Talent Strategy

The Dinosaur Fallacy
6 Stereotypes of Older Executives (And Why They're Wrong)

Amrop

Leaders For What's Next

6 STEREOTYPES ABOUT OLDER EXECUTIVES

1
They lack motivation

2
They're unable or unwilling to learn

3
They're closed to diversity

4
They're tech-resistant

5
They're loyal traditionalists

6
They don't really care about sustainability or ethics

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Every week I see discrimination against candidates aged between 55 and 60; they fail to make shortlists."

An executive problem

Fredy Hausammann is a member of Amrop's Board Services Practice and Chair of Amrop's Global Nomination and Governance Committee. He welcomes the focus on senior level diversity, and particularly gender diversity. However he argues that diversity of age and background is just as important — and an ongoing challenge.

"Every week I see discrimination against candidates aged between 55 and 60; they fail to make shortlists. I cannot understand why a 50 year-old is preferred over a peer aged 55, 56 or 57. If some firms oblige you to retire at 62, many others encourage you to work up to 65. Most candidates in these age brackets are as fit as people five to ten years younger.

Stereotypes — what our own study found

A recent Amrop study set out to understand the deeper career needs and motivations of senior executives (including their attitudes to digital tools and AI). Based on the confidential answers of 443 respondents from all world regions, 70% of whom had been in work for over 20 years, our findings give serious food for thought.

Stereotype 1

Older executives lack motivation

Fredy Hausammann understands that hiring organizations worry about how long older executives will be able to sustain their motivation and drive. However he advises a re-think: “Perhaps the drivers for a 57-year old differ from a 47-year old in terms of career, money and general ambition. But that doesn't impact overall motivational or energy levels. They are simply in a different life phase.

We need to understand individual motivational drivers, never assuming that older people are less motivated. Those taking on senior roles are, by definition, ready for the challenge. Usually they have less family responsibility and financial pressure and are less prone to burnout. Companies are also shy of adding another mature executive in case they all retire at once. But different people want to retire at different moments. Again, these blanket assumptions are unhelpful.”

Our research paints a picture of a senior executive population who know exactly what they want. Over 90% say that it is very important for them to be able to influence change in their organization, one with whose purpose they are aligned and that offers them appealing role content. 80% strongly seek professional growth and freedom. Indeed, a dissatisfaction with their career prospects contributed to the departure of 55%.

The assumption that senior businesspeople are content to sit back and contemplate the golf course is not supported by our research.

Stereotype 2

Older executives are unwilling or unable to learn

A Senior Advisor to IMD Business School, Lars Häggström is a passionate advocate of lifelong learning and has held corporate positions in several leading multinationals. In an open discussion with Amrop, he put his cards on the table [14]: “From a personal perspective I have twice failed to read the context properly when changing jobs, between companies and industries. I continued to lead as I'd always done. I neglected external changes and unique internal dynamics. I led on the basis of past successes. In both of those jobs it led to a performance rating below my expectations. In one case I managed to bounce back, while in the other I resigned and left for another job, blaming the organization. But I was the main reason for my mediocre performance.”

These experiences led Häggström to fundamentally shift his focus: “It taught me to be an active student of context, external and internal. While I can look back and gain energy from past successes, I now know that I always have to study and learn and adjust to the new, continuously reinventing myself. It also taught me to never just say, “The world is changing, the organization needs to change, but that doesn't apply to me.” Rather, it starts with me, giving priority to learning. I know now, that as an executive, learning is a prerequisite for continued impact.”

Our research also confirmed that senior executives demand lifelong learning and that a lack of provision is a clear defection factor for many.

72% want their learning to be financed and controlled by their organization and even more are attracted to organizations that hand the budget over to them. Almost all would actively avoid any organization that neglects their ongoing learning and indeed 44% cited a mismatch with learning needs as a reason to leave their past organization.

So to assume that senior executives are resistant to learning would be another harmful error.

Stereotype 3

Older executives are closed to diversity

This stereotype falls under the *'traditional vs. progressive'* item identified by researchers Michael J. Urick and colleagues in their 2016 study of two generationally-diverse samples. ('Understanding and Managing Intergenerational Conflict: An Examination of Influences and Strategies').

