COVER PAGE AND DECLARATION

	Master of Business Administration (M.B.A.)
Specialisation:	General Management
Affiliated Center:	CEO
Module Code & Module Title:	MGT560:Leading Organization
Student's Full Name:	Wessam Khalid Saib
Student ID:	EIU2020260
Word Count:	3500
Date of Submission:	22/03/2021

I confirm that this assignment is my own work, is not copied from any other person's work (published/unpublished), and has not been previously submitted for assessment elsewhere.

E-SIGNATURE: _____

DATE: 22/03/2021

EIU Paris City Campus
Address: 59 Rue Lamarck, 75018 Paris, France | **Tel:** +33 144 857 317 | **Mobile/WhatsApp:** +33607591197 | **Email:** paris@eiu.ac

EIU Corporate Strategy & Operations Headquarter
Address: 12th Fl. Amarin Tower, 496-502 Ploenchit Rd., Bangkok 10330, Thailand | **Tel:** +66(2)256923 & +66(2)2569908 | **Mobile/WhatsApp:** +33607591197 | **Email:** info@eiu.ac

MGT560: Leading Organization

Module Assignment: Leadership Critique

Table of Contents

Introduction

Apple is probably one of the world's most innovative and processing firms. Steve Jobs's market capitalization led to a remarkable increase of 2 billion dollars to 741 billion dollars from Apple Inc.'s market capitalization in less than two decades to 37,000%. (Heracleous & Papachroni, 2016). By 2015, it had been the largest technology company worldwide with almost every KPI measure, including sales, profit and assets. By introducing new serial products and creating a loyal base of customers, which was not easily matched to any competitor, Apple continued to show remarkable performance. Tim Cook's unprecedented increase continued as CEO in 2011: the company recorded northern sales of $200 billion, and in April 2015 it generated a net income of a whopping $45 billion (Heracleous & Papachroni, 2016).

Although Apple's overwhelming success and fame stand out, Steve Jobs was fairly unsuccessful in his company's absence. In 1985 Jobs left Apple to conquer his new company NeXT Inc. because of an internally divided company between managers. Apple swelled prices, causing sales slump, quickly after the departure of Jobs. Leadership blinders and the losses began to rise due to the fall in sales and the market share dropped significantly. Apple had only 3.3% of the computer market in early 1997 and stock was down to 14 dollars per share (Rose, 2011).

In less than a decade, three CEOs were handled by the Company with an annual loss of over $1 billion. When Jobs were returned in 1997, he was faced with the task of restructuring a bankruptcy-prone organization. He revived the broken leadership of Apple and led Apple to renewed success. Jobs have concentrated on more than half of new product development and resources in projects with potential for breakthrough (Heracleous & Papachroni, 2016).

Apple's success and much-needed leadership were found when Steve Jobs returned. Record-time launching of a range of innovative products. Apple has redefined its operating system and how personal computers work. It launched the iPod, which has totally converted the digital music industry, and the iPhone, which stands for the early push to the revolution of the smartphone. Apple introduced the iMac in 1998, strengthening the turnaround of the company, and the launch of the iPod in 2001 was a new era for the consumer electronics industry.

Current organizational leadership strategy and its criticism

Strategic leadership is a good way to share your vision with all business stakeholders. It helps the company develop a good structure and makes the allocation of resources effective in the company. This leadership enhances productivity and provides a compass that enables employees to achieve their corporate objectives. Effective strategic leadership is innovative, with good communication and employee motivating plans and increasing company productivity. There are six skills which allow leaders to think strategically, and especially, according to Shoemaker, which are not known include the potential to anticipate, challenge, understand, decide, align, and learn" (Davies, B. J., & Davies, B., 2004)

The classic policies of Porter have for decades shaped strategic thinking, and Porter's ideas have been consistently recognized as one of the most important companies. In many companies the first approach to their strategic thinking is differentiation, cost leadership or niche strategies. The belief was, as Porter had argued, that a sustainable, true combination of cost management and differentiation cannot be achieved because of the conflicts inherent in the company. At that time Porter (late 1970s/early 1980s) formulated and popularized these ideas, this proposal was reasonable and true. But things have changed since then (Hitt, et al., 2010).

New organizational forms have been developed, including outsourcing, virtual organizations and co-opetition. New work practices, such as the online, flexible and portfolio work, new ICTs and production practices have been implemented (computer assisted design and computer assisted manufacturing). Combined with a brave leadership that stands separate from conventional industry standards, a few companies have succeeded in breaking off the tradeoffs linked to generic strategies, and in achieving the holy grasp of strategic thinking.

