

## Understanding the Differences Leadership vs. Management



### Selecting the Right Tool for the Right Job

It is the job of the leader to obtain results. The same can be said of the manager. Some leaders are also managers, but not all.

One of the problems I've observed in my years of working with leaders of all types, from many organizations is a lack of clarity about the differences between leadership and management.

This paper aims to make clear these two powerful tools and give you some ways to apply the concepts to validate the differences in your own mind.

Fundamentally:

**Leadership** is about Influence, or Freedom (to choose, act, think, and be)

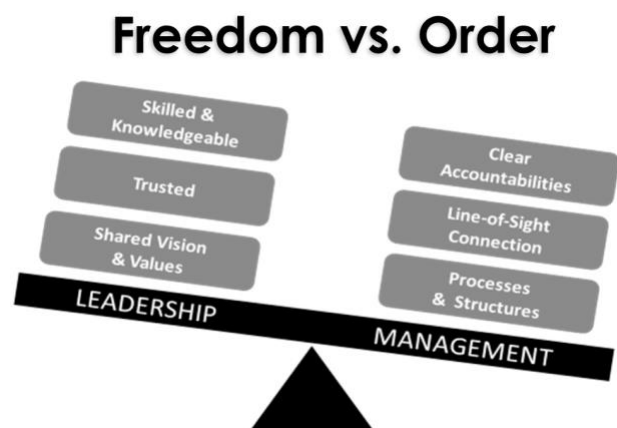
**Management** is about control, or Order (conformity: governed by rules, laws, norms)

An executive's job is to select and use the proper tool for any given situation.

We know that control(s) are important in business or any reliable operating system. Order is produced and legislated with rules that are enforced. Quality control systems are rules based and data driven. Consistency is important in business and the management system is designed to produce results consistently, repetitively.

At the same time, people hunger for a certain amount of freedom. The ability to choose, to agree, to enlist, to join, and to say no, to choose actions that honor personal preferences and values is critical to a healthy and sustainable work environment.

In any organization, the balance between order and freedom is critical. Too much of one produce something less than ideal and is unsustainable over time.



# STICKY LEADERSHIP

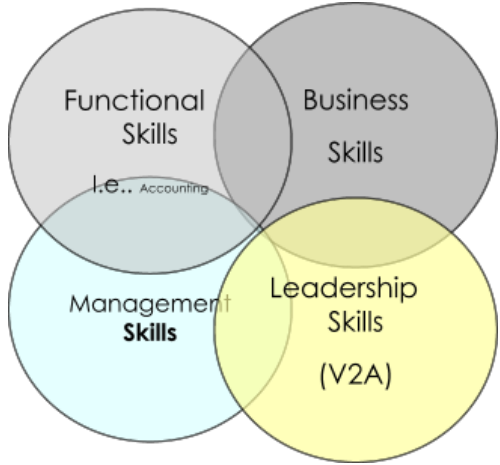
Understanding your business and how it works helps guide the control side of the ledger. Think of your business model as the programming of results (the profit engine) the fuel (talent) drives. Just as in a well-made engine there is a design to how things are to work, and the forces coming from the combustion (fuel) to drive the engine machinery is something thoughtfully constructed.

All employees in a business give up a certain amount of personal freedom to become productive members of the team. However, the process of change and re-design when needed is a function of freedom. Creativity and freedom go hand in hand. To access the deeper skills of people (outside of the routine) involves creative, thoughtful, personally connecting energy. Leaders know how to use their influence to release the best from people and then how to channel their energy towards new and better things. This flows from the freedom of agreement and not controlled cohesion.

All change and improvements are a function of creative freedom channeled by shared vision and teamwork, which are leadership functions.

All businesses are made up of four interacting elements.

Functional	Relate to the specific functional area of specialization such as Accounting, HR, or production.
Business	The skills surrounding the knowledge of the specific business the executive is running. Understanding how the enterprise makes money, how the strategy connects to the market, how customers are served, and the various functions of the businesses applied to the specific business niche.
Management	Includes planning, directing, organizing, and controlling. This is a standard skill set that applies to all businesses.
Leadership	A specific set of skills that directly impacts working with people, leading people, influencing and directing them. Growing people so that delegation can be accomplished and so the right people are in the right positions.



Good business execution requires that the four functional areas are strong and that the executive can answer the question: "What are the critical business issues?" (And how does my area / role fit in?)

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“Execution requires a comprehensive understanding of a business, its people, and its environment. The Leader is the only person in a position to achieve that understanding.”

Bossidy and Charan, from the book *Execution*

Conceiving a vision is largely an intuitive process. *“Shaping the broad picture into a set of executable actions is analytical, and it is a huge intellectual, emotional, and creative challenge.”* *“Leadership without the discipline of execution is incomplete and ineffective.”*

Bossidy and Charon

To be a great leader, one must understand what good management looks like and how it works. The leader is ultimately responsible for how things get done and therefore uses both management and leadership tools. Management is different than leadership in some rather striking ways. Understanding the differences between leadership and management is essential to the ability to bring a vision into reality.

Leadership can't do what management does, and management can't activate what leadership does. Your job as an executive is to know which tool (Leadership or Management) you need to apply in any given circumstance.

In the book *The One Thing You Need to Know*; the author Marcus Buckingham tackles the differences between leadership and management and how each contributes to sustained personal and corporate success.

