chapter 5

LEADERS & MANAGERS: IT TAKES BOTH

No man is good enough to govern another man without that man's consent.

Abraham Lincoln (1864)

Leaders must fill some functions that are very different from those of managers. It is true that some people fill both roles, and there is nothing incompatible with the two functions. For those people who assume management or supervisory positions, the earliest part of their career is all about learning to manage. This involves learning the mechanisms and functions of the organization. A manager, then, is a technician, who helps people, processes, and systems function together efficiently.

Leadership, when most effective, builds on these management skills. The leadership task is to energize the maximum number of performers to pursue the vision in the most effective way. This is where so many downsizing efforts have failed to improve the organization's chances of success. That failure occurs when the leaders mistake efficiency for effectiveness. The pressure of costs overshadows the leader's need to energize the performers around mission accomplishment so that the organization can meet its challenges more effectively. Leadership is most obvious (by its presence or absence) in the face of adversity. This is not to say that the absence of adversity does not require leadership. Leaders devise new and more effective ways of dealing with any new situation while simultaneously maintaining their followers' focus on the company mission. They accomplish this by energizing the performers to exert discretionary effort.

Much has been made of charisma as a characteristic of leadership, but charisma is not a necessary component of leadership. Leadership occurs when the follower grants to another person the authority to deliver consequences. This is why leaders can appear at any level of the organization. As mentioned previously, hierarchal position does not imply leadership. In fact, the *roles* of management and leadership are independent. Let's face it: American industry has produced some spectacular leadership failures over the last few decades, such as Al Dunlap of Sunbeam, Roger Smith of General Motors, and Durk Jager of Procter & Gamble. For the most part, these were high-ranking managers, not leaders. If you cannot or do not positively reinforce others, there is little possibility that you will ever attain true leadership status, even if you become the CEO. Regarding leadership, an impressive title is only the starting point, not the finish line. Followers will gladly grant managers the authority to deliver positive reinforcement, because when followers experience positive results from that delegation, they are willing to cede more authority. Ultimately they will grant a leader the authority to use sanctions and to punish provided that the use of such consequences leads to greater levels of success and personal reinforcement.

A test of leadership is whether followers will remain focused on the mission and vision when no immediate benefits are available to them for doing so or when there are often many immediate negatives involved in the work. The true leader makes the consequences of involvement so valuable that performers ultimately overcome any skepticism they might have about participation. Even among military leaders who are considered great, few are noted for their use of aversive consequences. Clearly they have used aversive consequences but most great leaders are remembered more for their accomplishments and their ability to inspire (make it reinforcing for people to follow) than for their disciplinary methods. Napoleon, for instance, was quoted as saying, "Give me enough ribbon and I will conquer the world." Clearly he was not thinking of discipline or motivation in terms of coercion and punishment. And Norman Schwarzkopf, the U.S. commander of the Desert Storm forces said that he believed the challenge of leadership was "to get people to willingly do that which they ordinarily would not do" (Marx, 2005).

You can also be a good leader and not be a good manager. Examples abound of leaders who inspired large populations to try to surmount massive odds and to persevere in seemingly impossible quests. Yet at the peak of their triumph, their ventures fell apart. Poncho Villa was one such example. He led thousands of Mexican peasants to take up arms against the Mexican Army and, at times, the United States. His victory was transitory, however, because soon after taking power, he lost it and the reforms for which he had fought. Another example was Peter the Hermit, the monk who, during the Middle Ages, led the Children's Crusade to re-capture Jerusalem. He inspired tens of thousands of children and adults from Western Europe to leave home and follow him. Most died of disease or starvation on the journey or were captured and sold into slavery. Few ever returned home and none are known to have reached Jerusalem. A leader? Yes! A manager? No!

It is much easier to teach someone to be a manager than a leader. The principle reason for this is that there are so many more opportunities to practice management than leadership. Yet *effective* leaders are, consciously or unconsciously, practicing leadership skills each day. They note the overlap between management and leadership and accept the opportunities to develop both sets of skills. Leadership is concerned with getting people to want the reinforcers to be found in the behavior asked for; management is concerned with the delivery of reinforcement for the behaviors when they occur. If you can manage consequences contingently, with an emphasis on positive reinforcement, becoming a leader is a matter of technique. When you discover what is reinforcing about those behaviors that are mission-critical, pairing yourself and the organization's objectives with these reinforcers is an easier task.

Learning to lead is a function of deliberate practice. You refine your techniques and skills by observing the followers' responses. While you may pick up some pointers from the stories of others, you cannot simply imitate what they do. *This intentional search for the impact of your actions will set you apart from those who try to replicate the actions of other leaders.* This is certainly the history of organizations that have developed mission, vision, and values statements. Those leaders who followed through to see what impact these instruments had on follower behavior created a more focused, connected effort on the part of their organization. Those who failed to help followers make the right connections saw their efforts fail. Unfortunately, where these efforts at mission, vision, and values failed, these powerful tools turned into static and useless slogans and wall hangings.

