

## AN INTERPERSONAL RELATIONS CASE PROBLEM

### LOW-KEY MIKE HURD GETS THE TOP SPOT AT HP

Mark V. Hurd, an affable midwesterner who is almost entirely unknown in Silicon Valley, was chosen as the new CEO at Hewlett-Packard. He replaces Carleton S. ("Carly") Fiorina who was fired for not delivering on her promises of outstanding profits and an elevated stock price. Hurd, 48, is best known for his turnaround of NCR, the maker of automated teller machines and electronic cash registers. His supporters say he has developed a reputation for building trust within NCR.

Patricia C. Dunn, Hewlett's board chair, said the directors chose Hurd from a short list of candidates in part because of his "straightforward style" and his recognition of the importance of the corporate culture. "We are impressed by his emphasis on developing internal talent while reaching outside for new skills, his understanding of culture in a company's success and his personal integrity," Dunn said in a statement. "His straightforward style has won the respect of employees, customers, and investors." Hurd is also considered quiet and hardworking, but not particularly charismatic. In contrast, his predecessor Fiorina was considered by many to be flashy and charming.

Born in New York City, Hurd attended Baylor University in Waco, Texas, on a tennis scholarship. He received a degree in business administration in 1979, and went to work for NCR soon after that. He has spent the last 25 years at NCR in Dayton, Ohio, the last two years as its president and chief executive.

Source: Laurie J. Flynn, "New Leader is Called a Trust Builder," March 30, 2005; *The New York Times*.

Despite his fairly low profile, Hurd is widely credited with rescuing NCR when its stock price was languishing and its profits were in decline. "When he took over as C.E.O. of NCR, you had a company without a sense of urgency, a company that wasn't doing much of anything," said Reik Read, an outside analyst. "He had to undo the culture and bring back the sense of urgency." He was willing to lay off managers and other workers he did not believe were performing well.

Read described Hurd as a team builder who is "very likeable." But he is also "the kind of guy who is a change agent, a disruptive force," Read said. Hurd is considered to have a technical background and a willingness to share the spotlight. One of Hurd's first major decisions at HP was to lay off 14,000 workers in order to reduce costs.

#### Case Questions

1. Which leadership traits does Hurd appear to possess?
2. Would you consider Hurd an effective or successful leader, or both (according to our definitions)? Why?
3. Which of the eight leadership skills that determine leadership effectiveness (noted in the publication) does Hurd possess? Which could he work on?
4. How will Hurd succeed as CEO of HP if he rates so low on charisma?