

# RELATIONSHIP BETWEEN MANAGEMENT AND LEADERSHIP AND CHARACTERISTICS OF SLOVENIAN MANAGERS

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## **Abstract**

*For years, leadership was understood as a managerial function. A significant number of authors currently see leadership as replacing management, or as a different but overlapping function. In the first part of this article, the author supports her opinion of leadership as being one of the managerial functions, emphasizing that both leadership and management have developed over time. More emphasis is given to research (and its results among Slovenian managers) showing that they are aware of the increasing importance of leadership compared to other managerial functions. The increased importance of leadership means that managers have to devote more time and attention to employees. Slovenian managers are still overly concerned with their reputation and promotion, and less with the satisfaction and achievements of their employees. Their loyalty to employees is weak, and they are more individualists than team workers. The characteristics of Slovenian managers (supported by research) that led to the aforementioned conclusions are discussed in this article.*

**Keywords:** management, leadership, relationship, organisation, organisation processes

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## **1. INTRODUCTION**

In recent decades, business enterprises and other formal social units and their environments have developed in previously unimaginable ways. In line with these changes, employees, their knowledge and skills have also undergone tremendous development, as has the management conducted by managers. Managers find themselves in a difficult situation as the knowledge and skills of their “subordinates” (in specialist field) surpasses the managers’ knowledge. One of the most discussed organisational issues is the question whether leadership still represents a managerial function or if leadership has replaced the (old) management that developed into the (new) leadership. This question is extremely important: if leaders replace managers and their jobs are changing, we have to look for – and develop – leaders, and stop developing managers. If their tasks

are overlapping and they both co-exist, we have to hire and develop two different people. However, if the new leadership is still part of (the new) management then managers have to develop their leadership function and necessary skills.

The main objective of this article is to briefly discuss the aforementioned problem of the leadership/management relationship and to offer some evidence in favour of one of the opinions. However, the objective is also to show **how the relationship between management and leadership is understood and conducted by Slovenian managers**. Our purpose is to shed additional light on the issue and thus influence the understanding of management and leadership. The research has been conducted not only on this relationship, but also included other characteristics of Slovenian managers.

In order to achieve the objectives of this article, we will briefly discuss the relationship between management and leadership, and then prove that

leadership remains part of the broader and more complex function of management. Both of them have developed tremendously in last decades. This relationship and other characteristics of Slovenian managers will be discussed.

## 2. LEADERSHIP VERSUS MANAGEMENT

### 2.1 Defining management

As already mentioned, the levels of knowledge and skills of employees have developed over time. Earlier, managers knew significantly more about the work their subordinates conducted than workers did; therefore, they were able to command them. In most cases, this is no longer possible as the manager knows less about the work of employees than his "subordinates" do. There are also other changes occurring in the relationship between managers and other employees. Employees are becoming autonomous, developing themselves, working within teams more frequently and less so within hierarchical departments, etc.

A new reality is arising for management, one replacing the old paradigm of stability, control, competition, standardization, confidence and heroism with a new paradigm of changes, management in crisis, trust, cooperation, cultural differences, higher and noble intentions, modesty and humility. In the field of management and leadership, some authors interpret the shift from the previous to the new paradigm as a shift from the traditional management approach, which emphasises stability and control, to a leadership approach, which illustrates and appreciates changes, trust and mutual relationships. Some authors use this explanation as the basis for the differentiation of leadership from management and interpret them as two different functions, with leadership replacing management.

Daft (2005: 15–16) claims that whereas the old paradigm emphasizes efficient work, the new paradigm requires that managers also become successful leaders. The new paradigm requires that managers use new approaches, especially as leaders. Whether the new paradigm also requires leadership to be an independent function separated from management, and leaders to be different from

managers, has yet to be confirmed by research; opinions are divided.

For authors in the field of management, it is quite clear that management consists of some managerial functions, one of them being leadership. Most frequently, authors define management as consisting of managerial functions of planning, organising, leadership and controlling (in the sense of monitoring the following of plans), and/or according to the use of resources and the purpose of management. For Schermerhorn (1999: 8), management is "the process of planning, organising, leading and controlling the use of resources to accomplish performance goals". S. Certo and T. Certo (2009: 8–10) define management as a process of continuing and related activities (planning, organising, influencing and controlling) involving and concentrating on organisational goals (effectiveness and efficiency) and reaching these goals by working with and through people and other organisational resources. For Hitt and co-authors, management is the process of assembling and using sets of resources in a goal-directed manner to accomplish tasks in an organisational setting (2009: 5-6). For Lipovec (1987: 136–137), management is an organisational function and process that coordinates the divided labour; it is the executive body of corporate governance; management executes its task with the support of other people in the process of planning, actuating (HRM and leadership) and controlling.