In learning leadership there are no eureka moments. Just as the function of the leader is to lead change, what they do to produce the right follower response must also change. Leaders, for example, constantly examine the mission of the organization. Are we doing the right things? Are we structured to achieve the mission in the most effective manner? Are we efficient? They repeatedly re-evaluate their vision. What does the future look like? Why would someone want to be a part of this organization? And, they teach the values that determine acceptable and unacceptable practices in achieving that vision. These issues come from their concerns and not from a committee. When leaders establish themselves as a reinforcer, people try to answer these questions and practice these values because it is seen as the right thing to do. Again, the leader learns from the followers' responses.

In behavioral terms, leadership is all about making mundane behaviors directed at the mission, vision, and values more valuable in the sight of the followers. Since a leader can't provide enough immediate positives to drive the right behaviors for the organization, how does the leader increase the value of the reinforcers the performer experiences in the commission of their duties? In short, how do leaders make it important to each individual to do the right thing?

Leadership is not about driving people to excellence. It is all about getting people to perform beyond the point where punishment or extinction would have dictated that they quit or find some alternate choice. Those who use punishment freely misunderstand both leadership and management. Faced with the choice between the devil and the deep blue sea, or between the punishment from the boss and the punishment intrinsic in the behavior, people become very clever in finding ways to minimize their punishment. The leader gives people a way to experience positive reinforcement for making choices that might otherwise produce punishers.

If the leadership of an organization tries to teach values through threats and sanctions, they will eventually end up squabbling about the definition of their stated values. For instance, in one company where the stated value is integrity, individuals are expected to report to their supervisor when they make a mistake, whether or not that error caused harm. If the mistake caused damage, their self-report could lead to their dismissal. Failing to report the mistake can also lead to dismissal. This balance of punishment is expected to keep the individuals honest. However, the result is that self-reporting is a wink and a nudge situation. Each unit deals with the regulation according to the manager's personal criteria rather than by following corporate guidelines. Integrity, in that case, has become a matter of local definition rather than a common standard. In another company, a manager told us that his vice president was a fan of GE's former CEO Jack Welch and believed in the validity of his dictum to "fire the bottom 10%." The vice president's version of this process was to give 10% of the employees a performance rating of 1. If an employee received a 1 rating two years in a row, that employee was terminated. The manager relating this saga told us that he had 30 employees, which meant that he was forced to give three of them a 1 rating even if they were good performers. As he related his dilemma he said that he had a high performing group and that it was extremely difficult determining which three should get the 1 and much more difficult to inform those people of the rating. We are sure you can figure out how he solved his problem. He simply passed the 1 rating around so that no one received that rating for two years in a row. Of course, this creates a larger problem for the organization. The unreasonable policy has caused a manager to be dishonest, to the employees and to the organization. The vice president thinks the policy is working because he only sees the result of 10% of the workforce getting a 1 rating so he sees no need to change it. Yet this is a demotivating policy for the managers, for those who get the poor rating and for those who don't get it. This vice president is neither a leader nor a good manager.

Other choices are available. At West Point, for example, the official Honor Code specifies that "a cadet will neither lie, cheat, nor steal. Neither will he permit others to do so." The leadership makes honor such a value that cadets, when faced with the choice between duty and honor on the one hand, and loyalty to peers and friends on the other, will choose honor and duty. This commonly understood definition of *honor* is uniformly enforced by the cadets rather than from the command structure.

Leadership and Management—The Different Roles

Leadership and management can complement each other quite well, but the two roles demand a different focus. The five key areas where this different focus is most apparent are as follows.

#1 Change Versus Stability

Leadership's primary focus is that of creating change. In many situations this means bringing order out of chaos. It could just as well mean destabilizing complacency. The leadership effort is to change *is* to *should be*. That is why one of the outstanding characteristics of effective leadership is creativity. New challenges frequently require unusual responses. Market leaders talk about discovering customer needs before the customer does. One of the best examples of this is Steve Jobs of

Apple Computer. Rather than continuing to focus on building market share in computers, where he held less than a 5% share, he recognized a new, related market and focused there instead. Seeing that computers gave listeners more options, and that music lovers wanted access to their music wherever they were, he recognized that he could capture the lead in portable music with his iPods and iTunes. Rather than continually focusing inward on the organization, he focused on the changing desires of the customer for his direction and vision.

Management, on the other hand, is primarily concerned with stability. Once the change has been implemented, how do you make it work the way it was designed to work? This difference is similar to the difference between planning strategy and executing strategy. Managers focus on creating effective habits which will make the new process more productive. The intent is to constantly refine the process, the product, or the habits that optimize resource utilization. While it may take leadership to introduce an initiative like Six Sigma to an organization, such a process change requires management to make it produce to its potential.

