

## **Leadership Analysis Using Management Tools: Steve Jobs**

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### ***1. Introduction***

Many great leaders have led companies to growth and prosperity in various ways with different styles. In the technology sector, Steve Jobs is one of the most celebrated leaders. Steven Levy stated that Steve Jobs was the most passionate leader one could hope for, a motivating force without parallel (Markoff, 2011). His leadership, defined by his personality and traits, could be observed and evaluated from the perspective of several models and theories. Table A1, in Appendix A, lists several assessment tools that define Steve Jobs's leadership.

Jobs's leadership characteristics are especially evident, as he came back to Apple in 1996, when the company was in dire straits. He said that if Apple did not get the attention it needed, it could eventually die (Kahney, 2008, p 1). Currently, because of the leadership of Jobs, Apple is one of the leaders of innovations in the technology sector and one of the most esteemed brands (Myatt, 2013). Jobs has played an active role that has shaped Apple into the technology giant that it is today.

### ***2. Background***

When studying a leader it is important to look into his or her upbringing, as this may greatly influence future decisions, personality, and traits. Steve Jobs was born in San Francisco, in 1955, to undergraduate parents, whom were unable to care for him and, consequently, put him up for adoption (Kahney, 2008, p 5). The Jobs family adopted and raised him in Mountain View, California, where Steve Jobs initially fell in love with assembling electronics, particularly TVs (Kahney, 2008, p 5). Jobs attended Reed College but, quickly becoming bored, dropped out and continued to unofficially take a few courses that had interested him, such as calligraphy (Kahney, 2008, p 6). Not long afterwards, Jobs acquired a job at Atari and, when obtaining enough money, set off on a trip to India in search of enlightenment (Kahney, 2008, p 6). Upon returning to California, Jobs met Steve Wozniak and together created Apple at Jobs's parents' house (Kahney, 2008, p 6). Apple immediately took off and, within a few short years, Jobs was a multimillionaire. Not long after, in 1985, Jobs left Apple secondary to a power struggle with then CEO John Sculley (Kahney, 2008, p 7). Jobs subsequently founded NeXT, a software company, and acquired Pixar, which became widely successful (Kahney, 2008, p 8). And, after 11 years away from Apple, he returned as interim CEO, in 1996 (Kahney, 2008, p 8).

Jobs acquired a foothold back at Apple because it was in financial trouble, on the brink of bankruptcy. Then CEO, Gil Amelio, was looking for a new operating system to try and revamp Apple. This was a shining opportunity for Jobs to pitch his NeXT company. After speaking with Jobs, Amelio thought that this would be a step in the right direction for Apple, and acquired the company for \$427 million, reintroducing himself back at Apple (Kahney, 2008, p 19). Right before Jobs arrived, Apple was six months away from bankruptcy, and the turnaround that Jobs was able to achieve, while at Apple, is known as one of the greatest comebacks in business history (Kahney, 2008, p 8).

### ***3. Leadership Assessment***

#### **3.1 Myers-Briggs Type Indicator**

There are many ways to study a leader, including various models, theories, tests, and principles that can be applied when trying to understand leadership. One of these tests, Myers-Briggs Type Indicator (MBTI), measures how individuals differ in gathering and evaluating information for solving problems and making decisions (Daft, 2001, p 119). When assessed by the Myers-Briggs Type Indicator (MBTI), Steve Jobs would most likely be an ENTJ type, which is a person known to possess qualities such as vision, planning, taking charge, speaking heartily, and having qualities of a natural leader (Daft, 2011, p 124).

Vision is a picture of an ambitious desirable future for the organization or team (Daft, 2011, p 15). His vision is noted when he would come up with ideas and eventually see them through. Jobs once said that he had vision and to achieve it, he had no problem starting from the beginning by tearing down walls, building bridges, and lighting fires (Kahney, 2008, p 15). It was with this vision that he noticed Apple's tremendous assets and, when garnered with the right means, helped shape the company to what it is today.

