

## What Outside Executives Need to Succeed

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By John Baldoni

"I don't know anything about cars," revealed Edward Whitacre in [an interview with Bloomberg News](#) given after being named the new chairman of General Motors. "A business is a business, and I think I can learn about cars. I'm not that old, and I think the business principles are the same."

Long-time Michigan political observer, [Jack Lessenberry](#), lauded GM's hiring of Whitacre as an example of the new leadership the company will require if it is to succeed.

But Whitacre is joining a company with a history of rejecting executives from the outside. H. Ross Perot and Jerry York, as a surrogate for investor Kirk Kerkorian, tried without success to shake things up at the board level. Another senior executive who failed to change G.M. was Elmer Johnson. According to the [New York Times](#), Johnson was so frustrated he wrote a memo saying "Teamwork has been replaced by Balkanization. Our culture discourages open, frank debate among G.M. executives in the pursuit of problem resolution."

Hiring an executive from the outside for any company is always a gamble. According to a 2008 study conducted by the [Institute for Executive Development](#) (IED) and the [Alexcel Group](#), thirty percent of executives hired from the outside fail to meet expectations within the first two years. One key reason that executives — not simply those from the outside — fail, is an inability to collaborate with others.

Negative trends aside, it is useful to consider those positive characteristics that will make the newcomer an asset to his new business.

**Keen intelligence.** Not only do you have to be a quick study, you have to be able to size up the gaps as well as the opportunities. Learning the business is the easy part; finding out what works and what doesn't requires not only experience but insight. Lou Gerstner, a former McKinsey partner, was particularly adept at determining corporate strengths and weaknesses. After trimming IBM to fighting weight, Gerstner pursued strategies that would capitalize on IBM's unique capabilities rather seeking to be all things to all customers.

**People skills.** It is common sense to value your people but it may be "so common" that it is often neglected. The outside leader needs to reach out to employees and treat them as colleagues. One technique that many executives employ and that I encourage newly promoted executives to adopt when meeting their direct reports for the first time is to ask: what can I do to help you? Such a question does two things: one, it establishes the direct reports as the experts; two, it positions the leader as one who wants his people to succeed.

**Strong will.** The hidebound mindset that made hiring someone from the outside necessary will seek to maintain the status quo. Some in senior management will feel slighted that one of their own is not running the show. While they do want the organization to succeed, they will want to protect their domains and their influence. **A new leader must stand up to entrenched powers and their stale ideas.** Therefore, he will have to fight hard to be heard, believed and eventually followed in his own organization.

One executive who has shown strong backbone in bending the culture of his new employer, Ford Motor Company, to a common purpose is former Boeing executive, Alan Mulally. [As reported in Fortune](#), Mulally, as CEO, has instituted the One Ford approach, which seeks globally-derived vehicle platforms as well as a more collaborative approach to planning and execution. [Note: While Mulally was new to the auto industry when Ford hired him in 2006, he is an engineer with extensive background in product development and manufacturing.]

Organizations bear responsibility for the high washout rate. The IED/Alexcel study also demonstrated that on-boarding programs and mentoring programs are valuable. Executive coaching, too, can help. In other words, don't let the executive fend for himself; provide him assistance.

For the sake of us taxpayers who have a stake in General Motors, I hope the company provides Whitacre — as well as any other outsiders he may bring with him — with more than a tutorial on the automotive business. He, like all outside executives, needs the support of management so that he can earn its trust and help the company succeed in very trying times.