

Leadership and Management Similarities, Differences, Meaning...

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About Insurance Technology Group

- Information technology intelligence firm dedicated to the property and casualty insurance industry
- Sole purpose is to improve the effectiveness and success of senior business and technology executives by providing factual intelligence that can help them maximize return on IT investments
- How we do this
 - *Expert Studies*
 - *Expert Briefs*
 - *Insurance Technology Board*

When Noah heard the weather forecast
he ordered the building of an ark - that
was *Leadership*

Then he looked around and said, "Make
sure the elephants don't see what the
rabbits are up to" - that was
Management

Leadership: Person, Position...

- “the ability to impose the will of the leader on those led and to induce obedience, respect, loyalty and cooperation...” (Moore 1927)
- “a source of influence over others” (Weber 1947)
- “the activity of persuading people to cooperate in the achievement of common objective” (Koontz & O’Donnell 1955)
- “the process by which the individual motivates and influences others to forego self-interest in the interest of a collective vision and to contribute to the attainment of that vision and to the collective by making significant sacrifices above and beyond the call of duty willingly” (House, 1993)

Who do you recognize as leaders?

- *In your community?*
- *In your organization?*
- *In the insurance industry?*
- *In the IT industry*

- *Why?*
- *How do they achieve that?*

Leadership Styles

- *Formal Leadership* - exercising power or tailoring the use of authority to the situation
- *Informal Leadership* - exercising influence
 - Charismatic Leadership - *force of personality*
 - Transaction Leadership - *daily exchanges between leaders and subordinates*
 - Transformational Leadership - *broadening and elevating interest of their followers*

Effective Leader?

- The one whose organization performs well?
- The one who can get others to do what he/she wants?
- The one who is respected and admired by others?
- The one whom others unanimously consider to be an effective leader?
- All of the above but mostly those who can cause followers to motivate themselves.

The “New” Leader

- In fast changing, knowledge driven industries (such as insurance) leadership has to be bottom-up as well as top-down
- Industries competing through rapid innovation are driven more by their markets than internally - direction has to come from employees closer to the market than from the top
 - *This is more important to life/retirement than P&C*
 - *In today's marketplace P&C is more efficiency driven*
- Direction is more a matter of discovery than discrete decision making

