



## The Relationship between Leadership and Management: Instructional Approaches and its Connections to Organizational Growth

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### Abstract

*The characteristics of leadership and management were examined in the context of instructional approach. Most leadership authors demonstrated a tendency to characterize leaders as individuals who are visionary and able to influence and motivate others. Authors writing about management demonstrated a tendency to characterize the manager as a bureaucrat whose function is to plan, budget, control, and organize. Most theories related to management demonstrated to be highly tied to scientific management, proposed by Frederick Taylor during the early 1900s. Together, these findings suggest that business students are not receiving appropriate and updated business instruction for 21st century education.*

**Keywords:** Management, leadership, relationship, business education, business instruction

The comparison between managerial and leadership skills is a perpetual activity amongst business authors (Northouse, 2004; Kotter, 2011; Kotterman, 2006; Shahrill, 2014; Zaleznik, 2005). There is a plethora of literature dedicated to explaining the role and importance of leaders, as it demonstrates to be a popular theme in academic business literature (Ackerman & Maslin-Ostrowski, 2002; Hecke, Callahan, Kolar, & Paller, 2010; Kotter, 1996; Kouzes & Posner, 2012; McKee, Boyatzis, & Johnston, 2008). Management, however, is not as much of a popular theme as leadership and although there is abundant literature regarding the role of the manager; the latter has demonstrated to be less popular. The comparisons between both characters appear to bring an occupational advantage to the role of the leader, as the manager takes the role of the conservative bureaucrat (Kotterman, 2006; Shahrill, 2014; Zaleznik, 2005).

Given the manner in which the concept of leadership and the concept of management have moved apart, in terms of function and relevance; it is important to understand the effects of such notion amongst business students. Furthermore, it is not illogical to fathom how a business student would find the idea of becoming a leader more glamorous and substantial than that of a manager. With that in mind, the student could question the importance of taking any management courses, or even his or her own importance as a manager. There are numerous studies that compare and contrast the function and role of managers and leaders; however, the body of literature lacks questioning this paradigm (Bolden 2007; Bush, 2007; Kotterman, 2006;

Shahrill, 2014; Zaleznik, 2005).

This paper builds upon previous studies because it questions the amplification of the importance of the leader in contrast to the manager. Moreover, it discusses the implication of such relationship in higher education; since the general idea is that the business student should focus on becoming a leader. Finally, the study proposes a paradigm change, in which management and leadership are built into one course; with the same objectives towards organizational growth. This literary review hypothesizes on the possibility that, if leadership is more significant than management; then there is no interest in learning management skills. A secondary hypothesis refers to remediating the idea that management is regarded as mediocre when compared to leadership. In this case, if management and leadership are taught as one business course; business students would have a stronger business foundation. The links to theory will be thoroughly discussed further along this paper.

In order to validate the primary and secondary hypotheses, a short historical background will be presented; with the purpose to establish a framework of the current understanding of management and leadership. The concepts of management and leadership will be thoroughly described, compared, and contrasted. Instructional biases will be presented, in order to specify the idiosyncrasies used to perpetuate the idea that leaders are better than managers. The consequences of such disassociation between the leader and the manager will be presented in the form of anecdotes. The latter will demonstrate how disassociation will affect organizational growth; which can be, in fact, considered as a third hypothesis. The hypotheses and research design relate strongly, as the literary resources used throughout this paper are mostly the same academic resources used by business students. Finally, a conclusion and discussion will follow to establish if there is a need to change the approach in which leadership and management are taught; and if this relationship affects organizational growth.

Theoretically, the significance of this study is based upon the change in paradigm related to the characterization of the role of the manager and the leader. Although organizational relations, technology, organizational hierarchy, and other facets of business changed; it is clear that the theories remain stagnant and not up to par with the change in paradigm. In theory, if organizational culture and function have changed, it is logical that academic concepts and literature should follow; to provide an updated business education. Practical implications are even more important, since it directly affects organizational stakeholders. This paper will present anecdotes to exemplify how practical implications affect organizational growth and stability.

## **Characterizing Management and Leadership**

In order to offer a detailed argumentation of the proposed theses, the following section serves the purpose of building a foundation that relates to the historical perspectives of management and leadership. In this regard, it is important to establish that the concept of management is hereby developed from a scholarly perspective or rather, the study of management in business schools. Therefore, the principles related to management will be initiated from scientific management. Although the idea of being a leader and thereby having the power to command is as ancient as the history of humanity, for the purposes of this paper, the focus will stay with the contemporary studies of leadership.

