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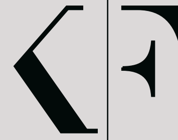

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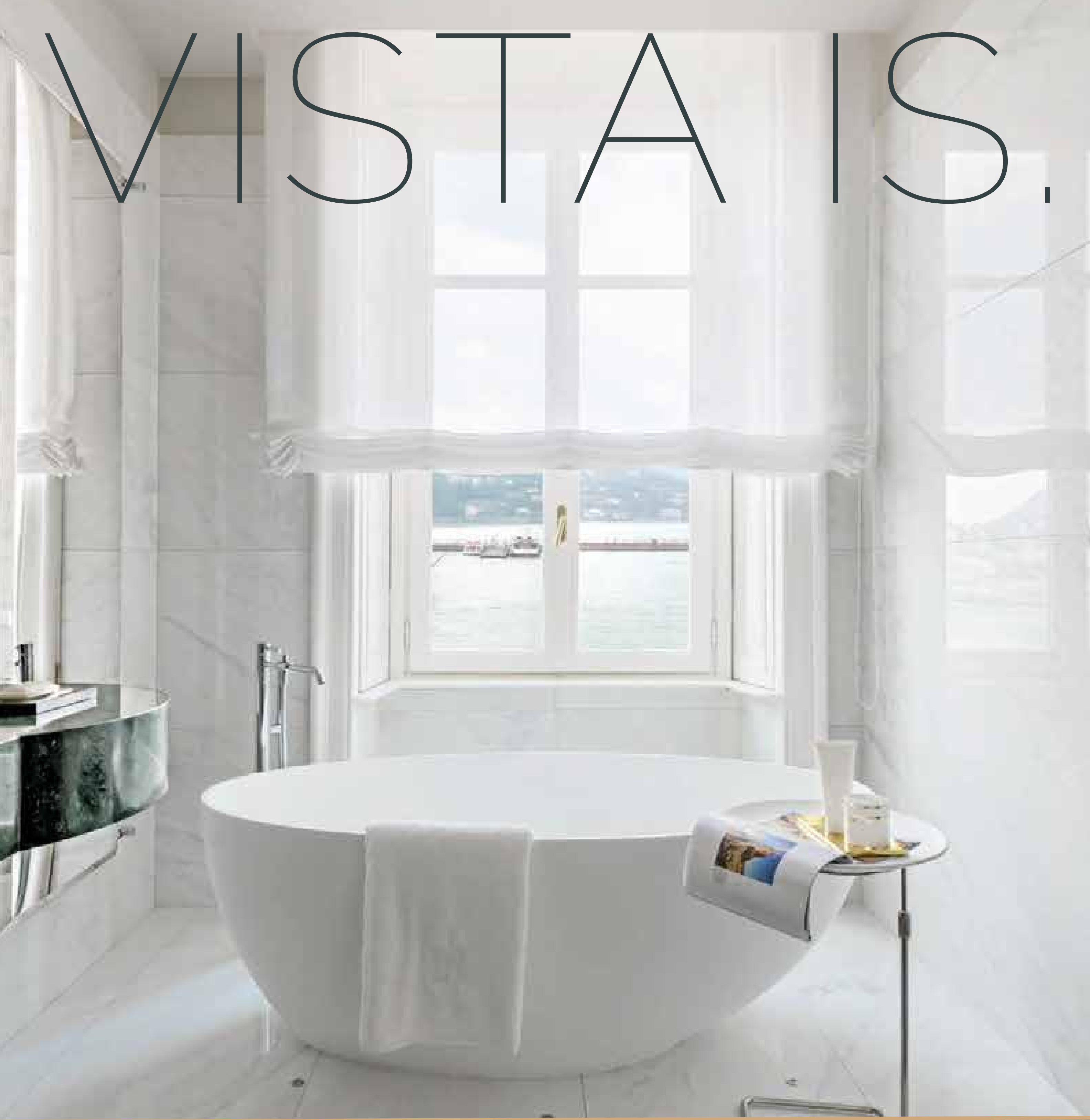

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THINK ABOUT THIS:

"AT SOME POINT EMPLOYERS SHOULD BE COMPETING FOR WORKERS AND OUTBIDDING EACH OTHER, BUT WE HAVEN'T SEEN THAT YET."

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WHERE'S MY RAISE?

The economy is booming. Wages aren't. Why leaders need to know the answer to this mystery—fast.

Cover art by Tracie Ching

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Bottom right: Puneet Vikram Singh/Getty Images

ON LEADERSHIP

Gary Burnison
Chief Executive Officer, Korn Ferry

They Call 'Em 'Horrible Bosses' for a Reason

If you have a bad boss, they can't pay you enough to stay.

Bad bosses, I'd go so far as to say, are even more of a demotivator than low pay, and the impact will last far longer than the next paycheck. People who work for a bad boss aren't championed. Their self-confidence and self-esteem are destroyed.

The problem is so common that people don't really leave companies, they leave bosses. We've heard it all: managers who promise you a promotion, then give it to somebody else; who are stingy with feedback; who show no interest that you have a life beyond work; who never, ever listen; who say one thing and do another… There's a million of them. In fact, people have problems with bosses about 50 percent of the time.

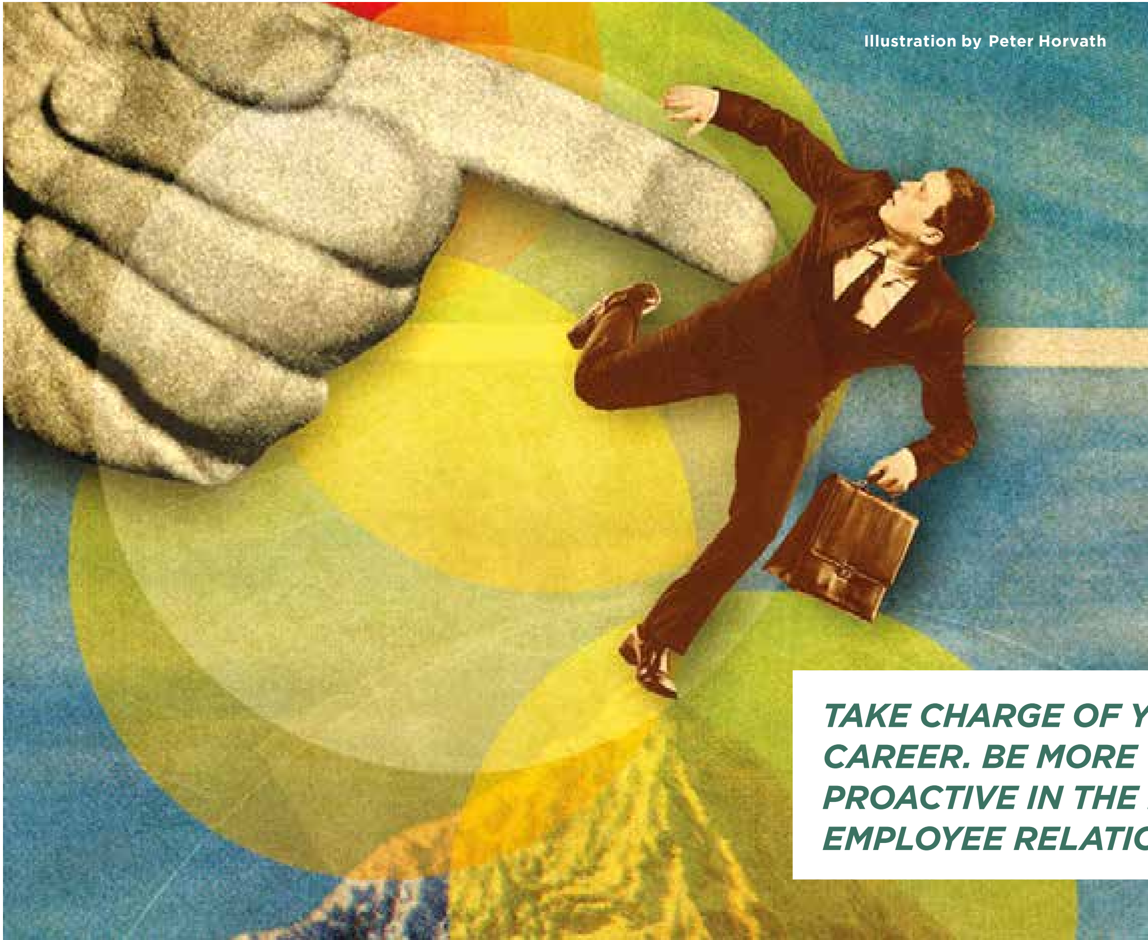
Despite the importance of the boss, this relationship is often overlooked when people weigh the benefits of their current or next job. They focus on more obvious "headlines"—their current pay and the raise they just got or didn't get. (Don't get me wrong, chronically low wage growth across the economy is increasingly the focus among employees and employers alike.)

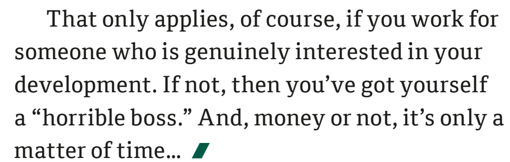
It isn't an easy problem to solve in today's world, which is far less hierarchical and much more agile and fluid. The days of "climb the ladder and get a gold watch"—with predictable, linear career paths and a stair-step pattern of advancement—are long over. Careers today are more like labyrinths, with both advancement and lateral moves.

Moreover, people change jobs more quickly than in past generations; the average millennial might have 25 or 30 jobs in his or her lifetime. Average job tenure is about four years, and less for younger professionals. Employees are more transient, and employers are not enduring stewards of careers. This has changed the relationship between employee and employer to a new short-term reality that I call the "we're just dating" arrangement—neither party is fully committed.

Where does all this movement lead? The hope for the employee is more money. But that's often not the case.

It's understandable that people want to make more money, so they give salary oversized importance. The real danger is when this happens at





TAKE CHARGE OF YOUR CAREER. BE MORE PROACTIVE IN THE BOSS-EMPLOYEE RELATIONSHIP.

career junctures. Someone considers leaving a job they like and a boss they get along with only because another position pays more—without thinking sufficiently about what that move will do for their learning and career trajectory. In essence, they're trading medium-term for short-term. And when people are bragging about their new job to friends, they rarely mention anything more than money—and never talk about who their boss is and what they are learning.

The most important consideration in any job, current or future, is how it positions you for new opportunities. This goes back to the 70-20-10 rule of thumb in professional development. Stretch assignments and other opportunities to learn new skills account for the largest portion. The 20 percent is learning from people, especially your manager—who, by the way, is the gateway to the 70 percent. Only 10 percent is training and courses.

Learning leads to growth, and growth leads to more job responsibility, which creates more career opportunities—ultimately leading to more money. One aspect of a "committed" work relationship (versus "we're just dating") is engaging in ongoing dialogue about targets and milestones, establishing a natural give-and-take around performance targets (revenue, margins, and profits), and setting the stage for advancement and the pay that goes with it. You can't wait for the annual review—the world is not once-a-year, and neither is your performance.

Given the world in which we live today, my advice for employees is to take charge of your career. Be more proactive in the boss-employee relationship.

That only applies, of course, if you work for someone who is genuinely interested in your development. If not, then you've got yourself a "horrible boss." And, money or not, it's only a matter of time...

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VOICES ON...

"SUPPLY-CHAIN AGILITY HAS BECOME ABSOLUTELY CRITICAL."

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VOICES ON...

Organization

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Bernhard Raschke

Leader, EMEA Supply Chain Centre of Excellence

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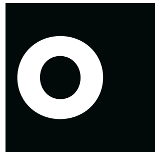
Silvia Sigaud

Global Sector Leader, Agribusiness Practice

A Break in the Supply Chain

Except during holidays, even the C-suite tends to ignore a critical link in operations. Will tariff wars and tech disruptions change that?

BY CHANA R. SCHOENBERGER



f all the operations that companies have—finance, cybersecurity, human resources—rarely does the supply chain get a lot of attention. That is, until something goes wrong. Very wrong.

The hot holiday gift of the year never makes it to store shelves because a computerized tracking firm messes up. A critical part costs double for a factory because the supply firm went bankrupt—and the plant forgot to have another lined up in advance. Promises of two-day deliveries, very big this time of year, aren't kept. In the C-suite and boardrooms, people notice and start asking: the supply what?

But this year may very well become the Year of the Supply Chain. Events like Brexit and, more recently, the United States-led tariff wars—not to mention tech disruptions, the continued use of online buying, and even the purpose movement—have brought supply-chain matters front and center even before things go wrong. The question now is whether a company—and virtually every industry can be affected—will have enough time to stay ahead of the critical links in its business.

