The Nomad Economy

JOB-HOPPING BECOMES THE NORM
A NEW BOOK BY GARY BURNISON

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"JOB-HOPPING ONCE WAS A SIGN OF A LACK OF COMMITMENT OR WORSE—NOWADAYS IT’S ALMOST AS IF THE REVERSE IS TRUE."

Cover Story 26

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Job tenure is a whole new ballgame. These are the days of the career nomad traveling from one opportunity to the next, whether inside or outside the company. This is not the career track of lifetime employees who dutifully stuck with one company and slowly moved up the ladder to a retirement party and a gold watch at the end. Now it’s all about taking control—and fast.

The numbers tell the story. People spend a little less than four-and-a-half years, on average, in each job. For younger professionals, it’s much less—often as little as two years. To put this in context, I will have about four jobs in my career. My five millennial children will each have about 25.

No surprise then that the term “job-hopper” is no longer a pejorative. Being a “free agent” is the new reality, for both employees and the companies that employ them. Two years in a job equates to two old-school annual performance reviews. That’s hardly enough to put together and execute a career development plan.

Today, talent is focused on making an impact and proving value as quickly as possible. And employers need the right mix of talent with the right skills—with the caveat that what constitutes a competitive skill set today probably won’t suffice tomorrow.

Given all these changes in the world of work, it’s no surprise that career paths have jumped the well-established tracks in favor of the unknown. The career development ladder—rising one rung at a time to bigger titles and more money—has been mostly yanked away.

Careers are more like labyrinths. Sometimes moving ahead involves looping around first with lateral assignments to add breadth and depth. Don’t fight it—embrace it, because this dynamic is here to stay. To make the most of the career nomad’s time in a job, no matter how short that might be, employers need to offer more opportunities to learn.

More than ever, people at all levels, including the most senior, are charting their own course. They’re driven by their insatiable curiosity—to grow, learn, and stretch. Their rewards are intrinsic as well as extrinsic as they make an impact.

Career nomads aren’t following anyone else’s footsteps or stepping into their shoes. They’re largely on their own. While there is no set course for career nomads, there is a general roadmap to follow. To make your way through this new world order, I suggest PARLAY.

To parlay is to transform something smaller and finite into something far greater and more valuable. And so it is for career nomads.

There will be challenges along the way. For one thing, the career nomad who has 20 or 30 different jobs over the course of a career will have about two or three dozen bosses. Given that people have problems with their bosses about 50 percent of the time, that means potential trouble with about 10 to 15 of those bosses. Add to that hundreds of direct reports and thousands of colleagues, including people on six continents who interact regularly but never see each other in person. And they will be working anywhere and everywhere—at home, in an office, at the coffee shop, or wherever Wi-Fi can be found.

That puts greater emphasis on career nomads’ interpersonal skills, especially for leadership positions in which they must win the hearts and minds of people and align them to an overarching purpose.

The career nomad understands the importance of journeying together, with a band of people that changes every few months—some leaving, others entering. But always the group moves forward toward the next destination.
The Wake of Merger Mania

Companies spent a record $3.5 trillion to buy other firms last year. Can they avoid the missteps that have riddled so many megaloads before?

BY RUSSELL PEARLMAN

2018 was the Year of the merger, then 2019 will be the year to see if those mergers work.

There were $3.5 trillion worth of deals worldwide in 2018, a 12 percent jump from 2017, making it the third-largest year by value in history. Chipmakers bought rival chipmakers. Cable companies bought movie studios. Drug stores bought health insurers. And private equity groups bought firms in every industry.

But now that the big-money announcements and deal closings are complete, leaders have to go about the much less glamorous but considerably more difficult task of making the mergers successful. How tough is it? Consider that most research shows 60 to 70 percent of mergers fail to meet expectations or fail outright. There will be a lot of focus on getting supply chains humming, making sure computers from former rival companies can work together, and managing other infrastructure issues that consultants often call “plumbing and wiring.” But experts say that any integration risks failure if it doesn’t take into account how to make employees more effective, appreciated, and engaged. “You can have a great strategy and integration plans, but if the employees don’t work well after the merger, it won’t matter,” says Alex Jakobson, a senior client partner at Korn Ferry who works in the firm’s Strategy Execution and Organizational Design practice.

Companies can start working on “architecture” issues, such as who reports to whom or what the jobs are, almost immediately, says L. Jay Bourgeois III, a professor at the University of Virginia’s Darden School of Business. Identifying reporting lines and job responsibilities will help create ownership and accountability for all employees.

Before the Italian cable manufacturer Prysmian actually finalized its $3 billion acquisition of General Cable last year, it figured out that it needed 300 senior leadership spots for the combined entity, says Fabrizio Rutschmann, Prysmian’s chief human resources officer. Importantly, Prysmian wanted to make sure that there was a healthy representation of General Cable executives who would take important decision-making roles. “The success of the post-merged firm depends on the vision of the new, combined leadership team to succeed. You need to engage with people of the other company,” Rutschmann says.

Most leaders recognize that any merger will bring up corporate issues, but they may not anticipate the extent of how a firm’s culture impacts the types of people it can attract and keep. Companies with a so-called “tight” culture have well-defined processes, performance standards, and hierarchies. On the other hand, “loose” cultures can have more self-management methods, and give individual employees a great deal of autonomy, says Michele Gelfand, a professor at the University of Maryland and author of Rule Makers, Rule Breakers: How Tight and Loose Cultures Wire Our World. “Employees who thrive in a tight culture may think a loose culture is just too forgiving of mistakes, while workers in a loose culture may think a tight-cultured firm stifles them,” she says.

Even a change in leadership style can sway talent. If employees at one company were motivated by a boss who constantly coached them, then they may be turned off by a new hands-off boss brought in after an acquisition.

Finally, leaders need to work on all the technology systems and processes that allow a company to do its day-to-day business. If a company is buying another to expand its geographical reach, the leaders had better make sure that the two firms’ supply chain systems can work with one another. But wiring goes beyond things such as computers. Firms also need systems to be able to find, hire, and retain the employees that they’ll need to execute their post-merger strategies, Jakobson says.

In Prysmian’s case, it wasn’t enough to figure out that the firm needed 300 senior leaders; it needed to determine the capabilities of those 300 leaders. It developed success profiles for those 300 leaders. It needed to determine the capabilities of those 300 leaders. It developed success profiles to determine the skills and traits needed. Then it created an interview process to determine the strengths of the leaders it already had. Prysmian now uses the system to find new recruits.
‘Unreal’ Wage Growth

Korn Ferry’s exclusive study predicts that salary gains will be modest worldwide.

BY SIMON CONSTABLE

In the all-too-critical world of compensation, this may well be a year that will make neither companies nor their workers too happy. According to Korn Ferry’s annual global salary report, companies are expected to keep raising salaries this year—albeit in the modest 5.1 percent range. Yet even that won’t get much notice among workers; thanks to a combination of factors from inflation to tariff wars, paychecks will only be about 1 percent higher. Call it the year of “ungrowth” comp.

Analysts say that’s bound to create some frustration. In Africa, for example, companies will be raising salaries 7.7 percent—the highest increase in the world. Go past this headline, though, and the raise is a humbler 0.9 percent after inflation. In response, Korn Ferry’s experts suggest that leaders look at salaries as part of an overall compensation package. Because inflation is eating away gains, employees might appreciate different benefits, such as more days off, a flexible work schedule, or increased pension plan contributions. Or, as Benjamin Frost, Korn Ferry’s global general manager for pay, advises, “We recommend that companies take a broader perspective by defining and agreeing upon their own measures of cost drivers, business strategy, and local trading conditions.”
Facing a shortage of highly skilled workers, companies may have little choice but to spread their locations far and wide.

BY PETER LAURIA

This is what corporate demands for a better, stronger, and more agile workforce could mean someday.

