

The Union of Leadership and Management in the Role of a CEO

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The goal of this chapter is to outline leadership and management considerations in the role of a chief executive officer (CEO). It aims to unpack the differences and similarities between management and leadership. It will also serve to discover whether CEOs are managers or leaders or both. Is a manager a leader or is a leader a manager? According to Ward, these terms are often interchangeably used in describing CEOs. Top managers can also be referred to as the “leaders” of the organisation¹.

As there is a vast amount of research on both leadership and management, this chapter will just broadly define leadership and management. It will also explore specific forms of leadership styles that I believe to be paramount, based on my experience. The visionary, authentic, and servant leadership styles will be discussed in further detail. This chapter also aims to unpack whether CEOs are required to have these leadership attributes.

The responsibilities of a CEO’s role will be described. The CEO is the highest ranked manager and executive of the company. Their ultimate responsibility is to manage and lead the organisation. The scope of the chapter is limited to leadership and management responsibilities of this executive. The CEO reports to the chairman of the board of directors and is finally accountable to the board of directors. Ultimately, the responsibility and accountability for the company’s affairs lie with the CEO. Various stakeholders of the company will also be explored and discussed.

A CEO is expected by these stakeholders to not only be a good manager but also a good leader. These expectations require a CEO to self-reflect and be aware of their leadership and management styles. Self-awareness, in my view is a critical skill to develop as a CEO. It is a continuous journey. I have had to self-reflect on both my management and leadership styles. However, before I embark on that, I need to broadly define leadership and management.

Leadership is exhibited when a person guides and motivates a group of individuals in achieving a common goal. John Maxwell defines leadership as the

“ability to influence or guide others.” Leadership is therefore an ability to inspire others to achieve a common goal or vision. Management on the other hand, is overseeing the operations and day to day functions of the organisation. Therefore, management confirms the controlling and execution of operational functions to ensure that the objectives, vision, and strategy of the organisation are met. It is more practical than leadership and focuses more on execution. It ensures that processes are put in place and people are organised to get things done.

Now that we have broadly defined leadership and management, let’s unpack two leadership styles which I as a CEO attest to and try to live by: These are the visionary and authentic leadership styles.

A visionary leader is a leader who inspires others through vision and who helps others to see how they can contribute and work together in the achievement of that vision.² Visionary leaders look at the future and have a vision for their organisation and for themselves as leaders. I believe that one needs to have a personal vision and a vision for their company in order to be a successful leader. One needs to know where they are going before they can embark on any journey. A vision ensures that the company, the leader, and the management team are focused on the right things.

Visionary leaders have a strong determination to achieve the goals that have been set. They are strong willed and never give up. From what I have noticed of visionary leaders is that they have a strong character, and they believe in themselves. They know what they stand for and believe in their vision. A visionary leader takes active steps to accomplish the vision and to turn their vision into reality. I strive to be a visionary leader and believe that without vision it is difficult to accomplish anything. Examples of visionary leaders who have inspired me are Nelson Mandela, Oprah Winfrey, and Bishop TD Jakes. Visionaries are always focused on their vision and the end goal by inspiring, motivating, and encouraging others. Winston Churchill said that “a nation will find it very hard to look up to the leaders who are keeping their ears to the ground.”

Why is having a vision so important? It sets direction and keeps the company focused on what its purpose is. A vision should be clear, written down, simple to understand, and easy to communicate. In my opinion, CEOs must be able to display visionary leadership. They need to have a clear vision for the company in order to direct the company and its employees towards the achievement of its vision and goals. Creating and implementing the company or organisation’s vision and mission is one of the responsibilities of a CEO. There

is a difference, however, in vision when viewing it from a management or a leadership perspective.

Creating the vision is leadership and implementing the vision is management. Leadership focuses on what must happen and what direction to take, whereas management ensures that the direction is executed. Leaders provide guidance as to what direction the company should go and provide direction to managers and employees. Leaders create a plan and managers execute the plan. A CEO therefore must display leadership and management capabilities in ensuring that the company's vision is created and implemented. A CEO's role encompasses both initiating the plan and ensuring that the plan gets executed. Vision requires specific objectives to be set which will assist in the accomplishment of the vision. This is normally referred to as the company's strategy.

