Chapter 6: Leadership

What Is the Difference Between Management and Leadership?


**Management:** According to Kotter, *management is about coping with complexity*. Management focuses on details, order and consistency; it focuses on short-term results; it focuses on eliminating risks; and it focuses on efficiency and bottom-line values. Sales managers are responsible for day-to-day and week-to-week sales performance; they are responsible for revenue. They have the difficult and complex task of executing strategies they often didn’t craft and achieving revenue objectives they often didn’t set, or even worse, don’t agree with. Sales managers are in a boundary position between general management and the salespeople on the street, and they often know more about the problems their companies face and more about their customers’ needs than either top management or individual salespeople. Typically, middle management—sales managers—know what it takes to make a company work and how to get results than upper management. Middle managers not only have a difficult, complex job, they also have an often thankless job. While they ensure corporate revenue goals are met, they frequently see credit going to autocratic, narcissistic CEOs or other credit-grabbing bosses.

**Leadership:** According to Kotter, *leadership is about coping with change*. Leadership focuses on change and innovation; it focuses on the big picture; it focuses on strategies that take calculated risks; and it focuses on people’s values. As Kotter points out, you can’t manage people into battle; they need, deserve, and want to be led, or in Harry Truman’s words, “A leader is a man who has the ability to get other people to do what they don’t want to do and like it.” In order for leaders to be able to lead, they must have followers, because, as Abraham Lincoln said, “No man is good enough to govern another man without that man’s consent.” And to gain followers, leaders must be popular. But you don’t become popular by ordering people around or by being a boss or bossy. Bosses are unpopular, and would be voted out if the people who work for them had a chance. Leaders, on the other hand, are elected by their followers from whom they take orders. This keeps people loyal and ready to continue to give their leaders support. On the other hand, bosses give orders from above and take credit. Leaders, unlike bosses, create a corporate atmosphere of trust—trusting competent people to do their job with a minimum of political power plays.

Warren Bennis and James O’Toole believe the following about leadership:

1. “Leadership is a combination of personal behaviors that allow an individual to enlist dedicated followers and create other leaders in the process.”
2. “…they demonstrate integrity, provide meaning, generate trust, and communicate values.”
3. “…they energize their followers, humanely push people to meet challenging goals, and all the while develop leadership skills in others.”
4. “Real leaders, in a phrase, move the human heart.”

According to Howard Gardner in his book, *Leading Minds*, “the key to leadership, as well as to the garnering of a following, is the effective communication of a story. While the definition of a story is broad, it calls attention to a common core. I maintain that the most fundamental stories fashioned by leaders concern issues of personal and group identity; those leaders who presume to bring about major alterations across a significant population must in some way help their audience think through who they are.” Thus, effective leaders must be excellent communicators. They must be able to tell simple, understandable, and relevant stories that define an organization’s values, communicate their vision for the undertaking, and move the human heart.

The obvious question is, “Can a sales manager be both a manager and a leader?”, and the answer is, “Yes, but it’s hard.” In fact, if sales managers are going to improve performance, they have to innovate, which requires that they create and manage change while they cope with the complexities of being a manager. In Chapter 7, I will explain in detail about specific techniques for executing and improving performance, but in this chapter I will to deal with leadership and management style.
Leadership Styles

Kotter suggests that leadership is about coping with change, focusing on the long-term and the big picture, not always playing it safe, and concentrating on people and their values, not just the bottom line. With this in mind, review Kotter’s eight rules for creating change in Chapter 5 (repeated from Chapter 3). But leadership is more than just coping with and creating change. Jim Collins published an article in the *Harvard Business Review* about leadership as a precursor to his best-selling book, *Good to Great*. In the article, titled “Level 5 Leadership,” he writes, “The most powerfully transforming executives possess a paradoxical mixture of personal humility and professional will…they are timid and ferocious. Shy and fearless. They are rare—and unstoppable.” Level 5 leaders were most often found in the good-to-great companies identified in Collins's research. Collins identifies the attributes of *personal humility*:

1. Demonstrates a compelling modesty, shunning public adulation; never boastful.
2. Acts with quiet, calm determination; relies principally on inspired standards, not charisma, to motivate.
3. Channels ambition into the company, not the self; sets successors for more greatness in the next generation.
4. Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck.

And Collins identifies the attributes of *professional will*:

1. Creates superb results, a clear catalyst in the transition from good to great.
2. Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results, no matter how difficult.
3. Sets the standard of building an enduring great company; will settle for nothing less.
4. Looks out the window, not in the mirror, to apportion credit for success of the company—to other people, external factors, and good luck.