As companies continue to deal with everything from shortages of highly skilled workers to demographic shifts in the labor pool to the intense demands of digital transformation, many are quietly beginning to recalibrate how to view their locations. The focus is no longer on keeping real estate and salary costs down, but on seeing location as a business imperative to attract and retain the right talent to compete. “The more skilled or technical the organization, the more talent availability drives the decision,” says Philip Schneider, the president of Schneider Strategy Consulting. Schneider, who has more than three decades of experience in corporate location strategy, says this so-called “distributed location” approach allows organizations to go to those places where clusters of specialized talent reside.

How far companies will take all this is anyone’s guess, of course. But in a bid to attract more digital talent, for example, JPMorgan Chase & Co. made some headlines last year when it announced plans to build a fintech campus in Silicon Valley for 1,000 employees. Similarly, BlackRock, the world’s largest asset manager, said it would hire tech-related workers in Atlanta as part of its push to develop more tech-focused hubs. And then there was the big one: Amazon’s decision to split its second headquarters in New York and Virginia is to recruit more of the best tech talent.

But it is Amazon’s selection of Nashville as the location for its new Operations Center of Excellence that most intrigues James Renzas, a principal at the site selection consultancy The RSH Group. As talent needs become more specialized, Renzas expects to see organizations, city economic development groups, and educational institutions create similar centers around niche specialties. And it doesn’t have to be tech.

“Cities are starting to promote their specialized niche in the overall economy as a way to compete, and companies are starting to pull out critical segments of the operation and putting them in areas where they can recruit the right kinds of talent,” says Renzas.

Once upon a time, of course, corporations decided where to plant their offices with entirely different equations. In the days of a resource-driven economy, organizations needed to be in areas rich with natural resources or near transportation outlets to access them. Now, services dominate the economy, so talent is a more important factor.

The trouble is, fewer workers are relocating for their jobs than ever before. Indeed, the number of people who relocated for work has declined by nearly 50% in the last decade. That’s partly the result of dual-income households and higher housing costs in certain geographies. But millennials are an even bigger reason: now the largest generation in the US labor force, they’re putting quality-of-life issues ahead of allegiance to a company or job. They want to work where they want to live, not live where they want to work.

“The economic reality is that the demand for highly skilled talent is far outstripping supply, and when you are competing over a limited talent pool, you have to proactively engage with them,” says Scott Macfarlane, vice president of client development at Korn Ferry. That means moving to places like Palo Alto or Brooklyn despite the fact that housing costs are extraordinary, the cost of living is high, and the business climate is difficult to operate in. Because, after factoring in all the other variables, in the end it may ultimately be cheaper.

Of course, if the multi-location movement really takes off, it won’t happen without at least great irony: if technology is driving the need for specialized talent, it’s only through tech that it is possible. Everything from emailing to massive data sharing to today’s friction-free ways makes regional offices possible. Either way, whether it’s deciding between traditional locations or burgeoning digital hubs that dot the country, organizations have a new location lens to look through. “Location has historically been about business opportunity,” says Melissa Swift, senior client partner for digital solutions at Korn Ferry. “Now the dynamic has changed.”

When it comes to physical flags in major cities across the country, the same goes for Google and Apple and Facebook—and pretty much any multinational organization across industries.
The End of the Road

An odd but beloved car attracted a cult following. Where did Saab go wrong?

BY GLENN RIFKIN

When the last SAAB AUTOMOBILE rolled off the assembly line in Trollhättan, Sweden, in April 2011, it marked the last gasp of an iconic Swedish brand beloved by many—but in the long run not enough.

Known for their unique engineering, safety, quirky looks, and dependable performance in winter climates, Saab cars had a cult following mostly in Sweden, the United States, and the United Kingdom. Saab owners had a unique emotional attachment to their cars, falling in love with the many innovative touches such as front-wheel drive, turbocharged engines, heated seats, deft handling in bad weather, and fuel efficiency. They were fun to drive and deemed among the safest cars on the road.

First sold in 1949, Saabs were admitted funny looking, and as their styling and design evolved over the decades, their devoted buyers formed a strong bond with the brand. In 2000, the company sold a record high 133,000 vehicles worldwide, but ultimately, Saab just couldn’t attract a big enough audience to survive. Sales nosedived to 98,000 by 2008 and just 21,000 in 2009. The company, which tried desperately for three years to find a buyer to save the brand, declared bankruptcy on December 19, 2011.

For Saab lovers, it was a painful ending. Sanford Bogage, a middle-school math teacher in Wellesley, Massachusetts, is president of the Saab Club of North America, an enthusiastic group that’s been around for four decades and still has around 800 die-hard members. An uncle was an early Saab devotee and impressed young Bogage with tales of the car’s prowess on the road. An elderly woman in Bogage’s hometown drove a bright-yellow 1973 Saab 96, which she gifted to Bogage in 1992 when she could no longer drive. “I used to see it around town and I just loved it,” Bogage recalls. “I was so impressed when I owned it, not just because it was cool to look at, but it was very solid on the highway.” Today he owns six Saabs. “They are like my children,” he says.

Ultimately, Saab painted itself into a corner without an exit strategy. The automobile division of the company, spawned from Saab’s aviation business in the late 1940s, was created as a revenue stream for the company, whose sales were soft after World War II ended. Marketed as a technologically innovative and safe vehicle with a unique turbo engine, the car’s appeal grew in fits and starts. It was immensely popular in New England, for example, but failed to gain traction over much of the rest of the US. It also achieved significant popularity in England and its home country of Sweden, but its value proposition was ill-defined.

Promoted as a cost-efficient luxury vehicle, Saab was sandwiched between Mercedes-Benz, BMW, and Audi at the high end, and Honda Accords and Toyota Camrys at the low end. Tough, dependable, with front-wheel drive, leather interiors, and that turbo engine, the Saab 900, introduced in 1978, attracted buyers who were smitten by its unusual design. But over the years, it would suffer from an inability to adjust to changing consumer desires. The brand offered just two sedans, the 9-3 and the 9-5, while buyers were looking for SUVs and smaller, more fuel-efficient vehicles. The company did not sufficiently update the models it had and eventually was forced to rely on a shrinking customer base that had grown disillusioned.

For two decades during its history, General Motors owned Saab and tried to revive the brand, but the giant motor company itself faced bankruptcy woes during the 2008 recession and sold it. The end of Saab was assured as the division ran out of cash and couldn’t pay its employees or suppliers. The car “collapsed under the weight of its own contradictions,” according to a 2012 study of Saab’s demise, by Matthias Holweg and Nick Oliver from the University of Cambridge’s Judge School of Business. Saab’s assets are now owned by a Chinese entrepreneur who is said to be preparing to launch an electric car based on Saab’s design. But even if they are built, they will be sold only in China, minus the Saab name. “Saab graphically demonstrates that a strong brand alone is no guarantee of success,” wrote Holweg and Oliver. “Limited numbers of enthusiastic customers cannot keep a company alive in industries that rely on scale economies—no matter how iconic the brand.”

1949: The company’s first production vehicle, the Saab 91, is introduced.
1960: Saab 96 becomes the first model entirely designed and built in Sweden.
1968: The Saab 99 introduces the wraparound windshield.
1978: The iconic Saab 900 is expanded.
1988: General Motors pays $500 million for a 50% ownership stake. Buys the Saab name.
2000s: General Motors files for bankruptcy.
2011: Saab, which GM feels weighs down its balance sheet, is closed.
A New Order of Chaos

It all seems like it’s unraveling at once. Talk to leaders in Berlin, Bangalore, Boston, or anywhere else trying to do business and the conversation quickly comes around to how there’s so much... disorder. Troubles in Turkey, a Middle East morass, trade disputes, unpredictable leaders, populist protests—it’s all happening at once.

How this all sorts out is anyone’s guess, but the talk itself can have an unsettling impact on anyone who’s trying to lead. “The world is cleaving,” says Gordon Chang, a fellow at the New York City-based think tank the London Center for Policy Research and author of The Coming Collapse of China. “It’s a new world order of increased chaos.”

