

Management VS Leadership

IN MODERN WORKPLACES, WHEN SOMEONE IS HIRED OR PROMOTED INTO A SUPERVISORY, MANAGEMENT OR EXECUTIVE POSITION THEY ARE EXPECTED TO PLAY TWO VERY DIFFERENT BUT COMPLEMENTARY ROLES: A MANAGEMENT ROLE AND A LEADERSHIP ROLE.

Story **Walter Bellin**

But from the time of the industrial revolution in the 19th century and continuing through to the late 1960s and early 1970s, the only role that was formally recognised in corporate contexts was the management role. Leadership was something done only in the military or by senior politicians. What exactly was (and is) the management role? Basically it was (and continues to be) about organising the complex business processes of a company to be efficient and effective in achieving its desired business outcomes. This involves creating and maintaining an organisational structure, various business systems, introducing or creating new business technologies, creating and enforcing company policies, organising the workforce – and so forth.

Above all, managers rely upon their positional authority in an organisational hierarchy for directing staff to undertake various tasks or responsibilities. However, during the past three to four decades, the leadership role has gradually become much more distinct and prominent in the corporate context.

So, what is the leadership role and why is it important? The first important difference between management and leadership is that a good leader inspires people to want to undertake the workplace activities or responsibilities they are assigned – whereas someone only exercising the management role simply directs the employee to do so. A good leader achieves this outcome through two integrated methods: firstly through communicating the organisation's mission (its fundamental purpose), its vision (what it intends to achieve) and the values that are intended to be the foundation of the organisation's culture; secondly, by showing how the task or responsibility the employee is asked to undertake will contribute to the realisation of the company's vision and mission. Good leaders understand that what makes our work meaningful is being able to see and understand how what we do contributes to a larger purpose that we believe to be of value.

The important caveat, of course, is that a company's mission and vision must represent an

intrinsically inspiring purpose. To be truly inspiring, the company's leaders must create and pursue a purpose which is inclusive. It must mandate that the company contribute something of real value to all the company's stakeholders: its customers, its suppliers, its employees, the communities in which it operates – as well as its shareholders.

The quality of a company's mission and vision will, in turn, be a function of the values a company's leaders espouse and the organisational culture which those values are intended to create.

Leadership and Culture Building

Since the early 1990s, researchers have gathered a huge amount of statistical evidence that an organisation's culture is the single most important factor in generating long term success¹. For this reason, culture building is a critically important leadership responsibility. Through communicating and utilising the official values the organisation has endorsed, there are a number of specific culture building leadership activities managers or executives can undertake.

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For example: fostering mutual trust and respect and good workplace relationships both vertically and horizontally throughout the organisation; building a workplace environment that encourages employee engagement, commitment and innovation; creating effective communication and teamwork within teams and between different teams; coaching, mentoring and developing the people they lead; etc.

There are two essential ingredients that enable leaders to successfully undertake these types of culture building activities. The first is a great deal of face to face communication when attempting to influence people. During the late 1970s and early 1980s, psychologist Albert Merabian conducted a meticulously designed study of the factors that impact and influence people when someone communicates general messages about things such as vision and values. He found that only 7% of the impact was due to the actual words chosen – hence the ineffectiveness of written documents for this purpose. His study showed that 38% of the impact of the communication came from voice qualities (volume, pitch, resonance, rhythm, tempo) and 55% from body language (especially facial expressions). Thus, 93% of a leader's ability to influence people through verbal communication requires face to face communication.

However, there is a second factor that determines people's responsiveness to a leader's attempts to influence them – their 'authenticity'¹

Leadership and Authenticity

More than anything else, a leader's ability to influence, engage with and win the commitment of the people they lead is determined by how well the leader's words match their actions. Generally people are much more influenced by watching the day to day behaviour of the leader than by hearing their words. They want to know: does the leader really believe in and hold the values that they claim to believe in and hold? Are the leader's daily actions consistent with the priorities and objectives they espouse? Do they, in fact, really walk the talk? It is these things that determine whether a leader is seen to be authentic – and this will affect people more powerfully than anything the leader says.

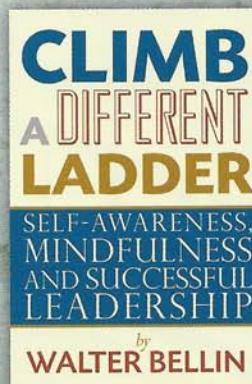
Clearly, it is the leadership role – when undertaken by authentic, effective and inspiring leaders – that breathes life and spirit into a company. The management role, of course, is still very important – a company can flounder just as badly when its activities are poorly managed as when it is poorly lead. Yet a well-managed company in which managers and executives lack real leadership skills will not win the engagement, loyalty and commitment of its people. It is fostering these human characteristics among the company's people that creates high performance cultures.

Over the past 25 years in consulting with over 100 companies, I have noticed that many managers and executives spend much more time managing than leading. Partly I think this is due to many managers feeling more comfortable managing than leading – and partly I believe

it is because they do not realise how greater emphasis on leadership will improve the performance of the company.

Invariably, when managers and executives focus much more on developing and using their leadership capabilities, the organisations they are leading experience two interrelated results: there is a major improvement in performance – and employee morale and retention is much higher. ^{1y1}

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¹ J Kotter and J Heskett, *Corporate Culture and Performance* (The Free Press: New York, 1992) p 11