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Transform or Transfix: Charismatic Leadership of Jack Welch and Steven Jobs

The study of leadership is often a study of successful leaders, of examining the characteristics and case studies of those who have accomplished leadership excellence defined either through empirical evidence, anecdotal suggestion, or cultural reputation. Two such successful leaders in recent history were Steven Jobs, the founder of Apple Computer, and Jack Welch, the legendary leader and transformer of General Electric (GE) who assumed leadership in 1981 and dramatically redirected the company over the following 20 years. Both Jobs and Welch are typically viewed as uniquely impactful leaders, and in terms of market indexes and financial measures, and both were quite successful. By considering similarities and differences, lessons in leadership are revealed.

To expose useful lessons from these two leaders, I first describe leadership characteristics of each, then consider the surprising amount of similarities and some stylistic differences within the framework of charismatic and transformational leadership theories. In exploring common characteristics of Jobs and Welch, some guidance for emergent leaders is uncovered, but contemporary theorists and researchers would not agree that all of the leaders' characteristics would be effective in contemporary organizations. Those less enlightened leadership methods are discussed finally. In the end, the examination of the historical leadership of Welch and Jobs provides important perspectives for leadership.

THE TRANSFORMATIONAL JACK WELCH

Jack Welch rose through the ranks of General Electric to assume the CEO role in 1981 and launched a revolutionary restructuring through a focus on market leadership in each business, innovation, and agility (Flavell-While). Welch viewed the GE organization as overly

bureaucratic, timid, and conservative and in need of reengineering of all products and services with an objective of creating new global alliances and focusing on businesses in which GE could be first or second in the market (Tichy). The resulting methods and lessons employed by Welch dominated the business world for decades (Flavell-While) and reflected elements of transformational leadership, charismatic leadership, and strategic leadership (Yukl). Along with those transformational behaviors, Welch approached the organization with a focus on task, a ruthless toughness that some viewed as inhumane and far from an ideal model of leadership (Thompson). While weeding out mediocrity, Welch emphasized continual leadership pruning, acceptance of only 'A' players, continual process improvement, streamlined communication, a lack of adherence to the chain of command, and promotion of organization-wide knowledge management (Barnett and Tichy; Lakshman) which resulted in a culture where leaders were "always on trial" (Frost 335) and the brutal candor resulted in a culture resembling a war-zone (Flavell-While 50). Welch led a transformation at GE that resulted in dramatic increases in shareholder value through 6-sigma process improvement, acquisition and disposition of businesses, and implementation of values that focused on the task elements of work including: excellence, competition, teams, customer focus, change, energy, and targets (Thompson).

STEVEN JOBS' VISIONARY CHARISMA

Steven Jobs, like Jack Welch also brought a new leadership style to American businesses. Jobs was the "quintessential charismatic organizational leader" who leverage a revolutionary vision to create a company with a cult-like following (Flynn and Staw 318). To Jobs, charisma was more important than management, and his combination of tweaking ideas and perfectionism yielded remarkable products along with a mythical perception of Job's vision (Conger; Gladwell). Jobs was absent from Apple between 1985 and 1997 and the company was almost bankrupt before he

returned and reinvigorated the company (Swiercz and Lydon). Jobs tended to invoke personal and emotional appeals combined with a radical, world changing vision (Flynn and Staw 316), an example of which was when recruiting John Sculley from Pepsi-Cola, Jobs asked, "Do you want to spend the rest of your life selling sugared water or do you want a chance to change the world." Both Jobs and Welch were viewed as legendary leaders, and while they may appear to be quite different, there are a surprising number of shared leadership characteristics.

TWO FACES OF CHARISMA

Jack Welch and Steve Jobs were both charismatic leaders within their own style. Charismatic leaders have a unique force of personality that through confidence, a sense of purpose, a well-articulated vision, and enthusiasm they exude dominance (Flynn and Staw). Flynn and Staw describe nine behaviors common among charismatic leaders including; a sense of mission, the ability to convey excitement and enthusiasm, self-confidence, pride in the organization, skill at communicating key points simply, celebration of successes, conveying a clear strategy, painting a powerful, clear vision, and setting challenging goals (319). Often a charismatic leader is viewed as magical or hero-like, and both Jobs and Welch carried such an image. Unlike social charisma which often draws on followers low self-esteem, business charisma is more vision and goal oriented (Sidani).

