

## MANAGEMENT OR LEADERSHIP

“A statesman gains little by the arbitrary exercise of ironclad authority upon all occasions that offer, for this wounds the just price of his subordinates, and thus tends to undermine his strength. A little concession, now and then, where it can do no harm is the wiser policy.”

**(Mark Twain (Samuel Langhorne Clemens), A Connecticut Yankee in King Arthur's Court)**

Leadership, or the concept of one person at the head of a section, a group, a division, a company or a military organization leading the charge, foolishly or otherwise, and exhorting others into battle or new areas of business is nothing new; it has been around for centuries and every now and then it achieves a high profile until the next management fad, like delayering, downsizing, outsourcing, re-engineering or re-alignment, comes along. Indeed, during the last two decades of the 20<sup>th</sup> century leadership, based on the tried, tested and proven military model of 'command and control', was out of fashion as managers, not leaders, were exhorted to adopt a lighter touch through training, empowerment and 360 degree feedback. The result, according to a survey by the Chartered Institute of Management, is that at the beginning of the 21<sup>st</sup> century less than 1% of junior managers have faith in the leadership ability of company directors.

If that is the case, and I have no reason to doubt the veracity of responses by managers to such questionnaires, then it begs the question whether too many senior managers have spent too much time in classrooms learning the theory of management and the importance of the 'bottom-line' rather than the importance of being able to instill confidence in other people through the ability to weigh-up options, determine strategy, choose a course to steer and to generate enthusiasm and commitment. I am certain that all of us are able to name, from the media and other business magazines and sources, one or two people who head up organizations who display the sort of flamboyant presence that gets their company noticed. But is that necessarily leadership, or acting?

The results of the same survey also suggest that too many Chairmen, Chief Executives, directors and senior managers spend too much time closeted in their offices instead of getting out and about and being seen to take an interest in what their company provides or manufactures and what their people are actually doing. It also implies, perhaps, that too few Chief Executive, Managing Directors and directors are not trained and promoted through the ranks from within but brought in from outside because they may have been successful elsewhere. Too many companies appear to want a figurehead to do nothing more than deal with financial institutions in the City and to communicate, usually by letter or internal e-mail nowadays, their thoughts, views and opinions. Unfortunately, their vision of strategy and leadership is, more often than not, based on the management mantras of business re-engineering, off-shoring and merger and acquisition activity and not on growing the business from organic assets. Perhaps that is why so many fail?

The UK government, keen to be seen to be doing something to raise the profile of British business and British companies in particular, established the Council for Excellence in Management and Leadership in 2000 tasked with trying to determine why this country does not have too many world-class companies in manufacturing and the service sector. I am not aware of any report or recommendations from this august body, whoever sits as a member of the Council, but, apparently, it may lead to a change in emphasis in business school courses. However, it does not answer the questions 'what is leadership' and 'what is a leader.' Besides, organizations are not successful because of one person at the top; they are successful because of the combined efforts of those lower down the structure.

Some years ago, whilst reviewing the book 'Leaders on Leadership', published by the Institute of Management, I recalled the way in which, during my career in the Royal Navy, management and leadership were taught as part of the same process of learning how to treat and communicate with others who would work for you in the future, how relationships were built up between those who were lead and those who did the leading through decision-making, and how one progressed, by learning and earning on professional and vocational courses and practical experience at different levels and within different ships and establishments, gradually from being one to the other.

Of course, there is a historical precedent in our Armed Services and attitudes and examples have been built up over centuries. Nonetheless, the naval and military system of training and education not only works but also is seen to work and very well; and, it has nothing to do with an autocratic and disciplined system and more to do with organization, administration, professionalism, integrity, openness, communication and commitment through knowing and understanding what others have to do.

Throughout history there are numerous and varied examples of people who can, perhaps, be described as a leader and having displayed leadership qualities. These people could include among their number Alexander the Great, Julius Caesar, Oliver Cromwell, Abraham Lincoln, Admiral Lord Nelson, The Duke of Wellington, Napoleon, General George Washington, Winston Churchill, Franklin D Roosevelt, Field Marshall Montgomery and, President John F Kennedy, all, mostly, naval and military men and/or politicians with a military background.

But, what made them unique? They all had a vision and a story to tell and they all had the ability to persuade other people to believe in their cause and course of action. But, what about great religious leaders like Moses, Confucius, Jesus, Buddha and Mohammed? They too had a story to tell and they all have, to this day, many followers.

