

Blake Mycoskie's Leadership Styles in Relation to his Management of TOMS

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TOMS is a shoe company as well as a social movement that was founded by Blake Mycoskie in 2006. Blake's inspiration derived from his vacation to Argentina when he witnessed poverty at first hand. Many children across the world cannot afford shoes; without shoes many children cannot attend school and live healthy lives (*The Huffington Post*, 2012). According to the TOMS company website, there are many soil-transmitted diseases that are easily preventable with a pair of shoes. His trip inspired him to create a product, a shoe based on the Argentina's alpargata, starting a new business idea that gave back. It's a simple mission: buy a pair of shoes and TOMS will give a pair away to a child in need. After selling 10,000 pairs, he returned to Argentina for his first shoe drop. Blake took his few employees, friends and family to live out his dream; they hand-delivered 10,000 shoes to those impoverished children. "The smiling faces of the children is his motivation for the years to come." (Mycoskie, 2011, pg. 17) In only a few years, his dream of helping children became a reality. His business has grown tremendously since it opened in 2006.

They have been able to give out over two million pairs of shoes to children in over 40 different countries (*The Huffington Post*, 2012). The company's success could be credited to the giving component of the company, "[it] turns [TOMS] shoes [into] more than a product, they're a story, a mission, and a movement anyone can join" (Mycoskie, 2011, pg. 19). When a consumer, or supporter, purchases a pair of shoes for themselves, not only are they receiving a fashionable product but they can feel that they are making a direct impact on the world (Mycoskie, 2011).

TOMS' unique business model forces consumers to consciously decide how to spend their money. Conscious capitalism has stimulated people to think twice before purchasing a

product or service, one that is one sided, only benefitting themselves (*Success*, 2009). Because of TOMS' charitable business model, it attracts morale employees as well as successful partnering organizations. Both of these are useful because they want to be part of the TOMS story and it allows extraordinary people branch out from day to day corporate jobs to change lives (Mycoskie, 2011). TOMS is continuously growing with innovative ideas. In the summer of 2011, the global movement expanded with a new launch of eyewear. For every pair of eyewear purchased, TOMS will help give sight to a person in need. Vision is another vital essential in the world where TOMS is able to extend their One for One movement to help in other ways.

At 30, entrepreneur Blake Mycoskie was accustomed to business failure. With 4 business startups under his belt, ranging from a door to door laundry service to a behind the wheel driving training school, he knew he needed something different. Although he knew nothing about the shoe industry he knew TOMS was not the same; “[this business] gave him a sense of fulfillment unlike anything else he’s felt before” (Mycoskie, 2011, pg. 16) TOMS integrated corporate social responsibility and profit which gave it a competitive advantage. Keeping this in mind, in his new business he wanted to earn money, achieve fulfillment and make a positive impact on the world (Mycoskie, 2011). According to *Success* (2009), Blake claims that “ultimately, [he’s] trying to create something that’s going to be here long after [he’s] gone.” Blake stays inspired through reading, travelling and journaling. He currently lives on sail boat and his business lifestyle is very different from most CEO's. His autonomy management and simple lifestyle allows us to recognize how ubiquitous his leadership truly is (Schweitzer, 2010). He gives his employees so much trust which creates mutual respect in the company.

Because of this unique business model, Blake Mycoskie has taken a different approach than most of CEOs and their businesses. Blake states during a shoe drop that “[they] were all so

overcome with emotion that it was almost impossible to be business like” (Mycoskie, 2011, pg. 15). The internal structure and culture at TOMS is unique requiring Blake to approach his leadership differently. He uses three distinct forms of leadership while managing TOMS: servant, authentic and transformational. Through these leadership styles he is able to motivate and inspire his employees to make a difference, making sure that everyone on the team is performing to their fullest capabilities (Mycoskie, 2011, pg. 131). This paper will analyze each leadership style that Blake Mycoskie uses throughout his for-profit charitable company and assess how effective they are in modern day and age businesses.

Servant Leadership

Blake Mycoskie's inspiration for the company started with his vision to serve. According to TOMS website, it wasn't until after he witnessed the need of shoes of children in Argentina, he envisioned starting a business that provided these children with shoes. His long term goal for the company isn't to maximize profits and production but to inspire his followers to go be servant leaders and start something important and beneficial to society (Mycoskie, 2011). In an *Inc.* interview, Blake states that “[his] goal is to inspire the next generation of entrepreneurs and company leaders to think differently about how they incorporate giving into their business models” (Schweitzer, 2010).