Jobs's meticulous planning also corresponds with the ENTJ-type person. When Jobs came back to Apple in 1996 as interim CEO, he spent weeks evaluating Apple's assets and holding meetings, with the intention of determining which products to keep or which products to get rid of (Kahney, 2008, p 25). Every product was surveyed and every department head was interviewed, to determine what was essential and what could be withdrawn from the product line. This type of planning was never halted and continued throughout his time at Apple.

Taking charge, another characteristic exhibited by the ENTJ-type person, is also observable in Jobs. While reorganizing Apple, he replaced most of Apple's board, re-managed the suppliers, and radically simplified Apple's product-line, from 50 to 10 (Khaney, 2011, pp 26-31). This ability to take charge turned out to be one of the most defining characteristics that Jobs possessed, eventually saving Apple from bankruptcy. A former Apple chairman had told Business Week that his jaws had dropped when he heard this news about restructuring, but it had turned out to be brilliant (Khaney, 2011, p 29). Jobs's ability to drastically change Apple's management and product line depicts his adept independent thinking. This type of thought process resulted in the simplification of Apple products to only four computer systems, which resulted in vast success. One of these computers, the iMac, a fruity-colored machine, became one of the best-selling computer of all time (Khaney, 2011, p 36).

### 3.2 Fiedler's Contingency Model

According to Fiedler's Contingency Model, Jobs would be classified as a task-oriented leader. Fiedler's Contingency Model was designed to enable leaders to diagnose both leadership style and organizational situations (Daft, 2011, p 69). Task structure, the way tasks are defined, involve specific procedures with specific goals (Daft, 2011, p 70). Jobs focused on a small selection of products and made sure the organizational chart was straightforward and streamlined, allowing goals and tasks to be met more efficiently and effectively (Khaney, 2008, pp 35-37).

Alternatively, Jobs was not strongly viewed as a relationship-oriented leader, i.e. focusing on increased performance on the basis of human relationships. When Jobs took over, a new term was coined by employees, which was known as "Steved" (Khaney, 2008, p 33). Some stories circulated that Jobs would quiz employees and, if the answers were unsatisfactory, they would be, Steved, that is fired on the spot; this occurred in various locations such as elevators (Khaney, 2008, p 33). There are a few other quotes by Jobs that suggest his low-relationship status with employees, such as "Well, you're a bunch of idiots" when discussing the Mac operating systems to the lead designers and "This is the first evidence of three-digit intelligence at Apple I've seen yet" when presented with a new interface for the Mac OS X (Khaney, 2008, pp 49-50). These as a basis, and other similar situational events, classify Jobs as a more of a task-oriented leader, rather than relationship-oriented.

Although Jobs's relationships were often not pleasant, striking deals was one of his fortes. This ability depicts Jobs as a task-oriented leader, as it is used as a means to achieve specific goals. His deal-making strength is important to illustrate because it has led, in part, to his success as a leader. Before Jobs had returned to Apple as interim CEO, then CEO, Gil Amelio, was looking for a new operating system for Apple and had asked Jobs to pitch the idea; and, after a talk and walk with Jobs, Amelio had announced that Apple was buying NeXT, the operating system owned by Jobs, for \$427 million (Khaney, 2008, pp 17-19). Countless deals similar to this have been struck by Jobs. Another deal Jobs had made was with Bill Gates by resolving a long-running and damaging lawsuit with Microsoft. He persuaded Gates to keep the Office program for the Mac and promised to set the Microsoft browser, Internet Explorer, as a default on every Mac (Khaney, 2008, pp 26-27). This talk turned out to be highly lucrative for Apple that resulted of increase in Apple stock by 30% (Khaney, 2008, p 26). Interestingly, Jobs struck this deal with Bill Gates also on a walk.

### 3.3 Leadership Grid

There have been numerous studies conducted by universities, such as Ohio State University and the University of Michigan, which aimed to identify leadership behavior (Daft, 2011, pp 46-47).

Additionally, The University of Texas developed a two-dimensional leadership theory known as the Leadership Grid, which built upon the studies conducted by the two aforementioned universities (Daft, 2011, p 49). According to the Leadership Grid, Jobs would most likely fall into the Authority-Compliance Management of the Grid, i.e. Jobs is more concerned for production rather than employees. Under this type of management, efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree (Daft, 2011, p 49). This is reflective in Jobs. By some, he was seen as a terror-inspiring taskmaster who is forever screaming at workers and randomly firing underlings (Khaney, 2008, p 107). Jobs promoted the need for efficiency, with low regard for employees.