Here are the points of difference between the two tools:

Leadership	Management
Results through <b>Influence</b>	Results through <b>Control</b>
Rallies people to a better future (vision)	Excels at turning talent into performance, as a process
Preoccupied with the future, has a vivid image of it, and are driven by it	Serves the employee first
Deeply dissatisfied, restless for change, impatient for progress	Makes employees believe their success is their managers primary goal
Starting point is the future	Starting point is individual employees
Instinctively and deeply believe things can be better and demonstrates optimism and ego	Derives satisfaction from seeing tiny increments of growth in others
Cannot be dissuaded and believes they are the one to make the future happen	Concerned with tactics and daily execution

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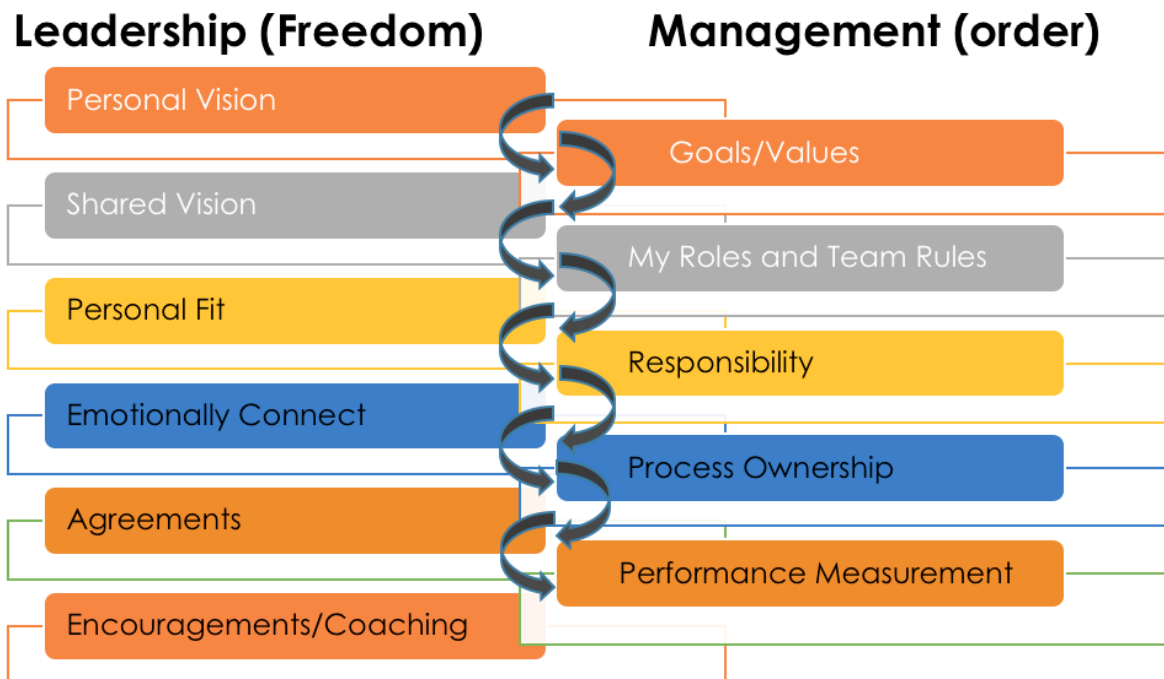
Leaders use their relational, inspirational, connecting influence to build sufficient trust and relationship to activate individual's self-discipline. They can obtain results in and through people who freely comply through personal choice.

Management tools bring external control, and externally sourced discipline (from the operating system in place) to create order and predictable results using rules, laws, and agreed-to norms.

Notice that discipline exists in both domains. Leadership activates it within the individual, management provides it externally as part of the operating system used.

Leadership (Destination)	Management (Journey)
Influence	Control
Relationship ( <b>Being</b> )	Structure (Framework for <b>Doing</b> )
Self Discipline	Systemic Discipline
Freedom	Order
Results (in People and Output)	Results (in Output through People)

Think of the interaction between the two tools like this (operating back and forth, each enhancing the other):



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Someone gets an inspiring vision for what can be possible that does not now exist. This is a creative process fueled by the energy to document and begin to share it with others. The supporting goals and values behind the vision are defined as important framing for creating the atmosphere and guides to support the vision becoming real.

As the vision becomes shared with others, who choose to live within the rules and constraints of the goals and values, individuals are free to choose their personal fit within the roles and team rules that become legislated. In the operating system that is assembled by creative design, agreements are made around defined responsibilities necessary for sustaining the vision in reality. People are free to agree (or not) to the responsibilities assigned and become owners of defined processes (the rules of how things will work). Those that so agree and chose to own the responsibilities assigned have their performance measured and agree to abide by the benefits and consequences built into the operating (management) system.

Those that so choose can offer and receive encouragement and coaching so they are able to best contribute and benefit from the management system and its rules they have become a part of.

There is much more that can be said and revealed about the specific tools that great leaders, and that skilled managers use to make the interplay between the two domains work in harmony. Such is the training and coaching experts in this area provide.

If you are interested in learning more about each, let me know and I can direct you to useful resources I've learned from and I encourage you to read my book, [Sticky Leadership](#) which is a good introduction to the leadership tool set and how it works.