

Leadership capabilities of steve jobs commerce essay



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\n[[toc title="Table of Contents"](#)]\n

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1. [CONTEXT AND BACKGROUND OF STEVE JOBS](#) \n \t
2. [LEADERSHIP CAPABILITY OF STEVE JOBS](#) \n \t
3. [LEADERSHIP WEAKNESSES OF STEVE JOBS](#) \n \t
4. [CONCLUSIONS](#) \n

\n[/toc]\n \n

The main goal of this report is to examine and evaluate leadership capabilities of Steve Jobs. Jobs is the Chairman and Chief Executive Officer of Apple and nowadays possibly one of the most successful businessman on the world. Despite of many critics about his leadership. The fact that he is an effective leader is not contestable. Therefore, the main objective of this study is to examine the leadership qualities that have brought Jobs to the top of business World.

CONTEXT AND BACKGROUND OF STEVE JOBS

Steve Jobs was born on 24 February 1955, in San Francisco, California, United States. Clara and Paul Jobs adopted him shortly after birth. He was growing up in two with his sister – Patty. In 1961, whole Jobs family relocated from San Francisco to Mountain View in California, which, was at that time the heart of electronics industry called “ Silicon Valley (Butcher, 1987).

During his childhood, he was an individual who liked making things alone. He liked to compete with others, but definitely, he was not attracted in group sports or other team games. However, from the early age he demonstrated an intensive interest towards electronics field. He devoted all of his spare

time observing and working together with neighbor who was employed at Hewlett-Packard (HP) that was an electronics producer. Moreover, at that time young Jobs joined to HP Explorer Club. This gave him possibility to observe engineers working on new products. When he was twelve, he could see and touch HP's first computer. This was huge milestone in his life, because then he thought that he wanted to work on this field (Stross & Randall, 1993). While in high school, Jobs participated lecture at the HP factory. Once he asked directly William Hewlett – CEO of HP, for some specific part, which, he required to finish a school project. Therefore, Hewlett was so dazzled he not only donated Jobs the parts, but most of all he proposed him a holiday job at HP. After High school, in 1972, Jobs joined to Reed College in Portland, Oregon. However, after one semester, he left and in summer, he decided to go to India and take a course of eastern religions. This is because Jobs was a contradictory, trifier young recluse with an inclination for problems. He liked hippie way of life, narcotics and Zen philosophy (Butcher & Lee, 1987). After a few months in India, he came back. In 1975, Steve Jobs enrolled to the Homebrew Computer Club. There he met Steve Wozniak, a technical maniac who was designing a small sized computer. Steve fell in love in this idea and started exploring marketing possibility of such a product. Therefore, in 1976 together with Wozniak established their own company, which they named Apple. Initially they had no money to invest, thus to gain same resources for a startup Jobs sold his microbus and Wozniak his calculator which gave them \$1, 300. The first products they sold were circuit boards, which keep the inner parts of a computer. However, while selling these boards they were working on their core products that were personal computers (Norman, 2009). While doing <https://assignbuster.com/leadership-capabilities-of-steve-jobs-commerce-essay/>

marketing research Jobs realized that there is huge opportunity for them to expand on the market. This is because in that period time all computers available on the market were huge size that could hardly fit in the large room. What is more, at that time computers were so expensive that potential customers were not able to afford to purchase them. In response to the market needs, Apple designed its computers in this way in order to be able to sell its products to large number of users. Finally, in 1977 Apple II released to the market personal computer (PC) which in first year generated extraordinary sales of \$2, 7 million. The Apple's sales rose to \$200million within following three years. Apple's example became the most unusual situation of corporate development in whole United States history.

Throughout this implementation of PC Steve Jobs and its Apple permanently inscribed on the pages of history, because initiated completely new era - era of personal computers ([www. referenceforbusiness. com](http://www.referenceforbusiness.com)). In eighties, era of PC was progressing rapidly. Because of appearing competition on the market, Jobs's and Wozniak's company was constantly pressed to develop its computers to remain a market leader. Jobs as a head of marketing of Apple in 1983 officially presented new computer called Lisa. That was created for users having smallest computer knowledge. However, mostly because of its high price this PC was not too successful. For example, IBM, Apple's biggest competitors (50% of PC market share) sold its PC at the lower price (Landrum & Gene, 1993). In 1984, Jobs's company issued pioneering model of computer on the market, called Macintosh (Mac). This PC differs from others in term of its usability (very easy to use). However, once again the sales level of Mac was poor. This is because; it did not have attributes that competitors' had, for instance an adequate high tech printer. The <https://assignbuster.com/leadership-capabilities-of-steve-jobs-commerce-essay/>

