

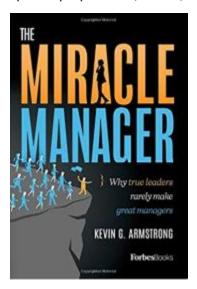
Business Acumen Brief

Leadership vs. Management

Have you thought about the differences between leadership and management?

Thousands of books and articles are published each year on the topic of how we can perform better as individuals, and within our organizations. Many of the publications use these two terms somewhat interchangeably, but they are definitely not the same.

If you started your own business, chances are you have some leadership skills, perhaps passion, drive, optimism, focus, and perseverance. But from very personal



experience I can say that being a leader or an owner does not automatically make you a good manager, and I'm sure the people who worked for me would agree.

A good book from 2017 on this topic is <u>"The Miracle Manager"</u> by Kevin Armstrong. The subtitle is evocative: Why True Leaders Rarely Make Great Managers.

The book focuses very specifically on how to improve your skills as a manager, but it also includes some great discussion of how the two roles differ from each other. The title of Chapter 2 is a nice summary: "A Leader Stands Alone"

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Some excerpts from the book will help to highlight this:

"Leadership does not depend on how you look or how you come across or even how well you speak in public. A manager, though, needs all of these."

In essence Kevin is saying that leadership is the more individual set of skills (and personality) which cause some people to leap ahead, to start new things, and drive faster toward their vision than other people. Management on the other hand, is always a group activity. In this case a positive outcome depends somewhat on the manager, but more often on the full organization they are directing.



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He describes this difference nicely in this excerpt:

"Yet a leader needs only to march forward. A manager has to marshal all of the troops and make sure everyone is marching in the same direction."

A proprietor just starting out a business needs very strong leadership skills, but also a bit of management in areas like sales, cash flow, and administration, so the business can survive. As the business grows to include more employees, then management skills become increasingly important. We often see a distinct "plateau" in the size of system integration businesses, where the founder is still managing most things personally, and is unwilling to delegate or relinquish control to the people who work for them.

This same balancing of organizational skills is needed no matter how big the business grows. Strong leaders are needed to bring in vision, energy, passion, and drive. They also can describe where the company is going, and especially they can anticipate what the market needs will be at specific waypoints in the future.

But then someone has to deliver on this promise... Strong leaders can be impatient, less tolerant, linear thinkers, poor planners, and dislike details - hardly someone you would want in charge of a group effort. Strong management skills are needed to ensure that the company plans are clearly communicated to everyone, time after time after time, so that all employees are working towards a common goal. Someone has to balance and cope with the inevitable differences and conflicts which arise in organizational groups. What about compliance with standards and regulations? And on it goes...

A personal anecdote... I can often see in my mind's eye what success looks like for a particular project or effort. And even today, I sort of expect to simply arrive there, linearly, quickly, efficiently, profitably etc. etc. Talking one day to the best manager I ever hired, I asked him how he could deal with all the delays, costs, changes, imperfections and frustrations which inevitably happened, and he replied "...well I simply expect these kinds of failures to occur, and plan what we will to do accommodate them".

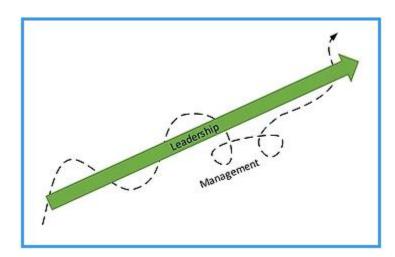
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Here is a sketch which I think describes the two approaches, their interdependence, and the fact that they are both critical if you want to have a successful organization.

A related article on this topic is from the Entrepreneurial Operating System (EOS) blog where they use the term: The Visionary and the Integrator™:

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https://blog.eosworldwide.com/blog/4-signs-of-a-harmoniously-integrated-team

We frequently see these issues see when working with system integration companies. Don will be writing an article about this topic in the near future....

Some further questions to keep your mind active on this topic:

- How can managers hire and promote great leaders?
- How can leaders hire and promote great managers?
- Do you have enough management in your company?
- As we move to having more machines and software, and fewer people in organizations, how must managers (and leaders) adapt?