BRAZIL: Booming, Busting ... and Now?

TALENT + LEADERSHIP

KORN FERRY Briefings

2030

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Clothing with built-in computers, suborbital commuting, artificially intelligent appliances. Innovations like these aren’t too far away. So how will it all change actual work?

“We believe that if men have the talent to invent new machines that put men out of work, they have the talent to put those men back to work.”

—JOHN F. KENNEDY, 1962

The Future of Work: 2030

Clothing with built-in computers, suborbital commuting, artificially intelligent appliances. Innovations like these aren’t too far away. So how will it all change actual work?

By Russell Pearlman, Karen Kane and Hazel Euan-Smith

Cover art by Peter Crowther
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FROM THE CEO

“I don’t know anybody who was ever inspired by their smartphone. That takes a human being.”

ENDGAME

“Should we return to communicating by pulp?”
I can still remember riding my bicycle through my hometown on that day in July 1969, and hearing the shouts and cheers coming through the screen doors of the houses in our neighborhood. “The Eagle has landed!” “We did it!”

The Apollo 11 mission proved that the sky was no longer the limit. Rockets and technology that had been unheard of only a decade before had taken us all the way to the moon. But the humans left the footprints behind. For all the technological wonder, people had made the difference.

Today we stand on the threshold of another technological era, where ever-increasing digital inroads seem to raise the question: Have employees become irrelevant? A surprising number of CEOs apparently hold that view, as revealed in Korn Ferry’s interviews of 800 leaders of multimillion-dollar global businesses:

• More than two-thirds of CEOs (67 percent) believe technology will create greater value in the future than people.

• Nearly half (44 percent) think that robotics, automation and AI will make people “largely irrelevant” in the future of work.

• When asked to rank what their organization’s top five assets will likely be in five
years, the company’s workforce did not even make the list. Instead CEOs named (in order): technology, innovation, product/service, brand and real estate.

Well, as a CEO, I guess the bright spot is technology doesn’t talk back (as people do). But wait, that’s not even true—thanks, Siri.

Nevertheless, the findings above are, quite frankly, shocking to me. A LinkedIn post I wrote on it created quite a stir with some 120 comments—many of them emotionally charged responses to the leaders surveyed who see technology as more crucial to the future of work than people.

Although people spend as much as one-third of their day staring at their handheld screens, I don’t know anybody who was ever inspired by their smartphone. That takes a human being.

This is not to dismiss the fact that technology is a potent differentiator. Show me a company that isn’t in some way a “tech firm,” and I’ll show you a company that’s largely irrelevant. Technology has unleashed productivity and changed the way we work and live—all the way back to the Industrial Revolution. In the 1800s, 90 percent of people lived on farms; today in the U.S. that number is a mere 1 percent.

But too much reliance on technology at the expense of talent is shortsighted. An economic analysis commissioned by Korn Ferry found that human capital represents a potential value of $1.2 quadrillion for the global economy—more than twice the value of tangible assets such as technology and real estate.

The debate should not be either-or, technology versus people. It’s obviously both. The bigger dilemma is the future of work. How will we deal with a labor force that is increasingly porous, specialized and transient?

The future of work looks something like this: At least 50 percent of the labor force will be freelancers—not outsourced or insourced but self-sourced, applying highly specialized skills to multiple companies simultaneously. People will more routinely work into their 70s and usually into their late 60s. In fact, it will be common to hire or “rent” a 64-year-old first-time employee. Moreover, people will work for as many as 25 different companies during their lifetime and enjoy multiple careers. (As a baby boomer, I will have worked for four companies; my daughter, who is 24, has already worked for two organizations post-college.) And knowledge will determine a worker’s earnings for life.

Yes, technology will continue to disrupt the labor force. But we have to remember, rockets didn’t take us to the moon; it was the engineers and the dreamers. The Internet didn’t create a globally networked economy; it was the innovators and creators.

From sports to entertainment to business, it’s still pretty simple: The team with the best talent usually wins. ☑
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The Weather Economy

BY SIMON CONSTABLE

Savvy corporate leaders are homing in on the increasing rate that capital flows into—and out of—countries.

It’s late fall in New York City. The weather is cold, wet and windy—normal for the time of year. Forecasters see frigid air bringing the first big snows of the season to the Midwest. Come June, across the globe, Indians will expect the monsoon to drench the land. Atmospheric thermal systems, which vary considerably from day to day and year to year, determine the local weather. In turn, the weather affects crop yields, making the difference between drought-induced disaster or a year of abundance. No matter how ripe the land is, the weather changes everything.
Pay attention, corporate leaders, because it turns out that in the world of global economics, the same is true. Economists say no matter how much potential a country may hold, it needs capital to grow, and just like the weather systems swirl around the atmosphere, capital flows from country to country. Call it the “weather economy.” Business leaders, from savvy CEOs to chief financial officers who rely on revenue forecast models, know all too well the importance of knowing which countries are losing capital—and which ones are gaining it. Only now there is evidence that the pace of capital or investment coming in—and leaving—countries has picked up, creating a whole new need to follow the weather economy even closer.

To some degree, the mere existence of a much more global economy, with more trade and bigger multinational companies, is causing the shift. Julien Acalin, a research analyst at the Petersen Institute for International Economics, also cites fewer currency controls in many countries and the rise of electronic transfers. Either way, the numbers are fairly astonishing: In just under two years ending late 2016, non-residents yanked $1.2 trillion in capital from China, according to estimates from the Institute for International Finance. That’s around 10 percent of China’s economy. Over in the United Kingdom, $906 billion was pulled out in 2013. And it isn’t just money going out the door: Brazil saw an influx of at least $500 billion in foreign capital every year from 2010 through 2015, up almost tenfold from a decade earlier. Ever wonder why the U.K., pre-Brexit, was so robust? Foreign investors sunk a remarkable $2 trillion into that economy in 2010 alone.

Though not quite the center of attention in most boardrooms, these kinds of capital flights and influxes play a huge role in how companies perform. It determines how much investment goes into a country’s infrastructure, and to a large degree employment opportunities. Retailers will do great internationally if they know where to focus their efforts and inventories; manufacturers will find investment from outside the country,” says Acalin. The whole thing comes down to a very simple idea: Capital is the cash that people have saved, now being put to use in growing the economy. It heads where it’s treated best.

For most countries, capital comes from investors or lenders. The past few years have seen massive floods of foreign cash heading into Latin America’s biggest economy, Brazil. The high growth, fueled by commodity exports and a rising population, made it attractive. In 2015 the country saw $70 billion, or 14 percent of total incoming capital, from bank loans. On top of that there were investments in stocks and securities, for a further $115 billion inward purchases of securities. But that turned sour in a trice.

In the first half of 2016, foreign investors got spooked: Bank loans contracted and foreigners dumped Brazilian stocks—the total outflow from the two types of investment: $40 billion. Why? Blame a corruption scandal, a falling currency and a fiscal crisis. (See “Brazil: Booming, Busting ... and Now?” on page 48.)
Another type of capital is foreign direct investment (FDI). It’s not so flighty as other capital, in part because some capital is simply hard to move, like new factories. “FDI is based on long-term commitments, and it tends to last,” says Petersen’s Acalin. In October, Japanese carmaker Nissan announced it would upgrade its factory in Sunderland, England, into a “super plant,” according to the Guardian newspaper. It means more jobs, more growth for Britain.

It should be obvious that Nissan’s money will flow into Britain’s economy. But it isn’t always so clear. “It is very unusual that you can measure exactly how much capital is flowing,” says David Ranson, director of research at HCWE & Co. Government statistics don’t cover everything, and they aren’t all created equal. U.S. government data is different from those from China. The information available is an estimate. But there are other clues about what is happening.

“One of the major indicators we look at is the balance of payments of countries: The trade deficit or surplus,” says Ludovic Subran, chief economist at business-to-business credit insurer Euler Hermes in Paris. If a country imports more than it exports, as does the U.S., then other countries lend the money. Currency stability is another indicator: A stable currency is more likely to attract capital—and vice versa, which helps explain the flight from both China and Brazil when their currencies plunged. (Would you keep money in a bank account that shrank your balance over time? Not likely.)

There is one plus to a country losing a lot of investment; the sooner the cycle ends, the sooner more money tends to return. But the faster-changing movements of today can make investors nervous and, thanks to better technology, investors and lenders large and small can transfer funds in a nanosecond, which only adds to more frequent and larger capital flows. It’s the weather economy’s own form of global warming.

“The long-term trend of the increasing global financial openness is likely here to stay,” says Bill Adams, senior international economist at the PNC Financial Services Group, in Pittsburgh. “It means more fast global moves in capital is the new normal.”
Finding the Keys to the Corner Office

What midlevel leaders need to get ahead (and what C-suite leaders need to stay there).

It matters in wars, in most sports and, to some extent, in games of chance. But does it really take courage to get into the upper echelons of a company? Slowly but surely, science is finding ways to measure the traits and skills that tend to succeed in corporate hallways, and it’s getting more exact by the day. In fact, based on executive responses from Korn Ferry’s Four Dimensions of Leadership Assessment (KF4D) tests, it’s possible to rank the skills in two ways: those more common among C-suite types than midlevel managers, and those in more successful or engaged top executives. In other words, a guide to getting into the corner office—and staying there.

Looking at these traits by industry, it turns out fortune does indeed favor the bold, with courage the top trait in the financial services sector, and the second highest in professional business services. It’s also in the top five of at least three other major fields. But a bit of advice for C-suite executives: tuck that brashness away once you’ve made it to the top. Managing ambiguity, instilling trust, planning, persuading—these are the top traits for highly engaged versus low-engaged C-suite types.

Of course, no guide is perfect, and few people can pull off a personality makeover. The takeaway: Try. “It’s not easy for someone who doesn’t innately possess specific competencies to start exhibiting them,” says Stu Cran- dell, senior vice president, Korn Ferry Institute. “But proper development and practice can help.”
**GETTING AHEAD**
The top five competencies seen in C-suite executives versus midlevel managers.

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<th>CONSUMER GOODS</th>
<th>FINANCIAL SERVICES</th>
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<td>1</td>
<td>Builds Effective Teams</td>
<td>Balances Stakeholders</td>
<td>Communicates Effectively</td>
<td>Courage</td>
<td>Being Resilient</td>
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<td>Courage</td>
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<td>Global Perspective</td>
<td>Manages Ambiguity</td>
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<td>3</td>
<td>Action Oriented</td>
<td>Builds Effective Teams</td>
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<td>Builds Effective Teams</td>
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<td>4</td>
<td>Develops Talent</td>
<td>Courage</td>
<td>Courage</td>
<td>Interpersonal Savvy</td>
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<td>5</td>
<td>Engages &amp; Inspires</td>
<td>Drives Results</td>
<td>Ensures Accountability</td>
<td>Action Oriented</td>
<td>Develops Talent</td>
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**STAYING AHEAD**
The top five competencies in highly engaged C-suite executives compared with their lower-engaged peers.