The strategy of a company refers to the path that the company needs to take to achieve its vision. The CEO, together with the board of directors set the vision and strategy for the company, including the following:

- ◆ Industries in which the company wants to operate, accompanied by reasons (financial and otherwise) for selecting these industries.
- ◆ Short-term and long-term results that it wants to achieve.
- ◆ The relevance of the company in the country and the economy.
- ◆ The impact that it wishes to make in the world and in the community in which it operates.

Goals and objectives, as well as key performance indicators are usually set, which must align to the vision and strategy. The role of the CEO is to ensure that the vision and strategy is communicated to employees who must implement that vision and strategy. A visionary CEO who has inspired me and has been able to execute on this is Alan Mullaly, the previous CEO of Ford Company. He was a visionary in bringing the company back to profitability (after it had been loss making), by focusing on teamwork, culture change, and positivity. A combination of leadership and management skills was necessary to achieve this. As we have discussed vision as it relates to a leader, let's unpack the concept of management as it relates to accomplishing an organisation's vision.

Management is about controlling and reviewing results against objectives that have been set. It focuses on structure, routine, and processes to ensure that the vision is achieved. Management is about the present, whereas leadership is about the future. Management focuses on allocating scarce resources to achieve a desired result. It is about effectiveness and efficiency in processes and

structures to achieve the organisational goals. In my view, a good CEO must have the ability to lead and manage. Leadership means assisting with creating the company's vision and management by ensuring that the vision is carried out and managed. In order to do this, the right people need to be in the right positions to carry out this vision, which brings me to my next point on people.

Drucker states that “nothing requires as much hard work as ‘people decisions’.” Selecting and managing people is the role of a CEO and requires both leadership and management capabilities. Selection requires choosing the right people that fit into the culture of the organisation and that can do the job. Once the right people are selected, a CEO needs to manage and lead these people.

I have learnt in my role as a leader and a CEO that managing and developing people are probably two of the most important responsibilities of a leader, if not the most important ones. It is arguably the most challenging to be both a manager of people and to inspire others to reach their full potential. The reason for this, I believe is that sometimes specialists become managers and leaders because they are good at what they do, but then lack the training to be an effective leader and manager. That is why I believe being a leader is a continuous journey and one which is developed through experience and training.

As stated, leadership is about inspiring people to achieve a common goal. The ability to inspire and develop people is a characteristic of a good leader. Ensuring that people become the best version of themselves is a continual journey. Leaders inspire others by developing, training, and communicating the vision with their employees. I believe that a CEO needs to continually work on this.

A CEO needs to have the ability to manage and develop people. I have discovered that I must find a balance between being operational (a manager) and being strategic (a leader). Managers must manage people to ensure that the company's objectives are met. Leaders must also think long-term and ensure that people are not only operationally managed but are also groomed for the long-term success and progress of the organisation. People management is therefore a managerial responsibility. People development is a leadership trait. Leadership empowers people whereas management imposes authority.³

I have always believed in empowering people. I try to encourage others to be the best version of themselves and to excel in what they do. I have learnt that empowering and inspiring people is one of the most important aspects of leadership and is a continual journey. I believe that people need to feel

that they matter and that their contributions and efforts matter. In my view, everyone in the organisation needs to feel that they are adding value and that they make a difference. People need to know and feel that the work they are doing is meaningful and impactful, and that it contributes to the overall success of the organisation. A good leader needs to bring the best out of their people and create an environment where the people can thrive and give the best of themselves to the organisation.

A good leader motivates and encourages their staff during times of difficulty. Motivation is key to working together in the achievement of a common goal. Take care of your good people and incentivise them to be better and to grow, is my view. A leader inspires, empowers, and develops people, while a manager ensures that people are equipped to fulfil the company's goals. A good CEO needs to deliver on both and balance the two. As Bill Gates, co-founder of Microsoft said, "As we look ahead into the next century, leaders will be those who empower others." In order to do this effectively, I believe it should come from a place of authenticity.

