Role of Leadership in Achieving Sustainable Organizational Change: Steve Jobs

Colin Ting Si Xue
Asia Pacific University of Technology and Innovation, TPM, Kuala Lumpur, 57000, Malaysia

Abstract: There are many leaders who have successfully led the organization to growth and success using different leadership styles. This paper analyzed the role of leadership of Apple co-founder and former CEO, Steve Jobs, in achieving sustainable organizational change and his leadership styles. Due to his great leadership styles, Apple Inc. has been one of the top technology organizations today.

Keywords: Apple, Leadership, Steve Jobs, Sustainable Change, Trait Theory, Transformational

1. Introduction

In today’s fast-moving business world, it is getting more important for the organizations to embrace change. Without change, the organization will likely lose their competitive advantages and unable to deliver the needs from loyal customers. [35] stated that changes are necessary in organizations to improve efficiency and overcome the challenges posed by competitors. What actually change is? According to [21], change basically means “organizational restructuring, developing new job functions and creating new organizational departments”. It also means organizational development and organizational transformation [29]. A successful change needs to undergo a thoughtful planning, strategic planning, people involvement and fully budgeted. [34] also said every organization should have a healthy growth of business. [15] mentioned that change enables an organization to stay competitive and efficient in marketplace. The needs of change are to have a more integrated way of working and to improve performance of business. A proper change management is necessary for every organization in today’s business world. [20] noted that an improper change will cause an organization to fail in their business. An organization needs to adapt change continuously in order to stay competitive. To have an effective change in organization, it must begin well for the changes to take effect [13].

Change – A process model
The change as a process was firstly introduced by Lewin in 1947 [23]. According to the model, it is more important to focus on the steps of implementation rather than conceptual tasks required. A successful change project should undergo three steps: unfreezing, moving and freezing. To begin a change, the organization should ‘unfreeze’ its current state thus new behavior can be adopted successfully. People are preparing to leave current state. After that, resisting forces should be minimized and change should be implemented by utilizing driving forces. People have to leave their current comfort zone. Once the change has been implemented, the organization should ‘refreeze’ into new state. Figure 1 illustrates Lewin’s change model.

Figure 1. Lewin’s Change Model. [23]

Leadership – Change Agent
Changes usually do not occur unless it is suggested by someone in the organizations such as adopting different goals, framework, objectives etc. [4]. Leaders play a vital role in achieving the changes in an organization. They are not only responsible in better job performance but also to drive positive change. They have a clear vision of the organization. In order to have a successful change, the most important element that leaders must have is “leadership”. Leadership can be defined as one of the key drivers of the organizational change implementation [12]. A great change of organization is related with change leadership. According to [19] and [34], a leader should have leadership skills which include marketing and sales ability, communication skills and leadership development.
Without these skills it may cause ineffectiveness of change. [38] said there are two reasons on the failure of organizational change. One is people in the organizations are ignored and another one is lack of leadership styles used by change agents. Besides, leader’s behavior is also important as it affects the change process [26]. Effective change is impossible without a proper, strong leadership. In today’s business environment, [3] and [18] have analyzed and concluded that transformational leadership is the best. It is the most effective in times of organizational change. A transformational leadership will have set of behaviors: fairness, set goals, give supports to others, high expectations and good communication.

2. Organization Background

According to [6], Apple Inc. was founded in April 1976 by Steve Jobs and Steve Wozniak with extremely innovative and intelligent minds. During that time, both of them wanted to create a central processing unit (CPU) that is different from their competitor – IBM. After almost one year, Apple was finally incorporated and became a challenger to IBM. Based on [33] analysis, after Steve Jobs was resigned from Apple Inc. in 1985. Then he had formed a new company called NeXT Inc. Apple Inc. started facing problems such as difficulty in increasing sales and market share. Although Apple Inc. has hired different leader, but it seemed useless. Apple Inc. was in financial problem and was on the brink of bankruptcy and its sales result was plummeted by 30%. Apple Inc. has removed Gil Amelio as CEO due to his unsuccessfulness of leading company. Steve Jobs has been rehired as CEO. It was shiny opportunities for him to pitch his company, NeXT company. On 20th December 1996, Apple Inc. has announced to use NeXT software and this has become the foundation for their computer future Operating System due to its user friendly, aesthetically pleasing and able to run powerful software. Besides, Steve Jobs also reduced the number of products by 70% because they are unnecessary. During that time, his strategy was only to produce main products: desktop and portable device for both consumers and professionals. Apple Inc. was then acquired for $427 million and it has successfully away from bankruptcy. After Because of his strong leadership styles and innovative vision, he had successfully made a triumphant return to Apple Inc. Apple Inc. has been recorded as one of the greatest comeback in business history [24].