## **Historical Context of Management**

According to Blackford and Kerr (1994), the growth and expansion of the railroad and

steel businesses initiated the managerial revolution. An accident in 1841, in which two trains collided in western Massachusetts demonstrated that informal business practices have become unsuitable. Further, J. P. Morgan's purchase of Carnegie Steel transformed his empire into the first billion-dollar steel conglomerate; which would become a common occurrence in American business (Blackford & Kerr, 1994). The rise of giant companies would replace personal, informal management with bureaucratic management, which was deemed necessary to control the many plants and factories (Blackford & Kerr, 1994).

In order to establish an unfamiliar bureaucratic system within a business, the nouveau executives were influenced by the structure used by the United States Army; which was fairly sophisticated for those times (Blackford & Kerr, 1994). The Western Railroad, for instance, had the lead in establishing a bureaucratic management, with the military engineers in technical positions and civilians in charge of business matters. Clearly, the expansion of the railroad business favored the steel industry greatly, both in terms of transportation and business practices. Andrew Carnegie organized his steel business in the same fashion as the railroads, using bureaucratic management (Blackford & Kerr, 1994). As Rockefeller, Carnegie, J. P. Morgan, and others, worked to grow their respective companies even bigger; the institution of managerial strategies and systematic division of authority had become more obvious (Blackford & Kerr, 1994).

The railroad and steel businesses moved from the one-man show to the complexity of the multi-leveled authority system. Considering that the one-man mentioned earlier was the engineer responsible for the entire operation of former, smaller companies; this individual assumed the leadership position, thereby becoming the manager. Since this person was knowledgeable about all processes within the factory, he would teach the new employees much smaller portions of the work. This system started the very systematic methodology known as scientific management, or Taylorism. Frederick Taylor was a mechanical engineer who demonstrated interest for efficiency since young age (Blackford & Kerr, 1994). Because of his background in engineering and his determination to achieve high efficiency, Taylor developed managerial concepts and practices with strong priority on quantification, control, predictability, relentless efficiency, and jobs for unskilled workers (Stone & Patterson, 2005).

Wheatley (2006) suggests that the work of Frederick Taylor, Frank Gilbreth, and other initiators of the era of scientific management, treated work and workers as an engineering problem. Therefore, tremendous concentration was dedicated to perform time-motion studies, to create tasks that could be performed by the unskilled worker (Wheatley, 2006).

During the 1880s and 1890s, American businesses established numerous central or corporate offices, to oversee the company's operations. Each department was responsible for handling different functions of the company (Blackford & Kerr, 1994). Consequently, the number of managerial positions increased as the company grew vertically. In the beginning of the twentieth century, Singer Sewing Machine had 1,700 branch offices throughout the United States, staffed with middle managers (Blackford & Kerr, 1994). In this perspective, the relationships between the owner of the company, the workers, and the customers, became more and more rarified. The owner of the company had many managers to represent him. In the same fashion, the customer was no longer able to establish a relationship or even negotiated with the owner; as commonly happened fifty years earlier (Blackford & Kerr, 1994).

Scientific management received widespread publicity after 1910. Apparently, such system was highly sought after by company owners, who looked for increased productivity. The ideology behind scientific management was spreading through other aspects of society; in which case, the general populace accepted the need for efficiency. Because of that, government

officials, scholars, scientists, business people, and reformers, accepted the ideology of efficiency and managerial control (Blackford & Kerr, 1994). The widespread idea of rationalism and the use of science, lead to corporatism; since business owners looked for cooperation and not confrontation with government and workers.

Between the 1900s and 1930s, American companies followed a trend in business diversification and, consequently, decentralization of management. Du Pont and General Motors initiated the trend and General Electric, Westinghouse, Chrysler, and Ford followed suit (Blackford & Kerr, 1994). Because the companies increased in size and produced different products, it became impossible for the administration to oversee all operations. Alfred P. Sloan, Junior was a graduate of the Massachusetts Institute of Technology and the mastermind, during the process of decentralization of Du Pont and General Motors. He was able to infuse divisional autonomy with supervision by a strong office, utilizing effective communications among the different parts of the company (Blackford & Kerr, 1994).

After the 1930s American workers were in distress with the ideology remnant from scientific management and the great depression. Unions formed, strikes were abundant, and workers fought for collective bargaining rights. Within time and tremendous efforts from the United States' government to balance the relationship between workers and businesses, prosperity prevailed. After the 1940s, companies offered better work conditions and the ideology moved away from scientific management; as studies demonstrated that production increased when people were not treated as machines (Stone & Patterson, 2005). The trend continues as the current ideology moves further and further away from objectifying the individual.