By some estimates, the logistics sector, which is the backbone of all supply chains, has itself ballooned into a $4 trillion-plus per year business. That isn't surprising, given how closely it reflects all of the key trends in business, from global economy shifts to the emergence of artificial intelligence. Firms can now use technology to track goods in split-seconds, while forecasting how, say, a hurricane may affect the availability and price of a key product, while also responding to sudden shifts in consumer fashion tastes sparked by a viral Instagram posting. The so-called purpose movement is now a part of this, too, with supply chains ensuring and documenting, for example, that diamonds are coming from socially responsible suppliers.

The Takeaway

Firms that are waking up to the growing significance of supply chains will have a competitive edge.

As the former chief supply officer at Chiquita Brands International, Waheed Zaman describes a head-spinning process. "There are many more products now and they are being purchased and consumed in different locations," he says. Yet, at the same time, the possibility of having much closer to real-time details on where products are throughout the entire supply chain, using machine-learned algorithms, can radically change a company's strategy, he says. "Supply-chain agility has become absolutely critical."

And it's even more critical this year, now that tariffs and major tax law changes are in effect. Companies with operations in China, for example,

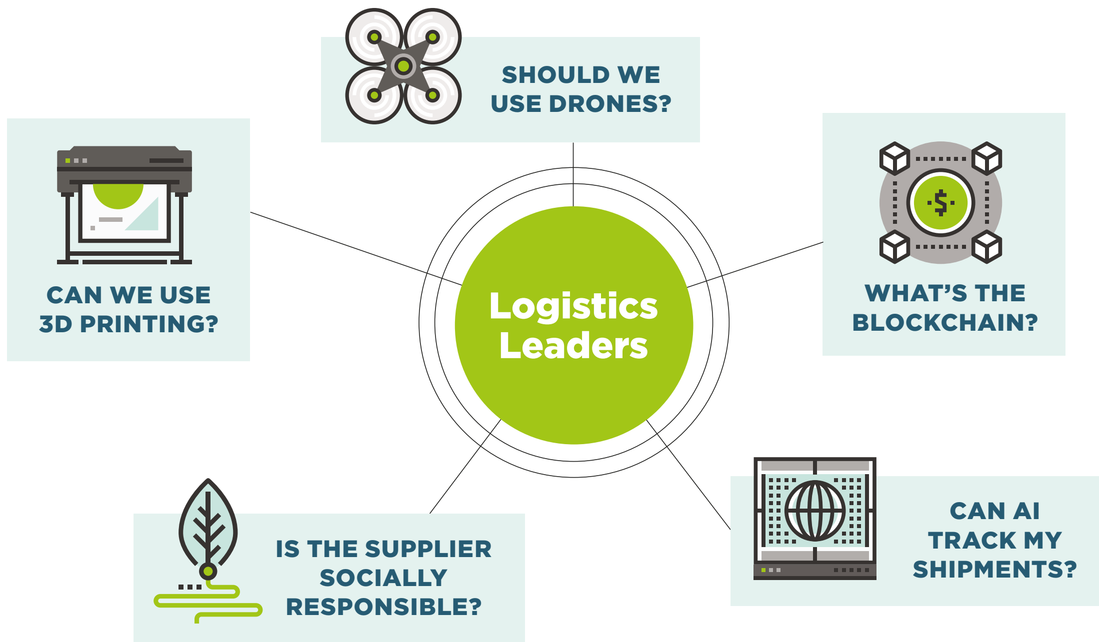
fighting to minimize the impact of new US tariff laws, have been rushing to bring in orders from Asia. Similarly, companies funding overseas supply chains with money kept offshore may be vulnerable to this year's widespread changes in tax law, say Gregor Fiabane, a Santiago, Chile-based senior client partner at Korn Ferry. "It's react, anticipate, and change your supply-chain network; that's the ultimate goal," he says.

To generate new ideas, some companies have given their supply-chain managers a budget for experimentation, says Bernhard Raschke, who runs the Supply Chain practice for Korn Ferry in London. One pilot: A beer maker relying on weather data to forecast demand and improve deliveries.

But perhaps the most important change happens in the leadership running all this. Not surprisingly, as tariff and tax headaches reach the boardroom level, "we are seeing more and more requests for executives who have had careers in supply chain," says Raschke. For his part, Fiabane says it's easy to define the skill sets—agility and flexibility—but says strategic thinking to reinvent supply-chain networks matter, too. "It was a non-factor a few years ago, but today it's very often mentioned when companies transform their businesses," Fiabane says.

Still, it's an education in process. Raschke says most executives think about supply chains in terms of cost reduction, focusing on whether their process can deliver the right quality product at the right time for the right price. They might not realize how their sourcing or manufacturing can put the company at risk—such as when a food supplier tweaks ingredients and consumers, noticing the change in taste, spread negative reactions across social media. "What has increasingly become an issue is that supply chain needs to lead with risk management because of the vulnerability of supply chains," Raschke says. "Companies now have to manage a trust issue, and it's intrinsically linked to their supply chain."

NEW QUESTIONS LOGISTICS LEADERS DIDN'T HAVE 10 YEARS AGO:



A Different Kind of Battle

As non-superpowers build up their firepower, defense firms face the tough task of finding and training local experts.

BY PETER LAURIA

In the land Down Under, the so-called Hunter-class frigate is being hailed as the government's weapon of the future—and quite a financial prize for the aerospace industry.

Spanning the size of a football field and a half, the ship comes equipped with an anti-missile defense system, advanced gunnery, and enough space to carry two wartime helicopters. The Australian government has ordered nine of the vessels—at a cost of around $25 billion—but not before imposing a critical requirement on BAE, the British defense and aerospace giant behind the deal. It must hire and train some 5,000 locals to build, maintain, and run the entire infrastructure around the ships.

It's just the latest example of how today's modern warfare has taken on an entirely new dimension for the industry that backs it. No longer do these firms rely on superpowers like the United States and China for megadeals; countries from Poland to Saudi Arabia are becoming big customers of firms like Lockheed Martin, Raytheon, Boeing, Northrop Grumman, and Spirit AeroSystems. But this multibillion-dollar opportunity comes with a new challenge: Instead of outsourcing the work to the firms, those countries want the companies' help in finding jobs and training local workers to build and run these massive jetliners and war machines.

"Jobs development and training is a huge part of any sale," says Jon Barney, a Korn Ferry senior client partner who specializes in aerospace and defense. "The countries want to develop their economies, train their people, and develop export businesses as part of their return on investment."

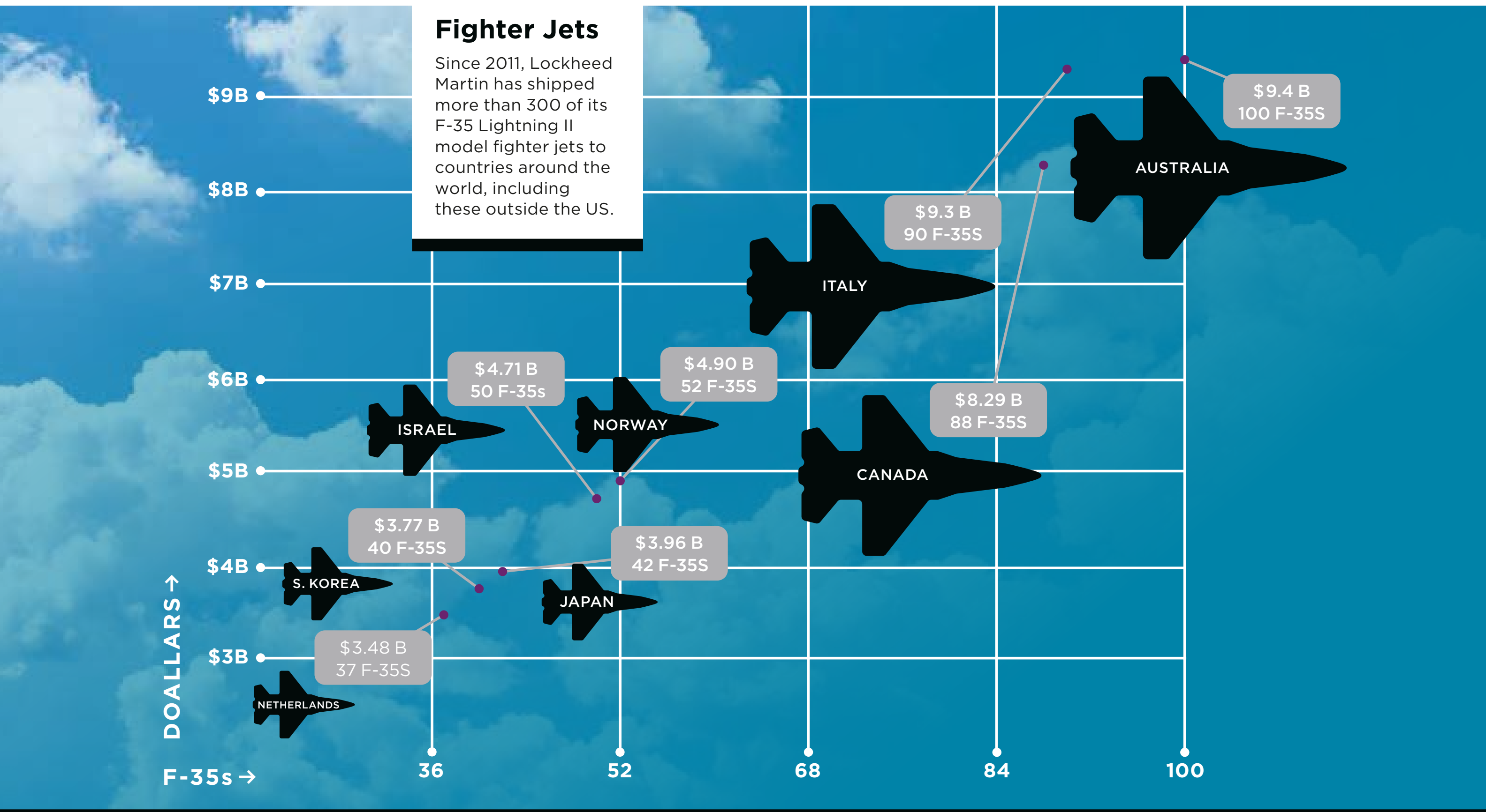
The non-superpowers have jumped into the defense game in part because global security issues have become such a big concern. At the same time, they're seeing the deals as a great way to boost their own economies, reskilling workers in a variety of fields including high tech. But that creates a new wrinkle for many aerospace and defense organizations, since few are more experienced at bringing in their experts than finding and training talent far from their home offices and management.

The Takeaway

In this industry, businesses that are super agile can scoop up billions in new deals.

In the case of Australia's deal, for example, an Australian-government-owned shipbuilding firm will become part of BAE during the construction phase of the program, and then revert back to government ownership once it is complete. As Gabby Costigan, the CEO of BAE Systems Australia, put it, "There is a new war for talent in the defense sector in Australia."

According to Samantha Marnick, executive vice president and chief administration officer at Spirit AeroSystems, the new world customer base



"means doing work in places you weren't thinking of doing work in before." Indeed, a Korn Ferry survey of more than 100 industry leaders found that 56 percent said they expect their need to recruit talent to increase in the next year. Jeff Kohler, a former Air Force lieutenant general and ex-Boeing senior executive who now leads his own advisory firm, J. Kohler Global LLC, says most foreign countries' aerospace and defense companies are state run and "way behind" in operations and management. "Training is a huge learning curve that could potentially add a lot of costs for firms," he says.

In response, along with partnerships, some firms are taking on a "hub and spoke" approach to developing overseas talent, combining regional offices from the parent company with local offices and management. Still, that requires a lot of calculations, including everything from the cost difference between locals verses expats, skills needed, tax laws, and the level of integration, says Nigel Sutton, vice president international, Northrop Grumman Innovative Systems, Defense Systems Group.

However the deals are being arranged, Korn Ferry's Barney says countries are going to become frustrated if they don't see the jobs being created or any improvement in local skill sets. He believes ultimately there should be metrics to measure the progress. As for now, the warfare is clearly focused beyond price, including a $6 billion deal in March between the Polish government and Raytheon for the Patriot integrated air and missile defense system—the largest arms procurement deal in the country's history.

"The sale price was important," says Tom Vecchiolla, a former president of Raytheon International who was recently named CEO of the engineering services contractor VT Systems, "but the more important piece to the Polish government was creating and sustaining high-technology jobs."

