

# The Comparison of Leadership and Management in the Businesses and Organizations

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**Abstract:** Leadership is a responsibility with accomplishment toward the task and involvement with the teams preparing and guiding the team members to take on the same line of insight, vision, and achievement. The paper aims to explain how leadership is different from management, and how leadership is more focused on the vision compared to the manager's scope in the organization processes. Leadership uses the opportunities by capitalizing on the work. Managers work on business implementation and decision-making. Leadership involves organizing and mobilizing the teams to achieve the desired task. Though the leaders and managers work very closely the differences vary on taking the responsibilities to lead the team forward for accomplishment. Managers can be good leaders when properly trained and provided the opportunity to achieve the ability to communicate, motivate and inspire the team members.

**Keywords:** Leadership, Leadership styles, Management, Business Management, Team management, Leaders.

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## I. INTRODUCTION

The concept of leadership and management primarily relies on the comprehension that an organization holds. Management personnel usually focuses on the processes, stability of the operations and predominantly rely on the effective functioning of the design that has been put together. Leaders are often detail-oriented towards the task at hand and involve guiding their team members to share the same vision, improvise motivational factors, and understanding the severity of the emerged risk to provide solution and sometimes requires coordination of managers for acceptance and resilience of the operation structure (Thompson, 2018). There are times leadership and management activities go hand in hand but there are some key differences to embrace to have a better understanding of the duties. Primarily, the process vs the vision. Management and Leader also share some of the major scope activities that are focused on organizational improvement, especially when dealing with team design (Algahtani, 2014). According to Gavin (2019) from Harvard Business Review, Leadership's scope of work is centered towards the vision. The managerial scope is primarily to achieve organizational structuring such as hiring the right talents, budgeting, implementation of effective processes in place for supporting operational goals, etc.

## II. LEADERSHIP VS MANAGERSHIP

Leadership would play a role as a subset to capitalize opportunities on the initiative they require to work on. Secondly, the differences stand on organizing vs aligning. Managerial duties entail coordinated actions and tactical decisions to gain certain outcomes. Leadership scope would be to organize their team and mobilize the working standards to share a common vision rather than implementing strategies. The third aspect is position vs quality. Managers denote a specific position within the organizational hierarchy whereas leaders have a more flexible meaning. Managers can be leaders but even though the skills are synonymous, leaders are often differentiated based on the result of the action. In other words, if an individual inspires people, motivates, and encourages them to perform a common goal, they are called leaders (Gavin,

2019). For instance, implementing a decision by decision-making or business continuity processes during a crisis, and Management should consider the impacts and effects on the team when implementing a new process in the organization and drive them accordingly (Chinta, 2016).

William and Sparks (2011) studied convergence and divergence views of leadership in various organizations with 9942 participants around the different parts of the world including 40 countries. The multi-level analysis found that relationships, resources, and work environment. The values of culture and work-life balancing at organizations are given less importance by the managers. Managers can be dedicated to the success of the organization but must also be able to lead the teams with leadership qualities. The sharing of leadership among managers will make them good leaders and provide a chance to interact with the employees and develop leadership skills (Marianne, 2015).

Thompson (2018) some common leadership styles that organizations primarily categorize: Autocratic Leadership, Democratic Leadership, Transactional Leadership, and Transformational Leadership.

#### ***A. Autocratic Leadership***

Autocratic Leadership is a style of leadership one embraces to take control over the whole decisions in the organization. Team members are not ideally involved in any sort of decision-making process and are expected to comply with the provided requirements without any pushbacks. From our personal experience, this type of leadership has both pros and cons. Since there is little to no involvement of teams in the decision-making process, it allows teams a set path to follow to get the job done. Their expectations are straightforward, and the occurrences of strategic errors will be minimal. We can notice this type of leadership in areas where the stakes are high, like the military environment. The cons include but are not limited to, reduction in employee values, motivation, and an increase in team rebellion. On top of that, the teams will work towards a common goal without sharing the vision and scope, which on a high level undermines organizational success (St. Thomas University, 2015).

#### ***B. Democratic leadership***

Democratic leadership is almost the opposite of the autocratic leadership style. We may have noticed this type of leadership style in many organizations. Managers/leaders involve the key stakeholders in the decision-making process. Even though the leader/manager has a final say in the decision, they make sure that everybody's inputs are being valued and heard. There are certainly pros and cons involved with this type of leadership. Employees and teams feel valued when their voice is heard. It enhances motivation to pitch in creative recommendations in every brainstorming session. Valuating every stakeholder's input is a time-consuming process and an in-experience valuation would result in poor decision making. Embracing this leadership style would be ideal for smaller team sizes and individuals with a similar skillset (St. Thomas University, 2015).