A level 5 leader is not typical of the narcissistic, headline-grabbing, credit-glomming, and self-centered moguls common in the media, such as Eisner or Trump. These two are not leaders, but bosses, moguls, and tyrants whose style is autocratic, or, as Daniel Goleman would say, pacesetting. Goleman, who popularized the concept of emotional intelligence (EI), classified five leadership styles as follows:

**Coercive**

1. Modus operandi: Demands immediate compliance
2. The style in a phrase: “Do what I tell you.”
3. Underlying emotional intelligence: Drive to achieve, initiate, self-control
4. When style works best: In a crisis, to kick start a turnaround, or with problem employees
5. Overall impact on organizational climate: Negative

**Authoritative**

1. Modus operandi: Mobilizes people toward a vision
2. The style in a phrase: “Come with me.”
3. Underlying emotional intelligence: Self-confidence, empathy, change catalyst
4. When style works best: When changes require a new vision, or a clear direction is needed
5. Overall impact on organizational climate: Most strongly positive

**Democratic**

1. Modus operandi: Forges consensus through participation
2. The style in a phrase: “What do you think?”
3. Underlying emotional intelligence: Collaboration, team leadership, communication
4. When style works best: To build buy-in or consensus, or to get input from valuable employees
5. Overall impact on climate: Positive

**Affiliative**

1. Modus operandi: Creates harmony and builds emotional bonds
2. The style in a phrase: “People come first.”
3. Underlying emotional intelligence: Empathy, building relationships, communication
4. When style works best: To heal rifts in a team or to motivate people during stressful circumstances
5. Overall impact on climate: Positive

**Pacesetting**
1. Modus operandi: Sets high standard of performance
2. The style in a phrase: “Do as I do, now.”
3. Underlying emotional intelligence: Conscientiousness, drive to achieve, initiative
4. When style works best: To get quick results from a highly motivated and competent team
5. Overall impact on climate: Negative

**Coaching**
1. Modus operandi: Develops people for the future.
2. The style in a phrase: “Try this.”
3. Underlying emotional intelligence: Developing others, empathy, self-awareness
4. When style works best: To help employee improve performance or develop long-term strengths
5. Overall impact on climate: Positive

**Which Leadership Style Is Best?**
The answer to the above question is the answer students usually hear from teachers, “It depends.” It depends on the situation in which sales managers find themselves. For this reason, one of the most important attributes a good sales manager must have is flexibility, probably second in importance to being an effective listener. Sales managers must be flexible to adapt to the needs and challenges of their sales organization. If an organization requires a new vision and radical change, an authoritative style is best. In a sales organization that is under stress and has rifts, an affiliative style might be best until the stress is gone. In normal conditions and in most situations, a coaching style is probably the most effective one for a sales manager.

A coaching leadership style that combines personal humility, professional will, and excellent communication skills that transmit an organizational vision and “move the human heart” will achieve superior results.

**The Functions of Management**
Which leadership styles are appropriate depend not only on the situation, but also on the need to change, and the extant rules of management. The rules of management have changed because the game has changed—the game is much faster and more competitive today than it was several years ago, and the competition for good people and pressure for superior performance is greater than ever. The old functions of management were:
- Planning (yearly)
- Organizing
- Motivating
- Controlling
- Evaluating (usually yearly evaluations tied to a raise and that led to planning for next year)

The new functions of management are:
- Strategic Planning (flexible, adaptive, speed)
- Coordinating/Aligning (coordinating teams and aligning values)
- Empowering (people come motivated, let them loose)
- Facilitating (“what can I do to help?”)
- Coaching (daily feedback)

As sales managers must be both leaders and managers, we need to look at the similarities and differences between management styles and leadership styles.
Management Styles

Management is the skill of getting results with the cooperation of other people. I consider this the best definition of management because it contains the most important elements of management. First, it’s a skill and therefore can be learned; second, it involves getting results which are politically defined by those at the top of an organization; third, it requires cooperation which is more productive than competition; and finally, it involves people which require the most important attribute of management—emotional intelligence.

Just as there are different leadership styles for different situations, there are different management styles for different situations. Leadership styles deal more with how to get people to follow, while management styles deal more with how to develop people. There are two overall management styles, autocratic and democratic. Under the autocratic style, there are two sub-styles, directing and guiding. Under the democratic style, there are two sub-styles, supporting and delegating. And just as with leadership styles, a manager must be flexible and sensitive to people’s needs, and use a management style that is appropriate for a person’s needs.

