

# When Frames of Reference Lag Perception of Reality: Managing Senior Careers in the First Ten Years of the 21st Century

Laurence J. Stybel and Maryanne Peabody  
*Stybel Peabody & Associates, Inc., a  
Lincolnshire International Company*

*This article summarizes a review of the careers of 50 executives who have been outstanding in traversing the careers of their professional lives. In a world of short job tenure-elongated middle age, most executives will have to simultaneously manage two separate careers. One career is called full-time assignment work and is the traditional "job." The other career is called project assignment work, also known as interim or consulting work. Many think these two careers will occur sequentially. This typical framework sets leaders up for perceived failure because this sequential model is no longer realistic. Leaders will be traversing between full time and project based work through their professional lives.*

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It is not uncommon for consulting psychologists to engage in meaningful discussions with senior executives where deep despair is covered by a thin veneer of success. We often hear two variations of this despair:

- My college roommate was able to retire at 58. I can't afford to retire until I am 70. I must be a failure. What did I do wrong?
- I am looking for employment but can't find full-time work. My neighbor flits from full time job to full time job. The recruiters are always calling this neighbor. But the recruiters don't return my calls. The only opportunities I get are for interim assignments. I must be a failure. What did I do wrong?

Are these examples truly personal failures? We argue that these statements may reflect that cognitive awareness of change and making appropriate changes in frames of reference do not necessarily take place at the same time. Frames of reference may lag 3 to 7 years behind the cognitive awareness of a change.

For a concrete example of how frames of reference lag objective facts, consider the following scenario:

In the late 1970s to early 1980s, our clients could articulate that demanding institutional investors were creating conditions where CEOs and shareholders could derive short term economic gain from aggressive acquisitions and an almost continuous cycle of corporate restructuring. One of the casualties of this pursuit of short-term shareholder value gain was the loyalty companies provided its employees. Despite the fact that our clients could articulate these macro issues, they still maintained an emotional reference

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Laurence J. Stybel and Maryanne Peabody, Stybel Peabody & Associates, Inc., a Lincolnshire International Company.

Laurence J. Stybel and Maryanne Peabody are cofounders of Stybel Peabody & Associates, Inc., a Lincolnshire International Company. The company mission is smooth leadership change when the stakes are high through senior level outplacement and retained such services. The website is [www.stybelpeabody.com](http://www.stybelpeabody.com)

Correspondence concerning this article should be addressed to Laurence J. Stybel, Stybel Peabody & Associates Inc., 60 State Street, Suite 700, Boston, MA 02109. E-mail: [lstybel@stybelpeabody.com](mailto:lstybel@stybelpeabody.com)

point that said, "You Take Care of the Company and the Company Takes Care of You." By continuing to adhere to an outdated frame of reference that no longer fit the facts, these clients struggled with deep feelings of personal failure layered on top of the realistic fear of the unknown. It took 3 to 5 years before personal frames of reference matched objective reality.

We believe North America may be in another period when leaders are cognitively aware that reality has changed and yet their frames of reference continue to lag behind reality.

This article is based on interviews with 50 senior executives who have been successful in managing their careers during recent times by unlearning their old career success frame of reference and by adopting a new one. Before articulating the new frame of reference, we will first describe the nature of the changing reality of professional life in the United States at the beginning of the 21st Century.

### **Short Job Tenure and Long Middle Age**

The individual complaints with which we began this article are but symptoms of two larger, well-known, social trends impacting all developed countries. The first trend is a shortening of traditional job tenure in line with the collapsing time frame for product life cycles, and corporate life cycles.

Technology has been a driver behind the "speeding up" of our lives, including the increase in what economists call creative destruction.

At the same time job tenure is getting shorter, life span is increasing. You can thank the same technological thinking that has also contributed to the lowering of your job tenure. The average life span within industrial societies has increased 12 years since social security was adopted.

It is important, however, to remember that this additional 12 years is not an addi-

tional 12 years of old age. It is an elongation of middle age. People will not be able to retire in "traditional" ways because they will fear running out of money before they run out of life. Two outdated frames of references that continue to be believed are (a) free agency and (b) climbing corporate ladders.

