


Why Leadership?

Today more than ever

Revision Guide Module 1

Leadership & Communication in Global Business
Prof. Dr. Katrin Winkler





Leadership is going
beyond management
tasks to achieve results
through people.

Management is a process of doing the right things

It is ...

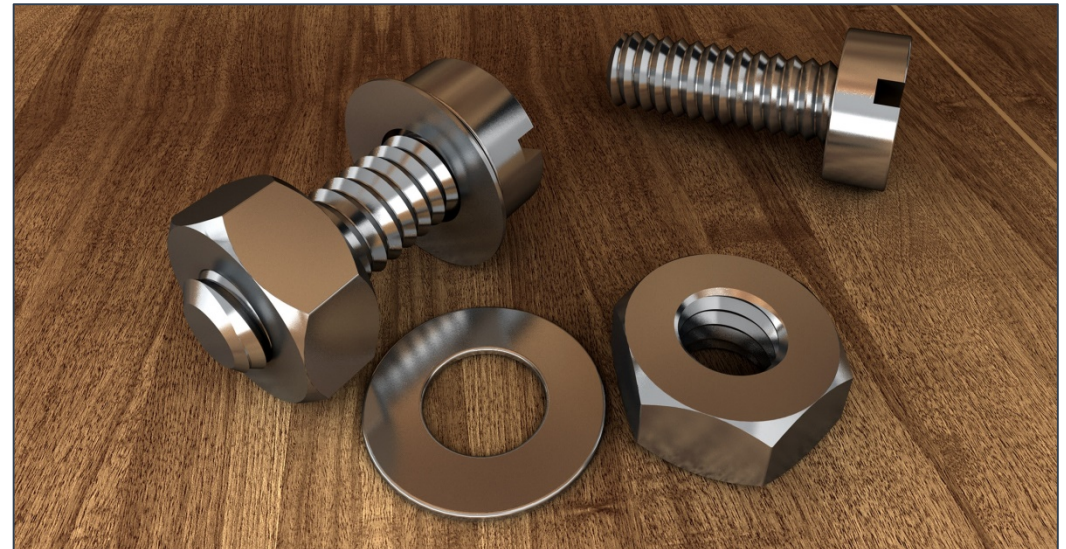
- Controlling tasks and people
- Setting and achieving goals
- Producing order and consistency
- Task oriented

It is not...

- Inspiring
- People-oriented

**„Management is the
profession of effectiveness,
with no space for failures“**

(Malik 2015)



Leadership is inspiring others ...



**“Just turning up is
no longer an option”**

**(Sahar Hashemi, Founder of
Coffee Republic)**

It is...

- Creating an environment in which others can succeed
- Going beyond managing tasks to achieving results through people
- Focused on the development of vision *with* scope for failure
- Essential in a global, digitized and fast changing world

Tasks of management and leadership

Organizations need both!	
Management produces order and consistency	Leadership produces change and movement
➤ Planning and Budgeting	➤ Establishing direction
➤ Organizing and staffing	➤ Aligning people
➤ Controlling and problem-solving	➤ Motivating and inspiring

(Northouse 2013)

What experts say on these differences

“You manage things, you lead people“

(Hopper 1987)

“Management is about coping with complexity ... Leadership is about coping with change“

(Kotter 1990, 104)

“Where managers act to limit choices, leaders develop fresh approaches to long-standing problems and open issues to new options”

(Zaleznik 1977/2004)

Managers focus on things,
leaders focus on people.

Managers foster order,
leaders foster change.

Managers solve issues of today,
leaders give direction towards a
better future.

