

What Uber can teach us about leadership

[< Back to News](#)

What Uber can teach us about leadership

29 Jun 2017

Create the wrong culture and you put your whole venture at risk, says Nigel Nicholson

◀ 20

◀ 580

◀ 56



When Travis Kalanick resigned as CEO of Uber, nobody was shocked. While his company has enjoyed a meteoric rise from cocky start-up to major game-changer valued at US\$70 billion (£55 billion), Kalanick himself has drawn criticism from day one. Even his friends seem to recognise that he's his own worst enemy. His mentor Mark Cuban said Travis's tendency to run through walls to accomplish his goals was both his biggest strength and greatest weakness.

As Nigel Nicholson, Professor of Organisational Behaviour at London Business School (LBS), says: "A man who runs through walls is an obvious risk, because they might be holding up your ceiling. There are some walls to run through and some to climb over and if, as a leader, you can't tell the difference, you've got a problem."

Leaders need to be able to flex their style, says Professor Nicholson. "Many leaders are rewarded for being themselves: they surround themselves with supporters who hold them in place and say, 'Your leadership proposition is you and your personality: keep on being you and we will beat the world'. Meanwhile they're stocking up a mountain of discontent that will collapse on them."

With Kalanick resigning as CEO (he is still on the board), he has stepped away from several different crises affecting the company: a lawsuit over alleged intellectual property theft, sexual harassment claims and an investigation into its use of potentially



MBA draws big demand from overseas students

21 Sep 2017

The appetite for taking an MBA in London remains strong, despite Brexit

[Read now](#)

management teams and an investigation into the use of potentially illegal software to track regulators.

These all have their roots in an aggressively go-getting approach that some commentators have suggested is integral to Uber's success. Not so says Professor Nicholson, who points to entrepreneurs such as Bill Hewlett and Dave Packard, nice guys who succeeded while consciously behaving ethically. "Uber is a good idea but someone else could have had the same idea and handled it much less aggressively."

"The model that Travis Kalanick chose is not the only way. What matters for a leader is that you are the right person at the right place and time, doing the right thing."

■ Professor Nicholson's Leadership Formula

Professor Nicholson recalls Al "Chainsaw" Dunlap, the disgraced businessman whose ruthless approach led to illegal accounting practices among staff desperately eager to chalk up successes on behalf of him and the company. "This leadership model thrives on success and relies on allies. So the tipping point is often a failure, or when you encourage behaviours that turn out to be immoral or even illegal.

"What you see in the leadership of failing companies – Lehman Brothers, Bear Sterns, Enron – is a model that will work but with consequences: it creates a culture that starts to undermine the firm and puts it at risk. This is what's happened with Uber. It's a very immature model – Kalanick's acting like a kid. He may start to grow up at this point and realise that his model of leadership needs to change."

Kalanick has learnt the hard way that, in this day and age, what people think about you really matters. "People could get away with terrible leadership behaviours in the past but now leaders are much more accountable," says Professor Nicholson. "We live in a very public world. It's tough to be a leader in this environment: you've got to watch yourself and be exemplary."

Unfortunately for Kalanick, the example he set led to his downfall. "A man like Kalanick is relentlessly goal-driven and socially dominant. He's operating in a win-at-all costs society and he's acted like an alpha male. It gets results but often at unacceptable moral and social cost."

But Kalanick might yet be saved from himself. Perhaps Arianna Huffington, the influential Huffington Post founder who has just joined Uber's board, will rein in his excesses. "You can sometimes get the best out of a strong character like Kalanick if there's someone who can restrain him," says Professor Nicholson. "Leaders need someone to talk to. The sole leader model is risky these days because the world is too complicated. You need people who will watch out for you and won't always agree with you."

Will Uber survive? Probably. Professor Nicholson anticipates that the firm will mend its ways and recover from its public-relations disasters. And Kalanick? "He'll always be a thrusting, driven person but if he can learn to keep himself under control, he'll be fine. Personality doesn't change much but you can change your behaviour. You don't have to give way to your impulses."