Corbin Zahrt

A Chinese Samba

The Asian country has poured billions into Brazilian businesses but finds it needs some Brazilian know-how to run them.

BY JUDITH JONES

It's hard to find two places on the map that could be farther apart, and yet agribusiness executive Marcos Jank couldn't help but notice all the farmland and farming business that China was buying in his native country of Brazil the past few years. He also kept getting asked the same question by Chinese leaders—how best to do business in a country full of everything China doesn't have: byzantine taxes, difficult labor laws, and an economy that is forever booming and busting.

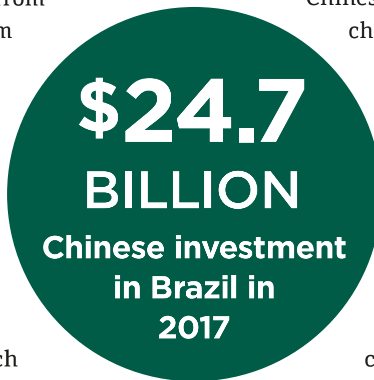
In response, Jank says, he would tell them to build local relationships. The economies of the countries 10,000 miles apart were actually very complementary, he'd say, "but Brazil's regulations are extremely complicated."

Welcome to yet the next level of the global

economy. For two decades, United States and European investors were told they should invest in the BRIC countries—Brazil, Russia, India, and China—because of their tremendous growth potential. But these days, two of the BRICs, Brazil and China, are just as interested in each other as they are getting cash from the world's most established economies. In 2017, China invested nearly $25 billion on projects in Brazil, twice as much as the US invested in Brazil over the same time period. Chinese companies are building a port in Maranhão, lending money in Brasília, running a São Paulo-based ride-hailing service, and operating a slew of other businesses.

Outside of securing food and commodities, China's healthy relationship with Brazil could potentially mitigate the pain of a trade war with the United States. For its part, Brazil, which was mired in a deep recession from a few years ago, believes that the investments from China will help it recover faster from that fallback.

But the Chinese firms are finding that they aren't just making an investment in Brazil's crops, energy, and finance, they're making a big bet on its talent pool as well. That isn't always the most comfortable situation, but it's one that many countries trying to stretch their economic reach need to tackle. "There are not many Chinese peers to which Chinese companies can turn to for information about experience in Brazil," says Amy Chan, chief investment officer of Dakang Brasil Agro. "This leads to a big reliance on local talent."



To some degree, the differences between the countries couldn't be greater; most Chinese business leaders, for example, have less experience dealing with volatile environments, since the Chinese economy hasn't had a recession in a quarter of a century, compared to four in Brazil. During that type of volatility, leaders either have to develop novel solutions or risk going out of business. Indeed, according to Korn Ferry research, Brazil and other Latin American executives score high on change agility—the ability to promote new possibilities and, importantly, turn them into reality.

The Takeaway

A major investment in Brazil by China gives leaders in both nations a chance to learn from one another.

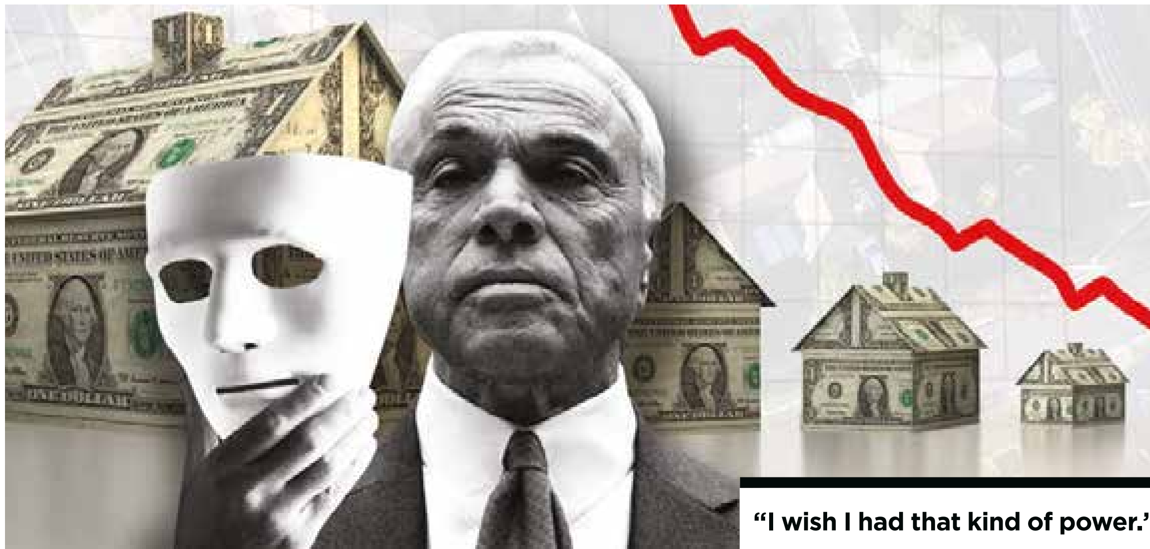
Now Brazilians and Chinese need to learn to work together at the same company, not just as sellers and buyers, says Silvia Sigaud, a Korn Ferry senior client partner in São Paulo. What Chinese executives may lack initially in change agility they make up for in people agility—the ability to read people and use those insights effectively to work with others. At the same time, Brazilian leaders are adapting to working with Chinese firms. "A qualified Brazilian leader in a Chinese-managed company could work as a bridge between the two cultures and help Chinese colleagues learn about and adapt to the Brazilian culture and market," says Guan Dongyuan, senior vice president of Embraer, a giant Brazil-based aerospace firm.

And it doesn't hurt that Brazilians might also get a lesson in long-term strategic planning. Brazilian companies, like organizations in many countries, tend to think of "long-term" as five to seven years. For Chinese firms, particularly state-owned enterprises, long-term can mean 10 years or more.

The Face of the Subprime Crisis

Though he denies causing it, Angelo Mozilo is forever linked with last decade's mortgage meltdown.

BY GLENN RIFKIN



"I wish I had that kind of power."

It was the 10th anniversary of the two financial crises, but Angelo R. Mozilo was having no part in taking any blame. In a rare interview last summer with *The Wall Street Journal*, the once-iconic figure synonymous with the words "subprime crisis" continued to argue he didn't help fuel an epidemic of ailing mortgages that preceded the worldwide economic meltdown. The 80-year-old former CEO of Countrywide Financial Corp. blamed the liquidity crunch and the ensuing financial panic for the crisis.

"Not subprime mortgages, not Countrywide, not Angelo Mozilo," he said. "I wish I had that kind of power."

Of course, most observers have a drastically different take on Mozilo's role, tagging him as among the key villains of the crisis, the chief executive whose avarice and arrogance turned Countrywide into the leading purveyor of the toxic subprime loans. Indeed, the more prevalent conversation during the years of the recession that followed was whether Mozilo would be indicted for his role in spearheading Countrywide's controversial behavior as a mortgage lender.

Mozilo escaped prosecution, though he fought a decade-long legal battle to settle an accusation by the Securities Exchange Commission that he profited to the tune of $140 million due to insider trading. As part of the 2010 settlement, Mozilo

neither admitted nor denied any wrongdoing but was ordered to pay a $67.5 million fine (most of which was paid for him by Bank of America, which acquired Countrywide). He dodged a final bullet in 2016 when the Department of Justice abandoned a civil fraud case against him.

Regardless of the legal outcome, Mozilo's reputation was in tatters, a punishment in itself for the once-proud executive with a remarkable rise-to-power tale. The Bronx-born son of a butcher, Mozilo got into the mortgage business at age 14, when he became a part-time messenger for a mortgage lender in New York City. In 1969, he co-founded Countrywide with his former boss and headed to Southern California to take advantage of a population boom and burgeoning home sales. A sharp dresser with an uncannily dark, year-round tan, Mozilo was a smooth salesman who built Countrywide into the nation's largest mortgage lender, enriching himself along the way by selling quality mortgages to home buyers.

"Mozilo gained a reputation in the industry as a genius and a rainmaker," wrote CNN's Matt Egan in 2018. "Yet Mozilo's quest to dominate the mortgage market led to a race to the bottom at Countrywide."

Though many other mortgage lenders eagerly participated in the subprime bonanza, Countrywide was the 800-pound gorilla driving the trend. Its aggressive salesforce often led potential borrowers to unfavorable, high-cost loans that generated higher commissions. At its peak, Countrywide had $11.4 billion in revenue with 62,000 employees, 900 offices, and assets of $200 billion. From 2000 to 2008, when he stepped down, Mozilo was among the highest-paid CEOs in America, with total compensation of $521 million.

"As I recall, Countrywide was making quality loans for many years, and then everybody started getting into the subprime loans and Mozilo didn't want to go near them," says Henry Pontell, chair of the sociology department at John Jay College of Criminal Justice in New York. "But in the business environment, bad practices in the mortgage lending industry pushed the good practices out. If he didn't concede, he'd go out of business." Once he dove in, Mozilo was determined that Countrywide would dominate the subprime market.

When Mozilo resigned as CEO of Countrywide as the economic meltdown was gaining momentum, the *Los Angeles Times* noted that Mozilo continued to claim that "Countrywide is a great American story." But Paul Muolo, managing editor of *Inside Mortgage Finance* and co-author of the book *Chain of Blame*, about the subprime mortgage fiasco, saw things differently. According to Muolo, "Mozilo's downfall was his lust to have Countrywide become the biggest provider of every kind of mortgage. That included subprime loans for people with poor credit or heavy debt loads."

Though Mozilo has never embraced his own history lesson and continues to cite Countrywide as an American business icon, the 450,000 American homeowners who were grossly overcharged by Countrywide—and many of whom lost their homes to foreclosure during the housing crisis—likely don't quite see it that way. What they have always wondered, along with many analysts and pundits and the public, is why Mozilo and many other executives in the financial services sector were spared criminal charges and jail time for their roles in a crisis that brought the world economy to its knees.

MEMORY LANE

Just as Mozilo is tied to subprime, these two figures are inexorably linked to different financial collapses—the savings and loans debacle and junk bonds:

CHARLES H. KEATING JR. The Arizona-based real estate millionaire whose Lincoln Savings & Loan defrauded thousands of depositors and triggered the $150 billion savings and loan crisis of the 1980s and '90s. He served four-and-a-half years in federal prison.

MICHAEL MILKEN A brilliant innovator who created the junk bond but became a symbol of the stock market volatility that preceded the crash of 1987. Convicted in 1990 of securities law violations, he paid a whopping $600 million fine and was sentenced to a 10-year jail term, reduced to 22 months.

Simon Constable

It Isn't the End of the World

Italy somehow goes without a ruling party government for three months. Britain's government is only a little better off, with internal conflict and party bickering bringing Brexit negotiations to a halt. And let's not even bring up all the dizzying turmoil from the White House and Congress in the United States. All of which should be shaking up these countries' economies, with investors and corporate leaders feeling pretty nervous with every headline.

Only it isn't. In one of the greater mysteries of the day, economies no longer seem to be at the mercy of governments in turmoil. At least not everywhere.

It wasn't always like that, of course. One only has to go back to 2011 and the debt crisis in Greece and Italy that was brought about by dysfunctional politics—which then prompted a recession in the European Union a year later. Or, in 2013, when a premature decision by the US Federal Reserve to wind down its bond-buying program sent interest rates soaring and stunted economic growth for part of 2014. This time, though, experts say the world economy isn't nearly as fragile as it was a half a decade ago after the financial crisis. "The global growth environment is different," says Bill Stone, chief investment officer at the Philadelphia-based investment consulting firm Stone Investment Partners. He notes that the major world economies are all now growing, despite all the political hijinks.

Of course, some of the recent trade-war rhetoric may have slowed the US economy a little, Stone says. But because overall growth is so strong, the effect gets lost. In other words, just like a speeding car doesn't come to a halt when it hits a small bump on the road, so an accelerating economy doesn't collapse because of the minor effects of a trade tiff. More importantly, perhaps, the overall strength means there's little imminent chance of the economy going into reverse. "The rhetoric isn't putting us at risk of recession," he says.

We also know that investors, who are crucial to the continued growth of any economy, don't seem too worried lately. The stock market, which in many ways is a metric of the financial health of corporations, hasn't gotten hurt by the political sideshows. What matters to investors in stocks and bonds is corporate earnings, which have gone from strength to strength. "We have all these headlines, yes, but we have [been having] a phenomenal earning season," says Stone. As a result, investors are leaving their cash invested, which in turn helps the economy.