Organisations need both: Management and Leadership

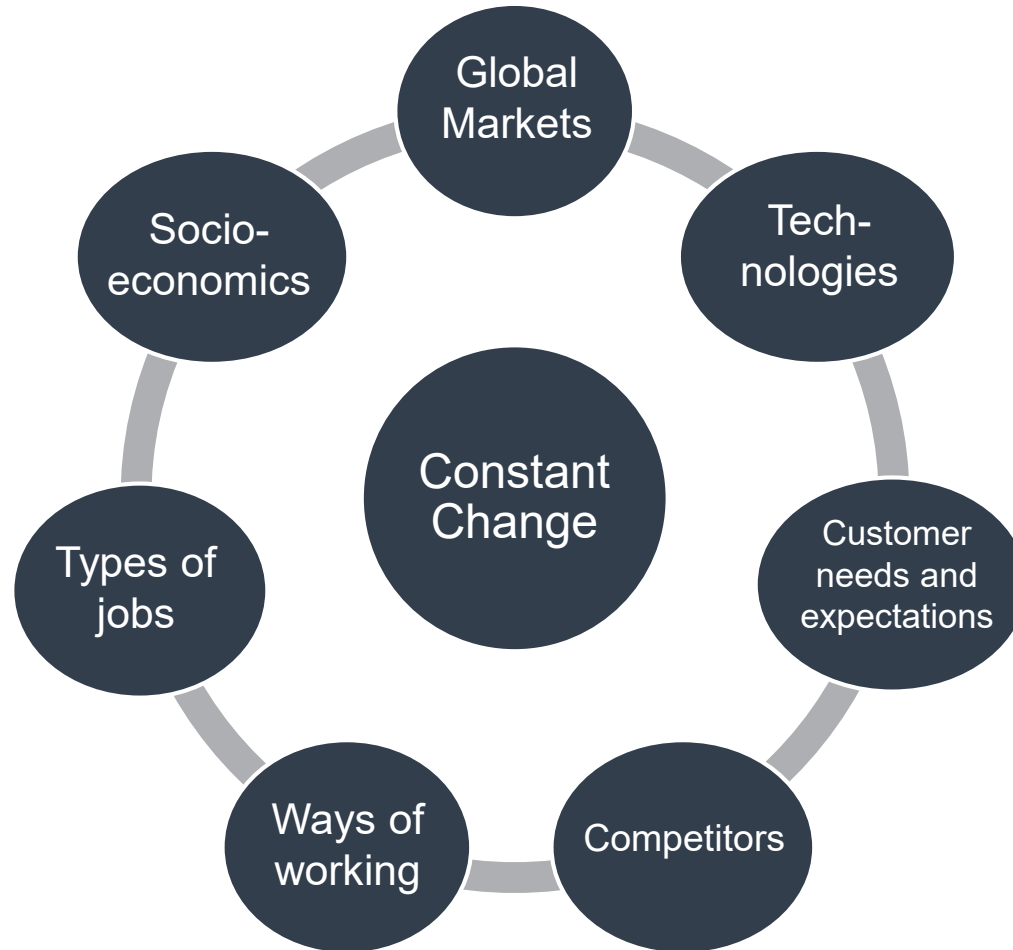


“Companies should remember that strong leadership with weak management is no better, and is sometimes actually worse, than the reverse. The real challenge is to combine strong leadership and strong management and use each to balance the other”

(Kotter 1990, 4)

In today's business world,
leadership is more important than
ever to determine success for
organisations.

Change is today's constant



“If the rate of change outside exceeds the rate of change inside, the end is in sight”

(Jack Welch, Founder GE)

“Speed of change is the driving force. Leading change competently is the only answer.”

(Kotter 2012, 3)

What to innovate for business success tomorrow?



The challenge for organisations...

- Management is easier than leadership
- Leadership requires effort, generosity and time

How much time do you think managers spend managing things, and how much time leading people?

79% of managers say they have too little time for leadership tasks, only 9% say they have too little time for managerial tasks.

(Hays 2014)

More than 70% of managers spend less than 50% of their time on leadership tasks, even 35% spend even less than 25% of their time here.

(ComTeam AG 2011)

Shifting the mind set is required to increase leadership time

Why are operational tasks perceived more relevant than leadership tasks?



Considered urgent and important



Considered important, but not urgent...

Organisational benefits of true leadership

How you speak, act and the decisions you make have direct impacts on others:

Impacts on people


- Shared positive values
- Improved morale
- Increased trust
- Better communication
- Company commitment
- More teamwork

Impacts on business performance (*examples*)

- Brand value (Lego)
- Agility / flexibility to change (Amazon)
- Rapid strategic renewal (Ford)
- Productivity gains (GSK)
- Less absenteeism & reduced turnover (Google)

(O'Reilly 2010; Sutevski 2018)



A top-down view of a collaborative workspace. In the center, a large sheet of paper titled "Business Chart - Visual" displays various data visualizations. To the left, a laptop screen shows a "BUSINESS STRATEGY" presentation with a "Company's Growth" chart indicating an 85% increase. Another laptop on the right shows a similar presentation. A person's hand is seen writing on the central chart. The desk is cluttered with coffee cups, a small potted cactus, a power strip, and various documents. A woman is visible on the right side of the frame, looking towards the center. A man's head is visible in the bottom left corner.

Leadership is essential throughout an organisation, not limited to position, and only defined by actions.

Leadership is a choice, not a position

Why doesn't everyone step forward to lead?

Bystander Effect

The greater the number of other people present, the less likely any one of them are to act.



Someone else will do something...



Don't want to behave differently...

(Adapted from: Psychology Today (2019) based on Kitty Genovese murder case 1964)

Motives are associated with actions

Need for achievement



Sets challenging goals, takes risks

Need for affiliation



Favours group work and collaboration

Need for power



Controls and influences others

2 types of power:

Personal - for self-aggrandizement

Institutional - for the greater good

Connotations of power in the workplace

“With great power comes great responsibility”
(Churchill *and others*)

