According to the current wisdom, managers are principally administrators—they
write business plans, set budgets and monitor progress. Leaders on the other hand,
get organizations and people to change. That's true, as far as it goes, but there is a
more useful distinction between management and leadership: Management is a
function that must be exercised in any business, leadership is a relationship between
leader and led that can energize an organization.

Of course, the management function can include problem solving and facilitating
meetings as well as the traditional bureaucratic tasks. However, it is not necessary
for the same person in a group to exercise all these tasks. Different people can take
on parts of the management function. Someone on a team can do the planning.
Another person can do the budgeting. A third teammember can monitor quality.
Members of a team can take turns facilitating meetings. The team as a whole can
share responsibility for meeting performance targets. In other words, you don't need
managers to produce good management.

I have seen a number of cases in which teams have been able to determine for
themselves which management tasks they wish to perform as a group, which ones
individual team members wish to take on, and which they will delegate to a
manager.

If you gave this choice to members of a technical staff, they might decide they
wanted a manager to take care of the bureaucratic stuff so they could remain free to
do more interesting work —like science!. Typically, technical staff, like professionals
in other fields, don't like to evaluate or discipline colleagues. They would rather hire
a manager to do that kind of dirty work.

However, at the GE/Durham plant that assembles engines for the Boeing 777, there
are 170 employees and only one manager, according to Fast Company (Oct. 1999).
There are nine teams, each with only one directive: the day their next engine must
be loaded. Teams decide who does which work; they schedule training, vacations
and overtime; and they deal with teammates' issues of productivity or lack of work
ethic. But this is seldom a problem. Although there are no incentives other than
promotion on the basis of skills, technicians are motivated by the work itself, the
drive for perfection and pride in supplying one fo the highest-thrust engines in the
industry. Teams also send members to a work council that deals with issues such as
supplier problems, computer systems and human resource issues, and the like.

And what is the manager's job? Listening, informing, focussing the teams on costs
(during the past 5 years, costs were cut 10 percent per year), and representing the
factory to the customer and within GE.
Perceptions of Management

The Dilbert comic strip reminds us that in an age where the young may know more than their elders, technical staff may view managers as people who don't understand technology and who make life difficult for them with demands that make little sense. Perhaps technical teams with Dilbertian managers would be fed up enough to take over the management function.

The manager in the Dilbert strip is a leader only in the sense that members of the technical staff are forced to follow his directions. Of course, ideally a manager is also a leader that people want to follow. In that case, there can be a relationship that strengthens a group and focuses it on meaningful work. The questions we should ask about a business leader who has a following are:

- Why do people follow this leader?
- What should the leader do to make teams and organizations successful?

Here are some answers:

People follow a leader either out of fear or for a mix of positive reasons such as hope of success, trust in the leader, excitement about a project or mission, or the opportunity to stretch oneself to the limit. In this regard, Russell L. Ackoff conceives of a transformational leader as creating an aesthetic vision which inspires people with an ideal of what can be achieved. Warren Bennis describes leaders who make people feel they are the best and can achieve whatever they can imagine.

Leaders can also be dangerous, however, especially charismatic Pied Pipers who seduce people into disastrous adventures. Sometimes it can be hard to tell the difference between a Steve Jobs who promises that the team can be “insanely great” and a demagogue who turns out to be greatly insane.

Management vs. Leadership

<table>
<thead>
<tr>
<th>A Function</th>
<th>A Relationship</th>
</tr>
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<tbody>
<tr>
<td>Planning</td>
<td>Selecting talent</td>
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<tr>
<td>Budgeting</td>
<td>Motivating</td>
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<td>Evaluating</td>
<td>Coaching</td>
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<td>Facilitating</td>
<td>Building Trust</td>
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Good Leaders

We need to recognize that there are two kinds of leaders: strategic and operational. The first priority of a strategic leader is to envisage the company’s future and to invest the resources necessary to create it. Operational leaders have the job of implementing the vision.

However, there are four things that both strategic and operational leaders can do to make teams and organizations successful. They are: selecting talent, motivating people, coaching, and building trust.
In *Organizing Genius* (Addison-Wesley, 1997) Bennis and Patricia Ward Biederman point out that leaders of great teams pick talent on the basis of excellence and ability to work with others. Good leaders are not afraid to hire people who know more than they do. Jack Welch has said that his biggest accomplishment has been finding great people.

In *Why Work?* (Second edition, Miles River Press, 1995), I suggest thinking about motivation in terms of four Rs: responsibilities, rewards, relationships, and reasons.

A leader should design responsibilities that engage a person’s competence and values. Responsibilities are motivating when they stretch people and are meaningful to them. Responsibilities can engage such intrinsic motivations as exercising one’s abilities, creating something new, helping others and providing value to customers. Which of these meanings is most motivating depends on an individual's personality.

The combination of intrinsic motivation with extrinsic rewards and recognition can produce highly motivated people. Of course, incentives, rewards and recognition should reinforce the kind of behavior needed for the team’s success. If you want people to cooperate, you need to reward and recognize successful cooperation.

A good leader also strengthens motivation and develops competence through coaching. In particular, he or she knows how to keep people focussed, recognizing that unless technical staff keep their eyes on priority goals, they will tend to drift into paths that are attractive to them, but not essential for the business.

Good leaders also fire up people by convincing them that their job is vital for the business to succeed. On one hand, people quickly turn off when they feel their work is unnecessary. On the other, they feel motivated even doing simple repetitive work when it is meaningful, like stuffing envelopes for a cause they deeply support.

**Developing Trust**

Finally, good leaders develop trust by walking the talk, doing what they preach. Unfortunately, it is not always possible to keep promises in today’s unpredictable business environment. The market changes, new competitors upset plans, technological breakthroughs force rethinking strategy. It is not surprising that organizational surveys typically show a large gap in trust for today’s leaders.

In this turbulent climate, leaders can increase trust by promoting transparency and involvement. Transparency means clarifying reasons for decisions, and being open about compensation policy, business results and market information. Professional knowledge workers want to know what the leader knows about what is coming down the road. They also want a say in decisions they are expected to implement. They want to be sure their views are heard and taken into account. Even when they are disappointed by the decisions, knowing they have been heard increases trust, especially when the reasons are explained.

To summarize, companies need good management and great leaders, and efficient function and energizing relationships. Bureaucracies are typically overmanaged and underled, resulting in bored, unmotivated employees. Start-ups are often intensely led and undermanaged, so that enthusiasm leads to unplanned problems, overspending and missed deadlines.
There are many different ways to exercise the management function and people are willing to follow different leadership styles. Although there are many good examples of management and leadership, there is no one best way. You can get good ideas from observing successful companies, but you need to design your own management function by involving team members, and developing your own way of inspiring people to follow you.