Let us add the definition proposed by Rozman and Kovač (2012: 61) according to which **management** is an organisational function, which

- **gains its authority from corporate governance** as its executive body (socioeconomic definition);
- **coordinates all organisational relationships** and structures within the social unit and outside, considering dynamics and environment (coordination definition);
- consists of business planning, planning the organisation, actuating of the organisation (HRM and leadership), controlling the organisation and business controlling and thus assures a rational achievement of the social unit's goals (definition by managerial process and purpose);
- runs as a **decision-making process** (definition by process).

Without going into any details of the above definitions, we can see that all authors in the field of management define **management as also consisting of leadership**. Management is thus a more complex function, also encompassing leadership. Considering the entire formal social unit and its goals (business planning), thinking and deciding on roles of employees (planning of organisation) managers have to influence employees (by leadership, communication and motivation) to achieve objectives set by managers.

## 2.2 Defining leadership

Yukl (2010: 21), quoting the definitions of leadership of many authors, concludes that most definitions “reflect the assumption that leadership is the process whereby intentional influence is exerted over other people to guide, structure, and facilitate activities and relationships in a group or organisation”. Leadership is a process whereby one person influences others to achieve a goal (Yukl, VanFleet, 1992: 147–198). For Robbins and Coulter (2009: 370), leadership is a process of influencing others (and/or groups) to achieve its goals. Rozman and Kovač (2012: 351–352) define **leadership as a managerial function** that is a relationship and a process **of influencing** (by motivation, communication and direction) **co-workers** by the manager/leader to achieve goals (execute their duty, introduce a change) set by the manager/leader.

Some authors emphasize the importance of determining **the relationship between management and leadership**. Martin (2001: 675), for example, claims that the relationship between management and leadership is fundamental to determine what leadership is. In attempting to answer “what is leadership” it is natural to look at the relationship between leadership and management (Hughes et al., 1999: 11).

Zaleznik (1986: 54) argues that the main differences are in motivation, personal history and in how managers and leaders think and act. The same author (1983: 32–39) suggests that these differences reflect fundamentally different personality types, and that leaders and managers are different kinds of people. Kotter (1990: 103–111) argues that management has to deal with com-

plexity and tries to bring order, whereas leadership is about how to bring change. Managers plan, organise and control, and leaders communicate with people and align them. Interestingly, Kotter sees both functions as different but complementary; leadership does not replace management. Bennis and Nanus (1985: 21) perceive that managers do things right and efficiently, whereas leaders do the right things and pursue effectiveness. Daft and Noe (2001: 380) see managers planning, organising, directing and controlling to achieve organisational goals, whereas leadership focuses on creating a shared vision, instilling cultural values and inspiring employees.

Bennis, Zaleznik, Kotter and other authors, especially in organisational behaviour and entrepreneurship, see leadership and management as being different and leadership becoming more influential. Nevertheless, it is not entirely clear whether leadership is replacing management or whether the two functions are complementary.

## 2.3 Our opinion on the management/leadership relationship

Let us confirm that our opinion is in line with the authors who claim that leadership is one of the functions of management. We will attempt to prove this in the following ways.

**Firstly**, most of the authors discussing the leadership-management relationship who are in favour of putting it as two separate functions or at least overlapping ones are, in reality, discussing the difference between the command functions of management prevailing in the past and the required leadership today. They perceive the first one as management and the other one as leadership. This comparison is not correct. **We have to compare the old and the new management and the old and the new leadership**. In both, we can find tremendous differences as consequences of their development, which are mainly quantitative, whereas the basic nature of leadership and management remains the same.

It is about the same people with different abilities: many managers have abilities and qualities that are necessary to be successful leaders, yet

others lack these abilities and qualities. It is true that the new paradigm requires managers to be the best leaders possible. We accept that leadership is becoming more important and more demanding. The success of organisations depends on human capital now more than ever. How to act and how to lead employees remains the fundamental challenge of current management and leadership. The task of getting the best out of people requires special traits and skills of managers. The motivation of the employees and concern for their personal growth and development requires that managers devote a considerable amount of energy and time to them.

Managers set vision, goals and other plans and control their achievement while simultaneously motivating employees and creating a culture that enables the personal growth and development of the employees, their integrity, respect, etc. There are many managers in many organisations that are excellent leaders. Moreover, managers who are not by their nature good leaders can develop and improve skills and abilities necessary for good leadership. However, we think that managers can more easily learn planning, organising and controlling than leading. Business planning, organising and controlling are based more on techniques and logical reasoning, while leadership is based more on intuition and personality. Some authors (e.g. Grint, 2000: 27) claim that leadership is more an art than a science. In their efforts for planning, organising and control, managers are supported by departments for planning, controlling, etc., whereas there is no department that would support leadership as such.

**Secondly, leadership is an essential part of the management process**, and does not substitute, complement or overlap it. It is the function that takes care that the plan set by the managers is carried out by the employees; it triggers and carries out the planned organisation of the company and its work. The actuating or activating process is a hugely significant part of the management process. This can be clearly seen if we look at the managerial function from the current perspective that sees the managerial process consisting of business planning, planning the organisation, actuation of organisation, control of the organisation and business control as explained in Rozman (2012: 2–25). This confirms

that management cannot be complete without leadership and leadership alone cannot assure a rational achievement of organisational goals. **Leadership is a management function ensuring that the management plan is transformed to actions of employees**; therefore, it is the trigger and the accomplishment of the planned organisation. Managers are planners, organisers, leaders and controllers. Some are better in planning, some in leadership, still others in organising and controlling. It would be ideal if every manager would be an excellent planner, organiser, leader and controller.