Apple's Quantum Leadership Strategy

Apple is a Quantum Strategy master who is both unconventional and highly difficult to implement. As regards its services and its business model, the company has made serial innovation and outstanding design, as well as simultaneous cost leadership, more efficient than the usual cost leader, Dell. With effective implementation of an unconventional strategy, Apple achieved its outstanding performance: distinguishing by innovation (in various dimensions including innovative series, strategic, incremental) with a simultaneous high level of efficiency and result in the lowest costs in its peer group. Conventional wisdom states that such strategies are not feasible in a lasting, sustainable period, as they involve contradictory investments and organizational processes. Companies that are struggling to achieve this, would end up being "stuck in the middle" without any competitive advantage (Heracleous, L., 2013).

Jobs saw Apple not only as an entity but also as a resource for those who worked there (Meyer, et al., 2016). Jobs imagined that Apple could not be anybody else and later the board of directors realized that it had wrongly sent jobs outside the company. Every project and product he participated in was filled in with jobs and he got a vision of how Apple would be. Although he

was sometimes ghostly and cynical, he was the leader who put Apple's "creative" sense (Mathews and Wacker, 2010).

Exceptional innovation & design…	At rock bottom cost
Indicators of differentiation Winner of several innovation and design awards; consistent groundbreaking offerings Ability to command premium prices and achieve exceptional profit margins and revenue growth	**Indicators of efficiency** Lowest SG&A costs; highest inventory turnover; both more efficient than Dell R&D intensity lowest in peer group (while recognized as world's most innovative company)
How Apple achieves differentiation Focus on, and investment in, innovation capability; deep collaboration approach People strategy — hiring the best people and motivating them to excel (location advantage from being based in Silicon Valley) Branding — image of maverick creativity; Investment in Apple Stores in high profile locations Apple's proprietary ecosystem allows higher pricing control and customer capture Historically, Steve Jobs' leadership — demanding, perfectionist, visionary	**How Apple achieves intense efficiency** Strategic focus in terms of product-markets, types of products, and product features Distributed org design — high value added functions in California, manufacturing outsourced to cheapest locations Synergies from related diversification in terms of industries as well as products (e.g. technological platforms) Intense focus on supply chain efficiency (less warehouses, reduction of supplier numbers) Flat organization and simplified processes increase efficiency

Steve Jobs' Leadership style in Apple

Jobs was a leader who set Apple broad goals and persuaded employees to do more than they thought they could. This is why, despite his notorious nature, many IT personalities appreciate jobs. Jobs was a great leader with his strengths to overcome his weakness (Zenger, 2013).

The company never grew when Jobs left Apple. Most of the products stagnated and the company was not profitable. Realizing that, he returned to the pavilion by the Apple Board of Directors. Jobs saved Apple with the iPod and iTunes and changed the way the world saw the company (Stoute and Rivas, 2011). In other words, Apple's never been there without jobs could be said. More than anyone else had a vision for the company.

Steve Jobs did not follow a traditional model of leadership. He was like all the others a tyrant leader and even once said himself that his job was not easy for the people. This meant that he was tough on them, but he actually told them they were abler than they were. Frederick Allen,

columnists at Forbes, even described Steve Jobs as violating all possible leadership rules and creating a "ruthless" company culture at Apple (Sander, 2012).

The vision and innovation of Apple distinguishes them from the rest. An overarching success can be creditable for Apple's smooth business plan and its obsession with perfection. Apple's approach to design thought is one of the main elements in its success. They produce products that follow the simplistic design without compromising their characteristics. Apple has adopted a creative innovation organizational culture focusing on challenging the status quo. Their operating model focused on excellence, creativity, innovation and secrecy. They ensured that every detail of production and software was improved until they were perfect. By recruiting talent of the highest quality Apples corporate culture promoted and expected top-notch excellence among its employees (Heracleous & Papachroni, 2016).

Leadership of Apple valued and worked as a startup team for highly creative thinking and resented administrative and "big company" behavior. Innovation engagement from Apple is cultural, not process-driven. With only a few people without formal structure or hierarchy and little corporate supervision, Apple's most successful products began. Secrecy also plays a large role as part of company strategy to reduce theft of intellectual property and proprietary information and to maximize its lead against competitors (Meyer, 2019).

Steve Jobs recognized that Apple had a strong and sustainable culture that energized the engagement and talents of individuals in the entire organization and he had a visionary driving force behind Apple's achievements. Apple is known for its unique culture of work and devotion to perfection. Jobs' exceptional leadership has made all this possible, which has set clear expectations and has promoted the culture of work around the values of apples. Everything Apple did for Jobs was returned to their core value: to produce the best products on the market. He considered this to

be the most longstanding aspect of the company's legacy and the whole of the organization was involved (Brandculture, 2019).

