CEOS HEAD FOR THE EXIT

Former Nissan CEO
Hiroto Saikawa

PHOTO BY TOSHIFUMI KITAMURA/AFP VIA GETTY IMAGES

What do CrossFit, HP, Overstock and Nissan all have in common? Each had its CEO step down in 2019.

They were not alone.

According to Challenger, Gray & Christmas Inc., CEO turnover for 2019 amounted to 1,640 chief executives in total—even more than in the recessionary year of 2008, when 1,484 CEOs departed.

What is behind this exodus? Andrew Challenger, a vice president at Challenger, Gray & Christmas, said one factor is obvious: retirement.

"Longer-tenured CEOs are stepping down when the company is in a pretty darn good position," Mr. Challenger told *Fortune*. "With a lot of tensions on the horizon, some CEOs are finding now is the time to put their succession plans into action."

Other factors have contributed to voluntary and involuntary departures, too. Nissan CEO Hiroto Saikawa was fired in September amid allegations that he had padded his compensation, while Boeing Commercial Airplanes CEO Kevin McAllister was ousted in October in the wake of the deadly crashes in Indonesia and Ethiopia in 2018 of planes in the company's 737 MAX series.

Pressure from activist investors also has led to high-profile exits, including those of eBay's Devin Wenig and Samsonite's Ramesh Tainwala, while bumpy turnarounds spurred departures of Norwegian Air's Bjørn Kjos and Karl Roessner of E-Trade Financial.

What does this trend mean for the CEOs who remain?

"The high-level skill sets of many CEOs are in high demand right now, and the tight labor market and skills shortage may have many boards attempting to poach sitting leaders," Mr. Challenger said in a statement.

CEO turnover for 2019 amounted to 1,640 chief executives.

RISE OF ROBOTS: WHY MANAGERS NEED TO FOCUS ON PEOPLE SKILLS

It may sound like the prologue to the next *Terminator* film, but the findings are real: In a study conducted last fall by Future Workplace and Oracle, 64% of global employees said they trust artificial intelligence (AI) more than they trust their managers. Furthermore, 82% of respondents said they think robots can perform certain functions better than their managers. Among those were maintaining schedules (34%), problem-solving (29%), providing unbiased information (26%) and managing a budget (26%).

"The latest advancements in machine learning and artificial intelligence are rapidly reaching [the] mainstream, resulting in a massive shift in the way people across the world interact with technology and their teams," Emily He, senior vice president of Oracle's Human Capital Management Cloud Business Group, said in a press release.

So how can managers compete with emerging AI? The short answer is: Why compete? Instead, leaders should lean into the very qualities that make them human—the ones that AI cannot replicate. According to survey respondents, these aptitudes include understanding employees' feelings (45%), coaching them (33%) and creating a work culture (29%). Ultimately, people skills are what will keep managers relevant throughout 2020 and beyond.