

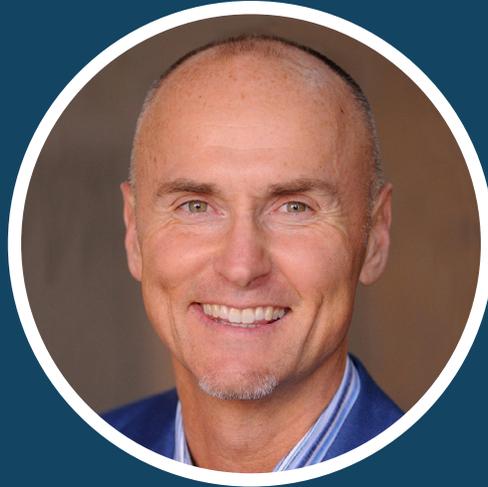


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The Role of an Elder in Modern Business

Chip Conley

Former Head of Global Hospitality & Strategy at Airbnb



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Chip Conley, author of *Emotional Equations* and former Head of Global Hospitality & Strategy at Airbnb, joins Dr. Jack Zenger and Dr. Joe Folkman in this edition of the Zenger Folkman podcast series to discuss the role of an elder in offering advice and direction to a younger generation. He draws from personal experiences as an advisor to the CEO of Airbnb, and the lessons he learned along the way.

A bestselling author, hospitality entrepreneur, disruptive business rebel, and social-change agent, Chip Conley is a leader at the forefront of the sharing economy. At age 26, he founded Joie de Vivre Hospitality, which he ran for 24 years and built it into the second largest boutique hotel brand in the world. In 2013, he accepted an invitation from the founders of Airbnb to help transform a promising home sharing start-up into the world's largest hospitality brand.

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As you think about the business you created and going to work for Airbnb, what were the differences? What did you see? What shocked you and what was the same?

I started a company called Joie de Vivre, which means “joy of life” in French. I liked the idea that the name of the company was also the mission statement of the company—to create joy for our employees and customers. That company was a disruptor within the general hospitality business starting in the mid-1980s, when boutique hotels started to proliferate. At that time, the Holiday Inns, Marriotts, and Hiltons of the world disregarded these upstarts thinking they were just style over substance. What happened over time was that boutique hotels became a dominate piece of the overall hospitality pie and the big established brands started to adapt—Starwood created W, Intercontinental bought Kempton, and so on. If something you often see is a disruptor it becomes an established idea over time. When I sold my company to the heir of the Hyatt family, I was ready to do something new.

I got a call from Brian Chesky, the young millennial cofounder and CEO of Airbnb, and he asked me if I wanted to democratize hospitality. I said,



“Well, that sounds great, but what the hell is Airbnb?” There’s a great quote from a science-fiction writer, “The future is here, it’s just not evenly distributed yet.” The idea of Airbnb back in early 2013 was a novelty to me. I did not have the Uber app on my phone. I was not part of the sharing economy.

From boutique hotels came the idea that what you want is an experience, and you’re willing to accept a high standard-deviation of quality as long as you get the right experience for you. The key is to find the right place that fits your needs. Airbnb was taking the idea of living like a local, which is what boutique hotels are all about, but taking it ten steps further.

But the big difference between these two, my business and Airbnb, is that when your business is a technology business, you can grow much faster than a brick-and-mortar business. When I joined Airbnb, it was a small startup with about 250 employees. Four years later when I moved into a strategic advisor role, we went from 250 employees to 3000 employees. We are 25 times larger in terms of our annual revenues than we were when I started. It’s a company that’s dramatically larger, and you can’t do that unless you are in the technology business.

There’s been lots of talk about working with Gen Xers and millennials and how they’re different. Did you see a change in the workforce with the people you were working with as you moved into Airbnb?