There hasn’t been this much change, or talk of change, since the end of the Cold War nearly 30 years ago, which opened up commercial opportunities for capital-rich western companies. These days, the catalysts, Chang says, are China and Russia. The onetime superpower Russia has the goal of reestablishing its former glory through geographical expansion. “Russia has a grand strategy to redraw its former [Soviet-era] borders,” states a recent report from Academy Securities, a New York-based financial firm. It views Ukraine as the first casualty. Russia annexed the Crimean peninsula in 2014 and waged a proxy war via rebels in the ethnically Russian areas of eastern Ukraine.

Academy Securities analysts say Turkey is increasing aligning itself with Russia and Syria. “While issues within NATO are not unprecedented, we have never had this level of tension with a military ally,” states another report from Academy Securities. At the far end of the Eurasian continent, China and the United States seemingly keep fighting over trade. There’s been a tit-for-tat tariff fight for more than two years. However, peel back a layer and Academy Securities says the underlying issue is US national security. The concerns are myriad, with accusations of industrial espionage, theft of trade secrets, and even military expansionism. “The China-US tiff is about China’s vision,” says Kristina Hooper, chief global market strategist at the money management firm Invesco in New York. In other words, Beijing wants to see itself in a global role, not just a regional power, and that places US security at risk. “We are living through all this uncertainty of having foreign policy intertwined with economic policy,” says Hooper.

Even if everything remains the status quo, experts say leaders need to ensure that their organizations—and their workers—are as agile as can be. “Heightened insecurity raises the stakes when it comes to whom companies can sell,” says Hooper. Firms may find themselves having to redo supply chains thanks to economic sanctions, tariffs, or cybersecurity breakdowns. For instance, if Turkey were to quit NATO and align with Russia, would arms manufacturers in Britain, France, or the US be allowed to sell arms to Ankara freely? Or would China, which has spent years snapping up massive supplies of rare earth metals (essential in many electronic devices and weapons), stop selling them to the United States?

“The talk of disorder is enough to make leaders develop multiple contingency plans. Supply chains can get disrupted, visas of executives could get revoked, or worse. The extent of how much international trade gets curtailed may be far greater than many people think. Chang sees a dark future for trade. “The most important thing is that we have seen the high point for commerce, and as the world cleaves, trade restrictions will get vigorously enforced,” he says.
It was supposed to be the start of a more effective workforce. In the London office of a US multinational, the British employees walked into a diversity and inclusion (D&I) training program. Some were genuinely enthusiastic about being there, others were very resistant. But the US-based trainers were certain their message would set the group on a path toward a more inclusive environment.

But within minutes, it was clear that the UK audience had tuned out. The trainers couldn’t understand why. They had made what they had thought were the updates necessary to tailor their message to the British audience: spelling words such as “colour” and “favourite” appropriately, making references to the English national soccer team’s nickname, the Three Lions, changing geographic references. But to no avail, another attempt to take a D&I program global had gone bust.

Around the world, private-sector organizations are increasingly understanding the true value of more diverse leadership and staffing, both from a societal as well as a bottom-line standpoint. But efforts by US-based companies to take it worldwide, to offices from Brazil to Vietnam, aren’t quite resonating as effectively as they do at home. It takes more than word changes to account for the entirely different perspectives each country may have, and when it’s done wrong, D&I programs can actually end up being counterproductive and only lead to more exclusion and discrimination.

The first issue, of course, is that too many companies rely on D&I programs overseas—intended for non-US audiences—that were created and vetted exclusively in the United States. The inherent US culture bias becomes obvious. We aren’t talking about presentations filled with references to the Kardashians or American football (although those don’t help). Rather, it’s the idea of putting out a D&I program that isn’t relevant to the country in which it’s delivered. Ageism may be an issue at home, but not so much in some progressive countries. Or, a program that emphasizes installing women in leadership positions may generate a lot of rolling eyes among Scandinavian audiences. The reason? Denmark, Sweden, and Norway all have had quota systems mandating female representation in leadership roles for years. Pushing gender equity there would be a wasted opportunity. Furthermore, different countries have preferred learning styles. The American manner of favoring a lot of group discussion may not work in cultures that want to hear more from the wisdom and experience of the facilitator.

An easy fix to manage all these complexities and blind spots would be if companies have their D&I learning and development teams made up of people from various international backgrounds. The perspectives these non-US team members bring can go a long way to scrubbing out any US biases. Organizations can go a step further by creating regional and local D&I councils that can ensure policies and presentations are localized into goals that are both relevant and realistic for their audiences. Even within a single country, there are massive differences between delivering a diversity and inclusion message at headquarters versus at a satellite office.

In addition to having a global D&I strategy, consider also having a systemwide accountability framework to ensure the strategy is implemented consistently worldwide. For instance, the United Nations has an innovative model, the UN System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP), with 15 performance indicators for measuring gender equality. Companies can adapt this model for their D&I efforts around the advancement of women.

Progress will vary from place to place, but maintaining global standards creates a common framework for moving forward. Finally, push diversity and inclusion efforts beyond just sit-down training courses. That always starts from the leadership at the very top, but from there can spread to marketing and communications, which will find that incorporating D&I in messaging and campaigns can be a morale boost internally as well as widen the firm’s customer base.

Just be sure to drop any “Made in the USA” label approach. Diversity and inclusion is about our common humanity and based on universal human rights that should apply the same to people everywhere around the world. But it must be conveyed with programs delivered not only in the local language but also in the local culture.
A Modern Solution to Stress

The world of ancient Greece may not evoke images of a stressed-out population, but one of its greater philosophers, Epictetus, offers a bit of wisdom about it: “It’s not what happens to you but how you react to it that matters.” Which brings us to today’s modern world, where stress is generally considered a near-mortal enemy both to workers and overall corporate health. Indeed, one recent Korn Ferry survey found that not only do executives feel stress has grown in just the past five years, but one in six leave their jobs because of its toll.

So it isn’t surprising that workers and firms alike are looking for organizational fixes to all this stress, from lessening top-down pressures to rooting out authoritarian leaders. But there’s another class of solutions, easily overlooked but worth a try: help executives, managers, and workers at all levels get better at handling stress. That takes boosting their self-management abilities—a key part of emotional intelligence.

As Epictetus pointed out so well, our reaction to stress varies enormously—and neuroscience studies this in terms of biological measures, including our levels of cortisol, a stress hormone that floods the body as we grapple with pressure. Look around and you’ll notice a great variation in how different people react to the same stresses. Some folks might lose it at the least hint of pressure, while others seem unflappable no matter what comes down the pike. They react quite differently to the same event—the boss wants to see you—which can trigger high levels of cortisol and great upset, or little cortisol, letting such executives stay cool under pressure.

Our body’s design assumes that after a stressful episode we’ll have a period of peace and quiet to calm down and recover—the way things were during human prehistory, when the brain’s architecture was shaped. Technically, this rest period means a switch from sympathetic nervous system (or SNS)-driven anxiety to parasympathetic (or PNS) calm. PNS action not only helps us recover from stress, it drives such pleasures as falling asleep and being in the mood for sex.

But too often we get caught in an unending cycle of one SNS trigger after another—that text, this report, my too-crowded schedule—that keeps our stress reactivity in perpetual motion, with nary a wisp of PNS peace. So we need to get more purposeful about giving ourselves PNS time-outs.

In short, the key to all this is both simple and critical: schedule downtime. Make time-outs a priority, and when you do, make sure you get the PNS active and avoid SNS overdrive. Obviously, you’ll avoid incoming distractions like texts, emails, and phone calls, but here are a few other suggestions:

- Spend time with people who help you relax.
- Go for a jog or a walk.

Or play any sport you love—but only if you let go of those persistent worries about whatever’s upsetting you.

- Cultivate a relaxer.

Mindfulness, where you put aside distracting thoughts and focus only on your breath or body sensations, puts your body and mind in the relaxed mode. So does yoga or exercise, if you are mindful of the moment.

You get the idea. In terms of emotional intelligence, this stress-handling upgrade means improving the self-management competence I call “emotional balance,” where you master self-control over disabling feelings like anxiety, anger, and frustration. Neuroplasticity tells us that the brain reshapes itself as we practice a given habit. The good news: like all the other emotional intelligence leadership competencies, unflappability can be learned.

