

ONLINE APRIL 23, 2012

The Steve Jobs Way

Leaders can learn a lot from the late Apple CEO, but not all of it should be emulated.

BY JON KATZENBACH

The Steve Jobs Way

Leaders can learn a lot from the late Apple CEO, but not all of it should be emulated.

by Jon Katzenbach

Steve Jobs's business feats were legendary long before he died in October 2011. Apple Inc., considered a niche player for much of its history, is the most valuable company in the world by market capitalization as of this writing. Most business leaders would be thrilled to achieve Jobs's level of market success, but should they aspire to lead like him? Before doing so, they should dig into his management style. Jobs the leader was at once dynamic and controversial, and his success relied heavily on the genius of Jobs the innovator.

Many other prominent leaders leave legacies that become clear only with time; however, we can evaluate Jobs's leadership with tremendous clarity already today. This is thanks to Walter Isaacson's masterful, eponymous biography of the entrepreneur (Simon & Schuster, 2011), a 600-page account that rarely feels flabby or boring. Jobs pursued Isaacson, a former CEO of CNN and managing editor of *Time*, for five years (the first of many examples of Jobs's persistence in the book), and then gave him a free hand (a much rarer occurrence), promising: "It's your book. I won't even read it."

The leader Isaacson portrays could have illustrated the Great Man theory popular in the mid-19th century, with its heroic leaders whose decisions and sheer force of will determined the world's course. Steve Jobs was cer-

tainly a willful and driven leader, and the products and services he directed his companies to develop and commercialize changed the way many of us live, as well as the course of a diverse set of industries, including computing, publishing, movies, music, and mobile telephony.

At the same time, Jobs's leadership style was complex. He was intensely focused when committed, confident enough to take risky leaps, and charismatic enough to enlist legions of employees and customers in the relentless pursuit of his aspirations. He was also interpersonally immature well into his adult life: impatient, stubborn, and hypercritical, if not downright cruel at times. Jobs may have been, as Isaacson says, "the greatest business executive of our era," but he was a mercurial, demanding, and tyrannical one. All too often he was the antithesis of the "servant leader" model popularized in the 1990s (the giving, caring organizational mentor who in many ways contrasted with the hero model of a century prior).

However, Jobs's seemingly destructive behaviors sparked peak performance as much as they undermined it, depending on where and how he applied them. They also helped shape the unique and powerful cultures Jobs seeded — twice at Apple, as well as at NeXT and at Pixar. (And few would have predicted Pixar's runaway success in movie animation. Certainly not the Walt Disney Company, which eventually bought Pixar to

Jon Katzenbach

jon.katzenbach@booz.com
is a senior partner in Booz & Company's organization, change, and leadership practice, and leads the Katzenbach Center in New York.

secure its hit-making abilities, an action that made Jobs Disney's largest shareholder.) Far better than most leaders, Jobs intuitively understood the power of cultural influence in sustaining the strategic capabilities implicit in his perpetual vision of creating, as he put it, "an enduring company where people were motivated to make great products...a company that will stand for something a generation or two from now." It's hard to argue with that aspiration; time will tell whether Apple makes it happen.

Jobs's volatile approach to leadership is both fascinating and perplexing. For instance, Jobs had a fickle commitment construct — he fell in and out of love with people much too easily, both personally and professionally. In his relentless pursuit of top talent, he was able to create highly skilled organizations. But he also missed the potential contribution of many people who were not yet (and perhaps never would be) so-called A players. It is surprising, however, that many of the people Jobs abandoned along the way retained a grudging respect for his positive qualities — and a few even came back for more of his particular brand of abuse.

When it came to teamwork, Jobs had a highly effective modus operandi with a dark side. He always challenged teams — from those involved in the early product efforts led by Apple cofounder Steve Wozniak onward — to reach beyond the possible. A few strong

people thrived on this, rising to become top performers who were highly motivated by the pride they derived from striving to meet the challenge. But many others were needlessly frustrated. The price a leader pays for such behavior is the loss of people who need more encouragement along the way. Such an approach also undermines the emotional commitment of B players, who in most enterprises constitute more than triple the organizational teaming capacity of A players.

Then there was Jobs's habit of distorting reality to fit his purposes, coupled with the impatience, criticism, and brusqueness that often accompanied it. On the one hand, the "Jobs version" could create a compelling vision of what might be. Witness the strong cultures that he fostered at his companies: Even through the 10 years he was exiled from Apple, the underlying essence of the culture he established somehow stayed alive. On the other hand, Jobs's reality distortion could be extremely alienating, and it sapped his credibility, especially when he used it to dismiss a promising idea or an effort as "a piece of crap."

If other leaders emulate these traits — the good and the bad — will they get Jobs-like results? The short answer is no. Applied to the wrong strategy, market, or product, his behaviors could sink a company. In the end, what made Jobs such a successful leader was his much-lauded talent at envisioning and delivering break-

through products and services. His ability to innovate for his customers in a way few leaders had done before served as a salve to his gruff personal style.

Very few top leaders pay as much attention to product and design detail as Jobs did. He always considered simplicity, functionality, and consumer appeal before cost efficiency, sales volume, or even profit. That attention was integral to the strategic and marketing capabilities of his companies. In these respects, Jobs was an entrepreneurial leader in the mode of Walt Disney and Edwin Land, both of whom he admired.

Jobs famously said that “customers don’t know what they want until we’ve shown them.” Indeed, he had a remarkable, but not infallible, ability to develop products that consumers would buy and savor, as well as the confidence, courage, and drive to bring them to life. Part and parcel of this appeal was Jobs’s remarkably clean sense of design, which Isaacson traces back to his study of Zen Buddhism and, further still, to his adoptive father, a blue-collar mechanic who rebuilt cars in the family’s garage for extra income. Much of Jobs’s genius — and Isaacson contends his genius was for “imaginative leaps [that] were instinctive, unexpected, and at times magical” — stemmed from his ability to integrate diverse disciplines, particularly the humanities and science, a sort of synthesis of artistry and engineering.

With age and experience, Steve Jobs became a better leader of people. Although Jobs was never one to dwell on his own shortcomings, Isaacson quotes a statement he made during a 2007 conference in which he revealed a somewhat reluctant, even latent sense of an important flaw. “Because Woz and I started the company based on doing the whole banana, we weren’t so good at partnering with people,” he said of Apple’s design philosophy. “I think if Apple could have had a little more of that in its DNA, it would have served it extremely well.” Jobs would have benefited from more of that in his leadership DNA, too. Who knows — if he had had more time, he might have been able to close that gap altogether. +

strategy+business magazine
is published by Booz & Company Inc.
To subscribe, visit strategy-business.com
or call 1-855-869-4862.

For more information about Booz & Company,
visit booz.com

- strategy-business.com
 - facebook.com/strategybusiness
 - <http://twitter.com/stratandbiz>
- 101 Park Ave., 18th Floor, New York, NY 10178