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<td>1</td>
<td>Manages Ambiguity</td>
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<td>Instills Trust</td>
<td>Persuades</td>
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<td>Being Resilient</td>
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<td>Manages Ambiguity</td>
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<td>Being Resilient</td>
<td>Develops Talent</td>
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<td>4</td>
<td>Ensures Accountability</td>
<td>Manages Ambiguity</td>
<td>Values Differences</td>
<td>Ensures Accountability</td>
<td>Manages Ambiguity</td>
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Based on executive responses from Korn Ferry’s Four Dimensions of Leadership and Talent Assessment (KF4D).
Playing in the ‘Sandbox’

Two rival Asian cities reduce regulations for fintech firms—but still face talent challenges.

Whether they are based in Silicon Valley, Austin, Texas, or Mumbai, tech entrepreneurs tend to be a breed unto themselves. And this particular breed is no fan of government—at least not government regulations or bureaucracy that can dampen the start-up culture.

But leave it to the competitive spirit of two longtime rival cities—Hong Kong and Singapore—to put those budding Steve Jobses at ease. In a move that has raised some eyebrows but seems to have had a successful impact, both cities have created a sort of digital safe space where would-be financial technology moguls can try out new ideas—everything from Bitcoin-like payment systems to crowdfunding—under relaxed regulatory constraints. In the lingo of the day,
these so-called sandboxes are aimed at encouraging innovation and facilitating access to precious seed capital.

Both cities see an opening here because the Internet finance industry has been mushrooming in Asia, with giants like Tencent, Alibaba and Baidu offering to the enormous population there a host of new ways to bank, invest or shop that have been common in the West. The result: China leads the world in fintech users and market potential, according to one study, with a market size of over $1.8 trillion in 2015 alone. That has spurred global interest in the region and convinced Hong Kong and Singapore to look for ways to open their doors to fintech entrepreneurs.

Sandboxes are not new, of course, but the idea contrasts with the generally strong regulatory regimes that govern banking in Singapore and Hong Kong. For its part, Singapore last year began allowing banks to try out their new fintech products without needing full government compliance. Not to be outdone, Hong Kong a few months later introduced similar rules, allowing banks to pilot new technology, provided it has been tested and remains subject to risk management controls.

Such moves, of course, are tricky because they can scare off consumers expecting airtight protections. But observers say that’s turning out to be a secondary issue. The problem—one facing Asia in general—isn’t on the customer side, but more on finding the right talent to match this new order.

“Both cities are competing to be the fintech capital of Asia, but both are having a hard time,” says Matthew Blume, director of client technology for ASEAN at Thomson Reuters in Singapore. The shared challenge: “There’s quite a shortage of technical talent such as developers with domain knowledge in financial services.”

Not surprisingly, one of the key challenges for candidates moving into the fintech world is the cultural fit, says Ed Zheng, senior client partner at Korn Ferry and leader of the Global Technology Markets & Digital Practice, China. The average age of tech employees is 25 to 30 years, compared with 35 to 50 at traditional financial firms, which drives a very different pace and style of day-to-day work compared with banks. What’s more, Zheng says, “at tech firms the leaders are usually visionaries,” requiring other executives to respond with actionable strategies.

According to Serina Wong, a global sector leader for Wealth Management at Korn Ferry International in Hong Kong, the critical leadership attributes for such talent include “extremely strong and polished communication skills,” coupled with “the ability to deal with ambiguity.” What’s more, she adds, “especially when they go global, they need the ability to deal with regulators.”

Ultimately, the battle for talent may partially be decided by whichever city seems “hotter” in fintech. This fall, Singapore got some attention for holding its inaugural fintech festival—but Hong Kong already had its own conference, which it held just days before. The race is so tight that some surveys put Singapore ahead, others Hong Kong … all of which may mean reducing more regulations for newcomers—more sand in the sandbox, if you will.

---

**Two cities, two efforts. One winner?**

**FUNDING**

Singapore, $225 million in commitments over five years; Hong Kong, $300 million already spent.

**FORSKING**

Both easing restrictions on some banking services on a pilot basis

**PARTYING**

Each holds its own weeklong extravaganzas or conferences for fintech entrepreneurs.
Before there was Apple, there was Sony. And before there was Steve Jobs, there was Akio Morita. A marketing genius who built Sony into one of the world’s best-known and widely respected brands, Morita and Sony almost single-handedly shifted the negative, second-rate connotation of “made in Japan” and demonstrated that the nation, devastated by World War II, could become an economic force in the world.

Under Morita’s 43-year watch, Sony created a remarkable string of industry-changing products that range from the first home-use VCR to the groundbreaking Sony Walkman and the compact disc. He even took Sony into the movie business by acquiring Columbia Pictures in 1989. A visionary who believed in global markets, Morita understood that innovation and marketing would drive profits and growth, and he was intent on forging strong business relationships in North America, Europe and elsewhere. Under Morita, Sony became a glittering household name around the globe; at its height it was a better-known brand than Coca-Cola. As recently as 2006, a Harris Poll showed that Sony was the No. 1 brand among American consumers, ahead of Coke and General Electric.

“He was probably the greatest marketer of the 20th century, right up there with Steve Jobs,” says John Nathan, professor of Japanese cultural studies at the University of California, Santa Barbara, and author of “Sony: A Private Life,” a look behind the scenes at Sony during Morita’s tenure.

Given the abject destruction of Japan during the war (when the nation had lost a quarter of its wealth), Morita’s achievement was extraordinary. Always fascinated with gadgets and appliances, Morita studied physics in college, and in 1946, amid the rubble of postwar Tokyo in a bombed-out department store, founded the earlier version of the company with his partner Masaru Ibuka. While Ibuka handled the technology development, Morita became the front man, raising money and becoming the company’s chief salesman. A dozen years later, he would coin the name for the corporation, combining the word sonus, Latin for sound, with...
“sonny boy,” an English phrase that connoted energy and youth.

Morita often told the story of his first trip to Germany in 1953, when in a Düsseldorf restaurant he was served a bowl of ice cream decorated with a miniature umbrella. The German waiter, attempting to be kind, informed Morita that the umbrella was made in Japan. Morita was infuriated that “the world associated ‘made in Japan’ with trinkets and cheap imitations,” according to his obituary in The Economist in 1999. “For the rest of his life he sought to prove to foreigners that ‘made in Japan’ meant originality, quality and value for the money.”

As Sony grew, Morita felt the pull of the U.S. marketplace and moved his family to New York. With his blue eyes and shock of white hair, he was handsome, flamboyant and charismatic, a perfect figure to spearhead the globalization of Sony through the 1960s and ‘70s. “Our plan is to lead the public with new products rather than ask them what kind of products they want,” Morita said. “The public does not know what is possible, but we do.”

One of his greatest examples was the Sony Walkman. The Walkman, a portable audio cassette player and a forerunner to Apple’s iPod, required the use of earphones, which were considered anathema because they were used primarily by deaf people. Undaunted, Morita unveiled the Sony Walkman in 1979 and it fundamentally changed how people listened to music.

But if there is any cautionary lesson in Morita’s story, it’s how the power of marketing has its limits. In 1975, Sony tried to revolutionize how people watched television and movies by unveiling Betamax, the first home videocassette recorder. Within a year, competitor JVC introduced the VHS format—a cheaper, more versatile product—but Morita refused to give in and spent years marketing a format people wouldn’t accept. “He got blindsided by his passion,” says John Nathan. Still, though chastened, the Betamax fiasco did little damage to Morita’s legacy, and when he died in 1999 at age 78, he was hailed as “the engine that pulled the Japanese economy.”

“The public does not know what is possible, but we do.”
—AKIO MORITA
At two Fortune 500 firms, we put the CEO and CCO in a room—and got an earful on the critical partnerships they have now.

The Great Communicators
According to a Korn Ferry survey of CCOs at Fortune 500 companies:

- **91%** “Providing leadership” is becoming a bigger focus in their job
- **47%** “Defining company character” is becoming a bigger focus in their job
- **48%** Oversee corporate advertising
- **17%** Oversee marketing

Sitting with his family at his San Francisco home that now-famous November night, watching state after state turn red, Bernard Tyson, the CEO of health care system giant Kaiser Permanente, knew he needed to take action. He’d need to send out a message the next day to the company’s 200,000-plus employees and 19,000 physicians, assuring them the company would be ready for any change. And he’d need his best minds to prepare a strategy for the likely new order of things in health care.

Off went a text for help to Donna Uchida, his chief communications officer—and one of his most trusted advisors.

Only as luck would have it, she wasn’t nearby. Some 1,500 miles away on a beach near Cabo San Lucas, Mexico—and unaware of the results—Uchida was digging eggs out of the sand as part of a sea turtle conservation project. “Oh my,” she remembers thinking. Saving more turtles would have to wait for another day.

Once upon a time, someone in Uchida’s role wouldn’t have played a role in Kaiser Permanente’s response until after the big guns in the C-suite figured out the next move. But these days the chief communications officer has become a big deal, too. In a growing number of companies, the job has evolved into part strategist, part modern-age communicator and part designer/implementer of plans corporate-wide. And the number of hats for the role only keeps growing.

“The change has been radical,” says Roger Bolton, president of the Arthur W. Page Society, which represents top communications executives globally. “It’s not just the person down the hall you call to handle a crisis, but a trusted advisor and strategic leader who integrates a range of functions in a company.”

To some degree, of course, this change is evolving, as companies rewrite their rulebooks regarding the traditional roles. Some CCOs serve on executive committees; others are integrated into key digital operations; some even oversee HR to ensure internal messaging. Gary Sheffer, the former vice president of communications and public affairs for General Electric, recalls CEO Jeffrey Immelt gauging him for his thoughts on buyout targets. “You have to be persuasive inside the C-suite,” he says. “It’s a role with greater influence and more collaboration across the enterprise.”

But how much more collaborative? We wanted to know how deep CCOs were moving into the inner circle, so we put two of the nation’s most prominent CEOs in their offices with their CCOs and let them just talk about the shifts in corporate communicating.
Stepping into the office of Doug Parker, CEO of the largest airline on the planet, we find an enormous 10-foot birthday card leaning on a cabinet. His communications officer, Elise Eberwein, has a satisfied smile on her face. “Yesterday was his 55th. He was very happy about that,” she quips.

Her own office is just down the hall in the company’s somewhat antiquated headquarters in Fort Worth, Texas, decorated throughout with photos and models of half-century-old planes. (A renovation is in the works.) That’s just far enough to give them some breathing space—but close enough for the one-on-one meetings that are as routine as their constant e-mails, texts, cell calls, and most importantly, a lively banter on full display today.

“I knew I wanted to hire her, and then she made it hard,” says Parker about convincing Eberwein, a former TWA flight attendant turned MBA grad, to come to America West Airlines. She retorts her role is “kind of to tell him what’s going on.”

Both airline lifers, they share a survivalist’s mentality that comes from being immersed in an industry long traumatized by one merger and bankruptcy after another. But while huddling in the trenches together, the two have quietly concocted one of the industry’s more unusual and ahead-of-the-curve mandates for the CCO.

Just check out her title, a mouthful by itself: Executive Vice President, People, Communications & Public Affairs. It’s a job that comes with a staff of more than 500, including not only internal and external communications and social media, but also the HR department. “Frankly, I couldn’t imagine the communication function not working...”
together with the HR,” says Parker, who counts Eberwein as one of only six direct reports. “It’s not just communications but setting the policy about what you want your culture to be. And Elise is the best person we know about understanding airline employees.”

