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## Hackers and a Shrinking Talent Pool Top CEO Concerns for 2018

*New pressures come during massive changing of guard in corner office; 'looking for a unicorn'*  
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Papa John's founder John Schnatter was among the CEOs who announced they were stepping down from the role. PHOTO: DANNY MOLOSHOK/REUTERS

Corporate leaders see cybersecurity threats, disruptive technologies and stiffer competition for talent as some of their most pressing issues in the new year, according to interviews with nearly a dozen CEOs.

"I don't think there's any such thing as an easy year for CEOs anymore," said Jim M. Loree, who just finished his first full year in the highest job at [Stanley Black & Decker Inc.](#) [SWK -0.62%](#)

### CEO Exits

More chief executives resigned, retired or got fired in 2017 than any time in at least a decade.



Note: Based on corporate filings from more than 4,000 publicly traded North American companies.  
Source: Liberum Research

The growing pressures coincide with a massive changing of the guard in the corner office, creating one of the largest legions of new leaders in years to tackle those tough tasks.

Last year, 919 chief executives resigned, retired or got fired at publicly traded North American companies, the highest number in at least a decade, according to Liberum Research.

The feverish pace of turnover claimed some of the biggest names in corporate America, including the leaders of [Equifax Inc.](#), [EFX +0.38%](#) [General Electric Co.](#), [Ford Motor Co.](#), [Caterpillar Inc.](#), [Arconic Inc.](#), [ARNC -1.03%](#) [Macy's Inc.](#) [M -2.64%](#) and [Mondelez International Inc.](#) And on Dec. 31, [Papa John's International Inc.](#) founder John Schnatter stepped down as CEO.

Departures of company chiefs continue in the new year. On Tuesday, [Rent-A-Center](#) Inc. said founder Mark Speese had stepped down from its top spot.

Under increased investor pressure, directors are making unprecedented demands of their chiefs, some leadership specialists say. “The expectations that boards have of CEOs is that they can do everything,” said Hugh Shields, co-founder and principal at Shields Meneley Partners LLC, a career-transition and leadership-coaching firm for senior executives. “In some cases, they are looking for a unicorn.”

The threat of data breaches poses a critical risk, according to Mr. Loree and several other chief executives.

“These bad actors keep getting smarter and more aggressive,” Mr. Loree said. “It’s an ongoing war.”

Stanley Black & Decker, which makes power and hand tools, recruited Mark Maybury as its first chief technology officer in November. He is a cybersecurity specialist with a doctoral degree in artificial intelligence. Dr. Maybury’s duties include overseeing cybersecurity, Mr. Loree said.

About 64% of 1,031 human-resources professionals believe data security and the threat of a cyberbreach will become a very challenging or extremely challenging issue in 2018, according to a recent survey by XpertHR, an online provider of compliance guidance.

Another challenge in the new year will be anticipating how emerging technologies open new markets or upend their industries, company leaders say. Julio Portalatin, president and CEO of Mercer Consulting, a unit of professional-services firm [Marsh & McLennan](#) Cos., said that high on his priority list is guarding against unforeseen, nimble rivals that could harness automation and artificial intelligence to poach customers in niche markets. “It’s the [rivals] I don’t know about that I’m concerned about,” he said.

To gird Mercer’s business against such attacks, Mr. Portalatin said Mercer formed a business this summer focused on helping employers use data analytics and other new technologies to recruit and manage employees and assist their workforces in adapting to a more digital economy.

New technologies are disrupting the war for top talent as well, said Mike Cannon-Brookes, co-founder and co-CEO of [Atlassian](#) Corp. , which has headquarters in Sydney and San Francisco. The maker of workplace software tools no longer solely competes with other tech firms for staffers. In their quest to build highly sophisticated technology platforms, some financial-services giants now have more software engineers than bankers and traders on their payrolls, Mr. Cannon-Brookes said.

To fill more than 200 positions currently open at the 2,300-employee company, Atlassian is looking to hire people across four continents.

The imminent drop in U.S. corporate-tax rates may intensify political pressure on chief executives to expand their U.S. workforces, some business leaders say.

[Polaris Industries](#) Inc., a producer of snowmobiles, motorcycles and all-terrain vehicles, expects to hire nearly 100 engineers world-wide in 2018 and most will work in the U.S., said CEO Scott W. Wine. The company already employs nearly 900 U.S. engineers.

“With the additional money from tax reform, we can invest a bit more in our best [research] programs,” Mr. Wine said. Those engineering projects typically generate a new technology, engine or vehicle.

The Polaris chief anticipates spending about \$260 million on research and development in the new year, compared with just under \$240 million for 2017.

Despite widespread revelations of workplace misconduct that toppled numerous powerful executives in 2017, most CEOs don't rank sexual harassment among their top concerns for 2018.

One exception is Anil Chakravarthy, head of software maker Informatica LLC. The recent scandals have prompted "an extensive look at our code of conduct [and] what protections we have for whistleblowers," Mr. Chakravarthy said.

Sexual harassment "is not an issue for us today," he added. "But I don't want it to be."