

# How Efficient Leadership Impacts Organizational Decisions

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**Abstract**—Different people have used the terms management and leadership in different ways. While some consider them to be synonyms, others consider them to be two distinct words. The majority, on the other hand, recognises certain similarities and distinctions between them. The purpose of this review is to evaluate whether management and leadership are distinct concepts. According to the findings of this review, management and leadership are two distinct responsibilities. Despite this, management and leadership share many similar responsibilities, such as dealing with people and persuading others to achieve goals. Management skills are used to plan, construct, and coordinate organisational structures in order to achieve missions and goals, whereas leadership skills are used to focus on a possible change by defining direction, aligning people, motivating, and inspiring.

## I. INTRODUCTION

One would believe that all managers are leaders, however this is not true because some managers do not exert leadership, and some people lead despite not holding any management responsibilities. As a result, there is ongoing debate concerning the distinction between leaders and managers. Some academics contend that, while management and leadership overlap, they are not synonymous (Bass, 2010). Furthermore, the degree of overlap is a source of contention (Yukl, 1989). In fact, some people regard them as diametrically opposed, believing that a strong leader cannot be a good manager and that the opposite is true (Ricketts, 2009). Leadership and management each require a distinct set of actions or duties. While leaders and managers share some similarities in that they both use specialised powers to influence others in order to achieve specific goals, there are also some significant variances (Northouse, 2007). While managers keep the workplace running smoothly, leaders put the current position to the test and encourage new functions, therefore they are searching for long-term goals (Yukl, 1989). For optimal performance in today's fast-paced workplace, organisations require both efficient management and effective leadership (Kotterman, 2006). This review article will address and compare core concepts of leadership and management, as well as the specific sorts of abilities required by managers and leaders, and will discuss the similarities and distinctions between management and leadership. Leadership and management are two terms that are frequently used interchangeably. It is critical to recognise that leadership is a vital component of effective management. Outstanding

leadership behaviour, as a critical component of management, focuses on creating an atmosphere in which each and every employee learns and flourishes. Leadership is described as the ability to influence and drive collective activities toward goal achievement. This influence may come from official sources, such as the purchase of a managerial position in a company. A manager must have the qualities of a leader, i.e., he must be a leader. Leaders devise and implement strategies to create and sustain competitive advantage. For optimal organisational effectiveness, organisations require strong leadership and management. An organisation is made up of people, and when people are involved, emotions naturally arise, and the workplace is no exception. It would be a mistake to believe that a workplace is all about objective, no-emotion performance, or that hormones have no place in a crowded room, but the truth is that emotions are the most powerful motivator or demotivator of an employee. We would never have discussed the significance of work-life balance and, in the current context, the need for emotionally savvy leaders if emotions did not dictate a worker's performance and efficiency. The modern era is highly dynamic, not only economically, but also socially, with the social fabric continuously shifting as a result of globalisation and other forces. The average age of the workforce is decreasing, and leaders are now looking forward to managing people from all cultures and backgrounds. In such a circumstance, it is critical for a leader to be acutely aware of the emotional components of his or her interactions with others. Emotional Intelligence is the ability to detect and comprehend one's own feelings and emotions, as well as the feelings and emotions of others, and to use that information to manage emotions and relationships.

## II. METHODOLOGY

A thorough literature search was carried out utilising the electronic databases EBSCO, EMBASE, and Google Scholar. The search sought to discover and retrieve any previous articles that addressed the distinctions between management and leadership. There was no time constraint, however the study was confined to papers written in English exclusively. The title should include the words "management" and "leadership." The research's keywords and phrases include (leadership) and (management), as well as (differences) (similarities). This review evaluated both original and peer-

reviewed literature. The search yielded 231,000 articles about leadership and management. After removing articles that were duplicated on Google Scholar and throughout the three databases, a total of 25,700 remained. The titles and abstracts of the papers identified are reviewed for eligibility and relevance. Only 200 of the 25,700 articles were included since they met the search criteria by include both "management" and "leadership" terms in the headline. Finally, 37 publications were considered for this study since they were unique and peer-reviewed.

In evaluating a series of studies, the majority of authors attempted to discover differences between management and leadership by comparing definitions and skills. The definitions of management and leadership will be explored first in this document, followed by the necessary abilities for managers and leaders, and finally the differences between management and leadership.