Spent time with people who help you relax.

Pets work well, too. Watching fish swim in a tank, research shows, lowers blood pressure and heart rate. So, too, will walking a dog.

Be in nature.

Just a 10-minute stroll at the park or in the woods (if you have some handy) will put you in a better state, studies find.

Go for a jog or a walk.

Or play any sport you love—but only if you let go of those persistent worries about whatever’s upsetting you.

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The number of jobs you may have in your lifetime will likely be double that of a generation ago. How workers and companies should deal with this new reality.

By Chris Taylor
These days, you can find Mary Anne Fusco showing luxury condominiums to aspiring buyers up and down Manhattan. She’s quite good at it, too, having brokered more than $500 million worth of sales. She’s so successful at it you’d think Fusco has been hawking New York real estate her whole life. But this is actually her fifth different career. Among other roles, she has overseen 13 Jenny Craig weight-loss franchises across Atlanta; owned and managed a construction and renovation company; sold women’s sportswear; and taught literature at St. John’s University in New York City. She’s always done well with each role, she says. New opportunities just kept presenting themselves at times in her life when she wanted to try something new. “Today, careers are so much different than what they used to be,” says Fusco.

Decades ago, the “ideal” career was one where you worked at one company, taking on additional responsibilities as you got older and wiser. Switching jobs multiple times was, according to the stereotype, something only people without a formal education did. Switching careers was even worse, a sign that you couldn’t commit or failed so miserably at your first career that you couldn’t be hired to do it again.

**The Problem**
An increasing number of workers are no longer climbing the corporate ladder, opting to jump jobs—or even careers—every few years.

**Why It Matters**
Most organizations aren’t set up to handle the increased turnover.

**The Solution**
Both employees and companies can retool themselves to get the most out of the career-hopping era.

**JOB TENURE 2018**
4.2 YEARS

**JOB TENURE 2014**
4.6 YEARS

**PUBLIC SECTOR 2018**
6.8 YEARS

**PRIVATE SECTOR 2018**
3.8 YEARS

That stereotype was prevalent, even if the actuality of one-career-for-life never really was. But now workers are switching their roles nearly 50 percent faster than they swap their cars. Indeed, the average job tenure in the United States has dropped to 4.2 years, according to data analysis by the Bureau of Labor Statistics (BLS). That is down from 4.6 years just five years ago and continues a long-term decline. This isn’t the so-called gig economy, where workers pick up projects on a freelance basis or use their cars for ride sharing. These are people like none other than Amazon CEO Jeff Bezos, a computer science grad who had been a software coder in the telecom industry, a product manager for an investment bank, and a hedge fund analyst before settling on the career he wanted.

Call it the “nomad economy,” where an increasing number of highly skilled employees are broadening themselves by taking on new professional challenges every couple of years. The trend is impacting how workers need to manage their professional lives as well as how organizations should hire and get the most out of them.

“Certainly, it has become increasingly uncommon for people to have lifetime or decade-plus tenures at companies,” says Dorie Clark, author of *Entrepreneurial You* and an adjunct professor at Duke University’s Fuqua School of Business. “As a result, the entire economy is changing, and [changing] how workers need to operate.”

| AGE 25–34 | 2.8 YEARS |
| AGE 35–44 | 4.9 YEARS |
| AGE 45–54 | 7.6 YEARS |
| AGE 55–64 | 10.1 YEARS |
| AGE 65+   | 10.2 YEARS |


In some ways, the idea of a single lifetime job was always a bit of a mirage. The BLS found that those born between the years 1957 and 1964—younger baby boomers—held an average of 11.7 jobs between the ages of 18 and 48. More than a quarter of people held 15 jobs or more. Those results shouldn’t be too surprising. Business fortunes can go up or down, people get hired away, families move, workplaces can become toxic.

But not only is that old paternalistic ideal disappearing, it has become something of an oddity itself. A recent survey of US workers found that 64 percent of them have a favorable view of job-hopping. Among those 34 or younger, 75 percent said it would actually help their careers. In other words, a nomadic career isn’t a sign of instability—it’s a feature.

Millennials, people born between 1982 and 2000 and now the largest part of the US workforce, seem particularly disinterested in staying put. The average job tenure of those ages 25 to 34 is less than three years, BLS found. For those ages 55 to 64 it is three times that, at 10.1 years.

Part of that is sheer age, of course. Younger workers haven’t had as much time to find their calling, set roots, and settle into the right job. But experts say it’s also part of a larger cultural shift. Indeed, while job-hopping once was a sign of a lack of commitment or worse, nowadays it’s almost as if the reverse is true.

“Hiring managers used to be very skeptical of job-hoppers and people who moved around a lot,” says Jeanne Meister, founder of the New York City-based advisory firm Future Workplace. “Now the pendulum has swung to, ‘Why did you stay in one company or one job role for so long? Why did you not develop a breadth of skills and experiences?’”
Henry De Sio probably would have welcomed this new attitude a long time ago. The 56-year-old has been a labor organizer in several states, a consultant teaching social entrepreneurship, an author, even an operations manager in the Obama White House.

“About every seven years I take a six-month sabbatical, reflect on where I’ve been, and figure out where I can have impact next,” says De Sio. “I’ve never seemed qualified for any job I’ve ever taken, and yet I’ve always been successful.”

This new nomadic reality is being fueled by a robust economy. Unemployment is below 4 percent, a level not seen since the late 1960s. There are a record 7.1 million open jobs in the United States, and companies are constantly lamenting that they can’t fill roles. There are plenty of opportunities for people to switch.

But while there might be many opportunities, workers have to make some changes of their own in order to take advantage of them. The idea of “climbing the corporate ladder” is rapidly falling away. In the nomad economy, workers have to make lateral, diagonal, and occasionally downward moves to get a new role that they want.

“It’s more like a jungle gym than a ladder,” says Meister. “There is so much movement of talent, and that has advantages for both the employee and the employer. Even full-time employees are operating like gig-economy workers. All the lines are blurring.”

Another fact of life for nomads is that you can’t rely on your existing employer to provide all your professional training. Yes, some firms have established successful learning academies and career path programs as ways to improve employee engagement and productivity. Nevertheless, there’s an increased expectation that employees take it upon themselves to pursue lifetime learning. Clark says. “If you want to be successful, you can’t sit and wait for things to be done for you.”

Next, workers need to drop assumptions around pay. By staying in-house, workers can expect typical pay bumps of around 1 to 2 percent, after accounting for inflation. However, changing companies or careers could change those dollar figures dramatically—both up and down. The good news is that any short-term hit to pay can be counteracted by picking up new skills. “If over three or six months you develop a valuable new skill that the marketplace rewards, like learning a new programming language that is in hot demand, then you can name your price,” Clark says.

Next, think of your personal and professional

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Attracting + Keeping the Nomads

The more nimble, talented, and flexible workers are, the more able they are to switch jobs or careers. And while workers need to adapt to a new nomadic lifestyle, so too do companies.

Here’s what organizations can do to improve their chances of attracting—and keeping—the nomads, according to Vincent Milich, a Korn Ferry senior client partner who specializes in strategic workforce planning.

Create a career architecture.
Give employees a view of a variety of roles throughout the organization. It may show some of them that they actually can satisfy their career aspirations at one firm.

Help employees upgrade.
Provide robust development programs so employees can continually refresh their skills, Milich says. Software programs can help workers learn everything from accounting to the building blocks of emotional intelligence.

Make development a company priority.
Have a group of leaders accountable for career management, Milich says. This group has responsibilities for increasing employee engagement, reducing turnover, and making sure high-potential employees progress in their careers.