By improvising its devices and its business model, Apple maintains its leadership in innovation. Apple is working proactively to improve innovative systems to leverage the creativity of its people, to encourage new ideas, to streamline the design process and to introduce successful and profitable innovations (Nary, 2008).

Apple has succeeded in integrating new features and technological solutions into their products and has attracted a wide variety of customers more than many of its competitors. Although their competitors can argue that they were the first to introduce or develop a product or feature, Apple was frequently the one to market a product or feature with the greatest success (Nary, 2008).

For example, a portable music player Diamond Rio PMP300 was quite successful and released on the first iPod three years ago. Apple, however, seemed to conquer the world of music on its own with its iPod success. Apple's approach established and dominated markets with simpler, better built and marketable products (Murphy, 2017)

Steve Jobs' Leadership Style Vs. Tim Cook

The style of Apple leadership includes the following:

- Style of democratic leadership: The current CEO, Tim Cook, exercises and promotes democratic leadership, in contrast with Apple's highly autocratic leadership and late CEO Steve Jobs. For Cook, it is important for senior management to reach consensus on strategic business decisions. In addition, since Cook was given the lead role, it gave new product development team greater autonomy, thereby reducing CEO's direct involvement in the process of new product development.

- "Quiet" leadership: For his quiet yet effective leadership style, Tim Cook was praised (Bradshaw, T., 2013). Cook is quite different from Steve Jobs, his charismatic predecessor. At the same time, his predecessor Steve Jobs occasionally criticized Tim Cook for his lack of ambition and vigor. According for example to a BGC Report, "Apple is careful to enter new product categories under Cook. Initiated in April 2015, The Apple Watch is No. 1 smartwatch, but sales in general have been deceived. Apple Music has quickly grown to about 15 million subscribers, which debuted in June 2015, but is seen as a low-margin business. (Seitz, P., 2016)

- Tim Cook is an excellent example for high ethical and moral standards as he leads in dealing with personal privacy protection. During the Apple vs. FBI conflicted era, Tim Cook's transformative leadership focused considerably on this. It is not easy to pursue how to lead its organization towards an ethically sound, moral objective. Tim Cook, as CEO of Apple, faced the power of politics that is an official of the United States Federal Government. He would be highly applauded for his achievement (Perry, 2016). But the overseas management of Steve Jobs had failed because of low income suicides, high work load and other negative factors of employees. Transactional leadership of Steve Jobs did not affect overall corporate performance and this morally unacceptable incident might affect organization's short- and long-term performance (Worstall, 2016).

- The above cultural dimension indicates that the power gap in the USA is lower (Hofstede, 2017). By looking at WWDC, the product introduction will always be presented by the CEOs, both Steve Jobs and Tim Cook. Communication between management and staff should be very clear (WWDC, 2017).

- Steve Jobs is a very stubborn CEO himself. He only wanted employees to build products and all had to follow his vision. Tim Cook also shows that when the crisis occurred, Apple's

unlocking of order from federal authorities by iPhone was not too flexible. Steve Jobs and Tim Cook are not easy to bend and have a strong, stubborn leadership in their own direction (Perry, 2016). Steve Jobs was the classical leader of narcissism (Yu, 2013)

- In fact, Steve Jobs works with employees on creative products and this can be a case in point for frequent and open communication. Steve Jobs' product development and order wishes are now openly searchable by searching online. Tim Cook shows only his WWDC communication (Isaacson, 2012).

Criticism of Apple Leadership

The legend CEO of Apple, Inc. was Steve Jobs. Jobs lead Apple when on the verge of bankruptcy to become the most profitable company in the world. In the 2011 financial year Apple posted a $25% profit and reversed $1 billion loss in 1997, one year before jobs returned to Apple (Apple, Inc., 2012) When new CEO Tim Cook took over Jobs to maintain Apple's high technological position, he had a greater pressure and challenge.

Under Jobs Apple was successful in pursuing the Blue Ocean strategy and "simply understands what will inspire people about their products" (How Tim Cook, 2012). Steve Jobs focused more on product quality and innovation. Tim Cook is different; it focuses more on protecting the existing business model, which Jobs have left behind and tries to take every step possible to protect it against intrusions (How Tim Cook, 2012). Without jobs, people questioned Apple's future. It has been a year since Jobs left and Tim Cook proved that Apple operates effectively with sales volume and market shares expansion, although it doesn't always produce sufficient products to meet customers' needs.