**Thirdly**, when we look at the definition of leadership proposed by some authors who defend the idea of management and leadership being two different processes and consequently managers (the “bad guys”) being different from leaders (the “good guys”), we found that **some authors in defining the (new) leadership, in fact, use the definition of management**. Tichy (1998: 29–33), for example, defines leadership as accomplishing something through people. That is exactly the simplified definition that many authors use to define management.

We argue that both management and leadership have changed significantly over time. However, their relationship that determines both functions has remained more or less the same. We can even assume that leadership has increased in importance in comparison to other functions of management and that the changes in leadership have been more profound. It was easier in the past for managers to lead (by commanding) uneducated and unqualified workers who were doing simple tasks, than to motivate, inspire and train today’s educated and skilled employees who do intellectually demanding work. The styles of leadership have changed over time. They have passed from ordering, discipline, situational and transactional leadership to the styles appropriate for the present time: transformational leadership, cooperation, advising, coaching, etc. **However the new leadership still remains part of the new management trying to influence employees to achieve plans set by managers.**

### 3. THE RESEARCH ON RELATIONSHIP BETWEEN MANAGEMENT AND LEADERSHIP IN SLOVENIAN COMPANIES

#### 3.1 The description of the research and the presentation of Slovenian managers

In 2008, I conducted research on Slovenian managers as part of my doctoral dissertation (Kramar Zupan 2008). I wanted to learn more about the state of the Slovenian management practice, considering also the leadership-management relationship and the leadership function. Our aim was to verify **four basic hypotheses**.

Firstly, we wanted to verify the hypothesis that **Slovenian managers spend relatively too much time on the execution of business functions**, e.g. finance, sales, production, etc., and insufficient time on management tasks. In many cases, excellent specialists became (bad) managers devoting too much time to their specialty instead to management. They mostly resolve business problems instead of encouraging and enabling their subordinates to do this. The question of how much effort to devote to managerial tasks and how much to the specialists' tasks has not been discussed in the first part of this article, because it does not impact the discussed management/leadership relationship.

Secondly, we wanted to verify whether Slovenian managers devote sufficient time, effort and emphasis to leadership in comparison to other managerial functions. We were curious to know **how important leadership is for managers**.

**Thirdly**, we were also interested in leadership style: **are managers focused on their employees and their satisfaction, or are they mainly task- and efficiency-oriented?**

**Fourthly**, we also explored **whether Slovenian managers use** today's leadership approaches, such as **the transformational leadership style** or do they prefer the transactional leadership?

To reach the goal of the research, we decided that **managers of large Slovenian companies** (the measure or criteria being the income of the company) would be the target population. Due to the weakness of the **previous pilot research** (its aim was to check the questionnaire and the research process), which was done a year earlier and in which

we took as a pattern all Slovenian companies (small, middle, and large) and all three management levels (low, middle and top), we have decided to include the 500 largest Slovene companies and their general managers or presidents of managing boards in the present study. We obtained a list of companies from the Slovene magazine *Manager+* (Dec. 2007), which consists of information of the companies for the year 2006. There are around 45,000 registered companies in Slovenia, among them 946 stock companies, 40,445 limited liability companies, and the rest are different societies, branches of foreign companies and other forms of companies (*Manager+*, Dec. 2007: 1).

Out of the 500 questionnaires sent to the largest Slovenian companies, 100 (20%) were returned, which is less than the number (60%) of returned questionnaires in the pilot research. The reason for this difference is the fact that only managers of the first managerial level of the largest companies were included in the present research.

The largest share in the structure of interviewed companies belongs to business services, which represent 47.5% of all companies; 33.7% of all managers work in manufacturing, and 15.0% in commerce.

Out of 500 Slovenian managers, there are only 44 female managers (*Manager+*, 2007: 4), which is a small number and does not reflect a balanced **gender structure**. The previous pilot research revealed that there are more women managers at lower managerial levels and at top positions in smaller companies.

The analysis of **age structure** of interviewees **shows** that Slovenian female and male **managers are on average 48 years old**. The standard deviation is 8.3, which means that 68% of managers in the pattern are between 40 and 56 years old and 95% between 31 and 65 years. In the age group of 20 to 30 years, there are no managers, which is quite understandable, because we have included only top managers. Few managers are over 60 years old: only 8%. It is intriguing that the age group between 31 and 40 years accounts for only 15% of managers. This age group is supposed to be dynamic and flexible, with appropriate experience; therefore the 15% share is perhaps (too) low. The ratio of vari-

ability is 17.2, which means that the age structure of managers is relatively homogenous or that the managers do not differ much in age.

