

What is the difference between leadership and management?

A successful social enterprise has to have both strong leadership and effective management. These two roles are distinct but intertwined, with one often being more dominant than the other depending upon the specific needs and resources of the business at any one time. Many successful entrepreneurs embrace both roles themselves within their business, but it is not unusual for them to be performed by more than just one person. The characteristics of each role are summarised below:

A leader:

- sets a new direction or vision
- initiates change and movement
- inspires, motivates and aligns people
- exerts influence
- arises in a group context and represents the group

A manager:

- directs and controls resources according to the vision, mission and values of the business
- creates strategy and allocated budgets to meet goals
- produces procedures and consistency
- solves problems
- supports staff

How do I learn how to lead and manage my team?

Much research and many books have been written on leadership styles – from ‘authoritative’ to ‘zen’. The leadership style you use will depend on your own situation. Most of the time, effective leaders use a combination of styles. For example, when your team is highly motivated and competent, a mixture of participatory leadership and delegation would be appropriate. On the other hand, if your team were new with low levels of competency, then a combination of coaching and highly directive leadership would be required.

You can learn about leadership theories and skills by attending courses, reading, observing and practicing. A combination of such formal and informal learning will help you gain leadership attitudes and insights. The most important thing to remember is that leadership starts with you and that your credibility as a leader depends on your actions and interactions with everyone from the volunteer to your co-founder.

Whereas management is more about processes and procedures. The success of an enterprise depends on the skill you have at meeting stated goals and managing resources such as the finances (budgets, cash flow), the people (HR policies) as well as your ability to create a sound business plan. These aspects of management can be highly specialised functions and, for the most part, learnt by attending specific ‘technical’ courses.

It may be almost impossible for one individual to have all the necessary skills to successfully run an enterprise, particularly as it grows. It is important therefore to make sure that you have a team with the right experience and expertise. Make sure you do a skills audit and recruit or develop a balanced team (see our guide on Identifying Skills Gaps).

How do I effectively lead and manage my team?

A well-functioning team is one where everyone is working towards a common vision and directing their individual efforts towards the organisation’s objectives. Good teamwork maximises the efforts of individuals and achieves the most effective results.

It is crucial therefore, that everyone 'lives' the Vision, Mission and Values of the organisation (see our guide on Vision, Mission and Values). A good leader or manager will facilitate this teamwork and make sure that everyone understands the Strategy of the enterprise – not only *what* it is but *why* it is there. It is also important that everyone is clear about *how* it is to be implemented, by *when* and by *whom* (see our guides on strategy for further information).

Leadership can also be a shared responsibility amongst the team. At different times, different leadership skills will be required and team members will take on the appropriate leadership role.

Successful leading and managing your team is about ensuring that everyone:

- is clear about objectives and goals
- knows their role and what is expected of them
- has the resources they need
- is competent and highly motivated
- is involved in the decision-making as much as possible
- collaborates with others
- effectively uses well defined lines of communication
- updates their skills and personal development through training
- is encouraged to be creative and forward thinking for the benefit of the organisation
- appreciates the positive power of diversity and inclusion
- is rewarded for initiative

Central to developing this culture is Communication. You need to have a vision for your organisation and should make sure that people know what it is. You should communicate honestly and openly, be supportive and create an environment of trust within the organisation (see our guide on Communicating Key Messages). You should also have effective management processes and procedures in place to allow individuals to work successfully as a team.

Things to look out from with leading and managing a team

As a general rule, the founder of a social enterprise tends to have strong leadership skills whereas managerial skills are sometimes less developed. It is therefore important to know your own strengths and weaknesses and to make sure that your team is made up of people who can fill in the gaps.

As your organisation grows or evolves, it may be that you are not the right person to lead it. Plan your succession strategy by making sure you have the right people in place for a smooth transition. Team building and strategic planning events are useful tools for this purpose as well as regular sessions facilitated by an 'outsider.' This will help you and the team to work together, communicate and remain innovative.

Further information

Read our guide on Vision, Mission and Values:

www.blondon.com/SocialEnterprise/SettingUp/Settingobjectives/Visionmissionandvalues.aspx

Read articles about Leadership and Management from the Harvard Business School:

www.hbswk.hbs.edu/topics/leadership.html

Find information on workshops on Leadership and Management:

www.acevo.org.uk

Visit the Institute of Leadership & Management website:

<http://www.i-l-m.com>

Read Steven Covey's book, *7 Habits of Highly Effective People* or books by Charles Handy