
Leadership and Management Theories and Bridging the Gap between these Theories — A Literature Review

Citlalli Rocio Flores-Rodríguez, University of Guadalajara
José Sánchez-Gutiérrez, University of Guadalajara
Jorge Pelayo-Maciel, University of Guadalajara

EXECUTIVE SUMMARY

Innovation is a multi-folded construct. It is nowadays particularly focused on the people driving the innovation itself. For this reason, management and leadership challenges are here in this moment (Markham & Griffin, 1998). Enterprise performance requires changes to follow along with innovation acquisition, new leadership and managerial practices simultaneously. First and foremost, innovation is driven by people (Mansfeld, 2010). Challenges like authority-power perception, personal goals, corporate objectives, social interaction and internal dynamic are required to be taken by managers and leaders at the same time in order to encourage collaborators to accomplish mutual objectives.

Keywords: Management, Leadership, Empowerment, Collaborative Goals, Internal Innovation

INTRODUCTION

Market success and competitive advantages are at the core of enterprises. Increased high performance in the workplace requires the integration of work, people, technology, and information with an enterprise's strategies and culture. At the same time, effective and dynamic leadership provides positive support guiding, encouraging and rewarding motivation facilitating knowledge acquisition, as well as innovation and creativity promotion (Pickett, 1998).

The manner in which managers and leaders can contribute to achieve an enterprise's goals and improve collaborators' personal success has been well analyzed by authors such as Kotter (1996), Drucker (1988, 2007), McGregor (1960), Rappaport (1981), Mitzberg and Quinn (1998) and Hamel (1996), all of them deep researchers about styles of leadership and managerialism. However, innovation is a multi-folded construct. Besides the phenomenon itself, the innovation process and the instruments of its management are especially focused on organization, particularly the people in an organization driving it. An important role for innovation success can be credited to people driving it along the process (Markham & Griffin, 1998).

Following the imminent effect of internal innovation in organization processes, values and philosophy comes the importance of power distance perception and innovative leadership. Hofstede's first dimension confirmed the importance of power and described how long power distance perception promotes violence and unconformity, opposite from short distance power perception structures where societies strive for power equalization and demand justification for power inequalities (Hofstede, 1984).

LITERATURE REVIEW

Time gives answers and hard lessons; there are a lot of examples through history about bad collaborators that have managed with authoritarianism. It unleashed low productivity, short periods of success, employee dissatisfaction, as well employee

unconformity or even strikes. This is because collaborators are the most important element of companies, included implicitly subordinates and superiors who have in their hands the company's future and present.

An enterprise's internal interaction affects positively or negatively the achievement of collaborative goals, like better productivity, processes, manufacturing and especially the acquisition of modern innovation practices. First and foremost, innovation is driven by people (Mansfeld, 2010). The management of innovation acquisition requires collaborators, leaders and managers who commit themselves and their experience with enthusiasm and self-motivation to that idea.

With the recent creation of innovative disruptive practices, companies are forced to promote competitiveness through new ways of internal dynamics. Those ideas about power and hierarchy are combined using new styles of management and leadership.

One of the most powerful currents addressed in this analysis is the one proposed by Ouchi (1982) in which the hierarchical organization of power is viewed like a mixture of high profits with widely diffused feelings of psychological success. We also include Ouchi's theory about management style that not only yields greater productivity and profitability, but also higher degrees of worker satisfaction. Instead of the aforementioned, the combination occurs when organizational-hierarchical clans are changed into the minimum of hierarchical control, becoming "a true fusion of individual and organizational goals."

It is recently known that power has shifted away from managers or CEOs. The days of an "imperial CEO" are gone for many companies; a new period of management and leadership styles seems to be coming. It is based on better ethical practices and programed management lapses in which companies give new leaders opportunities to become temporary managers, sharing or giving other colleagues the power to lead and realize personal and the company's weakness and strength potential, (Karlsson, Aguirre, & Rivera, 2017).

There are consequences to a wrong mix between management and leadership styles. Power does not simply have a legal basis; it means status and knowledge too, hence, legitimacy and influence (Smelser & Swedberg, 1994). The organizations without these characteristics are perceived to have loose internal credibility, focus and high expectations by collaborators.

An important role for innovation success can be credited to people driving the innovation along the process (Markham & Griffin, 1998). According to the previous statement, companies should consider highly important the recognition of collaborators who lead individuals to get their own goals collaboratively, at the same time as running innovation practices, or otherwise organizations must pay high rates on transaction costs for not having the right person in the right position encouraging innovation acquisition (Keim & Madhavan, 1997).

Enterprises should identify and even measure empathy and leadership between collaborators in order to use it in their favor. One of the most important challenges to companies could become a developmental process guided by those who have been identified and recognized "leaders." Those who have the trust and respect of the rest of the collaborators are able to promote new practices and an innovation culture. Likewise, potentiate the leadership of them may also improve internal motivation on self (Kotter, 1996).

