Running head: LEADERSHIP STYLES OF CARLY FIORINA AND STEVE JOBS

Leadership Styles of Carly Fiorina and Steve Jobs

Group 1

Management 4314

MGT4314 Submitted to Dr. Stephanie Solansky

Leadership Styles of Carly Fiorina and Steve Jobs

Carly Fiorina took a leadership position as CEO of Hewlett-Packard for about 6 years. She brought to Hewlett-Packard (HP) nearly twenty years of experience and expertise in marketing and sales that she acquired with AT&T and Lucent. However, she failed to execute HP's strategy and deliver improvements in the company's profits and stock price. She was asked by Hewlett-Packard's board of directors to resign due to the lack of the leadership skills needed to take advantage of emerging market opportunities (Hewlett-Packard, 2007). Fiorina's mistakes in leading HP are an illustration that leadership effectiveness is dependent on situation and other environmental influences, and not only the traits of the leader. In contrast to Fiorina's leadership failure, a success story unfolded at Apple Computers where a leader practically saved the company. Management guru Jim Collins calls him the "Beethoven of business," Wall Street loves him, and even Bill Gates became more of a partner to him after once being his nemesis. This powerful man is Steve Jobs, cofounder and current chief executive officer of Apple Computer. Much has been made of Jobs' aggressive and demanding personality. Fortune noted that he "is considered one of Silicon Valley's leading egomaniacs" (Colvin, 2007). However, Steve Jobs is recognized as a true leader and described in terms such as charismatic, enthusiastic, and courageous. His creativity in decision-making and the ability to adapt to changing market conditions mark a turning point for Apple Computer.

<div align="center">Carly Fiorina</div>

Background

In September 1954, Cara Carleton "Carly" Sneed was born in Austin, Texas. Due to her father's numerous job relocations, Carly lived in a variety of different places throughout her childhood. After attending five high schools, including one in Ghana, she enrolled at Stanford University, where she studied medieval history and philosophy. After the completion of her bachelor's degree, Carly attended law school at UCLA, only to drop out after one year. "When Carly told her father, a law

professor, that she'd decided to drop out of law school after her first year at UCLA, he shook his head and said he didn't think she'd amount to much" (Carleton S. Fiorina biography, 2000).

After dropping out of UCLA, a marriage that would eventually end in divorce, and a number of career changes, Carly accepted a position at AT&T as a sales representative in 1980. During her first few years at AT&T, Carly married AT&T executive Frank J. Fiorina. "Interested in the developing field of network communications, she surprised her coworkers by joining the male-dominated Network Systems division" (Carleton S. Fiorina biography, 2000). She would go on to become the first female officer of the Network Systems division and a few years later, she became the head of North American sales. In 1996, Fiorina was chosen to lead the AT&T's endeavor to create a new company, Lucent, from its Western Atlantic and Bell Labs divisions. While with Lucent, Fiorina received many accolades, including being named at the top of Fortune magazine's list of the Most Powerful Women in Business in 1998. She would remain at the top of the list until 2004 (Carly Fiorina, 2007).   Fiorina stayed with Lucent until she assumed the position of CEO with Hewlett-Packard.

Description of HP

Hewlett-Packard Company, HP, is currently the world's largest information technology corporation. HP is known for its printers and personal computers. Some of HP's products include printers, computers, digital cameras, computer software, and services. When HP was founded in 1939 by Bill Hewlett and Dave Packard, its focus was not on households but other markets such as medical. HP is also acknowledged for producing the first personal computer in 1968 even though they called it a calculator for advertising and selling purposes. Interestingly, HP turned down Steve Wozniak's idea for a computer, which led him to Apple. His idea later became Apple's computer called Apple I.

Leadership Styles

Hewlett-Packard named Carly Fiorina the first female CEO of a Fortune 20 company with a mandate to shake things up. HP wasn't quite prepared for receiving just that. Fortune magazine called Carly Fiorina "The Most Powerful Woman in Business" in 2003 and added that Carly proved to be a

MGT4314 Submitted to Dr. Stephanie Solansky

"world-class risk taker." Carly led HP in 2002 to a merger with Compaq Computers, which was touted as one of the high-tech mergers in history and Carly's risk taking endeavors charted a new strategy to help customers and consumers prosper in the digital age and she received numerous awards for her globalization of business.