**Autocratic.** Autocratic bosses are tough and focus on the bottom line, on production and results, not on people. They want obedience and thrive in a formal, rigid, rule bound environment. They exclude others, and are most interested in personal power and getting credit. There are two types of autocratic bosses. First there is the exploitative autocrat who doesn’t care a whit about people, about being fair, or about asking for input, but who will take advantage of anyone to get results. The second type is the benevolent autocrat who will ask for input from people only to eventually do just what he or she wants to do. The benevolent autocrat tries to be inclusive and nice, but still does things his or her way. The modal management style in media sales management, as in most businesses, is the benevolent autocrat.

**Democratic.** Democratic bosses are consultative, inclusive, humanistic, and focus on people. They build consensus, thrive on informality, are tolerant of conflict, and get an entire team credit. There are two types of democratic managers. The consultative democrat will listen carefully to everyone’s input, and even change their approach if it seems reasonable, but makes the final decision. On the other hand, the participative democrat relies on group consensus to make decisions.

There are four specific management styles, directing, guiding, supporting, and delegating, which are consistent with the two primary styles above and are based on a person’s development needs.

**Directing.** In this style, the coach or sales manager provides specific instructions and closely supervises the accomplishments of tasks. Directing is an appropriate style when a decision has to be made in a hurry and with inexperienced people and is best used when competence is low and commitment is high.

**Guiding.** In this style, the coach continues some direction and closely supervises task accomplishments, but also explains decisions and supports progress. This is an appropriate style when a salesperson’s skill is adequate, but whose initial enthusiasm has waned. Use it when salespeople need to increase their skill level, as well as build self-esteem and confidence. It is best used with some competence and low commitment.

**Supporting.** In this style, the coach facilitates and supports efforts to accomplish tasks and shares in the responsibility for decision making. Supporting is appropriate when salespeople know what they are doing but need recognition and reinforcement of good habits. Use it mixed with a lot of praise and when competence is high and commitment is variable.

**Delegating.** In this style, the coach turns over responsibility for decision making, problem solving, and task accomplishment to salespeople. Delegating is appropriate for top performers and for highly motivated salespeople who need little direction and usually crave autonomy and independence. Use it when competence and commitment are high.

Manage Expectations

In addition to management style, expectations can affect performance significantly. The old saw, “We get the performance we expect,” is supported by new research that was reported in the *Wall Street Journal*. In an article by Sharon Begley titled “Expectations May Alter Outcomes Far More Than We Realize,” psychology professor, Robert Rosenthal, is quoted as saying, “Expectation becomes a self-fulfilling prophecy. When teachers have been led to expect better intellectual performance from their students, they tend to get it. When coaches are led to expect better athletic performance from their athletes, they tend to get it. When behavioral researchers are led to expect a certain response from their research subjects, they
tend to get it.″ And we might add that when sales managers expect better performance from their salespeople, they tend to get it.

Begley’s article reports on 479 research studies that found that teachers’ expectations affect how students do. But it is hard to nail down exactly how expectations are conveyed to students, athletes, or employees through non-verbal, subtle, and often unintentional messages. Therefore, sales managers must manage their own, and, thus, their salespeople’s expectations. The best way to do this is to follow the example of Jim in the anecdote in the Introduction—always make your salespeople believe they are winners and that they are the best sales staff in the area.

Too many sales managers are insensitive to their salespeople’s needs and rail at them. They yell at them that they are losers who are not working hard enough, are not making enough calls, or are not making the budget. Guess what? These sales staffs will live up to these expectations. These stupid sales managers don’t realize that this kind of behavior doesn’t motivate people. Instead criticism represses behavior, instills in them a fear of losing, and lowers risk taking. Salespeople who are criticized for making a mistake say to themselves, “I’ll never try anything new again.” While such sales managers believe that fear motivates, on the contrary it makes people unable to initiate, avoidant of seeking help from management, and it fails motivate. No wonder that the coercive leadership style has a negative effect on organizations.

Instead manage your own expectations with optimism and sensitivity to the needs of your sales staff and manage their expectations by expecting them to be the best and they will be especially if you have hired the right people.

Craig Hickman and Michael Silva list five blocks to sensitive management in their book Creating Excellence: Managing Corporate Culture, Strategy, and Change in the New Age. These blocks often blind sales managers to the needs of the salespeople and cause sales managers to lower salespeople’s expectations:

1. Assuming they know salespeople’s expectations and needs without discussing them.
2. Treating all salespeople the same regardless of individual differences.
3. Viewing salespeople as tools or production units, not as people.
4. Seeing salespeople as they once were and not recognizing changes or improvements in their performance.
5. Believing salespeople should respond the way the sales managers would respond in the same situation.