### **3.4 Vroom-Jago Contingency Model**

Jobs often decided when he would delegate or carry out a decision himself; as such, he would be classified as an autocratic leader, according to the Vroom-Jago Contingency Model. This model focuses on varying degrees of participative leadership and how each level of participation influences quality and accountability of decisions (Daft, 2011, pp 82). Jobs's ability to decide or delegate was based off of his strengths and weaknesses. When making autonomous decisions, Jobs focused on his strengths which were developing new products, presenting products, and making deals; alternatively, Jobs delegated when dealing with Wall Street and operations (Khaney, 2008, pp 39-41). In this way, Jobs was consciously competent and consciously incompetent, i.e. knowing his strengths and weaknesses and acting on them. It was this ability, to distinguish his weaknesses from strengths, that led in part to his success as a leader and his company's success.

Jobs managed his employees in various ways. One way to describe Jobs's management model is one of authority, which is not dissimilar to that of an autocratic style. In authoritarian management, the leader sets the strategy and goals as well as the methods and rewards for attaining them (Daft, 2011, p 175). Also, often times, tight control and employee specialization is observed, with little discretion on how employees perform. Jobs demanded excellence and results. The team developing the Mac was working 90-hrs per week and, often times, had Jobs yelling at them, being extremely "cutting and cruel" (Khaney, 2008, p 162). Interestingly, the employees began to respect Jobs's vision and began to perform and produce work they never had expected. Even though Jobs was autocratic and demanded difficult goals, the employees grew passionate, especially when these goals came to fruition. John Sculley, a former CEO of Apple, once said that the employees grew passionate and began to feel like they were part of something amazing, making a dent in the universe (Khaney, 2008, p 162).

### **3.5 Tuckman's Group Development Model**

There are five components to how a team develops: forming, storming, norming, performing, and adjourning (Daft, 2011, pp 298-299). These components are critical to have a well-established team, resulting in tasks that can be carried out in an efficient, productive manner. These components are evident in Apple, which Jobs helped build from the ground up, upon his return to Apple in 1996.

Forming is the stage of team development that includes orientation and getting acquainted (Daft, 2011, p 298). Jobs had a unique way of doing this. At one of his first meetings at Apple, Jobs saw someone scribbling notes down on a sheet of paper and, noticing this, stated that notes shouldn't be taken because if it's important it will be remembered (Kahney, 2008, p 24).

Storming and norming are the next two components crucial in developing a team, where individual personalities and conflicts emerge and then these conflicts are resolved, resulting in team unity (Daft, 2011, p 299). These personalities and conflict need to be addressed and resolved so that the team could perform well together. At an annual meeting, Jobs addressed employees about dwindling sales revenues. Job bellowed out at a specific employee that she was not doing a good job to which she lashed back, defending herself (Kahney, 2008, p 166). Jobs did not fire her but, instead, this brash exchange of words helped build the second component in the development of a team.

The fourth component of team development is performing, which is emphasizing goals, and providing a means of achieving the goals (Daft, 2011, p 299). Jobs helped instill this component of team development within his employees. When developing the new Mac OS X, Jobs defined specific goals, with a systematic way of achieving these goals. He stated that the focus on the Mac OS X should never be lost because without it "we will never get there", i.e. Apple would not be successful without the Mac OS X (Kahney, 2008, p 56).

He would meticulously go over every aspect with the development crew, looking to perfect each component, down to the pixel. This is one way in which the brush-metal look was adopted by Apple for most of their products and design.

The final component of team development is adjourning, that is a stage when limited tasks are needed to perform and emphasis is put conclusions, signifying closure (Daft, 2011, p 299). This aspect should not be underestimated, as it isolates goals. It helps keep goals distinct so that a clear vision could be maintained. When the Mac OS X was getting ready to be shipped, the Apple team was in a form of adjournment, wrapping-up all necessary details and getting ready for shipment. Jobs, at the time, was practicing for his presentation in announcing the system at Macworld, which soon after, drew substantial applause from the keynote crowd (Kahney, 2008, p 56). Notably, it was after this adjournment, of the Mac OS X project, that Jobs took his role, officially, as CEO at Apple (Kahney, 2008, p 57).

