

## **„Leadership“ and „Management“ – the Dilemma of Modern Business**

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Laying the groundwork by a terminological differentiation:

- „Management“ = „material“-based („Sach-Rational“) thinking and action pattern to direct organizations and actions drawing on a set of established and proven approaches, tools, and techniques of planning, organizing and controlling in formally structured environments.
- „Leadership“ = *human* oriented approach („socio-emotional“) of initiating people by „influencing, motivating and coaching people to creatively behave goal-oriented within informal team environments.

Approaching the subject („self management“) from a *paradigmatic* shift in the constellation of our *environment*: We are presently observing a remarkable change in the context factors demanding our attention: The shift from „hard“ factors of management to a growing relevance of „soft“ factors in leadership of organizations, while the relevance of culture-based soft factors (organizational culture and knowledge for bringing about creative solutions within an ever changing environment) is dramatically gaining relevance and acceptance. This is a period of dramatic change that cannot be addressed by managerial approaches of the past based primarily on creating a stable order of activities within more or less static repetitive actions that can be managed by planning, organizing and controlling. To break out of this proven mode by meeting the challenges of creating a new order of things Leadership becomes necessary more than ever as changes have to be initiated, people motivated to act on an unproven ground of problems and solutions by identifying with a new vision of organizing and leading missions to create a new world that is less governed by getting control of processes to create material products but by bringing creative solutions to information processes and complex projects within an information and knowledge society to bear on society. This change will demand a new thinking about organizations and their managements/leadership to gain new vistas for work and leadership that are immaterially based and open for creativity, innovation and change.

It could be considered a rather mistake in the present transition period from an industrial age to a knowledge society to rely heavily on the managerial approaches of the past „Trust is good – control is better“, (Lenin). While relying on the proven tools of management that were successful while coping with managerial problems in the industrial age, they will fail under the new conditions of the emerging knowledge society, because well structured approaches of mostly repetitive processes within highly controlled hierarchical settings were successful under relatively stable conditions, while we presently are entering situations that tend to shift rapidly. Here we have to change Lenins quotation into „control might be good, but trust is much better“. New approaches have to be found and exercised by creative, innovative Leadership within an entrepreneurial environment. This demands instead of a dominance of materially oriented rational approaches more of a high socio-cultural commitment to effect change in a challenging period of societal and economic change and for the leader itself a new understanding concerning his own „self management“.