Within the framework of Harrison's Model of Culture (1972), employees of organizations in power culture are often de-motivating, or are even afraid, to break bad notifications to the organizational leader and the leaders' decisions are rarely critical in less managing ranks.

Steve Jobs has been able to make the company a highly successful company in the environment of power culture with a high degree of competency, efficiency and exceptional level of creativity, even in a clear and considerable potential disadvantage.

However, it is still necessary to demonstrate the business and leadership skills of the management of a strategy level in general and of current CEO Tim Cook, in particular, and therefore there is a justified concern that Apple has a negative effect on its future growth prospects as regards the disadvantages that power culture has. In short, the power culture in Apple developed during Steve Jobs has a range of disadvantages such as under-use of employee creativity and initiatives, high risk associated with the decision-making of a leader who does not face criticism in lower levels of management. Those disadvantages could therefore have a serious negative impact on Apple as Steve Jobs' current business leader could not match the business and leadership skills.

New leadership style strategy

Changes within the organization, which are often supported by the leader, need a champion. Change is however an ongoing process and a team effort (Palmer, et al., 2017). Leaders who try to bring change in the organization have often been found to fail to provide the right environment for organizational change. If you understand the pressures and drivers of change, internal as well as external factors that drive your organization, transformation leaders can bring about effective change (Palmer, et al., 2017). However, very few people can bring that change into an

organization, such as Steve Jobs. In real life, only a visionary like Steve Jobs that can articulate the type of change he wishes to achieve in the organization.

It is recommended that Apple move from a culture of power to a task. The traditional culture of Apple's power must be abandoned because its obvious disadvantages present far greater risks than the advantages of them. The Harrison Culture Model (1972) provides alternative types of culture such as culture of tasks, culture of people and culture of the role.

The adoption of a task culture is the most appropriate choice for Apple among all these alternatives, because that kind of culture has the advantages of providing employees with greater freedom and flexibility, making more rapid decisions, and creating room for employee creativity and innovation.

New Apple CEO has an integral role to play in supporting a task culture as an organizational leader plays an important role in many ways in determining the organizational culture. Accordingly, Tim Cook must take a proactive approach to promote a corporate task culture by communicating appropriate values in an effective way to different corporate stakeholders. In addition, the role of a changing agent in shifting the culture of power to task culture is recommended to Tim Cook.

Apple should be maintained at all cost for its innovation and creativity culture. It is important to understand that the key business strategy for Apple during the Steve Jobs era was creativity and innovation, and that these important elements of Apple's corporate culture should continue to be preserved. Regardless of Apple's future business leadership, any compromise of the innovative and creative level of the company would lead to serious negative impacts and a decrease in brand loyalty, and, as such, new management needs to develop specific measures and initiatives in an effort to further integrate Apple's new leadership principles with the corporate culture.

Communication Tactics

Apple will make a big effort to promote these attitudes to ensure Apple's continued success and to develop a sense of inclusion and to regain support from investors. Well-informed Apple employees and the CEO (or Interim CEO) host communicative meetings and lectures, efforts to resolve and answer any questions to promote Apple's sense of the situation and its future. There will be several news interviews, story ideas, videos and other forms of information. Letters to investors, videos and serial publications shall, without infringement of legislation, disclose information to all investors. Each source will foster support and understanding of the situation.

In its message, Apple combines rational and emotional appeals.

- Apple will submit several appeals, including how Apple remains profitable, as a factual proposal to correct communication concerns across every public.
- A value proposition that shows the significance of Apple investors and the importance of economic success in its entirety. The message includes examples of correction of the communication concern, statistics between the SEC submissions, comparisons of past and projected future years and charts showing Apple's financial growth.

Evaluation

In accordance with the following plan, Apple Inc. will evaluate its strategic investment communication initiative by Apple Inc.

1. Tracking and communication tactics, like serial publication, newsletters, video, story ideas and memos to reporters, are reported.

2. The financial future of Apple Inc. and the future leadership of Apple Inc. are being surveyed by investors with their knowledge of Steve Jobs' health status and their feelings of investing in Apple Inc.

3. Content analysis on newspapers, radio, TV, news and magazines particularly on media outlets, stories or advertising stories conducted by Apple, analyzing Apple and/or its strategic communications efforts for positive or negative reactions.

4. Follow patterns of purchase to ensure that no stocks are sold by an investor and that no stock purchases are known.

5. Check the price of stock.

Conclusion

Leadership is progressing alone for many CEOs, but Apple's CEOs have been very active in their organization, making Apple one of the biggest and most innovative firms in the world. However, Steve Jobs failed to lead in China; with transactional as well as transformation leadership, he had successfully lead the firm. The leadership of Steve Jobs was Charisma. He was strong in innovation and creation of products and had the power to perform and lead Apple in the right direction. He was motivated to save Apple from being the leading figure in his industry.