So, in the first instance I suggest that leadership is, perhaps, about people or followers. Without followers it is not possible to be a leader; and, without input, advice and support from other people, be they military staff officers, company directors and managers, or even family and friends, a leader is unable to function because no man or woman can run any organization by themselves. Of course there are charismatic people who emerge to head the pack, sometimes because of their accepted or perceived ability, other times because of their knowledge and experience and sometimes because they can project an image that somehow represents the ethos, pathos and logos of the organization; but rarely do they fit all three sides of the triangle.

To become a leader, I suggest, one has to spend time developing the qualities, attitude, bearing, manner and appearance of a leader. Being recognized and accepted as a leader is another part of the equation. It is an important part of the process of personal development and is essential before being thrust, far too soon, into the higher levels of organizations with full responsibility and accountability for the success or failure of the organization and for the progress and growth of other people. Leadership is not an easy subject, it is not easy to define and it takes time to learn.

But leadership is not about taking centre-stage at the AGM, that is acting; leadership is not about being at the podium at the occasional event to address employees, again that is acting; leadership is not about producing a monthly message to the troops, that is management; leadership is not about appearing on an occasional basis so that people know you are still around, it is about regular appearances and making sure you know what employees are doing, what their problems are and taking an interest.

Despite the loss of Admiral Nelson at Trafalgar the English fleet was still victorious. Why? Because Nelson had thought about what had to be achieved, he had clear objectives, he articulated his plans and, apparently, he inspired people to give off their best. Also, and unlike the senior management in many organizations and companies these days, he planned strategy with his senior officers, he communicated with his Captains so that they were aware of what was required of them during the forthcoming confrontation and they in turn translated the broad outline of the plan to be followed to the officers and men in their individual units.

Communication and the ability to communicate policies and plans is a fundamental requirement when determining strategy. Further, Nelson was deeply committed to the Royal Navy and to the people who served with him and that belief and commitment permeated down through the ships and the squadron he commanded encouraging effort and sustaining morale. So, communication is of paramount importance?

Nowadays leadership is something that politicians are occasionally called upon to show, especially in the face of real adversity, and they need to be able to communicate to get their message, or messages, across. In business it could be suggested that a few successful Chief Executives of mostly major companies are leaders because of their ability to grow the business, to increase profit margins or to pay greater dividends. Their primary task is, therefore, of a financial nature.

But is that leadership or is it management? I suspect it is the latter. I pose the question because management is, basically, about the use and control of resources and the exercise of power but, increasingly, tends to concern itself primarily with financial considerations whereas leadership, in my view, is about people and their emotions and about supporting, understanding and developing human beings. It is about exercising that same power but almost in a different manner.

And, all leaders have their day but all leaders finish at some point and for one reason or another but organizations, if they are structured correctly, continue to flourish. The following quotation provides, I believe, a useful analogy,

“Although leadership and the exercise of power are distinguishable activities, they overlap and interweave in important areas. Consider a corporate chief executive officer who has the gift for inspiring and motivating people, who has vision, who lifts the spirits of the employees with a resulting rise in productivity and quality of product, and a drop in turnover and absenteeism. That is leadership. But evidence emerges that the company is falling behind in the technology race. One day with the stroke of a pen the CEO increases the funds available to the research division. That is the exercise of power. The stroke of a pen could have been made by an executive with none of the qualities one associates with leadership.”

**(John W Gardner (1912 – 2002), US political activist and statesman. On leadership)**

Leadership is about reassurance and creating conditions whereby human beings feel secure in their surroundings and are prepared to give off their best; it is about communication, knowing how to listen as well as give direction; it is about having the management and organizational structure in place especially for succession planning or that allows others to take over when necessary; and, it is about encouraging, motivating and training other people, employees or students, such that they gain the confidence to succeed. It is most certainly not about arrogance.

So, is there any difference between a leader and a manager and do both subscribe to and demand the same set of values especially when dealing with other human beings?

Managers, it seems to me, strive to add value to their own career and the circumstances and progress of a few up the corporate ladder, possibly through the 'old school or university tie' or perhaps even through nepotism. Managers are often fond of adding academic courses and qualifications to their 'curriculum vitae' and it seems that aspiring to senior management can only be achieved by taking a Master of Business Administration (MBA) programme.

But leaders, by their presence, professionalism and attitude, seek to add value not only to the company or the organization but to the career and circumstances of others. Leaders are not necessarily, those who are the most academically gifted because such ability, more often than not, tends to lend itself to cerebral processes and not necessarily to action. Perhaps for perceived academic ability and intelligence one might substitute common sense?