#### The Overriding Functions of Management

This section has the purpose of describing the overriding functions of management, according to the perspective of numerous business authors. Moreover, this section makes a parallel to the aforementioned historical perspectives. Mintzberg (1989), for instance, has spent many years clarifying folklore from fact, in terms of managerial function. Mintzberg (2009) suggests that the job of the manager is utterly action based, as opposed to systematic and stationary, as some authors suggest (Northouse, 2004; Osland, Kolb, Rubin, & Turner, 2007).

According to Northouse (2004), management is described as a function that produces order and consistency. Moreover, he subdivides management into a) planning and budgeting, b) organizing and staffing, and c) controlling and problem solving. Planning and budgeting entail the establishment of agendas, setting time tables, and allocating resources. Organizing and staffing denote making job placements, providing structure, and establishing rules and procedures. Finally, controlling and problem solving refer to developing incentives, generating creative solutions, and taking corrective action (Northouse, 2004). He also suggests that the managerial functions suggested by Fayol in 1916 are still representative of the field today; Fayol's definition of managerial functions were planning, organizing, staffing, and controlling (Northouse, 2004).

Osland, Kolb, Rubin, and Turner (2007) emphasize that a good leader and a good manager are not synonymous. Like Northouse (2004), the authors cite that the functions of management are planning, organizing, leading, and controlling. Furthermore, the authors characterize management as a) doing things right, b) planning and budgeting, c) processes and systems, d) organizing and staffing, e) control and problem solving, and f) producing order, predictability, and the results expected by stakeholders (Osland et al., 2007).

Conversely, Mintzberg's research demonstrates the characteristics of management in a way that appears more action based. He deems as folklore, the idea that the manager is a reflective and systematic planner. Mintzberg (2009) states that studies proved that managers

work at unrelenting pace; their activities are characterized by discontinuity, brevity, and variety. He also deems as folklore the idea that managers are dependent upon the aggregated information provided by a formal system. Contrary to that, he suggests that the managers prefer immediate ways of communication, such as face-to-face communication, phone calls, and e-mail. Furthermore, Mintzberg regards as folklore the common concept that managing is mostly about hierarchical relationships; inferring then that managing is mostly about lateral relationships (Mintzberg, 2009). Finally, he considers as folklore the common notion that managers maintain tight control of their time, units, and activities; thereby, the manager is neither a conductor, nor a puppet. In light of this scenario, the manager makes a set of initial decisions to define their subsequent commitments; they may create some of their obligations and take advantage of others (Mintzberg, 2009). For instance, being part of a meeting might be less important than going to ceremonial occasion, in which the manager could use to lobby for his or her organization (Mintzberg, 2009).

Livingston (2009) suggests that learning on the job is rather distinct from academic managerial education. Like Mintzberg (2009), he suggests that formal management education has failed to provide students with the action oriented environment of an actual organization (Livingston, 2009). He discusses a study from the Harvard Business School that revealed that the income of MBA students from that school plateau after 15 years they enter business. The income did not increase after that. Conversely, the students who entered the Harvard's Advancement Management Program, but had no formal education in management, earned almost a third more than their MBA counterpart (Livingston, 2009).

Although Livingston's study is previous to Mintzberg's, it is possible to notice the disassociation between the theoretical concept of management that drags from the theories proposed by scientific management, which contrasts with the action based reality of the modern manager. It appears logical that a business students can be overwhelmed by the fast pace of management, as opposed to the classroom experience; which presents an old conceptual frame.

## **Historical Context of Leadership**

Unlike management, it is rather difficult to establish precisely when the propagation of leadership as a concept to be studied has initiated. Nonetheless, Northouse (2004) stipulates that the study of leadership can be traced back to Aristotle. Clawson (2009) establishes the notion of leadership directly connected with the notion of power. He suggests that the hunter/gatherer era culminated on the fight for resources and some tribes' leaders would fulfill the role, demonstrating to be more capable in achieving the needed resources. Further, the author moves along the historical line of events and points that an agricultural society emerged, the aristocratic society, in which power was distributed by lineage and gender (Clawson, 2009). After that, a bureaucracy emerged and power was distributed by gender and office. Finally, Clawson (2009) implies that the modern times are characterized by infocracy, which is the denomination for the information age; as power is redistributing to key process contributors.

In the classroom, however, leadership as part of the coursework to be accomplished for business study is much more recent than the works of Aristotle. Osland et al., (2007) suggest that over 7,000 books and articles about leadership have been published, but there is no universal acceptance of one theory. Northouse (2004) discusses in-depth studies of leadership from the middle of the twentieth century. The author suggests that leadership studies initiated in 1948 and it was focused on the characteristics most people identified as leadership traits (Northouse, 2004; Osland et al., 2007).