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Longest, and shortest, tenured industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Tenure (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD SERVICE</td>
<td>2.0</td>
</tr>
<tr>
<td>HEALTHCARE/SOCIAL ASSISTANCE</td>
<td>3.9</td>
</tr>
<tr>
<td>MINING/OIL &amp; GAS</td>
<td>5.1</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>5.4</td>
</tr>
<tr>
<td>UTILITIES</td>
<td>9.5</td>
</tr>
</tbody>
</table>

network as a garden that has to be tended constantly. If you are locked into one job at one company, then there is no urgent career necessity for interacting with people at other firms or in adjacent fields. But in the nomad economy, if you let your network dry up, then you could find yourself in consistent financial trouble.

In particular, workers have to extend their networks across geographies and industries. “For instance, if marketers know that data science is transforming marketing, then they need to grow their network in that space too, because that’s where the function is moving,” says Meister.

Finally, remember that even though an array of opportunities may be available to you in the nomad economy, that doesn’t mean you should automatically take them. This is where discretion comes into play. Only make a move if it is the right fit—though knowing what that ‘fit’ is takes some research and self-awareness. Experts say it’s a point many people miss, especially when they want to change jobs or relocate, or an opportunity excites them.

The notion of career nomads might carry with it a negative connotation of someone aimlessly drifting through life. Actually, the approach shouldn’t be aimless at all, suggests John Petzold, a Korn Ferry senior client partner and leader of the firm’s CXO Optimization practice. It should be deliberate and strategic, even if your path occasionally changes direction. After all, you are basically constructing a “career mosaic,” he says, and you need to do so thoughtfully.

Take Henry De Sio, for instance. At the moment, he’s in the middle of one of his once-every-seven-years sabbaticals. He might write another book, and he is taking some time to think about what his next incarnation is going to look like.

A career shift might be intimidating to some people, especially at age 56. But not for him, since he has already pulled it off many times before. “The idea of a traditional career ladder is going to be as outdated as a typewriter on a shelf,” he says. “People have to get much more flexible thinking about their careers going forward. But I want to tell them that it’s nothing to be afraid of. It’s actually very exciting.”

“The pendulum has swung to, ‘Why did you stay in one company or one job role for so long?’”
The New ‘Caring’ B-School

With applications down—but social corporate causes up—MBA programs are shifting. What will happen to post-grad salaries?
Both of Katie Guidera’s parents are doctors, a calling she followed into pre-med at Duke University, where she enrolled in classes on global health and spent all four of her summers piloting a public health initiative in rural South Africa. “From a young age I had dreams of building a career that would enable me to support the development of healthier communities,” says the 27-year-old. But on this day she’s speaking from Cambridge, Massachusetts, where instead of applying for a residency she’s on track to finish her MBA at Harvard Business School (HBS) this spring.

From the cynic’s perch, the veer from caregiving to capitalism seems quite the directional departure. But Guidera doesn’t see it that way. She says a lot of B-school students today are there to learn how to create and scale businesses that have social impact. In fact, she’s now co-president of HBS’s Impact Investing Club. “Contrary to some beliefs,” she will correct you, “profit doesn’t have to be at odds with purpose.”

With every year, a bigger part of the corporate world gets farther away from the “greed is good” motto to a more empathetic “doing well by doing good.” And with their own applications down in recent years, many of the top business schools are taking up what could be their best opportunity at relevancy: creating change agents. Instead of pursuing public policy, social work, or law to save the world, such agents look to the powers of the free market.

Gone are the days when students were required to take one measly ethics course in the first semester. Today’s educators are forging classes like “Reimagining Capitalism” at Harvard and “Large-Scale Social Change” at University of California Berkeley’s Haas School of Business. Sustainability is side by side with accounting. Top universities that once boasted their MBAs as a pipeline to high-paying jobs and a powerful net-work now compete on social impact metrics. “There’s been a sea change in who’s coming to business school,” says Nora Silver, professor of “Large-Scale Social Change” at Haas, where she is also director of the Center for Social Sector Leadership. And while not every student is shunning Wall Street glamour (and pay), certainly that change is easy to see in the student body at many campuses.

Guidera, for one, says she’s interested building businesses at the base of the socioeconomic ladder. “We’re thinking about how to create solutions that go beyond the individual,” she says. As for the companies looking to hire these starry-eyed graduates, she has one warning: “You’d better have a way to show them they can achieve purpose.”

By Meghan Walsh

The Problem: Sticking to teaching courses that focus on bottom-line results only puts many B-schools out of touch.

Why It Matters: Today’s millennial students are demanding changes in their education.

The Solution: From Stanford to Wharton, the top schools are offering new curricula on everything from impact investing to launching social enterprises.

In 2015, The New Yorker published a cartoon. A man in a tattered suit is sitting around a campfire with three raggedy children as the world smolders in the background. The caption reads: “Yes, the planet got destroyed. But for a beautiful moment in time we created a lot of value for shareholders.”

Climate change. Income inequality. Food supply. Education. Healthcare. All of the big problems facing down society can be traced in one way or another to Big Business. And when Enron disintegrates overnight, the housing market implodes, or the planet is in peril, it isn’t surprising that those who lay the intellectual foundation that business leaders operate upon come under scrutiny. Are business schools extolling triple bottom lines? Or are students taught to measure in cost/benefit terms that dis-count the future and externalize costs? As it’s been said, “Budgets aren’t just questions of arithmetic, they’re measures of our values.”
Indeed, a study by the Aspen Institute, a nonpartisan think tank based in Washington, DC, shows that when students enter business school, they believe that the purpose of a corporation is to produce goods and services for the benefit of society. By the time they graduate, their intentions are singular: maximize shareholder value.

For their part, B-schools will tell you it isn’t easy to produce righteous leaders. Ethics are notoriously hard to teach. For starters, many would argue that character is firmly cast by college, so the best schools can offer is a framework for considering morality. That same framework can be used to defend questionable behavior. For instance, in 1970, the Nobel Prize–winning economist Milton Friedman published an essay in The New York Times Magazine titled, “The Social Responsibility of Business Is to Increase Its Profits.”

What can make ethics easier, though, is when the student body—more than the school or faculty—is driving the agenda. “There is a generational pressure coming through the pipeline,” says Michael Wiemer, senior vice president and chief officer of the Americas for the Association to Advance Collegiate Schools of Business, a professional accrediting organization. “Younger people have been very clear about their decisions as consumers; they bring those same ideas, beliefs, and demands into education. Business schools are responding to that.”

Na’ama Yehezkel is the new MBA candidate. Originally from Israel, the 32-year-old has worked and studied across the world, from India to Canada, Australia, and now the US, in New York City. She spends her spare time advocating for underrepresented groups, abortion rights, and anti-trafficking efforts. She is head of Columbia Business School’s Leadership and Ethics Board, co-president of Women in Business, and a vegetarian. Yehezkel’s partner is a dual MBA and JD candidate. He interned at the American Civil Liberties Union.

“Relatively early on, I thought I would want to do public service or politics,” Yehezkel says, “but I realized another way to affect change is to be the person I want to see. I want more women managers and CEOs. When you climb the ladder in the private sector, you’re able to hire people, decide where the new office is going to be. With business there is a faster pace of change.”

More than 60 percent of full-time MBA students at ranked programs majored in something other than business and commerce during their undergrad years. A study by Principles for Responsible Management Education, a United Nations–supported initiative with 650 business school signatories, found 45 percent of students at participating schools want more coursework on ethics and environmental stewardship. To satisfy the demands of their increasingly virtuous and global clientele, business schools are moving beyond philosophy and exploring the practicality of how to navigate moral hazards and solve societal problems through business. Entire departments are devoting themselves to sustainability, design thinking, and cross-sector collaboration. Students are being matched with local nonprofit boards to serve as non-voting members. Impact investing clubs are ubiquitous. The Berkeley Haas Socially Responsible Investment Fund, the first and largest student-led fund of its kind, has more than doubled its investments since 2008 to more than $2 million. HBS sends classes to emerging markets to design products and services that meet the people’s needs. Students sit in homes and learn to build empathy. Some schools are going as far as requiring graduates to pledge that they are committed to serving as ethical leaders, in the same way a doctor recites the Hippocratic oath.