Today, Apple Inc. has operated more than 350 retail store worldwide. It also established an online store which served as a primary driver of success. The organization has hired more than 110,000 employees and made annual sales of $51.5 billion [5]. Apple Inc. has designed and developed different types of innovative products such as MacBook, iPhone, iPods, iPads and Apple TV. Besides, the organization also developed software such as Mac OS X Operating System, iTunes, iLife, GarageBand etc. Among these, iPhone has been recognized as one of the most innovative products. According to [31], Apple CEO, Tim Cook has announced that Apple has successfully sold 700 million iPhones. Apple Inc. has provided a vast amount of applications and services to iPhones. As of June 2015, Apple Inc. has announced the App Store has passed 100 billion applications downloads. According to [16], Apple App Store has been recognized as top mobile application sources. One of the reason of the success of iPhone is its app store.

Today, Apple Inc. has so many strong competitors such as Google, Microsoft and Amazon who also develop high-tech products. Apple Inc. has planned strategically on how to beat its competitors. They have treated innovation as the source of survival and they penetrated these ideas into corporate culture. This is how Apple Inc. was unique from others. According to [17], Apple Inc. has predominated and fulfilled the needs of customers, at the same time, they have produced luxurious, faultless and advanced fashionable products. When these have been combined to together, people will choose Apple products rather than others.

3. Discussion

In order to lead an organization to success, it should have a great leader with different leadership styles. Steve Jobs has been identified as one of the most celebrated and passionate leader in technology sector. According to [28], a good characteristic such as abilities and personalities can be determined through leader’s behavior. Job’s leadership is defined by his behavior and personality. Apple Inc. faced difficulties in 1980s. Apple Inc. has invented and introduced Apple Lisa at $10,000. However, it was a failure. During that time, Apple computers such as Mac I and Newton was unsuccessful. Steve Jobs was fired by the company, company underwent several CEO changes, declining of the stock prices and its future was in unknown state. When Steve Jobs came back as CEO in 1997, he had successfully saved the company. He quickly changed the company corporate culture and new era of Apple begun. His leadership styles are defined when he came back to Apple Inc. in 1996. He said Apple Inc. will die if it is still not get the attention on what it needed. The main leadership assessments of Steve Jobs are Transformational Leadership and Trait Leadership.
3.1. Transformational Leadership

[32] and [38] explain transformational leadership as a leader who is able to stimulate and inspire his followers to achieve extraordinary outcomes. The leader will usually ask and help the followers to do more than required and achieve unexpected goals. The leader will pay full attention to his follower and help them to solve the problem by looking at old problem in new way. As [22] said, a transformational leadership will have these characteristics: “help subordinate understand the need of change”, “adopt long-range and broad perspective”, “help subordinate to find their own fulfilment” etc. [27] explored that one of the leadership style of Steve Jobs is transformational. He was a leader who always motivated his followers, stakeholders, customers with strong vision, that was to create something that was different from others, innovative and trendsetter. There were three attributes used to describe his characteristics: “creative”, “visionary” and “passionate”. He always thinks about the needs of customers when he had new ideas.

Steve Jobs always invent something that is better than others, makes the complicated things simple. In 2001, he had successfully invented a new device that totally forever changed the way of listening music. The new device comes with a small little shiny white design – iPod. He had used his creativity to design the iPod and made it different from its competitors. Compare to its competitors, the users just simply plugged the cable with the computer and started transferring music to the device. Within few years, iPod quickly became a hot product for music lovers. When Microsoft launched Zune media player in 2006, it only achieved a less than 5% market share. The reason is simple; it was designed with ugly design. During that time, they were in the company. Their phone was huge, complicated and in ugly design. During that time, they were refused to do any market research by saying “my job is to figure out what the people are going to want instead of what they want because people will never know what they want until you show them something” [44].

iTunes both have successfully revolutionized the way people listen to music and the willingness of people to spend money on applications on iTunes. Steve Jobs was never a traditional leader but a people who always wanted to create something different for everyone (Tabitha, 2014). Since 2007, Apple Computer, Inc. has been changed to Apple Inc. which means Apple was not only a computer manufacturer. The company was shifted towards consumer electronics like iPhone, iPad, and Apple TV.