Further, the skills approach was developed during the 1950s and it also had a leader-centered perspective. This approach focused on measuring the leader's technical, human, and conceptual skills. During the 1960s the style approach was developed and it emphasized on the behavior of the leader, the behavior studied was directly related to task and relationship with subordinates. Afterwards, during the late 1960s and beginning of 1970s the situational approach was established as theory and it was focused on the leader's actions depending upon a given situation, it was therefore, centered on a causality (Northouse, 2004). The contingency theory was developed by Fiedler during the 1960s and 1970s and it is based upon the idea that leaders must be matched to appropriate situations. The path-goal theory evolved during the 1970s and it is based upon the capacity of the leader to motivate subordinates to accomplish a certain goal (Northouse, 2004). The theories slowly moved from a leader-centered perspective to a subordinate-centered perspective. The leader-member exchange theory established during the 1970s and 1980s shifts to a leader-subordinate perspective; this dyadic proposal becomes the center of the leadership process (Northouse, 2004). In essence, the leader-member exchange suggests the importance of recognizing the in-groups and out-groups within a group or organization (Northouse, 2004). Transformational leadership became known as a theory during the 1980s and 1990s and it is still the new paradigm in leadership. Interestingly, another leadership theory was developed at the same time, namely transactional leadership. Quickly, transactional leadership became coined as the leadership style practiced by the manager; since it is based upon task completion, predictability, and give and take practices (Kanungo, 2001; Northouse, 2004; Shivers-Blackwell, 2004). For instance, a manager offers a bonus to the lead salesmen of the month. Conversely, the transformational leader is the person with a vision and capable of motivating subordinates solely on the basis of persuasion and moral influence. The transformational leader is somewhat the antithesis of the transactional leader.

### **The Overriding Functions of Leadership**

As mentioned on the previous section, scholars do not have an absolute definition for leadership. Northouse (2009) however, stipulates that scholars agree on a number of concepts that reflect the characteristics of a leader. First, he discusses that leadership is a trait, as each individual brings about his or her own qualities, such as authenticity, confidence, decisiveness, and so forth. Second, Northouse (2009) characterizes leadership as an ability because the leader must be able to do certain things others might feel uncomfortable, such as speaking in public, or excel in sports, or demonstrate enormous compassion for others. Third, leadership is a skill because the leader must be competent to carry-on a task from beginning to end; therefore, the leader responsible for a fund-raising process must use her knowledge to fulfill her obligation with competency (Northouse, 2009). Fourth, according to Northouse (2009), leadership is a behavior; mainly because it predicts the attitude of the leader when facing a given situation. For instance, the Chief Executive Officer of General Motors, Marry T. Barra, had to make a decision in 2014 when there were accusations about the sale of defective cars. She could have been reclusive and refuse speaking about the company's issues, but she decided to be open about it. Finally, Northouse (2009) defines leadership as a relationship, in which case the focus becomes the relationship between leaders and followers in an inclusive process.

Hoyle (2007) agrees with Northouse (2009) that leaders must have certain traits and skills which separate them from the average person. Further, the author ponders about the reason why some people with similar physical and intellectual traits become leaders and others do not (Hoyle, 2007). He stipulates that Stephen Hawking is a leader at his respective field, even though

he is confined at a wheelchair and needs a computer synthesizer to speak and write. He also describes Mother Theresa and Mohandas Gandhi as unimposing and peaceful individuals who conquered the status of leader through intelligence and kindness (Hoyle, 2007). Hoyle (2007) agrees with Northouse (2009) that some leaders are better than others in scanning the environment and taking action, thereby using situational rather than consistent behavior.

Johnson (2009) however, focuses on transformational leadership, as it is the most current and popular theory. He describes it as a) idealized influence, b) inspirational motivation, c) intellectual stimulation, and d) individualized consideration (Johnson, 2009). Idealized influence refers to admiration and respect people have for the leader, as he or she demonstrates behavior consistent with the values of the group. Inspirational motivation refers to the leader's capacity to bring about challenge and meaning to tasks, therefore inciting enthusiasm and a vision of the future (Johnson, 2009). Intellectual stimulation is described as stimulation for creativity, innovation, and solution for problems without criticism. Individualized consideration means attention that is tailored to each person; in this case, the leader must work on fostering personal development (Johnson, 2009).