According to Greenleaf, the person that coined the term, servant leadership “begins with the natural feeling that one wants to serve, to serve first. Then conscious, choice brings one to aspire to lead.” (Reed, Vidaver-Cohen, & Colwell, 2011). Although TOMS is a for-profit shoe business, it is a One for One Movement that satisfies social responsibility therefore Myscokie wanted to “lead with a softer, more human touch” (Mycoskie, 2011, pg. 130). He does this by motivating his employees, customers and building a community rather than a corporation.

In order to create a community, Mycoskie needed to create a sense of purpose. When a servant leader brings meaning to employees, they feel good and it creates a sense of community. Former CEO, James Blanchard talks about servant leadership and says that it makes them feel “that they are part of a team that stands for something good, that there is higher calling than just working to get a paycheck, that they are improving mankind, there is an energy level that explodes and great things happen.” (Hitt, Miller, Colella, 2009, pg. 277) Mycoskie exhibits servant leadership because he values his followers-employees, customers and community, is constantly seeking new ways to be inspired and give more, and is commitment to the growth of the individuals in his organization taking a “holistic approach to his work” (Reed et al., 2011). Mycoskie works on creating employees who are attached to the company and its mission. He believes that “everyone in the organization should feel attached to TOMS to the degree that anyone can be a spokesperson wherever it’s appropriate” (Mycoskie, 2011, pg. 130). TOMS is a company that values participation from all individuals and is willing to share credit as much as possible to promote an environment of equal participation. Mycoskie empowers his employees where they have the confidence to voice their opinion and execute ideas.

Servant leadership allows the executive of the company to be more than the boss that manages productivity and efficiency, it allows the leader to turn the company into a movement; TOMS is a representation of this theory with their One for One mission. Because of their unique business model, Mycoskie is able to find employees who already share common values and beliefs. Mycoskie (2011) states that “the company culture is unique,”. “I’ve been lucky enough to attract passionate, dedicated people who will do anything to make an impact on the world. (Success, 2011) With passionate employees and Mycoskie’s inspirational leadership, their vision to give back turns this company into a community that shares the same value of service. This

combination creates a movement that raises awareness to the social issues that originally inspired this business idea.

Authentic Leadership

Being true to oneself, staying inspired and continuously wanting to develop themselves and their associates are qualities of authentic leadership. Transparency and allowing people to learn from their mistakes, develop and grow are also characteristics of an authentic leader (Hitt et al., 2009). Blake Mycoskie portrays this leadership style because he genuinely tries to develop himself and stay inspired. This is why his business management lifestyle is so different from many other CEOs. Mycoskie discloses in an interview this, "I'm somewhat obsessed with — I wouldn't say efficiency — but I would call it lifestyle design. I really don't work a lot. I mean, I actually take more time off and spend it in nature — surfing and traveling for fun — more than most CEOs do" (Kan, 2012). He spends most of his time traveling to countries to speak to companies, organizations and universities about TOMS. He claims that "when we're in these countries, we are in the field at least once a day hand-placing shoes on kids' feet. It's really important for us to go back and do that. It's a renewable energy source for me. Seeing the smiles on those kids' faces makes me excited to continue on" (Schweitzer, 2010). When he's not traveling, he lives on a sailboat where he can reflect on his personal and spiritual life through journaling and reading. Mycoskie leads through his own self-awareness and self-reflection. He is continuously fed by learning about himself and exploring the world, constantly looking for ways to stay inspired and share the TOMS movement.

One way that Blake Mycoskie is so effective in his relaxed management style is through open communication and transparency, his willingness to admit to his mistakes and allow others to do the same. Mycoskie believes that through someone's mistakes creates individual and