EVEN MAJOR POLITICAL TURMOIL NO LONGER SEEMS TO AFFECT MOST COUNTRIES' ECONOMIES.

Investors and executives alike have also learned that many past scares were false alarms—they're fatigued in terms of reaction. They've heard many Cassandras, but few concerns have materialized in the past few years. We all heard, for example, how Britain's economy would collapse when the country voted to leave the EU. (It didn't shrivel.) Likewise, business executives seem inured to political scandal, having boosted their investment in manufacturing equipment (machines that make things) to a level recently surpassing that seen at the height of the last boom, according to US government data. Meanwhile, US business hiring has continued apace, with the unemployment rate dipping to 3.8 percent in the first half of 2018, its lowest level since the year 2000. And industrial production keeps surging to new all-time record highs—contributing an annualized $2 trillion to the economy.

But perhaps most of all, the economy works well when governments do little. In other words, when politicians don't get in the way of businesses, then the economy can grow. In fact, partisan bickering and the resulting tumult can help keep the politicians from doing any harm to the market system. "When politicians are busy fighting each other, then they are not interfering with the marketplace," says David Ranson, director of research at the investment analysis firm HCWE & Co. "When that happens, then the economy can do its own thing and does much better as a result."

Constable is a former Wall Street Journal TV anchor and current fellow at Johns Hopkins Institute for Applied Economics.

THE INDUSTRIAL SECTOR

Géraldine Van Den Brande & Frederika Tielenius Kruythoff

Defeating the Stodgy Stigma

Some of the world's biggest innovations are coming from one of the world's smallest particles. Scientists in labs around the world are spreading materials so thin—think one hundred-thousandth the thickness of a sheet of paper—they can change the materials' properties dramatically. This research has already led to materials that are lighter, stronger, more flexible, and more damage tolerant. But in a few short years, nanotechnology could cut pollution dramatically or help destroy brain tumors—real make-the-world-a-better place stuff.

Calling it nanotechnology, however, is a misnomer, because this micro-sized work is actually the cutting edge of chemistry. You'd think with something so potentially game-changing that any risk-taking, change-the-world types would jump at the chance to work at a chemical company. But, not surprisingly, chemicals are rather low on the excitement front. Indeed, fewer than half of the chemical executives surveyed recently by Korn Ferry say that their organization is thought of as "employer of choice." Many highly skilled workers believe the industry is filled with inflexible, commodity-producing enterprises that leave the revolutionary research to tech and healthcare.

A lot of legacy manufacturing firms have this stodgy stigma, and from a long-term talent standpoint, the stakes are pretty high. By 2030, only India will have a surplus of manufacturing talent, which includes chemistry, according to a recent Korn Ferry study. Without a compelling proposition, manufacturers around the world are going to discover that either they can't find the talent or they're going to have to overpay for it.

But some manufacturers have been able to overcome the stodgy stigma by embracing a modern concept: purpose. The idea, of course, is to show your firm improves society and attracts

talent who want that. Automotive firms, for example, are swiping up data scientists, luring them with the ability to revolutionize driving. Biotech firms attract scientists and accountants alike with the idea that they are all helping cure diseases.

Chemical firms weren't always thought of humdrum. You could make a case that the chemical industry of the 1950s was as innovative, if not more so, than the tech sector is now. Carbon fibers, for example, make anything they are weaved into stronger and more flexible. Heat-resistant, hard-to-break polyethylene plastics are used in containers to store everything from milk to medical waste. These and other similar innovations of the 1950s helped billions of people worldwide for decades. DuPont's "better things for better living … through chemistry" motto wasn't just an ad slogan, it was a statement of purpose.

That overall purpose, chemistry executives admit, is missing. The last 30 or so years have been spent expanding into emerging markets or finding the lowest costs for feedstocks. Research and development divisions haven't gone away, but they often take a back seat to pleasing shareholders. Now those earlier innovations are commodities. The entire industry needs to get innovative again, and, to their credit, many chemical-firm executives are restructuring their organizations to allow for just that.

"People want to be part of something that provides a meaning, something with purpose and passion, and not just profit," says one industry leader. Purpose-driven firms can have an easier time finding and keeping highly skilled employees. Positioning themselves as the catalysts of a better future could help attract a new generation of talent.

YOU COULD MAKE A CASE THAT THE CHEMICAL INDUSTRY OF THE 1950S WAS AS INNOVATIVE, IF NOT MORE SO, THAN THE TECH SECTOR IS NOW.

But how fast can chemicals win more talent shows? Hard to say, but one place the industry could start with is actually in its own backyard. Only 34 percent of chemical executives say their firms have an effective online strategy for attracting external talent to open positions. We've heard comments such as "I applied two times and they never replied," from multiple candidates—not exactly the way to start changing the world.

Van Den Brande is Korn Ferry's professional search sector leader for Chemicals and Agriculture for Europe, Middle East, and Africa (EMEA). **Tielenius Kruythoff** is Korn Ferry's managing director in the Netherlands and leader of the EMEA Chemical and Agriculture search practices.

EMOTIONAL INTELLIGENCE

Daniel Goleman

Controlling the Brain's Basement from Its Balcony

Elon Musk didn't exactly have a great summer. With the world watching, he spent sleepless nights on the factory floor of Tesla, troubleshooting glitches. Exhausted, he impulsively tweeted that he planned to take Tesla private—then later changed his mind.

It was a classic example from the what-not-to-do book of leadership. When the headwinds are high, an executive particularly needs to stay calm and clearheaded, if only to take in all the relevant information, understand it deeply, and respond with agility, while reassuring employees at the same time. Back in the day when Intel made the chips inside every laptop, its then-CEO Andrew Grove confessed that there were two times the company could have vanished—once when they realized only too late that Japan was producing Intel's computer chips much more cheaply, and another when they released a flawed chip. What made the difference between corporate life and death, Grove reflected, was how the top team handled their emotions: If they had panicked or denied the reality, Intel might well have been out of business.

Neither Musk nor Grove may have been aware that their amygdala was at play in both their crises. Think of the amygdala—the brain's trigger for responding to threats—as the doorway to an emotional "basement." The amygdala rests low in the brain, amid circuitry for emotion, just between our ears. If the amygdala senses a threat, it floods us with hormones like cortisol that prepare us biologically for fight-or-flight, and we feel surges of emotional turbulence like fear or anger.

But circuitry in the prefrontal cortex, the brain's executive center, high up, just behind the forehead, can just say no to those surges from down below. Think of this as the brain's "balcony."

The events that trigger the amygdala—say, that coldness from your boss—unleash a cascade

of neural dominoes that can hijack the parts of the prefrontal cortex that let us think of what to do. During an amygdala hijack, in fact, we find it hard to think clearly or to focus on anything other than that upsetting trigger. And if we get hijacked continually, we enter a state neurobiologists call "frazzle." We're trapped in the basement.

Our brains are designed to privilege the amygdala; the more activated that neural basement, the less well the brain's executive center, or balcony, can operate.

IN AN EMERGENCY, YOU NEED TO GO TO YOUR MENTAL BALCONY AND SEE THE WHOLE SITUATION.

In an emergency, of course, you need to go to your mental balcony and see the whole situation and respond in ways that take it all into account, as I've been told by an executive whose group manages responses to catastrophes like hurricanes. The challenge, of course, comes from the knee-jerk response to go to the basement, from where we respond rigidly rather than nimbly. Indeed, when the amygdala hijacks us and drags us down to the basement, we do and say things that we are very likely to regret later.

Research in the *Journal of Cognitive Neuroscience* reveals that an amygdala hijack sends a flood of stress hormones through the brain, and these neurochemicals cause a drop in innovative, flexible thinking. The paradox here: Emergencies, like any other challenge, demand our most innovative thinking. That just does not happen while we dwell in the basement; there, we operate on autopilot, unable to make choices that work best.

One suggestion is to take a drug that blocks the stress reaction, like the stage-fright dampening beta-blocker, propranolol. Trouble is that drug might make us so mellow we'd lose our sense of urgency, an invaluable driver in facing emergency.

Here's another idea: Mindfulness done daily grooms the brain's self-regulation circuits, including the parts of the prefrontal cortex that can quiet the amygdala. Of course, you need to do that regularly—like working out in a gym—so you can call on that circuitry to help you stay away from the basement and scan your options from the balcony.

Goleman is author of the international best-seller *Emotional Intelligence.* See keystepmedia.com for his new series of primers, "Building Blocks of Emotional Intelligence."

CLASSIC BRM

ONE OF THOSE RARE DESIGNS that have gone on to become an icon of the brand, the very first BRM remains a classic in the world of luxury timepieces. Created in 2004, the original Model GP44 racing chronograph remains in limited production today and embodies the race-inspired look that makes BRM a favorite in motorsport circles. Available with skeleton movement, each watch features a titanium case and BRM's signature convex crystal sapphire with open back.

Bernard Richards Manufacture

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The BRM GP44 111 features an automatic chronograph movement in a CNC-machined titanium case with black PVD bezel. Finished with BRM signature rubber band and CNC-machined stainless-steel buckle.

OPPOSITE: The BRM GP44 109 Racing features a skeleton automatic chronograph movement in a CNC-machined titanium case. Finished with black alligator band and CNC-machined stainless-steel buckle.

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Where's My Raise?

By Chris Taylor

The economy is booming. Wages aren't.

Why leaders need to know the answer to this mystery—fast.

The problem
For years, employees around the world haven't seen their salaries grow after inflation.

Why it matters
Stagnant salaries can dampen employee motivation.

The solution
Smart employees are finding ways to get hefty raises, while corporate leaders can highlight benefits that have been increasing.

R

Ray Murphy has been a busy fellow. The ad whiz estimates that over the last five years at his advertising agency, he's worked on around 400 campaigns, or 80 every single year.

In fact, there's only one thing that he hasn't done recently at the Los Angeles agency: gotten a raise. A company-wide wage freeze has kept his paycheck right where it has been. Over the last five years, the economy has gotten significantly healthier. The profit margins at Murphy's agency have grown larger. His paycheck, however, has not.

"Inflation keeps rising, expenses keep mounting, and we're all working harder because of attrition," he says. "We all want to be recognized, and how companies recognize people is in their pay. It's very frustrating." It's so frustrating that Murphy—whose name has been changed—is planning on leaving his agency and starting his own digital marketing firm.

It's a mystery that Murphy and literally hundreds of millions of other people around the world have been trying to solve: Where's my raise? Unemployment has been falling worldwide, and many employers constantly lament that they can't attract or retain the right talent. That would seem like a recipe for significantly higher salaries. And yet, outside of a few markets and a few job roles, salaries have barely budged.

"It's a surprising thing," says Ryan Nunn, a policy director for the Hamilton Project within the Washington, D.C.-based Brookings Institution, which aims to transform the nation's economic data into actionable policy proposals. "At some point employers should be competing for workers and outbidding each other, but we haven't seen that yet."

Whatever the specific factors at play, the end result is this: According to new research by Korn Ferry, professionals in the early stages of their careers in 14 of the 18 largest world economies—including the United States—earn less now, on an inflation-adjusted basis, than they did 10 years ago. Sure, companies around the world tightened belts during the financial crisis a decade ago, but many they haven't loosened them in the years since. People in the middle of their careers are barely treading water, too. And while some CEOs have seen their salaries increase, those only a few levels below the C-suite have not. Even senior managers worldwide haven't seen the real wage increases that one might expect in a world where GDP has grown by more than $20 trillion in the last decade. "It continues to be a big question. Is it sustainable?" asks Tom McMullen, leader of Korn Ferry's North America Total Rewards practice.

Employers and employees have a vested interest in solving this mystery fast. Workers, of course, want to be rewarded for their hard work. If we are in a world where real wage growth just isn't going to increase that much, then they'll have to adjust their expectations and find satisfaction in other benefits. But if the low-raise era is ending, leaders better start getting ready to write far heftier paychecks or risk seeing morale fall and job turnover rise. They'll have to figure out how to explain all of that to their various other stakeholders, too.

Leaders better start getting ready to write far heftier paychecks or risk seeing morale fall and job turnover rise.

On paper, **wage sluggishness doesn't** make a whole lot of sense. Nearly every economics textbook says simple supply and demand should be boosting paychecks. And a generation ago, that's what happened nearly everywhere. In the United States, for instance, unemployment fell pretty steadily throughout the 1990s, and when dot-com mania was in full swing by decade's end, all groups of workers were seeing their paychecks go farther. For low-income workers, real wages grew nearly 12 percent over the decade—for middle-income earners it grew 2 percent, and for high-income workers, 6 percent.

