

07B:201 – Foundations of School Administration

Final Project: The Leadership Style of Vincent Kennedy McMahon

Vincent Kennedy McMahon is best known as the founder, majority shareholder, and Chairman of the Board of the \$1.23 billion American professional wrestling organization, World Wrestling Entertainment, Inc. (WWE). In addition to being a billionaire and one of the most recognizable personalities in professional wrestling, McMahon is widely considered to be the single driving force behind the growth of professional wrestling over the past 30 years. The popularity, success, and perhaps existence of modern professional wrestling in America are due to the work, vision, and leadership of Vince McMahon.

I chose Vince McMahon for this project for three reasons. First, I've always been fascinated by the spectacle of professional wrestling. I remember, as a child, coming home from church every Saturday evening with my brothers, turning on the television, and watching our favorite wrestlers, such as "The Nature Boy" Ric Flair, Hulk Hogan, the Junkyard Dog, and S.D. "Special Delivery" Jones "compete" for the heavyweight championship belt. The business, politics, and performances surrounding the world of professional wrestling have always interested me. Another reason why I chose McMahon for this project is because of the dual leadership role he plays. In reality, Vince McMahon is the Chairman of the WWE and responsible for making business decisions. McMahon is also a professional wrestling performer, playing the role of the ruthless billionaire Mr. McMahon. I thought it might be fun to compare the leadership style of the real Vince McMahon with the fictional Mr. McMahon character he plays on television. The third reason why I chose McMahon is that I have

heard many stories about his leadership style. The stories of his successes and failures always portray Vince McMahon as being a classic Dynamic Aggressive leader. I thought it would be interesting to learn about a man who has experienced success (through his vision, charisma, and work-ethic) and failure (through his ego, greed, and ruthless nature).

### **Short Biography: The life of Vince McMahon (and examples of his leadership style)**

Vincent Kennedy McMahon was born on August 24, 1945 near a military base in North Carolina. His family was not wealthy – Vince and his brother Rodney grew up in a trailer park with their mother, Vicki Lupton, and a series of abusive stepfathers. Vince recalls his first stepfather, Leo Lupton, as “... a man who enjoyed kicking people around. It’s unfortunate that he died before I could kill him” (Assael & Mooneyham, 2004, p. 23). Vince describes his childhood as being so troubling, that he considered committing suicide as a young boy.

At age 16, Vince began dating the 13-year old Linda Edwards. The two married right after Linda graduated from high school. Before enrolling at East Carolina University, Vince attended the Fishburne Military Academy and became the first cadet in the school’s history to be court-martialed. While the details of this court-martial are unknown and Vince was not convicted, it does suggest that Vince had problems with authority figures.

Vince first met his biological father, Vincent James McMahon, at age 12 and learned that both his father and his grandfather were professional wrestling promoters – they were in charge of scheduling and advertising live wrestling events. At the time, the country was segmented into twelve professional wrestling territories. Because of financial difficulties, many of the wrestling promotions serving these territories merged to form the National Wrestling Alliance (NWA). Two wrestling promotions refused the merger. One of these promotions was the Minnesota-based American

Wrestling Alliance (AWA) owned by Verne Gagne. The other promotion that refused to merge was the World Wide Wrestling Federation (WWWF), owned by Vince McMahon's father.

Vince had shown no interest in entering the family business. In 1971, his father signed a television deal to air WWWF events across the entire east coast. Seeing an opportunity, the WWWF lead television announcer asked Vince McMahon Sr. for a pay raise. McMahon fired the announcer on the spot and offered the job to his son. Overnight, Vince McMahon Jr. had turned from an unsuccessful traveling salesman to the lead television announcer for his father's wrestling promotion. Vince had finally entered the world of professional wrestling.

Along with his announcing duties, Vince was allowed to promote a few events for the WWWF. His first few promotions were failures financially. His only financial success was promoting an innovative match in Japan that pitted the Japanese legend Antonio Inoki against American boxing legend Muhammad Ali. In addition to being a failure financially, Vince upset many of the experienced wrestlers by asking them to innovate by wrestling outside the ring and into the parking lots. While the events he promoted were not financial successes, they did demonstrate that Vince had a vision for the wrestling business and a desire to innovate.

His vision and desire to innovate led Vince McMahon to look at the state of professional wrestling – the struggling alliances of the NWA, AWA, and WWWF – and see opportunity. Vince was convinced that the first man who could create a single nationwide wrestling promotion would control the future of professional wrestling. Rather than trying to form an alliance of local promotions like the NWA, Vince wanted complete control. In 1982, Vince bought the WWWF from his father, changed its name to the World Wrestling Federation (WWF) and created Titan Sports, Inc.

Titan Sports, Inc. set out to buy smaller wrestling promotions throughout the country. In a meeting with McMahon, Verne Gagne refused to sell the AWA to Titan Sports, Inc. Gagne offered

McMahon a partnership deal with the AWA, to which McMahon replied “I don’t negotiate.” Rather than purchase the AWA outright, McMahon decided to offer contracts to the AWA’s top wrestling stars. This strategy destroyed the AWA, especially in 1983 when McMahon was able to sign AWA performer Hulk Hogan to a long-term contract.