This in itself turns out to be a critical asset, not only because airlines are so service-oriented but because communications has proven critical during Parker’s unusual success at a key strategy: creating turbulence-free mergers. Typically airline mergers are a nightmare that can destroy a CEO’s career, but Parker pulled off two of the biggest—America West/US Airways and then US Airways/American—to create the largest airline in the world. He credits that in part to communicating better with airline unions and employees, a process Eberwein helped guide him on. “I said, ‘Look, you’ve got to talk to the frontline employees, including the pilots,’” she recalls, “They fly really expensive airplanes and they want to understand the business.” Hence began a series of employee town hall meetings that ranged from friendly to feisty—which created far more transparency. “We decided a long time ago that our job was to get information out to employees [about mergers],” says Parker. “It makes a huge difference as opposed to letting them guess.”

Yet, even now, as this combined giant enjoys record profits, those town hall meetings continue every month. Parker believes that most airlines will be able to afford new planes and technology, so keeping morale up he hopes will be American’s distinguishing factor. Yet among battle-scarred employees, it isn’t always easy. “I had one of our customer service agents and I could tell she wasn’t excited by some of the company-wide raises,” he says. “And she said, ‘Well, I’m just waiting for you to take it away.’” Together, Parker and Eberwein feel confident that rebuilding trust will keep the airline flying high.
Kaiser Permanente

Here were just times she felt as if she had to say something as bluntly as possible to her CEO. So Donna Uchida devised her own code: In e-mails or texts to Bernard Tyson she tags some items #NoFilter. “It’s basically saying, ‘May I speak freely?’” she says.

And clearly she does. Tyson, whose 27th-floor corner office offers a startling view of the San Francisco Bay, will tell you flat out how much he values and relies on Uchida. “She is my trusted source,” he says. But he created an entirely different structure for her role than Eberwein’s at American. In fact, it seems like an alternative universe here by comparison: Uchida can count on her hand the number of employees reporting to her. Her title is more traditional and her office is on another floor. And while she attends the company’s national executive meetings, she is not a formal member. Instead, she plays a wide-ranging role as his right-hand aide—from speech and tweet polisher to a key implementer and integrator of some of the company’s main strategies, as well as coach to Tyson and other key executives.

The job operates as a two-way street, he says, instead of merely a one-way messenger.

“The role is so significant, I need her focus 24/7 and she needs the access 24/7,” he says.

To some degree, the difference between the two companies’ industries reflects the differing roles. While airlines have mostly accomplished their mergers and consolidation, the health care industry is clearly on the cusp of major change now with a new administration in Washington. Tyson sees an important public role in his job. He gives more than 70 speeches a year, at everywhere from small community gatherings to major panels. More than once he has spoken at Davos.

Modern CEOs can no longer hide behind what Tyson calls the “myth of the shield,” putting themselves out in front of the global audience. “I feel obligated on certain topics” to speak out, he says.

Which leaves Uchida, who arrived at Kaiser only about six years ago after serving several years as a communications consultant, in a tense position that she appears to handle with remarkable calmness. On her desk sits a small book she gives to us as a gift: “Just Little Things: A Celebration of Life’s Simple Pleasures.”

She says she and her boss think uncannily alike. “He’s often where I am; he might even be a little ahead of me and he is so well spoken,” she says. Which leaves her asking him sometimes if he even needs her. “He always says, ‘It’s a team sport.’” •
The board of directors knew something had to be done; its medical services company was under threat from a new software system within the industry. The CEO effectively showed how investing in new digital technology would counter the imminent threat and position the firm for long-term growth.

It made sense to everyone … except two timid board members. “What if we fail? What will happen to our reputations?” these two consistently asked.

Their company was facing potential obsolescence, yet the board members were more worried about their legacy than doing what was best for the firm and shareholders.

In today’s world, corporate board directors struggle with many issues, such as evaluating management plans, being good stewards for shareholders, advising on the company’s strategic direction and creating a strong CEO succession. But there’s one issue that tends to get much less attention: There are a lot of less-than-stellar board members. You might in fact call some “dead-weight directors”—they can act like a millstone, methodically grinding down the CEO and management team. These board members are excellent at sowing dysfunction and terrible at governance.

Of course, this is a perennial concern—any board can have some bad apples. But it’s a bigger deal in an age when the actions, or inactions, of some corporate boards can make news, as they did in 2016 over some high-profile corporate snafus. It’s also potentially a bigger problem as a director ages and his or her time on the board grows. About 45 percent of S&P 500 directors are between 61 and 70 years old, and more than 800 are over the age of 70, one survey says.

The behavior of dead-weight board directors shows up in a few ways, but being scared may be the most common. Boards are under an increasing amount of scrutiny and, unfortunately, some directors have become too afraid of risk because of it. In the case of that medical services company, the two recalcitrant directors, fearful of any changes, delayed any major decision-making. After many months, one of the directors grudgingly supported the plan, while the other quit the board. The delay frustrated other board members and the CEO,
but most important, the company lost an opportunity for competitive advantage.

Another surprisingly common issue: being unprepared. It’s part of a director’s job to stay on top of the firm’s business, but watch several board meetings and you will be able to point out the ones who haven’t cracked open the board book. This lack of preparation wastes valuable time and dents the effectiveness of the entire board.

But one of the worst dysfunctional behaviors on boards is when directors become more interested in winning arguments with rival directors over doing what’s best for the company. The board ends up dividing itself into unproductive factions. Instead of solving problems, sidebar conversations degenerate into score settling. These destructive behaviors serve only to slow meetings to a crawl.

It’s often difficult to get rid of these dead-weight directors immediately, but there are two effective ways to handle them. First and most important, the CEO needs to be able to tell directors about their behavior and offer opportunities for improvement, without fear of getting fired. This can occur in an executive session or via the relationship the CEO has with the lead independent director or non-executive chairperson.

The second important tool is having forceful board evaluations. Anonymous annual board evaluations and director peer assessments will make it clear to bad directors that their behaviors are being noticed and will not be tolerated. Those evaluations can help cut loose a consistently unprepared director. At the same time, an independent third party often can uncover many issues and suggest recommendations for improvement that a typical board assessment cannot.

There are millstones in every workplace who can grind progress to a halt, but not dealing with millstones in the boardroom can crush the very value of the board. Directors should aspire to be the building blocks for a strong foundation of company growth and CEO support.

Difficult directors can act as millstones, crushing the very value of the board.

REVIEW YOUR BOARD

Individual director reviews could help root out problem directors, but not every company does them.

Corporate board review policies of the Korn Ferry Market Cap 100

32% Boards that perform individual reviews of directors

68% Boards with no stated individual review policy

Source: Korn Ferry Market Cap 100, 2015
There was a time when the idea of getting eight hours’ sleep was, believe it or not, an accepted part of life. Doctors recommended it. Executives practiced it. This was, of course, a long, long time ago.

Nowadays you have to ask yourself what successful business leaders sleep that long? (If they do, they certainly wouldn’t brag about it.) Instead, we all know the expected routine of the 21st century: exhausting hours on planes, crack-of-dawn conference calls and midnight texts that shove sleeping way down the list of priorities.

What we know about this sleepless life is how bad it is for our health. In fact, one well-publicized study by the University of Michigan dubbed it a “global sleep crisis,” while some health experts put the issue right up there with obesity and smoking. Much is also being said about the dangers of drowsy driving.

But there’s another kind of risk to sleeplessness that barely gets any attention. It’s the risk to the very companies that are driving all these executives to pull all-nighters. Indeed, this is actually its own kind of crisis, with billions of dollars at stake at major corporations and the ultimate success at smaller ones. Wake up!

I’ve jotted down a few of the effects:

1. Diminishing returns
   It isn’t the most dramatic result, but let’s think through the whole idea of why we are putting in extra hours. To get more done, right? But many studies show that when people routinely work very long hours, fatigue and mental fog set in and productivity per hour drops— for all the hours, not just the “extra” ones. So that’s strike one against the businesses that encourage the extended labor, since they probably aren’t getting any extra value.

2. Less strategic thinking
   This is a big one. Both acute and chronic sleep deprivation cause losses of higher and longer-term cognitive functioning. In business terms, strategic thinking diminishes. This leads to more reactive, shorter-term thinking. It means neglecting the longer-term and wider-perspective strategic thinking that provides significant added value in leadership roles.

   We see this in our own deep interviews of executives: Often their thinking is simply not as strategic or forward-looking as their
The growing ranks of sleep-deprived executives pose little-noticed risks to the financial health of companies.

**3. Negative impact on the team's ability to perform**
The flattening of the organization and years of layoffs have left a lot of firms with classic type-A leaders focused on performance measures and competition. When stressed and tired, this group tends to follow a pattern of overly directive leadership. (Directive is the “do what I tell you, now!” style but with little context or explanation, and often with an irritable tone). That style has value in small doses and in a crisis, but overuse leads to subordinates fearing their leader and avoiding making decisions or taking initiative. The domino effect on the whole company grows as the subordinates’ value diminishes—and the leader’s stress from that grows.

**4. Loss of emergency reserves**
If leaders are already stretched to the limit, there is no “emergency reserve” to call on when a real crisis occurs. The business then has little spare executive capacity to address the crisis well, or everything else gets dropped in a hurry. Mishandled crises can seriously damage, or even destroy, the business.

**5. Executive turnover**
Lack of sleep can lead to burnout, serious health problems, strained family relationships and, in extreme cases, a need to step away from the job. While this is a serious personal loss, it also creates direct business costs from excess churn in the executive suite. There are also lost opportunities during the changeover. In addition, some of our clients hear talented junior people express a reluctance to advance, saying to senior executives, “I look at your life and I don’t want it.”

People assume that “discretionary efforts” on the part of successful employees means working more hours and forgoing sleep. But that isn’t necessarily the case. Discretionary effort can mean using your time wisely, being fully “there” when you are at work. It can mean making the mental effort to prioritize your work strategically, not just do whatever comes across your desk. It can be taking the risk to speak up and advance a new idea. And it extends to outside the workplace—causing many to mull over work problems instead of relaxing.

Put it all together and it’s enough to keep us awake at night.
When you teach graduate courses, you learn quickly that research tests are never popular. Assigned 10 challenging questions that required hours in the library, my students rebelled. Some left questions blank or asked for extensions. Others didn’t bother to hand in anything at all. The course evaluations were rotten.

Then I came up with the idea to create a high-tech, gamified version of the test: an interactive treasure hunt on smartphones. Students still hit the library stacks, but now it was to find a specific volume with a sheet secreted away. Scanning a barcode could direct them to the next question, which might require them to text a photo of a 300-year-old cookbook, convert to a PDF an obscure 1927 article in the New Yorker, or listen to a speech by Amelia Earhart and fill in the missing words.

Turns out, gamification works great on students. And apparently employees like it just as much. Companies that train large volumes of staff are rushing to use games, in a variety of forms. The goal is the same: turn a boring, repetitive and difficult series of tasks into an enjoyable, interesting activity that gets better results. Games provide intrinsic motivation—that is, people play them because they want to—as opposed to bribing someone with a raise (an extrinsic motivation).

The so-called serious games business, spurred on by corporate training, is booming. According to one study, the serious-games industry will reach $5.4 billion by 2020. Indeed, the Entertainment Software Association found that 70 percent of major employers use interactive software and games for training. Such games are used to motivate employees to acquire new skills, train factory and warehouse workers in safety, incent employees to help improve massively complex software products and nudge managers into completing training programs in the first place.