The Great Recession, of course, came along, and organizations across many of the world's largest economies retrenched or went out of business. Millions of people were laid off, and when they eventually found new work it was often in a job that had a lower salary. But the recession officially ended in March 2009 and, short of some isolated trouble spots, the global economy has been on an upswing for the better part of a decade. At 3.9 percent, the US unemployment rate isn't just low, it's at levels not seen since the late 1960s, and there are nearly 7 million open jobs, a record.

And yet, workers haven't seen the benefits of this turnaround, at least not in their paychecks. Those who made $100 in an entry-level professional position in the US in 2008 would today be making the equivalent of $98. For mid-level professionals, the picture is slightly rosier, but not by much. Those who made $100 in 2008 would today be making the equivalent of $102. Only senior managers are seeing notably better prospects, with their $100 pay in 2008 rising to $106, although that rate is lower than the gains from the 1990s. It isn't only private organizations that are confused by this. "I certainly would have expected wages to react more to the very significant reduction in unemployment that we've had," said Federal Reserve Chairman Jerome Powell earlier this year.

Those who made $100 in an entry-level professional position in the US in 2008 would today be making the equivalent of $98.

Similar statistics show up in countries around the world. In the United Kingdom, only senior managers saw their real wages grow—and a paltry 2 percent at that. Japan follows a similar pattern. Only China has seen across-the-board real wage growth for all three worker classes over the last decade. Meanwhile, nothing on the corporate ledger side suggests a reason for firms to hold back; since 2009, corporate pre-tax profits have grown nearly 30 percent. And even with the recent US tax cuts, 83 percent of organizations surveyed by Korn Ferry say they won't be providing additional base salary increases because of the drop in those rates or other related changes.

How to Get Salary Bumps in Today's Tough Market

Do some digging.

Find out what others in your field are getting paid and how your company is doing financially, studying financial statements and listening to earnings calls if the firm is publicly traded. "You need to do your homework," says Joan Adams, founder of New York-based operations advisory Pierian Consulting. "If you are doing well, the company is doing well, and the boss is doing well, then you stand a better chance."

Time your request with the company's budget cycle.

Most companies have a small window of opportunity to give raises, and they often come right after the new budget has started. Pay bumps are more likely if you pitch your cause when money is flush, instead of when the fiscal year is winding down and everyone is pinching pennies.

Think long-term.

Ask your boss what's needed to get to the next pay grade and then develop a long-term plan together. Then, by the next review time, or when you do ask for the raise, expectations are on the same page, says Kathi Callan, an independent human resources professional who for decades oversaw General Motors' executive training program.

Find a sponsor.

Along with mentors, there are "sponsors"—a high-level individual who may be critical to getting significant pay bumps (or promotions to the C-suite, for that matter). Seek one out or ask a mentor to find one, and make sure this person knows what you have done and can illustrate your importance to the firm.

Look outside.

"Always be prepared to move," says Benjamin Frost, who leads Korn Ferry's global Reward Products business. This comes with risks, of course, but the advice is followed frequently today in an age when job hopping has become much more common. It's an obvious way to test your value in the market and can force your own company's hand.

Getting a definitive answer to this paycheck holdup is a little tricky. Not all jobs or industries or cities or countries are alike. So, a software engineer in Seattle, for instance, will have a very different wage report than a manufacturer in Milwaukee. The nature of the jobs themselves can lead to wild wage variations. While average real wages are stagnant, some specific, in-demand jobs are doing great.

But by and large, the explanations fall around a few basic theories. Some economists point to the continuing push to automate processes and tasks that had been handled by highly compensated workers. McMullen says that theory has some validity, especially when combined with looking at many of the jobs that have been created: casual, temporary, low-productivity jobs (a driver for a ride-sharing service or a home health aide, to name just two). That substitution brings down average wage-growth figures.

At the same time, offshoring, the trend that started in earnest in the 1990s, continues. Many high-paying manufacturing jobs that haven't been automated have been moved to places such as China (not by coincidence, those jobs have helped raise real wages there). So, organizations may have a limited supply for talent in any one country, but a virtually unlimited supply of talent on a global scale.

Some demographic patterns may have kept a lid on salaries, too. Many baby boomers are delaying retirement and staying in the workforce longer than prior generations, Nunn says. At the same time, a healthy economy has coaxed people who haven't held jobs in years back to work. Immigration patterns may play a role, too, with a steady stream of potential workers keeping the labor pool from ever getting too shallow.

But perhaps the most intriguing explanation doesn't have much to do with automation, offshoring, unemployment rates, or any major business disruption. Many organizations are taking a more holistic view of compensation, looking well beyond the actual paycheck. For instance, some employers are offering more time off, more elaborate healthcare benefits, or other perks in lieu of salary raises.

This approach has been accelerating as the US economy keeps growing. This fall, the Federal Reserve called this a creative approach to compensation, and reported that firms throughout the country, in lieu of raising base salaries, are paying one-time signing bonuses, adding extra weeks off, allowing people to work remotely, or offering other temporary compensation.

That holistic explanation may not fly with many workers, of course. A variety of surveys show that nearly half of

Americans feel they're underpaid. Many companies also have a problem explaining the system. "How aware employees are of their organization's compensation philosophy is directly tied to their perception of reward and pay fairness," says Alison Avalos, director of membership at WorldatWork, a nonprofit HR research group.

But, particularly among millennials, cash isn't the only thing that matters when it comes to work. "Some employees care an awful lot about work-life balance and working 45 hours a week instead of 70," says Cynthia Stuckey, a senior partner with Korn Ferry based in London. "Others care about purpose and whether the company is working towards sustainability." The key for employers, Stuckey says, is understanding what their particular employees want and perhaps giving them a whole suite of benefits they can choose from.

Ironically, the era of no salary gains may end before the mystery is ever solved. A survey over the summer by the National Federation of Independent Business found that 37 percent of respondents had unfilled job openings, a record high for the survey. Offshoring and automation may fill those roles eventually, but in the meantime work has to get done. Businesses may have no choice but to boost their wages to bring in needed workers.

Savvy workers are realizing this and seeing that they have a lot more leverage. When Rich, a 25-year-old church employee in Houston, wanted to switch from part-time to full-time work, church leaders offered less salary than what he was hoping for. So Rich, who asked to have his last name withheld, created his own performance review for his bosses. He researched what other employees in the same role, in the same region, were being paid. He then took on additional responsibilities—in particular, the stuff his boss hated to do—and kept superiors in the loop on all his activities, many of which they had not even been aware of.

Six months later, Rich went back to his bosses; they gave him a 25 percent salary increase, plus they helped him pay for some education expenses. "I came in with numbers and hard evidence, and they didn't, which helped my case," Rich says.

THE NEW

METRICS CRISIS

BY DAVID BERREBY

AS companies lose confidence in ROI and other data they're getting, big tech firms and established marketers look for ways to regain trust.

The social-media campaign vowed to deliver 100,000 engagements. The client signed on. And now the question facing the agency, and the client's people who hired them, is pretty clear: How do we make good on that promise? On paper, of course, it's a simple task to show precise ways to measure engagement. The reality is often different.

In fact, to hear Tim Hwang tell it, the math is pretty fuzzy—and he comes steeped in high-level experience in the tech industry. He is now director of the Harvard-MIT Ethics and Governance of AI Initiative. "You say, 'OK, what are the things we need to add up in order to get to that number?' And you might say, well, we know from Google Analytics that there were, like, 50,000 page views, right? And then maybe on top of that there've been, like, 20,000 clicks. So we'll add that on," he says.

Then, he adds, "Let's say, you know, maybe 2 percent of those people decided to tell their friends about this. We don't know that, but that's probably a safe estimate." Presto, more than 80,000 engagements are in the bag.

It's no secret that when everyone involved has an incentive to show a campaign worked, they likely aren't using metrics to find an answer. They're using the answer to find their metrics. Indeed, a culture of fuzzy accounting around metrics that back the value of ads, social-media efforts, and other marketing campaigns—and determine a company's true return on investment for all that—has grown as corporations increase their demands to know just what they're paying for. For his part, Hwang likens it to all the mortgage industry in 2008: As millions of loans then turned out to be worth less than they were sold for, so may the value of people's attention on the web be

THE PROBLEM
Firms are questioning data that show the value of ad and marketing content.

WHY IT MATTERS
Companies need reliable ways to sell and reach customers.

THE SOLUTION
Big tech firms and agencies need a full revamp of data collecting and set proper expectations.

worth less—a "subprime attention crisis," as he fashions it.

None of this is a secret. In fact, the digital-media world regularly rings with calls for better metrics and more transparency. Last year, for example, when Simply Measured, an analytic software company, surveyed nearly 1,000 social-marketing specialists in ad agencies around the world to ask about their greatest challenges, 61 percent named "measuring ROI."

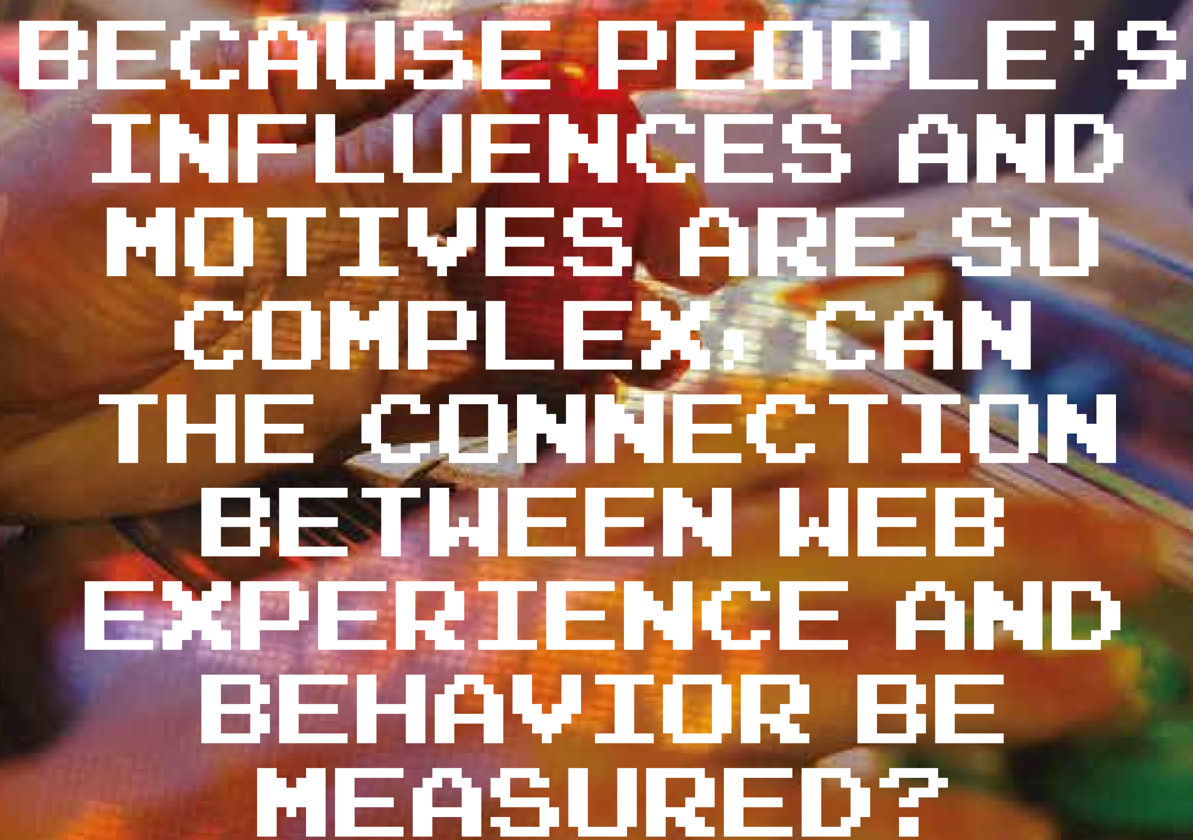
But it isn't only marketers, ad agencies, and consultants who have a problem. Even the big tech platforms through which users access the Internet—the companies that, unlike agencies and clients, actually have all the hard data on who clicks where and when—lately have had to revise, recall, or redefine metrics. Last summer, for example, many celebrities on Twitter suddenly lost hundreds of thousands of followers as the social network began purging itself of millions of fake accounts (many of them "bots," created and maintained by software). President Donald Trump's follower statistics dropped by 100,000 "people"; his predecessor, Barack Obama, lost 400,000 followers.

IN THE CHASE FOR THIS OR THAT NEW METRIC TREE, IT'S EASY TO LOSE SIGHT OF THE FOREST.