#### ***C. Transactional Leadership***

The transactional Leadership Style primarily focuses on the order and structure of the organization. Based on the organization's position of responsibility, the leaders/ managers intend to adhere to the metrics according to the order of the organization. Self-motivated employees or individuals are the ideal ones that can thrive within this environment to support the pre-structured goals and decisions. A good example would be the high-performance sales team where the existing structure provided a target for the teams to reap the benefits associated with it. Rewards are only based on the individual's performance. Since the goals are clearly defined, it is acceptable for the teams to have a detailed-oriented vision rather than a high-level focus. An efficient chain of command will enhance the resolution methods for any emerging risks and most importantly, employees do not feel surprised concerning possible change in strategy or outcomes of the defined goals. It also has a potential drawback where competitiveness does not reward the same for every employee (Nanjudeswara Swamy & Swamy, 2014).

#### ***D. Transformational Leadership***

Transformational Leadership primarily focuses on leadership personality. Leaders / Managers tend to guide their employees towards the guiding vision of their own. Employees are required to share the same vision and goals of the leader than being ideally creative. The characteristics in this leadership style involve positive attributes such as maintaining standards on interpersonal relationships and the leader must certainly act as a role model for the team members to develop inspiration. The cons involve attaining approval from leaders for every informed decision which sometimes makes the employees believe that they are micro-managed, and it deteriorates creativity. This attribute of leadership varies from person to person (Nanjudeswara Swamy & Swamy, 2014)

According to Thompson, 2018 The scope of management relies on the function that can be exercised within a team, and leadership's scope can be explicit towards maintaining and leading the team towards a common goal. He also depicts the differences based on the "Point of View" the leader embraces. This drives the leader to (1) see what must be done (2) determine the status of the underlying factors within the organization (3) Determine corrective actions to enhance the operations.

### **III. ANALYSIS**

Management and Leader share some of the key scope activities that are focused on organizational improvement, especially when dealing with team design. The discrete differences can be broken down on a skill-set-basis: Technical, human, and conceptual. His analysis on Technical and Conceptual provided a result determining leadership and management are two different discrete functions but, when it comes to Interpersonal Skills there are factors such as accountability, stability, and planning that dictates some common traits that management and leaders share. An interdependent factor within these suggested traits would be the type of structure the organization has. For instance, in small-scale companies' management might have to wear the hat of a leader by understanding the team's necessities. Usually, teams do not want to be managed, they want to be led.

Management personnel must be able to shift their focus from being high-level to detail-oriented at times when handling their teams. The focus must be tailored to make the team understanding their task first before beginning to share the vision, which leaders would be performing to accommodate their team. Doing so would determine the accountability of everyone within their team and management can envision the possible emerging risks associated with the program. Managers ought to incorporate a level of planning to set the differences on the subordinate level performances to team performances. These tend to act as a metric when working closely with individuals which managers should set aside. Overall, the manager can act as a leader by sharing common interpersonal traits.

To support the differences in the discrete functions of leaders and managers the review of the study of William Arruda (2021) the important difference between leaders and management when it comes to maintaining relationships with the teams. As we discussed earlier, when a person is being inspired or encouraged, they can certainly be called a leader. On top of these aspects, one must also assess their team members to ensure whether they are properly motivated and make sure they have the creative environment to set the team up for success. Regardless of scope, it is also imminent to consider the individual's characteristics and how they intend to handle the situation. This applies to both managerial and leadership roles as both involve handling people. Every individual has a unique way of handling people/teams. Typically, their interpersonal skills in approaching management stems are what showcases their personality and traits. For instance, some follow motivation by incentive, and some follow motivation by command. It relies on the leadership styles they wish to embrace to get the job done. From our personal experience, there are many businesses are categorized per the leadership personality traits.

### **IV. CONCLUSION**

As this paper discusses the importance of discrete characteristics of a leader vs manager, it can be a viable start for someone who is leaning towards developing interpersonal traits as needed to improve their career path in businesses and organizational setup. However, one needs to understand various factors before embracing the style of managerial function or a leadership trait. The leadership style differs from team to team and domain to domain like Business, marketing, technology, and healthcare. Identifying their responsibility might be a daunting task when dealing with small-scale teams and organizations but one can certainly level set with the scope within each team and determining the type of motivation one requires to accept you as a leader. A manager can be a good leader only with good training and having the ability to connect, inspire, and guide the team in the direction towards success.

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