change forward,” Koehn said.

Fuller, who teaches the online course Management Essentials, relayed his thoughts on how management compares.

“Management is getting the confused, misguided, unmotivated, and misdirected to accomplish a common purpose on a regular, recurring basis,” Fuller said. “I think the ultimate intersection between leadership and management is an appreciation for what motivates and causes individuals to behave the way they do, and the ability to draw out the best of them with a purpose in mind.”

While these definitions draw parallels between the roles of leaders and managers, they also allude to some key contrasts. Here are three differences between leadership and management.

#### **1. Process vs. Vision**

Effective leadership is centered on a vision to guide change. Whereas managers set out to achieve organizational goals through implementing processes, such as budgeting, organizational structuring, and staffing, leaders are more intent on thinking ahead and capitalizing on opportunities.

“I think of management as working with other people to make sure the goals an organization has articulated are executed,” says HBS Dean Nitin Nohria in an interview for the online course Management Essentials. “It’s the process of working with others to ensure the effective execution of a chosen set of goals. Leadership is about developing what the goals should be. It’s more about driving change.”

#### **2. Organizing vs. Aligning**

In the book, *On Becoming a Leader*, scholar Warren Bennis presents a list of key differences between managers and leaders, including:

The manager administers; the leader innovates

The manager maintains; the leader develops

The manager focuses on systems and structure; the leader focuses on people

Managers pursue goals through coordinated actions and tactical processes, or tasks and activities that unfold over stages to reach a certain outcome. For example, they may implement a decision-making process when leading a critical meeting, or when devising a plan for communicating organizational change.

Leaders, on the other hand, are less focused on how to organize people to get work done and more on finding ways to align and influence them.

“Your central function in a position of leadership is to mobilize others so they can execute a set of individual and collective tasks,” says HBS Professor Anthony Mayo in the online course Leadership Principles.

By developing a personal leadership style through self-reflection and honest feedback, leaders can learn how to empower their employees and inspire them to both believe in and pursue important organizational initiatives.

### **3. Position vs. Quality**

The title “manager” often denotes a specific role within an organization’s hierarchy, while referring to someone as a “leader” has a more fluid meaning.

“Manager is a title. It’s a role and set of responsibilities,” says leadership coach Doc Norton in Forbes. “Having the position of manager does not make you a leader. The best managers are leaders, but the two are not synonymous. Leadership is the result of action. If you act in a way that inspires, encourages, or engages others, you are a leader. It doesn't matter your title or position.”

Leadership is a quality that needs to be shaped. Through developing emotional intelligence and learning how to influence others, professionals of all levels can build greater self-awareness and understand how to bring out the best in themselves and others.

For seasoned and aspiring managers alike, possessing strong leadership skills can not only lead to better job performance, but an improved knowledge of how to influence the context and environment in which decisions get made.<sup>17</sup>

The biggest difference between managers and leaders is the way they motivate the people who work or follow them, and this sets the tone for most other aspects of what they do.

Many people, by the way, are both. They have management jobs, but they realize that you cannot buy hearts, especially to follow them down a difficult path, and so act as leaders too.

#### **Managers have subordinates**

By definition, managers have subordinates - unless their title is honorary and given as a mark of seniority, in which case the title is a misnomer and their power over others is other than formal authority.

#### **Authoritarian, transactional style**

Managers have a position of authority vested in them by the company, and their subordinates work for them and largely do as they are told. Management style is transactional, in that the manager tells the subordinate what to do, and the subordinate does this not because they are a blind robot, but because they have been promised a reward (at minimum their salary) for doing so.

#### **Work focus**

Managers are paid to get things done (they are subordinates too), often within tight constraints of time and money. They thus naturally pass on this work focus to their subordinates.

#### **Seek comfort**

An interesting research finding about managers is that they tend to come from stable home backgrounds and led relatively normal and comfortable lives. This leads them to be relatively risk-averse and they will seek to avoid conflict where possible. In terms of people, they generally like to run a 'happy ship'.

#### **Leaders have followers**

Leaders do not have subordinates - at least not when they are leading. Many organizational leaders do have subordinates, but only because they are also managers. But when they want to lead,

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<sup>17</sup> Matt Gavin, *Leadership Vs. Management: What’s The Difference?*, Harvard Business School Online, link: <https://online.hbs.edu/blog/post/leadership-vs-management>, [Accessed 11 Oct. 2020]

they have to give up formal authoritarian control, because to lead is to have followers, and following is always a voluntary activity.

### **Charismatic, transformational style**

Telling people what to do does not inspire them to follow you. You have to appeal to them, showing how following you will lead them to their hearts' desire. They must want to follow you enough to stop what they are doing and perhaps walk into danger and situations that they would not normally consider risking.

Leaders with a stronger charisma find it easier to attract people to their cause. As a part of their persuasion they typically promise transformational benefits, such that their followers will not just receive extrinsic rewards but will somehow become better people.

### **People focus**

Although many leaders have a charismatic style to some extent, this does not require a loud personality. They are always good with people, and quiet styles that give credit to others (and takes blame on themselves) are very effective at creating the loyalty that great leaders engender.

