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Equipping, Enabling, and Encouraging Marketplace Leaders

Are the Best Executives Leaders or Managers?

Are the best executives, leaders or managers? The quick answer is “no.” The best executives are neither managers nor leaders, but possess a unique blend of skills of both the leader and the manager.

Mr. Webster defined management as “the act or art of managing”, and he defined managing, “to handle or direct with a degree of skill.” Peter Drucker took eight pages to provide an overview of the terms, manager and management, in his book *Management Tasks, Responsibilities, Practices*. Simply stated, Drucker defined the work of a manager as “planning, organizing, integrating, and measuring.”

Turning to Mr. Webster again, he defined leadership as, “the office or position of a leader, the capacity to lead.” He defined lead as, “to guide on a way, especially in advance.”

None of these definitions create a very clear sense of the difference between managing and leading. They do not even give a good sense for why a distinction is important.

A look at the “activities” of a manager versus a leader provides a clearer distinction between the two:

A *manager* is concerned with planning, budgeting, organizing, staffing, controlling, and problem solving. A manager is responsible for getting things done on time and on budget.

A leader sets direction, creates vision, communicates to and aligns constituents, and motivates and inspires the group. A leader produces dramatic, significant change.

Being a good manager certainly doesn't make someone a good leader, just as being a good leader doesn't make someone a good manager. The reason is the skill sets are completely different!



Think for a moment about the training you have received in your career. Was it focused on management activities or leadership activities? Only a very fortunate few have had any leadership training at all. Our educational systems and our corporate training focuses on building management skills not on developing leaders.

Mr. Drucker noted in *Management Tasks, Responsibilities, Practices*, “There are, in developed society, thousands, if not millions, of managers—and leadership is always the rare exception and confined to a very few individuals.”

But so what? Does it really matter if we don't have many leaders as long as we have lots of strong managers? A recent survey of top executives showed that there were far too few executives who were strong leaders and managers, far too many who were strong managers but weak leaders, too few who were strong leaders but weak managers, and too many who were weak leaders and managers.

A company trying to succeed in the future will have difficulty if the organization is comprised of anything but employees who have strong leadership and management skills. The effect of these skill imbalances in business is easy to spot:

Strong Management, Weak Leadership. The company with an excess of this type of executive is known for their high levels of bureaucracy, and a work atmosphere that stifles initiative and creativity. Some of our older companies fit this model; our steel and automobile industries, some computer companies, and several household goods companies.

Many companies with strong management and weak leadership are the ones you're reading about that are restructuring and reengineering in a frenzied effort to survive. Many have already gone by the wayside.

The employee who is a strong manager but a weak leader is best described as the “Seagull”. The “Seagull” manager flies into town, flaps their wings, squawks a lot, eats everything in sight, marks their territory, and then flies back from whence they came. In a word, the “Seagull” manager is an expert at “over-control.”

Strong Leadership, Weak Management. This company has a strong vision, but lacks a grip on reality. Entrepreneurial startups most often fit this model. The vision is supplied by the person who started the company; a dynamic inventor who created a product, developed it, and succeeded in bringing it to market, but who lacks an understanding of how to monitor and control work processes.



An employee who is a strong leader but a weak manager can be described as “highly motivated chaos”. They are the “ready, fire, aim” people. They expend lots of energy, but often achieve little in terms of results. Simply put, they are “out of control.”

Somewhere between these two extremes of “out of control” and “over-control” is a highly effective executive who is a strong leader and a strong manager.

Encouraging “Leadership”

If you or your organization could benefit from an increase in leadership, here are seven steps you can take today that will help foster employee leadership.

Reduce hierarchies. The flattest organizations are known as “virtual corporations”; a single person who outsources corporate functions like accounting, manufacturing, distribution, etc.

Layers slow down your organization. If you want an organization that will be capable of changing rapidly make it lean and mean. If a corporate layer doesn’t add real value, eliminate it.

Reduce inspection and controls. More than a few corporations have reports to keep track of the reports they produce. Inspection and controls add tremendous cost to products and are, for the most part, unnecessary if work is done correctly in the first place.

Encourage risk-taking. Young employees are especially eager to try new things, but by correcting their faulty thinking we can usually drive out any desire to try new things within a few months.

If you want an organization comprised of people who take leadership roles in their work, then you must foster an atmosphere in which risk-taking is not only accepted but encouraged.

Challenge the status quo. This is more than encouraging differences of opinion. Challenging the status quo means you look for opportunities to change the system all the time. You also expect employees to do the same.

Modeling. Modeling the behavior you expect is the best way to communicate your expectations to others. You can talk all you want about the need for people to be leaders, but your example teaches far more.

Provide leadership training. Leaders are not born they’re made. Make sure that training involves a heavy dose of leadership skills.



Reward leadership activities. Everyone in an organization has the ability to exercise leadership. Even the one-man janitorial department has the ability to lead by example. Rewarding leadership activities is the surest way to make sure that they continue.

Getting Started

Building executives that are strong leaders and strong managers is not easy but it can be done. The natural leader must learn how to manage, and the natural manager must learn how to lead. Each must combine the other into a balanced style. Here are six traits of an executive who manages by leading:

Sets Direction. Before setting direction the executive starts by getting input from customers and key corporate functions. Direction is then set that focus' on the end state, challenges the status quo, is flexible, and considers the systems that will be needed to complete the work.

Enrolls Others. Customers and employees need to be enrolled. This is done by communicating the end state, securing commitment, developing role models, removing systemic barriers, developing the capabilities of the organization, and maintaining open communications.

Planning. A good plan will create order even in the midst of chaos. Plans need to consider the allocation of resources, who will do what work, the establishment of objectives, and setting budgets.

Organizes. The work place must be organized in such a way that it contributes to the accomplishment of our goals. Systems to monitor results are needed, the organization must be staffed, and policies and procedures to control the processes need to be in place. Systems, policies, and procedures must all be clearly communicated to works, and line up with customer objectives.

Enables Others. This is power the step. Organizations who succeed in enabling their workers have a competitive advantage. Barriers of all kinds need to be eliminated; people must be empowered to work in the best interests the organization. We need to encourage risk-taking, leverage diversity, motivate and inspire our workers, and recognize and reward success.

Measure Systems. Monitoring results will help identify systems that are out of control and provides an opportunity to solve problems. Measuring the effectiveness of our systems allows us to direct our energy and resources at critical parts of the system and provides an opportunity to predict results.



The six steps listed above provide a balanced approach to managing and leading. Most executives have a tendency to do what they are comfortable with and pay little attention to the rest. That kind of short-sighted approach will not work in the future. We must become strong leaders and strong managers to be successful.

One Final Thought

The world is a global market. We no longer think about products that can be made and sold only in our home country. Rather, most successful, growing, vibrant companies consider how to build manufacturing and distribution systems on a global basis. This globalization of business has increased competition tremendously, and competition is the engine that drives change.

Managers, with their sense of control, are not well suited to manage change, but leaders are. Leaders are the people who will create new visions; who will create alignment within the organization; and who will motivate and inspire employees. Once this has been done, management skills will keep the organization in a state of control running efficiently.

Which boss would you rather work for? Which would you rather be; the manager or the leader? Hopefully you said neither. Neither one is capable of running and organization effectively. Hopefully you want to work for and be a person who has well balanced skills at both managing and leading. If you don't have these skills now—get them.

The most valuable employees in the future will be the ones who can lead people to aspire to new heights, while creating and managing the systems needed to help them get there.

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