3.2. Trait Leadership Theory

Trait theory considers the individual characteristics that will make the leader different from non-leaders through personality, physical, social and intellectual traits [11]. According to [2], leadership success cannot be guaranteed only based on the possession of certain traits, however effective leaders can be different from other leaders in certain key respects. These key respects are: ambition, energy, cognitive ability, motivation, self-confidence, desire to lead, business knowledge etc.

According to [1] and [14], they said a leader who are adventures is able to take the risks in innovation is also a way to show self-confidence. A leader should be able to try something that might fail. Steve Jobs always have high self-confidence that every product he introduced could be innovative and able to change the world. [8] said one of the famous sign to show his self-confidence is the willingness to bet the entire organization on Apple II. In the beginning when Steve Jobs had invented the first Mac computer, he believed that he was able to sell the computer and create value for the company. However, it was declined by Apple Inc. since innovation needs a lot of money. When Jobs was back to the company and became CEO, he turned around the bet he made before. This time he bet the entire company on iMac computer and iPod. He refused to do any market research by saying “my job is to figure out what the people are going to want instead of what they want because people will never know what they want until you show them something” [44].

According to [9], Steve Jobs had a high cognitive ability. He was able to solve most of the problems in the company. When he was young, his parents inspired him to learn and experiment. Walter said he liked a wonderful design. One of the most famous example is how he solved the crappy phones in the company. Their phone was huge, complicated and in ugly design. During that time, they were having success with their iPod products. Jobs had an idea that is to design a portable smartphone with wonderful design. In 2007, iPhone was released and it totally changed the definition of a smartphone [42]. Every time Jobs announced a new iPhone, he was
able to fulfil the customers’ needs. [17] said people were willing to choose and purchase their products due to its impeccable, luxurious and high-tech, they were able to satisfy all their needs. Until now, iPhone is still the most successful smartphones and the sales reached 231.2 million [36].

4. Conclusion

In conclusion, Steve Jobs was one of the leaders who has a strong leadership style that successfully in achieving sustainable organizational changes. He had used his personality, traits, and intelligence and leadership styles to save the organization from the brink of bankruptcy to one of the most profitable organizations. As a transformational leader, he was more focused on the quality and innovation. He used his intelligent, creativity and passion to create countless products such as MacBook, iPhones, iPad, iPod etc. Besides, he always introduced the products that met and satisfied the customers’ needs and demands. [37] said Steve Jobs understood the customers’ needs and their feeling of using the products. He will design computers and smartphones with friendly user interface that appealed more to customers. He had achieved the slogan that he created “think differently”.

5. Recommendation

Steve Jobs has a very strong leadership style that can lead an organization to success. However, Steve Jobs does not have a strong emotional intelligence [10]. Emotional intelligence is important as it helps to make a comfortable environment at work. He refused to listen to his employees besides work discussion about the new ideas. He almost made every decision himself. In order to have a better leadership styles, he should open his mind by listening to employees’ opinion. This will help the problems and projects to be done faster. Besides, the relationship between leader and employees will definitely improve. According to [25], she said some employees rejected to work with Steve Jobs due to his attitude. A project might fail if employees resign suddenly. He should stop scolding employees by using foul languages in public as this will reduce the organization image. If a leader has a good attitude, many employees are willing to work with him and this will increase the speed of a project and also bring an effective result.

6. References

Available at: http://mds.marshall.edu/cgi/viewcontent.cgi?article=1420&context=etd
[Accessed 27 4 2016].
[Accessed 26 4 2016].
[Accessed 7 5 2016].
[Accessed 26 4 2016].
[Accessed 26 4 2016].
[Accessed 28 4 2016].
[Accessed 6 5 2016].