Tim Cook is impeccably following the legacy of Steve Jobs. His management is transformative leadership and he does not need to create different approaches or processes to think as Steve Jobs 'thinks differently,' but with his leadership all products undergo innovation processes. The strong Apple OS upgrade by Apple vs FBI tension was carried out by stubborn ethical leadership. Steve Jobs and Tim Cook both exhibit a leading position. Steve Jobs loved to use company to enhance creative thinking. His passion on the job could attract employees to follow the path well. He set the way forward. Tim Cook is on the way to Apple today.

Steve Jobs has done his leadership successfully. The leadership of Tim Cook is more transformative and stable. There is no better way of dealing with leadership. Both leaders have their own leadership characteristics. With a process of specific time, two different leaderships suit both company and products for their innovation. Tim Cook was a suitable CEO for current Apple Inc. and his leadership is better respected, with innovation arrived for Apple.

References

- Bradshaw, T. (2013) "Tim Cook: Apple's quiet leader" *Financial Times,* Available at: https://www.ft.com/content/1e4e3cf6-c232-11e2-8992-00144feab7de

- Brandculture. (2019). Discover how Apple has used leadership to strengthen their culture. Brand Culture. https://brandculture.com/insights/employee-engagement-leadership/

- Davies, B. J., & Davies*, B. (2004). Strategic leadership. *School leadership & management*, *24*(1), 29-38.

- Heracleous, L. T., & Papachroni, A. (2016). *Strategic leadership and innovation at Apple Inc*. SAGE Publications Limited.

- Heracleous, L., 2013. Quantum strategy at apple inc. *Organizational Dynamics*, *42*(2), pp.92-99.

- Hitt, M. A., Haynes, K. T., & Serpa, R. (2010). Strategic leadership for the 21st century. *Business Horizons*, *53*, 437-444.

- Hofstede. (2017). Cultural Dimension, s.l. Retrieved from https://www.hofstede-insights.com/

- Isaacson, W. (2012). The Real Leadership Lessons of Steve Jobs. Harvard Business Review, April, 93-102.

- Isaacson, W. (2014). Steve Jobs' leadership secrets. Executive Leadership - Business Management Daily.

- Mathews, R. and Wacker, W., 2010. *The deviant's advantage: how fringe ideas create mass markets*. Random House.

- Meyer, B., Burtscher, M. J., Jonas, K., Feese, S., Arnrich, B., Tröster, G., & Schermuly, C. C. (2016). What good leaders actually do: micro-level leadership behaviour, leader evaluations, and team decision quality. *European Journal of Work and Organizational Psychology*, *25*(6), 773-789.

- Meyer, P. (2019). Apple Inc.'s organizational culture & its characteristics (An analysis). Panmore Institute. https://panmore.com/apple-inc-organizational-culture-features-implications

- Murphy, M. (2017). Apple has never been first on anything and it isn't about to change now. Quartz. https://qz.com/1001840/apple-has-never-been-first-on-anything-and-it-isnt-about-to-change-now/

- Nary, P. (2008). Is Apple losing its innovation edge? Knowledge@Wharton. https://knowledge.wharton.upenn.edu/article/apple-innovation-edge/

- Palmer, I., Dunford, R., & Buchanan, D. A. (2017). *Managing organizational change: A multiple perspectives approach*. New York: McGraw-Hill Education.

- Perry, S. (2016). Tim Cook, a Case Study on the Effects of. s.l., The SANS Institute.

- Rose, F. (2011). The end of innocence: What happened after Apple fired Steve Jobs. *Luettavissa: https://www. wired. com/2011/08/the-end-of-inno/. Luettu*, *2*, 2016.

- Seitz, P. (2016) "Apple Could Use New CEO Leadership, Analyst Suggests" *Investor's Business Daily,* Available at: http://www.investors.com/news/technology/click/apple-could-use-new-leadership-analyst-report-suggests/

- Worstall, T. (2016). The Guardian Wrong - Apple, Suicide, China, Wages - About, s.l.: Retrieved from https://www.forbes.com/sites/timworstall/2016/09/20/the-guardian-wrong-apple-suicide-china-wages-about-everyt hing-all-the-time/#14d48f202e93

- WWDC. (2017). Worldwide Developers Conference 2017. Retrieved from https://developer.apple.com/wwdc17/: Apple Inc.

- Yu, H. H. (2013). Decoding Leadership. Journal of Business & Management, 19(1), 33-44.