

*Difference between Management and Leadership*  
By

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Today I want to talk to you about management and leadership. While the two are related and often treated as the same, their central functions are different. Managers clearly provide some leadership and leaders obviously perform some management functions. However, there are unique functions performed by leaders that are not performed by managers. My observation over the past forty years of managing, mostly in the public sector, is that we develop a lot of good managers, but very few leaders.

Let me begin to explain the difference between the two by describing the difference in functions they perform.

- *A manager takes care of where you are; a leader takes you to a new place.*
- *A manager deals with complexity; a leader deals with uncertainty.*
- *A manager is concerned with finding the facts; a leader makes decisions.*
- *A manager is concerned with doing things right; a leader is concerned with doing the right things.*
- *A manager's critical concern is efficiency; a leader is focussed on effectiveness.*
- *A manager creates policies; a leader establishes principles.*
- *A manager sees and hears what is going on; a leader hears when there is no sound and sees when there is no light.*
- *A manager finds answers and solutions; a leader formulates the questions and identifies the problems.*
- *A manager looks for similarities between present and previous problems; a leader looks for differences.*
- *A manager thinks that a successful solution to a management problem can be used again; a leader wonders that if the problem set in a new environment might require a different solution.*

Let us deal with a couple of these points. Going to a new place is obvious. Complexity and uncertainty are less obvious. Multiple functions, limited resources and conflicting demands for time and resources, require management. It involves, setting priorities, establishing processes, overseeing the execution of tasks and measuring progress against expectations. Management tends to involve the relatively short term, schedules are met, and resources expended and progress made within time frames of days, weeks and months. Leadership, dealing with uncertainty, involves the long term. The effects of a policy decision to invest in staff development, for example, may never be objectively determined and at best may only be seen after many years.

Management involves looking at the facts and assessing status, which can be aided by technical tools, such as spreadsheets, PERT charts, and the like. Leadership involves looking at inadequate or non-existent facts and making a decision. The leader must have the courage to act and the humility to listen. He or she must always be open to new data, but must at some point act with the incomplete data available. There may actually be no relevant data; the leader must still act. For example, if you are taking your organization in a new direction there clearly are no data available because you have yet to go there, but you must still decide. Hence, the statement that the leader must hear when there is no sound and see when there is no light.

Doing things right, and doing the right things are related to efficiency and effectiveness. Management's concern with efficiency means doing things right to conserve resources. On the other hand, leadership's focus on effectiveness means doing the right thing. For example, the military must be mindful of managing its resources well to maximize efficiency, but it must do the right things in waging war for its critical responsibility is to be effective and win the war. Losing a war at a bargain price does not reflect effective leadership and is clearly an undesirable outcome. Services performed for the public, such as defense or education, are generally monopolies in that the public has no alternative source for the service. A key responsibility of such a public monopoly is that it must not fail, i.e., it must be effective. Therefore, in public service, *good management is important, but good leadership is essential.*

### The Phases of Career Development

Developing managers and leaders involve stages of understanding, not prescriptively, but conceptually along the following lines.

Phase one, beyond normal childhood development and high school involves formal education or academic training. This focuses on abstract learning through cognition. It is deductive in the sense that a body of knowledge, - the laws of physics, for example is defined and exercised in the solution of problems. This preparatory phase usually results in some form of credentials that certify that it has been satisfactorily completed, such as a college degree.

Phase two is that transition from the abstract preparatory process, to the experiential workplace. You begin to apply abstraction to reality in the felt and sensed world. The deterministic nature of the preparatory process where answers were available to all questions, either from the professor or the answer pages in the book is replaced by an uncertain or probability based reality where there are often no definitive right or wrong answers. This is the critical phase of development and it is the time in which you, as the

future manager or leader, develop the confidence in yourself that you will need later to make decisions when you are not sure what the right answer is. It is necessary that you attempt tasks sufficiently challenging that you will know when you successfully complete them that you have demonstrated personal competence. It is important that your boss sees this and appreciates it, and it is *essential that you understand the accomplishment*.