Around the same time, Instagram killed off a number of huge "comment pods"—groups with hundreds of thousands of members organized to like one another's posts and thus boost their chances of being included in people's feeds.

And then there was this: Last summer, AdNews Australia reported that Facebook's Ad Manager tool was assuring users their ads would reach 1.7 million more Australians age 15-40 than actually exist. Shortly afterward, Brian Wieser, an analyst from the firm Pivotal Research Group, created a test ad and found Facebook's Ad Manager claimed he could reach a potential audience of 41 million 18- to 24-year-olds in the United States—a country that, according to the US Census Bureau, has only 31 million people in that age group. In response, Facebook removed that metric, and announced later it was revising about 20 metrics it deemed "unhelpful" in their current form.

Consultants say one reason for such flubs is that big tech firms are not single-minded monoliths. Different divisions, from product and engineering to sales and products, have different goals, from proving adoption to showing profitability.


BECAUSE PEOPLE'S INFLUENCES AND MOTIVES ARE SO COMPLEX, CAN THE CONNECTION BETWEEN WEB EXPERIENCE AND BEHAVIOR BE MEASURED?

Fledgling political scientists in the US are taught that Congress is "a 'they,' not an 'it,'" notes K. Sabeel Rahman, a professor of law at Brooklyn Law School who is president of Demos, a "think-and-do tank" that focuses on political and economic equality. At a panel discussion last spring in New York City on tech platforms, he noted that a big technology company should be seen the same way. "We're trained to remember that a legislature doesn't act as a unit—it's hundreds of people, organized in factions. It's equally true that Facebook is a 'they,' not an 'it,' and that's something we often forget."

These different incentives can explain why tech companies haven't been pointing to evidence that their influence on people is almost certainly not as strong as people fear. Such a message might please their just-the-facts engineers, and perhaps their lobbyists and public-policy staff, who reckon with public anger about "fake news" and "information bubbles." But the argument would undermine the claim that salespeople make, that their advertising can change people's behavior.

In any event, even optimists, who think metrics will eventually capture what they promise to capture, now recognize that the quest needs to focus less on counting likes, shares, retweets, or "engagements" and more on consequences that matter (for example, "conversions," the industry's term for the moment when the target of a message performs the action for which the message was bought, most typically buying some good or service). Last year, for example, Facebook COO Sheryl Sandberg told analysts that the company was going to move away from such "proxy metrics" to "sales metrics." The reason, as she said, is that "the more that we can tie ad viewing to sales, the stronger our case is with our clients."

Institutional issues aren't the only factor in the problem of fuzzy metrics. There are, of course, many technical challenges to measurement. For example, many data-gathering tools (including Google Analytics) store "cookies" of information on users' computers in order to track them. But a growing number of people are refusing or deleting the cookies. (The ad serving company Flashtalking, in an analysis of 20 advertisers in the fourth quarter of 2017, found 64 percent of their tracking cookies were either blocked or deleted by web browsers. For mobile devices, the refusal rate was 75 percent.) Other issues—multiple devices used by one person, one device used by multiple people, the way location data in mobile devices is captured—are likely contributing to the fuzziness of current data.

Many keen minds are working on these technical challenges, for obvious reasons. Every incremental improvement in measurement yields some advantage to the organization that can offer it to the world. But in the chase for this or that new metric tree, it's easy to lose sight of the forest. Beneath the issues of measurement are bigger questions about human behavior and how we understand it.

One recent study, by Matthew Gentzkow, a professor of economics at Stanford University, found that the actual influence of social media on most people's politics was feeble. To believe that "fake news," for example, had an effect on voting in 2016, he concluded, you would have to believe that a phony news story has the same persuasive effect as 36 television

WHAT CAN GO WRONG

Despite the involvement of hundreds of organizations and billions of dollars, here are some basic ways that metrics for digital marketing and advertising can go awry.

Organizational and individual inertia. It leads firms to use familiar instead of better measurements. One survey of ad agencies found that nearly 60 percent used engagement metrics to measure campaign effectiveness, while only a quarter used conversions, which more accurately tie digital behavior to sales.

ads. In the same vein, a recent study by the political scientists Andy Guess, Brendan Nyhan, and Jason Reifler found that while fake news was prevalent on Facebook, the people most likely to encounter and consume it were people who were already disposed to agree with it. Such results are one reason researchers in political behavior doubt that social media can change people's behavior. "Rather than only asking how Facebook affects opinion," wrote the political scientists Jessica Feezell and Yanna Krupnikov last year in *Behavioral Scientist*, "a better question may be to ask how people's opinions influence what they see on Facebook."

If that leaves you wondering why digital companies don't offer such points in defense when they are pilloried for their effects on society, remember that point about the many overlapping organizations that they contain. What is good politics can be bad salesmanship. "It really is a catch 22 for these companies," Hwang says. "Either it is influential and they're complicit in this problem, or it is not influential and their business model's a fraud. That's a very difficult tightrope to walk."

To some degree, a lot of today's metrics crisis is steeped in an age-old and fundamental problem: the difficulty of finding cause-and-effect chains in human behavior. In physical sciences like physics or chemistry, the bodies and forces involved in a causal chain are known and measured with extreme accuracy. The forces involved in human choices, though, are far more varied and numerous. They include passing moods, personality traits, memories, fears, what happened five minutes ago, as well as the rising and falling influence of family, friends, culture, money, and politics. This is why it's much easier to prove that Saturn's far-off moon Enceladus has an ocean full of water than it is to prove that a particular set of pixels seen at 11:23 a.m. yesterday caused someone to buy a product or sign up for a newsletter.

Perhaps it isn't an impossible goal

Measuring the wrong thing. For media companies, finding an audience that's willing to pay has been the key to success. Metrics that use clicks, shares, or sheer traffic can't capture this, but can make a small successful business look less promising than a company that has never made a profit.

Measurement that's too powerful. Some metrics do work, and that's the problem: Their technical achievements lead to undesirable consequences among consumers worried about tech-firm overreach and privacy.

Measuring where we should not. In nascent sectors, the lack of metrics has provided breathing room for innovation. Podcasts are one example where good numbers were hard to find, prompting more experimentation.

if you're willing to be extremely intrusive. A decade ago, for instance, Sony patented a smart TV feature that would stop playing a commercial if the viewer stood up and said the name of the brand in the ad (US Patent 8246454 B2). But in the real world, people don't want to feel surveilled and coerced. (Sony's stand-up-and-shout feature was widely ridiculed.) That leads some to wonder if the holy grail of metrics—proving the influence of a digital experience on actual behavior—is even possible.

Because people's influences and motives are so complex, there is no practical way, short of a 24/7 surveillance regime, to measure the connection between web experience and behavior. Instead, as Sandberg said, the industry uses "proxies"—for example, clicking yes to receive a newsletter is a proxy for interest in its subject. Repeated visits to a travel site are a proxy for being interested in taking a trip.

This means any digital metric should face this question: Is the measured thing a good proxy for the thing we want to know about? The difficulty of answering that question with certainty is the deepest and most stubborn reason why there's a gap between metrics hype and metrics reality. There is always a risk that—like the drunk in the proverbial story, looking for his lost keys by a lamppost because that's where the light is—researchers are measuring something because it can be measured, rather than because it's a good indicator.

For a question like "can we get this guy to buy something?" Hwang says, "Our metrics are still very poor proxies. The thing you're trying to measure doesn't really manifest itself through the screen." The standard tech-industry response, he says, "has been 'OK, we'll collect more data.'"

It may be, he adds, that steadily increasing amounts of data are getting the industry closer to an actual metric of consumer interest. But it may be instead "that actually it's very difficult to get what we need to know from a screen."

IS ANY LISTE

Where are we eating?

idk… did you finish
the project assets?

One Ning?

angela, stop bringing your dog

Workplace communication is deteriorating. Are open floor plans and instant messaging to blame? By Meghan Walsh

Abe Winter gets as much work as possible done between 7 and 10 a.m., while his colleagues are just getting out of bed or otherwise occupied in spin classes. It's a race against time. Once his co-workers begin logging onto their computers from the train and strolling into the office, Winter, who works for an app developer in New York, knows his window of productivity is closing. The gurgling pings emanating from his devices, sporadic at first before turning into a ceaseless bombardment, serve as a final countdown.

\+ add another task

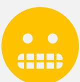
The 34-year-old still has to put in a full day during normal business hours, but his role unofficially morphs from programmer to communicator as he spends his time responding to Slack messages with incomplete phrases and emojis rather than composing complex symphonies of code. "I've given up on being 100 percent productive," Winter says. "Engagement has become the primary goal."

Recent years have seen a number of workplace innovations meant to open the channels of communication and collaboration, allowing ideas to flow more freely and information to be on demand. Open floor plans and digital messaging platforms were meant to bring employees closer together. As it turns out, many experts fear these modern adaptations often have the opposite effect, carrying us farther apart. Indeed, in one of the greater workplace ironies, studies now suggest that today's well-intentioned forms of communication are driving some workers to the brink of quitting.

The reasons for all this, of course, are wide ranging, but experts think the problem may center around the very foundation that communications is built on: empathy. With so much noise around us and rapid-fire message apps on continuously, we are less likely to see a colleague's point of view and more apt to be judgmental and impulsive. Rather than considering whether someone might be in a workflow before asking a question, we ping without pause—and expect an immediate response. Instead of engaging meaningfully, we isolate behind headphones and keyboards. We work from home. We check out.

Study: Face-to-face interactions fall 73 percent when employees move from individual cubicles to an open floor plan.

Bob Sutton, a professor of organizational behavior at Stanford University and most recently the author of a book on how to deal with difficult colleagues, is unequivocal in his analysis: "Workplace communication is more toxic than ever."



When it comes to corporate communications, there are three main forms:

1) company to employees, **2)** employees to company, and **3)** employees to employees. These days, workers message one another by text or other messaging services, management is making important announcements via the intranet, and employees give feedback through surveys.

Certainly, with the help of technology, a lot of these communications are far faster and more efficient than in the past. But critics say most firms employ a one-size-fits-all approach that doesn't take into account a person's role and duties. And the more ways to communicate there are, the more the workplace can seem fragmented. "Employees feel like there are so many channels and they don't know where to get answers," says Robyn Hannah, senior director of global communication at Dynamic Signal, a Silicon Valley-based company that offers mobile enterprise platforms. "We're forgetting different employees work differently. We need to modernize and streamline how we communicate with employees, so they feel informed, prioritized, and connected." But not overwhelmed.

Dynamic Signal releases an annual analysis; this year's was titled, "The Crumbling State of Employee Communication." Data shows 33 percent of employees are so frustrated with poor communication that they want to quit. And an About.com survey found the top three reasons people don't like their jobs are related to communication.

"Companies are starting to acknowledge that communication is critical, but it doesn't always get credit for top- and bottom-line impact," Hannah says. And while companies may be coming to terms with the importance of internal communication—many are raising the prominence of chief communication officers—the next step is translating that awareness into design-oriented, research-driven best practices.

> "Companies are starting to acknowledge that communication is critical, but it doesn't always get credit for top- and bottom-line impact."

2

Open floor plans. Employees loathe them.

Initially seen as a cost saver, executive planners continue to be drawn to the unburdened architectural aesthetic and idealistic claims that they foster creative collaboration. But the downside has been well documented: a published Harvard Business School study, for instance, found that when employees moved from individual cubicles to an open floor plan, face-to-face interactions decreased 73 percent,

Finding Your Voice

One of the buzzy business trends today revolves around "employee voice"—empowering workers to share their ideas and making sure they feel heard. "If you're a leader and you're not tapping into employee voice, you're not tapping into employee potential," says Peter Cardon, professor of clinical business communications at University of Southern California.

Effective workplace communications is important for this, but so are other steps. Richard Marshall, global managing director of Korn Ferry's Corporate Communications practice, suggests:

1. **Face to face whenever possible.** Creates context, avoids misinterpretations, and builds more authentic relationships. In the electronic age, this can have a disproportionately positive impact.

2. **Townhalls.** Ideal for communicating big news as well as regular updates, helping employees feel more connected.

3. **Address the talker and listener.** Employees need clear guidelines on the types of feedback and ideas managers want, while bosses must demonstrate that the input is valuable.

4. **Open-door meetings with leaders.** If held regularly, keeps leaders in touch with the staff pulse, helps defuse issues before they balloon, and gives employees more access to the top.

5. **Employee networks and affinity groups.** Helps various populations share common experiences and be a collective voice to leadership on key issues.