Nor are leaders the people who can run the fastest, jump the highest or furthest, swim the fastest or deepest or win more medals than anyone else. Leaders are the ones who have the ability to articulate and communicate policy, plans and procedures, have knowledge, bearing, manner, attitude and confidence, who know how to pull people together in a team and exhort others to succeed.

Leaders are people who want to get things done through co-operation and not just for personal gain; and, they have the ability to listen to internal and external advice before making decisions. Leaders are people who not only command respect from their peer group but from superiors and subordinates and they are accepted as, and are seen to be, capable of accepting responsibility and accountability. I suggest that respect for our person, our profession and our position is something that we all expect even demand but something we so often fail to give.

But what about leaders in the business community, are there any? Companies appoint managers they cannot appoint leaders. Individuals may be given the right, through position and status, to manage but no one is given the right to leadership, it has to be learned and earned through experience and not in the classroom.

When asked for examples I am certain that those of us involved in management, in whatever capacity and at whatever level, might refer to people who head up major multi-nationals and whose faces regularly adorn the front pages of business and management magazines. A few, mostly American, spring to mind but are they really leaders who concentrate on improving the company and its products, processes or procedures and trained their people to succeed or do they concern themselves more with achieving their own ambitions and self aggrandizement? Being somewhat cynical I suspect the latter.

Leadership is not about products, plant or profits it is about people. And, leadership is not a science it is an art. To consider treating people as a resource or capital, that is placing a value on their being like items such as computers, desks and chairs, is fatuous. Human beings are employed, increasingly, for their knowledge, their particular skills or ability in a specific area or for their ability to get thing done and oftentimes people are recruited because they 'fit' the corporate image. But, again, having the 'right' background does not make someone a successful manager let alone a leader.

I suggest the following are some of the qualities one should learn to cultivate when aspiring to be leader and should also be applied to anyone who might wish to climb the corporate ladder as a manager. They are in no particular order:

1. **CANDOUR** - Integrity and openness are essential to communication. If people discover they have been misled they are unlikely to forgive or forget. If you cannot or do not learn to trust other people they are unlikely to trust you and, without credibility you have no followers.
2. **COMMUNICATION** - learn to listen attentively to the people who work with and for you and listen to what is being said. We are given two ears and only one mouth, therefore, perhaps, we ought to, or learn to, listen twice as much as we talk. However, it is important to be open, honest and concise with information.
3. **CONDUCT** - Responsibility and accountability goes with position. Do not take people or organizations for granted. Make a point of keeping others informed and expect them to keep you informed. Involvement is the key.
4. **CONCLUSIVE** - learns to listen to the facts, take advice, make a decision and stick to it. If it turns out to be wrong then actions can be taken to resolve the matter, but there is nothing worse than procrastination.
5. **CONTROL** - No one thrives on chaos only chaos itself. It is not necessary to be methodical, that is for automatons, but it is important to be organized and, it is important to treat people, employees and business contacts, fairly.
6. **COMPOSED** - strive to exercise control over emotions such that, even in the heat of battle, people will recognize that you will do your best to extricate them. You achieve nothing by losing your temper through anger or frustration
7. **COMPASSION** - you cannot lead people when you are or you appear to be disinterested or distant. You must care for and be enthusiastic about many things in your organization, and most importantly care about your employees.
8. **COMPREHEND** - make the time and take an interest in other people's problems and listen to their suggestions as to how they might solve problems.
9. **CONTACT** - it may be necessary to formulate policies and plans in isolation or in a small group but you do not lead from behind a desk. People need to see and know who is making the decisions affecting their livelihood, their career, or in military circles, often their life. Get out and about, look and listen.
10. **COMMITMENT** - people want to be part of a successful team and to do that they need to be able to respond to others who are able to accept responsibility and accountability for making them successful. Leaders give others the direction and impetus to succeed. If you are not prepared to accept responsibility and accountability then you have no place pursuing the position and status of a leader.

But, why the sudden importance placed on leadership by the business community and by professional organizations and institutions that represent senior managers in business? I suspect it happens for a variety of reasons. First, when there is a sudden surge in global instability be it political, economic or social or a combination of all three, people, for which read financial investors and major shareholders, look to see who will emerge on the political stage not only to be seen to 'take charge' of the situation but to calm nerves and re-assure them through communication that there is a solution and that measures can be taken to re-stabilize trading conditions re-invigorate an economy and perhaps even create employment opportunities in the process.