The **age difference between the genders** is not relevant. Most female and male managers are in the age group of 40 to 50 years. There are some differences between the genders in the age group between 31 to 40 years. In this group, there are 20% female managers and 13% male managers out of all managers. In the age group over 60 years, there are no female managers, whilst the males in the group account for 11% of all male managers. We could conclude that the proportion of young female managers is greater in large Slovenian companies. In contrast, there are no female managers over 60 years old, which is understandable, taking into account the fact that the age limit for the retirement of women is five years lower than the limit for men. We came to similar results in the pilot research.

**Most Slovenian managers in the largest Slovenian companies are highly educated.** The average educational structure carries the value of 7.3, which means that they have more than a bachelor's degree. The ratio of variability is only 10.3. Managers differ remarkably little in the level of education. The educational structure is quite similar between both genders.

We can conclude from the research that **Slovenian managers have a great deal of experience.** In average, a Slovenian manager has 18.2 years of managerial experience. The standard deviation is six years, which is quite a significant. Therefore, 68% of managers have from 12.3 to 24.1 years of leadership experiences. An interesting subject for research would be on **the employment turnover** of Slovenian managers, which would show how many years Slovenian managers stay in the same company and in the same position. A high range of managerial experience can indicate the **low turnover of Slovenian managers**, which was also the case in the socialistic administrative system of the former Yugoslavia.

We can assume on the basis of our research that **Slovenian managers are quite experienced** and that this applies only to the first level managers of large Slovenian companies. It must be emphasized that Slovenian managers are decidedly different

when we compare them according to their experience. They differ three times more than in education and even more than in age. There are also no significant differences in managerial experience between genders.

### 3.2 The relationship between specialists' and managerial job

In our first hypothesis, we assumed that top managers act too much as specialists and not enough as managers. The analysis of the results shows that **Slovenian managers claim to work mostly as managers and not specialists.** Only 30 out of 100 interviewed managers claimed to work, mostly as specialists, and 70 of them perform mostly managerial tasks. Considering that we are discussing general managers of large companies, they still devote too much effort to specialist tasks.

**This research shows a different outcome compared to the previous pilot research.** The pilot research confirmed the assumption that Slovenian managers have too many characteristics of a specialist, because 65% (compared to 30%) of the interviewed managers claimed that they work mostly as specialists. This can be explained by the fact that in the pilot study managers at the middle and lower levels and of smaller companies were also included.

**Similar research was conducted by** the Slovenian consulting company **Alpha Centre** in cooperation with the company **IMDE from Switzerland** in early 2007 on a sample of 250 managers from Switzerland, Slovenia, Austria and Germany. This research encompasses the advantages of managers, the opportunities for improving and the differences between the managers in individual countries. Alpha Centre establishes that **the potential for managing exists with 40% of Slovenian managers**, with 27% of the others having this potential conditionally. It is assumed for other managers (60%) that they behave and act mostly as specialists and not as managers. We can state that the results of this research are somewhere between the results of our pilot and final study.

When comparing the results of the pilot and the final research, we can confirm that **the larger the company and the higher the position within**

**the company, the larger the proportion of managerial work is.** In contrast, at lower managerial levels and within smaller companies the managers do more of the tasks of specialists. In the first case, they are becoming professionals; in the second case, management is just one of their functions.

It is interesting that the youngest and the oldest managers mainly conduct managerial tasks, with each of the groups taking a share of 13% of all managers. Most “specialists” are in the largest age group of Slovenian managers (41 to 50 years). We can assume that **the youngest managers are well educated** in management, but less experienced not only in management but also in the business conducted by the company. **The older managers have the advantages of experience** in both areas. In many cases, they have been promoted to the managerial position through their specialist careers.

It can also be seen from the research that **the level of education has a significant effect on management proficiency.** Managers specifically trained in management are less frequently specialists and devote more time to managerial tasks. This holds especially true for those managers having an MBA degree. In contrast, managers less educated in management are more involved in specialist tasks and less in managerial tasks. The pilot research revealed similar results for lower-level managers and managers in smaller companies.

We also found that **manufacturing managers devote more time to specialist tasks** compared to managers in companies involved in business services. This is due to a more hierarchical structure of production companies, which supports the development of managers through specialist tasks and lower level managerial tasks. Very often the best specialists are promoted to managerial positions. In business services, employees possess higher levels of education; therefore, management is more demanding and requires more managerial knowledge and skills.

Although the results show that general managers are slightly to heavily involved in specialist tasks, we can also see that in Slovenia **management is beginning to be regarded as a profession** that can and should be taught, and that managers are becoming professionals.

Examining what **kind of specialist jobs** are conducted by managers proved to be interesting. The research shows that **Slovenian managers are involved mainly in solving different business problems.** That was the answer of 68% out of managers who also act as specialists. The relative degree of variability is quite low in this answer. It was found that the main reason to be involved in their subordinates’ job was a **lack of trust** in the abilities and motivation of their subordinates. These managers-specialists are well aware of the production problems of the companies in which they work and of their solutions, which enables them to solve concrete problems that were supposed to be handled by employees. It is **particularly notable that older managers in manufacturing companies have technical primary education.** This is also the reason for their involvement in manufacturing activities.

