

LEADERSHIP, MANAGEMENT and RUNNING THINGS PROPERLY

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Alistair Mant weighs into the hoary old leadership vs management debate, suggesting that the L-word (leadership) has been corrupted by current usage, and that the only term that makes any sense is “managerial leadership” – because management and leadership are invariably and inevitably opposite sides of the same coin.

The abuse of language

We have become obsessed by “leadership”. The less we like and trust our leaders, the more we overuse the L-word. It appears here in inverted commas because we can’t be sure what it means any more. Like the Red Queen, we want it to mean what we want it to mean – so it has become nearly devoid of meaning. Why is this? What does it tell us about our naughty world? Does it matter?

Meanwhile, the M-word (management) has been relegated to also-ran status. Yet we are surrounded on all sides by cockups, blunders and other evidence that we are hopeless at *running things properly*. If “managing” doesn’t mean running things properly, what does it mean? Overwhelmingly, when the employees of large organisations are surveyed about their de-motivators at work, the most common complaints concern perceived incompetence of superiors and what is generally known as “office politics”. In other words, the people who really matter at the interface with the customers, clients and the marketplace know that their bosses are often incompetent and self-serving.

It is a matter of judgement whether we describe these as failures of “leadership” or failures of “management”. But, as things seem to get worse not better, we should reflect that we have had thirty years of courses and development programmes dominated by “leadership” and a parallel diminution in attention to good old-fashioned managing. Indeed, most of the front-line workers who despise their bosses seem to understand that an excess of posturing and patronising “leadership” is a large part of the problem. Please God, they plead, can’t we have a system that *works* properly.

In its great wisdom, the Australian Institute of Management has devoted its national convention this year (Sydney, September 2007) to the memory of Peter Drucker, who died in late 2005 aged 95. It was Drucker who virtually invented the concept and discipline of modern management after the Second World War. Peter Drucker saw from the start that the management of large systems needed to be systematic (not haphazard) and that there were certain things that the best “managers” did consistently. He didn’t set out to teach anything to anybody – merely to draw attention to *what works*.

The sex angle

So Drucker lived to see the ascendancy of “leadership” from the 1970s on. What he didn’t anticipate is that our obsession with leadership (charismatic and visionary heroes leaping tall buildings) would lead us to take our eye off the managerial ball. As the charismatics crashed and burned, it was possible to look on the new leadership movement as an unconscious plot against the female sex, hatched by men who were threatened by the emergence of powerful females in the classroom, in the professions, in government and in the business world. It was as if the men sensed they were largely hopeless at running things properly so it was necessary to find something they could do better than women. Thus Drucker lived to observe the Enron debacle – all “leadership” and no proper management at all.

So leadership came to stand for the pursuit of dreams or visions - and management for the bureaucratic nuts and bolts. The word “leadership” was thus invested with *value* – the test being that when anybody was asked about the leadership phenomenon, Churchill and Mandela were never far behind. Leadership was seen as a good. Management, at best, was neutral – maybe necessary – but no more challenging than doing the laundry, feeding the kids, coping with the bust vacuum-cleaner and all the rest of it. Meanwhile, organisational systems (despite the discovery and application of wonderful new technologies) got worse and worse at seeing to the needs of both customers/clients and employees. But the shareholders and top brass, overwhelmingly men, were getting richer.

The history

If it is true that “leadership” became quintessentially male in the 1970s, we should re-examine the origins of the M-word. Interestingly, it entered the English language by the beginning of the 16th century as a general description of the activity of running things. But the early spellings vary between “maneg...” (derived from the Italian: *maneggiare*) and “menag...” (derived from the French: *menager*). *Maneggiare* was a distinctly masculine use to describe handling things (*manus* = a hand) – and especially taking charge of horses in war. *Menager*, of course, meant careful and sensitive housekeeping – a quintessentially feminine occupation.

So, from the start, management was a useful word – just as appropriate for the male industrial relations “manager” (carrying the fight to the unions) as for his wife at home “managing” to cope with the complex and messy demands of a sick child and a loft extension. Perhaps the rot set in during the 19th century, when the owners of the great factories and mills of the British industrial revolution delegated the dirty work of labour exploitation to their “managers”. That was the origin of the derisory term “the management” to describe any group of time-serving Quislings charged with separating newly-enriched “gentlemen” from the brutalised source of all their wealth. The more refined callings – the colonial and civil services – had “administrators”.

But something else happened before Drucker came along to rescue the M-word. Another important word entered the language soon after the conclusion of the First World War – and it came, like many new 20th century usages from resurgent American industry and commerce. That word was “marketing”. Its exponents, like the great Theodore Levitt of Harvard, soon established it in the Academy and in the curricula of the new business

management courses. From the start it was associated with “brand engineering” – Alfred P. Sloan’s discovery that you could sell basically the same motor car into different market segments in such a way as to suggest a whole different motor car and a whole different consumer experience. This was a subtle variation of Henry Ford’s famous: “any colour you like so long as it’s black!”