Carly Fiorina held a job-centered leadership style. As a matter of fact, she was so job focused and driven that a year after she arrived as CEO of HP she unveiled plans for a major reorganization. When her top executives told her it would take a year to pull it off, she ordered it done in three months, and it was. Employees said that keeping up with Fiorina could be trying and many said that they didn't think there was much "sleep going on" as Ms. Fiorina's directives can consume days and nights. Many executives at HP called the phenomenon the "Fiorina Shakeup". Indeed, where Carly Fiorina went wrong was exerting a truly authority-compliance leadership style that caused quite an employee turnover. Although Ms. Fiorina was successful in turning HP around in her six-year stint, she neglected to foster employee needs. Ms. Fiorina was high on the acquired needs theory with her employees, although she is a highly motivational speaker and was able to instill in her employees their need for achievement, power, and affiliation, she was not able to give her employees their needs from process motivation theories, including their personal lives and behaviors. The employee equity wasn't there and executives started to complain that the employees were not prepared for this major reorganization. Another mistake Ms. Fiorina made was under-delegating. She held onto the control of many items and projects. Once she turned a department of HP around and had them heading in the right direction, she failed to let go and let the department run.

Carly Fiorina did what HP hired her for; a HP shake-up and turn around, however her talents were no longer needed as she could not adjust and let go of control as the company started to improve. The Fiorina shake-up was fast and furious ending in HP asking for her resignation.

Comments on Leadership Styles

MGT4314 Submitted to Dr. Stephanie Solansky

Carly Fiorina was a very dynamic and headstrong leader. While she was able to move mountains and "shake up" HP, and while she often gave very motivational speeches to co-workers and especially woman, she was lacking in several leadership areas.

Carly Fiorina was not able to delegate tasks. She would take on projects, re-organize whole divisions and then was not able to let go and turn over to co-workers or employees the tasks once she had them in place. Another mistaken tactic of Carly's was to move too fast and too drastic with changes. Many employees were not able to cope with the fast and hard changes she demanded creating a large employee turnover.

The recommendation would be for Carly to add more people centered leadership skills into her highly dominant job centered leadership style. Another recommendation would be for her to utilize her staff and let them do their jobs. She was not able to see that her employees were her assets and not just pawns in her tunnel vision for HP. Carly's employment and pedestal headlines were short lived in her career with HP.

Steve Jobs

Background

Steven Paul Jobs was born in San Francisco in 1954 to unwed graduate student parents who would put him up for adoption one week after birth. He was later adopted by Paul and Clara Jobs. Throughout his childhood, he lived in California. As a teenager, Jobs developed a friendship with Stephen Wozniak, an employee at Hewlett-Packard with a passion for inventing. Upon completion of high school in 1972, Jobs attended Reed College in Portland, Oregon but dropped out after only one semester. In 1974, Jobs returned to California and began meeting with Wozniak through Wozniak's Homebrew Computer Club. "Jobs was not interested in creating electronics and was nowhere near as good an engineer as Woz. He had his eye on marketability of electronic products and persuaded Wozniak to work with him toward building a personal computer" (Angelelli, 1997).

With the help of friends, including an electronic equipment retailer and a retired Intel CEO,

Jobs and Wozniak had the motivation needed to create a company that would manufacture computers.

"To start this company they sold their most valuable possessions. Jobs sold his Volkswagen micro-bus

and Wozniak sold his Hewlett-Packard scientific calculator, which raised $1,300 to start their new

company. With that capital base and credit begged from local electronics suppliers, they set up their

first production line" (Angelelli, 1997). Eventually, Wozniak quit his job at Hewlett-Packard to

become the vice president in charge of research and development of their new brainchild, Apple

Computers.

Description of Apple

Apple Inc., formally known as Apple Computer, Inc., provides consumer electronics and personal

computers. Apple also operates many retail stores throughout numerous countries. Many of Apple's

products include not only personal computers, but computer software, portable media players, and

computer hardware. Apple is most known for the Mac line of personal computers, its Mac OS X

operating system, and more recently the iPod, which is a portable media player. The company was

founded in 1976 by Steve Jobs, Steve Wozinak, and Ronald Wayne. Apple has a wide customer base

and distinct reputation due to the unique culture of the corporation.

Leadership Styles

Creativity in decision-making, charismatic leadership, and the ability to adapt to changing

market conditions mark Apple Computer's success under Steve Jobs. He co-founded Apple Computer

and assumed leadership positions that helped it grow into a respectable company in hardware and

software. The company contributed to the digital age in a remarkable way by introducing the first

commercially successful graphical user interface in 1984 (Apple, Inc, 2006). Jobs creativity skills are

evident in the major decisions that allowed Apple to emerge as an innovation leader. For example, the

alliance with Microsoft ensured Apple's survival by making an interested friend out a formidable foe

(Wilcox, 2002). His leadership style inspired the company to return to its innovative roots. He shifted the focus to software, which led to development of iTunes, and ultimately the very successful iPod.