Although leaders are good with people, this does not mean they are friendly with them. In order to keep the mystique of leadership, they often retain a degree of separation and aloofness.

This does not mean that leaders do not pay attention to tasks - in fact they are often very achievement-focused. What they do realize, however, is the importance of enthusing others to work towards their vision.

### **Seek risk**

In the same study that showed managers as risk-averse, leaders appeared as risk-seeking, although they are not blind thrill-seekers. When pursuing their vision, they consider it natural to encounter problems and hurdles that must be overcome along the way. They are thus comfortable with risk and will see routes that others avoid as potential opportunities for advantage and will happily break rules in order to get things done.

A surprising number of these leaders had some form of handicap in their lives which they had to overcome. Some had traumatic childhoods, some had problems such as dyslexia, others were shorter than average. This perhaps taught them the independence of mind that is needed to go out on a limb and not worry about what others are thinking about you.

**Table 2. Differences between leaders and managers**

Subject	Leader	Manager
Essence	Change	Stability
Focus	Leading people	Managing work
Have	Followers	Subordinates
Horizon	Long-term	Short-term
Seeks	Vision	Objectives
Approach	Sets direction	Plans detail
Decision	Facilitates	Makes
Power	Personal charisma	Formal authority
Appeal to	Heart	Head
Energy	Passion	Control
Culture	Shapes	Enacts
Dynamic	Proactive	Reactive
Persuasion	Sell	Tell
Style	Transformational	Transactional
Exchange	Excitement for work	Money for work
Likes	Striving	Action
Wants	Achievement	Results
Risk	Takes	Minimizes
Rules	Breaks	Makes
Conflict	Uses	Avoids
Direction	New roads	Existing roads
Truth	Seeks	Establishes
Concern	What is right	Being right
Credit	Gives	Takes
Blame	Takes	Blames

Source: Changing Minds, *Leadership vs. Management*, link: [http://changingminds.org/disciplines/leadership/articles/manager\\_leader.htm](http://changingminds.org/disciplines/leadership/articles/manager_leader.htm), [Accessed 10 Oct. 2020]

This table summarizes the above (and more) and gives a sense of the differences between being a leader and being a manager. This is, of course, an illustrative characterization, and there is a whole

spectrum between either ends of these scales along which each role can range. And many people lead and manage at the same time, and so may display a combination of behaviors.<sup>18</sup>

### **Manager vs. Leader Personality**

A managerial culture emphasizes rationality and control. Whether his or her energies are directed toward goals, resources, organization structures, or people, a manager is a problem solver. The manager asks: “What problems have to be solved, and what are the best ways to achieve results so that people will continue to contribute to this organization?” From this perspective, leadership is simply a practical effort to direct affairs; and to fulfill his or her task, a manager requires that many people operate efficiently at different levels of status and responsibility. It takes neither genius nor heroism to be a manager, but rather persistence, tough-mindedness, hard work, intelligence, analytical ability, and perhaps most important, tolerance and goodwill.

Another conception of leadership, however, attaches almost mystical beliefs to what a leader is and assumes that only great people are worthy of the drama of power and politics. Here leadership is a psychodrama in which a brilliant, lonely person must gain control of himself or herself as a precondition for controlling others. Such an expectation of leadership contrasts sharply with the mundane, practical, and yet important conception that leadership is really managing work that other people do.

Three questions come to mind. Is this leadership mystique merely a holdover from our childhood—from a sense of dependency and a longing for good and heroic parents? Or is it true that no matter how competent managers are, their leadership stagnates because of their limitations in visualizing purposes and generating value in work? Driven by narrow purposes, without an imaginative capacity and the ability to communicate, do managers then perpetuate group conflicts instead of reforming them into broader desires and goals?

If indeed problems demand greatness, then judging by past performance, the selection and development of leaders leave a great deal to chance. There are no known ways to train “great” leaders. Further, beyond what we leave to chance, there is a deeper issue in the relationship between the need for competent managers and the longing for great leaders.

What it takes to ensure a supply of people who will assume practical responsibility may inhibit the development of great leaders. On the other hand, the presence of great leaders may undermine the development of managers who typically become very anxious in the relative disorder that leaders seem to generate.

It is easy enough to dismiss the dilemma of training managers, though we may need new leaders or leaders at the expense of managers, by saying that the need is for people who can be both. But just as a managerial culture differs from the entrepreneurial culture that develops when leaders appear in organizations, managers and leaders are very different kinds of people. They differ in motivation, personal history, and in how they think and act.<sup>19</sup>

### **5. Conclusion**

The management and leadership issues at the threshold of the 21<sup>st</sup> Century period stem from new social, demographic, and economic realities that no government can successfully address. They are issues that only insightful, articulate individual managers can resolve (Drucker, 1999).