On a school podcast, Eric Orts, a professor of legal studies and business ethics at Wharton, said this about the rising consciousness on campuses: “I think there are changes to how we teach responsibility in business ... but the question goes deeper to, what are we really about ... and what are we teaching students to be doing?”

“It’s getting harder and harder to say the business of business is simply business.”
But—and this is a rather inconvenient hitch in the millennial narrative—the starting salary of an Ivy League MBA is still more than $150,000. Indeed, while today’s student may be more “woke” than yesterday’s, it’s uncertain whether they grasp the personal sacrifice it will require to truly tackle such issues as climate change and income inequality—because the solution to income inequality is redistribution. Even the Bible wasn’t optimistic, declaring that a camel will sooner pass through the eye of a needle than a rich man through the gates of heaven.

Business, no matter how well-intentioned, cannot solve institutional problems on its own. “That’s not what business was intended to do,” says Rebecca Henderson, who teaches Harvard’s “Reimagining Capitalism.” “The idea that simply running businesses better will solve these issues is misplaced.”

In *Winners Take All: The Elite Charade of Changing the World*, published earlier this year, Anand Giridharadas coins the term “MarketWorld,” a cognitively dissonant ideological fantasy land inhabited by the plutocrats who want “to do well and do good.” The same corporate citizens championing “win-win” solutions, he argues, are also actively exacerbating the problems they superficially aim to solve by, for instance, discouraging regulations and taxes.

Citizenship implies being a member of a community. Good corporate citizenship then requires cross-sector collaboration and engagement between private, public, and nonprofit organizations. But with the brain drain siphoning young talent from the nonprofit and public sectors, society will more than ever be looking to business to fill the void. What remains to be seen is whether for-profit corporate responsibility will become more than the shiny veneer it is now.

Several years ago, Henderson received a call from a CEO. “He said, ‘I think sustainability is bull, but everyone I’m hiring cares, so come talk to us.’” Since then, Henderson says, the company has made real changes. She thinks the CEO might even be a believer now. “It’s getting harder and harder to say the business of business is simply business,” she says.

It’s uncertain whether MBA students grasp the personal sacrifice it will require to truly tackle social issues.
The countdown sequence began for the space shuttle Columbia on the launchpad at the Kennedy Space Center. Strapped inside the cramped interior was astronaut Franklin Chang Díaz and his fellow crew members, all tensely awaiting liftoff. It was January 1986, and the 35-year-old Chang Díaz had finally reached this moment. Born in Costa Rica, he had always dreamed of becoming NASA’s first astronaut from Latin America.
Only the dream would have to wait. At T-minus 15 seconds, with its three main engines on the verge of unleashing almost 8 million pounds of pressure, mission control stopped the countdown. Scrambling to fix a glitch, it would reset the countdown then halt it another five times, all while Chang Díaz and the crew remained inside. Weather conditions, mechanical errors, and software issues kept NASA engineers searching for solutions—until the rockets finally ignited on the sixth try. By then, Chang Díaz was almost surprised. “I wasn’t mentally prepared to take off.”

The thrills and risks of space exploration are much on people’s minds this year as we mark the well-publicized 50th anniversary of Apollo 11 and Neil Armstrong’s first footsteps on the moon. It was a moment and feat that captivated the world in ways that are still hard to describe. But as many are looking back in time, the world of exploration is looking forward, too, to the next frontier: Mars. NASA’s InSight robotic lander has been probing the deep interior of the red planet. In a year, two missions—one by the European Space Agency and another by NASA—will focus on astrobiology, looking for signs of life on Mars.

Such awe-inspiring efforts are in a different universe than corporate leaders who are struggling to create, say, a workable supply chain. But with moon and Mars talk so big at the moment, we set out on our own bold mission: to find some truly intriguing leaders today with real-life experience in space exploration and research. Among these stargazers we found a few who are themselves CEOs today, as well as a NASA collaborator, and asked them to find several key threads that leaders in both orbits must follow.

For his part, Chang Díaz, who went on to log more than 1,600 hours in space and three spacewalks in his 25 years as an astronaut, those harrowing moments on the launchpad spawned memories he carries today at his own rocket propulsion firm. In his view, the “sheer levelheaded reasoning of the launch director” is what saved the day as Columbia sat on the launchpad and kept the mission on track. Right there, we had our first lesson: the more you talk to the cosmos-focused, the more you understand the all-important concept of reaching for the stars.

Lessons from the Cosmos

Lesson One

**FAIL FAST, LEARN FASTER**

When contemplating lessons from space exploration, “failing fast and learning faster” is the first and overarching. Granted, it’s quoted to the point of being cliché in places like Silicon Valley, where a software glitch might mean, say, failure of an app to launch on a smartphone. But at 18,000 miles per hour, the speed the space shuttle must reach to achieve and sustain orbit, it takes on a more urgent and highly relevant meaning.

For Chang Díaz, who endured glitches of some sort on six out of seven of his shuttle missions, “learning from failure” meant the difference, of course, between life and death. During his second flight, onboard space shuttle Atlantis, carrying the nuclear-powered Galileo spacecraft bound for Jupiter, the shuttle began to overheat before breaking out of the Earth’s atmosphere. An emergency landing in Morocco looked imminent until NASA’s ground control and the flight crew were able to fix the problem and finally get the shuttle into orbit. “We were very close to having a major catastrophe,” he recalls. “But we trained for this stuff. We just executed our procedures and we flew the way we trained.”

Today, Chang Díaz applies his NASA experiences of “failing fast and learning faster” at his Houston-based company, Ad Astra Rocket, which is developing next-generation technology. He gave us a crash course in rocket propulsion: While traditional rockets that use chemical combustion work well for getting to the moon, a mere 238,000 miles away, Chang Díaz says this older technology will be inefficient for taking crews to Mars, which averages about 140 million miles away. Instead, he believes Ad Astra’s plasma engine, VASIMR, could conceivably cut the space travel time to Mars to only 39 days. “We believe nuclear power will be the enabler for deep-space transportation,” he explains.
Two

Three

Apollo 17 on its return in 1972.

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Díaz relies on what he calls his
As a rocket scientist, Chang
emphasized by other leaders
an experimental mindset was
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“As one of my professors at MIT
The importance of having
and researchers we spoke to,
especially in keeping one’s
consider the latest discoveries in astrobiology—
which suggest life in outer
space exists. Mars doesn’t seem
particularly habitable: Tempera-
tures average about -63 degrees Celsius, and the atmosphere
is composed of carbon dioxide.
That would seem to rule out
supporting life, except that may
not be the case. Scientists have
studied the presence of microbes
in extreme conditions on
Earth—places with no light, no
water, exceedingly high or low
temperatures, and highly acidic
or alkaline conditions.
“Extensive research of so-called ‘extremophiles,” or
living organisms thriving in extreme environments, has
had profound implications for
our understanding of life in the
universe,” says Bill Diamond,
CEO of the SETI Institute in
California, whose mission is to
look for life beyond Earth. “We
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This may be the case
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Dr. Suzanne Bell, an indus-
trial psychologist at DePaul
University in Chicago, and
her research collaborators are
working with NASA to deter-
mine how to put together the
best teams for long-duration
space exploration such as a
mission to Mars. “A bad people
mix would definitely derail a
mission,” says Bell, whose work
includes simulations at Johnson
Space Center in Texas.

For example, if every
member of a highly intelligent
and incredibly skilled crew
jockeyed for leadership, that
would spell trouble. While lead-
ership traits are highly valued,
sore are traits like flexibility
and agreeability—essentially
knowing when to lead and
when to follow and support oth-
ers. Otherwise, small tensions
or an inability to put the team
first and ego second could spiral
to declines in performance
and difficulty executing tasks
together seamlessly.

“When you’re trapped with
someone for two-and-a-half
years in a small space the size of
a studio apartment, you really
have to get along,” Bell says.

Here, we met Dr. Michelle
Larson, Adler’s CEO—an out-
doorsy, energetic leader with an
inspiring outlook. A physicist,
she spoke excitedly about a per-
sonal experience in her twen-
ties when she aimed a simple
pair of binoculars at the moon.
Suddenly, the mountains,
valleys, and craters came into
view. And so did the wonder
of the cosmos and the ability of
humans to unlock its secrets.