Hickman and Silva recommend the following (on which I have expanded) to overcome these blocks and to raise people’s expectations of themselves:

1. Sensitivity to salespeople's security expectations and needs. Sales managers should dedicate themselves to their people's physical well-being, environment, working conditions, compensation, supervision, and benefits. Sales managers should fight for the best of all of these for their people. They should conduct a organizational attitude survey to find out how employees feel about their work environment, or have a confidential gripe meeting with an employee they select and trust who communicates to management their comments and criticisms. Outside consultants can also perform this task quite well; employees often open up to outsiders.
2. Sensitivity to people’s belonging expectations and needs. Sales managers should involve themselves in scrutinizing the social interaction, group dynamics, team feeling, participation in decision making, and sense of family their people experience. They should create an atmosphere of mutual trust and respect.
3. Sensitivity to salespeople’s recognition expectations and needs. Sales managers should evaluate thoroughly how and when their employees win formal and informal recognition via oral and written praise, promotions, bonuses, awards, honors, and other means. In the media the need for recognition is especially strong, and every organization should have a formal system for praise and recognition—a little bit of recognition goes a long way. Sales managers must find creative, new ways to give people recognition (see Chapter 7 for ideas on how to give recognition).
4. Sensitivity to salespeople’s quality-of-work expectations and needs. Sales managers should define the sort of work people find interesting, challenging, and inspiring and find ways to match salespeople with the assignments that are most satisfying to them.
5. Sensitivity to salespeople’s self-actualization expectations and needs. Sales managers should know their salespeople well enough to know what their dreams and ambitions are. Sensitive sales managers understand their salespeople’s dreams and show their salespeople how to achieve their
dreams through performance on the job. Remember, most people dream of winning, so great managers make their sales team feel like a winner.

When To Lead, When To Manage

When an organization needs a new direction or change, a re-focusing, or new energy, choose an appropriate leadership style, but not a coercive one. For individual salespeople who need coaching or motivating, choose an appropriate management style. For example, a sales organization might need to implement a new sales strategy, such as developing more local business after a bad year, and an authoritative leadership style would be appropriate. At the same time, the salespeople in that sales organization will have a variety of needs that must be addressed. For instance, two top salespeople might be superstars who need no supervision and, thus, a delegating management style would be appropriate, while, the three newest salespeople might need a directing management style. The rule is familiar: *Different strokes for different folks.*

With the above leadership and management styles in mind, remember the words of Richard Farson in *Management of the Absurd,* “Everything we try works, and nothing works.”¹ Farson suggests that every management technique works for a while until people realize that they are often manipulation techniques and dismiss them. If your management style is authentically yours and congruent with your personality, your style will succeed. But you must honestly care, communicated through a caring attitude, about helping people. Conversely, if you are a narcissistic, selfish autocrat, you will have trouble managing and leading people in the long run. Rather than becoming a sales manager, start your own company so you can be your own boss. You’ll deserve yourself.

In addition, remember Sam Walton’s rule that the way management treats their employees is the way that the employees will treat customers. Therefore, treat your salespeople well. And, as a sales manager, you can only succeed if your salespeople and followers want you and the organization to win. Salespeople must buy into corporate vision, mission, and shared values, and they must believe their management cares about them, treats them fairly, and trusts them because trust is the grease that makes a department run smoothly. Management styles are useful for aligning individual goals with departmental and corporate goals and achieving results. So, pour on the grease and keep everything aligned. It’s hard, complicated, challenging, and, ultimately, satisfying.

Two Ways to Manage

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<tr>
<th>Heroic Management</th>
<th>Engaging Management</th>
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<tbody>
<tr>
<td>1. Managers are important people, quite apart from others who develop products and deliver services</td>
<td>1. Managers are important to the extent that they help other people who develop products and deliver services to be important.</td>
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<td>2. The higher “up” these managers go, the more important they become. At the “top,” the chief executive is the corporation.</td>
<td>2. An organization is an interacting network, not a vertical hierarchy. Effective leaders work throughout; they do not sit on top.</td>
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<td>3. Down the hierarchy comes the strategy—clear, deliberate, and bold—emanating from the chief who takes the dramatic acts. Everyone else “implements.”</td>
<td>3. Out of the network emerge strategies, as engaged people solve little problems that grow into big initiatives.</td>
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<td>4. Implementation is the problem because while the chief embraces change, most others resist it. That is why outsiders must be favored over insiders.</td>
<td>4. Implementation is the problem because it cannot be separated from formulation. That is why committed insiders are necessary to resist ill-considered changes imposed from above and without.</td>
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<td>5. To manage is to make decisions and allocate</td>
<td>5. To manage is to bring out the positive energy</td>
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Drucker On Leadership

