

In corporate leadership, age diversity matters.

Experience is important for navigating a company through tough economic, financial or political times and the challenges of an increasingly competitive global marketplace. You have seniors on board who can say, “Hey, I’ve seen this before.”

But having too many of the old guard at the helm can be counterproductive.

With people of different ages in leadership, it is easier for the senior management to understand the changing needs of consumers who are as equally diverse as they are. This gains them a competitive edge in the development of innovative products and services that consumers want, helping to drive and maintain growth.

In a recent report, the New York - based Center for Talent Innovation (CTI) found that leadership teams diverse in age as well as culture, ethnicity, gender and sexual orientation are better positioned than those without to create “an environment where workers are free to voice unorthodox views and suggest creative solutions.”

Based on more than 40 case studies, CTI found in its study that employees at companies with a diverse leadership and workforce are 75% more likely “to have had a marketable idea implemented than employees at companies that fail to harness these drivers.” Public companies with this diversity are 45% more likely than those without to have grown market share over the last year and 70% more likely to have captured a new market.

A good case study is Asia. A lack of age diversity in corporate leadership is holding back innovation and growth there by impeding young people from participating in decisions. People do what they are told to do by their elders, a long-running way of doing business that stems from the widespread influence of Confucianism, an ancient ethical and philosophical system.

An exception to this is the rising creativity of companies like Hyundai and Samsung in South Korea, where a thriving youth music scene, for example, is helping to spawn cultural changes so that young leaders are finding more room to develop. Singapore, too, is supporting entrepreneurs.

No matter the region, what is important for companies is to have a range of ages in their leadership, from 40 to 80. Too young, and the team could crumple during a global financial crisis. Too old, and the company is going to find it pretty hard to come up with the next Facebook or YouTube.

AGE COUNTS



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