Both situational factors and the leadership skills of Steve Jobs contributed to Apple's recent success. The nature of the problem faced by Apple can be described as having low task structure. The company needed to turn itself around, but did not know how, which made the situation unfavorable for the leader. The company needed a leader capable of motivating followers, provide structure, and place such leader in a power position with adequate influence. Because of such an unfavorable situation, the leader's traits and leadership skills are detrimental. When Apple selected Jobs to lead the company, it changed leader-member relations to a good standing due to Jobs charisma. Followers are likely to accept him as a leader and exhibit willingness to accomplish tasks. The company also gave him a great deal of influence through the strong CEO position. By selecting Steve Jobs to lead the company, it was able not only to improve its performance, but also position itself to take advantage of the "music" opportunity (Robbins and Judge, 2007).

A couple of leadership theories apply to Steve Jobs. One of them is the charismatic leadership theory. Jobs had a vision to turn Apple around by focusing on producing software and "customer experience" (Investor relations, 2007). Also, he is clearly prepared to take personal risks to achieve his vision. For example, his approach to former foe, Bill Gates, and partnering with Microsoft carried a great deal of risk. In addition, Jobs exhibited a high level of sensitivity to his followers by attributing the success to them when he credited the company's ability to maintain focus on innovation and customers. Finally, he exhibited out of the ordinary behavior by his ability to turn the company around from near failure to astounding success. Another theory that applies to Steve Jobs, but to a lesser degree, is the transactional leadership theory. First, Jobs established the strategy for the company's main goal that is pre-established – to turn itself around. He then worked on guiding and motivating followers by assigning roles and tasks to ensure the goal is achieved. He helped the company take determined steps towards the music industry. He also hired Jeff Robbin to develop iTune (Robbins and

MGT4314 Submitted to Dr. Stephanie Solansky

Judge, 2007). Jobs certainly took a proactive role in his leadership and ensured the company achieved its main objective.

Comments on Leadership Styles

Both theories, combined, explain the recent success of Steve Jobs. His charismatic leadership provided followers with the inspiration and conviction about the company's vision. It also helped followers to identify more with him on the emotional level. This emotional buy-in made the transactional leadership side of Jobs that much more effective. Followers are more motivated to attain the established goals because they believe in them and in their ability to materialize them.

Conclusion

Carly Fiorina and Steve Jobs both had very different leadership traits and styles. Leadership effectiveness is often dependent on other factors such as environmental influences and certain situations. Steve Jobs proved to come out a better leader over Carly Fiorina. He showed a higher sensitivity and great relations with his followers, which Ms. Fiorina did not attain. Ms. Fiorina was a very good businesswoman but she could not prove herself as a leader. She saw her down fall when she could not relate to her employees, and without followers, there cannot be a leader. So, even though both Carly Fiorina and Steve Jobs held top positions in two of the most prestigious companies, Jobs proved to be the true leader of the two.

MGT4314 Submitted to Dr. Stephanie Solansky

Works Cited

Angelelli, L. (1997). Steve Paul Jobs. Retrieved April 24, 2007, from Steve Paul Jobs Web site:

http://ei.cs.vt.edu/~history/Jobs.html.

Apple, Inc. (2006).. Retrieved April 24, 2007, from Wikipedia Web site:

http://en.wikipedia.org/wiki/Apple_Computer.

Carleton S. Fiorina biography. (2000). Retrieved April 24, 2007, from Biography.com Web site:

http://www.biography.com/search/article.do?id=9542210.

Carly Fiorina. (2007). Retrieved April 24, 2007, from Wikipedia Web site:

http://en.wikipedia.org/wiki/Carly_Fiorina.

Colvin, G. (2007, March 05). Steve Jobs' bad bet. Retrieved April 24, 2007, from CNNMoney Web

site: http://money.cnn.com/magazines/fortune/fortune_archive/2007/03/19/8402325/index.htm

Fortune releases list of top 50 US business women. (2003, October 05). Retrieved April 24, 2007, from

People's Daily Web site: http://english.people.com.cn/200310/05/eng20031005_125422.shtml.

Hewlett-Packard. (2007). Retrieved April 24, 2007, from Wikipedia Web site:

http://en.wikipedia.org/wiki/Hewlett-Packard.

HP executive team bios; Carly Fiorina. (2005). Retrieved April 24, 2007, from Hewlett-Packard Web

site: http://www.hp.com/hpinfo/execteam/fiorina/index.html.

Investor relations. (2007). Retrieved April 24, 2007, from Apple Web site:

http://www.apple.com/investor/.

Robbins, S., & Judge, T. (2007). *Organizational behavior*.Upper Saddle River, NJ: Pearson Prentice

Hall.

Rosenbach, W., & Taylor, R. (2006). *Contemporary issues in leadership*.Boulder: Westview Press.

Wilcox, J. (2002, February 22). Microsoft, Apple alliance at key juncture. Retrieved April 24, 2007,

from CNet News Web site: http://news.com.com/2100-1040-843145.html.

MGT4314 Submitted to Dr. Stephanie Solansky