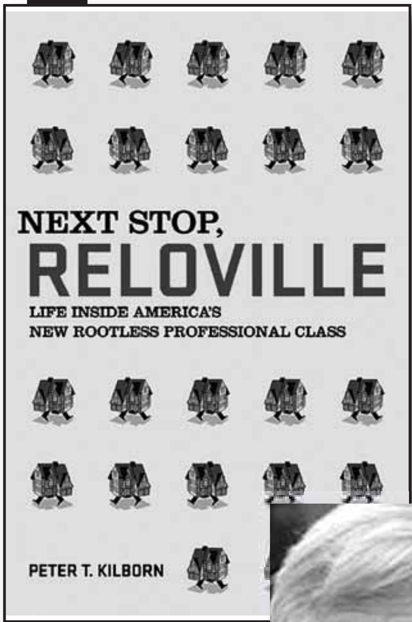

The American "Relos"

In the global economy, the new reality is moving to a new job in a new city—every two or three years.

Excerpt from
Next Stop, Reloville: Life Inside America's New Rootless Professional Class, *by Peter T. Kilborn (Times Books, 2009).*

The Web pages of twelve global companies—Boeing, Caterpillar, Coca-Cola, Eastman Kodak, ExxonMobil, Fluor, General Electric, General Motors, Hewlett-Packard, IBM, McDonald's, and Procter & Gamble—listed 315 executives on their rosters of top officers in 2008.

Fifty-one were women, but with some striking exceptions, most had remained in one place. One hundred twenty-six of the 315, or 40 percent, were hard-core, serial Relos—people who had been moved at least four times. Five had been moved ten or more times. Caterpillar had moved fifteen of its top thirty-three officers five or more times.

Of the companies' American Relos, most made their first move from home to state universities, mainly those of Iowa, Indiana, Michigan, Ohio, New York, and Illinois. A small minority—fewer than twenty-five—went to elite private schools, those of the Ivy League and its cousins such as Stanford and Duke. After employers started to help paying the freight, however, about one in four went on to get master's degrees in business administration, about half of them from the business schools of Harvard, the University of Pennsylvania, Stanford, and the Massachusetts Institute of Technology.

Once on the job with global companies, rookie Relos can expect to be moved and promoted. In the mid-2000s, the global public relations firm of Burson-Marsteller listed appointments of new chief executives among *Fortune* magazine's thousand

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largest U.S. companies—all sorts, not just those engaged in foreign commerce. Three or four decades ago, most would have been William Whyte's loyal Organization Man who rose through the ranks in one place like New York, Pittsburgh, or Detroit. But of those appointed in 2005 and 2006, Burson-Marsteller's list showed a third who had worked in four or more locations.

It is easy to see what drives companies navigating the global economy to rear Relos. In but fourteen years, from 1990 to 2004, all countries' combined domestic economies—the value of everything bought and sold from Samsung TVs to P&G's Crest toothpaste to Boeing 777s—leaped from $23 trillion to $57 trillion. In 1999, the International Civil Aviation Organization in Montreal said airlines carried 17 million tons of freight in world trade. By 2010, the organization predicts they will be carrying 31 million tons. The United Nations says investments by "transnational" companies—those that buy and build subsidiaries, factories, mines, oil fields, stores, and offices in countries other than their own—quadrupled to $1.7 trillion from 1990 to 2005.

Yet globalization, for all the opportunity it offers industry, has become a slippery slope for many industries' employees, Relos included. Once companies like IBM, Boeing, Caterpillar, and Kodak had world markets to themselves. But as scrappy upstarts from Asia, Latin America, and Eastern Europe came along, the American behemoths had to cut costs to compete.

Many reneged on their promises of secure employment and company-paid health care and pensions in return for the Organization Man's lifetime of hard and loyal work. Routinely they resorted to layoffs, downsizings, mergers, and spin-offs.

Relos, like other workers, can be treated like fire extinguishers—scrapped when they're old or spent. Companies dispatch Relos to conquer markets far from home without planning what to do with them next. In a survey of employers in 2006, the accounting and consulting firm KPMG concluded, "Thirty-eight percent of employees leave an organization after completing an international assignment because there is no longer an appropriate job for them in their home country." But they're getting the message. Twenty-six percent of those who leave jump to other companies, often direct competitors.

"Holding on to key talent is like trying to keep frogs in a wheelbarrow," Carol Ashton, the chief human resources officer at the global accounting firm of Ernst & Young, told a meeting of corporate human resource officers. In the global economy lately, especially in Asia, skilled engineers, production managers, and sales and marketing people are courted like celebrities. "China needs seventy-five thousand of a type of management job," Cris Collie of the Employee Relocation Council said. "They've got only five thousand to fill them. So they poach on competitors and you get a bidding war." The loss of job security on the one hand and aggressive recruiting on the other have begotten a species of men and women who run their own careers. If no longer coddled by cradle-to-grave job security, they are also no longer bound by it. They shed employers as freely as they know the employers can shed them. The workers, and the companies' hiring officers, too, keep executive recruiters, or "headhunters," a button away on their BlackBerrys. A Relo might have mastered vital new software that store chains need to control inventories, so Wal-Mart's recruiter calls. He gets the job. A couple of years later, the recruiter calls again. Target needs a vice president of inventory control in Minneapolis. He doubles his money.