Goleman, Boyatzis, and McKee (2002), explain the overriding functions of leadership through emotional intelligence. The authors state that the essence of the leader's appeal comes from emotions. Emotions are the collective drive of people and the leader is able to guide the group in the positive direction. Further, the authors suggest that there are resonant leaders, who are attuned to followers' needs and wants. As there are dissonant leaders, who might be able to remain in power for a certain period of time but not for long, as they are not able to cater to the needs of people (Goleman, Boyatzis, & McKee, 2002). Clear examples of dissonant leaders are the former Romanian president Nicolae Ceaușescu and the former ruler of Libya, Muammar Gaddafi. Both leaders were widely known dictators who ended up being executed by their own people.

According to Goleman et al. (2002), emotional intelligence is more important than intelligence by itself. In this perspective, the authors suggest that emotional intelligence consists of a) self awareness, b) self-management, c) social awareness, and d) relationship management. Self awareness refers to an individual's ability to read his or her own emotions with realistic self-assessment (Goleman et al., 2002). Self-management refers to the leader's ability to have self-control, transparency through integrity, and trustworthiness. Also, it refers to the ability to adapt, achieve, initiate, and demonstrate optimism (Goleman et al., 2002). Social awareness relates to the leader's capacity to demonstrate empathy, organizational awareness, and service to customers. Relationship management refers to inspirational leadership, developing others, influence, conflict management, establishing teamwork, bonds, and collaboration (Goleman et al., 2002). Examples of leaders who have used the aforementioned descriptions of the resonant leader are Nelson Mandela, Gandhi, and Al Gore.

### **The Disassociation between Management and Leadership**

This section serves to clarify the disparity between the inherent characteristics of management and leadership. It takes on the aforementioned information to draw conclusions as to the reasons why the manager is seen as an action character and the leader appears to be seen as a visionary. Further, the discussion follows with potential bias in business instruction, given the delivery of information to the students and the source of information. Finally, the section follows with potential consequences to the manner in which leadership and management are

disseminated to business students.

### **The Manager as an Action Character**

The roots of association of concepts that relate to the role of the manager are still ingrained in scientific management. According to Cabrera, Sauer, and Thomas-Hunt (2009), the role of the manager is traditionally perceived as possessing stereotypically male characteristics. Mintzberg (2009) criticizes the separation between management and leadership, and he states that leadership is management practiced with success. Further, findings from his research point that management is still sustained by past behavior. He suggests that machine bureaucracy is still the dominating organizational structure. Machine bureaucracy is the most functional organizational structure, with simple and repetitive tasks, as in the mass production of cars for instance (Mintzberg, 1989). Although he agrees that organizations need to be structured, it needs to be configured to specific fields. Some examples of forms of organizations are entrepreneurial, missionary, professional, innovative, and so on (Mintzberg, 1989). He deems the attraction to machine bureaucracy as an irrational form of rationality, which is mainly based upon excessive control and ideally based on numerical calculation (Mintzberg, 1989).

He also destigmatizes management by stipulating its formal authority and status. In his concept, the manager performs three roles, which are a) interpersonal roles, b) informational roles, and c) decisional roles (Mintzberg, 2009). Interpersonal roles relate to the manager's position as a liaison and a leader. Informational roles refer to the manager's monitoring role, disseminating information, and acting as a spokesperson. Decisional roles relate to the manager's entrepreneurial skills, handling of disturbance, resource allocation, and negotiating skills (Mintzberg, 2009). Unlike, the common action skills that plague and characterize the manager since the times of scientific management, the aforementioned descriptors appear to have more depth and represent unison with leadership.

Conversely, Kotterman's (2006) research findings demonstrate that differentiating leaders and managers in large organizations is rather complex, mainly because people favor managerial skills as opposed to leadership skills. Essentially, individuals assume that managing is easier than leading. Further, Kotterman (2006) suggests that individuals within any given organization have little understanding of the differences between the role of the manager and the leader. Finally, he states that successful management is an important job and it should be respected, further emphasizing that it should not be confused with leadership (Kotterman, 2006).

Potts (2001) goes even further and states that leaders are more important than managers, mainly because of ethical behavior. According to Potts, management has no defining moral or ethical dimension, and only serves the interests of individual groups. The only concern of management is survival. Thus, if ethics is taken out of leadership, what is left is management (Potts, 2001). The description of Potts' idea of management appears to be highly ingrained in the concept of scientific management.

In essence, much of the literature focuses on one facet of managerial work, which deals with action. The majority of the attempts to define management follow the same old actions of a) doing things right, b) planning and budgeting, c) processes and systems, d) organizing and staffing, e) control and problem solving, and f) producing order, predictability, and the results expected by stakeholders (Osland et al., 2007).