## **Old Frame of Reference #1**

### ***Free Agency***

In the last 10 years of the 20th century, economists like Robert Reich and popular business magazines like *BUSINESS 2.0* began to write about the Free Agent Nation: Under the free agent framework, executives have careers that resemble professional sports stars. Free Agents smoothly shifting from one major league team to another major league team through the work of third parties. In the sports and entertainment sectors, these third parties are called Agents. In the world of business, these people are called retained search executives. Free Agency is a cognitive frame that dominates the thinking of our clients. That framework is both true and false.

Professional sports players represent an elite segment of the general population. In addition, even within this elite group, only the top 10% to 15% can count on the Free Agent model to work in their favor. What happens to the other 85%? When their contracts with one major league team are not renewed, it is the beginning of the end of their professional sports career. It may also mean the start of a new profession. Even for the elite 10% to 15% of athletes, Free Agency will cease to be valid as these athletes age or become injured. Clearly, Free Agency for professional athletes is valid for a few athletes some of the time and for no one all of the time.

The concept is similar in business. Free Agency says that winners smoothly move from full time job to full time job with the help of recruiters. Senior Executives are an

elite group within the business world. However, within this world, Executive Recruiters prefer to work with what they call “A Players.” This is the elite within the elite. “Players” have a performance record, a public reputation, and a chronological age that is highly desired. The A Players are going to be well compensated. In other words, we know that Free Agency works for a small group of leaders some of the time and no leaders all of the time.

The notion of moving from a “good” corporate job to “Temporary Help” as a consultant or an interim executive can feel humiliating if you adopt a Free Agency model of career management. The career realities we see within our group is a constant traversing from full-time assignments or W-2 relationships to project assignments or 1099 relationships; and then back again! Failure to grasp the realities of the marketplace can make life even more painful. Consider the case of Jack:

Jack was CFO of a company in a declining industry. A larger player acquired Jack’s company and he received a 1-year severance agreement as part of his exit package. Jack spent the first 9 months aggressively networking for a full-time CFO job in his geographic area, while making it clear that an interim or project oriented role was a clear second choice. By month 10, Jack became concerned about his family cash flow situation, and began looking for interim assignments. Jack found his network unresponsive and the reason was obvious. He had clearly signaled early in his job search that interim assignments were second choice. Jack’s network reasonably concluded that he had failed to achieve his goals. Jack is now approaching month 24 without either employment assignments or project assignments.

Jack’s story is both unhappy and common. It need not have ended this way. Jack needed to understand and accept that his career may have begun as an employee but it would most certainly end as a consultant. Think of leaders as managing two distinct professional lives. One life focuses on full-

time employment assignments and the other life focuses on project assignments. Whether full-time or project, both categories are assignments. Our mission as career consultants is to teach leaders what we know about managing these two lives so that they will be successful at both.

## Old Frame of Reference #2

### *Climbing Corporate Ladders*

A second dysfunctional model links career advancement with the analogy of climbing ladders. This analogy *may* be viable for large companies with a sophisticated approach to management development. However, most companies we work with adopt a “Just in Time” approach to leadership: When a new leader is required, we will find someone to “hit the ground running” by employing a retained search firm to find the most qualified candidates inside or outside the company.

Most in-house executives correctly assume a management bias for hiring outside the company rather than promoting from within. Few companies spend the resources to groom executives for higher-level positions. Promoting in-house person into a higher management role can sometimes be perceived as much a leap of faith as hiring an outside person. The in-house person, however, may come with a record of accomplishment of faults and political enemies.

The successful people we interviewed do not think in terms of ladders. They think in terms of traversing the careers of their professional lives. The skiing term of traversing means moving from a straight line to a zigzag pattern along different terrain. During your Alpine ski run, you may traverse over ice patches, powder snow, or come up against moguls.