In contrast, we found that **Slovenian managers-specialists devote** (within managerial functions) insufficient time and attention to the development of organisational culture, team work and rewarding their co-workers. In short, they devote **less effort to the leadership function of management.** The share of “managerial-specialist” leadership in management is much lower with them than with “pure” managers. On average, they spend 15% of their time leading, in comparison to other managers who spend 25% and more. Manager-specialists spend close to 25% of their time for controlling, which is more than other managers, who spend up to 16% of their time on controlling. This difference probably means that **manager-specialists have an autocratic style of leadership**, which is nowadays less frequent and less acceptable. They will have to devote more time and attention to leadership in the future and deal less with controlling.

Let us additionally examine which are works and assignments that manager-specialists differ mostly from “full-time” managers. The latter work more with employees and, according to the research, **participate more in the selection and development of employees.** This is part of the work that 68% of the interviewees do always or very often. There are no significant differences between the interviewed managers. Unlike manager-specialists, full-time managers **pay a great deal of attention to teamwork** and (again) 68% of them claim that they

often or always support teams and act as team members themselves. The interviewed managers **have good knowledge of the experience and skills of their co-workers**. They are also relatively united regarding this.

### 3.3 The share of leadership function within management

One of the central aims of the research was to **confirm or reject the assumption that leadership is part of management** and that it is gaining in importance in comparison with other functions of management. However, we also wanted to **confirm or negate** the assumption that **Slovenian managers do not sufficiently emphasize leadership**. This is due to the opinion being created in practice that Slovenian managers see accepted plans as already being realized. Due to such an opinion, little or even no leadership, motivation or communication is conducted.

With the intention of verifying the aforementioned assumptions, we tried to determine **how much time Slovenian managers devote to leadership functions** and how much to **other management functions** and tasks. We found that significantly similar amounts of managers' time have been spent on all their functions (between 19 and 24% and 15% for other tasks). For top managers, we usually expect most time to be used for planning and organising and less for leadership and control. However, it is possible that, as they plan and organise, managers also communicate with employees and lead them, and that they see this time as part of leadership and not planning or organising. In any case, we have been surprised by the high percentage of time spent on leadership.

**Slovenian managers spent the most amount of time on function of leadership**. On average, close to 24% of their time is spent on leadership (including motivation and communication); 68% of managers spent 16% to 32% of their time on leadership. The difference in time that managers spend on other three functions (planning 22%, organising 20% and control 19%) is rather small compared to the time spent on leadership. Regardless of the fact that Slovenian managers spend up to 24% of their time for the function of

leadership, almost **35% of managers think that leadership is the most underestimated management function**, and that it will need more attention and time in the future. The function of organising seems to be the most underestimated according to 25% of managers, 24% of them think so of controlling, and 16% of planning.

The comparison of the final research and the pilot study shows that managers claim to devote more time to controlling, according to the pilot study. In the pilot study, the time spent on controlling was close to that spent on leadership. We can explain this result with the fact that there were managers of three managerial levels and three sizes of companies included in the pilot study, whilst the final research includes only the top managers of the 500 largest Slovenian companies. As is well known, the control function is more significant at lower levels of management.

What is also intriguing is the average of the **time spent on other managerial tasks**. Slovenian managers spend some time for travelling, representing the company, and cooperating with labour unions and the company's owners. Let us add the information from the research that was done by Alpha Centre showing that Slovenian managers have (compared to foreign managers) reached exceptionally high values in the item "importance of external impression and reputation" and in "development of personal skills", with which we can also explain the relatively high percentage of time, devoted to "other" managerial assignments. **Alpha Centre deemed Slovenian managers as "being obsessed with control and reputation"** (Finance, 16<sup>th</sup> February 2007: 22).

The relative measure of variability (RV) in the spending of managers' time is relatively high. Managers differ markedly according to their use and devotion of time for a particular function. The highest variability in spent time among managers is in planning and organisation (35%). A bit smaller (but still high) is the RV in the time used for leadership (30%). The results of the research of time spent for different managerial functions and individual managers' assignments show a significant difference between managers, which reduces the acceptability of the results. Thus, **our assumption**



**about leadership gaining in importance can be confirmed**, but the certainty of the claim is relatively low. We can conclude that managers spent appropriate amounts of time leading co-workers. However, at the same time **they think** that the **leadership function is not yet seen as essential and sufficiently developed**.

The analysis of results of spent time for a particular function shows some differences according to the gender. The finding that **female managers spend less time on the function of leading than male managers** is particularly interesting. The differences are quite small; both groups spend 17 to 24% of time for leadership. However, according to the general social belief that women are supposed to have a higher emphatic quotient and more feeling for leadership, **the result is unexpected**.

