

**EVALUATING LEADERSHIP IN THE UNITED STATES: ELON MUSK
AND THE CORPORATE WORLD**

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ABSTRACT

The paper evaluates the leadership of Elon Musk. The paper analyzes whether Musk a manager or a leader or both; The characteristics and skills that have helped him drive his companies forward; What could be the consequences of taking his style too far; whether Musk is the right person for Tesla, the electric car company during the times ahead, or does the company now require more of a ‘manager’ than a ‘leader’. The paper finds that although Elon Musk is a one-of-a kind CEO, many of the leadership qualities vital to his success can be developed in managers throughout a company. Companies looking to gain a competitive edge should invest in their human capital by creating an office culture conducive to developing quality managers. An office culture based on continued learning, leadership by example, clear mission objectives, and positivity is the greenhouse that empowers employees to grow into effective managers. Companies that pay the price to cultivate a strong office culture will increasingly set themselves apart and experience substantial organic growth as employees step up to become effective managers and branch out the organization.

Keywords: *Leadership, Elon Musk, United States*

1.1 Introduction

The paper evaluates the leadership of Elon Musk. The paper analyzes whether Musk a manager or a leader or both; The characteristics and skills that have helped him drive his companies forward; What could be the consequences of taking his style too far; whether Musk is the right person for Tesla, the electric car company during the times ahead, or does the company now require more of a ‘manager’ than a ‘leader’ and lastly the conclusions.

2.1 Is Musk a manager or a leader or both

Elon Musk is known mostly as a CEO of Tesla, SpaceX and SolarCity. But his history didn’t start and at those companies and projects. He started his story with technology at age 10, when he received the Commodore VIC-20 and thought himself a computer programming and sold for US\$500 the code of BASIC-based video game called Blastar to the magazine PC and Office Technology (Muwara & Uddin, 2020).

2.1.1 Management vs Leadership

Authentic Leadership is characterized by leaders as genuine, moral and character-based leaders: People of the highest integrity, committed to building enduring organizations ... who have a deep sense of purpose and are true to their core values who have the courage to build their companies to meet the needs of all their stakeholders, and who recognize the importance of their service to society (Muegge & Reid, 2019).

Tesla Inc:

He is uncompromising and demanding, forcing employees to work long hours. If any other CEO did this, no one would work for him/her but since Musk’s companies’ goals are so exciting and meaningful, everyone agrees to pour their heart and soul into the company’s mission (Felsoni, 2014).

2.1.2 Leadership from the Front.

Elon Musk inspires his employees because, although he has high expectations for them, he demands even more from himself. Leaders must be committed to doing the work necessary for the

company's success before they will be able to get others to commit. The Harvard Business Review article, Like It or Not, You Are Always Leading by Example explains that all serious leaders recognize that their example has a continuous impact on their company (Schrage, 2016). Inspiring leaders set the example for their employees through consistent hard work and adherence to the company's core values.

2.1.3 Transformational Leadership in Action

Musk's leadership behaviors coincide with each of Bennis and Nanus (1985) four strategies typically used by transformational leaders.

2.1.3.1 Visionary Leadership

Elon Musk is an example of the visionary leader. He dreams about stuff that no one else would dare or no one else would be capable of dreaming at the level of complexity that he does. He has an ability to think at system level of design that pulls together design, technology and business, and that requires a lot of confidence and coming from that ability of crazy risk taking (Schilling, 2018). This type of leadership involves a personality that recognizes, that methods, steps, processes of leadership are all obtained with and through people. They have a nature that they will do everything to transform their ideas and plans into reality. They are good with communication skills and management and they have a talent of inspiring other people with their visions, which they will keep like their personal ideas and do everything to achieve it (Ahmad, 2018).

Visionary leaders, especially in business, are effective at leading a workers to achieve a common goal. These leaders promote organized learning, creativity, and the development of strong relationships within the team. Visionary leaders help people to see how their work fits into the big picture. People get the feeling that their work matters and they also understand why. To articulate a truly inspirational vision, the leader must be able to sense how others feel and understand their perspectives. This kind of leadership style is particularly effective when the business is badly in need of a new vision or has to be turned around

By following an actions of Musk he fulfil all requirements of a visionary leader. From the statements of his co-workers and employees we know that he is not an easy person to work with. As Gwynne Shotwell observed, the biggest challenge of working with him is that, that he never

accepts no as an answer (Shotwell, 2018). By himself he is very committed to work, even when he was younger and working at Zip2, he was sleeping next to his desk, and he asked his workers kick me when you will come to wake me up

There is no doubt that Musk has a vision. He has a vision of a world that is no longer reliant on fossil fuels, is maximizing their use of green energy, and is exploring space and building colonies on Mars (Jacoby, 2011). This vision is attractive, simple, understandable, beneficial, and—quite literally—energy creating (Northouse, 2021). Even though to most people his vision is neither realistic nor believable, Musk has made it his mission to make it both.