- Moving up a ladder requires steady discipline and persistence in the face of obstacles. However, traversing also requires discipline combined

with maneuverability along different terrain.

Ladder climbing was a great framework for career management within larger industrial-based corporations in the post World War II period. Traversing careers is a much more appropriate metaphor for the first quarter of the 21st century. Let us get back to the example of Jack:

Jack needed to understand and accept that his career may have begun as an employee but it would most certainly end as a consultant. Jack's career would not be a single career comprised of a series of corporate jobs. It is more like managing two professional lives—one focusing on employment assignments and the other focusing on project assignments. This is what we call traversing careers as opposed to managing one career. The new model may involve a zigzag between full time and project work.

We have learned three lessons from our sample survey: traverse with your career edge, master affiliation needs, and traverse between provincial/cosmopolitan knowledge.

### **Lesson #1: Traverse With Your Edge**

In traversing on skis, you lead with the edge of your skis. Your ski edge. Your edge gives you maneuverability. In career traversing you lead with your skills edge. Your edge gives you maneuverability through different terrain. James is an example of one of our 50 executives:

After receiving his MBA from Columbia University, James went into banking. Various assignments at Mellon Bank and Bank of America eventually led to James being hired as President/CEO of an Oregon bank. In 1990, James' bank was acquired and he was without employment, so James created a one-person consulting firm, whose initial focus was on what James called "credit dependent companies." Using his personal relationships with West Coast bank presidents, James was able to negotiate settlements so that both sides could have something of value.

By 1994, the recession had lifted, and one of James' clients came to him for consulting assistance. One consulting opportunity led to an offer to become Chief Operating Officer. His assignment was to double the size of the medical products distribution company and then sell the company to a national player. This assignment was completed within 18 months. Once again, James opened his consulting practice. One of his clients was a nonprofit organization. This consulting assignment brought him exposure to new areas like fund raising and working with agencies in Washington, DC. This assignment was completed after 2 years. The contacts James developed brought him to the notice of a board member of a nonprofit company in his town. James was offered the position of chief executive officer for an Oregon human services organization with a budget of \$265 million.

James has been a bank president, a distribution company COO, and a nonprofit CEO. Between these employment assignments, there has been a constant theme of project assignment work. In addition, these projects lead him to the next employment assignment. James has had many job titles and in many different industries. However, he always leads with a consistent edge. Here is what James says about his edge:

"I have centered my professional life on one strong theme: I solve financial/organizational problems from a perspective of a banker. Had I identified myself as a 'banker,' my goose would have been cooked as the banking industry continued its consolidation. Instead I have worked with medical products, retail companies, construction companies, a giftware company, and health care products. It has been fun, a real learning experience. But my core identity remains the same. That never changes."

Again, the concept is that in career traversing you lead with your edge and that gives you maneuverability to move over different terrains. Did you notice that Jim does not define his edge as a functional or industry expertise?

Ted is another career-traversing executive who has defined his professional edge:

Ted began his IT career working with a variety of large corporations, beginning with EDS, the global IT outsourcing firm and Honeywell. Five years later, he moved to Monchik Weber, a consulting firm. His success as a consultant in an assignment involving ocean cargo issues led to an opportunity to become CIO for a company in the ocean freight transportation industry. Five years later, he was once again consulting. But the consulting assignment helped him gain credibility in the financial services sector. Ted is now CIO for a global financial services company.

In commenting on his professional life, Ted describes his edge as a constant while the assignments always change:

“My skills are coaching and developing people in technical environments. Internal or external, I use the same tools. I just apply those tools in different ways.”

## **Lesson #2: Master Affiliation Needs**

Affiliation is the desire to be an integral part of someone larger than the individual actor. Beyond the fear associated with unpredictable income stream, not being part of a team is the most difficult issue our clients deal with during when no longer in the employment assignment phase. Moderate needs for affiliation are ideal for senior executives in the employment assignment phase. When traversing into the project assignment phase, these needs can be dysfunctional: one critical value consultants bring to their client is their objectivity. Constant angling to figure out ways of remaining as a permanent guest detracts from that critical value.

