

For management

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ABSTRACT

The paper highlights two points: 1) It has been argued that there is too much of management and too little of leadership. This paper speaks for management. 2) An excursion to the linguistics of management shows that the distinction between management and leadership is not universal.

1. MANAGEMENT AND LEADERSHIP

Whenever I write on management subjects in Finnish or in English, I come across the predicament that the Finnish word *johtaminen* stands for both management and leadership. In Finnish you can *johtaa* (the verb) a company as well as a race. If this is confusing to an English speaker, it is quite as confusing for a Finnish speaker to understand that a conductor leads a symphony orchestra, but it is managed by someone in the back-office taking care of financial and other mundane matters. This has given me a few headaches in translating management thinking between the Finnish and English languages. I have had to study the difference in meaning of the two English words, something that is obviously self-evident to any native English-speaker. This paper is an attempt to share what I think I have learned.

First of all, let me check, if I have understood the concepts of management and leadership the same way as a native English speaker would understand them. Definitions abound in the literature, and, needless to say, they are all but in agreement. It seems as though every self-respecting scholar on the subject would have liked to leave his or her mark in the definition jungle.

Instead of boring the reader by a detailed analysis of this jungle, I shall cut myself through it all and end up with the following simplified definitions:

Management is a position in an organization and a responsibility that comes with the organizational position. Managers need managerial competences like professors, lawyers, artists, carpenters and cleaners need competences in their professional or occupational fields. Leadership is a personal skill to vision, act and influence people ahead and in front of them. Leaders need personal leadership skills. Management is based on a status in a hierarchy and leadership on the personal prestige of the person. The two may go together, but it is not necessarily so.

A couple of decades ago leadership was still considered a necessary skill for supervisors or middle-managers (e.g. McFarland, 1979; Miner, Singleton & Luchsinger, 1985, 188; Kreitner, 2001, 173 - 177). It was thought that top management should work on strategic matters, and then delegate the implementation of the strategy to the lower echelons. To get the delegated strategy implemented the middle management and supervisors needed leadership skills, meaning that they should persuade the operative people to work for the wisdom invented by the top management. The generals had the brain, the soldiers were the hands, and the latter should not mess up with the generals' tasks. This vertical division of labour is deeply rooted in the Western thinking, and Aristotle was probably the first to write about it (Nurmi, 1984.) Indeed, the word strategy comes from Greece, and it means the office of the general. This is still a difference between the Western concept of division of labour and the Japanese collective organizational thinking (Ouchi, 1981).

This strict division between strategic planning and operations produced voluminous and sophisticated strategic papers and long range plans in many companies. It turned out that they had little influence on operations. People forgot the plans and the strategies - if they ever learned to know about them. It is not that long ago that I heard an executive say: "We had a marvellous strategy - only our personnel did not understand it". We have witnessed "The rise and fall of strategic planning" to quote the title of Mintzberg's (1994) book on the subject.

Managers, consultants, textbook-writers and management educators began to realize that planning and implementing are not two separate things; they must overlap timewise and organizationally. Leadership then came on the agenda for top management. The term strategic leadership was coined (Schendel, 1989). Strategic leadership is not just delegating the strategy from top to bottom, but it is more importantly collecting strategic impulses that emerge in the organization and at the customer interface. In this process first the difference between strategy and operations became blurred (Nurmi, 1999). Something similar may now be taking place to the difference between management and leadership.

Leadership has not only grown in importance, but it has become a doctrine. Leadership is an example of American-based leadership doctrines on what good management is. Some of it comes close to a religion. There is recent American criticism of the concept as well (Goslin & Mintzberg, 2003; Pearce & Conger, 2003; Raelin, 2003). Leadership is not actually used in the English by the man-in-the street as pompously as in the leadership literature.

Leadership is rooted in the history of USA, in its myths and legends of strong and charismatic individuals, who can make the world better by their will-power, talents and charisma. American democracy cherishes individual freedom and liberty. And indeed, much of the achievements of the USA are based on this kind of heroic people. American history-writing highlights individual and entrepreneurial initiative and leadership.

Europeans have experienced dictators. Therefore, Europeans see democracy as a means to prevent too much power from being concentrated on one person. Democracy is based on resentment against holders of power (Russell, 1995, 136). European history-writing has che-

rished cultural achievements based on Church and nation-states. When European business people, management consultants and educators talk about leadership in admiration of the American doctrine, they do not always realize that they try to apply the idea in a cultural and national ethos that differs from the origins of the leadership doctrine. This may raise difficulties, to say the least.