organizational growth (Kan, 2012). It takes responsibility to recognize that one's judgment was poor and it was a mistake. Betsy Myers, director of the Center for Women and Business at Bentley University, writes that "leadership is about how you make people feel – about you, about the project or work you're doing together, and especially about themselves," (O'Brien, 2011). Through his own mistakes, Mycoskie is able to take responsibility and learn from them. When the company first started, Blake was inspired with a new shoe design, Airstream. Since they traveled in an Airstream trailer and he loved the brand because it stands for an "on-the-road freedom", he assumed other Airstream fans were equally passionate and would love his new Airstream TOMS. The production team made 800 pairs of gray and navy shoes with an image of the U.S. as a liner, to sell at the Airstream convention in Georgia in 2008. However, the Airstream fans were mostly retirees who preferred a different, more comfortable kind of shoe. Due to the different in demographics, they only sold five pairs and his idea was a complete failure. However, he admitted to his mistake recognizing that more research needs to be done before a new product design can be developed. (Mycoskie, 2011, pg. 132). Through other mistakes, when the leader admits to a mistake, it reminds everyone that they are human. Mistakes create a need for transparency, allowing everyone to keep the same vision even when minor things change.

With such a simple business model, Mycoskie envisions and trust his employees to live out the company's mission. According to author, Blake Mycoskie, "the easier it is for someone to understand who [they] are and what [they] stand for, the easier it will be for that person to spread the word to others" (2011, pg. 112). Because of this he works very hard to have open communication with his employees. Referring to his emails he says, "I'm a very open person, so I really tell the staff what I'm struggling with and what I'm happy about. I tell them what I think

the future of Toms is. I want them to understand what I'm thinking. It's like I'm writing to a best friend” (Schweitzer, 2010). He believes that a healthy organization can complement publicly and criticize privately. Mycoskie (2011) mentions that it's a good thing to show emotion when interacting with associates because “revealing your true self makes you more real to everyone around you” (p. 145). With this openness comes trust which will be analyzed in the next leadership style, transformational.

Transformational leadership

The last leadership style that I am going to evaluate is the underlying umbrella of most ethical leadership theories, transformational leadership. This leadership style is similar to servant leadership, a term coined in 1977 by Greenleaf, however there are a few differences. Both styles value respect, vision, influence, modeling trust, integrity and delegation. However, a servant leader leads through service, while a transformational leader “empowers their followers to achieve organizational goals” (Washington, 2007). This is different from transactional leadership in that the leader puts the organization interests before their own and they encourage their associates to do the same. Transformational leaders are transactional in that they “exchange a social transaction with their followers” (Reed et al., 2011 p. 3). Leaders need to gain the trust and respect from their followers to achieve personal and social goals within the company (Reed et al., 2011). They motivate their followers to be innovative, do more than what's expected, continuously grow, develop and gain self-confidence. Leaders use charisma, individual consideration and intellectual stimulation in order to communicate and achieve the mission of the organization (Hitt et al., 2009). At TOMS, the company's culture is very different which makes it apparent that Blake Mycoskie displays many of these characteristics of a transformational leader. Research shows that “transformational leadership has also been linked to follower

satisfaction and commitment, unit performance, organizational performance, and individual performance” (Hitt et. al., 2009, p. 273). Mycoskie trusts his company, values his associates, and focuses on their development in order to motivate and inspire them to support his ONE for ONE movement.

The first step to this transformation is hiring the right people the company. Because of the quality employees that TOMS has, Mycoskie is able to give out much more autonomy to his associates. Through his hiring process, he carefully selects individuals that fit the culture at TOMS. He ensures that the core values are engrained in the organization at all times as he states that the “company’s culture needs to be maintained at all costs” (Mycoskie, 2011, pg. 137). In a recent interview with *Hypebeast*, Blake admits that a big key to his success has been “hiring people and spending intense amounts of time with them initially, and then really setting them free” (Kan, 2012). He finds people he can connect with on a personal and profession level, people who are just as passionate about making a difference as he is. Once he’s found the right people, he trusts them, giving them extreme amount of autonomy. He believes that if he extends his trust level and allows his employees to make their own mistakes, in the end the payoff will be much greater than his expectations. He allows give his interns a tremendous amount of autonomy. Mycoskie cherishes their work ethic and passionate, usually those two together create phenomenal results (Mycoskie, 2011). This leadership quality is unique from many other managers and CEOs who tend to micromanage their employees. However, this is what makes TOMS unique, Blake Mycoskie does his own thing. He believes that “when you give someone autonomy, it gives them more joy in what they do and unless they give you reason not to give them autonomy, there’s no reason to hire someone to do the job and do 20% of their job for them” (Kan, 2012).

Through the company's growth, they now conduct psychological tests during the hiring process. It includes simple questions about hypothetical situations but they have found it being extremely useful when it comes to predicting one's behavior in stressful situations, how they make decisions, and how they're likely to treat the staff. They make sure that the applicant is the right fit for the company and their role (Kan, 2012).

