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Leadership Development: A Study of Elon Musk

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NATIONS

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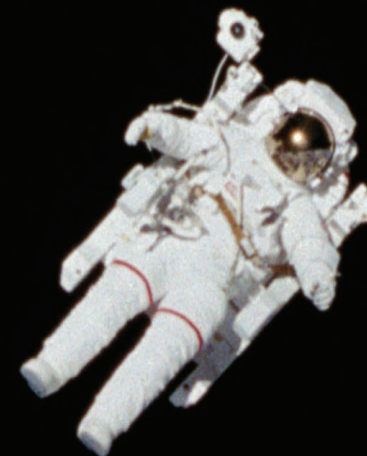
His electric
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ON MARS.

He is...

ELON MUSK.



LEADERSHIP DEVELOPMENT:

A Study of Elon Musk

BY RYAN YAUNEY

"Nations hire him to get to outer space. His solar company is cash-flow positive. His electric supercars seat seven. Superheroes emulate him. He wants to die on Mars. He is... Elon Musk."¹ Elon Musk is irrefutably a captivating figure, but how has his development as a leader influenced his success, and how can these qualities be replicated in managers across the nation?

Through his unique life circumstances, Musk has developed the important leadership qualities of being (1) a proactive learner, (2) a hard worker, (3) a bold visionary, and (4) an unwavering optimist, which still influence his success today. Businesses can't replicate Musk's lifetime of experience in their employees. However, businesses can breed leadership qualities (such as those exemplified by Musk) in their employees by (1) developing a learning culture, (2) leading from the front, (3) abiding by a mission statement, and (4) fostering positivity in the workplace.

PROACTIVE LEARNER. Musk's innate sense of curiosity stems largely from the unusual amount of independence he experienced as a child. Since his parents were divorced when he was only nine years old, Elon and his younger brother Kimbal were left much of the time to explore the world on their own.

Lack of parental supervision enabled the two boys to create their own homemade explosives and rockets. Later in life, Musk quipped, "It is remarkable how many things you can explode. I'm lucky I have all my fingers."² A pattern of learning and experimentation continued for Musk into his adult career. In the process of launching his



FIGURE ONE MILLENNIAL JOB PREFERENCES

- Potential for Professional Development
- Regular Pay Raises

Data Study by Clair Zillman⁵

company SpaceX, Musk would learn advanced levels of rocket science from his own personal study.

LEARNING CULTURE. Promoting life-long learning among a company's employees is essential to maintaining its competitive edge. For example, one recent scholarly study conducted by Andrew Cooper indicates that a learning culture positively impacts organizational performance.³

One course of action many successful companies have implemented to create a learning culture is to give financial assistance to its employees to further their education.⁴ Educational benefits are becoming increasingly important as more millennials enter the workplace.

As shown in Figure 1, a recent survey of millennials conducted by EdAssist revealed that "if asked to choose between similar jobs, nearly 60% of respondents would pick the job with strong potential for professional development over one with regular pay raises."⁶ Giving financial aid for continuing education (whether through graduate school, online courses, or industry related seminars) not only increases company performance by promoting a learning culture in the workplace, but also attracts and retains potential employees.

HARD WORKER. From an early age, Elon Musk learned not to be afraid of hard work. At age 15, Musk embarked on his trek to the land of opportunity with two small caveats: (1) he would have little money, and

(2) he would have no home. Fortunately, his mother's Canadian citizenship enabled him to obtain a Canadian passport and a one-way flight to Montreal. After arriving in Canada, Musk managed to make his way traveling between distant relatives he had never met, performing odd jobs, and working on local farms.

As a teenager, the self-denoted low point of Musk's manual labor career involved donning a hazmat suit to clean boilers at a lumber mill by shoveling steaming goop from the inside of a tunnel. Even though Musk no longer performs menial labor, his work ethic remains second to none. Today, Musk's 100-hour-work weeks lie at the core of his success. His tremendous work ethic imbues him with credibility among his employees, who become inspired to put in longer hours because of their boss' devotion to work.

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. Inspiring leaders set the example for their employees through consistent hard work and adherence to the company's core values.⁷

In Simon Sinek's book "Leaders Eat Last," he details a less commonly acknowledged, yet equally important, aspect of leading from the front. "If [employees] work in an environment in which leadership tells the truth [and] in which layoffs are not the default in hard times...the result, thanks to the increased levels of oxytocin and serotonin, is trust and cooperation."⁸ Leaders who think of their employees before themselves create a work environment that dramatically increases the team's effectiveness.

BOLD VISIONARY. In his teen years, Musk spent a significant amount of time pouring over religious and philosophical texts. When asked which particular work touched him, his response is equally as unique as himself: comic science-fiction novel, *The Hitchhiker's Guide to the Galaxy*. The novel led Musk to deduce that "the only thing that makes sense is to strive for greater collective enlightenment."⁹ Musk's vision of a better future for humanity is the driving power behind his success.

Although former employees sometimes describe him as "autocratic and blunt to the point of offensive," they remain remarkably loyal.¹⁰ While employees may either revere or loathe the man for his methods, bright minds are consistently attracted to Musk's leadership and populate his companies today. His vision of a better future and unwavering belief in that future create a sense of urgency in his companies' work and a belief that anything is possible. He is able to push his employees harder because they understand that they are working towards a greater cause.