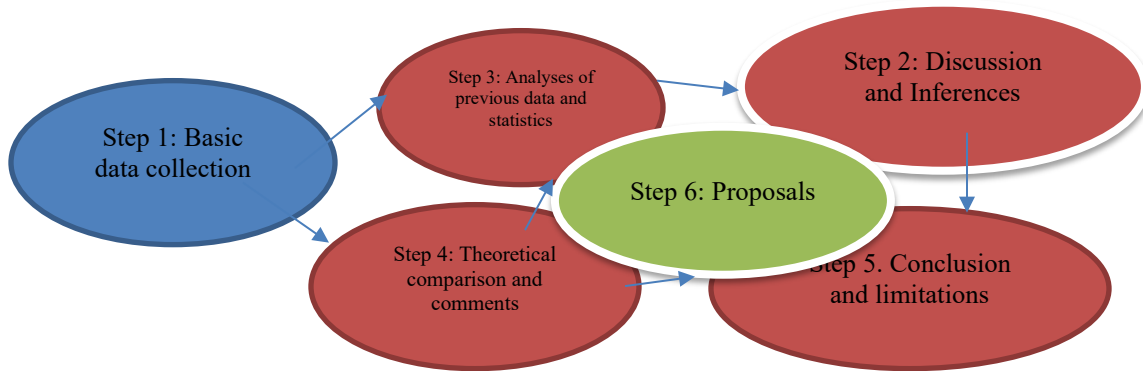
According to Kotter (1999), if an organization pretends to have real success, they must create a real conscience of its necessity, likewise the undeniable need to generate synergy between collaborators, responsibility and collaboration. This author also adds that in order to seed the culture of change, people should not be attached to traditional systems. In other words, the idea of collaboration and continuous change should be implanted as a corporation's philosophy.

METHODOLOGY

In order to keep track of the most appropriate strategies on management and empowerment practices, we have defined a longitudinal, exploratory and descriptive approach where theories were analyzed and compared, dismissing the common characteristics and their applications on the performance of a hypothetical enterprise. We employ a historical reconstruction of those theories that are nowadays feasible and desirable.

Methodologically, we proceed through the following elemental steps accordingly:

FIGURE 1
Theoretical Construct



RESULTS

Using a different type of leadership and management working mutually, companies can improve the reliability of interested stakeholders to succeed in all areas through the use of new practices and products being helped by a growth perspective converting strategy into actions (Kaplan, 1983).

As proposed by Hamel (2015), recovering managerial minds involves, as the object of study, the power itself. This is defined by Robbins (2004) as the degree of influence someone has over others in such a way that those others act on behalf of the empowered.

Proposals made to classify power perception from French and Raven (1959) and Weber (2009) have classified some types of power: legitimate, reward, coercive, expert and referent. Bass (1960) used a different classification: personal power (based on internal strengths), and position power (based on hierarchy). It is also the degree of influence a leader has over power variables, such as hiring, firing, discipline, promotions and salary increases. Likewise, both authors have found two important factors of power perception: persuasiveness and information control.

Interaction inside companies is viewed through different perspectives about individuals. The consideration that more experienced people can find better solutions and with the right amount of power better practices is supported.

Accordingly, all the previous arguments can be inferred that the challenge of management in the era of innovation acquisition correspond to find and balance management, motivational strategies and functional leadership -- with new interactional management styles.

Table 1
Comparative Framework About Leadership And Management Characteristics Between The Most Important Theories

Characteristics about management style and leadership	Authors	Theory
Mintzberg (1985) it is a system of a detailed track of actions strongly resembling an ideal, making planning and assuming strategies. Organizations require articulated objectives, sharp divisions of labor, clearly defined tasks, well- developed hierarchies and formalized systems of control.	Mintzberg, & McHugh (1985) Masood, Dani, Burns, & Backhouse (2006)	Adhocracy
It promotes productivity, employee satisfaction, plus confidence and stable employment. Furthermore, this theory is also based on the Japanese management style where the most important element of companies is the right management of their human resources.	Ouchi (1982)	Theory Z
Management is responsible for promoting by good practices the subordinate's ego needs, social needs, self-fulfillment needs and the company's objectives and mutual goals. Motivational emphasis and better productivity results.	McGregor (1960)	Theory Y
Managers control their own performance, stronger motivation, higher performance goals and broader vision. Direction to management teams. It also includes the "measurement" of good practices and their results. High standards, reports and procedures.	Druker (1972)	Management by Objectives
Efforts to exert control and influence decisions affect organizational functioning and the quality of community life. The value orientation of empowerment, mutual respect, critical reflection, caring and group participation.	Perkins & Zimmennan (1995); Rappaport (1981); Zimmennan & Warschusky (1998), Cummings (2005)	Empowerment
Distribute leadership across all management levels. This author has proposed four steps to make it real in an organization 1.- Seeing the leadership reality 2.- Developing alternative leadership profiles 3.- Selecting to-be Leadership Profiles. 4.- Institutionalizing new leadership practices.	Kim, & Mauborgne (2017)	Leadership CANVAS
An organic view through the analysis and evaluation of situational leadership model, trans model of communication, effective communication, 360 degree performance evaluation and its leadership applications is proposed.	Blanchard (2012) Hersey, Blanchard, & Johnson (2003)(2007)	Situational and transformational leadership

Like Prahalad and Hamel (2006) comment, one of the most important factors for company survival is determined by the right adoption of the innovation as an essential philosophy through a "systemic view." It is defined as a holistic view of the company; likewise, the acquisition of friendly processes and clear objectives as well as high leadership profiles.