### III. MANAGEMENT

Katz (1955) defined management as the exercise of direction over a group or organisation through executive, administrative, and supervisory responsibilities. Katz believed that management tasks are typically task-oriented, and that they include training personnel, mentoring high-potential individuals, and settling disagreements while upholding ethics and discipline (Katz, 1955). According to Kappa, the goal of excellent management is to give services to the community in an efficient and sustainable manner (Kappa, 1991). Furthermore, Kotter described management as a position that is responsible for the planning, organising, budgeting, coordinating, and

monitoring of operations for a group or organisation (Kotter, 2001). Northouse described management as a process that achieves specific goals through the efficient utilisation of resources (Northouse, 2007). Managers are concerned with the formal direction and control of their assistants, resources, organisations, and processes (Kotter, 2001). Managers strive to achieve short-term objectives, prevent risks, and promote standards in order to improve efficiency (Kotterman, 2006). Employees follow a manager's orders in exchange for a wage, which is known as a transactional approach (Kotter, 2001). According to research, being a good manager requires three distinct skill sets: technical, human, and conceptual. The term "technical skill" refers to mastery of a specific type of task. Competencies in a specialised sector or the capacity to apply relevant tools and approaches are examples of this. Human skill refers to the ability to collaborate with others, which enables a management to assist group members in completing a task. The ability to think conceptually is referred to as conceptual talent.

### IV. LEADERSHIP

Leadership is a multifaceted, complex phenomenon (De-Pree, 1989). It is characterised as a habit, a style, a skill, a process, a responsibility, an experience, a managerial role, a position of authority, an influential relationship, a trait, and an ability (Northouse, 2007). Leadership, according to John Maxwell, is defined as influence (Maxwell, 1998). According to Kotter (1990), "leadership is the potential for collective action to vitalize." Effective leaders, according to Robert Greenleaf, are those who serve others while being led (Bennis and Nanus, 1997). Furthermore, according to Peter Drucker, a leader is someone who has followers (Drucker, 1999). Some theorists, however, argue that leadership is a type of social influence mechanism (House and Aditya, 1997). The two distinct styles that have been used over the past few decades in numerous study programmes around the globe are transactional leadership style and transformational leadership style. The idea of transactional leadership refers to interactions between leaders and followers. The transactional style of leadership measures the performance of the followers through rewards and penalties based on predetermined standards. The leader praised and acknowledged the followers when they performed at or above the expected level. The first researcher to pay attention to the trade of followers' present requirements was Burn. Leaders place a premium on motivation and inspiration (Kotter, 1990). Leaders strive to instil enthusiasm in their followers to follow their vision, achieve long-term goals, take risks to achieve common goals, and question the current status quo (Bennis and Nanus, 1997). People follow the leader voluntarily because the leader keeps an open eye on their benefits, and the leader directs the follower utilising a transformational method (Bass, 1990). Integrity, vision, toughness, decisiveness, trust, commitment, selflessness, inventiveness, risk taking, toughness, communication ability, and visibility are all essential attributes for leaders (Capowski, 1994). Furthermore, leaders must be charismatic, have a sense of goal, be able to

influence others in a good environment, and be able to solve difficulties (House, 1977). Furthermore, research indicates that being an effective leader is dependent on common behaviours and characteristics such as: confidence; service mentality; good coaching skills; reliability; expertise; responsibility; good listening skills; being visionary; realistic; having a good sense of priorities; honesty; willingness to share; strong self-esteem; technical or contextual, and recognition (Bennis and Nanus, 1997).

#### V. LEADERSHIP VS. MANAGEMENT

Leadership and management overlap, but they are not the same (Kotterman, 2006). Both leadership and management entail exerting influence, collaborating with others, and working toward common goals (The Guardian, 2013). However, the domains of leadership and management are thought to be fundamentally different (Kotterman, 2006). According to Katz, leadership is a multi-directional influence relationship, whereas management is a one-way authority relationship (Katz, 1955). Abraham Zaleznik published the first scientific and seminal study on the distinction between leaders and managers in 1977. (Zaleznik, 1977). Zaleznik stated that the business requires both competent managers and effective leaders to achieve its goals, but he contends that managers and leaders contribute differently (Zaleznik, 1977). Managers encourage stability, exercise authority, and try to get things done, whereas leaders promote change, innovative ways, and work to understand people's beliefs in order to acquire their commitment. Watson noted in 1983 that managers are concerned with structure and procedure, but leaders are concerned with communication, inspiration, and shared goals. Furthermore, Watson stated that the 7S strategy, which consists of strategy, structure, systems, shared values, skills, and style, is more beneficial for leaders than managers. Bryman emphasised in 1985 that leadership is about strategic motivation. In one statement, Bennis and Nannus (1985) distinguish between leaders and managers: "Leaders do the right things; managers do the right things." (Page 33) Furthermore, Bennis declared in 1989, "To survive in the twenty-first century, we will need a new generation of leaders." According to John Kotter, a Harvard Business School professor, in 1987, leadership extends beyond everyday tasks to deal with change, whereas management is a regular formal responsibility to deal with routine complexity (Kotter, 1987). According to Kotter, leadership is a process that tries to build a vision for the organisation, align individuals with that goal, and drive people to action through the fulfilment of basic needs (Kotter, 1990). "Leadership is distinct from management, but not for the reason most people think," Kotter said. Leadership isn't enigmatic and enigmatic. It has nothing to do with charm or other outlandish personality traits. It is not the exclusive domain of a select few. Nor is leadership inherently superior to or a substitute for management; rather, leadership and management are two different and complementary activities. Both are required for success in a more complicated and turbulent business environment (Kotter, 1990)." Management, on the other hand, is a process that seeks to govern the formal