catastrophe of the Mac initiated the start of Jobs's collapse at Apple. Jobs retreated in 1985 from the company he had established; however, he kept the title of Chairman of the board (Norman, 2009). Short after this, Job employed several of his previous workers to establish another computer company named NeXT. Then in San Francisco in 1988, Jobs presented his new company. Preliminary feedback was good, because new PC was very easy to use, equipped in very fast processor, had great graphics, and an excellent sound system. Unfortunately, no matters on the initial response from the users, the NeXT's PCs had never been released on the market. This was because once again these new computers were too expensive, possessed a black-and-white display, and were no compatible with other computers or could not work on universal software (Stross & Randall, 1993). Definitely, NeXT was not the last one word of Jobs. Because in 1986 Steve bought from moviemaker, George Lukas a small-sized firm named Pixar. The core activity of Pixar was computer animation. Consequently, in 1995 this company issued famous Toy Story, which was a huge success of Pixar. Furthermore, in following years they released most successful animation movies ever such as Toy Story 2, A Bug's Life, and Monsters. After long time of failures, Pixar's success was not the only one. Jobs' privet life got better as well. Because in the same year, he got married and shortly he had, a baby girl named Lisa ([www. referenceforbusiness. com](http://www.referenceforbusiness.com)). In the meantime, Apple wrestled below a sequence of six CEOs that had no vision and were not able to inspire the firm's unmotivated engineers. Morale was down and so Apple was facing profit lose and poor financial liquidity. Then in following year, Jobs came back to Apple as consultant to the CEO. Right after this Apple bought NeXT Software. In 1997, Apple and its main competitor Microsoft became

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partners. In the same year, Apple started selling its products directly to customers both by internet but as well by telephone. Right after this, Apple's web store went into the top three most successful e-shops worldwide (Butcher & Lee, 1987). In following year, Steve publicly declared the issuing of the iMac that possessed great computing capability at the reasonable price. Additionally, in 1999 Apple released laptop available on whole plateau of colors called iBook. In 2000, Steve Jobs became once again permanent CEO of Apple (Norman, 2009). After 2001 has came a period of splendor for Apple and for Jobs that continues to these days. Consequently, in 2009 Forbes listed Jobs on the 43 position wealthiest people on the globe, with \$5, 100 million fortune.

LEADERSHIP CAPABILITY OF STEVE JOBS

Numerous academics have claimed that proper management of knowledge can bring to organizations crucial and essential competitive advantage.

Leadership is foundation of the process of managing information efficiently and effectively (Bryant, 2003). The recent studies show that most successful managers, uses a set of different styles of leadership (Goleman, 2008). What is more – Goleman's survey identified the following role: ' leaders who have mastered at least four styles of the leadership – especially the authoritative, democratic, unifying and coaching – create the best atmosphere at work and have the best results'. (quotation translated, 2008). Based on the leadership theories, in term of specific traits the most effective leaders are calm, innovative, confident and challenging (Belbin, 2008). They have a vision and charisma (Goleman, 2008). They have ability to convince and motivate others to act effectively, while encouraging personal development (Kouzes &

Posner, 2002). They uphold wide picture, while delegating details to the others (Coutu, 2008).

In case of Steve - Deutschman stated (2001) that his most significant leadership feature was creativity and being innovative. We could easily state that innovation was a base on which he built his empire. Until these days, we can observe that innovation is still key factor, which brought Apple to the market leader position in information technology industry. Jobs understood that being innovative and providing permanently new ideas to meet customers' needs is essence in effective leadership (Quittner, 2004). Some of us can joke that Jobs has no education background, because he has not finished any college. However, undoubted fact is that devoting his life to his passion, new solutions in IT branch achieved more than almost every human being could ever dream about. Despite of many critics towards his behavior and styles of leadership such as - Jobs is perfectionist with tendency to intimidate others (Harvey, 2005), there are a few important facts: In 1976, he co-founded Apple, and until nowadays, he has successfully led company, which now has 15K employees. This can prove that Jobs possesses great leadership qualities. In period, from 1977 to 1985, Apple had in total six CEOs. Within this time company was losing money, management had not vision for the future and stuff was not motivated. Right after this, Jobs came back as a CEO and by implementation of a few innovative products in very short time Apple returned to the prosperity (Young, 2005). Moreover, additional capability of Jobs's leadership is product passion and deep-seated consumer orientation. Jobs was judged for his approach to leadership, however his accomplishments were never negated, because all of these

were world shattering. Another important trait of Jobs' leadership is ability to see big picture, thus not only PCs, but also long distance ahead (Landrum & Gene, 1993). Consequently, many times people working with him did not understand choices of Jobs concerning new products implementation, or his long-term vision. For instance, shortly after he came back to Apple, he decided to stop most of running production lines. Instead of this, he focused only on four products. This soon after turned out to be a huge success (Deutchman, 2001). Steve is very challenging both his towards his employees, but first of all for himself. Thus, tasks he delegates to workers are very likely not fully SMART (specific, measurable, achievable, realistic, and time-framed). However, from the other hand, which is good thing, Jobs is permanently working to improve all fields of his job (Erve, 2004).