“Everything we know about
our planet, about society, about
Lessons from the Cosmos

As one of my professors at MIT used to say, if you run an experiment and it works perfectly, you have learned nothing.

The universe today, humans discovered,” says Larson, seated in front of a large video screen of images from Mars. “Humans figured that out.”

Space science, with its cosmic scale and astronomical challenges, stretches the human mind to solve problems. Suddenly, the sky is no longer the limit for making discoveries or understanding the unfathomable.

“The fact that the whole universe is our purview makes it very personal and connects it to the fact that we all share our humanity,” Larson adds. “Together, we can take any step we want into the future.”

Contemplating the cosmos leads to another truth—uncomfortable for some, awe-inspiring for others—that that Earth is but a speck within our galaxy, which is among an untold number of other galaxies. It’s a good exercise for keeping things in perspective. “Myself, I’m incredibly empowered by the fact that there is so much to know, and we can know it,” Larson says. 

See what leadership skills are needed for a mission to Mars: kornferry.com/institute

Post-Apollo 11

A Timeline

December 1972
The last Apollo mission, Apollo 17 lands on the moon, investigating possible seismic activity.

May 2018
The Insight robotic lander launches on a mission to Mars; lands November 2018 to probe the planet’s interior.

November 2011
CURIOSITY ROVER launches; lands on Mars in August 2012. Major findings to date include indications ancient Mars could have supported living microbes.

March 2009
The KEPLER SPACE TELESCOPE launches to survey the Milky Way in search of stars orbited by Earth-size planets. In more than nine years of service, it observed more than a half million stars and detected upwards of 2,600 planets.

November 1998
The first component of the INTERNATIONAL SPACE STATION (ISS) is launched by a Russian crew. Intended to be a permanent orbiting laboratory, ISS also serves diplomatic, educational, and commercial purposes.

April 1990
The HUBBLE SPACE TELESCOPE launches into orbit, becoming a vital research tool. Findings include establishing the presence of black holes and capturing images of distant galaxies.

December 1987
The former Soviet Union launches the SOYUZ TM-4, carrying two crew members on what will become the longest duration space mission, spending more than a year on the Mir EO-3 space station.

April 1981
The space shuttle COLUMBIA becomes the first winged spaceship to orbit Earth and return, landing at Edwards Air Force Base.

September 1977
The VOYAGER 1 space probe is launched by NASA to study the outer solar system. Voyager 1, today having been in operation for more than 41 years, is the furthest human-made object away from Earth.

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October 2017
The INSIGHT robotic lander launches on a mission to Mars; lands November 2018 to probe the planet’s interior.
THE DATA DELIVERER

ONE YEAR INTO THE JOB, THE CEO OF HEWLETT PACKARD ENTERPRISE AIDS TO GIVE THE WORLD MORE LEVERAGE OVER DATA.

BY RUSSELL PEARLMAN
Antonio Neri
sits down in the conference room wearing what could be described as “engineer-chic,” a purple and white checked button-down shirt tucked into jeans. The wardrobe reflects Neri’s career path. At age 28, the Argentina native started at a Hewlett-Packard call center answering complex technical problems for business customers. Twenty-four years later, he’s the CEO of Hewlett Packard Enterprise, the three-year-old, $31 billion business-technology-focused offspring of the iconic Silicon Valley firm.

HPE, as it’s known in the industry, is focusing on the more than 2.5 quintillion bytes of data gathered worldwide every day (enough to fill 55 million DVDs) by company computers, smartphones, and every other internet-connected device. HPE develops servers and software that help people store and interpret all that data. “People who can extract insights from data faster will end up winning,” Neri says. While the business is not as straightforward as, say, designing computers and printers (that’s what the other spin-off from HP does), there’s little doubt that the world will produce ever more data at an increasing pace.

Neri spent his first year in the role making several acquisitions to set up HPE’s strategy. Now, he says, the firm has to execute. That involves finding and retaining top talent and remodeling HPE’s culture. After years of seeing management shake-ups and failed strategies, HPE employees need to feel like they work at a place that allows them to innovate and excites them about the future, Neri says.

That’s why he personally helped design HPE’s new headquarters, a six-floor building along the waterfront in San Jose, scheduled to open in early 2019. He picked out the colors (whites, grays, and walnut), approved the floor plans (lots of open space), selected the windows (their panes automatically darken as the sun gets brighter), and even co-designed the sculpture in the main lobby (three people coming together, surrounded by water). There’s a cliché about micromanaging bosses measuring the drapes, but Neri believes the new headquarters should be the embodiment of HPE’s culture. “We need to make this place a fun place to come and work, and give [employees] the ability to fulfill their dreams,” he says.

Korn Ferry spoke with Neri to find out about his path to the top, the importance of employee culture, and why he says the CEO job is lonely but not stressful.

Q/A

**How did you wind up at the original Hewlett-Packard?**

I moved to Holland, and this opportunity came along to apply my skill sets, which at the time were around PC client/servers. They were looking for people who understood that architecture and spoke Spanish and Italian, which at the time in Holland was rare to come by, so it was the perfect combination. I never imagined I would be the CEO of the [spin-off] company 24 years later.

**Which role most prepared you to be CEO?**

I really treasure and appreciate that first job because of the customer centricity. I was speaking to customers eight hours a day, taking 20 to 22 calls. You’re solving problems and building a connection with them. You also learn how the company operates. But it all came together in jobs where I was running a whole business; as a general manager, you own the end-to-end execution of it. It gives you the understanding and the scale to operate at a CEO level.

**No HP-related firm has had an insider as CEO since 2000. Why was it important to the firm’s board to pick an insider?**

Meg Whitman, the former CEO, was very clear that the next CEO should come from the inside. (HPE), after the spin-off, became very technology driven. Learning the company from zero would be a hard thing to do.
“YOU HAVE TO GIVE PEOPLE A LONG-TERM VIEW OF WHY THEY SHOULD STAY AT THE COMPANY. IT’S NOT JUST MONEY.”

Plus, all of the transitions from the outside hadn’t worked very well. The board wanted to reinstate some of the old Hewlett-Packard values that had been lost along the way. But my promotion wasn’t a given. I became president of the company in June 2017. It was clear that there was going to be some sort of CEO transition eventually, but the board wanted to keep open its options. I had to build relationships, and the board developed a comfort level with me.

Q/A

YOU SAY THE CEO JOB IS THE LONELIEST JOB IN THE WORLD. All decisions eventually end up with you. On one side, you run the company. On the other, you run the governance with the board. You have to manage those aspects all the time.

YOU DON’T SEEM TOO STRESSED ABOUT IT. I enjoy the hard things and working with our teams to tell a story. I’m optimistic by nature. I enjoy life. I don’t live to work, I work to live.

MANY CEOs COME IN AND MAKE BIG, STRATEGIC CHANGES, BUT YOU ARE NOT. WHY NOT? I had been working hand in hand with Meg for six-and-a-half years. The strategy was co-developed by me, Meg, and the board. We now have to execute.

HOW ARE YOU GOING TO FIND THE HIGHLY SKILLED TALENT TO EXECUTE YOUR STRATEGY WHEN TECH FIRMS BIG AND SMALL ARE LOOKING FOR THE SAME THING? Competing for talent in the Bay Area is a war. We’ll offer subsidized food and all the amenities. You have to get the basics right. But, importantly, you have to excite people about the future. People want to come to a company where they are going to win. You have to give them a career path. But attracting talent is not the biggest issue, it’s retaining it. It’s easy to find a job. There’s a shortage of supply of talent in certain areas. Cybersecurity is a problem. AI is a problem. You have to give people a long-term view of why they should stay at the company. It’s not just money. Money is one component, but it’s also about an employee’s ability to do things and grow.