operations of an organisation (Kotter, 2001). Bernard Bass (1990) spoke about this in his book "According to "Bass and Stogdill's Handbook of Leadership," "leaders manage and managers lead, but the two tasks are not synonymous." Management functions may or may not supply leadership; leadership activities may or may not contribute to management. Nonetheless, some managers fail to lead, and some leaders fail to manage ".. (Page 383) Other researches state that the leader is motivating, imaginative, flexible, courageous, and self-sufficient, and that he or she has a spirit, passion, and creativity. While the manager is deliberate, authoritative, consultative, analytical, and stabilising, and possesses the rational, thinking, and perseverance (Capowski, 1994). According to Robert House in 1997, management comprises of controlling daily difficulties and implementing the leader's vision (House, 1977). In conclusion, while management and leadership have similar tasks, it is crucial to distinguish between the two. Both leaders and managers have the primary mission of controlling and influencing others. The most significant distinction between managers and leaders is their approach to achieving goals. Managers wield formal power, but leaders use their vision, as well as inspiration and incentive, to align their people (The Guardian, 2013). The ability to balance the roles of management and leadership is crucial to the organization's success. Furthermore, it is sometimes necessary for managers to operate as leaders in order to be successful (Mullins, 2010).

#### VI. KEY FINDINGS

The study focused on the following nine cultural dimensions: gender egalitarianism, institutional collectivism, in-group collectivism, assertiveness, power distance, performance orientation, future orientation, and assertiveness. In this survey, the writers took into account middle managers from several industries, including: food processing, finance, and telecommunications. The writers compared the national cultures and characteristics of effective leadership. The study came to the conclusion that organisational methods, leadership behaviours, and characteristics that distinguished cultures from one another were more frequently used. From my perspective, I believe that some people are capable of performing the duties of both a leader and a manager. Leaders, in my experience, used to create new changes, and managers used to implement them. However, implementing new changes is difficult, thus managers may be reluctant to implement new changes. Furthermore, I completely agree with those who advocate for a balance between manager and leader responsibilities, as this is critical to achieving the best results. Furthermore, I feel that leadership is becoming increasingly important in every organisation, particularly in the business world, in order to deal with the quick changes and diverse needs of the twenty-first century.

#### VII. CONCLUSION

With the justification that culture and leadership style interact in many ways, leadership style greatly varies amongst cultural groups. The idealised influence, inspirational motivation,

intellectual stimulation, and individual consideration subscales were used as the basis for the empirical research analysis. The study focused on how leaders perceive various cultures and came to the conclusion that culture has a significant impact on the choice of leadership style, with Malaysian leaders favouring transformational leadership styles and Australian leaders adopting transactional leadership styles as a result of cultural differences. The corporate sector faces several difficulties as a result of cultural differences in this complicated world with many different cultures. Although globalisation and liberalisation have created a lot of benefits, managing people from various cultural backgrounds within the same project is very challenging. Therefore, a manager's practical advice and insightful leadership are essential in dealing with these kinds of issues. A manager needs to possess the traits of a successful leader. In the academic literature, there are numerous ideas about leadership that are based on the characteristics of the leader, the leader's behaviour, and the circumstances of a particular situation. Every organisation need managers and leaders, and their responsibilities should be considered as mutually beneficial. An organization's optimal effectiveness can only be achieved if it has strong leadership and management. Companies in today's changing workplace require leaders to deal with new issues and restructure organisations in order to get a competitive advantage in the marketplace. Furthermore, firms require managers to keep the workplace running smoothly and to make the most use of resources. Finally, in order to flourish, a well-balanced organisation should contain a mix of leaders and managers .

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