

Talent Strategy

The Age of No Age
It's all in the eye of
the beholder

INTERVIEW

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Amrop

Leaders For What's Next

The Age of No Age

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When it comes to senior talent management and board composition, why do we think of 'old' age the way we do? Fredy Hausammann, Managing Partner of Amrop Switzerland, argues that it's time to ring the changes in a maturing world.

The western world looks at the span of working life in the same terms as ideas developed after the Industrial Revolution: work means pain, suffering, and being steadily worn out. The ideal of early retirement took root as a solution, and has stayed with us ever since.

But this attitude needs to change, both for the health of business leadership, and to keep pace with demographic shifts.

I still meet senior executives who see early retirement as a mark of success. For them, a round of golf beats yet another Board meeting. But for many, feeling worn out at the age of 60 is no longer the reality. Moreover, their health and drive as they approach the traditional retirement age translates into a hunger and ambition seldom seen before in this age group.

Yet the attitude to the traditional retirement age at many companies is still languishing in a cliché: the over 60s are unfit for purpose - physically, emotionally and motivationally. This overlooks the new normal of longer life expectancy, and the general fitness and health enjoyed by older people. It simply fails to consider the reality of demographic change.

What does this mean for the C-level?

In the past, we filled operational executive roles up to the age range of 45 to 50. Nowadays the upper end of that bracket has shifted to the mid-50s. And this is where the problems begin. Many professionals reaching their *late* 50s want to take a final executive role, but in promoting them to hiring organizations, we face resistance: "*We already have lots of people in this age bracket*"; "*We should have somebody younger*"; "*Does she still have the energy and motivation?*"

But my question is this: why should we view somebody aged 57 any differently from a 50 year old? In any case, planning beyond a five-year horizon nowadays is no longer possible.

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Meet our new Board Member, she's 62 years young

What of the non-executive side of recruitment? All over the world we see great energy being put into professionalizing boards. But here we face a new challenge; in the old days, the Board was typically a retirement home for males over the age of 65, taking on the role for ten years and doing an average job. Perhaps because of this lingering image, candidates over 63 are not considered for non-executive roles - the search is keenest for people aged between 45 and 60.

But why should someone aged 65 be unable to run for another good ten years in a non-executive board role? Should there even be an age limit for board members? For some, turning 70 certainly marks the right end point, but for others it's all about the duration of the assignment, and their mental and physical fitness.

Thirsty organizations are ignoring a deep talent pool

In my opinion, it's time to review the way we look at age, in terms of both executive and non executive roles. To think harder about how long anyone can and should perform a role, and then plan in terms of limiting the assignment span - and being more flexible on the age of the best candidate.

Society still views work and age in a traditional and outdated way. Everybody knows that we have lengthening life expectancies, (as evidenced by big increases in healthcare costs). The reality of demographic change is not yet recognized, as the older generation expands relative to the younger. The day is fast approaching when we will need older professionals to fill all our positions. Yet in terms of available talent, we are not making the best possible use of all age groups. By neglecting this talent pool, companies are neither building the best possible human capital, nor are they making use of the brain power at their disposal.

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The iron (supplements) age is upon us

Rightly, there is renewed focus on the need for diversity at senior levels, particularly stressing the need for more women. But it is equally important that we strive for diversity of age and background. Employers need to look afresh at age - and the age mix -in professional life.

On a weekly basis, I see potential candidates aged between 55 and 60 severely discriminated against, and failing to make it onto shortlists. I cannot understand why a 50 year old is preferred over a 55, 56 or 57 year old. At some firms, you are obliged to retire at 62, but at many, this expectation is disappearing and we see more and more people encouraged to work up to 65. The majority of the candidates we see in these age brackets are as fit as those candidates five to ten years younger.

Success and succession

Succession planning is one of the biggest problems facing the firms I work with. Much of their younger talent is not yet ready for senior leadership, and they don't have enough senior leaders in-house to fill their needs. Therein lies an irony - if organizations paid greater attention to the existing older talent pool, their problems would evaporate.

One of my clients recently embraced this principle by filling a CxO role with a 56 year old amid a field of applicants in their late 40s. By hiring someone like this, someone who is not a rival for the younger executives around him but a mentor, you bring in a professional who can build up successors to him or herself.

Burnout may burn out with time

The big issue in employers' minds is: does this person have the motivation and the drive to keep going for another 7 or 8 years? Perhaps the drivers are slightly different for someone aged 57 than for someone who is 47, in terms of career, money and general career ambitions. But that doesn't mean that the overall motivational level is lower or that the energy for the task at hand is less suitable. They are just in a different phase of their lives.

So the fact remains: the key function-holder population is dominated by people between 53 and 57. Companies say they don't want to add another executive of the same age because this creates a problem when they all retire at once. But different people want to retire at different points in their lives. To make blanket assumptions about a lack of motivation to work past a certain age is unhelpful.

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We need to understand the complete set of motivational drivers for each individual. I think that making assumptions, as many do, that the overall motivational drive is lower in older people, is a misconception.

We must not forget that the mature executives who are ready and willing to take on senior roles are by definition ready for the challenge. Usually they have less family responsibility, face less financial pressure and are less prone to burnout.

Time for some old age disruption

One concern held by board chairs is that if a CEO or CFO aged 63 wants to take a non-executive board assignment, they will struggle to keep up to date with developments for the next 8 years. Again this assumes that someone of 60 or 65 is unwilling or unable to invest in keeping up to date technically with the subject. This logic is flawed.

I think one of the most important traits of a leader is the ability to self-reflect and learn through that self-reflection. I don't think age matters much in this regard, as this ability comes from a person's personality more than anything else.

Management Messages

- 1** In key senior roles we need a different view of age, work and tenure
- 2** Executives aged between 55 and 60 years, and board members aged between 60 and 65 years, are the twin spheres in which we must build a more agile view.
- 3** Demographic changes and the hunt for outstanding talent mean that we will be forced to embrace the older age brackets in any case. So why not now?
- 4** Keeping an open door to the more mature pool allows organizations to tap a deep well of brainpower and experience - a key to building the best possible human capital.
- 5** Building diversity of age can and should be part of the renewed focus on the need for diversity at senior levels.
- 6** Positioning a mature executive not as a rival for the younger executives around him or her but as a mentor brings the reward of a seasoned leader - willing and able to build successors.
- 7** It is critical to understand each individual's complete set of motivational drivers, instead of assuming that mature executives have a lower motivational drive than younger peers: they may have less family responsibility and financial pressure, and be less prone to burnout.
- 8** It's important to correct the bias that an 60 or 65 year old cannot or will not keep up to date technically: most important is self-reflection and its learnings. This ability comes from personality, unrelated to age.



About Amrop

With over 70 offices worldwide, Amrop is a trusted advisor in Executive Search, Board and Leadership Services. Amrop advises the world's most dynamic organizations on finding and positioning Leaders For What's Next: top talent, adept at working across borders in markets around the world.

Amrop works to assure the design and implementation of diverse, forward looking and connected boards. We act as Trusted Advisor to Executive, Supervisory and Advisory Boards all over the world, across a spectrum of industries.

Amrop's global Board Services Practice works along three interconnected lines:

1. Appointments (Chairs, Independent Directors, Advisory Boards, Committees)
2. Board Evaluation
3. Board Advisory/Board Effectiveness

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