Impact of Leadership Qualities in Business Today

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Abstract

In the modern business scenario healthy leadership walks hand in hand with management of people, process and technology. Leaders must encourage employee skills and increase creativity (Perdomo & Prieto, 2009), as the competitive sustainability of a company depends on human and social capital management, where leadership has a prominent role (Schneider, 2002). Leadership might have a positive effect overtaking the factors that threaten the survival of organizations. Some of those factors are managers' resistance to technological changes, poor strategic thinking to move on new challenges and a lack of business associations (Sanchez, Osorio, & Baena, 2007).Management and leadership have been used differently by different people. While some use them as synonymous terms, other view them as two completely different words. However, the majority appreciates some similarities and differences between them. The aim of this review is to determine whether management and leadership are different? The findings of this review showed that management and leadership are two very distinct functions. Although, management and leadership do share many similar duties which consist of working with people and influencing others to achieve goals. Management skills are used to plan, build, and direct organizational systems to accomplish missions and goals, while leadership skills are used to focus on a potential change by establishing direction, aligning people, and motivating and inspiring.

Keywords: Management, Leadership, Skills, Current trends in management,

Introduction

Leadership and management entail a unique set of activities or functions. While leaders and managers share some similarities because they both influence others by using specific powers to achieve certain goals, there are also some prominent differences (Northouse, 2007). While, managers maintain a smoothly functioning workplace, leaders test the current position and encourage new functions, so they are looking for long-term goals (Yukl, 1989). In today's vigorous workplace, organizations need both effective management, and effective leadership for optimal success (Kotterman, 2006).

Management

Katz defined the management as exercising direction of a group or organization through executive, administrative, and supervisory positions (Katz, 1955). Katz thought that management responsibilities are usually tasked-oriented, and it involves developing staff, mentoring persons with high potential, and resolving conflicts while maintaining ethics and discipline (Katz, 1955). Kappa states that the aim from a

good management is to provide services to the community in an efficient and sustainable manner (Kappa, 1991). Moreover, Kotter defined the management as a job which takes care of planning, organizing, budgeting, coordinating and monitoring activities for group or organization (Kotter, 2001). Northouse defined the management as a process by which definite set objectives are achieved through the efficient use of resources (Northouse, 2007). Thus, Management in general is a process that is used to achieve organizational goals. Managers focus on formal directing and controlling of their assistants, resources, structures, and systems (Kotter, 2001). Managers aim to reach short term goals, avoid any risks, and establish standardization to improve efficiency (Kotterman, 2006). The employees follow a manager's direction in exchange for being paid a salary, known as a transactional style (Kotter, 2001).Research shows thatbeing an effective manager depends upon three special skill sets: technical, human and conceptual. The technical skill refers to the proficiency in a specific type of work. This may include competencies within a specialized field, or the ability to use appropriate tools and techniques. Human skill refers tothe ability to work with people, which allow a manager to assist group members to complete a task. Conceptual skill refers tothe ability to work with ideas (Katz, 1955). In addition, an effective manager needs to have specific qualities like: good communication; organizational; negotiation; and delegation skills (Kappa, 1991).

Leadership

Leadership is a complex, multidimensional phenomena (DePree, 1989). It has been defined as: a behavior; a style; a skill; a process; a responsibility; an experience; a function of management; a position of authority; an influencing relationship; a characteristic; and an ability (Northouse, 2007). John Maxwell defined leadership by influence (Maxwell, 1998). Kotter (1990) stated that "Leadership is the capacity for collective action to vitalize". Robert Greenleaf defined effective leadership as people who serve others, while they follow them (Bennis and Nanus, 1997). Moreover, Peter Drucker defined a leader is someone who has followers (Drucker, 1999). However, some theorists believe that leadership is a form of the social influence processes (House and Aditya, 1997). Although there are a variety of leadership definitions, the majority of definitions focused on two components which are: the process of influencing a group of individuals to obtain a common goal; and to develop a vision. Leaders focus on motivation, and inspiration (Kotter, 1990). Leaders aim to create passion to follow their vision, to reach long term goals, take risks to accomplish common goals, and challenge the current status quo (Bennis and Nanus, 1997). The leader keeps an open eye on his followers' benefits, so people follow the leader voluntarily, and the leader directs the follower by using a transformational style (Bass, 1990). Leaders should have some critical qualities such as integrity; vision; toughness; decisive; trust; commitment; selflessness, creativity; risk taking; toughness; communication ability, and visibility (Capowski, 1994). Moreover, leaders should have charisma; a sense of mission; ability to influence people in a positive environment; and ability to solve problems (House, 1977). In addition, research shows that being an effective leader depends upon common behaviors and characteristics like: confidence; service mentality; good coaching skills; reliability; expertise; responsibility; good listening skills; being visionary; realistic; good sense of priorities; honesty; willingness to share; strong selfesteem; technical or contextual, and recognition (Bennis and Nanus, 1997).