McMahon continued the successful strategy of stealing popular wrestlers from competing organizations. Apparently, Vince felt no remorse in forcing the organizations to declare bankruptcy. He felt as though the smaller promotions stood in his way of creating a nationwide wrestling promotion. He also felt that the leaders of these smaller promotions were unwilling to put the effort into making professional wrestling successful, saying “they had a tough week if they put two days at the office.”

Soon McMahon’s WWF was the biggest promotion in the country, rivaled only by the competing National Wrestling Alliance. While the NWA focused on traditional wrestling, Vince’s WWF focused on entertaining storylines and incorporating popular music and television stars into its product. In 1985, Vince took a huge financial risk. He used all his resources to promote *Wrestlemania* – a wrestling event that would be seen across the country via closed-circuit television. The *Wrestlemania* event, featuring wrestlers such as Hulk Hogan and Andre the Giant, along with celebrities such as Muhammad Ali, Mr. T., and Liberace, was a tremendous financial success. Vince McMahon had succeeded in creating a nationwide wrestling promotion that would go on to make money through live wrestling events, pay-per-view television, movies, music, DVDs, magazines, books, and video-on-demand online services.

McMahon’s journey to financial success was not without pitfalls. In the early 1990s, as the WWF was competing with the traditional-wrestling based NWA, Vince admitted to the public that professional wrestling was fake. He admitted that match outcomes were predetermined and that

wrestlers were simply athletic actors or entertainers. This was extremely upsetting to the older wrestlers who had worked their entire careers to keep *kayfabe* – the wall of silence that surrounded professional wrestling to keep the public into thinking it was real. Because of his admission, Vince received death threats. Harley Race, then champion of the NWA, was so upset that he tried to burn down a WWF wrestling ring during an event in Kansas City.

McMahon also had a string of failures in the 1990s. In 1990, Vince tried to expand his empire beyond wrestling by creating the World Bodybuilding Federation. The WBF, selling a nutritional supplement called *IcoPro*, went out of business in 1992 following allegations of steroid use by its performers. McMahon's woes continued as billionaire media mogul Ted Turner bought the NWA and changed its name to World Championship Wrestling. With Turner's financial resources, WCW was able to sign Hulk Hogan away from the WWF in 1994.

In 1994, Vince McMahon went on trial for allegedly providing steroids to his wrestlers. Hulk Hogan served as the key witness against McMahon at this trial. While Vince was acquitted of the charges, he admitted that he had used steroids himself. The negative publicity of this trial along with Hulk Hogan's defection to WCW forced McMahon to take a leave of absence from the WWF.

The WWF had no one to replace the creativity and vision of McMahon, so the popularity of the WWF declined in his absence. Fans began to dislike the childish storylines of the WWF (wrestlers as clowns, garbage men, and IRS employees). The fans began turning to the WCW promotion, which began its own weekly national television show and continued to lure wrestlers away from the WWF.

By the late 1990s, Ted Turner's WCW had become the most popular wrestling promotion in the U.S. The competition between the WWF and WCW was intense and peaked in 1997 when WCW signed the current WWF champion, Bret "The Hitman" Hart, to a contract. Bret Hart, a friend of Vince McMahon, had recently signed a 20-year contract with the WWF. McMahon realized that Hart

could make more money with WCW and gave permission for his champion to leave the company. While he told Bret Hart that he must lose his WWF championship before leaving for WCW, he promised that he would not make Hart lose the championship in his home country of Canada.

In 1997, during a *Summer Slam* pay-per-view wrestling event, the biggest moment in Vince McMahon's career took place. Bret Hart was set to defend his championship in Canada against his opponent Shawn Michaels. The wrestlers, along with McMahon, had agreed beforehand that Bret Hart would win the match (due to interference by wrestlers who were friends with Bret Hart's wrestler character). The match started normally, with Vince McMahon serving as the lead television announcer. Before the match was scheduled to end, Vince McMahon called a stop to the match. McMahon claimed that Bret Hart had quit the match and lost his championship. This left both the wrestlers and the wrestling fans stunned. The fans could not understand why a television announcer was able to stop a match. The wrestlers could not understand how McMahon could unexpectedly cheat Bret Hart out of his championship. McMahon had broken the single most important rule in professional wrestling – the predetermined outcomes of the matches must not be broken.

Because Bret Hart was an extremely popular wrestler, other wrestlers and the wrestling fans grew to despise Vince McMahon. Vince McMahon saw opportunity in the hatred fans had towards him. He revealed on television that he was not simply a television announcer, but that he was, in fact, the owner of the WWF. Vince created a character for himself that he called "Mr. McMahon." During wrestling events, Mr. McMahon would cheat wrestlers out of matches and fire anyone who disagreed with him. He portrayed himself as a ruthless boss who would take advantage of his employees and would do anything to make a dollar. The fans hated Mr. McMahon and would support any wrestler that stood up to the Mr. McMahon character. The strong feelings towards Mr. McMahon caused

WWF television ratings to skyrocket. Perhaps Vince McMahon's greatest mistake was also his greatest success.