### **3.6. Trait Theory**

Numerous theories of leadership, including Great Man, Trait, Behavior, Contingency, Influence, and Relational theories have been postulated (Daft, 2011, pp 19-20). One of the theories that can describe Jobs's leadership is the Trait Theory. It states that specific traits, such as intelligence or energy, distinguish leaders from non-leaders, which lead to their success (Daft, 2011, pg 20). Many have proclaimed that Jobs's personality and traits have led to his abundant success. Khaney said that Jobs has taken his interests and personality traits, even the more negative ones, such as obsessiveness, narcissism, perfectionism, and turned them into the hallmarks of his career (Khaney, 2008, p 11).

Independent thinking is one such trait. Independent thinkers question assumptions and interpret data and events according to one's beliefs, ideas, rather than pre-established rules or categories defined by others (Daft, 2011, p 138). Without regard to the established rules, Jobs acted upon his own defined ideals and values, setting his own rules. This often sparked conflict amongst employees, especially managers. Employees often were worried and had a joke saying that any day could possibly one's last at Apple.

Courage was one of the defining characteristics Jobs exhibited as a leader. Courage is the ability to step forward through fear and act in spite of it (Daft, 2011, p 181). When Jobs took over Apple, he was aware of Apple's potential bankruptcy. And already being successful at Pixar, Jobs was hesitant in stepping in and taking over at Apple (Khaney, 2008, pp 20-21). But he had looked passed all of the negativity, embraced vision, and began to build and restructure from a foundation.

It is also important to note that Jobs was an effective motivator. Motivation refers to the forces either internal or external that arouse enthusiasm and persistence to achieve something (Daft, 2011, p 227). Although Jobs could be brash, the various engagements with the employees resulted in their motivation. There were intrinsic rewards that employees also obtained when working at Apple. Intrinsic rewards involve the internal satisfaction one feels from performing a certain action (Daft, 2011, p 227). One engineer at Apple said that being a part of Apple was very exciting because the company had incredible momentum (Kahney, 2008, p 155). Furthermore; another engineer said that people loved to work for Apple because people had a lot of passion and believed in the products (Kahney, 2008, p 155). This zeal is what trickled down from Jobs.

Extrinsic rewards are another form of motivation. Extrinsic rewards are given by either a person in the form of pay increases or promotions (Daft, 2011, p 227). One of the extrinsic rewards employees experienced were stock options upon entering the company, which they had obtained at a discount price. These turned out to be extra beneficial because of a significant rise in Apple stock. Mid-level employees, such as engineers, programmers, and managers, in 2007, could reap up to \$25,000-\$100,000 from their stock options (Kahney, 2008, p 158). In 2005, Apple's vice president of the retail division made \$22.6 million on stock options (Kahney, 2008, p 158). It is such intrinsic and extrinsic rewards that have been made possible by Jobs to help promote employee-productivity.

One of the characteristics in developing personal potential is proactivity (Daft, 2011, p 204). It is not only taking initiative, but also not blaming others when given circumstances become difficult to deal with (Daft, 2011, pp 204-205). Jobs would often have weekly meetings, so that he could see the progress on products (Khaney, 2008, p 50). In these meetings, Jobs was intimately involved with product development and suggested numerous changes that seemed radical at the time but proved to be brilliant.

#### 4. Discussion

When studying Jobs as a leader it is crucial to understand, or at least in part, his strategic leadership, which is defined as the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organization in the future (Daft, 2011, p 396). Not knowing what a future may hold, especially in a field as technology, can be overwhelming. However, Jobs thrived on the unknowing because of his vision. He was able to see past the barriers, naysayers, incredible amounts of risk that were associated with some of the decisions he had to make.