The part that was interesting for me is that I was hired on to be a mentor to the CEO, but very quickly realized I was also an intern. If you remember the film *The Intern*, Robert De Niro’s character was hired as an intern and became a mentor to the CEO. We had exact opposite roles. What do I mean by that? I was 52 when I joined the company and I had never worked in a tech company before, so even the lingo of “shipping product” or “shipping a feature” was unfamiliar to me. I had to evolve my sense of identity by taking a beginner’s mindset and being willing to admit what I didn’t know in an authentic and candid way so that people know, “Chip is really smart at these things, but he doesn’t know all those things, but he wants to learn.”



I ended up creating a bit of an implicit trade agreement of “you teach me some digital intelligence and I’ll teach you some emotional intelligence and some leadership intelligence.”

How did your leadership behavior change through all this? Did you see yourself doing different things or having different perspectives?

If I can summarize from my own experiences and interviewing lots of wise people, I think the best piece of advice I can give to someone who is a boomer working with someone who is a millennial—25 years younger—is to listen. The elder of the past might have spouted wisdom and wisdom flowed downhill from old to young. I think the best thing I can do is instead of coming in and taking over a meeting or saying here’s the way to do things based upon my past experience, go into the room and be willing to actually hear people and learn a lot.

Instead of asking a lot of “what” and “how” questions, I asked a lot of “why” and “what if” questions, which are the kind of questions a four-year-old asks. A beginner’s mind is willing to ask “why” and “what if,” which are sort of bigger and broader questions. In so doing, I ended up uncovering a few blind spots that the company didn’t notice. But, I didn’t do it in a “gotcha” moment—I did it in ways that helped to almost feel like we were discovering this together at the same time. That helped because it meant that I was their ally and a collaborator. They learned that when I opened my mouth, it’s not necessarily to tell them what they need to know but that I’m going to ask them questions that force them to take their blinders off and think bigger.

While older generations may not be able to remember, recall, or even learn things as quickly as young people, one of the things that is true of our brains is we have “gist thinking” and an ability to synthesize thoughts that are magical even to us. So, for example, I’m able to take a lot of inputs and allow that stew to cook, and then when I wake up in the morning—after my brain had spent the night thinking about something—I had a new insight that I hadn’t thought of before, which I’m able to



introduce through a series of questions in a meeting. This meant that within a few months I had a lot of the people in the company coming to talk to me and ask me questions. I sort of became the go-to person in the company for wisdom.

Did they call you Obi-Wan Kenobi?

[Laughs] I was twice the age of the average employee but I think it's interesting that people didn't look at me as the old guy. I think culturally I'm pretty with it. There clearly was an age difference but there was a perspective that they didn't see me as a competitor. They saw me as a confidant, but a confidant that they could talk to who would give them confidence.

To me, the word confidant is thought of in the framework as someone you can talk to about private things and get advice. In the French version of confidant it means you give the person confidence. I think that's a lot of what an older person can do in the workplace.

What ultimately cascaded throughout the company was a simple leadership question: "How can I support you to do the best work of your life at Airbnb?" If you have a boss who says that, it makes you not only feel like your boss supports you, but it also strangely puts you in the position where you can't blame your boss because your boss is basically saying, "What are the conditions you need to do great work here? What are the tools, etc.? Tell me what you need." It's so easy for employees to complain about the system and the way things are but if I'm saying to you, "I want you to be part of the solution here," it's hard for them to be the victim.

We were at a conference a while ago and someone gave a presentation about Gen Xers and went through the typical list of things you sometimes hear—they don't want to work hard, they want to vacation every day, they want feedback every mo-



ment, they're entitled to everything. A Gen Xer got up and said, "I'm so tired of hearing this. It's not true." What's your experience been like with that group?

First of all, we have for the first time in history five generations in the workplace today—and that just happened. This includes the Gen Z people (born after 1996), who are just graduating from college, and the silent generation (born before 1945), so we better understand how to work with each other.

But even the question you just asked—would anyone say those kinds of things about a different race? Probably not. You wouldn't say, "Asian Americans are this way," or "Black people are that way," or "White people are this way." Sometimes people will say that about gender. I think the generalizations regarding younger generations are roughly true but not completely true on a singular basis. Someone can be completely different than the generational stereotype. But I also think stereotypes can hold us back from being who we really are.