Regarding the age structure, the results show that the older managers over 60 years and the youngest ones in the age group of 31 to 40 years spend more time for leadership than the others. However, both these groups spend the least time for controlling functions. This result is encouraging for the youngest managers who, despite relatively little leadership experience, devote more time to leadership and less to controlling. This confirms the assumption that leading is (in comparison to other functions) becoming more important and that future managers are currently reducing controlling functions and increasing leadership ones. According to the results of the research, managers of 41 to 56 years of age (68% of Slovenian managers) spend less time in leadership compared to other groups.

Regarding **the time structure**, we arrived to similar results as in the pilot research. A comparison of both studies shows that it is only in controlling where the results of the pilot research show a slightly higher percentage of time spent. This is understandable because there are also managers at lower levels who are supposed to do more controlling. **The older managers spend most time on planning**. This age group also (in comparison to others) spends the most time on various other tasks. Our assumption is that older managers are more "stuck" in the local environments where they function, and that is why the percentage of the spent time for other managers' tasks is higher.

If we compare both representative patterns regarding **education, managers with university education do less controlling and more leading** than their colleagues with master's degrees, who do a great deal of organising.

The results of the research on the time spent for the function of leadership according to management experience show that most time for leading is used by managers with 6 to 10 years of experience. Managers with more than 20 years of managerial experience do more planning than leadership, which confirms our previous explanation that older managers are still under the influence of the administrative planning system, when there were high levels of precise planning. Management experience doubtlessly has a positive influence on leadership; however, **it has not been confirmed that experienced managers are better leaders**. Probably we could explain the results with the assumption that managers with less experience are aware of that and try to compensate by educating themselves.

**Managers in manufacturing firms spend the most time on controlling**. This is understandable if we are aware of the fact that mostly people with lower education levels work in the manufacturing. In business services, employees with higher education are employed. They work more autonomously, and there is less need for control. Managers of manufacturing firms spend, in comparison to the function of controlling, (too) little time on leadership.

The research of the time spent for leadership partly confirms the assumption that Slovenian managers do not give enough importance to the function of leadership in comparison to other management functions. Relatively speaking, they do spend a lot of time on leadership, yet not enough in comparison to other management functions. It is interesting that Alpha Centre came to similar conclusions, i.e. that planning and controlling are the most developed functions in comparison to foreign managers. In the use of time spent for control, Slovenian managers have reached one of the highest values in the research (Alpha Centre Slovenia and IMDE Switzerland, 2007).

To this point, we have discussed the time spent on managerial functions. As we are especially

interested in leadership, we also conducted research on the managerial or leadership style: this is also connected to the attention paid to different managerial functions. For example, we would expect that the autocratic leadership style would increase time spent in control and decrease time spent in leadership. The opposite would be expected in the democratic leadership style.

### 3.4 Leadership styles of Slovenian managers

#### 3.4.1 Leadership: employee- or production-oriented?

In this part of the research, we attempt to identify and analyse leadership styles. We used the classic distinction between the production-centred (task-oriented, initiating structure) and employee-centred (human relations-oriented, consideration structure) leadership behaviour. This distinction is also the basis for other kinds of leadership, e.g. autocratic and democratic leadership. Task-oriented leadership emphasizes active planning, organising and controlling. This typical behaviour embodies the following activities of the leader (Možina, 2002: 519):

- Precisely defining their tasks,
- Setting working standards that everyone must reach,
- Informing employees about the demands of working,
- Planning way of cooperating together with the members,
- Encouraging members to act in individual processes.

In contrast, employee-centred leadership contains following leadership activities (Možina, 2002: 521):

- Complimenting employees when they do their work successfully,
- Not demanding more from the employee than he is capable of doing,
- Helping individuals with their personal problems,
- Being kind and approachable,
- Creating a suitable atmosphere in the working environment.

In the research, we also included the managerial grid approach: leadership which includes both concern for employees and concern for production.

There is a dominant opinion that Slovenian managers do not pay sufficient attention to leading people, that they are too focused on tasks, and do not give appropriate attention to employees and their satisfaction. They are focused on planning, organising and controlling the tasks of their co-workers when they communicate, motivate and lead them. It was our intention to verify this assumption in the research. We found that **most Slovenian top managers** at large companies **believe that when managing they are focused on employees**. These managers represent 38% of the whole sample population. According to their replies stated in the research, managers use the employee-oriented style "often". This can be seen in their answers, like "work for advantages of the employees", "respect opinions and feelings of the co-workers", "treat them equally", "are considerate, reachable and kind". A total of 68% of managers in this group uses this approach "always" or "often".

According to the results of the research, **35% of Slovenian managers are focused on both employees and tasks**. They consider employees and production at the same time; i.e. they manage on the diagonal of the managerial grid.

**A minor part of the sample of Slovenian top managers is task- or production-oriented**. According to the results, **only 27%** of managers are focusing mainly on planning, organising and controlling, and less on leadership, communication, and motivation.