The item covers a number of perceptions that younger employees may hold about their older colleagues. For example, valuing historically accepted ideals, versus being more open-minded about political values, religious beliefs, diversity, patriotism, formality, appearance, and the manner of presentation. Or maintaining the status quo/complying with organizational policy and thinking, versus resisting old ways of doing business and attempting to innovate.

Regarding *'open-mindedness'*, our research revealed 'diversity of thought' as highly important for senior executives. 79% said they would actively seek to work for organizations that emphasize diversity of thought over unity of thought (only 5% would actively *avoid* a diverse decision-making culture). Indeed, of several decision-making characteristics of organizations that we asked our research population about, diversity of thought was the most clearly sought-after.

79%

The percentage of senior executives who told us that they would actively seek to work for organizations that emphasize diversity of thought over unity of thought.

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Stereotype 4

Older executives are tech-resistant

Ulrick and his research colleagues identified another stereotype: *'high tech vs. low tech'*. They describe it as 'leveraging technology in the workforce, versus more traditional means of doing work'. The stereotype also includes tensions related to the ability to utilize technology and the lack of recognition for technology development.

Fredy Hausammann warns against the risk of over-generalizing. "One concern of Chairs is that a 63 year-old CEO or CFO will struggle to keep up with the tech. Again this assumes that the post-60's are digital dinosaurs, or unwilling or unable to invest in developing. The logic is flawed. I think a key leadership trait is the ability to self-reflect and learn. Age matters little in this regard, as the ability comes from a person's personality, more than anything else."

Our research backs this up. Some older executives may well be tech-resistant. However, the overall assumption that an older colleague is *likely* a digital dinosaur is inappropriate to say the least, even if other Amrop research does show that many CIO's think their boards, in particular, could use some digital education. [15]

We asked senior executives how a selection of underlying global trends was affecting their confidence in changing organizations. One of these was digitization and AI. Only 10% admitted that the trend was reducing their confidence in making a move. A good test question is the extent to which people would trust a digital intervention in their own hiring process — a high-stakes personal matter if ever there was one. And yet 49% would trust an AI to assess their technical skills and knowledge and 41%, to scan their CV.

Admittedly, when it comes to more interactive and complex processes, such as interviewing them, 48% of senior executives would mistrust an AI to conduct this crucial dialogue.

Does this mean that senior executives are digital dinosaurs after all? Hardly. In order to conduct a process of this complexity to the same degree as a competent professional would require not just an AI, but an AGI (Artificial General Intelligence). And most eminent robotics and computer scientists believe that true AGI is unlikely to emerge any time soon. [16, 17]

10%

The percentage of senior executives who told us that digitization and AI was reducing their confidence in changing organizations at the present time.

Stereotype 5

Older executives are loyal traditionalists

Are older executives trapped in the old 'career for life' paradigm, expecting to faithfully stick with a single organization until that golden handshake?

Not so. We found that many no longer want (or expect) to have a 'monogamous' relationship with their employer. Whilst the traditional 'locked in' contract is still the most attractive option (51% seek this), it only wins by a margin. Almost as many senior executives want the freedom to work for more than one organization at once (45%). What's more, 52% would be interested in owning or co-owning a company — almost as many as would seek to work for a listed organization (an organization which would probably be more equipped to offer them a predictable career path).

The idea, too, that older executives stick to tradition rather than evolution is a further stereotype that our research leads us to question.

Whilst disruptive business models are not the most attractive to the senior executives we surveyed, 78% are actively seeking organizations that wisely mix stability with predictability and offer a degree of exploration and experimentation. And this 'controlled innovation' needs to be powerful enough to drive organizations forward: 86% of senior executives want to join an organization that is posting fast and dynamic, organic growth. Only 46% would be happy with the slow and steady progress that we might expect from a contented brontosaurus. Furthermore, 93% want to work for market transformers. Falling behind the market will deter 77% of this senior population.

