

Analyze A Leader: Steve Jobs

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In the landscape of modern business, one cannot find a more recognizable, or more innovative industry leader than Steve Jobs. But, while a transformational leader in the business, Jobs seems to have fallen short in the area of transforming *people*. The paper that follows will examine this trailblazer in the field of technology through the lens of two theories in psychology: the Five-Factor Model of Personality and the Taxonomy of Social Power.

### **Background**

Steven Paul “Steve” Jobs was born in San Francisco, California in 1955 and was raised by his adoptive parents in Mountain View, California (Steinwart & Ziegler, 2014), the heart of the then-burgeoning technology industry in the United States. After spending only one semester at Reed College, Jobs dropped out of school (Toma & Marinescu, 2013). He returned home and got a job working for Atari, the video game company. After saving some money from his job at Atari, Jobs decided to travel throughout India to further study Zen Buddhism, an interest he had picked up while at Reed College (Toma & Marinescu, 2013). Upon his return home to the United States, Jobs befriended and began working with a brilliant computer engineer named Steve Wozniak. The two Steves, working out of Jobs’s family garage, built personal computers and in 1976 started their own company: Apple Computers (Toma & Marinescu, 2013).

The years that followed saw a meteoric rise in personal computing and, with Jobs’s early vision, Apple’s computers, led by the Macintosh and the Apple II, were leaders of the pack (Isaacson, 2012).

After being ousted from executive leadership at Apple in 1985, Jobs went on to form a new company called NeXT, as well as purchase the computer division of George Lucas’s Industrial Light and Magic. He re-named the unit Pixar (Toma & Marinescu, 2013), which

would be integral to the success of several Disney animated movies. By the mid-1990s Apple purchased NeXT and by 1997 Jobs was back in the chief executive seat at the company that he had started 20 years earlier (Toma & Marinescu, 2013). By 2011, at a net worth of \$342 billion, Apple had surpassed ExxonMobil as the most profitable company on earth (Yu, 2013).

### **Five-Factor Model of Personality**

According to Northouse, in recent years researchers have come to agreement that there are five fundamental factors that make up an individual's personality (2015). These five factors of personality, commonly referred to as the Big Five, are neuroticism, extraversion, openness, conscientiousness, and agreeableness (Northouse, 2015). Using this five-factor model of personality, particularly as it is applied to leadership, it is easy to see where Steve Jobs's leadership style fits into the various personality dimensions.

#### **Neuroticism**

Northouse describes neuroticism as, "The tendency to be depressed, anxious, insecure, vulnerable, and hostile" (2015, p. 27). Neuroticism is the only one of the five factors that is not positively correlated with leadership success. According to Judge, et al., "Neuroticism is negatively related to leader emergence and leadership effectiveness" (2002). While most CEOs at major companies possess some level of neuroticism, Steve Jobs appears to have bucked normal trends (Yu, 2013). While Jobs's passion for his work sometimes resulted in displays of hostility towards his employees (Toma & Marinescu, 2013), he was hardly insecure in his work. Stories about Jobs's less-than-pleasant personality traits, including "epic tantrums and bad behavior" (Sharma & Grant, 2011, p. 11), have circulated for years. However, these stories typically center around a perfectionist bend to Jobs's work rather than depression or insecurity.

According to Toma & Marinescu, “As a perfectionist, he never gave up and steadfastly pursued his dreams” (2013, p. 267). Jobs was so focused on the successes of his companies’ products that he pushed his employees very hard (Sharma & Grant, 2011).

### **Extraversion**

Extroverts are those individuals who display strong social skills, maintain an optimistic outlook, and tend to be self-confident in their approach to work (Northouse, 2015). Extraversion is the factor that is most positively associated with leadership emergence and effectiveness, though more strongly with leadership effectiveness (Judge, et al., 2002). Steve Jobs was dealt a full deck of extraversion cards from the very beginning of his professional life. This is exemplified in Isaacson’s (2012) story about Steve Jobs’s focus:

When Jobs returned to Apple in 1997, it was producing a random array of computers and peripherals, including a dozen different versions of the Macintosh. After a few weeks of product review sessions, he’d finally had enough. “Stop!” he shouted. “This is crazy.” He grabbed a Magic Marker, padded in his bare feet to a whiteboard, and drew a two-by-two grid. “Here’s what we need,” he declared. Atop the two columns, he wrote “Consumer” and “Pro.” He labeled the two rows “Desktop” and “Portable.” Their job, he told his team members, was to focus on four great products, one for each quadrant. All other products should be canceled. There was a stunned silence (p. 94).

