

A portrait of James Whitehurst, President and CEO of Red Hat, smiling. He is wearing a white button-down shirt. The background is a blurred office setting.

# SPOTLIGHT ON JAMES WHITEHURST

President and CEO  
of **Red Hat**

*ON Partners Client Spotlight Series offers timely insights and strategies from leading global executives.*

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**James Whitehurst** has led Red Hat for 10 years, growing corporate revenue from some \$500 million in 2008 to almost \$3 billion today. In 2018, Barron's named him one of the World's Best CEOs. Previously, he served for six years at Delta Air Lines, including as COO. Earlier, at The Boston Consulting Group, he held corporate development leadership roles in Chicago, Hong Kong, Shanghai, and elsewhere. Mr. Whitehurst is the author of *The Open Organization: Igniting Passion and Performance* (Harvard Business Review Press), named one of the top 10 creative leadership books of 2015 by Forbes.

**Red Hat, Inc.**, headquartered in Raleigh, NC, is the world's leading provider of open source software solutions, using a community-powered approach to provide reliable and high-performing cloud, Linux, middleware, storage, and virtualization technologies. Red Hat also offers award-winning support, training, and consulting services.

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# THREE WAYS

an open organizational model has helped Red Hat keep up with a constantly changing business landscape

***"If there's a common thread I continue to hear over and over again in my conversations with customers, partners, and leaders all over the globe, it's that disruption is everywhere. Everyone's talking about it and it's causing businesses to radically rethink how they operate. But any kind of transformation ("digital" or otherwise) never involves technologies alone. Companies need to fundamentally redesign their organizational structures and strategies.***

***This is exactly what we do at Red Hat. We leverage the same principles that power the open source software communities all over the world that are generating new innovations at lightning speed. We've imbued those principles— such as transparency, meritocracy, community, collaboration, and sharing—into our organizational culture. Those principles are the foundation that allow us to react to changing environments and not just survive, but thrive, in them. Here are three ways this approach has helped us.***

***From ON Partners, specialists in recruiting extraordinary leadership talent for exceptional corporations.***

1 Replace planning with configuring for constant change: In short, the world is moving too quickly; plans are outdated before they are even complete. Which means planning as it's been done in the past, is dead. At Red Hat, we take a more agile approach, one that is very similar to the DevOps model for software development. With open source there is a try, learn, and modify system that has evolved over more than 25 years, and it has worked well for us. To achieve this environment we have developed processes that are focused on experimentation and learning (try, learn, modify) rather than planning. Rather than proscribe activities and try to figure out where the future is headed, you create the context for individuals to feel encouraged to try things (some may fail), learn from those things, and quickly modify and fix problems, moving forward at a different pace. Our organizational structure is focused on modularity and on the end customer more than on efficiency and specialization.

2 Prescription must be replaced by enablement: A leader's job is not about conjuring up brilliant strategies and making people work harder. What they need to do is create the context for associates so they can do their best work. Rather than making decisions from the top down, how leaders are able to drive direction now requires pushing decision-making power—and the information required to make them—to the people closest to the impact of those decisions. The long-established process where executive leadership clearly articulates specific activities employees need to perform to achieve a goal is replaced by a greater degree of enablement. Our leaders recognize that you can't micromanage complex work. A leader's goal is to get people to believe in your organization's mission and then create the right structures that empower your people to achieve what someone used to think was impossible.

3 Continually encourage honest feedback: At Red Hat, feedback is continual and frank—in other words, it's open. Dialogue about ideas associates raise are ongoing, constructive, and, above all, honest. To achieve this, leaders must model the kinds of feedback behaviors they want to see in their teammates and associates. They need to be open to even the most difficult conversations. After all, culture is an output. Associates will only feel comfortable giving honest feedback if leaders have built an environment where feedback is welcomed, no matter where it comes from or how harsh it may seem. It takes time, effort, and a good dose of humility to lead in an open organization. If you don't openly allow and encourage your people to tell you you're wrong, you'll never build an organization that can innovate better than your competitors. People want the opportunity to voice their opinion. They expect to be heard—but not always to be heeded. Even if they don't like the decision that's ultimately made, they will feel heard and valued."