“Marketing” came on the scene at precisely the point when many American consumers found they had a bit more money than they knew what to do with. At that point, the task of the “marketing manager” was to make the punter want something he didn’t really need – and to make him believe (because he was still quite Puritanical) that he did indeed need it. It is at this point in linguistic history that we need to refer to another important source. The great Princeton philosopher Prof. Harry Frankfurt reminds us (in his seminal monograph: “*On Bullshit*”) that the observable rise in the 20th century bullshit quotient coincided with the onset of “marketing”. It is in our human nature to believe what we need to believe in order to sustain our self-view as a successful consumer.

Spin

It’s worth remembering that after World War II the “public relations” business was in its infancy. Drucker always understood that big corporations need influence but in those days, products and marketplaces had a taken-for-granted quality. It took another fifty years for Enron, which employed a virtual army of influence-peddlers, to invent a completely new “market” – whose principal virtue was that no regulator could possibly hope to understand or control it. Its purpose was to make money for Ken Lay and his chums. By then, a substantial proportion of the American workforce (including large parts of the public sector) was engaged in the influence business – public relations, advertising, public affairs, marketing, market “niche” research, positioning and so on – and all its practitioners looked on themselves as proper “professionals” and took their “work” very seriously indeed. They rarely met anybody else except their own kind.

To anybody over 50 years of age, it doesn’t look like real work at all. But this is the make-believe world in which “leadership” has somehow driven “management” to the margins. The simple test is to correlate enthusiasm for “leadership” with the fundamental usefulness of the institution concerned. In the not-for-profit sector, where real social or environmental change is the goal – nobody gets overexcited about “leadership”. But as the irrelevance of the output increases, so the leadership courses begin to proliferate. If the corporate output is merely frivolous – or even pernicious – expect lots of “leadership” on the menu. The tobacco business is awash with “leadership” – it has to be because the “value-add” of the business itself doesn’t and can’t inspire anybody.

Viewed from an historical perspective, it looks suspiciously like Prof. Frankfurt’s new world of bullshit has morphed with the “leadership” movement – allowing us to postpone the day when we have to face up to the fact that our patterns of production and consumption are irrelevant and unsustainable. This is a very great pity because leadership of *what really matters* is so desperately important.

Managerial leadership

So, to be helpful, here is a better (more realistic) way of viewing the phenomenon of leadership. The word doesn't make any sense unless we factor in two different facets – identified fifty years ago by the great Scots social scientist Tom Burns and elaborated by the best American writer on leadership James McGregor Burns – the *transactional* and the *transformational*. What this means is that leaders are ineffective without followers so the ability to trigger the human following instinct is always necessary, but not sufficient. That is what we call the transactional dimension. If you have developed a “charisma” by the age of seven, that will be a huge advantage in later life, but it's not enough. If you are really good – that is, if you *run things really well* - after a while other people will award you “charisma”.

The transformational dimension has nothing to do with human behaviour and everything to do with *destination*. The effective leader needs to be smart enough to identify a better destination and to plot intelligent pathways to get there. This calls for brains rather than charm. We can call it “vision” except that that useful word has also been purloined by the influence-merchants. We tend to wince when politicians talk about “vision” but that is because most of them made the mistake of delivering themselves up to the world of “spin” years ago. We tend not to trust what they say because we suspect it has been processed through the bullshit-generator.

So the best leaders are intelligent enough to understand the context and human enough to trigger the best instincts of other people. In the spirit of Drucker, who was always interested in what effective people actually did, we can say that such people always balance the managerial aspect (running things properly) with the leadership aspect (locating the enterprise in a useful external place). Executive coaches will tell you that striking that balance between managing and leading is essential in *every single job*. The coaching client who loves the nuts-and-bolts but lacks confidence in the “blue sky” thinking, has to be dragged back to the centre ground. Likewise, the “big picture” person who loses control of the fine grain has to be re-balanced. “Management” and “leadership” are, and must be, opposite sides of the same coin.

This means that the inspiring leader who is not a manager is as dangerous as the meticulous manager who can't, or won't, lead. If you are placed in charge of an enterprise – anything from a small service unit to the biggest multinational corporation – the work of *running things properly* always calls for both elements – and in roughly equal measure. It is not a matter of personal preference or career choice. That is why it would make sense for us always to refer to *managerial leadership*. And full marks to the Australian Institute of Management for reminding us of Drucker's wisdom and for persuading his widow Doris to support the case in Sydney. Management, remember, is a unisex word.

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