Executive Job Trends for 2019

Of the ten most valuable U.S. companies, seven are technology-centric. Yet, while technology has become the first corporate change driver, it is not the only one.

We recently completed an analysis of 280,000 executive moves at the world's 75,000 largest companies over the past 12 months.

What we discovered is that the corporate world is being reshaped by very successful companies leveraging existing technologies, executing basic go-to-market strategies, and benefiting from time-tested leadership cultures.

Here are 15 corporate trends we see driving global corporate change:

Technology

#1 Artificial Intelligence is a productivity tool. Artificial Intelligence (AI) algorithms are mostly successions of advanced linear regressions so powerful that even the best MIT mathematicians do not yet fully understand what accounts for their accuracy.

But AI's blissful magic box era is over. AI now is about trials and errors and interpretable algorithms. If you had to land a plane in autopilot, for instance, would you trust the decisions of an algorithm interpreting the law of physics, or the landing data history?

In organizational charts, we have not yet seen the emergence of many Vice President, Artificial Intelligence titles but we do see in many industries with titles such as Vice President, Analytics and Vice President, Data.

Why? Leveraging AI means mostly exploring the libraries of existing software, formatting the data and fine-tuning the best parameters of algorithms. This requires engagement, perseverance, perspiration and top management support.

#2 Blockchain is a hammer searching for a nail. Blockchain is a database technology striving to find applications beyond cryptocurrencies. We have seen the title Vice President, Blockchain popping up at the top of some organizational charts but then vanishing.

The more one digs into blockchain, the more confusing it is becoming. We were once told that blockchain transactions were fully private, but they are not. We were once told that chaining algorithms locked transaction histories and were unbreakable, but they are not. In short, many are discovering that blockchain is not coming as advertised.

Additionally, blockchain finds itself in competition with dozens of more proven, powerful database technologies that are vastly more time-tested. In essence, blockchain may hold promise, but it is a technology that also needs more maturity and clarity of mission.

#3 Confidentiality is low. Electronic devices are complex and remain vulnerable to security and hacking challenges.

Intel has one of the very best engineering teams; its chips are on 100s of millions of personal computers. These chips have been scrutinized intensely by Amazon, Apple, Google and Microsoft for years. Yet, for instance, a European PhD student, while recently reading Intel's chip memory documentation, spotted a major vulnerability on the chip kernel that was subsequently corrected.

Reorganizing IT, firing the Chief Security Information Officer (we have seen a lot of turnover in this position across industries), or using a pen/notebook, is not sufficient in addressing the root causes of these vulnerabilities.

Nor do best individual practices such as encryption, two-factor authentication, strong passwords, or storing only shareable contents fully resolve the challenge.

#4 Data ethics is a no-brainer. Facebook has shown that the way our data have been collected and shared is hugely questionable from an ethics standpoint. Similar data ethics challenges exist in almost all industries, including banking, health, automotive and others.

These ethical challenges become even thornier as more data is recorded across nearly all industries. Data anonymizing is becoming harder as algorithms get smarter.

Facebook and Sony U.S. have reminded us that if cracks in data ethics occur, executive changes are to be expected at the top of organizational charts and regulatory scrutiny comes quickly.

Looking forward, everyone understands that sharing data can be mutually beneficial. My view: Yes, for using my data; no, for abusing my data.

Go-To-Market

#5 Iron the frictions. Amazon, Apple, and Google have made us much less patient and have revolutionized our expectations. Any service that does not provide results in less than one second is considered "bugged or broken." We have become spoiled children easily distracted.

Not surprisingly, at the top of organizational charts, more experienced profiles in engineering, product and customer understanding with business titles such as Vice President Product, Vice President Technology, Vice President Engineering or Vice President Customer Experience are popping up.

Removing all obstacles for using a product or improving imbedded functionalities are the prerequisites for success. Microsoft with Excel or PowerPoint are fantastic examples of the emergence of more features and more power over the last several decades.

The challenge is how to remove all the frictions impeding experience and productivity. In other words, do your homework, own your screw ups, ask my advice, and fix it.

#6 Delight is on: Most business to consumer (BtoC) services include instant registration, self-service, unlimited view, coupled with free trial and no time engagement. The strategy is about earning a customer's attention and not stealing it.

Business to business (BtoB) was about a Vice President, Key Accounts securing orders. However, BtoB is now about a Vice President, Customer Success or Vice President, Customer Boarding making customers leverage more benefits and thus increasing usage. This has contributed to success at AWS and Dropbox.

The same is happening in human resources, where we see much attention being paid to the integration of new hires with training, boarding, and mentoring sessions run by senior corporate leaders.

#7 Humility delivers more. Superstar CEOs are experiencing rocky times at Uber, Tesla, and GE. Why? Sustaining tremendous achievements under the spotlights is adding constraints and making this level of high profile, high performance more challenging.

Companies such as Microsoft, Target, and AWS with more discreet CEOs might at first appear less attractive. Yet, they all have set a culture defined by unemotional changes and stellar results.