Both leadership and management involve influence, working with people, and working to achieve common goals(The Guardian, 2013).However, the fields of leadership and management considered very different(Kotterman, 2006). Katz asserts that leadership is a multi-directional influence relation, while management is a unidirectional authority relationship (Katz, 1955). In 1977, Abraham Zaleznik wrote the first scholarly andlandmark article about the difference between leaders and managers (Zaleznik, 1977). Zaleznik mentioned that the organizationneeds both effective managers and effective leaders in order to reach its goals, but he argues that managers and leaders have different contributions (Zaleznik, 1977).

Whereas leaders promoter change, new approaches, and work to understand people's beliefs to gain their commitment, managers promoter stability, exercise authority, and work to get things accomplished. Therefore, management and leadership need different types of people(Zaleznik, 1977). In 1983, Watson stated that managers take care of structure and system, but leaders focus on the communication, motivation, and shared goals. In addition, Watson mentioned that 7S strategy which include;strategy, structure, systems, shared values, skills, and style; is more effective for leaders comparing to managers.In 1985, Bryman added that leadership is about strategic motivation. Bennis and Nannus (1985) briefly describe the differencesbetween the leaders and managersin one sentence: "Leaders do the right things; managers do things right." (p. 33).

Moreover, In 1989 Bennis stated that "To survive in the twenty-first century, we are going to need a new generation of leaders - leaders, not managers. The distinction is an important one. Leaders conquer the context.

Transformational leaders appropriately cope with challenges and globalization, promoting adaptation (Howell & Higgens, 1990), participatory decision-making (Bass, 1997), openness to change, concentration on the group and organization interests (Krishnan, 2001; Sosik, 2005), and international negotiation achievements (Rosenzweig, 1998). Their characteristics are innovation, negotiation strategies, responsibility, persistency (Bass, 1997; Bass & Avolio, 1994), to give information, advice, support and encouragement to workers, increasing motivation and performance (Bass, 1997). They bring about outstanding achievement (Bass, 1985), becoming a standard to values and ethic (Bass & Riggio, 2006) and their vision results in feelings and inspiration in followers (Ross & Offermann, 1997; Wofford, Goodwin, & Whittington, 1998).

Literature review

This review article will address and compare fundamental definitions of leadership and management, the specific types of skills for the manager and the leader, and discuss the similarities and differences between management and leadership.The following study is on secondary data.

Objective

The Paper Aim To examine impact of leadership qualities in business today.

Methodology

Methodology of Analysis An extensive literature search was conducted using the following electronic databases: EBSCO, EMBASE and Google Scholar. The search aimed to identify and locate all previous articles which discussed the differences between the management and leadership. There was no time limitation; however the research was limited to only articles written in English. The title should have "management" and "leadership" terms within it. The keywords and phrases used in the research include (leadership) and (management), or (differences), or (similarities). Original and peer reviewed articles were considered for this review.

Qualitative research involves,intensive,long term participation in a field setting.It involves carefulrecording of what happens in the setting by writing field notes and interviews and by collecting other kinds of documentary evidence (e.g. memos,audiotapes,school records,examples of work,videotapes) . The analysis is based on the reflection of the documentary evidence in the field.The research is reported bymeans of detailed descriptions, direct quotes from interviews and interpretive commentary.

Our review of the evidence suggests that successful leadership can play a highly significant – and frequently underestimated – role in improving student learning. Specifically, the available evidence about the size and nature of the effects of successful leadership on student learning justifies two important claims: 1. Leadership is second only to classroom instruction among all school-related factors that contribute to what students learn at school. While evidence about leadership effects on student learning can be confusing to interpret, much of the existing research actually underestimates its effects. The total (direct and indirect) effects of leadership on student learning account for about a quarter of total school effects.iv This evidence supports the present widespread interest in improving leadership as a key to the successful implementation of large-scale reform. 2. Leadership effects are usually largest where and when they are needed most. Especially when we think of leaders in formal administrative roles, the greater the challenge the greater the impact of their actions on learning. While the evidence shows small but significant effects of leadership actions on student learning across the spectrum of schools, existing research also shows that demonstrated effects of successful leadership are considerably greater in schools that arein more difficultcircumstances. Indeed, there are virtually no documented instances of troubled schools being turned around without intervention by a powerful leader. Many other factors may contribute to such turnarounds, but leadership is the catalyst. These results, therefore, point to the value of changing, or adding to, the leadership capacities of underperforming schools as part of their improvement efforts or as part of school reconstitution.

Conclusion

Every organization needs managers and leaders, and their roles should be viewed as complementary to one another.The optimal effectiveness of an organization can only reach if the organization has strong leadership and strong management. In today's dynamic workplace, organizations need leaders to cope with new challenges, and transform organizations in order to achieve a competitive advantage in the marketplace. In addition, organizations need managers to maintain a smoothly functioning workplace, and to utilize resources effectively. Finally, a well balanced organization should have a mix of leaders and managers to succeed (Kotterman, 2006).

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