

10.1: Focus on Power: The Case of Steve Jobs

In 2007, *Fortune* named Steve Jobs the “Most Powerful Person in Business.” In 2009, the magazine named him “CEO of the Decade.” Jobs, CEO of Apple Inc. (NASDAQ: AAPL), has transformed no fewer than five different industries: computers, Hollywood movies, music, retailing, and wireless phones. His Apple II ushered in the personal computer era in 1977, and the graphical interface of the Macintosh in 1984 set the standard that all other PCs emulated. His company Pixar defined the computer-animated feature film. The iPod, iTunes, and iPhone revolutionized how we listen to music, how we pay for and receive all types of digital content, and what we expect of a mobile phone.



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How has Jobs done it? Jobs draws on all six types of power: legitimate, expert, reward, information, coercive, and referent. His vision and sheer force of will helped him succeed as a young unknown. But the same determination that helps him succeed has a darker side—an autocracy and drive for perfection that can make him tyrannical. Let’s take each of these in turn.

1. *Legitimate power.* As CEO of Apple, Jobs enjoys unquestioned legitimate power.
2. *Expert power.* His success has built a tremendous amount of expert power. Jobs is renowned for being able to think of markets and products for needs that people didn’t even know they had.
3. *Reward power.* As one of the richest individuals in the United States, Jobs has reward power both within and outside Apple. He also can reward individuals with his time and attention.
4. *Information power.* Jobs has been able to leverage information in each industry he has transformed.
5. *Coercive power.* Forcefulness is helpful when tackling large, intractable problems, says Stanford social psychologist Roderick Kramer, who calls Jobs one of the “great intimidators.” Robert Sutton notes that “the degree to which people in Silicon Valley are afraid of Jobs is unbelievable.” Jobs is known to berate people to the point of tears.
6. *Referent power.* But at the same time, “He inspires astounding effort and creativity from his people.” Employee Andy Herzfeld, the lead designer of the original Mac operating system, says Jobs imbues employees with a “messianic zeal” and can make them feel that they’re working on the greatest product in the world.

Those who work with him say Jobs is very hard to please. However, they also say that this means that Apple employees work hard to win his approval. “He has the ability to pull the best out of people,” says Cordell Ratzlaff, who worked closely with Jobs on OS X for 18 months. “I learned a tremendous amount from him.” Jobs’s ability to persuade and influence has come to be called a “reality distortion field.” As Bud Tribble put it, “In his presence, reality is malleable. He can convince anyone of practically anything.” Hertzfeld describes his style as “a confounding mélange of a charismatic rhetorical style, an indomitable will, and an eagerness to bend any fact to fit the purpose at hand.” The influence works even when you’re aware of it, and it works even on “enemies”: “No other high-tech impresario could walk into the annual sales meeting of one of his fiercest rivals and get a standing ovation,” which is what Jobs got in 2002 from Intel Corporation (the ally of Apple archrival Microsoft in the partnership known as Wintel: Windows + Intel).

Jobs’s power is not infallible—he was ousted from his own company in 1987 by the man he hired to help him run it. But he returned in 1997 and brought the company back from the brink of failure. The only years that Apple was unprofitable were the years during Jobs’s absence. Many are watching to see how Apple and Jobs succeed with the iPad in 2010.

Based on information from Schlender, B. (2007, November 27). The power of Steve Jobs. *Fortune*, 117–118; Sutton, R. (2007). *The no asshole rule*. New York: Warner Business Books; Kahney, L. (2008, March 18). How Apple got everything right by doing everything wrong. *Wired*. Retrieved January 4, 2008, from http://www.wired.com/techbiz/it/magazine/16-04/bz_apple; Hertzfeld,

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Discussion Questions

1. Steve Jobs has achieved a great deal of success. What are some possible negative consequences of the level of power that he holds?
2. Where does Steve Jobs's power and influence come from?
3. How might the CEO of Apple create compliance within his organization?
4. Does a member of an organization who has the title of power, such as Steve Jobs, need legitimacy from the members of the organization to realize that power, or is the title enough?
5. Apple is a global company. How might the power structure within Apple change to reflect regional differences?

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