6. **Making sure everyone has equal chance to voice ideas.** Avoids any person or gender speaking up more than others and fosters a culture of respect.

and employees spent 67 percent more time on email and 75 percent more time on instant messaging apps. “You end up sitting in the staircase” just to find quiet, says Jose Fermoso, who has worked at several Silicon Valley tech and media companies and experienced the shift away from cubicles.

Messaging apps like Slack are the virtual equivalent of the open floor plan. They allow employees to have real-time conversations both one-on-one or in group channels. “At first, it helped us feel like we were in the same room,” says Derrick Reimer, co-founder of Drip, a Minneapolis-based marketing automation and email platform, referring to his team of five who relied on Slack because they worked remotely in 2014. Flash-forward two years later, and the company, after being acquired, has 150 people, with numerous Slack channels. “I would turn off all notifications for a few hours, come back, and find 10 channels with unread notifications. Every message carries urgency, but, at the same time, important ones were getting lost.”

The problems are not necessarily in the platforms but in the ways they are used. (Slack, for instance, allows users to control notifications and set their status to away.) As a manager, Reimer says, it’s his job to be interrupted. But when Reimer’s in maker mode it can take 20 minutes to get back into the flow once it is broken. Users dash off questions and unleash emotions the moment they arise, forgetting that on the other end is a colleague, not a bot.

Digital natives entering the workforce today are used to having near-constant access to a virtual microphone with

which to broadcast their thoughts anytime, anywhere—something they view as an inalienable right. Within modern communication constructs, the loudest too easily silences the best. A false sense of intimacy is created, while meaningful collaboration is replaced by the adrenaline rush of quick hits.

“Leveraging digital tools and platforms needs to operate in service of authentic human connections, not in place of them,” Hannah says. “The rise of technology and democracy of communication requires us to train people differently.”

Open-concept offices likely aren’t going anywhere. That isn’t the point. The point is to recognize how open-concept spaces, whether physical or virtual, influence communication. Acknowledge how today’s workforce operates and design communication norms that aid productivity and nurture real relationships. If we accept that more people are going to work remotely, whether that be several blocks or continents away, then the question, as Hannah suggests, becomes: What does it look like when technology is leveraged in service of humanity? Plenty of successful globally distributed firms have answered this question.

Sam Yen spent 13 years at SAP, a software company based in Germany, before going to work for JPMorgan Chase earlier this year. As

> “The real problem is, I don’t think managers understand how employees get work done.” 3

chief design officer, it was his responsibility to weave an innovation mindset into the company culture. Often that meant working with teams spread out across the world from Palo Alto to Bulgaria, Dublin to China, Israel to India. Even in situations with globally diverse teams, Yen cautions against an over-reliance on technology.

“It always comes down to empathy,” Yen says, “making sure you’re taking time to listen and understand where people are coming from.” Get people together in a social context before they actually work together, and create opportunities for employees to see one another as people, each with a backstory and a future, advises Yen. Opt for the silent brainstorm then give everyone an equal amount of time to share their ideas, so one voice doesn’t drown out the rest. Make sure immediate teams are on the same rhythm. Spend time designing the most effective workflow: When is it necessary to Slack someone? Or would an email, phone call, or video conference be more appropriate? If employees will be working remotely, invest in dependable telepresence.

Then again, Sutton also points out that many successful companies keep their employees congregated on one campus: Pixar, Apple, Facebook. So maybe the answer to our communication woes is to put the cubicle wall back up, get rid of instant messaging, and go back to in-person meetings. “The real problem is, I don’t think managers understand how employees get work done,” Winter says.”

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It has faltered there before, but start-up fever appears to have finally hit this nation of 1.3 billion.

India Embraces the Entrepreneur

By Glenn Rifkin

Gaana, a music streaming service founded in 2011, reported it now has more than 60 million active users.

It was another speech at a private conference for investors and portfolio companies, but this time, the speaker, entrepreneur Peyush Bansal, had a most interesting story to tell the audience in Mumbai. Tall and soft-spoken, Bansal, 32, is a reflection of India's rapidly growing entrepreneur movement. And his company, Lenskart, is a start-up with a grand goal: to revolutionize the eyewear business in India, a country whose vast population is in dire need of options in vision correction.

A former Microsoft program manager with a burning passion to change the world, Bansal saw a classic market space that cried out for a start-up. Out of India's population of 1.3 billion, more than 500 million require glasses but lack the practical access and money to get them. "There are more than 150 million Indians alone who need reading glasses but don't have access to them," Bansal told the gathering a year ago last fall. Worse, he added, is that India is the blind capital of the world, with more than 12 million blind or visually impaired citizens—and 75 percent of those cases are avoidable.

Now, eight years since its launch after receiving venture capital funding, Lenskart offers a unique business model that incorporates an online retail portal, physical stores, and an innovative, first-of-its-kind method to provide home eye exams. Lenskart technicians ride out on bicycles, arriving at a customer's

The Problem There are many obstacles to India's becoming a Silicon Valley-esque start-up hub.

Why It Matters India's 1.3 billion consumers are a clear opportunity for entrepreneurs.

The Solution A combination of government support and agile leaders could unleash a flurry of successful venture-backed start-ups … and exits.

home with all the tools needed for a comprehensive eye exam. The techs determine a customer's vision and put in an order. The glasses, also manufactured by Lenskart, can be delivered to the customer within a few days—all for less than $15.

The result, to put it mildly, is eye-opening: The firm now has $70 million in revenue and 100,000 customers each month, and Bansal expects $200 million in annual revenue by 2020.

Success stories like Lenskart are a boon to India's determined effort to become a global player in entrepreneurship—a goal the country has aspired to for years and is only now approaching. To be sure, it isn't quite the next Silicon Valley, "but the venture capital there has reached critical mass and could become a real driver of the Indian economy if the government nurtures it," says Pat Kenealy, managing partner of Ridge Ventures, a venture firm in San Francisco. Indeed, after weathering everything from weak economies to political instability to wobbling currencies, the country's private equity and venture capital industry is now growing at an average annual rate of more than 30 percent over two decades, and is nearly $50 billion in size, according to a report from Ernst & Young India. The boom includes some high-profile venture capital exits, with initial investors cashing in off successful start-ups. One of the largest—Flipkart, India's answer to Amazon—was bought out by Walmart last May for $16 billion.

Today, the landscape in and around Bangalore, India's Silicon Valley, is already rich with nearly 1,000 venture capital funds. Global investors believe India, like China, is a fertile market for entrepreneurs armed with innovative ideas. "There have been many doomsday predictions and there have been ups and downs. But the general trend has been upward," says Sudhir Sethi, founder and managing partner of IDG Ventures India, one of the country's largest venture firms. "I see a 75 percent upward gradient for the venture ecosystem over the next five years."

That ecosystem has gotten a big boost over the last decade, thanks to a potent combination of risk capital, pioneering VCs, a good legal environment, universities producing talented graduates, entrepreneurs splitting off from big tech companies, reasonable intellectual property protection, and tax incentives. In 2016, the Indian government, under Prime Minister Narendra Modi, launched "Start-Up India," a flagship initiative aimed at building a strong ecosystem for nurturing innovation. At the same time, a new generation of Indians is more willing to take risks, and the stigma around failure has faded. "Young entrepreneurs now believe that they can build global businesses of significant scale if they are passionate and determined about it. Even if they fail, it is not a social stigma or taboo," says Avdesh Mittal, a Mumbai-based Korn Ferry senior client partner.

"It's very important to know that a classic US model won't work in India."

IDG's Sethi, who has been a pioneer in India's VC market, started his own fund in 2006 with the backing and investment of Patrick J. McGovern, Sethi's mentor and the founder and chairman of IDG, the global technology media giant. Now with $500 million under management, Sethi's IDG Ventures India has 71 portfolio companies and has provided exits for its investors every year for five straight years, an important endgame.

The online grocery Bigbasket delivers to 25 cities in India.

"It's very important to know that a classic US model won't work in India," Sethi says. "It's an emerging market with its own efficiencies and inefficiencies." In a nation where it was nearly impossible to get a landline, for example, India went first to mobile phones and then leaped right away to smartphones, with all the attendant market opportunities that offered.

"Smartphones will allow small entrepreneurs to introduce innovations like the emergence of dot-com companies in the US," says Iqbal Quadir, founder of Grameenphone in Bangladesh and senior fellow at Harvard Kennedy School's Belfer Center for Science and International Affairs. "As smartphones proliferate, a great many entrepreneurial ventures will emerge in India. The various inefficiencies in the physical infrastructures will only contribute to this boom."

India is expected to have 650 million mobile internet users by 2020, with digital commerce reaching $250 billion.

"Some inefficiencies in India actually became a competitive advantage for those who could solve them," Sethi adds. With a highly skilled engineering workforce, several top technical universities, superlative management training, and an English-speaking population, India was able to become an outsourcing destination for Western companies in need of call centers. When it came to entrepreneurs seeking new concepts and innovations, however, the road was bumpy.

A first attempt to foster a start-up economy in the late 1990s sputtered and failed. Most Indian start-ups were simply mimicking

CleanMax Solar has installed more than 300 projects in India for more than 100 organizations.

GETTING STARTED

Some of the well-funded start-ups in India include:

Swiggy

DISCLOSED FUNDING: $480.5 million

A Bangalore-based food delivery business that services multiple cities in India.

Bigbasket

DISCLOSED FUNDING: $547 million

India's largest online grocer, founded in 2011.

Policybazaar

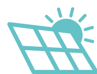
DISCLOSED FUNDING: $355.4 million

A marketplace for health, life, auto, and nearly any other type of insurance.

Gaana

DISCLOSED FUNDING: $115 million

A music streaming service named after a style of Tamil music.



CleanMax Solar

DISCLOSED FUNDING: $100 million

A developer of rooftop solar projects for corporate buildings.

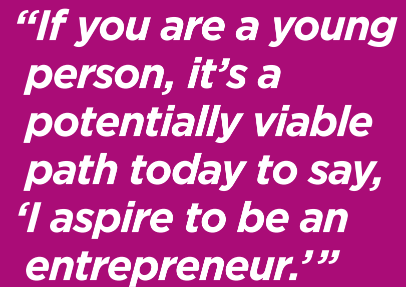
Source: Tech in Asia, amounts in US dollars.

successful US companies, often to disappointing results. And, unlike China, India's free market economy meant that major players like Amazon, Google, Netflix, and Facebook could operate in India, creating tougher competition for start-ups. More recently, Indian entrepreneurs began to focus on a market replete with unfulfilled need. "Eighty percent of our money goes into companies solving Indian problems, such as eye care, pathology needs, [and] health and fitness," Sethi says.

Among India's biggest challenges is to find a growing cadre of limited partners who are willing to invest, and enticing the country's talented risk-takers to stay home or to come back from abroad. Silicon Valley start-ups, as well as giant US technology companies, are heavily stocked with gifted Indians armed with advanced degrees in technology or management from top American universities. Getting them to return to their homeland has long been a challenge. Silicon Valley, with a deep well of funding and investors, is a potent lure. Ratan Tata, the billionaire former CEO of the Tata Group, believes the nation has to dramatically increase support for its young entrepreneurs. Many of the start-ups in India, including notable successes like Flipkart, have merely reshaped existing ideas for the Indian market.

"We don't seem to have as many really disruptive start-ups in India as you might see overseas," Tata said recently at a conference of venture capitalists. "You have some. Unfortunately, we don't have an environment where somebody says, 'You have a great idea. You need to be supported.' In fact, over here, we have instead an attitude of, 'He's wasting our time. We don't need to have this, we can do well with what we have.'"

Tarun Khanna, a professor at Harvard Business School who runs Axilor, a successful incubator in Bangalore, is a key player in India's central policy making. He is deeply committed to catalyzing



Start-up Lenskart supplies glasses and contact lenses to more than 100,000 customers a month.

India's entrepreneurial efforts. Khanna says he agrees with Tata's assessment. "If you had better policies in place, you'd improve the odds that you can work on interesting things," Khanna says. "Nobody wants to leave their home. I already see a lot of my students going back."

As a successful entrepreneur himself, Khanna was involved in drafting a blueprint for a broad, overarching strategy for entrepreneurship in India. Some of the policies his committee suggested are already being implemented, but in a nation as vast as India, such policies emerge in pockets—usually geographic pockets that favor the existing strongholds like Bangalore.

Nonetheless, Khanna is optimistic about his country's prospects, but he acknowledges the remaining challenges. "The biggest challenge in any developing country is there's no risk capital," Khanna says. "There are organized angels, but there's no good institutionalized risk capital. That's a real limitation to entrepreneurship."