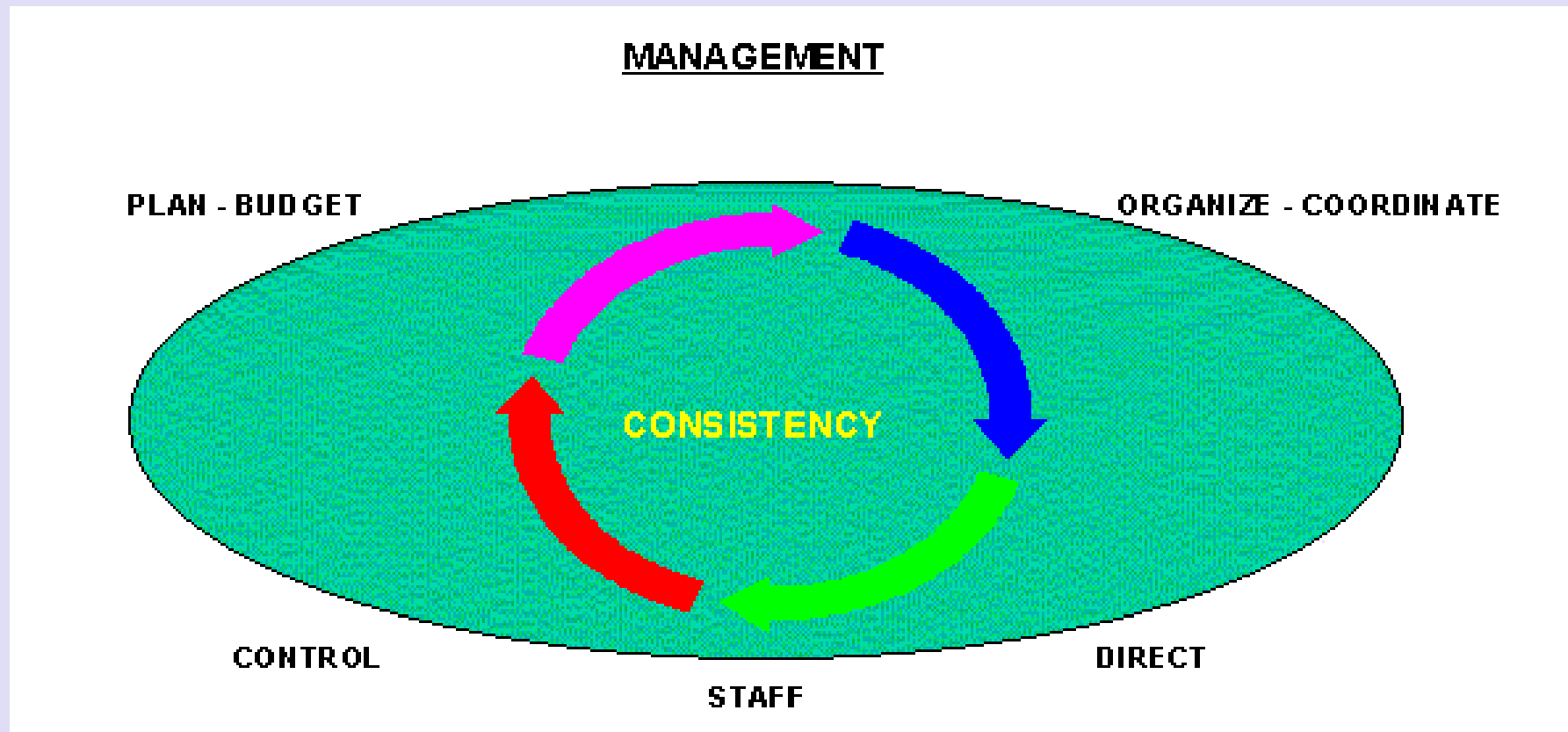
The “New” Leader

Leadership is about getting “there” first
and by doing so, instilling in others the
desire to follow you