Let us take a short excursion to the linguistics of management. Language is a cornucopia of meanings, connotations, nuances and dialects. For all this, the following short review cannot do justice. There cannot be a neat, let alone a perfect presentation on such a subject. But even with its roughness and simplifications, it may indicate that thinking about management and leadership is neither as objective nor universal as we tend to think.

2. LINGUISTICS OF MANAGEMENT

2.1. *English as a tangled language*

English belongs to the Germanic group of languages, but it has strong sediments of Latin influence from the time of the Roman occupation. (Even Gaelic influences have remained, but my Gaelic is too rusty to trace these roots here). The word management has a Latin origin. Its root is manus meaning hand. When Latin began to take form as Italian languages, maneggiare became to mean horse training. Shakespeare used management in this sense in e.g. "King Lear" (32), but it also meant trickery and deceitful contrivance for Shakespeare in "As you like it" (4) and for George Washington in his Letters (1893, 63). It was only after the industrial revolution and particularly in America (Drucker, 1997, 14) that management began to be established in its present decent meaning. Leadership on the other hand comes from Old Germanic language. Its root is the verb laedan (or lithan or lidan) meaning travelling, going. At that time travelling meant riding in front of a convoy.

2.2. *Romani ducerent*

Let us go back to the roots of it all or to the Latin language. Latin ducere (manage), dux (mana-

ger) and ductus (management) remind now Italians of Mussolini, who called himself *Il Duce*. *Ducere* comes from Latin *conducere* meaning bringing things together, and from it comes *condurre* in Italian, *conduire* in French, *conduct* in English and similar forms in just about all Indo-European languages. Italian *maneggiare* or *mandiari* is currently used in a pejorative sense. Caesar would not have been pleased, had he been called a manager or *maneggiatore* in his attempt to invade Britannia. *Gestion* is the closest Latin word to the present English management. So are *gestione* in Italian languages, *gestion* in French and *gestión* in Spanish. *Dirigere* in Latin is directing, and directors abound in all Western languages though written in different ways. *Amministrare* meant originally serving, and this is what good administration should be.

2.3. *German peoples were coming*

The Romans called the peoples beyond Rhine and Danube German, Teutonic and barbaric - all these names had a scornful meaning for Romans. Vikings were one of these peoples. The present day Icelandic is remarkably similar to Old Norse, the language of the Vikings, which began to take a distinct form from Old Germanic during the first millennium. There are in Iceland today language guardians who object, if someone uses an anglo-expression where there is a proper Icelandic expression in place. This preservation of archaeology of a language is comparable to the preservation of Colosseum in Rome or Stonehenge in England. *Stjórn* is management in the Icelandic language - from this comes *steer* in English. Without steering the Vikings could not have sailed over the Atlantic and down to the Mediterranean. The Vikings Guide to Good Business from the 13th century and the Birka Code are collections of advice and wisdom for managers (Thorlaksson, 2003).

Leitung and *Leiter* or *Führung* and *Führer* are words for management and leadership in the present day German language. They are actually closer to the idea of leadership than management. *Leitung* is more bureaucratic and not that often used, whereas *Führung* is more charismatic, and in this sense, closer to leadership. *Führer* is however seldom used after Hitler. Busi-

ness management takes one of the prefixes *Betriebs-*, *Geschäfts-* or *Unternehmens-* -*leitung* or -*führung*. *Unternehmensführung* is established to mean top management. Also *Führungskraft* is used in the same meaning. But German speaking people also talk about Managers (see Kieser, Reber and Wunderer, 1995 and Szabo, & Reber, 2004). Even the word *Organisation* means roughly management (*Ordnung muss sein*). So does *Verwaltung*, literally administration, which is often considered a typical German way of management legitimised by Max Weber. In Swedish the language construction is similar to German. *Ledning* (leadership) becomes in companies *företagsledning* or management (*företag* = company).

2.4. *Fenno-Ugric management.*

Even though the Finnish *johtaminen* does not make a difference between management and leadership, the difference exists in Estonian and Hungarian. *Juhtimine* is management in Estonian, while the word *eestvedamine* (pulling in front of) is a leadership equivalent, but it is not used in as grand a way as in the leadership literature (Uksvärav, 2003). In Hungarian *intéz* refers to management, while *vezet* is leading and conveying in front.

