

Why We Need Younger Boards In The 21st Century

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I recently gave a talk on Board Diversity, making the case for more women and young people on corporate boards. Following my talk was a panel discussion for which three prominent and seasoned board chairpersons joined me on stage. While there was general agreement amongst the four of us about the need to have more women on boards, I found myself alone when it came to having more young people on boards, particularly in Asia. Except for a handful of (young) people present that day, even the audience largely disagreed with me about it. "There is no substitute for knowledge acquired over a lifetime, and for experience," they argued. Some went on to lecture the few youngsters in the room about the virtues of being patient and respectful. "Instead of being in a hurry to ascend to the top, you Gen Y'ers should try to learn from older people. Recruit them as your mentors and they will be glad to share their vast knowledge and experience with you. Apprenticeship is the best way to learn and grow," they said.

Yes, for as long as we can go back in history, apprenticeship has been one of the most mainstream means of knowledge transfer. Be it accounting firms, law firms, family businesses, investment banks or medical practices, apprenticeship has always been the way to learn and grow. Managers or bosses were largely seen as 'givers of knowledge,' and the key to successful career development was to be under the tutelage of a good guru. While I respect the value of experience, I'm no youngster myself, I believe we've entered a significantly different era that demands a change in the way we've traditionally thought about development. Managers



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must still coach and mentor, but they will need to bear in mind two fundamental and interrelated shifts that have taken place in the last 10-15 years - the democratization of knowledge, and the emergence of right brain dominance.

Democratization of Knowledge

When I was growing up, I had to memorize multiplication tables and the periodic table of elements to do well in math and chemistry classes respectively. To become a licensed taxi driver in London, black cab drivers needed to pass a tough exam which required them to memorize over 25,000 streets and landmarks. Do we still need this kind of rote learning? Should calculators and computers be allowed inside exam rooms? Does it matter if a cabbie takes you safely from point A to point B following GPS directions or from memory? In the past, a doctor with more knowledge in her head succeeded more than other doctors. The same was the case with engineers, scientists and most other professions. With knowledge, available freely and on demand, how will people succeed today and tomorrow? To answer this question, let's look at the second fundamental shift.

Right Brain Dominance

If you are in the market to buy a new car and your budget is, say, \$40,000, how many choices do you have? Lots, isn't it? In his ground-breaking book titled *A Whole New Mind*, Daniel Pink describes this as *abundance* – one of three forces that are shaping the marketplace today. So how do you decide which car to buy? Does your final decision depend on what you see under the hood in terms of engine

specifications? Does it depend on quality reviews? Probably not, because specs and quality are very similar amongst leading brands today. A Honda Accord, Toyota Camry and a Nissan Maxima are nearly the same in terms of specs and quality, aren't they? So how do you decide? Based on aesthetics, styling, image, and emotional appeal. In other words, your right brain decides! Per Pink, our left brains made us rich in the last century. And it is the very success of Science, Technology, Engineering, and Math (STEM) - all left-brain skills, that is making the left-brain matter a lot less today. Today, to succeed and to sell our products and services, we need design thinking, emotional appeal, relationship skills and other right-brain acumen. And we need to understand the consumer of today and tomorrow, who in some of the most populated parts of the world, is very likely to be a young digital native.

So, what does all this say about apprenticeship and the role of the manager? Instead of being a 'giver of

knowledge,' the manager will now have to become a friend, philosopher and guide who helps make sense of the abundance of knowledge, and coaches on relationship building and emotional intelligence. In a sense, the *Guru is dead. Long live Google.*

And what about corporate boards, and the advice the older directors gave to young people at my Board Diversity seminar? In this age of breakneck speed, 24/7 connectivity, and the Internet of Things (IoT), is the experience and wisdom gained over the last five decades as relevant to millennials as was the case in earlier generations? Yes and No! We can't look to the future without learning from history, but we must also acknowledge the rapid rate of change underway in business and social life, and appreciate the fact that the rules of success have been altered very significantly. And baby boomers equally need gurus today – so they can stay relevant. And who can teach them? The millennials of course!

Let's look at some numbers:

1. By 2020, half of the global workforce will comprise of millennials. These are people born between 1981 and 2000, and a large majority of them are digital natives. They are already the largest segment of U.S. population. The way they learn, communicate, transact, and live is very different from their parents and grandparents.
2. The average age of the CEOs of Apple, Microsoft, Alphabet, Facebook, and Amazon is 46. Between them, they control a market cap of \$2,379 billion
3. Between 2008 and 2014, almost half of all U.S. board seats across all indices (S&P 500, S&P 1500, Russell 3000 etc.) were occupied by directors between 60 and 69 years old. Overall, the age of board directors is trending up. Directors aged between 40 and 50 years are declining and 70+ are increasing.

The days of lecturing the young with "back in my day" stories are over because technology has changed our lives forever in recent years, and this might only be the beginning. Welcome to the brave new world, where everything is turning upside down. The sooner we shed outdated thinking, the better. The sooner we balance boards with both gender AND age diversity, the better.

References:

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