



The Great Divide Between Leaders and Managers

Leadership is a funny thing; everyone in business is continually talking about it, but there is surprisingly little agreement on what it really means as a concept. It's almost become a buzzword which indicates more of an aspiration than an actuality. Frequently the very organisations which spend most time talking about it are worst at genuinely cultivating it. The best way of reaching a workable definition of leadership is to distinguish the role of the leader carefully from that of the manager.

Basically, managers are needed to handle a steady state of a business: the state when a particular business area and/or profit centre is going well in the sense of being profitable and extending its sphere of influence and activities by regularly winning new customers.

It is true that in business today, with all the dynamics and rapid change of the business environment, a true steady state is rarely genuinely achievable. Instead, one should strictly speaking talk about a 'relatively' steady state. Managers are required to handle situations where matters and dynamics can be predicted with reasonable accuracy.

There is, one might argue, a case for managers being consistent rather than imaginative, reliable rather than inspired, and for delivering a level of performance which ultimately continues to embed the successful business area or profit centre in its marketplace without risking losing its consistency and integrity by venturing into new areas.

Of course, just because managers are usually at their best in situations with predictable degrees of freedom, this does not mean that they are uninteresting or ultimately less important than leaders. Almost all areas of human activity attain a degree of steady-state at some point, and when they do, the mindset for managing them needs to be different from that required when the enterprise was being set up.

However, people with the psychological makeup and personal profile which makes them superb managers – and every organisation needs many of these people – are not necessarily those who can carry out the role of the true leader. Today, what determines whether an organisation will attain its full potential or not is frequently whether it can generate from within – or, in some rare cases, source from outside – people with true leadership qualities. Such people are enormously precious not only because of their impact on the business from a creative and business development perspective but also because they tend to attract followers within the organisation who may be inspired to become leaders themselves.

Furthermore, it is important not to make the mistake of assuming that leaders are only required at the very top of an organisation. In fact, leaders are required at every level of the organisation to make things happen and to inject a level of energy and true motivation into the organisation's activities.

The long run of economic growth in the United States and indeed in the UK, coupled with other important trends such as globalisation, increased technological sophistication and economic liberalisation – has meant that organisations both in the private and public sector are operating under conditions of high rates of change. In any such conditions, the rewards for successfully implementing new initiatives are likely to be very high, but similarly, the penalty for failing to adapt to change (which often simply means failing to exploit exciting opportunities) is likely to be that the organisation gets taken over. There is no room in the kitchen for those who can't stand the heat.

In the highly dynamic and challenging economic environment of today, leaders are needed who give a real meaning to the term. Sometimes, in the past, a truly successful manager could convince himself that he was a superb leader as well, and if he was lucky he could convince the Board, too. Unfortunately, when the chips were really down, and the manager had to cope with a situation of dynamic change rather than the more incremental variety, the manager was revealed to be, indeed, a manager rather than a leader. But that revelation takes time, and by the time the organisation is aware who is at their helm, it might be too late to exploit important competitive possibilities.

Leaders are explorers. The often quoted fourth century BC military strategist Sun Tzu once observed very wisely that all battles are won before they are fought. In many respects this is profoundly true of the battles won by real adventurers. They have explored the different avenues of their specialised field so well that they had no doubt – or little real doubt – that their venture would succeed.

Leaders need to inspire. They need to be visionary and creative. They must, almost by definition, be effective at what they do and they need to know their marketplace almost better than they know themselves. Ultimately, they need to transmit the vision they see to people with whom they work; people who are unlikely to be as inspiring or as creative as they themselves are, but who desperately want to share that vision. Remember the film Jerry McGuire? Remember what the young accounts clerk says when she leaves her safe but boring job to work with Tom Cruise in his exciting new enterprise? She says: I just want to be inspired. A leader who can fill his or her organisation with people who have that need and who can fulfil it for them is on the path to great success.

Why make such a fuss about the need for leadership? The reason is that the changes mentioned above have indeed put a premium on this comparatively rare human quality. Moreover, because a premium has been put on leadership qualities, more and more leaders are required at younger ages and at lower levels in organisations' hierarchies. In effect, there has been a progressive increase in the demand for leaders. It is an increase which has been accentuated by a decrease in supply due to many leaders from blue-chip organisations having been headhunted by well-financed start-ups which can afford to make these people offers they can't refuse. There is also the factor that organisations tend to be less hierarchical today and so promotions are frequently fewer in number but cover bigger jumps in skillset and abilities required.