Phase three is when you move from being an individual performer capable of executing assigned tasks on your own to the point that you must depend upon others to achieve your objectives. This may come, in the hierarchical organization, through becoming a supervisor or in more modern organizations, becoming a contributing member of a product or process team. The critical learning at this point is relating to and interacting with others either in a peer relationship, which the team involves, or in a supervisor-subordinate relationship that the supervisory role entails. It is at this stage that social and political dimensions begin to enter the work situation. It is no longer sufficient to simply know the facts, or objective reality, since the process now includes others and involves subjectivity.

Phase four is the movement from simple or compound tasks that involve teams or small groups to complex tasks that involve independent, but often interrelated large groups. This is the management development phase of your career. In the previous phases you understood the tasks assigned sufficiently well that you could perform them yourself, or know when someone else performed them properly. In this phase you accept responsibility for things in which you are not the expert. *You now must truly depend upon someone else to tell you what objective truth is.* While you now have more authority, you have in fact become more dependent upon others. This is the point in your career where you may well want to go back to formal training, such as to seminars, or academic programs in management, to start developing skills that are outside the discipline in which you received your earlier education. This is also a point in your career where you transition from objective task execution to subjective decision making and problem solving and it is not usually possible to effectively revert to the previous roles.

Phase five, if you don't count retirement, is the final phase in your career development and is a phase entered only by those who become leaders. It is the phase in which your role changes from maintaining values in an organization to creating them. You establish principles around which policies are formulated. For example, you establish the principle of allowing maximum discretion for your subordinates and a policy is formulated that delegates authority to appropriate levels. You move from following directions to giving directions, from finding facts to making decisions.

## Keys to Developing Managers and Leaders

The phases outlined above suggest a set of role transitions that occur in a career progressing from an individual performer to an executive, or leader. As you become a manager and enter phase four of your development and as you progress into phase five there are key understandings that must occur.

First, you must understand that *you are the central figure in your career*. The environment changes, roles change, but you are always there. So developing as a manager or leader begins with *understanding yourself*. You need to understand who you really are—not who you would like to be. There are many tools available today to help with that assessment. At a personal level, a popular tool is the Meyers Briggs profile which helps you look at your innate personal characteristics. Knowledge of these personal characteristics is important in learning how to deal with others, recognizing your strong and weak characteristics and in adopting a management or leadership style that is consistent with your personal characteristics. For example, if you are strongly extroverted it is important that you learn to listen more and talk less. If you are strongly introverted you need to learn to speak up more and make sure your ideas get heard. If your personal characteristics make you more comfortable in knowing details and giving explicit orders then you should not adopt a participative management style, but rather recognize the limitations of your authoritative style and tailor your actions to minimize the effect of those limitations. Presenting a public style that is inconsistent with your private personal predilections creates tremendous internal stress that often leads to failure.

Second, you must understand who you are professionally. There are several techniques for doing this. An instrument widely used by the Center for Creative Leadership in Greensboro, N.C., is the 360 degree feedback survey. This instrument allows you to get a perspective from your bosses, peers and subordinates. Such a total view is valuable because it is not possible for you—the subject—to be objective about yourself. You tend to see your own behavior *through your intent, not the effect*. But it is the effect that matters; because that is the message others get from your behavior. When I first used this approach, several years ago before it became known as 360 degree feedback, I was surprised to find that I was viewed as much more opinionated than I thought myself to be.

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## Understanding Power

Once you understand whom you are personally and professionally, it is important to analyze and assess what power you have. Getting things done is about using power and it is critical that you understand the forms of power available to you as a manager or leader and how much of each you have. Books are written about the many forms of power, such as economic, charismatic, and political power. There are, in my opinion, three forms of power that cause people to do desirable things and not do undesirable things, which is what managing and leading people entails.

First, is power of authority, or of position. This is the classic form of power that we consider in management literature in western culture. It is the hierarchy based form of power that was defined by Weber, the guru of early discussions of public management, and is characterized by bureaucratic organizations. It is what defines the rules by which organizations operate. Authority legitimizes action and is essential to create order and avoid chaos. In public management, the highest form of authoritative power in the U.S. is the Constitution and the laws and ordinances that flow from it. Authority, as a form of power, has several interesting characteristics. First, it belongs to the organization and not the individual. The individual in a position of authority only exercises it so long as he or she is in that position. People, such as I, *who are used-to-be people*, no longer have any power of the positions we used to hold. That power now belongs to the people who currently hold those positions. Thus, power of authority is not personal. Further, it is exercised on behalf of others, not yourself. When holders of positions of authority go beyond that and use power for personal gain it is called abuse of power.