Cisco, for example, has developed a simulation program called myPlanNet, in which players become CEOs of service providers, while Canon’s repair technicians learn their trade, in part, by dragging and dropping components into their proper places on a virtual copier. FedEx, as well as virtually every airline, depends on simulators to train pilots. Not to be outdone, UPS uses a
simulator with game-like features to train drivers. One “sim” even mimics the experience of walking on ice.

The motives for all this training are fairly simple. In an age with so many complex regulations and detailed tasks, training matters more than ever before.

applied the training to the job. According to Korn Ferry Hay Group benchmarks, only 63 percent of employees believe that the training they receive helps them perform in their current roles, and just over half of employees (52 percent) believe that the training they receive helps them

dopamine, a hormone in the brain that encourages us to explore and try new things. Since we like the feeling we get when our brains are awash in it, we’ll do whatever it takes to get more of it.

Video and computer games, as well as slot machines, are particularly good dopamine generators. Video games, in fact, uncork almost double the levels of dopamine experienced by humans at rest. It’s the same system that drives compulsive gamblers and cocaine addicts—without the downside. Research by the Office of Naval Research found that people who play video games process information faster and have superior reasoning and problem-solving skills

can’t gamify your way out of a crappy job. Somebody has to input numbers into a spreadsheet and work the customer-service help desk. Gamification can’t make a subpar employee a good one, nor can a poorly designed game help your bottom line. But it has been working in my classroom, and, as a growing number of companies are learning, it can also work for them.

A game is a structured experience providing clear goals, a set of rules that induce players to overcome challenges.

It doesn’t take much for ill-trained employees to set operations back. Plus, all these games have a surprisingly great effect on morale. One survey found that a whopping 92 percent of employees are more loyal to companies that have invested in their training.

Certainly, companies need to improve how they do it. A 24X7 Learning survey found that only 12 percent of learners qualify for a better job. This is where gamification can help, because a game is, at its root, a structured experience providing clear goals, a set of rules that induce players or participants to overcome challenges, and instantaneous feedback. Because they offer clearly articulated rewards for each point players score and new level they achieve, they trigger the release of generators. Video games, in fact, uncork almost double the levels of dopamine experienced by humans at rest. It’s the same system that drives compulsive gamblers and cocaine addicts—without the downside. Research by the Office of Naval Research found that people who play video games process information faster and have superior reasoning and problem-solving skills
THE VERY HUMAN FUTURE OF WORK
our typical workday in 2030 may begin with the smell of bacon. You haven’t left the bed in your London home yet, but your implanted biochip told the appliances in the kitchen to start making breakfast (with extra crispy bacon, please). After you get dressed, the heads-up display embedded in your suit informs you the car taking you to the airport has arrived. While on the four-hour suborbital flight to Shanghai for a face-to-face meeting with a key client, you beam into a holoconference to talk with your Brazilian colleagues about a possible regional acquisition. After your Shanghai meeting, you fly back to London to be with your spouse for dinner, a stir-fry your smart kitchen started preparing the moment you landed.

The technology to make all these things possible is either here now or isn’t that far off. But how important are you, the human, in this whole picture? Maybe your client’s computer could have talked to your computer—or even your suit’s computer—without your ever having to leave your bed. Meanwhile, a software program could determine that a South American acquisition would be a money-losing proposition, and then inform your Brazilian colleagues. In a world where cars can drive themselves, hospitals can perform surgeries with robots and computers can negotiate corporate mergers with one another, do you really need humans to get work done?
It’s a legitimate question. Since the 1980s the share of the U.S. economy devoted to labor has fallen precipitously, a trend seen across the world, particularly in developed nations. Much of that decline can be attributed to businesses’ substituting workers with computers or other technological replacements, according to a study by University of Chicago economists Loukas Karabarbounis and Brent Neiman. And in 2013, Oxford University researchers Michael A. Osborne and Carl Benedikt Frey said that nearly half of U.S. jobs could be done by machines within 20 years.

But as it turns out, there’s a strong and emerging case that the future of work is going to involve humans. In fact, the evidence suggests we’re indispensable. It’s human talent, not capital or technology or anything else, that is the key factor linking innovation, competitiveness and growth in the 21st century, says Klaus Schwab, founder and executive chairman of the World Economic Forum. Work, he says, shouldn’t be a race between humans and machines, but a part of life that helps people recognize their full potential.

And, in a twist, experts say human talent becomes only more valuable as technology grows. It will be humans, not robots or artificial intelligence software, who will brainstorm new ideas, inspire others and drive organizations to succeed. That’ll be the case on factory floors in Shenzhen, corporate boardrooms in London, clothing studios in Brooklyn and everywhere else there’s work to be done. “Computers are good at the jobs we find hard, and bad at doing the ones we find easy,” says Michael Priddis, CEO of a soon-to-be launched AI research and development agency in Australia and former leader of Boston Consulting Group’s Asian Digital Ventures practice.

Briefings investigated the future of work from the ground up, from jobs that will grow the fastest to the impact of technology in the C-suite and boardroom. In each case, machines will play supporting actors, but human talent still has the leading role.
thanks to technological innovations are getting rewarded in the marketplace. For example, the online home-sharing site Airbnb has been around for less than a decade and has fewer than 3,000 employees worldwide. Yet Airbnb’s estimated valuation of around $30 billion is about the same as its largest bricks-and-mortar competitor, Marriott International, which has been around since 1927 and has more than 100,000 employees.

And yet those valuations are masking a more universal truth: Technology alone likely won’t deliver the uplift in performance that organizations seek. Smartphones, data-collecting industrial parts and other innovations of the Digital Age are amazing, but none of them pack the productivity-boosting power of the lightbulb or the telephone. Indeed, apart from a short burst between 1996 and 2004, the digital technology revolution actually hasn’t boosted overall productivity.

“Asking technology to do all the work and excluding people is a mistake,” says Jean-Marc Laouchez, global managing director of solutions for Korn Ferry Hay Group. “In the future of work, leaders must recognize and capture the value of all their resources to succeed.” Indeed, the Korn Ferry study found that every dollar invested in human capital generated more than $11 in economic output.

Airbnb offers a strong example of what can happen when people are enabled rather than replaced by technology. The firm might have fewer than 3,000 people on the payroll, but it depends on tens of thousands of creative, ambitious and talented human hosts to supply those 2 million rooms worldwide. Technology may connect hosts to potential guests, but Airbnb has no business without the hosts.

“Talent Trumps Tech” idea applies to the executive suites, too. Yes, the boss likely will be able to use technology to instantly get real-time data about the firm’s pipeline of sales, cash flows, threats from competitors, even the value of individual customers, perhaps all from that previously mentioned heads-up display in a suit. At the same time, it will be easier for CEOs to get concrete business options from intelligent software. These AI-infused programs can use current data and past experiences to identify trouble spots or opportunities and make recommendations to improve the business.

However, no app or robot is going to make the final decision on what business strategy to pursue, or whether to open a new office in Austin or Amsterdam, or whether to merge with a rival firm. “I’ll never say never, but I can’t imagine CEOs giving up those decisions,” says Nels Olson, vice chairman and co-leader of Korn Ferry’s Board & CEO Services practice. “Artificial intelligence will be there to provide input.”

Even if robots could make decisions in 2030, a human workforce likely wouldn’t take orders from them. The toughest future job for a CEO is one that’s tough today: getting the most out of the workforce. CEOs will have to motivate four distinct generations: Generation Xers, millennials, Generation Zs and, surprisingly, a large number of baby boomers. In the U.S. and many other countries, the workforce also will become more ethnically diverse. “Never have CEOs had to lead such a diverse group,” Olson says. “You’ll have all those different generational issues, plus a machine weighing in. It will be the Wild West, and agility will matter even more.”

At the same time, successful CEOs also will have to be more transparent in their words and deeds because the world’s information is at everyone’s
Baristas expected to know the terroir behind each coffee they brew? Mechanics with math degrees? Mapmaker as the hot job to have? We talked to a host of labor pros, perused government statistics and used our own Korn Ferry database of 20 million jobs to see what 2030 might hold.

**Barista**
Do you really need a human to serve you coffee in the morning? Some insist technology will automatically order and serve that mocha latte venti. But Jacob Morgan, author and host of the Future of Work podcast, says the number of people who appreciate artisan, handmade coffee is going to increase, and people want humans who knows their beans. “We could see the rise of the superbarista, someone like a sommelier,” Morgan says. In a world getting increasingly more complex, experts say there will be a large group of java drinkers craving the small, simple personal touches a barista can provide.

**Nurse**
Future nurses will be valued for one of their most traditional character traits: empathy. Intelligent machines may give medical professionals information about diseases and diagnoses in real time, but they lack any bedside manner. That opens the doors for nurses to become empowered to analyze the new info and inform patients. “Nurses are perfectly placed to be the interface between an artificial intelligence system and the patients and their families,” says Graeme Codrington, founder of the strategy firm TomorrowToday.

**Aircraft Technician**
Airline mechanics are most often associated with dreaded flight delays, but keeping planes flightworthy and meeting government standards is going to be a premium skill over the coming years.

Soon every part of a major aircraft will have a relationship with a major computer system, says aviation industry expert Mike Boyd of the consultancy Boyd Group International. To interpret all the data, an aircraft mechanic will need to be as handy with software code as he or she is with a wrench. “Instead of an aircraft tech getting hired from a Ford dealer, you’ll have someone getting hired out of MIT,” Boyd says.

**Logistics Officer**
By 2030, logistics and supply chain professionals will resemble dolphins. Not physically. But just as Flipper’s hearing is adapted to detect faint signals in both air and water, tomorrow’s supply-chain professionals will be as comfortable in a factory or a finance meeting as they are adept at gleaning critical insights from the troves of product, customer and other digital data. “The company recruiters that come to us are still looking for leaders to run an operations group or a planning department,” says Bruce Arntzen, executive director of the supply chain management program at Massachusetts Institute of Technology. “But they want leaders who can do the math—who are comfortable swimming around inside a large database.”

**Cartographer/Photogrammetrist**
It may be the biggest boom for mapmakers since the discovery of the New World. The U.S. Bureau of Labor Statistics predicts a 30 percent growth by 2024 for cartographers and the like, or four times faster than the broader job market. Modern cartographers use data to help visually track disease outbreaks, identify traffic bottlenecks or model a company’s orders from customers. Combine that with the constant demand for reliable, up-to-date maps on phone apps, and cartographers will be in demand for years to come. Photogrammetry is a similar skill, taking measurements of physical objects from film or radar and creating mathematical location models, a skill used in architecture, engineering and even police detective work.
fingertips. Bill George, senior fellow at Harvard Business School and onetime CEO of Medtronic, tells the Harvard Business Review that authenticity is key to connecting with all those disparate groups. “If people see their leaders as trustworthy and willing to learn, followers will respond very positively to requests for help in getting through difficult times,” George says.