2.1.3.2 Social Architect

In many ways, Musk has inspired his employees. In each of his ventures—including the development of the Tesla Model S electric car and the launch of the SpaceX Falcon launch vehicle—Musk has managed to mobilize people to accept a new group identity [and] a new philosophy (Northouse, 2021). For Musk, that philosophy is maintaining unprecedented standards of excellence and clearing unforeseen paths of progress in nearly abandoned industries. Dolly Singh recounts Musk's address to his employees of SpaceX after the failure of the first launch attempt—a pivotal moment in which she recognized that a failure in leadership would have destroyed us (2013). However, in what Singh calls the most impressive display of leadership that [she] had ever witnessed, Musk encouraged and motivated his team with fortitude and ferocity, saying, For my part, I will never give up and I mean never (2013).

2.1.3.3 Trust

In this and similar situations, Musk continually earns the trust of his followers by being predictable [and] reliable, even in situations that are uncertain (Northouse, 2021). Time and again, when Tesla struggled through various crises of financial difficulty, Musk continued to fund the company out of his own pocket, ultimately investing over \$100 million into the electric car company (Jacoby, 2011). It should be noted that research shows that transformational leadership is most effective in times of crises (PSU WC, 2015); as such, it is unsurprising that Musk's transformational leadership strategies were most apparent in these uncertain situations.

In spite of all this, the strongest distinguishing factor between Musk and his vision and the standard transformational leader is the reliance on ethical standards, values, and moral convictions. Northouse (2021) speaks of one of the strengths of transformational leadership being its strong emphasis on followers' needs, values, and morals, its attempt to move people to higher standards of moral responsibility, and its being fundamentally morally uplifting

3.1 The characteristics and skills that have helped him drive his companies forward.

Personality attributes and characteristics that make him a contender for the most innovative intellectual entrepreneur of the century alive.

3.1.1 Hard-work and Characteristic Work Ethics

Elon Musk is a hard-working innovator, working for about 100 hours a week, and has been productive since many years. He may even be considered as the hardest working employee of the company, setting standards for his colleagues to follow and implement. Since the field of work lies inside his radius of interests, he enjoys it to every moment and bit when it comes to learning and execution.

3.1.2 Strong Risk Tolerance

Founding a start-up involves a great deal of uncertainty and risk. A study found that after 10 years of being in business, 96 percent of the start-ups fail. Going by the statistics, Musk must have faced the same odds against him, when he had decided to leave an otherwise comfortable life to start a risky and uncertain business venture.

For instance, Musk left his PhD program at Stanford University to find a company called Zip2 with his brother in the year 1995. Later, the company was sold to Compaq computers, profiting Musk a bit over \$20 million. Following this, Musk once again took a great risk by investing millions of dollars to found a company called X.com, one of the world's first online banks.

3.1.3 ‘Always Be Learning’ Attitude

An astounding and less-known fact about Elon Musk is that he is self-taught in programming and in many advanced level subjects. He read and understood a variety of books, which helped him gain endless and persistent knowledge and understand diverse concepts.

The best piece of advice on learning and implementation is to constantly think about how things could be done in a better manner and question self to seek the answers.

3.1.4 Feedback Loop

It is of prime importance to recognize the present symbol or otherwise ‘status quo’ in the market as an organization and re-position accordingly. Musk solicits constant feedback of the companies and executes ‘self-analysis.’ He induces efforts and divergent strategies to improve customer feedbacks and strives towards perfectionism.

For example, he seeks out his critics and tries to converse with them. This habit of self-reflection at regular and considerable periods is pivotal for any entrepreneur or organization to succeed in the long run.

