

# What's the Difference between Management and Leadership?

## ***Introduction***

When comparing management with leadership, it is important to recognize that they are not one and the same. While the basic outcomes of the two at times seem to overlap, the process by which they are achieved is actually quite different – management and leadership are in fact two very distinct functions in any organization.

## ***The Manager***

The key focus of a manager is to control and direct systems, structures, and resources. Managers use formal, rational methods for establishing control over their subordinates. Employees follow a manager's direction in exchange for being paid a salary, which is known as a transactional relationship. They establish direction by upholding the status quo and reinforcing the rules that have already been established. Often, a manager focuses on short term goals and looks for ways to avoid or mitigate risks. The ultimate goal of a manager is to establish standardization, resulting in improved efficiency.

## ***The Leader***

The fundamental focus of a leader is to motivate people. They use inspiration to stir the hearts of their followers and create passion for their vision. People will voluntarily follow a leader due to their charismatic personality. A leader typically spearheads a new direction for a group, which often has long-range goals and targeted outcomes. Concerned with doing the right thing, they will challenge the current status quo and take risks to accomplish their goals. Using a transformational style, a leader promises extrinsic benefits to a follower, such as becoming a better person or being a better teammate.

## ***The Differences***

The most important distinction between management and leadership is in their approach. As discussed earlier, managers and leaders share many similar functions, but the ways in which they achieve a goal is very different. To improve your

understanding of the difference between a manager and a leader, review the following table.

Topic	Manager	Leader
Focus	Systems and structure	People
People	Subordinates	Followers
Power	Formal authority	Informal influence
Risks	Minimizes risks	Takes risks
Decision-making	Makes	Facilitates
Concern	Doing things right	Doing the right thing
Perspective	Short range	Long range
Style	Transactional	Transformational
Direction	Plans and budgets	Sets strategy and vision
Status quo	Maintains	Challenges
Principles	Rules	Values
Goals	Standardization	Innovation

As you can see in the table above, the behaviors between managers and leaders significantly vary in how they approach each topic. For instance, both a manager and leader make decisions, but a leader facilitates the decision making process, while a manager makes the decision.

## The Need for Both

All too often, management is described as the mindless, number crunching chore of harping on people to do their job and agonizing over details, while leaders are idolized as big picture visionaries who inspire others to become better people. As a result, people generally seek to be leaders and believe managing is boring and unimportant. However, this could not be further from the truth. Management and leadership should be viewed as complementary to one another.

Leaders foster innovation and transform organizations. Their natural born instinct to inspire others defines the vision necessary to achieve a competitive advantage in the marketplace. On the other hand, a manager's ability to effectively and efficiently manage and utilize resources is critical to the survival of the organization. Both roles serve necessary and crucial functions to the overall health and prosperity of an organization.

## Summary

- Management and leadership are not interchangeable.
- While management and leadership share similar functions, they are still very distinct functions.
- A manager uses positional power to control and direct systems, structures, and resources.
- A leader uses inspiration to stir the hearts of his or her followers and to create passion to follow his or her vision.
- The most important difference between management and leadership is how they go about achieving their goals.
- Complementary to one another, both management and leadership roles are critical to the survival and growth of an organization.