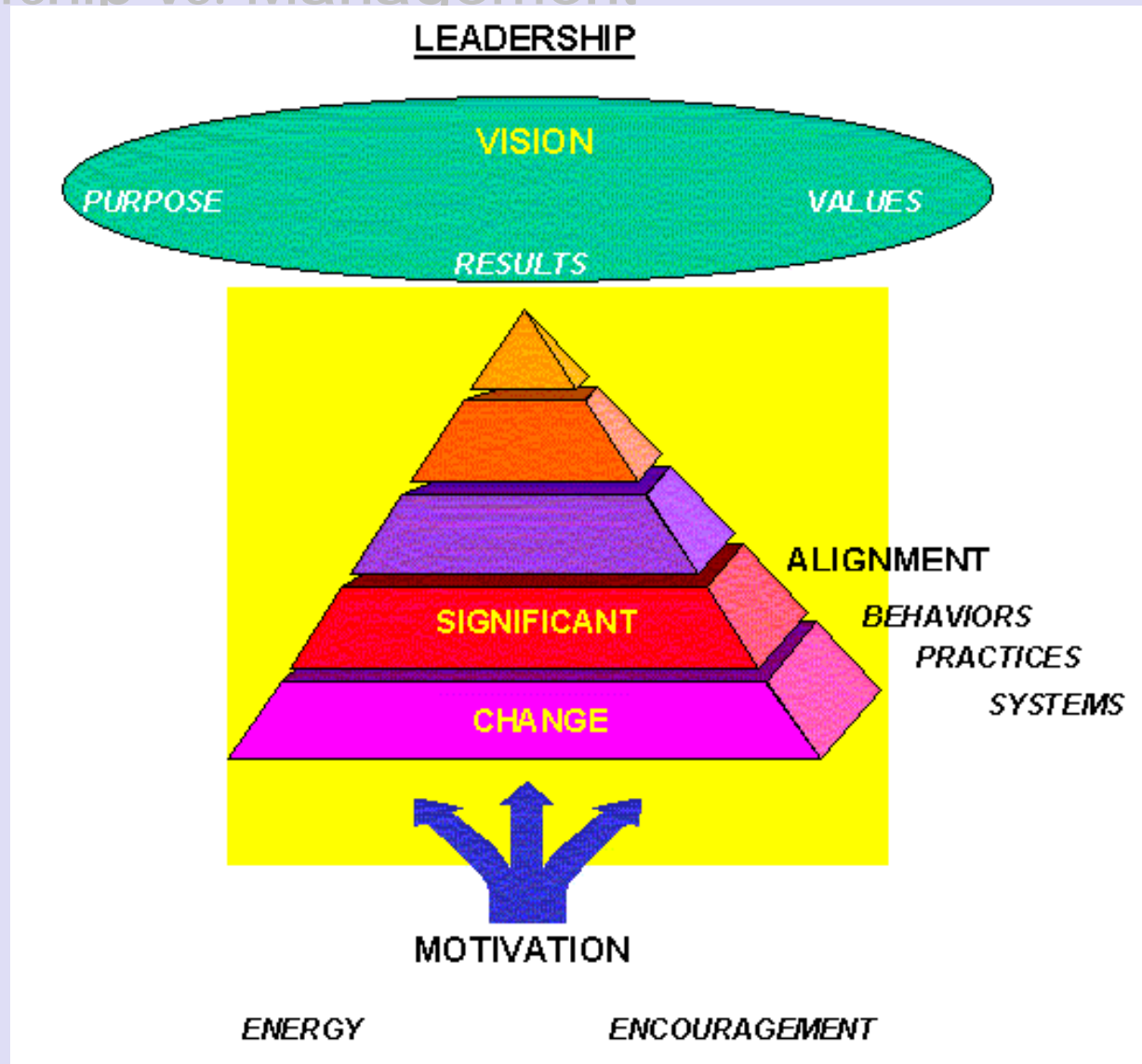
Leadership vs. Management

- Is managing a subset of leadership?
- Management is not bad and leadership good
- Both are needed
- In today's economy leadership has to come from the bottom up as well as top down
- This created opportunities for managers with leadership skills

Leadership vs. Management

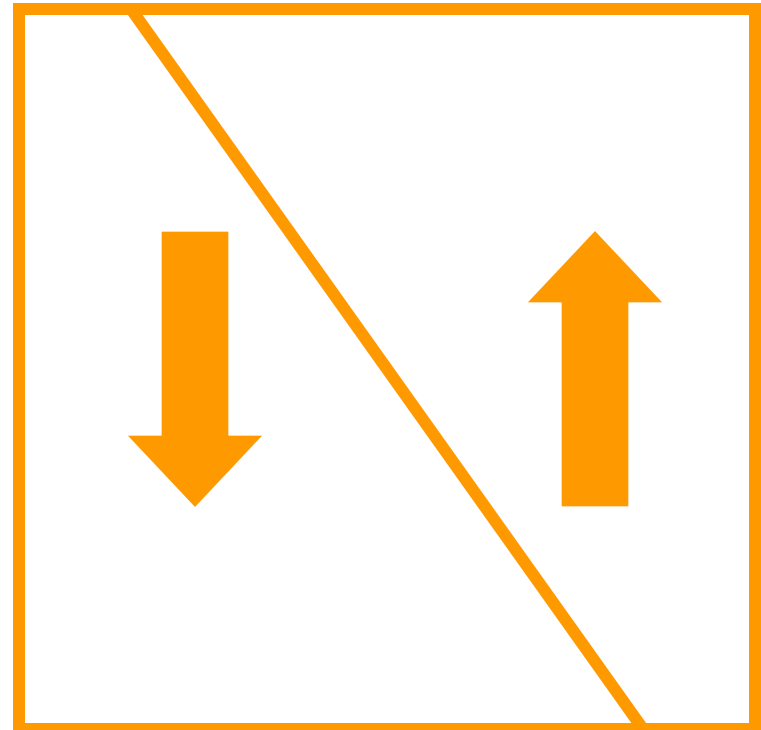


Leadership vs. Management



Leadership vs. Management

- Three key components differentiate a leader from a manager:
 - *Motivation*
 - *Vision*
 - *Action*
- But all three have to be present simultaneously



How Can a Manager Become a Leader?

- Demonstrate daily that you exemplify your organization's values to an unusual degree
- Constantly achieve results that amaze others
- Find ways to "walk on water"
- Use charisma, if you have it...
- ... if not, be the best in your field
- Be the best at what others around you are striving to be good at
- But leadership is NOT about using informal influence skills

Rules to Remember

- You must have or develop skills, and take time to find out what is in the followers mind concerning his/hers situation and their perception of you
- You must present your “leader self” to others rather than your natural self (I.e. branding)
- You must operate from self awareness rather than from an automatic mind

