

C

E



Center for
Effective
Organizations

**Sustainable Leadership: The Iconic
Leader Problem**

**CEO Publication
B 11-11 (599)**

Edward E. Lawler III
Director
Center for Effective Organizations
University of Southern California

September 2011

Sustainable Leadership: The Iconic Leader Problem

Edward E. Lawler III

For the last several months CEO succession at Apple has gotten a considerable amount of attention because of the health problems of Steve Jobs. The corporate board has been asked what their succession plan is for the CEO role and so far they have avoided giving a definitive answer.

It is no wonder that investors are concerned. There are many examples in the history of American business that demonstrate how hard it is to replace an iconic leader. GE has not done well since Jack Welch left. Polaroid went bankrupt a few years after its founder, Edwin Land retired. Disney floundered for a number of years after Walt Disney retired.

The most common reason given for the failure to find replacements for iconic leaders is poor leadership development on the part of their companies. But there is much more to the problem of succession in icon lead companies than simply the lack of talent development and of the succession planning.

Iconic leaders such as Welch and Disney often spend decades in their CEO roles and exert enormous influence through all aspects of their company's strategy, operations and design. They create leadership roles that fit them. They institutionalize their way of managing to such an extent that their replacements simply have to do the job the way they did it or make enormous changes in the way

senior management operates. Of course it is virtually impossible to find a leader who can replace icons such as Welch, and Disney in the jobs they have created, no matter how good the internal development system of a company is. In essence many icons create unsustainable leadership roles in their companies

There is an alternative to the kind of iconic leader who is impossible to replace. It is to have a senior leader who installs a sustainable leadership model. This of course raises the question: What is a sustainable leadership model? Perhaps, the best way to describe it is as a shared leadership approach. That is one where individuals throughout the organization are expected to demonstrate leadership behavior and not be overly dependent on the CEO to provide a sense of direction, mission and purpose for the organization. When leadership is shared people throughout the organization take advantage of leadership moments to influence the direction of the corporation.

Finding a new CEO is much easier with the shared leadership approach. Bill Gates did it at Microsoft and the pay-off as been continued high performance. Herb Kelleher did it at Southwest Airlines and it has continued to perform well. The implication of this for boards is clear; they need to focus on talent development and how their firm is led, not just on succession planning.

But what about Apple? Is Steve Jobs more like Bill Gates and Herb Kelleher or more like Jack Welch and Walt Disney? Is he a leader that has created

G:/General/Papers/Current/ELawler/Iconic leader problem

a sustainable leadership approach for Apple? It does not look like it to me, but only time will tell.