Under those conditions leaders are, perhaps, those who seize the initiative and not necessarily for personal aggrandizement because if they do that or are perceived to be doing that then it will be suggested that they are pursuing a personal agenda and their star will tarnish. Second, and allied to the first, when a national, regional or more likely these days a global economic downturn happens people, investors and employees, pay much greater attention to how companies are run and managed.

Perhaps we need to recognize and accept the fact that solutions and success come not from one individual at the top of an organization but necessarily from the combined efforts from those down the corporate ladder or management structure who, provided with information and a set of circumstances, take a decision that leads to an increase in efficiency, effectiveness or improves procedures and processes?

Increasingly corporate governance, call it responsible social ethics if you choose, is important not only to investors but also to employees, suppliers, customers and communities. Under those circumstances it is essential that leaders emerge who will not only re-assure all the stakeholders but also will be seen to take appropriate action to implement change if and when there is a danger that poor or bad corporate practices might endanger the existence of the organization.

That is because companies must realise, at some stage, that they need workforces that have many types of experience and qualifications and that they can best produce future senior managers, perhaps even leaders, through internal professional development programmes. As President Truman suggested:

“In periods where there is no leadership, society stands still. Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better.”

**(Harry S. Truman (1884 – 1972) 33<sup>rd</sup> President of the USA)**

Third, it is because in organizations that, increasingly, use sophisticated technology and where greater levels of responsibility and accountability are passed down the structure - some call that empowerment, I call it common sense - people look to be led rather than managed. That is given guidance and direction and not lectured at and micro-managed through directives, procedures and instructions.

However, given the management fads of layering and downsizing, introduced during the last decade of the 20<sup>th</sup> century, fewer and fewer people now have the opportunity to learn about organization, structure, responsibility, accountability and people by climbing a corporate structure because the opportunity to do so has all but disappeared. Therefore, pressure is put on organizations to recruit people with the right academic background, that being, apparently, the only yardstick to indicate suitability.

But, this does not imply a need to recruit only graduates with higher levels of academic ability; this is something the armed forces tried in the 1970's and came unstuck in the process, but the ability to recognize potential. There is a need for those involved in the selection process to appreciate qualities from different age groups and from a cross section of backgrounds and abilities. It also demands much greater awareness and more capability and flexibility from those same recruiters for the basic reason that people develop at their own pace and someone slow out of the blocks at the beginning can, like the hare and the tortoise, get a second or even third wind later in life and you may lose out in the process.

All companies need managers who are capable of managing assets. But, all organizations need leaders with the presence, bearing, manner, appearance and the common touch, to present the company or corporate culture and image to the inside and outside world and meanwhile accountants and other management support teams work behind the scenes to take care of the 'bottom-line'.

Besides, you can, perhaps, absorb the theory of leadership through management courses but you do not learn to be a leader by sitting at a desk, reading books and writing memorandums; leadership demands practical experience of managing people in a variety of situations and circumstances and even in different companies. In other words you learn to be a manager and a leader through experience on the shop-floor and by rising through an organization and not by academic ability.

So, what do people want of and from a leader? I believe that people in any company want to see someone, at the helm of an organization, who not only has the presence, the bearing, manner and appearance of someone who shows leadership qualities but someone who listens, who is decisive and is capable of making decisions based not just on one set of pre-determined values but capable of accepting advice from expert sources and taking into account the best interests of any and all sections within that organization or company.

I know that sounds like a tall order but if, for example, the sole objective of a chairman or chief executive is to make as much money as possible and at all costs then clearly other areas of the company will suffer as he or she seeks to pare down overheads and other costs through redundancies thus putting pressure on those employees left to take up the slack; on the other hand, if the sole objective of a chairman or chief executive is simply to sell more products by under-cutting the competition then profit margins are likely to slip and that could lead to redundancies; and, on another tack if the sole objective of a chairman or chief executive is to produce goods or services at the cheapest possible price then it is most likely that quality will suffer, the products will not sell and that might also lead to redundancies.

Conversely, I also very firmly believe that people, in any and all organizations, do not want someone to lead them who is arrogant, ignorant, aloof, dismissive, does not listen to input and advice from others, who is out of touch with what happens within the company and among employees and who does not clearly communicate policy, plans and procedures so that those affected by decisions and changes in direction can make their own mind up whether to accept and go along with who, what, where, whither and when is being proposed.

Leadership is not, and should not be, as easy as some might imagine.

(4070 words including quotations)

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