3.1.5 Tendency for Vertical Integration

Vertical integration is a strategy where an organization or a firm acquires business operations within the same product vertical. Both Tesla and SpaceX embrace this concept. For example, Tesla not only produces electric cars; they also generate public awareness about their cars via Tesla showrooms across various countries. And SpaceX does not only have the primary goal of rocket propulsions; they develop their own rocket architecture as well.

3.1.6 Faith in Self and the Founding Team

Musk undoubtedly possesses a profound belief in his own capabilities as well as the potential-seeking factor of its founding team. He does not hesitate to gamble on large scale unless he is genuinely aware of the expected end-results.

It is equally essential to maintain clarity of doubt in any large scale organization. Under his supervision, Musk encourages in creating a positive and comprehensive environment across his firms.

3.1.7 Preferring to Stand Out From the Crowd

Musk elects to bring up innovation at every level of his understanding. He tends to impart theoretical knowledge at the base level, applying changes and executing the same on the practical level. He relies more on transitional aspects such as research and development, thereby increasing the probability of ground-breaking inventions.

Tesla Motors, a far headed firm headed by Elon Musk, is anti-ordinary. Its compelling marketplace has become a one-stop destination for potential buyers where they can interact about product specifications. They also have video testimonials that far outperform in the sales-dominated industry.

There is no ambiguity that Musk, by far, has been a pillar of inspiration for budding entrepreneurs and investors because of his prolific and optimistic approach towards life

4.1 What could be the consequences of taking his style too far?

For any company, bad leadership can steer the business in a less than optimal direction. For Tesla, this tendency seems to be exponentially true. This is where Musk's boldness is uniquely detrimental.

For example, since he threatened to take Tesla private (and didn't), stock prices have dropped 27 percent. Likewise, Tesla has repeatedly (if not consistently) failed to meet production forecasts. And the company is over \$9 billion in debt with revenues paling by comparison.

Despite Musk's recent tirades and outbursts, Tesla remains a bold business with tremendous opportunity for success. Musk remains one of the most innovative, charismatic, and visionary leaders in the world. Thus, the bad leadership tendencies of late certainly can be reversed. But some significant changes need to take place.

Here are a few considerations that Musk should pursue to get Tesla back on track.

- Relinquish CEO duties to a qualified candidate
- Accept an alternative leadership role that aligns with the expertise and time availability
- Restructure Tesla’s board of directors without conflicts of interest or dependencies
- Expand proxy voting opportunities for shareholders to select board members
- Create greater trust through financial transparency and authenticity of media statements
- Revisit Tesla’s core values and structure strategies accordingly
- Adopt constructive communication and stifle volatile, reactionary impulses

5.1 Will Musk be the right person for Tesla, the electric car company during the times ahead, or does the company now require more of a ‘manager’ than a ‘leader’?

Tesla has produced since Elon's been running this company, the three best all-electric vehicles that have ever been produced in the history of electric cars. Elon, to his credit, is one of the best electric vehicle designers and engineers in the world right now. He runs the company as the CEO, but he knows an enormous amount about how electric vehicles are put together, how they're manufactured, all that kind of stuff. Given where Tesla is right now, I think they need Elon more than they don't need him and so if he were to leave now, it would be bad for Tesla operationally and as a business and it would, obviously, I think, be pretty bad for Tesla as an investment.

6.1 Conclusion

Elon Musk definitely gave some new fresh air not only for world innovation but as well opened mind of many people. As Ashlee Vance observed in her book When Mark Zuckerberg wants to help you share baby photos, Musk wants to... well... save the human race from self-imposed or accidental annihilation (Vance, 2015). Even if he is a difficult and complicated person and leader, definitely every entrepreneur should take him like an example or at least acknowledge his history and never forget that the world of innovation and confidence, is our future. He is an example that everybody’s childhood dreams even if they seem difficult to achieve are possible. And there are no limits. Every future leader and entrepreneur have to be able to take risk. Elon explains his actions in easy statement I’m not trying to be anyone’s saviour. I’m just trying to think about future and don’t be sad

Although Elon Musk is a one-of-a kind CEO, many of the leadership qualities vital to his success can be developed in managers throughout a company. Companies looking to gain a competitive edge should invest in their human capital by creating an office culture conducive to developing quality managers. An office culture based on continued learning, leadership by example, clear mission objectives, and positivity is the greenhouse that empowers employees to grow into effective managers. Companies that pay the price to cultivate a strong office culture will increasingly set themselves apart and experience substantial organic growth as employees step up to become effective managers and branch out the organization.

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