## **The Leader as a Visionary**

Menkes (2011) defines leadership as realizing potential in others and oneself. Moreover, he suggests moving from the old definition of leadership, which emphasizes the leader's influence over others, and proposes a cycle of exchange and growth between leaders and followers (Menkes, 2011). According to George, Sims, McLean, and Mayer (2011), more than 1,000 studies attempted to offer the defining characteristics of a leader, but none create a clear profile of the ideal leader. It is because of individual authenticity that a definition cannot be achieved. The authors' research findings characterize the authentic leader as a person who learns from his or her own life story, knows her authentic self, and practices her values and principles (George, Sims, McLean, & Mayer, 2011). Furthermore, the authentic leader is able to balance extrinsic and intrinsic motivations, build support teams, and integrate personal life with work (George et al., 2011). Finally, the authentic leader has the ability to empower others to lead, as opposed to centralizing power (George et al., 2011).

Conversely, Ancona, Malone, Orlikowski, and Senge (2011), discuss the tendency to place leaders on a pedestal as a flawless being who has it all figured out, only to suffer a great fall when the outcome is not what everyone expected. The authors infer that a leader who strives for super-human standards can endanger an organization (Ancona, Malone, Orlikowski, & Senge, 2011). They also suggest that leadership must follow four capabilities, a) sensemaking, b) relating, c) visioning, and d) inventing (Ancona et al., 2011). Sensemaking refers to the ability to interpret developments in the business environment. Relating refers to the capacity to build trusting relationships. Visioning refers to communicating a compelling image of the organization's future. Inventing relates to change and the ability to come up with new ways of doing things (Ancona et al., 2011). Although the authors create a realistic picture of the leader, in which he or she does not appear to be a perfect individual; they do offer a normative prescription to characterize the leader.

Prime, Carter, and Welbourne (2009), found that individual perceptions of leadership can be stereotypic depending on the leader's gender. According to the authors' research, women perceived as good leaders are characterized by supporting and rewarding behavior. Mentoring, networking, consulting, team-building, and inspiring, are also attributes of good female leaders (Prime, Carter, & Welbourne, 2009). Contrastingly, the authors found that the perception of a good male leader is based upon taking-charge behaviors, such as problem-solving, influencing upward, and delegating (Prime et al., 2009). Clearly, the female leaders must produce more in terms of expected behavior.

In addition to the aforementioned characteristics, authors define leaders as individuals who are self aware, capable to embrace diversity and influence others, encouraging challenge, capable to adapt and demonstrate consistent behavior (Knight, 2005). Leaders are deemed capable of shaping goals, motivating the actions of others; initiating change and aligning people (Bush, 2007; Gerontic & Stanley, 2006). Setting directions, inspiring people, employing credibility, adopting a visionary position, anticipating change, and coping with change, are also described as abilities of a leader (Gerontic & Stanley, 2006).

## **Business Instruction**

Business instructors throughout the United States, have a tendency to adopt the same business authors for student textbooks as these authors become popular and specialized on

certain topics. The authors however, have a tendency to offer normative prescriptions, to show the student how to become a good leader, or what attributes good leaders must have (Bolman & Deal, 2008; Clawson, 2009; Goleman et al. 2002; Hoyle, 2007; Johnson, 2009; Kouzes & Posner, 2012; Northouse, 2009; Osland et al., 2007). Some authors publish the same book every year, making some modifications to its basic work. Because leadership is prescribed in a different fashion by each author, the niche becomes vast. Management, however, carries on with a legacy of planning, budgeting, controlling, and so on; except for some authors, who actually specialized on the field.

**Instructional bias.** Researching leadership and management proves to be confusing, since authors publish manuscripts from a perspective that implies a) that the leader and the manager are not the same individual; b) that the leader and the manager are the same individual, and c) some managers are leaders, but others are not. This type of conflicting information can be highly confusing and misleading for the business student. For instance, Hayibor, Agle, Sears, Sonnenfeld, and Ward (2011) refer to CEOs as leaders and top managers as followers. Kerry (2003), in turn, questions about middle managers and the dual role of being a leader and a follower. Some authors simply use leader and manager as interchangeable words, and thus, imply the two roles belong to the same individual (Cater, Lang, & Szabo, 2013; Huhtala, Kangas, Lamsa, & Feldt, 2013; Kennedy, 2008; Sahin, 2012).