Power = responsibility

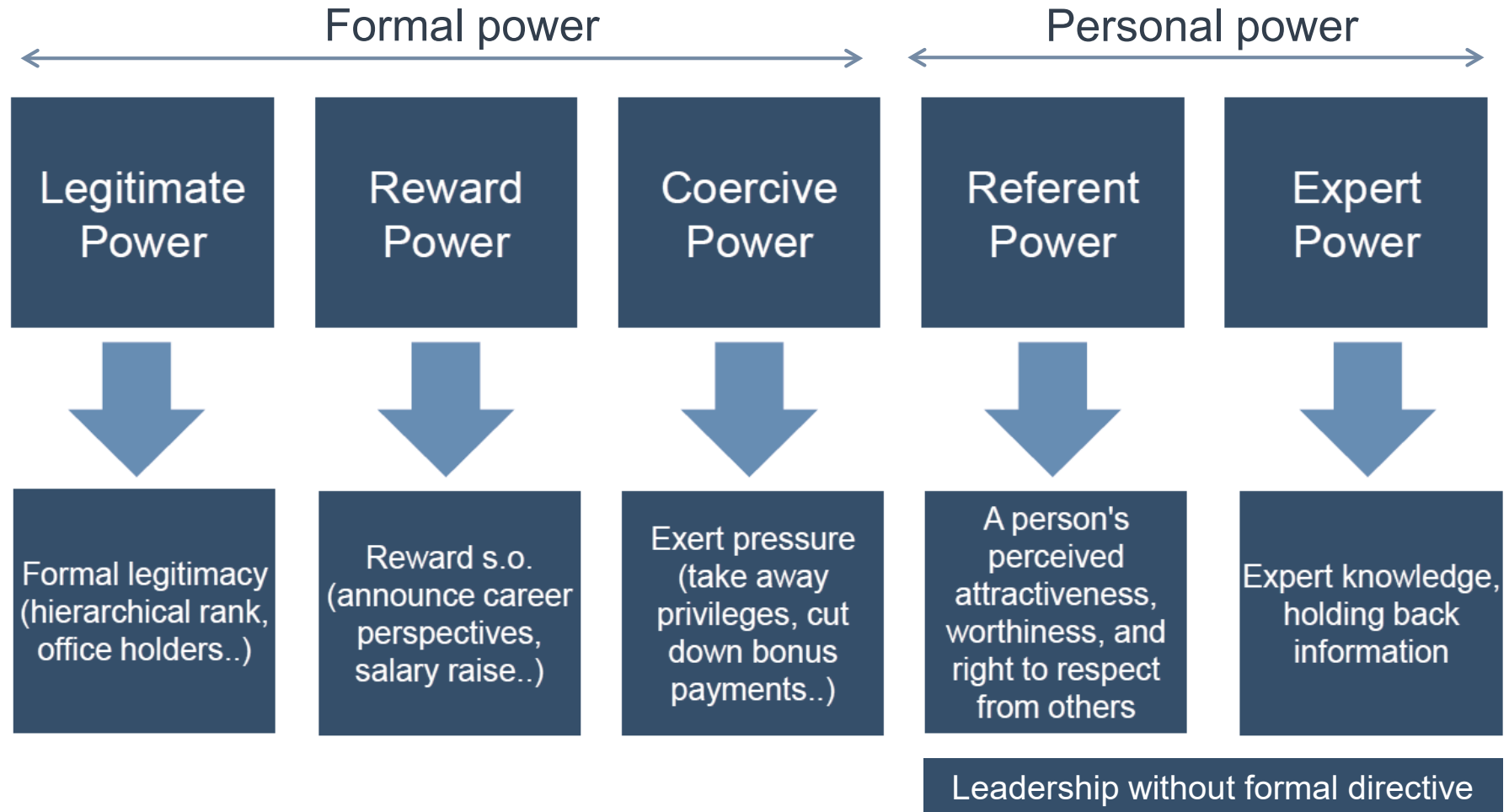
“Power is a medium to arrange the decision criteria of a society and to ensure decidability”
(Luhmann 1988)

Power facilitates decisions
and direction

“All individuals in societies are not equal “
(Hofstede 2015)

Power creates boundaries

5 types of power in leadership



The decline of old norms and structures

Old norms...

- Static organizational structures
- Strict hierarchy, with leaders as controllers
- Vertical reporting lines
- Arms-length relationships
- Upward flow of information
- Downward flow of decisions / directives



“Today’s corporate environments are leaner.

**Priority is value-creation from every contributor
and in every interaction.**

**The traditional, hierarchical notion of leadership
no longer serves the needs of the organization.”**

(Rosen 2017)

Informal leadership is increasingly relevant to meet the demands of today

Informal leadership

- Ability to influence the behaviour of others by means other than formal authority
- Uses referent power (trusted, respected) or expert power (thought leader)
- Impacts on effective decision making and collaborative problem-solving
- Creates nimble organisations
- Trends:
 - “Lateral leaders”
 - “Agile leaders”
 - “Project Managers”


“To influence, persuade, and elicit constructive contributions from others at all levels”

(Rosen 2017)



Examples of roles in organisations

	Line Manager (formal leadership)	Project Manager (informal leadership)
<i>Goal</i>	Deliver team success year on year	Completion a defined project with a defined scope, start and finish
<i>Tasks</i>	Planning, organising, directing, controlling & reporting	Planning, organising, directing, controlling & Reporting
<i>Responsibility</i>	Management of employees	Planning and execution of a project
<i>Authority</i>	By position, rules & procedures (including organisational HR policy)	By project board, to run the project on a day-to-day basis
<i>Leadership role</i>	Direct influence on team including performance management and employee development	Informal influence on team to persuade



Leadership differs from management,
because it is an important mindset for
organizational success in today's digitized,
globalized and fast changing world.

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