**The results of the research negate the assumption that Slovenian managers are overly focused on tasks and achieving results**. The research shows quite the opposite: that Slovenian managers care about the satisfaction of their co-workers, that they treat them equally and try to work in their benefit, and that they are kind and available to them. However, we have to recall that the research was only conducted on Slovenian managers of the first management level of large Slovenian companies.

This is also the reason for the different results obtained within the pilot study, in which managers

of lower management levels and smaller Slovenian companies also participated. **The pilot research at least partly confirmed the assumption that Slovenian managers are focused on tasks.** According to pilot research results, most Slovenian managers (48%) are focused on production, and 26% of them are focused as much on the assignments as on people. The results of the pilot research match the findings of the research of **Alpha Centre**, which shows that Slovenian managers prefer task-oriented leadership (Alpha Centre and IMDE Switzerland, 2007). The same findings are shown in the research of Vilman and Žezlina (2007), which **confirm that Slovenian companies are dominated by leadership that is focused on production.**

As could be expected, **manager-specialists are more involved in the task or production style of leadership.** A total of 40% of all managers-specialists focus on tasks; the figure for full-time managers is 21% of this group. Managers favouring autocratic leadership spend more time on controlling than on leading. These managers confirm the assumption that **Slovenian managers control too much and do not lead enough.** They spend less time on employee-oriented leadership than managers focused on employees or both, production and employees. They also spend more time on controlling.

The results show that the smaller share of leadership in management or the less time that they spend on leading, the more they focused on concern for production and less on concern for employees. It is interesting that only 26% of the managers who are primarily task-focused think that the function of leadership is the most underestimated managerial function and that it will need more attention in the future, whereas 39% of all surveyed think the opposite. We can assume that managers who are production-oriented do not realize the importance of leadership in management. Among the managers that are more focused on concern for people than on the production, there are more women than men (40% of women, 37% of men). Female managers try harder to enable workers to benefit, are often available for consultation, consider the employees to be equal, and care more for a friendly working climate. However, **the difference between female and male managers is not typical.**

Regarding the **age** group of managers, we found **that most managers focused on the concern for employees** are in the age group **from 51 to 60 years**, and they account for 57% of all employee-oriented managers. This is congruent with the result of the influence of leadership experience: 55% of managers with over 20 years of experiences use a people-oriented leadership style. This confirms the assumption that **management's experiences influence their ways of leadership.**

Another factor influencing the leadership is the **level of education: 49% of managers with master's degrees are focused primarily on employees** while only 36% of those with a bachelor's degree are in this group. What might be surprising is that managers in manufacturing companies (47%) used employee-centred leadership, which is higher than in service companies. In manufacturing companies, the task-oriented group of managers thus follows the group of employee-oriented managers. The smallest is the group of managers focused on both assignments and tasks. In contrast, among managers in business services there are mostly those who are focused on both tasks and employees.

As expected, **managers that are focused on employees spend more time on leadership** than production-oriented managers, and less on controlling. Furthermore, managers who are task- and employee-centred spend the most time on leadership in comparison to managers of the other two styles and more than the average Slovenian manager.

### **3.4.2 Transformational versus transactional style of leadership**

Nowadays, the difference between transactional and transformational leadership is much discussed. **Transactional leadership** is fundamentally based on a lot of reward-based exchanges or transactions between the leader and the follower. According to Jung and Avolio (1999: 208–218), it focuses on setting goals, performance expectations and corresponding rewards, and on providing task-related feedback. Leaders act when the situation deviates from the expected and the problem becomes serious (Bass, 1997: 130–139).

Transactional leadership is mainly focused on work, while transformational leadership focuses on

followers. **Transformational leadership** not only influence the thoughts of the follower, but also attracts his feelings. Transformational leaders challenge the followers to achieve as much as they can, encourage and inspire them. Their leadership enables every individual to feel important and be treated as a complete personality, i.e. a personality with personal needs and wishes. They plan the work for the followers and encourage them to reach the set goals. They embody energy and optimism. Followers are given the feeling of power and energy, which enables them to successfully cooperate in overcoming barriers and dealing with constraints. According to Avolio (1999: 15) and Bass (1998), the main components of transformational leadership, as the relationship between leader and follower, are inspirational motivation, intellectual stimulation, idealized influence and individualized consideration.

The opinion that Slovenian managers still do not use transformational way of leadership or that they use it infrequently continues to dominate. We encountered Slovenian managers with questions in the form of statements, taken from Sashkin (Hellriegel et al.: 371–372), which represent **six basic leadership or patterns of a manager's behaviour at work with employees**, as well as six groups of emotional reactions that are usually linked with transformational leadership (management of attention, intention, trust, self-respect, risk and empathy). Altogether there are 24 questions, four for each pattern of behaviour. The higher the value achieved (1–5 points), the more the interviewed subject uses transformational leadership. A result from 16 to 20 points means that the manager is a transformational leader.

We can conclude from the results of the research that Slovenian managers are not transformational leaders. We found that **they do not pay sufficient attention to their followers**. They are focused on the main business problems and help their employees to understand the main issues.