Further, some scholars clearly state that management and leadership are used interchangeably, that there is some degree of overlap, question the two concepts, and admit the ongoing scholarly debate (Bolden, 2007; Buttigieg & West, 2013). Buttigieg and West (2013) go a step further and state that managers are referred to as risk-averse bureaucrats and leaders are referred as inspirational visionaries. Scholars and business authors offer a paradoxical perspective on both roles and it can be rather inconsistent to the business student. If the leader is portrayed by the textbook author, along with business instruction, as a visionary who can single-handedly motivate employees with emotion and creative views of the future, one can arguably question the reason to study management in the first place. The business student can easily buy in to the idea that the work of the leader is more interesting and appealing because of its status, as opposed to the boring and unappealing bureaucrat. This perspective of organizational role is misleading and counterintuitive.

## **Organizational Growth**

The implications of business, or executive learning, to the growth of an organization can be daunting. In theory, leadership and management are taught separately in most colleges and universities. However, the daily lives of business people hold many facets. Disassociating aspects of organizational operations can bring about disgruntling consequences to the individual and to stakeholders. Purely theoretical business instruction, without hands-on practice has shown to be detrimental to the success of students of renowned academic institutions (Livingston, 2009). Separating leadership from management can offer a personality construct, to the business student, which lacks substance and intellectual challenge.

## **Consequences of Disassociation**

Menkes (2006) uses the concept of leader and manager interchangeably. He suggests that individuals with charismatic personality usually move further in positions of leadership. When personality is the differentiator of talent, it becomes a dangerous distraction (Menkes, 2006). An

example of leadership overpowering management is the current issue with Market Basket's administration. Market Basket is a popular chain of grocery stores with 71 locations in New England and 25,000 employees, and according to Forbes it ranks as the 127th largest private company in the United States (Ross, 2014). The board of directors voted to fire the president of the company and the employees decided to protest by not working. Although this is a family feud, as the members of the board and the president are related; it is a clear case of excessive importance in leading, and a lack of importance in managing the business (Ross, 2014).

Another example of utter focus on leadership and lack of focus in management is the president of Argentina, Cristina Fernandez de Kirchner. Elected after her husband's death, she maintained her late husband's redistributive policies and, although it appears to have helped the poor; it does not give any incentives to private investments. Argentina's inflation continue to grow and its GDP was estimated to be at a 2% deficit in 2013 (The Economist, 2014). In essence, she has used public money to conquer the vote of the poor and remain as a leader, at the expense of the country's management.

### **Managing and Leading Effectively**

Anecdotes about leadership, more often than not, follow the names of Mohandas Gandhi, Mother Teresa, Nelson Mandela, and Martin Luther King, Jr. Leading for noble causes such as the freedom of people and civil rights is commonly accepted by most people and hardly ever questioned. Comparing such causes to the leadership needed in organizations is not exactly a rational parallel. The appropriate way to manage and lead organizations does not, however, occur with harmony and approval at all times. Some examples of individuals who were leaders and also managers are Lee Iacocca, Abraham Lincoln, and Franklin D. Roosevelt.

Managing and leading organizations effectively takes more than meaning well and supporting only popular causes. Take Lee Iacocca, for instance, who was a former president of Ford Motors and hired by Chrysler in 1978. He was hired because Chrysler was in deep financial trouble, with a third quarter loss of approximately \$160 million and the worst deficit in its history (Iacocca, 1984). The first thing Iacocca noticed after joining Chrysler was that the company was divided by 35 vice-presidents with their own agendas. Everyone worked independently and there was no communication between departments, such as engineering and manufacturing (Iacocca, 1984). He states that he was dumfounded by the lack of interest of people from each department, to communicate (Iacocca, 1984). Although he tried to find a way to keep the executives and find them a way to be productive, it was not feasible due to time constraints, and he had to dismiss 33 out of the 35 vice-presidents. According to Iacocca (1984), the employees were so used to the old Chrysler ways that they could not move at the pace the company needed at that moment. Because Iacocca had to dismiss so many employees, morale was low and security leaks were showing up on balance sheets as the company continued to lose customers to Ford and General Motors. He noticed that Chrysler's cars were perceived by the public as boring and for older people; further, he noticed that Chrysler was not selling much in California, which was a strong market. He took advantage of Chrysler's tradition in innovation and he took care of the cars' well known issues, such as rusting bumpers and failing breaks (Iacocca, 1984). Iacocca had to argue with the administrators of the dealerships because they became accustomed to use Chrysler's cars to run a sales bank; in this case, the dealers waited until the last minute to run a big sale of these cars as the company executives allowed for it (Iacocca, 1984). He states that his most difficult time at Chrysler was during the mass firings; between 1979 and 1980, there were 7,000 white-collar workers and 8,500 blue-collar workers

dismissed (Iacocca, 1984). Chrysler has had its marginal assets sold, reduced fixed costs, lowered the salaries of the top 1,700 executives, and merit pay was suspended. Iacocca lowered his own pay to \$ 1 dollar a month to set an example (Iacocca, 1984).