These workers become "boundaryless careerists." Michael B. Arthur, a management professor at Suffolk University in Boston and co-editor Denise Rousseau, a professor at Carnegie Mellon, call boundaryless careers the opposite of organizational careers—"careers conceived to unfold in a single employment setting." Boundaryless careerists depend not on an employer's promises, but on their own skills, networks of contacts, and reputations with their true employer—the marketplace.

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A variation of the boundaryless careerist is the stateless careerist. Stateless careerists shed not just their towns and employers, but their countries. Of General Motors's fifty-three top officers in 2008, eleven were foreigners. Six of General Electric's top forty-one officers were foreign-born, as were sixteen of Procter & Gamble's top forty-three.

Four of the P&G executives came from Britain, three from Italy, two from Germany, two from Spain, and one each from Colombia, France, Mozambique, India, and the Philippines.

With their expansion into world markets and their stables of foreign-born Relos, companies might still fly the Stars and Stripes and trade on the New York Stock Exchange. What, for example, could be more American than Pepsi and Coke? Yet Coca-Cola's CEO, Muhtar Kent, is a Turk. He succeeded Neville Isdell, an Irishman, who succeeded Douglas Daft, an Australian, who succeeded M. Douglas Ivester, an American from Georgia, who succeeded Roberto Goizueta, a Cuban. Indra K. Nooyi, PepsiCo's CEO, was born in Chennai, India. The second "a" in Alcoa stands for America. But Alcoa's chief executive is a German who succeeded a Brazilian born in Morocco. A Pakistani runs one American pharmaceutical company, Schering-Plough, and a Spaniard born in Casablanca runs rival Eli Lilly.

HOBOS IN BMWS

Sandi and Mark Remson could decompress on the plane after a hot harried week in August 2007. Mark had been promoted to the Geneva headquarters of STMicroelectronics, a global colossus of the semiconductor industry. They had emptied their big house in Frisco, Texas, and settled Laura, a sophomore, and Brian, a freshman, at Baylor University in Waco. The Remsons and their fourteen-year-old daughter Kerry would be in the air most of fifteen hours flying from Dallas to Geneva, with a layover in Frankfurt.

Weeks earlier on a home-hunting trip to Geneva, the Remsons rented an apartment. It was less than a third the size of the Frisco house but in an eighteenth-century part of town with tight streets, sidewalk cafés, shops they can walk to, and a ten-minute drive to Mark's office. They found an international school a twenty-minute tram ride away, where in two days Kerry would be starting ninth grade. It was reassuring that, as college students, Laura and Brian were fending for themselves, but at a continent and 5,200 miles away, Sandi still worried how she would respond if, for example, one got sick.

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Mark is forty-nine, and Sandi forty-six. Both children of Relos, like their own children, Mark and Sandi are as rootless as hobos, albeit at the wheels of BMWs. They come from somewhere: Mark was born in Maine and Sandi in Lansing, Michigan. But they are of nowhere. They have moved through four states and three foreign countries. When the time comes, Mark tells the kids, "Don't waste money on a funeral somewhere. Put me in a box and throw me away."

Slender and six-foot-four, with a short and thick dark beard going gray, Mark is a boundaryless careerist whose skill is his knowledge of semiconductor production. He is senior director for manufacturing solutions at STMicroelectronics, one of the world's five leading semiconductor companies and rival of the American giants Intel and Advanced Micro Devices. Based in Geneva and of Franco-Italian origin, ST makes silicon chips for Nokia cell phones, Lexus and Mercedes automobiles, Hewlett-Packard printers, cable television boxes, and digital cameras. The chips are made or assembled at twenty-four plants on four continents.

Mark is in the top tier of Relos who manage the switches of global industry and get generous perks. He earns between $200,000 and $300,000 a year. ST pays the Remsons' rent in Geneva and Kerry's tuition. Before leaving Frisco, ST's relocation company specified the car he could get. He could have an Audi, a Mercedes, a BMW, or a Volvo, and it would cover $56,000 of the cost. He picked a BMW.

As products are developed at ST, Mark leads a team that finds ways to produce them and write the software to manage production, work in progress, and inventory. He is a rare American at ST. As a senior director, he ranks a notch below the company's top echelon of twenty-seven officers. Ten are from Italy, nine from France, one each from Canada, Germany, Britain, Singapore, and Finland. One is Swiss-Italian, one French-Algerian, and one Iranian-American. Eight are career Relos, having been moved four or more times. In Frisco, although assigned to the ST plant in Carrollton, Mark worked on his laptop and phone at the dining room table and went in to the office only to submit his travel expenses. He couldn't schedule his work to suit Carrollton's hours. "When I'm in the United States," he said, "I start at 1:00 a.m. and work to 3:00 p.m. I've got 450 people that work for me spread across the U.S., Asia, and Europe. My 1:00 a.m. is Singapore's 1:00 p.m. and Europe's 8:00 a.m."

Leaving Frisco, Sandi said, "I do wish I had a doctor I always went to, a best friend I always went to." But the Remsons found a groove in Geneva. The two years were stretching to four, so Kerry, happy with her studies, basketball, and volleyball, could plan to finish high school there. Sandi joined a ski group and a walking group. In the sinking economy, ST's revenues were dropping. It announced the elimination of 4,500 jobs in 2009 and was closing its two American plants, in Phoenix and Carrollton. Yet Mark was still rolling, and spending much of his time at busy plants—in Singapore and the Philippines. ◆