Clearly Jobs had a definitive vision to simplify and focus all of the company’s resources on four products instead of dozens. The way that he could articulate that vision, and persuade others that it was the right thing to do, is a great example of extraversion in practice. One can see

how Jobs used his strong communication skills, coupled with an excellent sense of planning, to lay out a detailed plan for Apple.

### **Openness**

An individual who keeps an open mind to new experiences tends to be more creative and curious in their day-to-day work (Judge, et al, 2002; Northouse, 2015). According to Judge, et al. (2002), “Openness correlates with divergent thinking” (p. 768). When looking at the arc of Steve Jobs’s career, it is difficult to argue that he did *not* have high levels of openness. In fact, openness to new experiences and creativity are trademarks of Jobs’s leadership style, as well as his personality in general (Isaacson, 2012). Nowhere is this more evident than the very beginning of his adult life. Immediately following his dropping out of college, Steve Jobs got a position at Atari computers. After working there for a while and saving his money, Jobs decided that he wanted to backpack throughout India and immerse himself in the study of Zen Buddhism (Toma & Marinescu, 2013). This openness to a new experience – and immersion India – led Jobs to one of the hallmarks of Apple products; keeping things simple. According to Isaacson (2012), “Jobs aimed for the simplicity that comes from conquering, rather than merely ignoring, complexity” (p. 95).

### **Conscientiousness**

Those who have a high level of the conscientiousness trait have strong management capabilities. They lay out a detailed plan, work very hard at what they do, and are dependable in their obligations (Lesson 2, 2016). Additionally, according to Judge, et al., traits like organization, dependability, and initiative are strongly related to leadership (2002). High

conscientiousness is correlated to total performance in the workplace, and is also related to the effectiveness – or ineffectiveness – of the leader (Judge, et al., 2002).

After the successful rollout of the first Apple iPod, Jobs recognized the importance of the product. As such, he exercised a combination of both agreeableness and conscientiousness when he had Jon Rubinstein, the then-chief of the hardware division at Apple, head up an entirely separate unit in the organization. This new unit's sole focus was to be the production of the iPod, and the development of the iTunes music operation (Yu, 2013). This decision required a great deal of preparation, as it bypassed the normal decision-making structure inherent in the organization (Yu, 2013). However, the decision paid long dividends as the iPod continued to be a leading product for Apple, and iTunes completely revolutionized the way that people purchase music (Isaacson, 2012).

### **Agreeableness**

If one is compassionate to others' feelings, friendly, and optimistic, they are exhibiting higher levels of agreeableness (Lesson 2, 2016). This factor is particularly useful for leaders as it benefits those who work in groups and on teams (Judge et al., 2012). According to Toma & Marinescu (2013), Jobs "truly knew what he wanted and succeeded in transforming his dreams into reality" (p. 266). He accomplished this by challenging his employees and providing cerebral stimulation, in addition to exercising his ability to encourage his people to accomplish tasks that others thought not possible (Toma & Marinescu, 2013). However, despite this seemingly high level of motivating force, Jobs was known to not always possess an agreeable trait. One of the descriptors of this is in Isaacson's explanation that Jobs's worldview was very "binary" (Steinwart & Ziegler, 2014). "People were either 'enlightened' or 'an asshole.' Their work was either 'the best' or 'totally shitty.'" (Steinwart & Ziegler, 2014, p. 62). Bywater (2011) suggests

that this black-or-white way of thinking was tantamount to an “abusive relationship” (para 12) with his employees. “Grown men were reduced to tears by him... But when he said ‘That’s really great’, you felt like a demigod” (Bywater, 2011, para 11). While Jobs was frequently able to motivate followers to work hard, it was not necessarily from a place of agreeableness.

### **Taxonomy of Social Power**

According to French & Raven (1962), there are five types of power in the taxonomy of social power: expert, referent, legitimate, reward, and coercive powers.

#### **Expert Power**

Expert power refers to the knowledge that a person holds associated with the work at hand, in comparison to other individuals of the organization (Lesson 5, 2016). The stronger a person’s grasp of the material is, the more likely that person is viewed as an expert within the group, and therefore that individual possesses expert power. Steve Jobs utilized expert power early on in the life of Apple, since he was one of the founders of the company. He and his partner Steve Wozniak built their first computers in Jobs parent’s garage (Toma & Marinescu, 2013), so Jobs became an expert in both the technological side of the business, as well as the operational side, from the very beginning. Conversely, when Jobs returned to Apple in the late 1990s, he may have lacked that same expert power, since there would have been many employees within the organization that had been building their knowledge base over many years. Those individuals would have held more expert power because of their longevity at Apple, particularly during the years that Jobs was not at the company.