SO THAT’S WHAT KEEPS YOU UP AT NIGHT, RETAINING THE TALENT? To me it’s more about the culture. If you ask me what my legacy will be, yeah, they’ll measure me on shareholder return and all the things that CEOs are measured on. But the measurement I will look at is how I made this company relevant and brought a culture that is unique that can attract and retain talent. All the other stuff you figure out along the way.

WHY DOES THE CULTURE NEED TO BE CHANGED? During the last seven-and-a-half years, employees went through a lot. At one point there were three CEO transitions in 10 months. There were things from a benefits perspective that were not done. There was a constant churning of spin-offs, mergers, and separations. What employees see now is a purpose-built company with a clear purpose with a clear set of values with a clear strategy. And over the last 12 months we’ve done many benefits and cultural changes to reinvigorate the environment.

HOW DOES THIS NEW HEADQUARTERS PLAY INTO THAT? Restating our image inside our buildings is a big deal. It has to reflect our three values: Partner. Innovate. Act. The interior was designed by me.

YOU REALLY PICKED OUT THE COLORS? The colors. The carpets. The layouts. You’re going to see a sculpture outside the lobby that I designed with a friend of mine. You have to go by, you can’t miss it.

HEWLETT PACKARD ENTERPRISE
ESTABLISHED: 2015
BUSINESS: ENTERPRISE TECHNOLOGY & SERVICES
NO. OF EMPLOYEES: ABOUT 60,000
ANNUAL FY18 REVENUE: $30.9 BILLION
EARNINGS: $1.9 BILLION

DON’T CONFUSE THEM Hewlett Packard Enterprise (HPE) was created when legacy Hewlett-Packard was split into two firms. HP Inc., the second firm, makes printers, computers, and other consumer technology.

HPE is moving from its Palo Alto home (above) to a new headquarters in early 2019.
From fishing trips to corporate “Olympics,” there’s a new version of the annual retreat.

BY RENEE MORAD

The thought of spring break might bring on flashbacks of dirty hotel rooms, cramped car rides, and questionable decisions (no one ever needs a fifth burrito). But these days, spring breaks have a whole new meaning in the corporate world. Companies are increasingly working with event planners to organize springtime executive retreats that include team-building exercises, cultural activities, and a healthy dose of R&R in hopes to encourage teamwork, spark creativity, and avoid employee burnout back at the office.

Paddles Up
Throwing executives onto paddle boards in the middle of the ocean will certainly test their agility. Executive retreat-planning firm Event Solutions hosted a stand-up paddle challenge for Nike leaders last spring in Long Beach, California. Employees were divided into teams of six for a relay race, followed by a volleyball tournament.

Fishing for Ideas
Darby, Montana, is realistically the middle of nowhere; the closest city, Spokane, Washington, is more than 200 miles away. But thanks to being on the Bitterroot Range of the Rocky Mountains, it’s become a place for executives who want to bond over mountain biking, cattle driving, fly fishing, or a variety of other ranch-style activities. Triple Creek Ranch sits on 600 acres and often has all 25 of its cabins rented out for corporate retreats.

Car Talk
The Highway 39 Event Center in Anaheim, California, features a collection of 50 museum-quality automobiles. For a corporate team-building event last year, the center created a 1950s auto garage party, featuring noted automobile enthusiast and former talk show host Jay Leno.

Farm to (Boardroom) Table
The “Ready, Steady, Cook” challenge at Fearrington House Inn in Pittsboro, North Carolina, challenges executives to create a meal using limited resources and a secret ingredient within a specified time limit. Chefs judge the teams on ingredients, presentation, taste, and teamwork. There are also cooking classes, region-specific wine seminars, painting, and yoga.

Wine Down
From wine tasting with a sommelier to a biking tour and hot-air balloon ride, Backroads’ private corporate retreats in California’s Napa and Sonoma valleys range from two to five nights, on average. Employees stay at nearby hotels such as the luxurious Solage in Calistoga or the sophisticated Hotel Healdsburg in Healdsburg. Sometimes, motivational speakers are called in to provide an added level of inspiration.

Company Olympics
Kingsmill Resort in Williamsburg, Virginia, can put together an Olympics-themed corporate retreat that includes a putting contest or a seaside challenge, complete with kayaking and beach cornhole. Looking to get even more creative? There’s the “amoeba creep relay.”

Spring Break, Executive Edition

Illustrations by Peter Horvath
It’s a dream of any wine collector. This past fall, a connoisseur put up for auction 100 bottles of wine, many of which had, over the years, been stored in his family’s cellar rather than enjoyed with dinner or shared with friends. Two particular bottles of Burgundy—bottled in the same year, 1945, by the same vineyard, Domaine de la Romanée-Conti—caught the eyes of other oenophiles. Sotheby’s, the auction house offering the bottles, estimated that they could each sell for $22,000 to $32,000. One went for $496,000. The other set the record for most expensive bottle of wine sold at auction, $558,000. Together, the 100 bottles from the personal cellar of a French collector brought in $7.3 million.

We can’t all have a collection of Burgundies that fetch the equivalent of $100,000 a glass, of course. But a bit of expertise can help any connoisseur take his or her wine collection up another notch.

Buy what you like. You may want to add a bottle of Château Lafite Rothschild 2009 ($1,249 a bottle) for personal consumption or buy cases of this Bordeaux as an investment. Just don’t spend your time and money aging wine if you don’t like older flavors in your wine. “Collect what you’re passionate about,” says Dave Lofstrom, a sommelier at Manhatta in New York. This even goes for someone who views a wine collection as a future annuity. When she first advises new clients, whether they are building a new cellar for enjoyment or investment, or refining an existing cellar, Julia Gilbert, vice president at Sotheby’s Wine Advisory, wants “to figure out what [they] taste is and have fun with it.”

Timing is everything. Not surprisingly, one of the biggest factors in upgrading a collection is time. “All wines can age, but not all wines are meant to age,” says Lofstrom. “If everything in your cellar is meant to be enjoyed in 10 or 20 years, what will you drink tonight or this weekend?”

Depending on where a wine originates can determine how long you should wait to drink it. Red wines from Barolo, Barbaresco, Bordeaux, and the Northern Rhône have pronounced tannins and can benefit from considerable aging. Zinfandels, pinot noirs, and chardonnays are best drunk within five years. But rosés, pinot grigios, and Beaujolais are all good to drink now. Cellaring those for years won’t improve their tastes or values.

Great wine may not pay. Finally, experts say it’s important to remember that even highly rated wines don’t necessarily make a good investment. “The world is full of good wines today, but only a handful are truly collectible and investment-worthy,” says Steven Washuta, master sommelier at The Pool, the restaurant set in the former Four Seasons in Manhattan.

As investments go, two wines that offer a robust rate on return are Château Mouton Rothschild and Château Latour, which are first-growth Bordeaux from Pauillac. Both benefit from at least a decade in the bottle before being opened and have the potential to age for many decades (depending on the vintage). The longer you hold a bottle, often the higher the rate of return. “There’s a finite supply of any wine,” Gilbert says. “People are drinking the wine, so supply is decreasing. Meanwhile the population looking for these bottles increases. It’s fundamental supply and demand.”

Great Wines

<table>
<thead>
<tr>
<th>WINE</th>
<th>PRICE</th>
<th>TASTING NOTES</th>
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<tbody>
<tr>
<td>Rombauer Chardonnay 2017, Carneros, California</td>
<td>$37</td>
<td>A rich chardonnay with a supple, elegant profile.</td>
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<tr>
<td>Tenuta San Guido Sassicaia 2014, Bolgheri, Tuscany, Italy</td>
<td>$200</td>
<td>A recent vintage from the originators of the “Super Tuscan” style of Italian reds.</td>
</tr>
<tr>
<td>Château Margaux 2009, Margaux, Bordeaux, France</td>
<td>$1,130</td>
<td>2009 was an extraordinary year for Bordeaux in general and this famed vineyard in particular.</td>
</tr>
<tr>
<td>Screaming Eagle Cabernet Sauvignon 2012, Oakville, Napa, California</td>
<td>$3,600</td>
<td>The wine Robert Parker’s Wine Advocate calls “perfect.”</td>
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