One implication of this analysis is that the new career model heightens the importance of professional associations. Professional associations are work-related reference groups outside the corporation. These reference groups can focus on function/profession

(American Psychological Association, Financial Executives International), industry (American Bar Association, Massachusetts High Tech Association), or Geographic Sector (Chicago Chamber of Commerce).

Successful careerists take their association membership seriously as a way of meeting their affiliation needs. Today's associations have the same role that trades guilds played in the Middle Ages: provide a source of stable affiliation in an unstable project-oriented world.

## **Lesson #3: Traverse Between Provincial and Cosmopolitan Knowledge**

In the Employment Assignment trajectory, leaders are hired to manage the work of others. Moving up the corporate career ladder often means leaving behind technical mastery in favor of leadership mastery that could apply in any organization. We call these skills “cosmopolitan skills.” Lou Gerstner took over IBM without skills as an electronics engineer or appropriate background in IBM's technology foundation. George Marshall moved from being a soldier to running the Department of Defense to being Secretary of State to being the President of the American Red Cross. He was a master of the cosmopolitan skills of management and this allowed him to maneuver. On the other hand, project assignment professionals are often hired because of their specific substantive content knowledge. This specific type of knowledge is called provincial knowledge. In an earlier section of this article, we introduced Ted. Here is what Ted told us at the time he was Chief Information Officer for a financial services organization. The organization was going to be acquired and Ted was thinking about his next assignment. He was anticipating that he would move from CIO to technical consultant:

“I am already thinking ahead to the next move in my career. And that will probably be

a consulting position. It is important to keep my technical skills sharp. I am planning to take a course in a technical area at a local community college. I'll probably be the oldest student in the class. I don't care. You've got to stay sharp. Taking the courses also helps shape the external perception others have of me. I want to be flexible. I am 54. It is important to build a perception that I am not stuck in a mold. Taking courses is one way to do that. Two years ago I was taking strategy courses at Harvard Business School Advanced Management Program. It is important to do both."

Ted understands that his current employment assignment will set the stage for his next project assignment. In addition, he is at ease moving from a course on strategy at a world-class institution of higher education to a course on the new programming language at his local community college.

### **Exhilaration and Terror**

At a theoretical level, we posit that frames of reference are lagging conceptual indicators. People hang on to old frames of reference while simultaneously acknowledging that they are no longer valid. High functioning individuals are able to quickly alter frames of reference to fit new realities. The time gap between the perception of a new reality and appropriate altering of frames of reference can be experienced as the type of emotional despair discussed earlier in this article. One of our important roles as consulting psychologists is to "gently observe" the invalid nature of our clients' frames of reference whereas helping them to develop new frames of reference that fit the new realities of their lives. Coaching is about making implicit frames of reference explicit and therefore subject to scrutiny.

At a practical level, we need to take into account short job tenure/long middle age

and its implications for our clients. One of those implications is that our clients may have begun their careers as employees. They will most certainly end their careers as consultants or interim employees. Between the beginning and end of their professional lives, they will constantly traverse from employment to assignment trajectories and back again.

The cases of James and Ted illustrate a combination of flexibility with discipline. That mixture of flexibility and discipline is not unlike traversing down a mountain as you navigate through different types of snow and different terrain. The payoffs of skiing with flexibility and discipline are the simultaneous emotions of exhilaration and terror. The upside of this exhilaration and terror is the closest thing to job security most of our clients will know in the 21st Century: the security of knowing you know how to sell successful generate income in two very different ways.

Consider the case of Larry Gibson. Larry Gibson was Chief HR Officer with Harvard Pilgrim Health Plan. Before that, he was head of HR for a division of Motorola. For the past 3 years, he has been earning an income in Project Assignments:

"My life as a consultant has broadened my professional perspective and given me a broader industry expertise. This makes me more marketable. I enjoy consulting. I know how to make a living at it. If a full-time job opportunity came, I'd certainly look at the opportunity. But it would have to go over a higher hurdle before I would sign on."

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