#### **Referent Power**

Referent power is based on the rapport that is built between the leader and follower or followers (Lesson 5, 2016). If a leader is viewed as a mentor or as setting a good example, then referent power is being shaped. Steve Jobs had an uncanny ability to inspire people to do what amounted to the impossible. Isaacson (2012) recounts a story where Jobs encouraged his then-business partner Steve Wozniak to create a video game. Wozniak told Jobs that the game would take months to build, but Jobs felt that Wozniak could do it in four days. Wozniak thought this to be impossible, but was able to get the job done. Many of Jobs's employees saw him as having overly high expectations, but that he could "convince anyone of practically anything" (Steinwart & Ziegler, 2014, p. 62). Even though his followers were not always pleased with how they were treated, Steve Jobs clearly held much referent power in his work.

### **Legitimate Power**

Perhaps the simplest type in the taxonomy of social power is legitimate power. This concept refers to the function of a situation based on an individual's role in the organization (Lesson 5, 2016; Northouse, 2015). More simply put, legitimate power can be derived from an individual's title or position within the company. In the case of the Steve Jobs, when founding Apple in 1976 (Toma & Marinescu, 2013), or when returning to the company's leadership in 1997 (Isaacson, 2012), Jobs held legitimate power based on his title and position at the top of the organizational chart.

### **Reward Power and Coercive Power**

The idea of a "cash bonus" for a job well-done is an example of reward power. This concept is based on the relationship between the leader and followers, and the situation that surrounds them (Lesson 5, 2016). When a leader has control over the resources that are available,

and makes the determination that an individual or group of followers will get some of the resources, that is reward power. Additionally, if a leader decides to incentivize an individual's work by removing an undesirable responsibility, that is also an example of reward power (Lesson 5, 2016).

Essentially the opposite of reward power, coercive power is the removal of a positive resource, or the addition of a negative resource (Lesson 5, 2016). When a leader is exercising control and influence over followers by using "fear of punishment or the loss of valued outcomes" (Lesson 5, L05 Taxonomy of Social Power, para 12, 2016), they are exhibiting coercive power.

The literature points to Steve Jobs as instilling reward and coercive powers simultaneously. Apple executives and designers were compensated well for their work (Yarrow, 2013), but compensation was not the motivating factor for many who worked with Jobs. Rather, Jobs had an uncanny way of motivating his team; he would either praise or criticize one's work. Jobs had developed a propensity for being very hard on his workers. In response to this notion, according to Isaacson (2012) Jobs commented:

"Look at the results", he replied. "These are all smart people I work with, and any of them could top job at another place if they were truly feeling brutalized. But they don't." Then he paused for a few moments and said, almost wistfully, "And we got some amazing things done." (p. 94).

Followers of Jobs were simultaneously trying to get praise (reward power) and avoid harsh criticism (coercive power) when working on projects.

While there is no one type of power within the taxonomy of social power that is the best, it has been shown that leaders who utilize a combination of referent and expert powers have followers who exhibit positive trends in attendance, motivation, performance and satisfaction in their work (Lesson 5, 2016). That said, a good manager will utilize all of the types of power that are available to them. Steve Jobs shows that his successes in the business world – whether at Apple, Pixar, or other ventures that he had – can be attributed to usage of all of the types of social power within the taxonomy.

Steve Jobs will be remembered years from now as a truly transformational leader. He clearly possessed strong personality traits like extraversion and conscientiousness, as well as expert and referent power on the taxonomy of social powers.

However, given the anecdotes that point to Jobs lacking some skills in the human-related areas (such as agreeableness in the five-factor model), the argument can easily be made that he was a transformative figure in *industry* rather than *people*. According to Steinwart & Ziegler (2014), being a transformational leader is comprised of the personal abilities of said leader. But equally significant is that leader's engagement with individuals in the organization. Nothing in the literature suggests that Jobs had much in the way of engagement with followers, short of occasionally reducing someone to tears or making one feel like a deity, based on criticism or praise, respectively. It is for this reason that history will likely paint Jobs as an innovator in the fields of technology and business, but will likely not include him in the pantheon of leaders of people.

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