Furthermore, there is crucial feature of Jobs leadership style that is his capability to connect passion and respects of his workers. Business Week (1997) argued that Jobs is a great example of transformational leadership (TL). This is leadership, which causes that workers devote all their energy in the company's strategy. TL takes place when, employees interact one on another, by which increase their morality and motivation (Kouzes & Posner, 2002). Jobs as a transformational leader, was able to make its employees to do things that were in line with his vision of the company's development.

Jobs's best-known gift is his capability to charm and convince others. That is an extremely powerful trait, which, he uses often to persuade anyone of everything (Siracusa, 2007). Bennis and Thomas posted in their article that 'great leaders are born in the crucible of harsh experience' (quotation

translated, 2007). Furthermore, they added that: what makes a great leader is a resistance to adversity, and perseverance in the pursuit of goals. This is <https://assignbuster.com/leadership-capabilities-of-steve-jobs-commerce-essay/>

definitely significant capability of Jobs as a leader. As demonstrated above (leaving Apple in 1985) – Jobs' life was full of failures. Most of the people in a similar situation would leave for good. However, he did differently. Having a look on the Steve's biography, we can also state that he has additional traits which good leaders need to have, to perform effectively. Namely, these are self-confidence and ability to experiment and take a risk. These, according to Kouzes and Posner, are necessary (2002). All his life Jobs was confident, he deeply believed in all what he has been doing. He profoundly believed in his success, in success of company's strategy and so success of its products (Erve, 2004). This self-confidence and courage led him to the top. Many journalists suggest that Jobs is an egoist (Norman, 2009). Very likely he is indeed. However, this could be perceived also as a crucial trait of an effective leader, especially here in this case of a company founder. Possibly Jobs has dreamed to be a billionaire, and so egoism helped him to make this dream come true. Possibly egoism was a driving force which convinced him to create successful teams of employees that were able to develop such revolutionary products. Jobs possesses also the ability to create and develop great teams, consisting of star talents (Young, 2005). This is a crucial trait, which is essential in effective leadership (Kouzes & Posner, 2002). This skill combined with great ideas, his vision and capability to manage and motivate his team could be key factors of his overall success.

Summarizing the core features of Jobs' success as a leader are the following:

- being visionary, innovative and charismatic
- confidence and trust in: himself, success, his strategy

- capability to recruit, develop and motivate effective teams built of star talents
- persistence and resistance for defeats
- product zeal
- huge consumer devotion
- skill to transmit his ideas to the teams for realization;

LEADERSHIP WEAKNESSES OF STEVE JOBS

There is undoubted fact that overall performance Jobs has to be considered as a successful, because numbers on his bank account do not lie. He is extremely victorious businessman who achieved great financial status. However, there are also numerous of weaknesses, which, Steve Jobs possesses. Here based on the statements of people who have had direct contact with him, we could have a feelings Jobs represents typical for Belbin's 'Shaper' weaknesses, such as emotionality, the tendency to irritation or aggressive behavior (Belbin, 2004). Moreover, research performed by Belbin in 2004 to identify behavior of most effective manager indicated shaper team role as a least effective. Jobs represents also autocratic style of leadership. This approach has a tendency to weak decision-making process on the middle management level. Recently Apple's management team gives the impression of being more motivated by dread of Steve than by their own inherent aspects (Siracusa, 2007). Webber from Washington Post said (2009) that Jobs had become a living legend in term of leadership style. Since his behavior discredits all existing best practices of

leadership. He demonstrated long list of less than advisable behaviors, from public rebuking his employees to disrupting practices within meetings to the time consuming overview of every detail in product designing process.

However in contrary experts and academics from leadership area state:

Never reprimand your subordinate publicly! Rather, If necessary do it face to face (Walasek, 2010)

The most effective leaders maintain wide focus, while leaving details to the others (Belbin, 2004)

The most effective managers are calm and they are able to control their emotions (Rzyska, 2010)

CONCLUSIONS

This hard task to indicate weaknesses of the one of the biggest leaders ever – CEO of decades (Fortune Magazine, 2009), whether to indicate the room for improvement in his leadership. Numbers do not lie – he had no money when he started making business. Now he is billionaire. In 2009, Forbes magazine listed him on the 43 position wealthiest people on the globe, with \$5, 100 million fortune. Many traits that Jobs possesses seems to be completely opposite in relations to these indicated by leadership experts as an essential in order to be effective. However, those that he has, such as – being innovative, self-confident, persistent for defeats or capability to make its ideas come true seem to be sufficient.