The systemic view is the point of convergence of assertive decision-making and leadership. It is essentially a holistic view of a diverse company's elements correlation and dynamics between them.

Despite the systemic view, it is also undeniable that inside every cell of work, enterprises should have at least one element present that keeps the team motivated and that leads them to get their personal goals. But someone who makes the right decisions to accomplish the company's objectives is also needed.

Likewise, concerning manager-leader characteristics, it is also important for them to have ethical conduct defined in terms of a construct of "authenticity" and a triad of ethical intents: critique, justice and caring in order to achieve a company's synergy and thrust.

Hamel and Prahalad(1996), explain that managers of successful companies are more interested in creating more competitive areas internally than fighting to get a better market position; Their main goal is to change the industry internal practices and not to win the whole market.

In terms of the influence of corporate culture on managerial leadership style, it is considered that values and philosophy guide employees' behavior in the organization towards greater success (Nwibere, 2013). Another relevant study of more than 200 companies by the Harvard Business School researchers tried to determine which factors make some organizational cultures more successful than others. The result of the Harvard study conducted by Kotter and Heskett, (1992) indicated that culture had a strong and increasing impact on the performance of organizations.

Nwibere's (2013) data shows that competitive, entrepreneurial and consensual corporate cultures were revealed to have a significant positive influence on democratic leadership style; similarly, entrepreneurial and consensual corporate cultures. His analysis of different dimensions of corporate culture and dependent variables resulted in democratic leadership style as the most convenient to promote a positive corporate culture dynamic. Conversely, bureaucratic organizational culture appeared to have a negative relationship with democratic and laissez-faire leadership styles. Equally, competitive organizational culture also appeared to have a negative relationship with autocratic and laissez-faire leadership styles. The relationship between entrepreneurial organizational culture and autocratic leadership style was also found to be negative.

Escrivao, Nagano, and Ferraudo (2015) comment that managerial styles' composition are divided into: planner controller, busy with execution internal communicator with subordinates link to society; planner controller, busy with information and opportunities internal communicator with subordinates link to society and internal communicator with subordinates link to society internal communicator with subordinate all of them related to the most valued functions and roles. The highest results concerning roles and the principal activities that positively affect company performance are planner, monitor, resource allocator and natural leadership.

According to the previous paragraphs, leaders, managers, the systemic view, good collaborators, internal synergy and innovative practices are required to become competitive in this era. In addition, one more challenge was also found which involves dynamic managerialism - leadership and flexibility. This involves the possibility to grow into a new idea in a company where it can be adaptable or easy to adopt. In other words, to be able to modify and adapt company's strategies, managers, superiors and leaders should be open to hold and manage continuous changes having an open mind to modify their own behavior (Selsky & McCann, 2008).

Hamel and Prahalad (1996) comment that managers should be ideal leaders who should also be involved in decision-making, in other words, anyone within an organization has the potential to become a leader, but managers must be leaders. Morgan (2015) details that management there is no emphasis on creativity, innovation, engagement, empowerment, or the like, nor was there a need for any of these things before because authoritarianism was previously established.

Assuming the previous argument, the present publication added some basic characteristics that should be part of the modern managerialism style in order to encourage innovation:

- Adhocratic style, that is an organic structure with a minimum of formal rules and procedures that promote efficient and shorter communication lines
- Empowering based on a positive view of thrust on the collaborators' abilities and experience
- Easy to adapt disruptive changes
- Being able to focus on the accomplishment of common goals

CONCLUSIONS

We conclude with this analysis quoting Porter's phrase, "nothing damages change more than behavior by important individuals that are inconsistent with their words." This reflects that any change can be impossible if the collaborator's attitude is not consistent and congruent with the organization's philosophy. Furthermore, managerial styles should not be exactly aligned with the company's ideals or leaders' beliefs due to the fact that most of the time intrinsic interests or beliefs are involved. Ethical components like preferences and corruption that affect long time innovation acquisition and collaborators loyalty are involved as well in the decision-making.

Resilience is an elemental value required to gain new managerial structures, leadership styles and innovative practices. Organizational imitative actions can be useful as well for a short time period, but not in the long term because innovation requires personalized creative internal performance.

Evidence and outcomes show the effect of corporate culture on organizational performance, organizational commitment, job satisfaction, as well as the effect of managerial leadership style, organizational commitment, job satisfaction, etc.

There are limitations as technology changes have been emerging. Management new practices are needed as well. Being based on theories made according to different styles and generation characteristics, the only established denominator and factor is "the continuous change," and management consists of the capacity to achieve plans by organizing and monitoring subordinates' behavior and attitudes.

Direct planning and budgeting are the most common ways to set a company's directions and goals but based on the experience aligning colleagues who involve common beliefs and subordinates and organizational goals, aims and projects. Delegating could be considered the right way leadership can be taken in these times where companies can have both: satisfied basics human needs and aspirational desires.

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