I will say that people who are younger (Gen X, millennials, or Gen Z) are digital natives, so they have the capacity to understand technology better than my generation. Their brains work that way. There are probably some negatives that come from that; they are distracted easily and they are attention deficit. They are more knowledgeable with the iPhone—the face and the inner workings—than they are about the face and inner workings of the person sitting next to them. This is a big opportunity for a boomer to help that younger person understand the human side of the person next to them as much as their technology gadget.

Based upon Daniel Goleman's work on emotional intelligence, we know that whether you are a B-to-B, B-to-C, A-to-Z, or any kind of organization, business at the end of the day (especially the more senior you are) is H-to-H: human to human. That's the piece I think younger people are missing. I think as power is moving to younger people faster, especially in the digital world, we see leaders who are not prepared to have the level of leadership that is thrust upon them or that they have seized hold of. The most obvious example this week is the CEO of Uber stepping down and taking a leave of absence.



But I think that there's going to be a growing need for companies to have this "modern elder" at the side of a millennial CEO, who is incredibly smart about where technology is going and can create an amazing business plan, but then actually has to have humans inside and outside of their organization to implement it. Sometimes it's that human-to-human connection that they don't get right.

You mentioned the big learning that you've had is this notion of listening and asking "why" and "what if" questions. Do you think that same principle would apply to someone working at a Marriott or Starwood or any other hospitality company? What if they behaved that way in their organization?

That's a great question. I think that after having spent a lot of time with Marriott and Starwood (they've now merged), as well as other comparable companies, they want to think more and more like a technology company or a fast-growing disruptor. They will say all the words that suggest they want rebels in their company, but sometimes the actual culture of the company doesn't necessarily appreciate that and regrets it.

If you are in a larger company and you don't feel that the current habitat of the company is suitable for asking "why" and "what if" questions and pointing out blind spots, first look at the way you are presenting your ideas. Don't present it as a jerk in the room. All these new, innovative companies are called disruptors but the founders of Airbnb didn't get into the home sharing business to be disruptive by nature. It's not like their parents brought them up to be disruptors.

In a meeting room, don't be a disruptor in the way you present a disruptive idea. Do it in a gracious fashion and help bring people along as well. I would say that's key. If you get to a place where you feel the organization is just going to reject new thinking, you have to ask yourself if you are in the right habitat to grow your career and your sense of learning. I think one of



the big challenges in large companies is they become rather like a morgue for ideas. Unless your goal is to just “play out the clock,” as they say in basketball, and just sort of pass the ball around until the game is over, then you need to move on.

We were in a technology organization recently trying to encourage folks to have a one-day workshop, and they were pushing back. Finally, a woman looked at me and said, “How am I supposed to get people to attend a one-day workshop when I can’t get a 30-minute appointment with my manager?” We’ve done a lot of work around training and development and giving people the development opportunities to learn, but we’re starting to see the technology industry resist much of that. What’s your experience around not only their appetite for learning and development but also the idea of a classroom or the rejection of it?

I think there’s a rejection of the classroom. There’s a real sponge mentality to learning, so there’s a desire to learn but it’s a desire to learn in non-traditional ways. One example is the growing interest of MOOCs (massive open online courses) as a platform. Similarly, the last thing many employees want to do is a linear workshop where they sit in a bland conference room for two or three days with recycled air and be feed thoughts. The training and teaching needs to be so much more experiential. I think there’s a sense that it needs to be infused with their day to day living and learning at work.



I think there is more of an interest to create mentorship and reverse-mentorship roles and other kinds of things that are integrated into your day to day work as opposed to something that takes you away from your work. You get a day or two of download, and after you've been back a week you've forgotten all that material. So, the key is to figure out how it's integrated as much as possible.

