

10.10: What Is Leadership?

Learning Objectives

- Differentiate between leadership and management.

Everything rises and falls on leadership.

—John Maxwell

Two Related but Distinct Ideas

Brendan has recently been hired as the general manager of a local athletic club. The club has been struggling financially for the past few years, and part of Brendan's job is to address that issue. As he analyzes the problem, he finds that there is a significant lack of efficiency in the club's operations, so he makes a number of changes to take control of the situation. He organizes the work to be done by employees, creates more consistent schedules, plans an official budget, writes and implements an employee dress code and code of conduct, and provides the shift managers with much clearer instructions as to their responsibilities. Before long, the club's operations are once again profitable and smooth.

Terence has also recently accepted a managerial role with a local catering business. Though the catering business has excellent food, good service, and reasonable prices, it is struggling to gain adequate market share. Terence believes that the company lacks a key identity to distinguish itself from its competitors, and he is determined to provide a new and innovative identity. He works with the entire staff to create a new long-term focus and vision for what the company could become. His enthusiasm is inspiring and motivating to the entire catering team, which embraces the new direction of the company.

Although both Brendan and Terence were successful, there is a difference in the approaches each took to his situation. Brendan's activities were focused strongly on the management aspects of his role. His club needed organization and structure. His task was to take control and help the club become more efficient in how it carried out its current activities—a very important accomplishment!

On the other hand, Terence's emphasis of creating an entirely new vision and direction for the catering company was a demonstration of his leadership abilities. Those abilities were further displayed by the way in which he inspired and motivated the catering team to follow him in pursuing that new direction.

Leadership is about establishing a direction and influencing others to follow. **Management** is about successfully administering the many complex details involved in a business's operations. Leadership pursues change and challenges the status quo, whereas management seeks to control and provide stability within the existing circumstances.

Both management and leadership are necessary skills, and they often overlap with one another. In most settings, the role of a manager includes both leadership and management functions. Leadership skills are needed to set the vision, and management skills are needed to implement a plan to achieve that vision. Recognizing the difference between leadership and management, however, can help individuals focus on developing their skills in both arenas. The greatest success comes when strong leadership is paired with effective management.

To help distinguish between leadership and management, consider the following sets of terms associated with each category

Leadership and Management

| Leadership | Management |
|------------|------------|
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|--|---|
| <ul style="list-style-type: none">• Influencing• Change• Direction• Vision• Innovating• Developing• Long-term• Originating• Creating• Motivating• Inspiring• People• Big Ideas | <ul style="list-style-type: none">• Planning• Organizing• Controlling• Stability• Administering• Maintaining• Implementing• Instructing• Resources• Budgeting• Scheduling• Details |
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? ? Practice Question

<https://assessments.lumenlearning.co...essments/12261>

Formal vs. Informal Leadership

As we attempt to understand what leadership is all about, it is worth noting that not all leadership is based on official position. That is, the title and official role of an individual within an organization do not always correspond to his actual leadership influence.

Generally speaking, individuals who are assigned titles and positions of authority are expected to provide leadership. Because that leadership role is officially recognized, this is known as **formal leadership**. Unfortunately, there are plenty of individuals who have formal leadership positions but do not actually provide strong leadership. This is often problematic and can leave the organization lacking direction and purpose.

However, there are also individuals who do not have official positions of leadership but who do exhibit leadership qualities and practices. They help create the company vision with innovative ideas, and they inspire and motivate their coworkers. When leadership is exhibited without an official position, it is known as **informal leadership**. This is a valuable trait for an employee to have.

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