Peter Drucker is known as the “father of modern management.” He has been writing about management for over 60 years, and no one is more respected by executives and academics alike. In the June 1 issue of the Wall Street Journal, Drucker wrote an article titled, “The Rules of the Executive Class.” Here is that article—it is an excellent primer on management:

An effective executive does not need to be a leader in the sense that the term is now most commonly used. Harry Truman did not have one ounce of charisma, for example, yet he was among the most effective chief executives in U.S. history. Some of the best business and nonprofit CEOs I’ve worked with over a 65-year consulting career were not stereotypical leaders. They ranged from extroverted to nearly reclusive, from easygoing to controlling, from generous to parsimonious. What made them all effective is that they followed the same eight practices:

• **Ask "What needs to be done?"** Failure to ask this question will render even the ablest executive ineffectual. Jack Welch realized that what needed to be done at General Electric when he took over as chief executive was not the overseas expansion he wanted to launch. It was getting rid of GE businesses that -- no matter how profitable -- could not be No. 1 or No. 2 in their industries.

• **Ask "What is right for the enterprise?"** Note that the question is not what's right for the shareholders, or the executives, or the employees. Those are all important constituencies who need to support a decision, or acquiesce in it, if the choice is to be effective. But if a decision isn't right for the enterprise as a whole, in the long run it won't be right for any of the individual stakeholders.

• **Develop action plans.** The action plan is a statement of intentions rather than a commitment. It should be revised often, because every success creates new opportunities. So does every failure. Napoleon allegedly said that no successful battle ever followed its plan. Yet Napoleon also planned every one of his battles, far more meticulously than any earlier general had done. Without an action plan, the executive becomes a prisoner of events.

• **Take responsibility for decisions.** This is particularly important when it comes to hiring or promoting people. If after promoting a person, the decision has not had the desired results, executives don't conclude that the person has not performed. They conclude, instead, that they themselves made a mistake. In a well-managed enterprise, it is understood that people who fail in a new job, especially after a promotion, may not be the ones to blame.

• **Take responsibility for communicating.** Effective executives make sure that both their action plans and their information needs are understood. Specifically, this means that they share their plans with and ask for comments from all their colleagues -- superiors, subordinates, and peers. At the same time, they let each person know what information they'll need to get the job done. The information flow from subordinate to boss is usually what gets the most attention. But executives need to pay equal attention to peers' and superiors' information needs.

• **Focus on opportunities, not problems.** In most companies, the first page of the monthly management report lists key problems. It's far wiser to list opportunities on the first page and leave problems for the second page. Unless there is a true catastrophe, problems are not discussed in management meetings until opportunities have been analyzed and properly dealt with.
• **Make meetings productive.** Every study of the executive workday has found that even junior executives and professionals are with other people -- that is, in a meeting of some sort -- more than half of every business day. Making a meeting productive takes a good deal of self-discipline. It requires that executives determine what kind of meeting is appropriate and then stick to that format. It's also necessary to terminate the meeting as soon as its specific purpose has been accomplished. Good executives don't raise another matter for discussion. They sum up and adjourn.

• **Think and say "We."** Effective executives know that they have ultimate responsibility, which can be neither shared nor delegated. But they have authority only because they have the trust of the organization. This means that they think of the needs and the opportunities of the organization before they think of their own needs and opportunities. This one may sound simple. It isn't, but it needs to be strictly observed.

I'm going to throw in one final, bonus practice. This one's so important that I'll elevate it to a rule: *Listen first, speak last.*

**Test Yourself**

1. What is the difference between management and leadership?
2. What does Gardner claim the key to leadership is?
3. What are the two qualities Collins identifies with powerfully transforming executives?
4. What are the five leadership styles identified by Goleman?
5. What are the five new functions of management?
6. According to the author, what is the best definition of management?
7. What are the four specific management styles?
8. What are the five blocks to sensitive management?

**Case Studies**

5. “You’re the Boss” case in “Case Studies” link on www.charleswarner.us.

**Project**

If you have a job, ask yourself the following questions about the leadership and management of the top executive in your organizational unit. 1) Is that person a leader? 2) Does the organizational unit need a leader or need to change? 3) What is the top manager’s leadership style? 4) Is it the appropriate style for the unit? 5) If not, what leadership style would be best? 6) Does the top manager use the same management style for everyone? 7) If so, what overall style is it? 8) If not, what different management styles does the manager use? 9) Are the styles appropriate for each person? 10) If not, what management style would be best for each person?

**References**


**Endnotes**


ii Ibid.