Finally, the future CEO needs to help that human workforce manage change. How people work is being altered not only by all the technological innovations, but also population demographics, the emerging global middle class, even climate change. Social skills—such as persuasion, emotional intelligence and teaching others—will be in higher demand across industries than narrow technical skills, according to a survey of chief human resources officers by the World Economic Forum in 2015. Investing in skills, rather than just hiring more workers, is the key to successfully managing disruptions to the labor market for the long term. Many leaders, although not everyone, already understand that; 65 percent of the CHROs surveyed said their CEOs are investing in an effort to reskill employees.

The company CEO will still be human in 2030, but what about the board of directors? Board members who just use anecdotal evidence and 30 years of gut experience to evaluate major decisions aren’t going to cut it in today’s environment, says Warren Stippich, who advises corporate boards as a partner in Advisory Services at professional-services firm Grant Thornton LLP. In many cases, adding an artificial-intelligence tool to the boardroom, Stippich says, could help synthesize the massive amounts of data board members are being asked to review and help improve decision-making.

Robots on the board isn’t that uncommon of a dream. In another World Economic Forum survey, nearly half of executives said that there will be an AI appointed to a firm’s board of directors by 2025. Already, IBM Corp. is using an algorithm to help its directors evaluate potential acquisition targets. (Big Blue hasn’t yet put a supercomputer on its corporate board.) AI can give corporate board members the information and time they need to evaluate strategic decisions and senior leadership. But being able to bring context to a company’s vision and mission remains a very human quality, says Thomas Davenport, a fellow of the MIT Sloan Initiative on the Digital Economy and a professor at Babson College. “Executives who see the big picture are able to answer the critical questions that will guide their organizations’ future.”

The humans on successful future boards will look different than today’s group; they won’t be mostly old white men, experts say. They won’t always meet in the same room at the same time to make decisions, either. The directors also will have different skill sets to keep pace with the changes in business competition, government, security and technology. Tom Cheesewright, a futurist and author of “The Applied Futurist’s Manifesto,” envisions board directors taking on roles such as “agility coach,” a director responsible for helping companies realign to meet changing needs, and “technologist at large,” a director who alerts the board to the threats and opportunities of new technologies. However, while the composition of boards may change, a director’s core mission won’t. In a world of hypercompetition and increased shareholder activism, board directors have to provide good governance, says Sarah Hewitt, an attorney who helps entrepreneurs establish boards at their companies. “I hope people will be more anxious to jump in and participate.”

Additional reporting by Shannon Sims and Christopher O’Dea.
The value of human capital is significantly higher than that of physical assets across the world, even in nations such as China and India, where agriculture remains a significant part of the economy.

**Source: Korn Ferry**

### Value of Capital (in Trillions of Dollars)

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<th>Country</th>
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<th>Physical Capital</th>
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LUXURY

FROM THE VERY TOP
AN ALL-STAR TRIO OF CEOs—

FROM CARTIER, HERMÈS USA

AND KRUG—TELL US HOW THEY

ARE EVOLVING THE LUXURY SECTOR.

BY MICHAEL DISTEFANO
& GLENN RIFKIN
For Cartier, this wasn’t just another retail store, it was the 170-year-old company’s illustrious New York mansion. History has it that Pierre Cartier, the grandson of the company’s founder, bought it from the wife of a railroad tycoon in exchange for a $1 million white pearl necklace she fancied. Now, nearly a century later, French architect Thierry Despont has redesigned the building and created a 44,000-square-foot retail space like no other—a breathtaking venue befitting the globally admired brand.

Yet for the Paris-based purveyor of luxury goods, the evening was as much about its storied past as its challenging future. To a surprising degree, the luxury industry had managed to have a resilient run despite the onrush of the digital world, relying on top, high-priced quality and personal, face-to-face service with well-heeled customers for whom money was no object. But within the span of a year, this glitzy and glamorous world found itself in new territory: a bit of a rut that appears longer lasting. As Vigneron himself puts it, “Most of the brands of the luxury world are facing a transition that is not so easy.”

Indeed, though still an enormous sector with $1.1 trillion in revenues, the worldwide market for personal luxury goods, from jewelry to fashion to hospitality, has softened dramatically. Over a 20-year run into this century, the industry had enjoyed an average annual growth of nearly 6 percent. But last year it hit negative ground, falling 1 percent, according to a luxury market report from Bain & Company. Some of the factors hurting the business have been tied to short-term events, such as the terrorist attacks in Paris that slowed high-end tourism in Europe. But a series of fundamental changes, from a sharp slowdown in the Chinese economy to the growing resentment against exuberant personal spending in the U.S., appears to be catching up on a once insulated business.

“The reality is that the market is consolidating,” says Claudia D’Arpizio, a Milan-based partner at Bain and lead author of the luxury study. And as it does, so does the need for high-end purveyors to find new ways to stimulate demand. “Every brand needs to find a pattern of innovation to really wow customers,” she says.

But exactly how do the brands pull this off, especially in an age when the Internet lets newcomers in so easily? And what happens when younger customers want more luxury experiences instead of high-end goods? “That’s a challenge for luxury brands,” says Grace Nida, Korn Ferry’s senior client partner and managing director for the Global Luxury sector. “The traditional luxury brands are fighting for customers’ discretionary income.”

In the end, as with any industry in transition, the challenges ultimately fall into the hands of CEOs, who must help design and oversee a response. We talked to three of the biggest in luxury you could ask for, to hear their stories and their take on what luxury really needs.
When Cyrille Vigneron was named CEO of Cartier in January 2016, his excitement at landing the top spot at the iconic luxury brand was tempered by stark market realities. Few brands are as iconic and respected, but the 54-year-old knew he needed to spark the brand from a global perspective.

He set out to better understand the regional and global implications of a shrinking planet, where exclusive shopping districts, from New York to Paris to Hong Kong, were becoming far too similar and far less exciting to customers. “We want to learn what is specific to each city,” Vigneron says. “What makes that city special and what should we find there that we don’t find in other places, even with the brand we know?”

A strong advocate of physical retail space, Vigneron is banking on refurbishing the company’s iconic “maisons” such as Fifth Avenue, as well as its flagship location on Paris’s Champs-Élysées and in Tokyo, Seoul and London. He wants each location to build off Cartier’s signature brand attributes, offering a specific allure to both local luxury shoppers and well-to-do tourists.

Acknowledging the power of the Internet and e-commerce, he points out that the world is so fast-paced with change that brands risk becoming “a bit too neutral, too quiet” and not distinctive and local enough.

Leading in this environment is a challenge, and Vigneron is traveling around the world to meet with Cartier employees and spread the brand gospel. He does town hall meetings at every venue, where no question is taboo. “You have to grow from within,” he states. “People must understand deeply the esthetic codes of a brand and the maison, and how to constantly reinvent that.”

For mature brands like Cartier, part of the challenge is to attract younger customers such as millennials. Vigneron believes the answer isn’t to design products specifically for a certain age group, but to allow each generation to find the value and beauty in these objects of timeless art. “It’s like classical music,” he says. “At the beginning they may find it boring, but when they start to like it and feel its emotion, it will stay with them forever.”
of a brand and the maison, and how to constantly reinvent that."
A mid the industry’s recent struggle, Hermès has remained a success as radiant as its lovely scarves, with sales in the first half of 2016 up 7 percent. Robert Chavez, president and CEO of Hermès USA, believes it comes from a corporate philosophy that emanated from family control of the company’s entire 180-year history.

Though most luxury brands are focused on classic, traditional styles and designs, whether for Champagne or watches, there is a recognition at Hermès that in a globally interconnected world, comfort in the status quo is a losing strategy. According to Chavez, “There is a deep curiosity by the family and the company to always find newness, something different, not resting on our laurels but always pushing the envelope.”

To that end, Chavez has made some bold moves that have helped fuel Hermès’s success in the U.S. He opened the first and only free-standing Hermès men’s store in the world along with the first Hermès perfumery, both in New York. And he forged a partnership with Apple to produce an Apple watch with Hermès watchbands, a collaboration that had customers waiting in line outside Hermès’s Madison Avenue boutique when the watch went on sale.

“It was a way for both companies to really push into the next level of innovation,” Chavez says. Indeed, Hermès is ranked No. 32
on the Forbes list of the 100 most innovative companies in the world. “Retailing is changing so quickly today, you have to be on your toes,” he says.

When Chavez was a boy growing up in San Antonio, Texas, he could never have dreamed of a career path that would lead him from Texas to the haute couture of New York and Paris. Even after successful stints at Bloomingdale’s and Macy’s, and as CEO of Etienne Aigner, a producer of moderately priced footwear and accessories, the Princeton-educated Chavez was shocked when he was offered a chance to become the U.S. president and CEO of Hermès, one of the world’s iconic luxury brands.

“One thing led to another and I found myself in Paris, and the next thing I knew, they offered me the position. I couldn’t believe it,” Chavez recalls.

That was in 2000. Over the next 17 years, Chavez would spearhead dramatic growth and innovation for the luxury goods maker in the States. Under his watch, Hermès now has 28 U.S. retail locations—not many compared to large retail chains, but the right number to sustain the allure and mystique of the Hermès brand in one of its key markets.

“Our philosophy has always been that less is more in every way, shape and form,” Chavez says. “Twenty-eight stores is not a lot in a country with 350 million people, but the strategy has worked very well for us.”
At first, Margareth Henriquez thought she had the problem well in hand. Sure, the company she had taken over as president and CEO, Krug Champagne, was struggling badly in the midst of a deep industry decline in 2009. But the executive, known to all as Maggie, figured on a quick turnaround. After all, she had managed some stiff corporate challenges both at Seagram and Moët Hennessy's Chandon brand.

"I thought this was going to be easy," Henriquez recalls. "I thought, 'We can turn this around fast because it's a small house.'" But within a year, with Krug's results no better, she had learned her first lesson: "Never underestimate the problem," she says.

Her response from there was to learn what luxury was all about. Ruminating in her office at Krug headquarters in Reims, the commercial center of France's Champagne province, Henriquez realized that luxury is not simply a higher price point but a "real, living being," and in order to understand that living being she would need to learn about the company's founder, Joseph Krug. She came across his personal notebook that had been locked away for a century—which helped her launch a two-year odyssey to marry the founder's vision with the modern-day brand. "Today I know Joseph Krug better than my own father," she says, smiling.

The problem wasn't in the production. Krug Grand Cuvée Champagne, a blend of more than 120 wines from 10 or more different vintages, has long been considered among the world's best. What was needed was luxury communication—a new and potent connection to Krug's devoted customers. So, in 2011, Henriquez launched the Krug Lovers program, using its website to create a platform for stories and inspiration about Krug. The Krug Ambassades network includes 150 ambassadors—noted chefs and sommeliers who help promote the brand.

As part of this effort, Krug embraced the idea that music and Champagne are deeply connected, and music appears to have a significant impact on the enjoyment of drinking Champagne. Based on research done at Oxford University's Crossmodal Research Lab, Krug has invited musicians such as violinist Joshua Bell and British vocalist Beardyman to extensive tastings. She requested playlists inspired by what they tasted.

At the same time, Henriquez initiated the Krug ID program, in which every bottle of Krug Champagne has a six-digit number on its back label designed to tell the story of that bottle. Sommeliers, collectors and customers alike can not only learn about the wines and vintages, but also get a playlist geared for drinking the Champagne.