Regardless of the attention paid, they lack communicational skills, especially creating the meaning of the message. This is a vital ability, because it is not enough for a successful manager to have a clear vision of the development of the company. He must know how to transmit it to co-workers. The message that he gives to co-workers

must be previously created and needs to be given a **meaning and intention**. Co-workers must understand the message and receive it as if it was their own.

On the positive side, the result of the behaviour model **of trust management** shows that Slovenian managers are good at obtaining the trust of their colleagues/followers. They trust the leader who stands firm on the ground and keeps the promises given.

Slovenian managers do not sufficiently care for their positive self-image, nor do they care enough for the positive image of their colleagues. They do not care enough about the feelings of their employees. According to the behaviour model of **self-respect management, they are not transformational leaders**. They are not sufficiently devoted to their work and mission. Unfortunately, too much time and energy is spent for planning their own protection against mistakes and losses.

They are **not ready to take risks**, either for loss or for success. There were similar results in the research of Alpha Centre and IMDE (2007), which stated, "Expressed fear before predictable risks shows that Slovenian managers rarely see challenges".

**Slovenian managers also lack emotional potential**. They do not sufficiently emotionally motivate their co-workers so that they would feel powerful and competitive, and see sense and personal interest in their work and company. From the perspective of emotional intelligence, some trends to the denial of feelings is noticeable with managers; therefore, they are focused to assignments that disconnect them from having a real emotional affection. That does not attract the employees to cooperation. On the contrary, for some managers, this view does not seem relevant, but it causes stress at the work place, which in turn lowers productivity in the company. According to the aforementioned research that was conducted by Alpha Centre and IMDE, foreign managers are more empathetic. Regarding emotional empathy, they achieved a score of 4.09 points (out of 5) or a satisfying development and state of emotional potential. Slovenian managers achieved only 2.56 (out of 5) points, which means underdevelopment of emotional potential.

According to the results of the research about the transformational way of leadership, we did not find characteristic differences in the six aforementioned groups of behaviour regarding sex, age, education, leadership experience and primary activity of the companies. We confirm that **Slovenian managers** on average and generally **do not use the transformational way of leadership**.

We think that Slovenian managers will have to pay more attention to their communication skills, care for their positive self-image and the positive self-image of their co-workers, devotion to their work and mission, the accepting of risk, and emotional influences on their co-workers.

#### 4 CONCLUSION

In the theoretical part of this article, we made an effort to find and add additional evidence **to prove that leadership is one of the managerial functions**. The question about this is not raised by Slovenian managers. For them, leadership is also one of the managerial functions. According to them, they devote enough time to leadership compared to other managerial functions. The question is more the quality of leadership; managers themselves claim that leadership should be improved and be more up-to-date.

Our research shows that **Slovenian managers conduct mainly management jobs** and, if involved in specialist tasks, we found some reason and explanation for that. **They agree that leadership's importance is increasing** compared to other managerial functions. However, the appropriateness and **quality of their leadership can be questioned**. Their loyalty to employees is weak, and they are considered more as individuals than team players. They do not communicate and cooperate enough with the employees, are not capable of drawing their attention or stimulating their creativity. They do not take care enough for their positive self-image as for the positive self-image of their co-workers. They do not consider the feelings of their co-workers. They are not devoted enough to their work and their mission. They are not ready to take risks on a realistic estimation of the probability of success or failure. They lack emotional potential, and they do

not emotionally influence their employees sufficiently so that the employees feel respected and enabled to find meaning and their own interest in work and community.

According to Drucker (2004: 156), the biggest challenge waiting for future managers is the increased productivity of intellectual workers. He also claims that this challenge, which will be on the agenda of management dominating in the next couple of decades, will eventually determine the success of the companies and communities in comparison to the competition. Most importantly, it will determine the social life and quality of life in a developed society. **Managers** will, therefore, have to follow the guidelines of the future. **They will have to learn how to communicate and attract people, learn how to cooperate and encourage people to creativity**. Leadership will become their most fundamental function.

This also applies to **Slovenian managers** who have made substantial progress in the field of leadership and – if not reaching the desired and needed level yet – they **are aware of the importance of management and above all leadership**. Their biggest challenge remains to increase their reputation and the quality of management and leadership, and to manage companies and lead employees in a new, quickly changing society of knowledge and new technologies. Therefore, we advise **Slovenian managers** that they **finally turn to employees to access the most of their knowledge and skills**. By supporting their co-workers, respecting their suggestions and feelings, being considerate, approachable and kind, paying attention to them, treating them all equally, caring for their well-being and becoming their coaches, they will influence them in a positive way. They should pay more attention to the improvement and study of communicational skills, especially the skill of designing messages and considering the emotional influence on their co-workers, so that they will see a sense and their own interest in their community, feel respected and get a sense of accomplishment. Managers should use leadership that would be based on a more positive attitude, on the concern for their own positive self-image and for the positive self-image of their co-workers, on taking risks and on greater devotion to their work and their mission.

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