Stereotype 6

Older executives don't really care about sustainability or ethics

We'd like to propose a further stereotype: older executives are uninterested in sustainability. In January 2020, Greta Thunberg delivered a passionate (and sobering) message to government and business leaders [18].

"You say children shouldn't worry. You say, just leave this to us, we will fix this, we promise we won't let you down. Don't be so pessimistic. And then nothing, silence or something worse than silence, empty words and promises which give the impression that sufficient action is being taken."

Few could argue with the sentiment behind this passionate call to action. But is this *generally* true? Are the ESG, CSR and ethical initiatives of today's business leaders simply a cynical window-dressing exercise? Is their main aim to pacify consumers, the press, shareholders and Gen Z with 'empty words and promises'?

Consider the energy sector; a prime target for criticism given the contribution of CO_2 emissions to global warming. In 2018, Amrop Partner Roland Theuws sat down with eleven industry leaders to unpack their attitudes towards the energy transition, strategies and hurdles. His report [19] not only reveals the multi-factor complexity of the energy transition but the will of leaders to solve it. *"The why is no longer in doubt, the questions are now 'how' and 'how fast'.*

Marjan van Loon, President-Directeur of Shell Nederland summarized the mindset of several of the C-suite leaders interviewed. "People think: you don't want to develop sustainable energy. Of course we do! That is why we are so busy with our sustainable agenda, provided we can find business models. We would really like to develop those as soon as possible. However, it cannot happen by snapping your fingers."

Our research also suggested that sustainable leadership is a must-have for a large proportion of today's senior leaders. Organizations who fail to deliver will face a fight for talent. A company's ESG strategy is of prime importance to 70%.

And if 63% of senior executives want to closely associate their own remuneration with the organization's performance, 49% would be strongly attracted to organizations that emphasize societal and environmental values over financial value, and only 10% would actively avoid organizations that put caring before profit. This shows that the picture is shifting from the traditional, financially-led 'shareholder primacy' paradigm.

Put together, these last two figures are revealing. The fact that six out of ten senior executives actively want to expose their personal finances to an organization's performance, and that almost half want that organization to put socio-environmental factors before financial, suggest that many are prepared to put skin in the ESG game.

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Senior executives are seeking out other 'wise decision-making' values, too, our research found. They want organizations to emphasize compassion more than competitiveness. They believe that stakeholder involvement is more important than speed.

In fact, wise decision-making (ethical, responsible and sustainable) is so important to senior executives that 32% even said that their previous organization's neglect of it had been a reason for them to quit. Moreover, 59% want to influence change not only within the confines of their organization, but in the world.

80% were also keenly interested in an organization's ethics — as many people as those who were interested in its financial performance. Indeed, 94% said it was very important to be aligned with those ethics and principles and 84% would not join an organization that had suffered a serious reputational fallout.

70%

The percentage of senior executives who say that ESG strategy is of prime importance.

CONCLUSION

Age stereotyping is a widespread and sticky problem. It ranges from popular culture to workplace discrimination that can expose companies to legal risk, undermine talent management, and damage the prospects of senior executives.

We've questioned six stereotypes (five identified by robust academic research). And we find that older executives are not, as the stereotyping suggests, unmotivated members of the organizational community who are no longer willing or able to learn. They are not all technically-illiterate. Nor are they largely loyal traditionalists who seek comfort in the single organization career model. And the assumption that they are generally uninterested in socio-environmental concerns is simply unfounded.

Diversity of thought (and age) is like a catalyst: it creates thriving and innovative organizational cultures that benefit all generations — with a positive impact on performance. Manfred Kets de Vries recently warned that many of today's most famous companies work in the opposite way: recruiting and functioning on the basis of 'fit' and tending towards group-think [20]. According to our research, senior executives are first in line to demand diversity of thought, and rightly so.

The statistics don't lie: the ageing demographic is set to occupy a growing proportion of the executive population. Furthermore, many of today's seniors bring health and wealth to the table (in terms of experience and wisdom). These are precious resources indeed. Today's organizations (and the next generation of leaders) will need to draw heavily on this well in the VUCA times ahead.

If older executives are anything but dinosaurs, how can we make the best of what they have to offer?

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