Because Iacocca had such vast experience as Ford's former president, he was able to put together a team of administrators to help him move Chrysler in the right direction in a faster pace. Furthermore, he made sure to improve Chrysler's cars by appealing to younger customers, investing in quality control, and continued innovation. Finally, Chrysler was a stable company by the middle of 1983 (Iacocca, 1984). There is more to Chrysler's recovery than the stated in this paper; however, it exemplifies the effectiveness of leadership combined with management skills.

Abraham Lincoln and Franklin D. Roosevelt had to face critical situations during their administration, as well. Lincoln decided to end slavery in the United States, even though wealthy plantation owners disapproved of it. Lincoln's decision led the country to a civil war and thousands of men died because of that decision. Franklin D. Roosevelt also had to deal with extremely challenging country-wide economic issues and nonetheless, earned the respect of the voters. He reacted with effort to the stock market crash of 1929 and the depression and was thus, re-elected by a great margin in 1930 (Brogan, 2001). He took vigorous action to assist the unemployed through one of his many agencies, the Temporary Relief Administration (TERA). Roosevelt's New Deal legislation was a pursuit of reform combined with recovery, which attempted to reestablish a decimated United States banking system (Brogan, 2001). In fact, Roosevelt was unafraid of demanding Congress to slash civil service salaries and veteran's benefits; which Congress sanctioned, even though it was highly damaging to future voting hopes (Brogan, 2001). He also recommended a security bill to regulate Wall Street and it became law (Brogan, 2001). Roosevelt served as president between 1933 and 1945 and he was elected four times.

## **Discussion and Conclusion**

While scholars debate whether or not leadership and management are the same, the business student continues to receive information that could be misleading. After rationalizing the dichotomous characterizations discussed in this manuscript, one ought to ask why study management after all. The student faces a myopic view of leadership, one that describes a visionary with a mission, capable to convince and motivate. More often the not, the examples cite Gandhi, Mother Teresa, Martin Luther King, Jr., and Nelson Mandela. These examples cannot be used in business instruction without cautionary consideration. Although the work of Gandhi was highly commendable, it is categorized as humanitarian work, and it does not compare with the work of Iacocca or Roosevelt, for instance. Separating leadership and management makes the manager a mediocre bureaucrat and the leader an untouchable divine individual. The first does not find any room to grow and the latter can bring an organization down with excessive use of power and lack of administrative skills.

More than a century after the industrial revolution and the advent of scientific management, scholars still define management through the same lens. It is illogical to perpetuate a century old definition of management, after so many societal and technological changes took place. Mintzberg (2009) proposes that the manager has interpersonal roles and one of them is to be the leader (Mintzberg, 2009). Because the manager needs to be a leader, it appears that Mintzberg's interpretation seems more appropriate in modern days. Lincoln, Iacocca, and Roosevelt were managers and leaders because their actions were not always agreeable with all; but one ought to ask questions about strategy and planning. What would have happen if Lincoln

allowed slavery to continue or, had accepted the South to secede? What would have happened to Chrysler if Iacocca had decided that going before Congress to keep the company afloat was more than he wanted to fight for? Roosevelt endured severe crisis during the depression. Why would he wish to be seeing as persona non grata among the wealthy entrepreneurs of his time? Clearly the answers to all of these questions might appear easy to answer, but they imply an important aspect of leadership that is rather inherent to management; making difficult choices that will not make everyone happy. Another example is the president of Argentina, Cristina Fernandez de Kirchner, in search for popularity and leadership, continues to give to the poor without investing in the country's entrepreneurial potential. Needless to say, Argentina's deficit continues to increase. It seems like simple budget analysis, but leadership without managerial skills opens a niche to leaders who do not understand that income has to come from business practices.

It is likely that confusion could be created in the minds of the novice business students, as management is perceived as a boring activity that will win few friendships in the workplace; whereas a leader is popular and well liked. Some of the literature prescribes the manager as an unethical individual, whereas the leader is a transformational being. Most of all, creating the idea that one person can solve all problems and save a country or an organization, is not beneficial. It underscores the belief that people need to be told what to do most of the time. It decreases the feeling of importance of the individuals labeled as followers, or subjects. Management and leadership are complementary activities and should be taught as such. Paste your article's body here

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