

Uber's bumpy CEO search

August 2 2017, by Tracey Lien, Los Angeles Times



Getting rid of Travis Kalanick may have been hard for Uber's investors and board of directors. But replacing him could prove harder.

As the company's board inches ahead in its search for a new chief executive to run the embattled ride-hailing company, candidates are dropping out before they've even met with every board member.

Kalanick himself is rumored to be angling for a return, and some investors question whether any candidate could fill its departed leader's shoes.

In other words, this is not a typical job opening.

"They're trying to hire someone for two very different roles," said Bradley Tusk, an early investor in Uber who is not involved with the board's CEO search.

The company needs a leader who can implement the recommendations of a report by former U.S. Attorney General Eric Holder to change Uber's culture of bullying and harassment, secure deals and eventually lead the firm to an [initial public offering](#). It takes "one type of manager," Tusk said, to get that job done.

On top of that, Tusk said, the incoming CEO must fill the void that Kalanick supporters believe he left - that of a tenacious visionary who can help Uber grow into a company that competes with the likes of Apple, Google and Amazon.

"And that's a very different kind of person," Tusk said.

The candidates whose names have been floated - such as Hewlett Packard Enterprise CEO Meg Whitman and departing GE chief Jeff Immelt - fall into the first category of manager, thanks to their experience running large legacy businesses. People with knowledge of the matter said that Whitman, who has startup experience from her time at eBay, was viewed as a promising candidate, but she announced on Twitter last week that she was not considering the role. Recode reported that she had not yet met in person with every board member at the time of her announcement.

Immelt is still believed to be in the running.

Uber declined to comment on the process of hiring a new CEO.

The difficulty of the board's search has been compounded by internal disagreements.

The company's board currently consists of Kalanick, co-founder Garrett Camp, Uber executive Ryan Graves, media entrepreneur Arianna Huffington, Nestle executive Wan Ling Martello, TPG Capital's David Trujillo, Yasir bin Othman al Rumayyan of the Saudi Arabia public investment fund, Didi Chuxing's Cheng Wei and Benchmark's Matt Cohler. Huffington has been a longtime supporter of Kalanick, but Benchmark led the charge in pressuring Kalanick to resign. It is unclear which candidates the board currently favors.

As the board of directors continues its search, sources close to Kalanick have said the Uber co-founder, who resigned in June after mounting pressure from investors, wants to come back and run the show. Recode reported Sunday that Kalanick had told several people that he was "Steve Jobs-ing it," a reference to the Apple co-founder who was fired from his role as CEO, only to return years later to lead the company to global dominance.

Kalanick did not respond to a request for comment.

The appointment of a new CEO is an opportunity for Uber to signal to investors, employees, drivers and consumers that, after spending the last eight months embroiled in political and legal controversy, it is turning over a new leaf.

After developing a well-earned reputation as a combative and competitive company that is hostile toward women, the company has

tried to make amends. In addition to firing employees who were found to have contributed to the company's toxic culture, accepting Kalanick's resignation and bringing on high-profile women executives such as Bozoma Saint John from Apple and Frances Frei of Harvard University, the company launched an initiative to curry favor with drivers, who have long felt that the company under Kalanick's leadership didn't listen to them.

Even if Kalanick could somehow tip the vote in his favor, reinstalling him as chief executive any time soon would undermine the company's messaging that it is changing its ways, one investor said.

The fact that Kalanick was such an overpowering force within Uber when he was its CEO could also make him a tough act to follow, according business and branding experts.

"It's almost like the first boyfriend or girlfriend you get after a breakup," said Andrew Gilman, president of crisis communications firm Commcore Consulting Group. "Whoever comes in, there's a chance they'll be fabulously successful, but there's a better chance they'll be the rebound, where they'll have to go through one CEO before they get a really good one."

A "really good one," in the eyes of investors, is someone with Kalanick's vision combined with the temperament and experience of the Whitmans of the world. If Uber could only have one, though, business experts such as Brent Goldfarb, an associate professor of entrepreneurship and strategy at the University of Maryland, believe it'd be wise to prioritize responsibility before ingenuity.

"They need a grown-up," Goldfarb said. "They need someone who can cut operations that aren't working, make a rational call on the autonomous strategy, has the strength and emotional wits to reset the

company culture, and push this through relentlessly."

©2017 Los Angeles Times

Distributed by Tribune Content Agency, LLC.

Citation: Uber's bumpy CEO search (2017, August 2) retrieved 2 May 2024 from
<https://phys.org/news/2017-08-uber-bumpy-ceo.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.