Vision is a necessary aspect of strategic leadership. The vision statement of Apple is to make a contribution to the world by making tools for the mind that advance humankind (Daft, 2011, p 398). Jobs had difficult decisions to make, where usually others hesitated. To address his critics, Jobs said that Dylan and Picasso were always risking failure (Kahney, 2008, p 153). Some ideas were so profound and radical that a former CEO of Apple said “our jaws dropped when we heard this, but it turned out to be brilliant” (Kahney, 2008, p 29).

This vision is not crucial only to the leader but also the employees. Employees need to find dignity and meaning in their work, so that they can feel a larger purpose for what they do (Daft, 2011, p 401). Not only that, but vision provides employees with a challenge that pushes them to work their best (Daft, 2011, p 401). Additionally, because vision exists only in the mind, the future is shaped by people who believe in it, and a powerful vision helps employees believe that they can be effective, through their own commitment and actions (Daft, 2011, p 404). It was Jobs’s vision and calculated risks that helped him become one of the greatest leaders that led to success.

Jobs experienced much success through his leadership capabilities. However, it is also important to note his weaknesses and failures as a leader. One of the weaknesses Jobs exhibited was the barring of third-party software, which resulted in many critics arguing that Jobs had lost out on potentially significant amounts of profit (Kahney, 2008, p 244). However, Jobs had always wanted to remain exclusive, which could also be seen in his controversial move to kill the clone business in 1996, when he initially took over Apple. Another weakness of Jobs, from a personality standpoint and a critic’s point of view, is his disregard for others. Critics say, it was part of the reason why Sculley, former CEO of Apple, had conspired to oust Jobs (Kahney, 2008, p 242). However, some critics say that such an autocratic and authoritative style can be perceived as strength, especially from some perspectives such as emerging markets.

#### 5. Conclusion

Overall, Jobs was one of the strongest leaders of the past century. He is known as a hero, a legend, and a pioneer of the digital age (Vanacek, 2011). His personality, traits, and strategic leadership have helped shape one of the most profitable companies in the world. Without his vision, calculated risks, and collaboration, Jobs’ achievements would not be possible in such a short amount of time. Following Jobs’s death, Apple said that he really did “think different” and his brilliance, passion, and energy were the source of countless innovations that enriched and improved many lives, which made the world immeasurably better (Forbes, 2011). Jobs did indeed touch many lives and will always be regarded as one of the greatest leaders that has ever lived.

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**Appendix A**

<b>Table A1</b>		
<b>Leadership Assessment Tools</b>		
<b>Tool</b>	<b>Assessment</b>	<b>Support</b>
Myers-Briggs Type Indicator	ENTJ (extraversion, intuition, thinking, judgment)	<ul style="list-style-type: none"> <li>•Possessed vision, meticulous planning, natural leader qualities, and took charge</li> <li>•Carried out plans, regardless of fierce opposition</li> <li>•Surveyed every department and product</li> </ul>
Fiedler's Contingency Model	Task-Oriented Leader	<ul style="list-style-type: none"> <li>•Intimately involved in task progress</li> <li>•Regularly evaluated employee task progress</li> <li>•Struck deals to achieve task-oriented goals</li> </ul>
Leadership Grid	Authority-Compliance Management	<ul style="list-style-type: none"> <li>•Promoted the need for efficiency with low regard for employees</li> <li>•Set goals based off of preference</li> <li>•Employees often worked extended hours to achieve goals</li> </ul>
Vroom-Jago Contingency Model	Autocratic	<ul style="list-style-type: none"> <li>•Made most decisions</li> <li>•Capitalized upon strengths</li> <li>•Delegated based on weaknesses</li> </ul>
Tuckman's Group Development Model	Adept in forming, storming, norming, performing, and adjourning	<ul style="list-style-type: none"> <li>•Presented clear goals</li> <li>•Followed every component of completing goals by taking an active role and ensuring the team worked together</li> <li>•Definitively concluded goals, following completion</li> </ul>
Trait Theory	Independent thinker, courageous, motivator, proactive	<ul style="list-style-type: none"> <li>•Proposed new projects</li> <li>•Radical ideas changed the market</li> <li>•Set intrinsic and extrinsic rewards</li> <li>•Set weekly meetings and was intimately involved in the progress of products</li> </ul>