What do we learn from this linguistic excursion? Certainly that the subject is far from simple, even though all I write here is a deliberate attempt to simplify it. The distinction between management and leadership is not universal. And I dare not say anything about the Arab, Russian, Chinese, Indian and varied African languages, and their concepts and thinking about management.

How does this archaeology of language reflect itself in the national and cultural differences in management in different parts of the world? This is an exciting question, but there are no easy answers to it. What can be said for sure, is that leadership is quintessentially an American concept and an American phenomenon - it is not such a grand thing even in Great Britain. *Organisation* and *Verwaltung* are German characteristics, and they are recognizable in German owned companies and their subsidiaries even in other countries. Scandinavian management of today has an identity of its own that bears marks of the Viking legacy (Czarniawska & Sevón, 2003).

Finns consider themselves reserved and modest - or perhaps just envious, if someone has the courage to raise his or her head an inch above others. This is probably why there has not been a leadership fever in Finland, even though the fashionable concept is often verbalised without properly understanding what it means.

Globalization is a reality of today. In this process the differences in meanings, concepts and thinking are not just a linguistic exercise, but they are conducive to daily misunderstandings between people. Making people understand each other is a very practical everyday exercise for international managers.

3. SPEAKING FOR MANAGEMENT

It has been argued that there is too much of management (Parker, 2002) and too little of leadership (Nurmi & Darling, 1997). There is ample literature to speak for leadership (e.g. Bennis, 1991; Conger & Kanungo, 1985; Bennis & Nanus, 1983). Harvard Business Review warned up the view in its January issue in 2004 by republishing Zaleznik's, Goleman's, Maccoby's and Prentice's articles in its Best of HBR -series. Also books like Grint (2000) and Ashby & Miles (2002) keep the leadership issue alive. Leadership is considered grander, more lucrative and admirable, in a word: better, than the less visible, down-to-earth, greyer management. Where shall we ever find enough of these flamboyant and excellent leaders - do they unfold by nature or by nurture? It is time to speak for management.

First of all, running a company requires down-to-earth, common, dull, trite, everyday, management. Even disgusting and repulsive things must be done to keep things going. Managers are there to take care of and be responsible for these kinds of things, even though it would be nicer to beam as a leader in front of everybody on high platforms. Management is getting things done. Churchill was celebrated as The Great Leader in Oxford Street in London in the Victory Day in 1945, but before it he had had to manage a chain of events that belongs to the cruellest in the English and European history.

Management is based on a position in an organization. The position implies power and responsibility. The two go together. They should be by and large in balance. Power without responsi-

lity means tyranny; responsibility without power is frustrating, even suffocating. Or in the frequently cited words by Lord Acton (1887): "Power tends to corrupt, and absolute power corrupts absolutely". But leadership is based on the personal charisma and qualities of the leader. Charisma is not checked by positional accountability. When managerial power is balanced by managerial responsibility, leadership needs ethics as a balancing factor.

Just seeing a few newsreels of Hitler's speeches makes one believe in his enormous leadership skills. He created the vision of a Reich for a thousand years (Hitler, 1933), but in the end he destroyed his country and as a by-product much else in Europe. Martin Luther (King), Gandhi and Jesus are also considered great leaders, but history has given them a much higher ethical grade. Obviously, the leaders achieve - for better or for worse - much more than managers do. This is why ethical considerations are necessary, whenever leadership is assessed.

Clearly, leaders would benefit from managerial competence. Had Hitler learned at least the ABC of economic thinking, organizing international operations and logistics, he would have learned that conquering Stalingrad was doomed to fail. Actually, his generals, trained in management, tried to tell him so (Shirer, 1958, 423 - 439), but Hitler's leadership vision blindfolded him from seeing what did not fit with his commitment.

Jesus seems to have been more realistic a leader and a manager. Even his followers seem to have learned their lessons in marketing (see Jones, 1995). Jesus himself had a vision that has so far stood for two millennia, but he could also organize and manage his disciples, who spread the message throughout the world they knew and organized a church, whose presence is known on this day everywhere on our planet. It may be a reason of the undeniable success story of Christianity that Jesus could combine his leadership skills with managerial competence. Was Jesus a leader or a manager? Let me suggest this as a theme for a doctoral dissertation in any Learned School of Theology. I am not after a copyright or royalties here. After all, all cultural products have been more or less legal thefts until somebody invented the television formats.