While the power of authority is critical for legitimacy, it has obvious limitations. For example, it must have enforcement provisions and sanctions for disobedience to be effective. At the national level, authority to collect taxes for is made effective by the ability to fine or imprison those who do not pay their taxes. At a more local level, the ability to have people obey traffic laws is made effective by the ability to fine offenders and ultimately revoke their right to drive on public roads. Thus, *the power of authority is more effective at controlling than it is in motivating*. Since you can only control that which you can observe, authority is effective power in dealing with task execution, but is not particularly effective in dealing with problem solving or other cognitively demanding activities which depend on mental rather than physical activity.

The second form of power, useful in getting things done in a human organization, is the power of competence or capability. This is personal power and belongs to the individual, not the organization. Capability is gained in two ways, through formal education and abstraction, and through real-world experience. As mentioned earlier, the first phase of career development involves formal education prior to entry into the workplace. Combinations of formal education and experiential learning continue through your lifetime. Your capability can be described symbolically as follows:

$$C_T = (C_I \times E_I) P.A. (C_{ea} + C_{ex})$$

Where  $C_T$  is your approximate total capability

And

$C_I$  is your inherent capability with which you were born

And

$E_I$  is your inherent ability to generate energy with which you were born

And

P.A. is your personal attitude

And

$C_{ea}$  is the enhancement of your inherent ability by abstraction, or formal education

And

$C_{ex}$  is the enhancement of your inherent ability by experience

$C_I$  and  $E_I$  are what you are born with and over which you have no control. You should not be discouraged or arrogant about what you are born with, but merely understand it and accept it. At this stage there is nothing you can do about it. It is part of understanding who you are. It merely tells you what you are dealing with-no more- no less.

The only thing you have complete control over is PA, which is your personal attitude. You can decide what you will do with what you have once you understand who you are. As you can see if your personal attitude is to not use the capability you have then your competence becomes zero.

The last two components of the expression are things over which you have some influence, but not total control, and represent opportunity. It is useless to have great inherent capability and energy and a willingness to do something with it if there is no opportunity to put it to use. This is why when you get into positions of authority where it is legitimate for you to create opportunities for people it is critical that you do so. This is not just a matter of social or political correctness; it is a matter of good management and leadership to foster the effective development and use of inherent talent available to you.

The third form of power is values and beliefs, or emotional power. It exists on two levels, individual and collective. For you as an individual, it is your reputation. Collectively, it is the culture of your organization, community, state or nation. It is the reputation of an individual that causes other people to willingly follow his or her leadership even if they have no authority over them. It is the trust that one individual has in another that makes leadership effective. At the collective level, it is the culture of an organization that creates the “way things are done here”, or the values that define the organization. At the national level, it is our values as a nation that makes us respected throughout the world. Certainly some nations disagree with our policies and some disagree with our behavior, but in general we are respected. One reason for this respect is the fact that we, in this century, have given the lives of over 600,000 of our men and women fighting to protect the interests of others with no intent of personal national gain. In fact after WWII, rather than controlling the world, as we could have because we had nuclear weapons when no one else did, we took our resources and helped rebuild the very nations with whom we had fought.

Fundamentally, the forms of power can be summarized as-what position you are in-what you know-and who you are. Of these three, the most critical is the last because it defines you as a person. Sam Ervin, clearly demonstrated the power of character. His demonstrated integrity and decency magnified his power as a Senator immeasurably.

If you understand the forms of power, with their positive and negative aspects, it is possible to do a subjective power assessment. If you define the three forms of power as:

$P_t$ = total power

$P_p$ = power of position

$P_c$ = power of capability

$P_r$ = power of reputation

Then  $P_t=(P_p+P_c)P_r$

This indicates that the power of your reputation is multiplicative and is the dominant influence in the expression. It is also the one thing that you totally control simply by the way you live and treat others. This also suggests that the *right to lead comes from having earned it through your actions, not from a position you have attained or a capability you have developed.*

Put another way, an organization can authorize you to manage, but your followers authorize you to lead.