To be sure, Krug would be helped by an industry revival in Champagne, but Henriquez's unique effort clearly helped orchestrate the company's return to stardom; it's now ranked No. 6 on Drinks International magazine's list of best-selling Champagnes for 2016. "We are having the best year in the history of the house," Henriquez says.
BRAZIL: BOOMING,
HOW
THIS BELOVED
COUNTRY MANAGES
TURMOIL TO KEEP UP
ITS TALENT PIPELINE.

BUSTING...
AND NOW?

by SHANNON SIMS

IT WAS MID-2015 AND SID RAMTRI WAS HITTING ONE OF THOSE
career crossroads. Then almost 30 years old, he had
checked off the right boxes: a position working in the
Houston energy scene, a researching stint at Goldman
Sachs in New York, an MBA degree in Europe. Now, scanning
the globe, he considered his next home base—and went with
as unlikely a choice as you could imagine: Brazil.
“Unlikely” because for two years the country had been choking beneath a seemingly never-ending political crisis, with corruption scandal after corruption scandal as well as a presidential impeachment. Street protests had become regular Sunday fare in the country’s major cities. Economically, a crushing recession was evaporating the job market, which sent many foreign executives who had hoped for great opportunities fleeing. Indeed, by the time Ramtri arrived in the first half of 2016, foreign worker permits had dropped more than 20 percent from the year before. Even more tellingly, out of 45 countries in a 2016 HSBC survey of favorite destinations for expat workers, Brazil placed dead last.

But Ramtri, who had been practicing Portuguese and had done some consulting work in South America, wasn’t deterred. “Contrary to a lot of the advice I received,” he says, “I decided to go ahead and still cast my lot in with Brazil.”

“I didn’t come here because it was booming, but because it was a challenge.”
Maybe he was on to something. Brazil’s present situation may still be a long way from anything someone might call a “turnaround.” But whether it is an uptick in consumer confidence reports or robust numbers from the manufacturing sector, a variety of economic indicators give reason for cautious optimism. These days, business leaders in Brazil are optimistic that the dust from the past summer’s political unrest and presidential impeachment is settling. Harvard Business School professor Tarun Khanna, a renowned authority on emerging market countries, tells us that business-wise, this may be “one of the better times” to come to a country like Brazil. It’s a view shared by Dominique Virchaux, president of Korn Ferry South America. “We’re seeing signs of a turnaround,” he says. “Two-thousand seventeen is going to be a key year to see how much happens.”

Still, as the country tries to move from kneeling to standing, Brazil’s rapidly changing fortunes—booming, busting and now trying to recover in two to three years—has left hundreds of CEOs there asking the same pergunta: How do today’s business leaders best attract talent in such a climate? It’s a question that bogs CEOs all around the world, in countries where volatility is more the norm than stability. When global conditions turn stormy, how do you protect the talent pipeline?

In some ways, Brazil has always held a quirky station in the global business market. It’s often labeled an emerging economy—the B of the famous BRIC countries (alongside Russia, India and China). But with its enormous land and coastal mass yielding a host of rich commodities, from oil to iron ore to soy beans, the country has been a hotbed for multinational companies for more than a century, dating back to the days when Henry Ford hacked his way through the Amazon jungle in search of rubber trees. Brazil’s economic fortunes have meant that Brazil has maintained a steadily growing gross national product rate, attracting both large companies and start-up investment. But boom times have never come easy for Brazil. This is a country where economic growth was long stalled by staggering import limits, a byzantine tax system and more than its share of political instability. Somewhat quickly, the bottom began to fall out about three years ago when its popularly elected president, Dilma Rousseff, became embroiled in a corruption scandal that spooked foreign investors. A chain of economic events followed, including weakening currency, runaway inflation and downgrading of the country’s investment grade status. In all, it would become one of the swifter shifts in a major country’s fortunes in recent memory, with its GNP falling into negative territory by 2014. And, no, not even hosting the 2016 Olympics could help.

Not surprisingly, the acuteness of this collapse had a direct impact on a talent pool that had come to Brazil hoping for the best of both worlds—surfing before work and living in a hot job market. Now it was a nightmare for those who had invested their lives there. “The crisis spared no one,” Grover Calderon, president of the National Association of Foreigners and Immigrants in Brazil, told a local newspaper. “Not even the very qualified foreigners [were spared]. Many of them lost their jobs because their companies were in hard financial situations.” Indeed, in expat circles, despedidas—Brazilian going-away parties—were getting double-booked by fleeing foreigners. Korn Ferry’s vice chairman for South America, Sergio Averbach, says that it is hard to overestimate how bad things were. “I have been working in this profession for 25 years,” he says, “and I have never seen a crisis as deep as this one.”

CONTINUED ON PAGE 54
ON THE REBOUND

OTHER COUNTRIES, LIKE BRAZIL, THAT LEARNED TO ENDURE SWAYING FORTUNES:

THAILAND

**BOOM 1987 – 1996**
FUELED BY A SURGE IN MANUFACTURING, THE COUNTRY’S ECONOMY GREW 9.1 PERCENT PER YEAR ON AVERAGE.

**BUST 1997**
The Thai baht plummeted and the country’s market crashed 70 percent, creating financial woes throughout Asia.

SOUTH KOREA

**BOOM 1986 – 1996**
WITH GOVERNMENT BACKING, BANKS FUNNELED MONEY INTO SELECT MANUFACTURING FIRMS, CREATING A GLOBAL POWERHOUSE.

**BUST 1997**
It worked, until it didn’t. Neighboring recessions crushed the banks, requiring $57 billion in foreign aid.
HUNGARY

**BOOM 1989 – 2007**
The country transitioned from communism to capitalism relatively easily and confidently took on debt to spur spending.

**BUST 2008**
A plummet in the Hungarian forint left the country unable to pay its debts. The economy contracted 6.8 percent and Hungary became the first EU nation to receive bailout money.

ICELAND

**BOOM 2000 – 2007**
Banks were liberalized, spawning a boom in assets and a 40 percent jump in stock prices, on average, for seven years.

**BUST 2008**
The world financial crisis crushed three banks that accounted for 85 percent of commercial bank assets. Unemployment hit 9 percent in 2009.

UNITED STATES

**BOOM 2001 – 2007**
Average home prices rose more than 40 percent, and banks, investors and homeowners made increasingly risky financial bets that the surge would never stop.

**BUST 2008**
The U.S. housing bubble’s bursting wiped out the finances of millions of Americans, contributed to the Great Recession and nearly took down the entire global financial system.
as the cliché goes, where there is despair there is hope. Meet Luciano Macagno, 38 years old and the Brazil country director of Delta Airlines. A rising star in his field, he came to Brazil and found himself at the helm of a major multinational’s Brazil office during the deep recesses of the hard times. But Macagno actually views those difficult years with optimism.

Macagno says back in 2012, when he first arrived in Brazil, wealth was all over the place, and he says he saw that that kind of scenario “tends to create a lot of fat and unproductivity in your business.” He sees that changing now during the hard times, creating stronger companies. He even sees how it has strengthened his own career. “I didn’t come here because it was booming but because it was a challenge,” he recalls. “It was easy to be successful in the boom times, but for the ones who are successful right now, this is the ultimate chance to swim with sharks.”

Macagno, an Argentinian, says the key to success in business in Brazil is the ability to adapt to the country’s business culture, which puts a high value on relationships. He notes, for example, that he quickly learned to devote the first few minutes of meetings to people’s family issues or local soccer games “because that will actually bump up the productivity of the whole meeting.” Brazilians, he says, “know how to be successful.”

For his part, Korn Ferry’s Virchaux says the country’s long rollercoaster past has the advantage of empowering the local ranks. “Brazilian executives have lived through long periods of volatility,” he says. “They had to adapt fast.”

One adaptation: Attracting
POST-BOOM PERIODS MAY BE A BETTER TIME TO COME TO A COUNTRY, SAYS ONE HARVARD BUSINESS SCHOOL PROFESSOR.

foreigners while still cutting costs in belt-tightening times. That’s possible, some HR pros say, by recruiting foreign workers who are either single or whose children have already grown, thus avoiding offering pricey child care or full family health-care packages.

And when we talk about foreign workers moving to Brazil, we’re mostly talking about Americans: The U.S. sends almost double the number of workers to Brazil compared with any other country. So the key to bringing talent back to Brazil really hinges on bringing American talent back to Brazil. Averbach says that calls for looking for talent with deep-seated flexibility and a willingness to navigate unpredictable situations.

The swaying fortunes of Brazil, of course, offer some important lessons on how to pivot in the world of emerging markets. Having tracked such countries for years, Harvard’s Khanna cautions managers not to overpromise the future to candidates. “That backfires,” he says. But he also sees a silver lining in economic turmoil. “The trickier time to weigh a move to an emerging market is when everyone is tripping over each other and going crazy about how exuberant things will be. In those settings, expectations are inflated, managers are a bit too ‘rah-rah’ and prone to overcommit, and people make statements to stakeholders that end up being foolhardy.” Rather than seeing the boom times as the best time to make a move, he says that times like now in Brazil, for example, “is one of the better times.”

That’s how Ramtri, now based in São Paulo, sees it. He says he still gets peppered with the same list of questions: “Why are you here? It doesn’t make sense … this country is too difficult; the United States is so much more comfortable.” Still, while knowing he is swimming upstream, Ramtri thinks that Brazil can make for a “comfortable introduction” to emerging market economies. He says companies are looking for talent, and that the talent drain of the past has created opportunities, particularly for upper management. “Depending on the professional perspective of what kind of platform you come in with, you could actually position yourself into an opportunity in the midst of a crisis here in Brazil.”

Is he right? There is no shortage of wide-ranging predictions for a country as unpredictable as Brazil. Matthew Taylor, adjunct senior fellow for Latin America Studies at the Council on Foreign Relations, says that while he is cautiously optimistic about Brazil’s economy in the long term, “I think the short term is going to be tumultuous.” Still, it’s worth noting that already by the late fall of last year, the São Paulo stock market had returned to its 2012 levels. “The macroeconomics are positive,” says Averbach. “But in Brazil, you never know what can happen next week.”  ●
BEE LESSON

WORKER.

QUEEN.
They may be facing a worldwide decline, but bees can still teach us a lot about leadership.

Story by Patricia Crisafulli
A momentous decision hangs in the balance: where to move the entire organization. Diverse opinions are aired and all options evaluated intensely. Finally, a decision is made—not by fiat or majority vote. Everyone agrees, eliminating dissension.

This could be, of course, a lean tech company whose efficiency would make any start-up owner proud. Or a flat organization that steadfastly refuses to follow any hierarchy to foster creativity. Actually, it’s a scene that takes place among critters that humans have both feared and loved for centuries: the humble honeybee.

The insect, which fosters a $15 billion pollination industry, has probably gained most attention in recent years for a mysterious decline in population. Indeed, since the mid-2000s, beekeepers have reported sudden disappearances and disturbing shortages of honeybee colonies. But while researchers work hard to figure out the problem, research on bee behavior has grown only more
OUR own research on bees discovers that while most people might think the world’s bee capital would be in some tropical forest, it’s actually in Bruce, South Dakota (human population: 204). There, Adee Honey Farms, the world’s largest honey producer, boasts more than 82,000 honeybee hives that produce four million to five million pounds of the sweet substance each year. But you can find much more modest beekeepers, the kind who oversee a handful of hives, almost anywhere; indeed, it’s the hobbyists who make up the majority of the 115,000 to 125,000 beekeepers in the U.S., according to the National Honey Board.