There's also a sense, especially in the technology world, that you take two days for a retreat to go learn and then you have to work on Saturday and Sunday to catch up because the workload doesn't actually slow down. So, there's a risk in all that. You aren't giving yourself the time to take the blinders off to have an "ah-ha" moment and the ah-ha moments are when major change is likely to happen. I agree with you that there's a lack of interest in taking a day or two days unless the organization is at a place where it's absolutely necessary, and, unfortunately, that's usually due to crisis.

A company in New York City called me up and said, "We'd like you to give a 90-minute presentation to a group of 40 people from all over the world." I get there and 12 people show up in total. Everyone else had an excuse and I thought, "Wow, you spent a lot of money to get 12 people together." But the idea that I'm too busy to learn, there might be something about it that's a little problematic.

Yes, there is for sure. I think at Airbnb, because of the many homes that we know of, many of which are suitable for small team retreats, we tended to do a lot more off-site meetings than most other tech companies because we had facilities that were actually fun to use. It was like using our own product. But I think we're sort of unusual that way and frankly, we did get to a place where we just had to say, "Hey, there's just too many off-sites." It was hard to get business done in the company



because at any time, a series of teams might be on off-sites, so if you're doing inter-departmental kinds of meetings, you have whole segments of the company that are not even available for certain days, so, you know, there's a happy medium.

I do believe informal mentorship and reverse mentorship have a lot of potential. I think when they are formalized, it's almost like having a formalized friend relationship. It kind of feels a little stilted. So, how do you build a relationship with someone so they are a go-to person that you can ask questions about a particular specialty? I don't know anything about data scientists. We have hundreds of data scientists in our company and the hospitality industry has very few. I had to learn a lot about data science, which is basically the future of AI. In the hospitality industry, it's a very essential piece: the more we know about you, the more we can actually deliver a curated collection of homes from the 90,000 homes we have in Paris, for example.

Instead of sending me off to an AI or data science two-day workshop to learn this type of knowledge, I knew there were three people in the organization that I could go have a one-hour lunch with. It's time efficient because we both have to eat anyways. In an hour, I could ask all my questions, they could send me three articles to read and I would learn a lot. That was probably a more efficient way to learn rather than being outsourced to some AI school.

Many are familiar with coaching as it's being practiced by many organizations today. With what you've advocated and described, in terms of your role with Airbnb, how would it differ from what a great coach might have done if he or she had been assigned to work as a coach with a CEO?

I'd say there are four different types of roles with external advisors. I was an internal person, so I was running a lot of the company. One big



difference is I was an internal leader as opposed to an external consultant. But if you are to think of these roles, you have an advisor, a coach, a mentor, or an elder.

An advisor is the lightest touch, meaning you're a domain expert. You give input into decision making around your expertise, and so you come in and sort of give advice.

The next level above that is coach, which is what you're asking about. Generally, coaches help leaders with tactical skills: How do I do a better job of leading my team? How do I run a meeting better? How do I become more empathic? How do I think more strategically? A coach may have a specific set of tactical skills that they can help the leader get better at.

The step above that would be a mentor. A mentor can also be a coach and I would say certain coaches have a mentor role. A mentor takes it up a level so it's less tactical and less transaction. It's a little bit more transformational in the sense that a mentor helps you to make the best decisions for you as well as the company. They help you become a better person. In many ways, a mentor is a lifestyle coach as well as having the skills to make you great at your leadership. Now, the chemistry on that is important. I think it helps if the mentor has some operating experience so they have a level of empathy for what you're going through because they've actually helped to run a company before.

Now an elder (or what I like to call a "modern elder") takes the idea of a mentor one step further. A mentor is a mirror for the person they are working with, whereas an elder is an editor. What I mean by that is that generally, if you are 50 years old or older, you are at a place in your life where you've gone through your accumulation phase. If you think about how life works from age 20 to 50, you've just been accumulating friends, family, children, jobs, money, material possessions, identities and roles in a non-profit or religious community, or whatever you are involved with. Then in your 40s, it's the lowest happiness time in your life because you're so overwhelmed with all these different roles and things you're doing. Around 50, people tend to start to edit their life. What that means on a personal level is you start to actually get clear about what's important and how you want to invest your time and your energy. From an elder perspective, for providing leadership guidance,



this means that they really are beyond just helping coach you on tactical skills or mentor you on how to be the best that you are. It's literally helping you to see what's essential in who you are and how you're leading to the point where you just focus on that.