In addition, many in the corporate sector are often unfamiliar to dealing with entrepreneurs. Thus, big Indian companies don't have protocols to understand how to share the game with entrepreneurs, Khanna says. "India is way ahead of others in developing countries," he says, "but it's still a developing country. The policies are in the right direction, but it's going to take a while to get all this in place."

With its British-born bureaucratic maze of rules and regulations, Indian transformation is unlikely to move as quickly as the VCs and young entrepreneurs desire. But momentum has spawned undoubted acceleration.

"There are certainly impressive start-ups already, and you see a lot of cool things," Khanna says. "The question of how much is going on is relative to the size of the economy and the number of people. There should be a hundred times more. Depending on how ambitious you want to be, there will be more. The question is whether that takes three years, five years, 10 years, or more. That said, I'm very bullish. If you are a young person, it's a potentially viable path today to say, 'I aspire to be an entrepreneur.' That was not the case 10 years ago."

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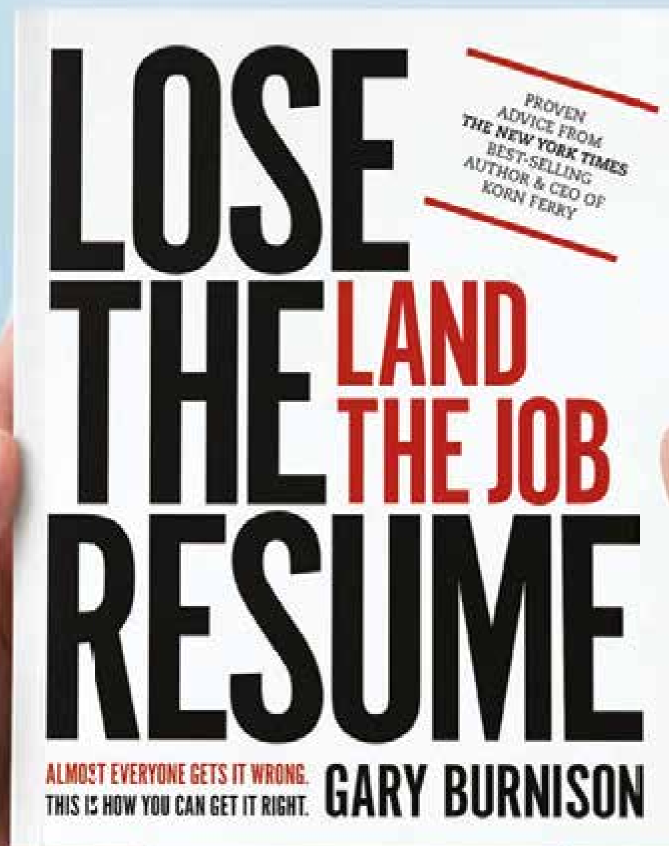


NOW AVAILABLE

WHEREVER BOOKS ARE SOLD

PLAYING TO LEAD

Video games may have a place in the workplace.

BY PATRICIA CRISAFULLI

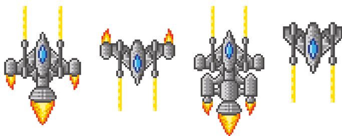
It's Friday afternoon at the office, and there are still some important reports to get out. But off in one corner, a half-dozen workers are hunched in front of a large flat-screen TV. They're laughing, cheering, doing anything but work. Instead, they're all fixated on a video game, watching the score.

All of which would seem like a manager's worst nightmare, except the boss is there too, and, at the moment, is locked in a face-off with the summer intern. (Guess who's winning.) "We do these exact meetings on Fridays," says Mike Bilder, CEO of Jackbox Games, the Chicago-based developer of "Party Pack" games like *Guesspionage, Fakin' It!, Bidiots*, and *Bomb Corp.*, now in their fifth iteration. And, according to Bilder, they're as strong a team-building tool as any group lunch or conference gathering.

For years now, of course, the $100 billion video-game industry has had a reputation largely for just sucking people into hours of mindless activity, including some games criticized for violence. But proponents, ranging from those who create them to academics, say so-called "social" video games that involve several players not only bring people into one room, they're often performance-based. Players are put on the spot, such as having to give a presentation. "It's very much like a leadership role in a corporate environment," says Bilder.

To be sure, no one is advocating

GAMES FOR LEADERS



CIVILIZATION VI

Pick a historical leader and rise through the ages to become the ruler of the world.

video games as a primary office tool. But professor Isabela Granic, PhD, chair of the developmental psychopathology department at Radboud University Nijmegen in the Netherlands, says they can enhance creative problem solving and help executives manage stress. Based on her work with children, Granic has found that video games can be useful in practicing how to reframe problems, manage emotions, and develop social skills while playing interactively with others. "The secret is finding the balance—knowing how and when to use games to reframe your head space," says Granic.

Problem solving is certainly needed in "tycoon games," where the objective is to build something—a skyscraper, an amusement park, or even an entire civilization—with limited resources. "Tycoon games are all about constraints. And within these constraints, how can I win this game?" says Matthew Viglione, founder of SomaSim, an independent game developer in Chicago, whose titles include *1849*, set during the Gold Rush, and *Project Highrise*.

As a group, about two-thirds of millennials are already playing video games. But other generations may get some benefits if they start playing, too; the games do provide more practice at new technologies and, oddly enough, can enhance learning agility—by applying past experiences and lessons learned to the new and unfamiliar. "You internalize all these systems; you internalize all the complexity," Viglione says. "Then you have this ability to scan the landscape and make some snap judgments going forward."

Though not dominant yet, virtual reality is expected to become yet another new key tech feature, and games would be an easy way to experience it. But even without such advances, games have their potential pluses. "You're constantly thinking on your feet, you're constantly changing your pattern of behavior to match the environment you're in," says Dan Coleman, a tech director for Iron Galaxy Studios, the developer of such games as *Wreckateer*, *Divekick*, and *Extinction*, which has studios in Orlando and Chicago. "That's what leadership is all about."

See our video at
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Manage and pilot a spacecraft across the galaxy in what may feel like an episode of *Star Trek*.

ILLUSTRATION BY PETER HORVATH

Secret Hubs of Innovation

A closer look at labs that are quietly brewing the next big ideas.

Leaders are always coming up with innovative ideas, but sometimes they want to create world-changing products away from prying eyes. So we took a closer look at the backstories of some of the most intriguing labs, and the ways they are swiftly reinventing the future.

Lab 126

Amazon
Sunnyvale, California

Several hundred miles away from Amazon's Seattle headquarters, the lab is where the Kindle electronic book reader got its start. More recently, it's the birthplace of "Alexa," the virtual assistant found in the Amazon Echo.

Skunk Works

Lockheed Martin
Palmdale, Calif.

During World War II, engineers built the first United States fighter jet in a rented circus tent in Burbank, California, next to a foul-smelling manufacturing plant. Now located in Palmdale and officially called Advanced Development Programs, the lab's original nickname, "Skunk Works," has become synonymous worldwide with groups working on secret projects.

The Foundry

AT&T
various locations

It's a collection of six labs around the world, from Houston to Ra'anana, Israel. Each has its own focus, from Internet-of-Things software and cybersecurity to smart cities and connected healthcare. Since the first lab was founded in 2011 in Plano, Texas, more than 500 projects have been developed.

Nike Sport Research Lab

Beaverton, Oregon

Nike initially opened a research center in 1980 in Exeter, New Hampshire, to get a better understanding of runners. Relocated to the company's world headquarters, the lab collects reams of data on how all types of athletes perform, move, and fatigue.

LumenLab

MetLife,
Singapore

One wouldn't necessarily think a life insurance firm would need a laboratory, but MetLife set one up in 2015 to find new Asia-centric businesses around health, wealth, and retirement. Services tested here include a virtual-reality character that offers insurance advice and an app that helps protect mothers from gestational diabetes.

SIMON CONSTABLE

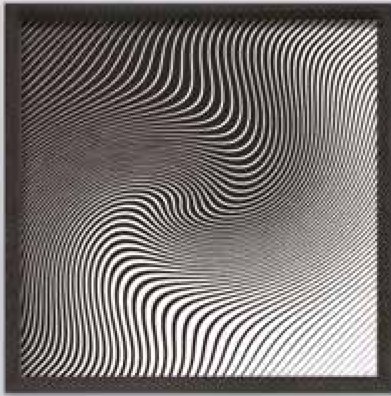
Beyond Blending In

Smart firms take their office art seriously.
How they match it up to their own business.

It's an oil painting by 17th-century Flemish painter Anthony van Dyck, the kind almost any museum would proudly display. Only this one is hanging in a slightly different location: a conference room of a wealth-management firm.

Or at least it could be. While everyone from clients to office workers may give it scant notice, most companies tend to treat office art fairly seriously. After all, aside from the money they may spend on it, the art alone can help business, serving as an icebreaker, for example. "It is difficult to get people to start talking about their money immediately," says Annelien Bruins, CEO of the Tang Art Advisory in New York. For their part, hedge funds may use artwork to signal financial success.

Of course, the vast majority of firms aren't putting fancy paintings on their walls. We've all seen, say, an industrial company with photos of its factories adorning hallways. "It's kind of a fine line" between quality and extravagance, says Karen Boyer, founder of Elements in Play, a Miami- and New York-based art advisory. So how do firms manage that balancing act? It turns out, according to experts who advise companies on office art, that each industry seems to have its own rules. Here's what the pros told us:



Technology companies. "At tech firms, people are showing up in jeans and shorts. The last thing they want is a stuffy painting of a landscape," says Loren Friedman, president of Chicago-based Friedman Fine Art. So, forget seeing a John Constable landscape. Far more likely it'll be street art, a.k.a. graffiti-inspired work, such as those by Hebru Brantley or Banksy. Such works, like the tech industry itself, are often vibrant and edgy.

Industrial companies. Friedman says he worked with a large gas utility in Chicago that hired a local photographer to take beautiful photographs of workers on a gas pipeline. "The pictures were thematic for the work that they do, although they did have some original abstract artwork on the executive floor," he says.

Hotels. Firms in the hospitality business, such as hotels, are increasingly important in the corporate art-buying field. "Some will buy original art," says Friedman. "Others can get giclée prints of major works, such as a Monet." That's how a hotel displays valuable work on the wall.

Hedge funds. "Their collections tend to mimic the managers," says Boyer. "Usually the work would be [by] flashier, better-known artists." But that wouldn't include pieces by Jean-Michel Basquiat. "They typically trade for $20 million to $30 million," she says. Work by New York-based artist David Kramer might fill the bill.

Law firms. "They often use photographs," says Boyer, noting that such pieces would be of things rather than conceptual work, and not controversial such as some of the photos by Robert Mapplethorpe. Think scenes of the local city. The idea is to help give the atmosphere of a trusted advisor with taste. One Chicago law firm supplements its photo collection with original works by local artists such as René Romero Schuler.

THE ENDGAME

Jonathan Dahl
VP, Chief Content Officer, Korn Ferry

New Year, New Drama

Well something's lost, but something's gained
In living every day —JONI MITCHELL

Think about it: How many times did we hear that the economy, robust for so long, was in for another collapse? (It hadn't by late fall.) Or how Brexit, tariffs, and other government protectionism were going to create havoc and shut down industries? (Not yet.)

And then there's North Korea, launching missile tests nightmarishly reminiscent of the Cold War era, until all of a sudden the drama began to end around the Winter Olympics in PyeongChang? At least we can be grateful 2018 didn't usher in a nuclear war.

The point is that the polarized positions we see in government leaders are the ones that make news and keep us up all night worrying. But, in my mind, I believe 2018 should also be known for something a little less dramatic: the year of leadership, redefined. Not in the public sector, of course, but in the corporate world, where some key departures of legacy CEOs, combined with a series of demands from consumers, workers, and boardrooms, reordered business priorities in a big way.

After all, who could have possibly expected the head of a Wall Street stalwart like BlackRock to warn firms that want its investment to have a social purpose and pursue long-term, not short-term, strategies? And that was just the beginning of a year where purpose and diversity efforts would become a clarion call for many. We had Nike extending its "Just Do It" campaign, Salesforce adjusting gender pay gaps, and Starbucks closing stores to give its workers a day of training to combat unconscious bias.

Indeed, it's virtually taken for granted in most circles now—where it once wasn't—that firms without more women leadership and more racial diversity will go nowhere, and that investors and consumers alike won't budge for companies that aren't making their purpose transparent.

Of course, there is one proviso we can't ignore: All this happened in a year with corporate profits rising and unemployment at record lows. Can we guarantee that corporate leadership won't change if these good times sour? Stay tuned, another year is ahead.

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