

Call 1-800-iShares to request a prospectus, which includes investment objectives, risks, fees, expenses and other information that you should read and consider carefully before investing. Investing involves risk, including possible loss of principal. There is no guarantee the dividends will



THE WALL STREET JOURNAL.

WSJ.com

April 7, 2009, 2:07 PM ET

What is the Difference Between Management and Leadership?

Adapted from "The Wall Street Journal Guide to Management" by Alan Murray, published by Harper Business.

Leadership and management must go hand in hand. They are not the same thing. But they are necessarily linked, and complementary. Any effort to separate the two is likely to cause more problems than it solves.

Still, much ink has been spent delineating the differences. The manager's job is to plan, organize and coordinate. The leader's job is to inspire and motivate. In his 1989 book "On Becoming a Leader," Warren Bennis composed a list of the differences:

- The manager administers; the leader innovates.
- The manager is a copy; the leader is an original.
- The manager maintains; the leader develops.
- The manager focuses on systems and structure; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has his or her eye always on the bottom line; the leader's eye is on the horizon.
- The manager imitates; the leader originates.
- The manager accepts the status quo; the leader challenges it.
- The manager is the classic good soldier; the leader is his or her own person.
- The manager does things right; the leader does the right thing.

Perhaps there was a time when the calling of the manager and that of the leader could be separated. A foreman in an industrial-era factory probably didn't have to give much thought to what he was producing or to the people who were producing it. His or her job was to follow orders, organize the work, assign the

right people to the necessary tasks, coordinate the results, and ensure the job got done as ordered. The focus was on efficiency.

But in the new economy, where value comes increasingly from the knowledge of people, and where workers are no longer undifferentiated cogs in an industrial machine, management and leadership are not easily separated. People look to their managers, not just to assign them a task, but to define for them a purpose. And managers must organize workers, not just to maximize efficiency, but to nurture skills, develop talent and inspire results.

The late management guru Peter Drucker was one of the first to recognize this truth, as he was to recognize so many other management truths. He identified the emergence of the “knowledge worker,” and the profound differences that would cause in the way business was organized.

With the rise of the knowledge worker, “one does not ‘manage’ people,” Mr. Drucker wrote. “The task is to lead people. And the goal is to make productive the specific strengths and knowledge of every individual.”

Copyright 2013 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com