One of them is Jeff Reader, an affable, soft-spoken man who tends about 35 beehives in Illinois. A paramedic by profession, Reader has kept bees since the back-to-nature days of the 1970s. His operation, Reader’s Apiaries, does a brisk trade at local farmers’ markets, selling honey and honey-fruit spreads.

On an overcast fall day, Reader took three brimmed hats draped with netting from the back of his van. “It’s a good day to visit the bees,” he tells us. “It’s cloudy and cool, so the bees aren’t likely to be too aggressive.” That is good news—given that between 30,000 and 50,000 bees live in each of the dozen hives at this wooded location, off the beaten path at a nature center near Schaumburg, about 30 miles from Chicago.

Only a few hundred or so of the honeybees are visible, most of them clustered around the entrances and exits of the human-made wooden hives, the size and shape of a two-drawer filing cabinet. Reader fits each hive with thin pieces of wood that restrict the area through which bees can enter and exit. These “entrance reducers” help winterize the hive while keeping out insect intruders. As he toils, many of the bees returning to the hives are carrying yellow patches of pollen on their rear legs, like saddlebags of supplies to sustain honey production.

It’s about now that one of our leadership lessons emerges: The importance of purpose. The honeybee is iconic for productivity—consider the cliché “busy as a bee.” And while not widely appreciated, the payoff for that hard work will be enjoyed only by the next generation (and the humans who harvest a portion of the honey). “Their work will help the new bees survive,” says Reader. “Their purpose is all about the next generation.”

As Reader packs up his tools and surveys the hives, he contemplates the balance between the individual and the team: “The colony needs each bee, and a single bee, itself, will die without the colony.” He takes this lesson into his work in emergency medical services, including for events at the United Center. Doing his job well means keeping others safe and healthy.

sophisticated. And by all accounts, it isn’t something to swat away; these little stingers can offer some surprising leadership lessons.

“Everybody is on the same page in a honeybee society. They are all rowing for the same team,” says Gene Robinson, Ph.D., who leads genomic biology research at the University of Illinois at Urbana-Champaign as the director of the Carl R. Woese Institute for Genomic Biology and its bee research facility. “Honeybees all have a shared stake in the hive. How does one engender those same feelings among the members of a human organization?”
BEES ENCOURAGE THE FULL EXPRESSIONS OF IDEAS, DETERMINE THE BEST AND WORK TOWARD FULL BUY-IN.
Next we are on our way to the University of Illinois at Urbana-Champaign. Beyond the barren cornfields, on a gravel road past grazing cows, is the school’s bee research facility. As a single bee flies figure-eights overhead, Robinson explains his 40-year fascination with these tiny creatures. “Bees are not little people, and people are not big bees; we have a lot more complexity. But we can learn a lot by looking at and learning from nature.”

The primary lesson from bee society is the power of the decentralized hive. While there is a queen, she’s no command-and-control leader. Bees all have specific jobs, from foraging for pollen and nectar to tending the eggs laid by the queen. But all operate in an interdependent ecosystem that requires information to be disseminated broadly, in complex and interactive ways. For example, University of Illinois researchers found that about 20 percent of the foragers in the hive account for about 50 percent of the foraging. If these elite foragers are removed, that information hits the hive like a news flash. Suddenly the pheromones (essentially a chemical perfume) emitted by these superforagers are missing. That absence triggers young bees to step up their own development to fill the gap.

The most fascinating type of bee communication is so-called “waggle dancing,” which was first documented by Austrian zoologist and Nobel laureate Karl von Frisch. As he observed, bees use the honeycomb as a kind of dance floor to act out a series of movements to communicate such information as the direction and distance of a food source. There’s no competition among the foragers; rather, shared information means cohesion and a better chance for the group to survive.

Nowhere is that democratic power displayed more profoundly than when it’s time to swarm, a behavior observable among bees in the wild. When a colony gets big enough and strong enough to split, one group of bees leaves with the old queen, while a new queen stays in the original hive with the remainder.

First, the departing swarm takes off for an interim place, such as a nearby tree. Then a small number of scouts (fewer than 5 percent of the swarm) fly off in all directions in search of potential sites for a new hive: a hollow tree, a chimney, the

Here are some of the keys to bee society and habits.

The Decentralized Hive

While there is a queen, this egg-laying matriarch is no command-and-control leader. Bees live and work in a decentralized society, in which information is disseminated broadly.

Everybody Is on the Same Page in a Honeybee Society.

Pheromones, a kind of chemical perfume, are used to spread information quickly across the hive. A reduction in certain pheromones may signal a shortage of foragers, for example, encouraging the development of more.
space between two walls or another enclosed cavity. Returning to the group, the scout bees communicate their site assessments through waggle dances. One after the other the scouts waggle their bodies, with the longer and more vigorous dances given for the more favorable sites. Soon, all the swarm is buzzing in favor of one location, and off they fly to their new home.

“They play out in the marketplace of ideas so that one emerges as the winner. That’s the process of consensus building in a beehive,” Robinson explains, adding there is an obvious parallel for human organizations: encourage the full expression of ideas, determine the best, and work toward full buy-in.

As bee researcher Thomas D. Seeley, Ph.D., wrote in his book "Honeybee Democracy": “These little six-legged beauties have something to teach us about building smoothly functioning groups, especially ones capable of exploiting the power of democratic decision making.”

Yet many people overlook the humble honeybee, Robinson believes, because their efforts are indirect. Apples obviously come from apple trees, but bees must pollinate the apple blossoms. It’s a fact well appreciated by farmers who grow crops from avocados to zucchini. California’s almond crop, for example, is totally dependent on bees, requiring more than one million hives to be brought in each year from as far away as Maine.

But the honeybee is in trouble. Populations declined mysteriously in the mid-2000s, when honey-producing bee colonies dropped below 2.5 million from a peak of about 3.5 million in 1989. About 2.7 million colonies were reported in 2015, according to published statistics. The beekeeping industry blames “colony collapse disorder,” which threatens the health of the insects, as well as commercial beekeeping and pollination operations in the U.S. The causes of the decline remain unknown, although diseases and parasites that weaken the bees are thought to be contributing factors.

For his part, Robinson is dedicated to helping protect honeybees from the “4 P’s”: pesticides, parasites, pathogens and poor nutrition. Among the culprits are urbanization that turns open fields into malls and housing developments, and mechanized farming that reduces flowering weeds. Although honeybees are not endangered, the threat to their numbers is a serious problem that scientists and agriculturists take seriously. Humans can help, as Robinson suggests: “Plant more flowers.”

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**BEE WATCHING**

Watch video of our visit with a beekeeper and leading researcher. kornferryinstitute.com

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**WAGGLE DANCING**

Bees communicate using a kind of symbolic, movement-related language—specifically “waggle dancing.” It’s used, for example, to map the location of new food sources, setting direction and distance.

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**NAVIGATION BY SIGHT AND SUN**

Bees navigate by the sun, researchers found, while relying on memorized landmarks and distances. As a result, though less than an inch long, bees can travel up to six miles.

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**DEMOCRATIC DECISION-MAKING**

When making new hives, waggle dancing also serves to “debate” the best new location. Scouting bees, which are responsible for investigating sites, waggle dance to the swarm, with the most vigorous dances attracting enough support to build a consensus.
explore.
restore.
repeat.

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Locks of Leadership
How Top Bosses Wear Hair

By Meghan Walsh

It’s the first detail people take in, even before the tailored suit and smiling handshake. Whether kept on a close leash or given room to grow, left to blow in the wind or held in place with Göt2B Ultra Glued Invincible Styling Gel, a single luscious—or misplaced—lock reveals personality, values and, for the leader, ability. Except for executive women. Her cut, of course, isn’t about her but society’s impossible expectations.

Either way, never underestimate the power of the do. It’s not the suit that makes the executive. It’s the hair.
he’s joined the growing number of beards in the boardroom. And of course no conversation about hair is complete without mention of billionaire Sir Richard Branson’s bleached-out surfer look. Rather than opting for a wash-and-wear, more business leaders are experimenting with barber cuts that require TLC. “Eight years ago you did not see CEOs spending time in the morning grooming themselves,” says Genevieve Strazisar, a stylist at Ted Gibson salon in New York City, known to serve society’s elite. But all top execs, regardless of style, she says, stay cleaned up, scheduling trims every two to three weeks, which isn’t cheap. Strazisar estimates a typical men’s cut runs about $200, compared to the national average of about $14. Once they find a stylist, they don’t stray either, especially as they move up the chain. “Your cut communicates consistency and stability,” Strazisar says. For women, though, hair is yet another obstacle to navigate on the parlous path to the C-suite. Research shows appearance influences how women leaders are perceived, so they often opt for a neutral look. In a study funded by Procter & Gamble in the early 2000s, Yale psychology professor Marianne LaFrance, Ph.D., found: “Within seconds of meeting you, people begin forming a first impression about the type of person you are; and it’s not your face that gives you away, it’s your hairstyle.” Thus, the bob. More than half of female Fortune 500 CEOs wore a version of it last year. You can curl the ends, like Hewlett Packard’s Meg Whitman, or push the boundaries à la GM’s Mary Barra by adding a few layers, but the look should include a modest side part and stay above the collarbone. Blond continues to dominate: While only 5 percent of white people in the United States are naturally blond, almost 50 percent of female CEOs at S&P 500 companies are, according to research presented at the Academy of Management earlier this year.
The Power Dos:

1 Silver Slick-Back
This one pushes the limit when it comes to length and is one of the few cuts that involve using product. But those bold enough to sport it often hear another name: Silver Fox.

2 Businessman’s Cut
Ubiquitous in the boardroom, it’s conservative, inconspicuous and low-maintenance. Slight taper along the sides, with the top left long enough to part. But some grow it too long, in a misguided search for volume.

3 Bald Power
Few men at the top shave it all off. Instead they leave a hedge around the sides or buzz it very close, a far more dignified look than the thinning comb-over. Denial is not a good look for the head of a company.

4 Burr
Common among business leaders, with this cut the hair is all the same length, usually one-eighth inch or shorter. Easy to get up and go in the morning, but can require once-a-week barber trips.

5 Renegade
Must be a tan, blond self-made billionaire to pull off—and have a charming smile.

6 One and Only
If you are a woman in power there is a very good chance you have a modestly layered bob with a conservative side part and gentle blond color.

7 One and Only with a Twist
While the bob is the standard, there are many variations of it. Some try layered bangs, others curl the ends or sweep it behind the ears. One CEO even wears a headband.

“Your cut communicates consistency and stability.”

Adding to the pressure is social media. Digital impressions are generally cut off at the shoulders. And a hundred flattering pictures can be erased by one bad hair day. “Image is like micromanagement; it’s putting together a puzzle with thousands of pieces,” says Sylvie di Giusto, an executive image consultant. “Unfortunately though, people never notice when you are doing things right. They notice when it goes wrong.”
There you sit, breathing quietly. Your thoughts are untroubled, and you notice aspects of body and soul that you’d miss in the usual race through your day: how shallow and nervous your breaths are, for instance, or how your problems don’t seem so big. This is calm.