#2 External Versus Internal Focus

Leadership focuses on the environment that is external to the organization. This includes the potential marketplace, the customer base, regulators, societal concerns, and other factors that will impact the future of the enterprise. This is where the vision comes from and it requires a big-picture approach to what the organization does and the impact that it has. This external focus is only of value, however, when the leader can translate the new requirements into internal, focused action.

Management takes an internal focus on the activities needed to move the organization in the leader's new direction. The emphasis is on the resources, processes, and the behaviors needed to accomplish this. Where leaders focus on the interactions between the products or services and the consumer, the manager focuses on the interactions between the processes and the employees to produce the product or service. That is why managers use measures such as productivity, budget, defects, and waste. Their focus is on the details of how the product or service is produced and delivered.

#3 Effectiveness and Efficiency

Effectiveness is one of the hallmarks of leadership. The question for leaders is always, "What is the best thing to do?" While leaders consider the efficient use of resources, they also know that effectiveness is the more important consideration. General Ulysses Grant successfully concluded the American Civil War because he recognized that a war of attrition was more costly to the Confederacy than to the Union. Where his predecessors had been concerned with the efficient use of their forces, Grant chose to be more effective. He was not callous to the injury and suffering of his forces but he knew that persistent offensive action was the right strategy. When President Kennedy was asked the question, "Why the moon?" he responded as follows:

> We choose to go to the moon . . . because [these goals] are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win . . . (Kennedy, 1962).

Efficiency is the hallmark of a good manager; taking on the right challenges is the mark of a good leader. Resource utilization is one of a manager's highest obligations. While they, too, ask if this is the right thing to do, their emphasis is typically on correctly doing the tasks that they are directed to do. Can the product or service be produced faster, cheaper, and better with less waste? A manager's priority is to conserve resources rather than to expend them. Toyota's management has demonstrated to the world the worth of utilizing resources wisely. Their *kaizen* approach and the Toyota Way are imitated by thousands of companies around the globe. Their efficiency has given them a significant competitive edge in their industry.

#4 Future or Near Term

Leadership is oriented to the future and to the unknown. One of its functions is to help the followers overcome their uncertainty over the risks inherent in change and show them how their current effort will produce future benefits that are worth the struggle. Without faith in the future, our daily efforts become meaningless and more burdensome. Routine activities become drudgery. Leadership actualizes visions of the future to give meaning to daily tasks and routines.

Today's tasks are the purview of a manager. Here the focus is on today but with a backward glance at yesterday. That is why their performance indicators are most often short term, showing a comparison of month over month or year over year. Consistent with the focus on improvement, managers are constantly trying to improve over past performances. Certainly, managers look to the future, but they do so to avoid ruining today's performance by surprises, shortages, or other disruptions.

#5 Creating Versus Delivering Reinforcers

The larger the following, the more leaders are forced to invest in creating reinforcing systems rather than directly reinforcing followers. Because they cannot effectively reinforce successfully as many individuals as necessary for success, they must focus on actions which make the reinforcers in the activities more valuable. President Kennedy's call for Peace Corps volunteers is an example. Individuals had for many years joined the Peace Corps and traveled to impoverished countries to help people in those countries live better lives. When President Kennedy called for more Peace Corps volunteers, however, their numbers grew by leaps and bounds. People were asked to sacrifice years of their lives, to forgo significant sums of money they could have earned at home, and to put their health and safety at risk as part of the bargain. Despite those daunting contingencies, Kennedy ennobled the work such that thousands voluntarily made the choice to participate.

While managers also may have large numbers of employees or direct reports, their focus should be on reinforcing individuals for their behavior. The reason for this is strictly functional. The only way to stabilize behavior is through reinforcement. Punishment increases the variability of human behavior and makes it less predictable. Reinforcement makes behavior more predictable and therefore more valuable. Once the leader has ennobled the work, the manager must still strive to keep that sentiment alive once the individual has met the daily reality of hard work and repetition. The best Peace Corps country directors retained large numbers of volunteers for multiple terms of service by frequently reaffirming the individual's contributions to the cause.

Leaders and managers alike are essential to the effective functioning of organizations. Ideally every manager would also be a leader and every leader would be an effective manager. Most organizations, however, structure the environment to prompt management over leadership. Managers' measures, their lack of emphasis on vision and values, and their reward structure drive daily activity on the part of all senior leaders to short-term results and toward efficiency over effectiveness. In addition, a lack of knowledge of follower behavior leads managers to make common sense errors which often suck them into a sandpit of firefighting and reactivity. Leaders are only free to be successful leaders when managers fulfill their management functions faithfully and effectively as well.