A manager develops his or her organization to the extent that he makes himself or herself unne-

cessary. Clearly, there are cases when a new manager must be recruited from outside of the company, because leaders have been unable to develop managerial competence in their organization or downright unwilling to delegate, authorize and empower their subordinates to increase their managerial experience and competence. This is not the whole truth. There are cases when a new brush is needed to sweep or the managerial echelon has been too thin to make internal management succession possible. Or then the manager of the manager may have realized that, indeed, s/he has one unnecessary manager, and it is easier for him or her to axe the poor fellow than to promote him or her to a more demanding job, where s/he could again make himself or herself unnecessary on a higher level.

Managerial competence is based on some kind of a substance, whereas leadership is based on personal skills, assertiveness and persuasive influence. If there is no substance behind the leadership skills, there is a chance of colossal misleading. The combination of a strong belief and incompetence has produced time and again great disasters by good-willing people with good conscience. Sometimes only a cynic can correct what an ignorant idealist has done wrong (Greene, 1956).

A leader promotes him- or herself to personal greatness, heroism and glory rather than develops the organization and the maturity of the people. The great leaders may have a narcissistic syndrome (Maccoby, 2004) to increase their power, which may or may not work to the benefit of the organization. If the leader succeeds in this endeavour, and, yet, becomes for one reason or another incapacitated, the whole organization falls into a great trouble. There are examples of this, and it easily breeds the illusion that the Great Leader was irreplaceable. Another reason may be that The Leader had a distaste for mentoring his successors and did not let people share responsibility. Indeed, organizational development might have been a threat to his leadership.

The basics of management can be studied and learned, albeit it is the practice that makes a master. It eases managerial career, if all is not learned by trial and error. Managerial education alone cannot make a competent manager, but it is possible to cut the long and cumbersome way of learning everything via personal experience by learning from the experience of others. Besi-

des a manager in an executive position cannot afford many big errors just for his or her own learning, because these errors have strong repercussions. A good managerial competence is a necessary condition in all managerial tasks. Add leadership skills, - given by nature or learned by nurture - and you have ingredients of good managerial leadership.

To learn leadership is a much more complicated matter. It is certainly difficult to become a leader by way of formal education. A high academic grade in leadership is scarcely a grant for becoming a leader. It is possible to grow in leadership skills. Will-power - a crucial characteristic of leadership - requires innate qualities, and, then an appropriate nurture can seal it. It is possible to develop will-power and leadership skills by way of exercises in character building. Boarding Schools and military education have this kind of objectives. But leadership skills can also emerge in compensation of inadequate formal education. This is true as regards Hitler. The world did not lose a great painter in him.

Leading too far from the front runs the risk of losing touch with the led, the rest of the organization, its operations and its people. Another option is to manage neither from above nor in front but in the middle. This means working with the others and getting oneself exposed to the operations. Part-time management has increased particularly in knowledge-intensive organizations (Nurmi, 1998). In them, anyone who has promoted himself or herself to be a big boss may soon find himself or herself isolated from the organization.

In times of crises there is a quest for leadership. People are looking for a saviour to elevate them and draw out their group and a whole nation from the trouble they have seen. Clearly George W. Bush responded to this need and showed great leadership in a reaction to the terrorist attack to the World Trade Center. But national leadership becomes more and more confined at a time, when the Brussels, the New York Stock Exchange, cheap imports and the transfer of work to countries that are more attractive to companies rock nations, companies and citizens alike. Local leaders and national leadership encounter global limitations.

There may be a demand of a Churchill, Roosevelt or Reagan, but he would probably not have the same managerial margin any longer. Or then

he would have to remain a figurehead, who in order to maintain his managerial position, would have to satisfy the real centres of power. This kind of a manager becomes a decoy in a golden hencoop and is castrated from all real possibilities to influence. To be a leader one must look like a leader. But if one only looks like leader, one stands with both feet off the ground.

There may be a difference between politics and business here. A political leader needs visibility to be re-elected, whereas a business executive is measured by his economic performance. If the company does well and the organization ticks, there is no need for the manager to make a big issue of him- or herself. Managers make things happen.

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