These six companies have had about the same executive turnover at the top of their organizational charts for the past two years.

#8 Digital digs deeper. Shortcuts to optimize vanity metrics such as clicks, likes, friends, and followers have created fatigue.

Most Vice Presidents of Social Media have been replaced by Vice Presidents of Digital or Vice Presidents of Transformation.

These new positions focus on the transformation journey of their production tools, customer interactions and business models in a quest to stay relevant.

This takes time and is not always successful for best in class companies. Verizon, for instance, had to sell off its data centers while competing with Microsoft, Google and Amazon. Nike had to lay off most of its Nike Fuel Band Team.

#9 Scale pays out: U.S. and China-based companies are dominating the Global Fortune 500 and the 300 CB Insight Unicorn lists. Most of these countries' companies first conquered their ultra-competitive large home markets before expanding their international reach.

Silicon Valley has been the home for most of the U.S. unicorns. Today its venture capital model, featuring a step-by-step approach, is being challenged by mega funds such as Softbank's Vision Funds and BAT dragons (Baidu, Alibaba, and Tencent) focused on scalable projects either in China, India or globally.

Leadership

#10 Integrity is not an option. Integrity has been far and away the primary executive trait associated with C-Suite success, according to the 7000+ executives we surveyed in partnership with Harvard Business School Professor Boris Groysberg and his research team. Stakeholders' trust is hard to obtain and easy to brittle.

In a connected world, pitfalls are promptly unveiled and lead to executive replacements. Management icons such as the GE team have become pariahs in less than two years, precipitating organizational changes and the return of some of the company's successful old timers.

The message is: Everyone is ready to play, but no one likes being played.

#11 Benchmarking is real time. For publicly-traded companies, the main data source monitoring corporate performance used to be a company's quarterly financials enriched by a narrative challenged by analysts' questions. But more real time external data is now beginning to become available.

At financial institutions, these evolutions have materialized in many organizational charts with fewer leaders in investor relations and in investment relations and more senior profiles in data science and data analytics.

Senior roles such as quants, research, and economists have always been part of funds questing for proprietary alpha (i.e., variables to better anticipate market moves).

What is new? Some investors are spinning off research teams (e.g., Winton with Hivemind) and others are hiring hundreds in data and data analytics (e.g., Blackstone at Refinitv). Some new data sets coming from the web, satellite, phone (e.g., Thasos Group) or the weather, are enriching financial data coming from companies such as Bloomberg, Dow Jones and FactSet.

#12 Respect and diversity are refreshing. The Metoo tsunami has beheaded many companies over the last 12 months. Female executive presence keeps growing (slowly) but many inroads have been made. For instance, the CEOs of the three largest U.S. defense companies are now women.

Startups are not always the coolest place (e.g., Theranos or Zenefits). Large companies are learning ways to improve their respective corporate cultures.

Microsoft has become the world's most valuable company in front of Google, Apple, and Amazon thanks in part to major cultural changes regarding fiefdoms, curiosity, change, diversity, and customer focus. Microsoft CEO Satya Nadella reminds us that the "C" in CEO should be "culture."

Automotive, Food and Health are switching.

#13 Food chains are on the burners. The food supply chain that has fed the Western world for decades has become highly productive with seeds/fertilizer such as Bayer Crop Science/Monsanto, food packagers such as Nestlé and Unilever and distributors such as Walmart and Tesco.

These food chains are being redefined with many mergers and acquisitions, bankruptcies, and revolving chairs at the top of organizational charts every single month.

Today their consumers worry much more about health, obesity, climate and earth preservation.

#14 Health is math. Health costs are skyrocketing amidst our ageing population, the time required to invent/introduce new treatments, and the lack of cost transparency and competitive pricing for pharmaceuticals and other therapeutic aids.

Ten large pharmaceutical groups continue acquiring late-stage innovative biotechnology startups to feed their research and development pipelines.

Algorithms (managed by titles such as VP Science, VP Analytics and VP Data) are accelerating clinical testing (e.g., IBM Watson Health Cloud) and revolutionizing physician diagnostics (e.g., Babylon Health permitting patient self-diagnostics and physician assistance).

#15 Automotive is congested. The automotive industry is under heavy transformation. Electrical vehicles, self-driving driving cars, ride hailers such as Uber, Didi, or Lyft, and Diesel gate are all driving the industry's transformation.

Industry leaders such as GM, Renault-Nissan, and Volkswagen have been redesigning their respective organizational charts. They are hiring seasoned technology teams, partnering with technology companies such as Google and Apple and using the same components (chassis, engines) across their brands.

Conclusion: Design to Lead

The CEO of a large company (e.g., Global Forbes 2000) now typically has seven direct reports who, in turn, have five executive direct reports each.

Each executive mission is summarized in each business title and specified with its direct reports' business titles, making organizational charts a reflection of company priorities and challenges.

Designing an organization is about defining what the company is to protect and conquer. Company organizational charts have thus to evolve.

We have used the 280,000 executive moves at 75,000 companies making over $100M annually in the last 12 months to capture these 15 above-referenced shifts in global business.