Generally, many managers need to build up interpersonal skills which they may well have in the past considered irrelevant. Worse, they may not even be aware of these skills at all. One client I coached recently complained that he frequently failed to recognise the emotions of others. Among other things, I recommended that he go round his local art gallery with his wife and discuss with her the emotions that certain paintings inspired in her. He found this exercise so beneficial in terms of developing his understanding of emotions both at a personal and professional level that his wife subsequently wrote to me to thank me for the effect this 'art therapy' had had on her husband.

If I may, I would now like to move to looking at how real leadership qualities can work in an information technology environment. This 'ideal' picture of how leadership can boost an IT company's success to greater and greater heights is based not on one specific IT organisation (in practice, few get everything right all the time) but takes elements from several organisations with which I have been involved.

At the core of the organisation's success lies the mission statement, which should not be buried away somewhere in a corporate brochure but which is communicated to everybody at the organisation through posters strategically located throughout the premises and even on screensavers and at the foot of e-mails. Thomas Watson, the US industrialist who created IBM early in the twentieth century out of a number of disparate technology companies and propelled it forward to become easily the largest technology company in the world, liked to site placards bearing the motto (and credo) 'Think' around IBM's offices. We can be pretty sure that if Watson were alive today, this motto would appear on the screensavers of IBM's in-house PCs. While 'Think' is an encouragement to the troops rather than a mission statement, it has the same importance at the core of the organisational culture. How can everybody pull together if they don't know the direction in which they are pulling? And by the way, the mission statement needs to be expressed in clear, unambiguous, direct language which is ideally not only readily comprehensible to native speakers of English but also to

those for whom English is a second language. How do you know which overseas subsidiaries you will wind up running once your organisation really starts to become successful?

Next, there is the crucially important question of the charisma and inspiration that emanates from the people who are leading the company. These people are not there to enjoy the trappings of power – high salaries, long lunches, first-class travel and so on. No, these should merely be incidental benefits and the people having them should be so focused on what they can do for the IT organisation they run that they barely notice them. It is an easy mistake to assume that an IT company, being an organisation which makes its living from selling high-tech products and services, should be run by people who are above all technical wizards. The truth is that the people running the organisation might be technically gifted, but equally they might not. It seems to me that what is much more important, in an IT environment, is the personality of the leader, and in particular his or her ability to do all of the following: inspire technical staff to do their very best work by creating the right environment for them and by giving them opportunities to see that ultimately the organisation stands or falls by the quality of their work. The environment issue is particularly important here; technical people usually like to work in a relatively informal, friendly and collaborative atmosphere where they feel encouraged to be creative and pursue interesting and potentially innovative ideas that occur to them. People without technical backgrounds often dramatically underestimate the creativity involved in software and system development; this creativity needs to be given a full rein if the organisation is to maximise its potential.

lead by example, especially in the sales arena. By definition, every successful IT company is a 'frontier organisation', operating not only at the leading edge of what is technologically possible but also at the wave front of how customers make use of technology to boost their own success. It is interesting to note that while many highly successful leaders of IT companies are not themselves techies, they are invariably brilliant salespeople. Thomas Watson, for example, had relatively little technical knowledge and indeed when he decided to accept the offer to head the punched-card tabulator company which was to form the backbone of IBM, his decision stemmed partly from him being in awe of the incredibly fast tabulators whose operation he did not fully understand. He was a brilliant salesman, whether his customers were large commercial organisations, the US government or foreign governments. In our own day, some of the heads of the major US hardware and software companies are techies and some aren't, but again they are practically all brilliant salespeople. Leading by example also means working harder and more concertededly than the people you are leading. Phone your technical team from your yacht moored at St Tropez and ask them to work until three in the morning to complete a job and the chances are they will be decidedly unimpressed. But go to see them and ask for the extra effort when you have just come off the plane from New York and not bothered to get much sleep yourself and they will respect you. lead by strength of personality, charisma and by the ability to embody a vision. Ultimately, the most important inspiration a leader can awaken in those he is leading is a passionate desire

to want to do what the leader wants them to do. This is the ideal motivation because it has its own satisfaction. The precise leadership 'personality recipe' which leads to this effect is hard to specify, but certainly a passionate commitment to the organisation's mission, a first-name acquaintance with ideally all the organisation's people, a brilliant skill at selling and dramatising the benefits of the organisation's products and services to potential customers and the media, and a larger-than-life personality, which makes those one is leading feel proud and privileged to be working for the leader, are all essential in creating that spirit of devotion.

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