What does it mean to be an authentic leader? An authentic leader is one who is true to themselves. It literally means to be authentic. Authentic leaders believe in living out their values and ethics.⁴ Being authentic as a leader, builds credibility and trust. In my view, relationships with the company's stakeholders need to be built on trust and credibility which requires authenticity. One can learn from, shadow, and emulate good leaders. However, I believe that to be a successful leader, one needs to be authentic.

An authentic leader knows who they are and has a great self-awareness. As an authentic leader, one focuses on one's strengths and is aware of one's weaknesses. Authentic leaders believe in themselves and their abilities and use their strengths to make a difference and an impact in the organisations and businesses that they manage and lead. Authentic leaders are emotionally intelligent and can lead from the heart and the mind. I believe that the power of emotional intelligence is grossly underestimated in management and leadership in the workplace. I have found that the ability to use both "head" and "heart" is what makes a meaningful, long lasting and impactful business relationship.

Authentic leaders lead with vision and they strive for excellence and professionalism in everything that they do. As a CEO, I believe that an environment and culture of openness, authenticity, and trust should be built within an organisation. The best thing that a leader can do is to be the best version of themselves and create a culture for others to do the same. Authentic

leaders are guided by what is right and fair for all stakeholders. They realise that they are there to serve the company and its stakeholders.

Great leaders and CEOs realise that they are serving others. They are serving the founders of the company, the board of directors, the staff that they work for, their customers, their suppliers, and business partners. Good CEOs need to realise that even though they are in control and in charge of the company, they are responsible and accountable to the shareholders, board of directors, customers, suppliers, and employees of the organisation. They therefore must communicate effectively in order to manage these stakeholders.

A CEO needs to be able to communicate effectively with both internal and external stakeholders. It is important that the CEO ensures that there are open lines of communication in the organisation. Communication in an organisation is essential and builds relationships, trust, and authenticity with key stakeholders. A key role of a CEO is managing relationships with stakeholders of the company. In my view, people sometimes underestimate the importance of relationships in a business. Relationships are built on the foundations and principles of trust, respect, authenticity, mutual values, and value alignment.

The CEO is put in a position of trust in the company and with that trust comes a responsibility of serving others and performing duties with the utmost care and diligence. The CEO should have an attitude and heart of wanting to serve and do what is right for the company. A CEO should serve with compassion and have regard for the community in which it operates. I have realised that I need to work with and develop those around me for the overall good of the company, its shareholders, and all its stakeholders. A CEO should focus on *people, planet, and profit*. It is about being a socially responsible leader and manager.

A last thought to the reader of this chapter: I believe there is a union between leadership and management in the role of a CEO. A CEO is not only the highest ranked manager in the organisation but is also the leader of the organisation. An effective and good CEO in my view requires both leadership and management skills. The roles of a manager and a leader are intertwined and can therefore not be separated when it comes to a CEO. It's up to each CEO to decipher for themselves what kind of a leader and manager they want to be.

I have shared my thoughts on what has worked for me and what I find valuable when it comes to leadership. Having vision is by far the most paramount as it sets the direction for the leader and the organisation. The importance of being authentic and building trust should not be underestimated when conducting business, and has assisted me in building sustainable and meaningful

relationships. Being yourself and being the best version of yourself whilst operating within a certain set of standards and ethics are what will set you apart from the rest.

For me, realising that as CEO, my role is to serve the company and its stakeholders, and in order to do this, I must constantly grow in my role and self-reflect on my daily leadership and management. The role of the CEO is therefore not a stagnant one, but an ongoing journey of development and impact.

I would like to thank you for reading this chapter. Hopefully it has been of value. I would like to close with a quote by Michael Jordan, former NBA player who said, “Earn your leadership every day.”

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Endnotes

- 1 HRE 2019; Ward 2020.
- 2 Goleman, Boyatzis, & McKee 2013.
- 3 Toor 2011; Dhanani 2019.
- 4 George 2006.



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