Since that controversial event in 1997, Vince McMahon and the WWF have been on a rollercoaster ride of success and failure. In 1999, the WWF went public and McMahon became a billionaire. Being a public company increased scrutiny on the WWF product. Over the past decade, McMahon has had several battles with the Parents' Television Council over the language, violence, and sexual content of his wrestling events. Vince was accused of sexual harassment in 1999 by a former employee and again later by a worker in a tanning bar in 2006. In 2002, the WWF lost a trademark case against the World Wildlife Fund and was forced to change its name to World Wrestling Entertainment, Inc. (WWE). In 2001, Vince partnered with NBC in creating the XFL – a professional football league. The XFL was a complete flop and cost the WWE and NBC over \$30 million. Also in 2001, Vince was able to finally buy out the competing WCW organization. This solidified Vince's stranglehold on the professional wrestling business in America.

### **The leadership style of Vincent Kennedy McMahon**

As evidenced by the preceding biography, Vince McMahon is a classic Dynamic Aggressive and both his success and failures are due to his leadership style. He is definitely charismatic and enthusiastic, as can be seen by his on-air performances and his dedication to the professional wrestling business. He also uses his understanding of his public and private self to his advantage – he is always “in character” whenever the media is around. He also is extremely focused and hard-working. On his DVD, McMahon admits that he goes years without taking a vacation. These characteristics, along with his autocratic decision-making style (he is clearly “the leader” and no one can stop him from implementing an idea), have led to the success McMahon has achieved with the WWE.

McMahon's Dynamic Aggressive tendencies also have led to his failures. Vince is arrogant, aggressive, and rather unethical. His failures with the WWF, the XFL, and the steroid scandals that have plagued him are due to the fact that he is too arrogant and he lacks ethical clarity. He seems to believe that he cannot fail. His aggressive, autocratic, domineering nature has also led to his failures. During the downfall of the WWF in the mid-1990s, it was said that employees were afraid to try new ideas because they did not want to upset Vince McMahon. Stories of McMahon's leadership of the WWF describe how he fires many employees for seemingly insignificant reasons. He seems to be an egomaniac that believes he must make every decision for the company. He seemingly sees no value in collaboration or a democratic decision-making process and he definitely has not built an environment of trust within the WWE.

McMahon also has shown poor judgment and little impartiality in his decision-making. This could be evidenced by the fact that his son and daughter are in charge of the creative direction of the WWE, his wife is the Chief Executive Officer, and his son-in-law has primarily been the WWE champion for this entire decade. This is also evidenced by an incident that took place during a wrestling event in 1999. Vince had convinced wrestler Owen Hart (younger brother of Bret Hart, who he had cheated out of the championship just two years earlier) to make a grand entrance into the ring. Owen was to put on a harness and glide into the ring from the rafters in the corner of the arena. In an unfortunate event, the harness failed and Owen fell to his death. Rather than canceling the event, McMahon decided to continue performing.

McMahon's greatest weakness is in his inability to manage relationships. While he seemingly has a healthy marriage, he has poor relationships with his employees. This is evidenced by stories of McMahon forcing wrestlers to perform when they were injured – asking them to take painkillers so they can make money for one more day. His poor relationship management is also demonstrated by



the reactions of employees who are fired by the WWE. Many wrestlers, including Kurt Angle (who left the WWE in October of 2006) have extremely negative things to say about McMahon's ability to relate to individuals. McMahon is also unable to manage conflict effectively, as demonstrated by stories of wrestlers fighting among themselves and with McMahon during WWE events.

I think if I could discuss leadership with Vince McMahon, he would agree with some of the themes we discussed in this course. From interviews, the biography I read, and his DVD, it seems as though McMahon is aware of his weakness in managing relationships. I do think, however, that McMahon would disagree with our course discussions on decision-making and conflict management. I believe McMahon would say that effective leaders must be strong and aggressive with an autocratic decision-making style. I also think McMahon would say the best way to solve a conflict is to fight it out with whomever you are disagreeing. I think he does not see any value in collaboration, negotiation, or bargaining.

### **Implications for my leadership style**

The positive and negative aspects of Vince McMahon's leadership style that I learned from completing this project will influence my development as a leader. First, this project has reinforced my belief that an effective leader must lead by example. A leader must work hard, take risks, and show enthusiasm so that other employees are willing to do the same. Also, an effective leader must create an environment of trust so that communication is open and honest, and so that employees are comfortable taking risks to be innovative. To develop this environment of trust, an effective leader must have skill in manage relationships. This means that an effective leader must collaborate and deal with interpersonal conflict in a straightforward (but fair) manner. It also means that an effective leader

cannot be aggressive and domineering; employees must feel comfortable in order to perform at their best.

Finally, my analysis of Vince McMahon has taught me that an effective leader can never lose sight of ethics and morality. An effective leader must realize that the ends do not justify the means. In school, this means that an effective leader must keep in mind that education is about serving students. As a leader makes decisions and established policy, the leader must ensure that the policies and decisions are always in the interest of improving student achievement.

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