I think with Brian Chesky I was definitely not a tactical skills coach. I gave him tactical skills when I would see him do something bad in a meeting, and, of course, I interned publicly and mentored privately so I would give him mentor or coaching skills outside of that, but I think the thing that I helped him do the most was to edit his vision of both his leadership and the company's strategy in a way that allowed us to be effective. The thing that a thirty-year-old person does not understand, especially when they've grown their company quickly, is there are limits to what you can do, so you need to make the big bets in certain areas and you need to edit and focus on that. We did that. We made some really good decisions along the way to where we're still growing in value and we're doing well because of the things we said no to.

Those thirty-year-olds, they're invincible.

They think they are. One of the big differences between Brian and I was that I've had failures that have been very painful, that have taught me some lessons, and that level of experience through failure—especially for somebody who starts a company at age 24 and 26, like these guys did—they just haven't failed before. I'm just trying to speed up those failures for them and help them not make some of the major mistakes people often make.

I think Uber is an interesting example. The series of mistakes that were made on so many levels are the kinds of things that if they had had a modern elder at the side of the CEO, it might have helped him to see that a variety of the things they were doing were going to get them into trouble in the long-term, both culturally and strategically. It's an example of what I call "karmic capitalism"—what goes around comes around. I think because they were invincible and their valuation got almost up to 70 billion dollars (they were always about twice as much as Airbnb in terms of value as they grew), there was a sense that what they were doing was right and that there was a righteousness that came with it. They were making a lot of bad decisions but didn't realize it until it was too late.

We had a colleague who always used to say, “We can do anything we want, we just can’t do everything we want.”

Tell me about your new book and when it will be ready. Give us a synopsis.

I’ve written four books, and generally my books have been sort of at the intersection of psychology and business. That’s what I’m interested in as a practitioner and as someone who is moderately academic in terms of the deep dive I like to do as I’m studying for a subject, which is how I came across your work. As I was thinking about what my lessons were like at Airbnb, I concluded that there’s a lot of other people like me but we haven’t ever really “outed” ourselves or said to the world that we’re an elder.

In the old days, a traditional elder was venerable, they were well regarded. But in the modern world, they’re not well regarded. They are thought of as elderly and you think of them in the leisure world. You say goodbye to them and only see them on Easter or Mother’s Day or Father’s Day. The thing I wanted to do was look at who are the people out there who are providing what some people call “adult supervision.” I don’t like that term because how many millennials would say they want adult supervision? I mean, millennials are adults but they are adults without the level of experience they need to be successful.

The book Modern Elder is the idea that in the modern world an elder is not just the person spouting wisdom and having it flow downhill, it’s someone who is both mentoring, interning, learning, and teaching at the same time, and in so doing, helping young people create an effective set of skills in their tool box to help lead a company. A lot of it is “generativity,” the Erik Erikson theory about what we’re supposed to be doing in our later years and the sort of legacy we want to leave. In many cases, we think of this in terms of what we will leave for our families. I’m just trying to help us see that the natural ecosystem in a company is to have people of that stature, who are there to help the younger people accelerate their learning, and to keep up with how much is coming at them since, frankly, younger people are moving faster in the digital economy than ever before.



Your study that showed how people have more confidence as they age (particularly women), that they are more willing to take feedback and have a growth mindset is so beautiful because it really speaks to what I'm talking about. It is actually antithetical to the way most of us think of older people, which is that they're not willing to learn and that they're set in their ways.

The book is sort of a personal story of what I learned, but it's also going to have a lot of other stories of people similar to me and four key lessons that anyone could use as a person over fifty-years-old in the workplace.



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