21<sup>st</sup> Century organizations will be larger, more complex and more dynamic than in the past. At the same time, they exert an even greater influence on our lives and on the world. Consequently,

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<sup>18</sup> Changing Minds, *Leadership vs. Management*, link:

[http://changingminds.org/disciplines/leadership/articles/manager\\_leader.htm](http://changingminds.org/disciplines/leadership/articles/manager_leader.htm), [Accessed 10 Oct. 2020]

<sup>19</sup> Abraham Zaleznik, *Managers and Leaders: Are They Different?*, Harvard business review, link:

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2020]



organizational leadership is one of the most challenging and important responsibilities a person can assume. To be highly effective, however, leaders must be learners and must develop the skills, insights and wisdom to improve organizations in ways that insure economic viability and achieve organization goals while respecting the need for human satisfaction and fulfillment.<sup>20</sup>

For years we were taught that management has to do with forecasting, budgeting, planning and controlling. Managers were taught to manage, not to lead.

New supervisors and grizzled management veterans were taught how to assign work to subordinates, how to evaluate their teammates' work, how to counsel people on performance problems and how to hire and fire staff members. Everything we were taught about management assumed that the manager would know what to do and was calling the shots.

These days we understand that the old-fashioned view of a manager's duties is wholly insufficient for the new-millennium workplace.

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.<sup>21</sup>

Leadership and management are complementary, not clashing, as many like to believe. The above qualities are not watertight categories; some leaders have attributes of managers, some managers of leaders. Being effective requires leadership traits as well as management skills.

Rather than products or intellectual property, the strength of the modern organization is its human resources. This is particularly true for tech heavy industries where the limited talent tends to galvanize around natural leaders. Dealing with such workers requires managers to possess an intrinsic knowledge of people and embody leadership traits (hence the current emphasis on leadership skills in business schools).

At the same time, the idea of the autocratic but charismatic leader is woefully antiquated. The data-driven modern organization depends on quantified knowledge to increase efficiency and productivity. In this context, leaders need the cold, hard precision of formal processes as much as they need a zeal for innovation and dealing with people. Hybridity – where leaders embody managerial traits and vice-versa – thus, is critical to organizational success in the 21st century<sup>22</sup>.

At the end, we may conclude that - both leadership and management are essential for individual as well as organizational success. *The difference between managers and leaders, as previously said, lies*

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<sup>20</sup> Andrew J. Marsiglia (2009). Management and Leadership in the Modern World, link: <http://lead-inspire.com/Papers-Articles/Leadership-Management/Leadership%20in%20Modern%20World.pdf>, [Accessed 14 Oct. 2020]

<sup>21</sup> Liz Ryan, *Management Vs. Leadership: Five Ways They Are Different*, Forbes, Link: [https://www.forbes.com/sites/lizryan/2016/03/27/management-vs-leadership-five-ways-they-are-different/?fbclid=IwAR0G-ij\\_54ia8cum6goGYb2a37gFObBCF5w6w4qlsaKxnicqvn5eV27Qs-8#39f66e0c69ee](https://www.forbes.com/sites/lizryan/2016/03/27/management-vs-leadership-five-ways-they-are-different/?fbclid=IwAR0G-ij_54ia8cum6goGYb2a37gFObBCF5w6w4qlsaKxnicqvn5eV27Qs-8#39f66e0c69ee), [Accessed 10 Oct.]

<sup>22</sup> Udemy editor, *Difference Between Leadership and Management: Two Sides of the Same Coin?*, Udemy, link: [https://blog.udemy.com/difference-between-leadership-and-management/?utm\\_source=adwords&utm\\_medium=udemyads&utm\\_campaign=DSA\\_Catchall\\_la.EN\\_cc.ROW&utm\\_content=deal4584&utm\\_term=.ag\\_88010211481.ad\\_455011610792.kw.de.m.dm.pl.ti\\_dsa-44794821923.li\\_2807.pd.&matchtype=b&gclid=EA1aIQobChMIwNuxlNyp6wIVit4YCh0JIOZ3EAMYASAAEgLSBvD\\_BwE&fbclid=IwAR1k3m1EC7wrOkY0zPujOYR2Znr70DzU2rIX3hzwZ4Mb8Y9ozAYZLMDI3pQ](https://blog.udemy.com/difference-between-leadership-and-management/?utm_source=adwords&utm_medium=udemyads&utm_campaign=DSA_Catchall_la.EN_cc.ROW&utm_content=deal4584&utm_term=.ag_88010211481.ad_455011610792.kw.de.m.dm.pl.ti_dsa-44794821923.li_2807.pd.&matchtype=b&gclid=EA1aIQobChMIwNuxlNyp6wIVit4YCh0JIOZ3EAMYASAAEgLSBvD_BwE&fbclid=IwAR1k3m1EC7wrOkY0zPujOYR2Znr70DzU2rIX3hzwZ4Mb8Y9ozAYZLMDI3pQ)

in the conceptions they hold, deep in their psyches, of chaos and order. As Zaleznik A., 1977 said, managers embrace process, seek stability and control, and instinctively try to resolve problems quickly—sometimes before they fully understand a problem's significance. Leaders, in contrast, tolerate chaos and lack of structure and are willing to delay closure in order to understand the issues more fully.

We can summarize that effective management and leadership together with top quality skilled managers and leaders, will have positive impact for the success of the development companies in order to move forward in this modern world.

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