You are getting in touch with yourself, just accepting your thoughts. Here comes one: *Am I doing this right?*

Uh-oh. Goodbye, calm and focus. You’re fast disappearing under a wave of anxiety and confusion.

The thing about being alone with yourself is that ... well, you’re alone with yourself. For all the benefits of escaping the metrics, indicators and other feedback
that normally pound at you, having no feedback at all can leave you wondering whether you’re just fooling yourself. A meditation teacher could help, but disappearing into an ashram or a monastery isn’t an option for most, especially for high-powered executives.

But it turns out that there are some fascinating new options to becoming your own guru. A convergence of technical advances has spawned an industry of relatively inexpensive devices that use electroencephalograph (EEG) to help people train their minds to do everything from concentrate better to control pain or de-stress. It’s a far cry from the days when EEGs involved big computers and hundreds of electrodes placed on the scalp, which essentially confined neurofeedback to laboratories, clinics and hospitals instead of your own home—or office. The new devices are so simple they’re linked to laptops or even smartphones.

One of the first companies to launch a home EEG product was NeuroSky. You can get one of their headsets, and three apps that work with its data, in a $99 kit. The set picks up brainwaves with a single sensor, located on the forehead (a typical lab EEG has 256). With a wireless connection to a computer, the device will show the waxing and waning of the five types of brainwaves—alpha, beta, delta, gamma and theta. To make the data useful, scores of apps are available, not only for meditation but for other neurofeedback uses, such as managing chronic pain or developing focus. Similar setups, at similar prices, are on offer from other companies—for example, the FocusBand EEG headset (which has three sensors) and the PLX XWave, which offers “medical-grade EEG” starting at $90.

NeuroSky’s single sensor means it only picks up frontal lobe signals. That isn’t trivial—the frontal lobe is most involved in planning, problem solving and making you you—but it does leave a lot of the brain in the dark. This isn’t the headset for some of the more data-thirsty, science-fictiony neurofeedback applications, like controlling a drone with your thoughts.

For that, you could turn to an Australian firm called Emotiv. For $299, it will sell you its Insight headset, which connects to your computer via a USB dongle. Insight has five sensors, enough for the device to produce a portrait of activity throughout your brain. Emotiv emphasizes that you can also use the headset, combined with machine-learning algorithms, to train yourself to move a remote-control car, fly a drone, play a game or interact in a virtual reality setting.

My own interest in these devices isn’t so bleeding edge; I was interested in how neurofeedback could teach me a highly personalized and scientific method of meditation. So I acquired Interaxon’s dedicated seven-sensor meditation-training headset, the Muse, which you can pick up for about $250. The headband pairs over Bluetooth with a smartphone app and begins by taking some baseline EEG measurements. After that, an instructor’s pleasant voice sets you up for a closed-eye meditation session in which you focus attention on your breathing.

As the minutes go by, the app translates the EEG signals into a soundscape (I picked a desert, after trying seaside and city). Things get noisy if you’re distracted and quiet when you’re correctly concentrating. If you stay in the zone of quiet attention, you hear the faint tweetings and chirpings of imaginary birds. After the session is complete, you can look at a line graph that describes your trajectory over three possible states of mind: wandering, resting and concentrated. Muse is not idiot-proof. It took me a while to place the headband in the proper place. Experience also taught me that the initial calibration can fool the system. If your baseline is jumpy and nervous, the device then mistakes jumpy and nervous as calm throughout the session. Muse gamifies motivation, offering “points” and congratulatory e-mails for sticking with sessions and meeting goals. It also invites you to share your meditation milestones with others on social media. I guess these tools are simply the modern app’s substitute for the traditions and routines at ashrams, monasteries and other reflective places for thousands of years—but to me Facebook and a running tally of my bird count are the kinds of distractions I am trying to get away from.

Once I got the hang of it, however, I came to like the Muse routine. The data graphs give me insight over longer periods of time than I’d otherwise have, providing an idea of when and how I can concentrate more easily. And over time I am getting better at attracting those bird sounds. •

With the right technology, the mind can be its own guru.
Conferring on Conferences

Just the idea in today’s technology-laden world seems a bit outdated. You fly to one city just to gather at a hotel or conference stage to listen to speakers, take notes and then do that rarest of business activities these days—talk to people face to face.

But whether it’s to rub shoulders with the big names in tech at SXSW in Texas or learn the latest on Africa at the African CEO Forum, the $14 billion trade and conference industry is still thriving as an essential learning and networking tool. Where else is it possible to bump into Bill Gates in the hallway, as one executive told us? Or, as the same executive also remembers, the CEO of his future company? “There’s a tremendous amount of opportunity to learn at every one of them,” says Texas-based author and tech expert Christopher Meyers.

But which to pick? And how to tailor these events to your needs? Below, our own guide to some of the big ones left in 2017.

<table>
<thead>
<tr>
<th>CONFERENCE</th>
<th>LOCATION</th>
<th>EXPECTED ATTENDANCE</th>
<th>KNOWN FOR</th>
<th>GOOD TO KNOW</th>
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<tbody>
<tr>
<td>SXSW INTERACTIVE</td>
<td>Austin</td>
<td>35,000</td>
<td>Frenetic atmosphere seemingly in lockstep with the pace of technological change.</td>
<td>Offers more than 1,000 sessions with 2,500 speakers, so don’t overschedule. The conference prides itself on unexpected discoveries for those who wander.</td>
</tr>
<tr>
<td>AFRICA CEO FORUM</td>
<td>Geneva</td>
<td>1,000</td>
<td>Ever-optimistic discussion around the unrealized and untapped potential of Africa.</td>
<td>With certain requirements in place, tends to draw a high-caliber audience and is now in its fifth year.</td>
</tr>
<tr>
<td>MILKEN INSTITUTE GLOBAL CONFERENCE</td>
<td>Los Angeles</td>
<td>3,500</td>
<td>Economic forecasting delivered by some of the world’s leading politicians and business leaders.</td>
<td>The quintessential professional conference that attentive attendees can use to open eyes to new business opportunities.</td>
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What are you looking for?
We’ve assessed which conferences are best for a range of purposes, from networking to seeing the top leaders.

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<thead>
<tr>
<th>FORBES WOMEN’S SUMMIT</th>
<th>SINGAPORE SUMMIT</th>
<th>WEB SUMMIT</th>
<th>WORLD BUSINESS FORUM</th>
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<td>June</td>
<td>TBA</td>
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<td>Hundreds</td>
<td>350</td>
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An awe-inspiring line-up of top business leaders, thinkers and celebrities, like Sara Blakely and Jessica Alba.

One-day gathering on the impact of globalization on Asia.

Truly international audience focused on being there rather than being seen there.

Seriously well-curated panel of speakers, topics and discussions.

Aimed at inspiring women to take leadership roles, with the mission of “translating the ideas into action.”

By invitation only and for good reason—last year’s big names included JPMorgan Chase’s Jamie Dimon, Siemens CEO Joe Kaeser and Hitachi executive chairman Hiroaki Nakanishi.

With a strong start-up vibe, Web Summit is also known to be a good place to get new businesses noticed, particularly for fintech and artificial intelligence in recent years.

An uncanny number of speakers are TED Talk all-stars, promising a dynamic environment. This year’s topic: “Humanification.”
Personally, I would never get a wink of sleep from this moment on. Who hasn’t written something in an e-mail they’d rather not have disclosed to the whole wide world? In business, it’s crazy to think of the possibilities, not only in terms of embarrassing disclosures but the corporate information competitors would love to have.

And yet, don’t kid yourself, C-suite champions. The kinds of disclosures that WikiLeaks made during the presidential campaign last year—snared directly from e-mail accounts—could definitely creep more into the business sector. Indeed, you may remember that hackers last year broke into two social media accounts of no less a tech genius than Mark Zuckerberg. Think fast: If you’re a corporate leader, is there anything you wrote electronically that you now regret, that shouldn’t be disclosed for one reason or another?

Apparently, not all companies have quite sounded the alarm. As our own website (kornferryinstitute.com) reported recently, sure, many firms have put digital safety protocols in place, but most haven’t made full-scale upgrades in how they communicate internally. “I’m not sure that we’ve reached a tipping point yet,” Scott Shackelford, an associate professor of business law and ethics at Indiana University’s Kelley School of Business, told us.

But it seems almost absurd not to get ahead of today’s new realities. Obviously, assuring Internet safety is a full-time job for CIOs today, so it’s great to see companies issuing internal warnings against using public Wi-Fi or hotel devices while discussing sensitive materials. Relying more on encrypted messages or VPN helps too. And then there’s the basic reminders, like don’t reuse passwords, which turned out to be Zuckerberg’s cardinal sin. (For those awaiting the answer to show up on “Jeopardy” someday, the answer is “dadada.”)

But to some degree, relying on technology to make sure technology doesn’t burn you is missing the point, since no security system is foolproof. Companies need to look at their digital chat both backwards and forwards. “It’s really going to mean a wholesale review of what types of communications should be made and through what channels,” says my colleague Richard Marshall, global managing director of Korn Ferry’s Corporate Affairs practice.

What that means, among many steps, is assessing what some hacker might find worth disclosing from the past, including pesky but potentially damaging lawsuits or employee disciplinary actions, then preparing the proper public response for worst-case scenarios. By itself, this type of historical review could well be pretty exhaustive and may require some frank internal disclosures that could result in some CEOs deciding on having greater transparency.

Moving forward, there is the real possibility of limiting what C-suite folks should put in e-mails, what type of language is acceptable and whether we need, as our own new president suggested, to discuss truly sensitive material only face to face or by phone. Or at least require the pulp-only approach to recording some information that shouldn’t last in cyberspace forever.

All of which is to say it’s a rough but necessary review. And yet, I’d like to think that today’s new sphere of prying eyes has one plus side: It creates a sort of cyberconscience. After all, what corporate leader doesn’t now know that even a rude or impatient e-mail to an employee could come back to tarnish a well-burnished reputation? And as the top of the organization learns to take more deep breaths before hitting the “send” button, so too may hotheaded digital behavior improve throughout the company.

So … hurry up and get to work!
Talent Q assessments from Korn Ferry Hay Group help you to select, engage and develop your people at all levels of your organization and across the talent lifecycle.

We have the expertise to help you make the most of your graduate program. From developing initial strategy to measuring final results, we’ll investigate, analyze and provide tailored lifecycle solutions that fit your objectives, values, culture and EVP.

Find out more about our graduate recruitment solutions: talentqgroup.com
Portugieser Perpetual Calendar, Ref. 5034: The moon has always exercised an inexplicable power of attraction over human beings. In the case of the Portugieser Perpetual Calendar, this is more than understandable. Its fascination lies in the moon phase display, which shows the two faces of the moon in the northern and southern hemispheres simultaneously. Combined with the watch’s timelessly elegant design, its powers of attraction are almost self-explanatory. After all, legends are simply irresistible.

Mechanical movement, Pellaton automatic winding, 7-day power reserve, Power reserve display, Perpetual calendar with displays for the date, day, month, year in four digits and perpetual moon phase for the northern and southern hemispheres, Sapphire glass, See-through sapphire-glass back, Water-resistant 3 bar, Diameter 44.2 mm, White gold, Alligator leather strap by Santoni.

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