Jobs employed symbolism in abundance drawing on metaphors and analogies such as when IBM entered the personal computer market, Jobs depicted IBM as evil and Apple as the last defense (Conger). Jobs grand imagery at press and product announcements were inspirational and are often used today in experiments to measure the effects of inspiration on participants (Sidani 714). During his absence from Apple while leading NEXT, Jobs communicated the grand vision for NEXT not in terms of financial performance, but as a mission

to "revolutionize the educational system of a nation" (Conger 33). While Jobs offered world-shaping visions, Welch was charismatic as well, fulfilling the key charismatic behaviors albeit in more of a company-changing rather than world-changing framework. Welch envisioned GE as the leader in their business segments, operating with a focus on learning, improvement, tight controls, cross-business leadership development, removal of bureaucratic impediments, and a relentless pursuit of excellence including in the company leaders themselves (Tichy). The legendary Crotonville training center was transformed into a center for indoctrination and training in the new GE way, and instruction for leaders at all levels on how to lead and behave. While Welch personally communicated the vision, often skipping traditional chain of command protocol, he did not communicate in the grand manner Jobs chose. While Jobs created passion through grand visions, Welch combined more rational indoctrination and transactional leadership incentives such as traditional career opportunities to create excitement and support for the vision (Flynn and Staw). In seeking teaching moments as part of the GE culture, Welch created an early learning type organization (Barnett and Tichy).

TRANSFORMATIONAL LEADERSHIP THROUGH THE WELCH & JOBS STYLES

Many theorists view charisma as an element of transformational leadership, and both powerful communications and impression management were used by Welch and Job to strengthen their perception as transformational leaders (Sidani). Transformational leadership encompasses four primary dimensions; inspirational motivation, individualized consideration, idealized influence, and intellectual stimulation and in both Welch and Jobs, those transformational pillars are visible. Welch for example knew the career history of the top 1000 GE managers, considered their individual career needs, and sent notes of acknowledgment (Lakshman). Jobs also was known to provide intense praise to encourage key performers (Lanier). Jobs and Welch both

focused on the selection, assessment and motivation of their people and both sought to have only "A" players in their leadership teams. Both Welch and Jobs challenged and rewarded individual creativity, providing followers with intellectual stimulation and both modeled the work effort, creativity, and focus reflective of the individual culture each envisioned, thereby fulfilling the idealized influence dimension of transformational leadership.

THE "LESS ENLIGHTENED" SIDE OF JOBS AND WELCH

While legendary and impactful, both Welch and Jobs displayed characteristics that critics suggested represent the dark side of such charismatic, transformational leadership. Welch was at the least very demanding, edgy, and competitive (Heffes), and Thompson would describe the GE leader more as lacking in compassion, empathy, and mercy with a fixation on performance with accompanying company values all task rather than relationship or people oriented. The focus on task over relationship resulted in legendary war-zone like meetings at GE which some would describe as bullying. Even careers were tentative as the company practiced a brutal up or out program where the lowest 10% of managers were trimmed each year. Despite the intensity of the GE organization, Welch self-assessed that he was "too timid" in his change efforts (Tichy). Jobs was a perfectionists that scolded and screamed at subordinates, often humiliating them and displaying narcissistic tendencies (Gladwell; Lanier). Such cult-like leadership created an environment where followers wanted to please Jobs, but due to fear and not necessarily endearment. Both Welch and Jobs have been described as cultists where followers who questioned the vision or direction, and those who were not fully committed were not tolerated.

CONCLUSION – LESSONS FOR TODAY

Welch and Jobs offer a fascinating comparison of two, charismatic, transformational leaders who shared an impressive ability to create change and direction, align an organization, promote

excellence, and shape or reshape a unique company culture. They share the ability to create and communicate a powerful vision. Both were more task and results than people focused in terms of their personal interactions, yet were successful at driving their respective companies to financial success while building their own leadership images. Their task and self-focus may be less successful in today's business environment where many brilliant, driven, yet narcissistic leaders have been rejected by their employees and board of directors (Irwin) and harassment standards have become more stringent. As with the study of most great leaders, there is potentially great learning through both positive behaviors and approaches, as well as in observing practices that teach methods to avoid.

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