MISSION STATEMENTS. Mission statements provide a sense of focus and direction among employees. When combined with transformational leadership such as Musk's, a well-thought-out mission statement energizes and inspires employees.¹¹ Like Steve Jobs, Musk's ability to share his vision with his employees enables him to recruit top-tier talent, even when other companies are more established or offering significantly more pay. One talented employee remarked that when deciding between working for Musk or for another more established company where he would

be paid more, "I wanted to throw caution and logic to the wind... [and] work for the creative genius."¹²

Beyond creating a sense of focus and direction among employees, mission statements keep a company focused on its core competencies. Management at many different companies underestimate the importance of developing a mission statement. Researcher Fred David found that 59 percent of the Chief Executive Officers of Business Weeks' top 1,000 firms run companies that do not have mission statements.¹³ Many of these firms go on to acquire companies out-of-line with the company's original core business or product areas. After a closer look, researcher Michael Porter discovered a shockingly dismal success rate when companies acquire other firms outside of their original scope.¹⁴

UNWAVERING OPTIMIST. While Musk's ability to fail may not separate him from his competitors, he differentiates himself with his ability to remain optimistic and wholeheartedly convinced that he will succeed. After lengthy development of a new model of his all-electric Tesla car, the vehicle burst into flames during a test run. On Tesla's blog, Musk gave his rebuttal to the public, "For consumers concerned about fire risk, there should be absolutely zero doubt that it is safer to power a car with a battery than a large tank of highly flammable liquid."¹⁵

Musk's childhood problem with bullies played a large role in developing his optimistic tendencies. Throughout his childhood, Musk was repeatedly bullied by many of his classmates, once even to the point where he had to be rushed to the hospital. Musk summarizes his emotional response to being bullied as a child, "If you get up in the morning and think the future is going to be better, it is a bright day. Otherwise, it's not."¹⁶ For Musk, the only viable option was to hold on firmly to hope. Today, Musk's hard-earned lesson to remain optimistic enables him to see a **bright future** in industries doomed by his critics to failure.

**IF YOU GET UP IN THE MORNING
AND THINK THE FUTURE IS GOING TO
BE BETTER, IT IS A BRIGHT DAY.**

FIGURE TWO

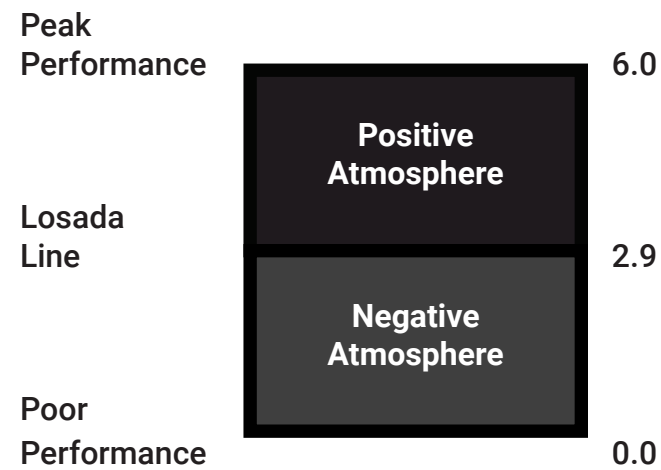


Figure Courtesy of Author

THE HAPPINESS ADVANTAGE. World-renowned psychologist Shawn Achor asserts in his book “The Happiness Advantage” that happiness and positivity are key drivers of success and productivity.¹⁷ Figure 2 illustrates how, after extensive mathematical modeling, psychologist and business consultant Marcial Losada determined that 2.9013 is the ratio of positive-to-negative interactions necessary to make a corporate team successful. Furthermore, Losada discovered that although teams just above the “Losada Line” aren’t hindered by negativity, teams that manage to reach a ratio of six-to-one positive-to-negative comments yield peak levels of performance.¹⁸

Because managers generally interact with a large number of employees, they have a tremendous opportunity to influence office culture. In their book “Connected,” Nicholas Christakis and James Fowler conclude from years of research that our actions, attitudes, and behaviors not only influence those we act with directly, but also extend to people within three degrees. Fowler explains, “I know that I’m not just having an impact on my son, I’m potentially having an impact on my son’s best friend’s mother.”¹⁹ Managers have the opportunity and responsibility to greatly impact office culture through consistent personal optimism.

CONCLUSION. 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.

Notes

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- ³ Andrew L. Cooper, Joseph R. Huscroft, Robert E. Overstreet, and Benjamin T. Hazen, “Knowledge Management for Logistics Service Providers: The Role of Learning Culture,” *Industrial Management & Data Systems* 116, no. 3 (2016): 584-602. <https://search-proquest-com.erl.lib.byu.edu/docview/1776779178?accountid=4488>.
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- ¹¹ Duane Ireland, and Michael A. Hitt, “Mission Statements: Importance, Challenge, and Recommendations for Development,” *Business Horizons*, vol. 35, no. 3 (May/June 1992).
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- ¹⁶ Larry Kim, “50 Innovation and Success Quotes from SpaceX Founder Elon Musk,” *Inc.com*, accessed November 11, 2017. <https://www.inc.com/larry-kim/50-innovation-amp-success-quotes-from-spacex-founder-elon-musk.html>.
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- ¹⁸ Achor, *The Happiness Advantage*.
- ¹⁹ Nicholas A. Christakis, and James H. Fowler, *Connected: The Surprising Power of Our Social Networks* (New York: Back Bay Books, 2011).