



## THE HUMAN SIDE

Michael Maccoby

# Understanding the Difference Between Management and Leadership

According to the current wisdom, managers are principally administrators—they write business plans, set budgets, and monitor progress. Leaders on the other hand, get organizations and people to change. That's true, as far as it goes, but I suggest a more useful distinction between management and leadership: Management is a *function* that must be exercised in any business, whereas leadership is a *relationship* between leader and led that can energize an organization.

Of course, the management function can include problem solving and facilitating meetings as well as the traditional bureaucratic tasks. However, it is not necessary for the same person in a group to exercise all these tasks. Different people can take on parts of the management function: Someone on a team can do the planning; another can do the budgeting; a third can monitor quality. Members of a team can take turns facilitating meetings, and the team as a whole can share responsibility for meeting performance targets. In other words, you don't need managers to produce good management.

I have seen a number of cases in which teams have been able to determine for themselves which management tasks they wish to

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perform as a group, which ones individual team members wish to take on, and which they will delegate to a manager.

If you gave this choice to members of a technical staff, they might decide they wanted a manager to take care of the bureaucratic stuff so they could remain free to do more interesting work—like science! Typically, technical staff, like professionals in other fields, don't like to evaluate or discipline colleagues. They would rather hire a manager to do that kind of dirty work.

However, at the GE/Durham plant that assembles engines for the Boeing 777, there are 170 employees and only one manager, according to *Fast Company* (Oct. 1999). There are nine teams, each with only one directive: the day their next engine must be loaded. Teams decide who does which work; they schedule training, vacations and overtime; and they deal with teammates' issues of productivity or lack of work ethic. But this is seldom a problem. Although there are no incentives other than promotion on the basis of skills, technicians are motivated by the work itself, the drive for perfection, and pride in supplying one of the highest-thrust engines in the industry. Teams also send members to a work council that deals with supplier problems, computer systems, human resource issues, and the like.

And what is the manager's job? Listening, informing, focusing the teams on costs (during the past five years, costs were cut 10 percent per

year), and representing the factory to the customer and within GE.

### Perceptions of Management

The Dilbert comic strip reminds us that in an age in which the young may know more than their elders, technical staff may view managers as people who don't understand technology and who make life difficult for them with demands that make little sense. Perhaps technical teams with Dilbertian managers would be fed up enough to take over the management function.

The manager in the Dilbert comic strip is a leader only in the sense that members of the technical staff are forced to follow his directions. Of course, the ideal manager is also a leader who people *want* to follow. In that case, there can be a relationship that strengthens a group and focuses it on meaningful work. The questions we should ask about a business leader who has a following are:

- Why do people follow this leader?
- What should the leader do to make teams and organizations successful?

Here are some answers:

People follow a leader either out of fear or for a mix of positive reasons such as hope of success, trust in the leader, excitement about a project or mission, or the opportunity to stretch oneself to the limit. In this regard, Russell L. Ackoff conceives of a transformational leader as creating an aesthetic vision that inspires people with an ideal of what can be achieved. Warren Bennis describes

leaders who make people feel they are the best and can achieve whatever they can imagine.

Leaders can also be dangerous, however, especially charismatic Pied Pipers who seduce people into disastrous adventures. Sometimes it can be hard to tell the difference between a Steve Jobs who promises that the team can be "insanely great" and a demagogue who turns out to be greatly insane.

### Good Leaders

We need to recognize that there are two kinds of leaders: strategic and operational. The first priority of a strategic leader is to envisage the company's future and to invest the resources necessary to create it. Operational leaders have the job of implementing the vision.

However, there are four things that both strategic and operational leaders can do to make teams and organizations successful. They are: selecting talent, motivating people, coaching, and building trust.

In *Organizing Genius* (Addison-Wesley, 1997) Bennis and Patricia Ward Biederman point out that leaders of great teams pick talent on the basis of excellence and ability to work with others. Good leaders are not afraid to hire people who know more than they do. Jack Welch has

### Management vs. Leadership

A Function	A Relationship
• Planning	• Selecting talent
• Budgeting	• Motivating
• Evaluating	• Coaching
• Facilitating	• Building Trust

said that his biggest accomplishment has been finding great people.

In *Why Work?* I suggest thinking about motivation in terms of four Rs: responsibilities, rewards, relationships, and reasons.

A leader should design responsibilities that engage a person's competence and values. Responsibilities are motivating when they stretch people and are meaningful to them. Responsibilities can engage such intrinsic motivations as exercising one's abilities, creating something new, helping others, and providing value to customers. Which of these meanings is most motivating depends on an individual's personality.

The combination of intrinsic motivation with extrinsic rewards and recognition can produce highly motivated people. Of course, incentives, rewards and recognition

should reinforce the kind of behavior needed for the team's success. If you want people to cooperate, you need to reward and recognize successful cooperation.

A good leader also strengthens motivation and develops competence through coaching. In particular, he or she knows how to keep people focused, recognizing that unless technical staff keep their eyes on priority goals, they will tend to drift into paths that are attractive to them but not essential for the business.

Good leaders also fire up people by convincing them that their job is vital for the business to succeed. On one hand, people quickly turn off when they feel their work is unnecessary; on the other, they feel motivated even doing simple repetitive work when it is meaningful, like stuffing envelopes for a cause they deeply support.

### Developing Trust

Finally, good leaders develop trust by walking the talk, doing what they preach. Unfortunately, it is not always possible to keep promises in today's unpredictable business environment. The market changes, new competitors upset plans, technological breakthroughs force rethinking strategy. It is not surprising that organizational surveys



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typically show a large gap in trust for today's leaders.

In this turbulent climate, leaders can increase trust by promoting transparency and involvement. Transparency means clarifying reasons for decisions and being open about compensation policy, business results and market information. Professional knowledge workers want to know what the leader knows about what is coming down the road. They also want a say in decisions they are expected to implement. They want to be sure their views are heard and taken into account. Even when they are disappointed by the decisions, knowing they have been heard

increases trust, especially when the reasons are explained.

To summarize, companies need good management and great leaders, and efficient function and energizing relationships. Bureaucracies are typically overmanaged and underled, resulting in bored, unmotivated employees. Start-ups are often intensely led and undermanaged, so that enthusiasm leads to unplanned problems, overspending and missed deadlines.

There are many different ways to exercise the management function, and people are willing to follow different leadership styles. Although

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there are many examples of good management and leadership, there is no one best way. You can get good ideas from observing successful companies, but you need to design your own management function by involving teammembers, and developing your own way of inspiring people to follow you. ☺

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