With this freedom comes responsibility. The associates at TOMS feel empowered and take ownership for their work. This gives them the opportunity to grow and develop self confidence in their work. This creates an intense, competitive urgency from employees because they want to be there, creating an internal motivation (Kan, 2012). This internal motivation will bring them inherent satisfaction what their task is complete. Especially since "[people] derive enormous satisfaction from feeling that [they're] in control of [their] jobs" (Mycoskie, 2011, pg. 128). Mycoskie hopes to empower everyone in his company to feel like a spokesperson for TOMS (Mycoskie, 2011, pg. 134). Everyone should be allowed to give input, participate in decisions, brainstorm new ideas, and feel attached to the company. This is why Mycoskie "never believed in conventional titles [in TOMS]" He claims that "when you dispose of formal titles, no one knows the pecking order" (Mycoskie, 2011, pg. 86). This autonomy allows employees to perform as individuals and allows them to gain self-confidence knowing that they have the power and a say in the company. By providing this individual consideration, Mycoskie trust the company's core values, mission, and its culture enough that each member in the TOMS movement is capable to do his work. Each job task is different however they are all working there for the same mission of service.

In order to continuously expect to have hard working, motivated employees, they need to be kept happy. Blake shows that he values his employees by giving them unbelievable perks.

Every year, the company goes on a ski trip to Mammoth Mountain as a reward for their hard work. When the company was still in start-up stage, they would hold weekly competitive outdoor bocce-ball tournaments to keep the work environment fun and exciting (Mycoskie, 2011). TOMS also provides daily workout classes for any employees trying to stay fit. They are also able to support other causes that are related with their movement. Also, after an employee has been with TOMS for over one year, the company will pay for them to visit one of the countries where they give. It's like their own personal shoe drop, like a paid vacation. They are able to experience first-hand at the impact they are making with their hard work. With more resources, Blake mentions that "with the profits that TOMS has generated, having resources allows you to have really develop and take care of your people, which is the most important thing in any business and to have a lot of fun" (Kan, 2012). Since Blake connects with his employees on a personal and professional level, they view him more than just a boss. Due to Mycoskie's charisma, passion and transformational leadership qualities, while maintaining TOMS' culture, he is able to hire the right employees, give them autonomy, which builds trust and shows individual consideration and ensuring their personal value to the organization.

Conclusion

To summarize, Blake Mycoskie is very effective in managing and continuously inspiring his company. TOMS has grown in only a few years, partially due to his newly adopting social conscious business model but also due to his unique leadership styles. He is a believer in giving and making a difference in the world. Mycoskie strongly feels that "every person alive can make the world a better place. [Everyone] is equipped to help one another (Mycoskie, 2011, pg. 184). At TOMS he does a great job inspiring others to go out find their passion, give back and make a difference. It starts directly with his employees in the company. His servant heart shines through

when he emphasizes the mission and purpose of the company, creating a movement at TOMS. This idea attracts extraordinary individuals that want to work for a company that is socially conscious and gives back to the world. As an authentic leader, Mycoskie makes sure that he is transparent and open with his followers. He is aware of his own mistakes and allows other make their own. His relaxed lifestyle allows his to grow, become more self-aware and look for more ways to give and stay inspired. TOMS encourages individual growth and development within the company. As a transformational leader, he inspires his follows to believe in the movement and the vision of the company. He knows that if they feel commitment to the organization's vision, they will work harder in trying to achieve it. It's more than a paycheck to the employees when they are internally motivated to give and serve. According to Mycoskie, leadership is how you make people feel. He empowers people to get out and do something that matter. Live out a passion, start something that you're interested in. There is an overall need for more business leaders like Blake Mycoskie. According to Washington (2007), all of these ethical leadership styles embrace and encourage innovation and creativity. There is also a link to job satisfaction and happy employees. Out of the 40 employees that started the business, 36 of them remain with them today mostly because of their commitment to the company. Mycoskie states that, "[his] hope is to inspire other companies to either incorporate the one-for-one model, or straight-on giving, in everything they do" (*Success*, 2009). He is filled with joy and satisfaction when he hears success stories of other people going out and making a difference. TOMS started out as a business that helped out children without shoes but it has turned into a movement that inspires individuals to make a difference in the world.

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