

Forever Young: when is it time to step down?

Michael

1 Warmer

a. Discuss the questions below. Then, share your answers with the rest of the class.

1. Do you think there is a correlation between age and job performance? Why (not)? risk tolerance
2. Should retirement be mandatory? For which kinds of professional activities? Why?
3. What is the ideal retirement age? Why?

2 Key words

a. Read the definitions and find key words in the article that match the definitions. The section number is given in brackets to help you. Check your answers and your understanding of how the words are used by using them to complete the example sentence immediately after each definition. You might have to modify the word slightly to use it in the sentence. Then read the complete article to see how each key word is used in context.

1. an act of breaking an agreement _____ (paragraph 2)

He was fired for misconduct after he breached the global procurement policy.

2. in a way that is based more on chance than on reason or being planned

_____ (paragraph 3)

The Consumer Protection Bureau has put in place limits to prevent arbitrarily charged banking fees.

3. existing outside of its time in history _____ (paragraph 3)

The company released a statement describing the leader's comments as inappropriate and anachronistic.

4. relating to the study of populations and the different groups they consist of

_____ (paragraph 4)

Subscribe to our demographic data report to learn more about the latest trends that will affect your business.

5. a problem that slows things down _____ (paragraph 6)

We are successfully using AI to help us minimise customer service bottleneck during our busiest season.

6. be the most noticeable or largest part of something; have control over someone or something

_____ (paragraph 7)

*Our range of personalised mugs still **dominate** the £20-gift market.*

7. decide that a rule will not be followed _____ (paragraph 8)

*We are offering **waive** fees if you open a premium business account.*

Restrictions apply.

8. be slow to do something because you are not willing or don't want to do it

_____ (paragraph 10)

*Customers can be **reluctant** to provide honest and substantive feedback.*

9. the period in which you are the legal owner of an official position or job

_____ (paragraph 11)

This long-awaited biography depicts the fascinating life of Malcolm Williams and his

***tenure** as CEO of one of the most profitable start-ups in the world.*

10. eligible to receive money when you don't work anymore because you are too old

_____ (paragraph 11)

They are considering recruiting more agents on a permanent but

*non **pensionable** basis.*

11. not wanting to take risks _____ (paragraph 12)

*Even **risk averse** individuals will occasionally make an impulsive purchase of a new product.*

12. force someone to leave a job or position of power _____ (paragraph 15)

I expected some pushback on my radical new strategy, but I did not expect that I would be

***ousting**!*

13. describing a careful way in which something is considered to make sure it is correct

_____ (paragraph 15)

They have put in place more rigorous controls to ensure that all employees comply with the standards.

14. an examination to judge someone or something's qualities or success

_____ (paragraph 15)

They are expected to undergo a lengthy appraisal evaluation before they are appointed CTO.

3 Key words – pronunciation

- a. How many syllables are in these words from the article? Identify the stressed syllable in each **word**.

- | | |
|----------------------|------------------|
| 1. candidacy | 7. proportionate |
| 2. discrimination | 8. pensionable |
| 3. arbitrarily | 9. octogenarian |
| 4. anachronistic | 10. continuity |
| 5. demographic | 11. rigorous |
| 6. intergenerational | 12. appraisal |

- b. Identify each word's **schwa** (/ə/ - always unstressed) sound. There may be more than one.

Examples: *candidacy, discrimination*

- anachronistic
- demographic
- interegenerational
- proportionate
- pensionable
- octoegenarian
- rigorous
- apparaisal

In search of chief executives who never grow 'old'

COMPETENCE AND CAPABILITY ARE THE BEST WAYS TO ASSESS LEADERS WHATEVER THEIR AGE

ANDREW HILL

18 November, 2023

re-branding

- 1 By naming 53-year-old Janet Truncale as its next global chief executive, EY will hope it can put behind it a nasty bushfire ignited by one rival candidate over the final leadership taboo: old age.
- 2 During his campaign for the top job, Andy Baldwin, 57, warned executives discussing his candidacy that they risked breaching age discrimination laws if they made too much of the fact that a four-year term heading the professional services firm would push him beyond 60. That is when EY usually requires its partners to step down.
- 3 Sixty seems an absurdly and arbitrarily early age at which to ask executives to hand in their lanyards and badges. Except in the case of a few physically demanding jobs, mandatory retirement also seems an anachronistic throwback. Most countries are obliging workers to toil for longer before they can claim a state pension. Companies are also falling over themselves to become more inclusive. ESG
- 4 Tension is only likely to increase as companies and staff try to reimagine work for 50-year careers. Speaking at the recent Anthropy conference on the UK's future, Jeremy Hughes, who is helping to develop a new charity aimed at bridging the demographic divide, Intergenerational England, described the workplace as the "key forum where generations come together". But the workplace is also where generations could come to blows.
- 5 The career that Baldwin and his EY peers have had is already hard to imagine for 20-somethings. On the same panel, youth ambassador Ladajah Wilson made clear she did not want to follow the 9-to-5, four-weeks-annual-holiday path of her elders. She preferred a career that was varied and flexible (even if she lamented it would be hard to afford, given what she was set to inherit from the older generation, financially and environmentally). Such "squiggly

careers" are ill-served by traditional leadership selection processes.

The average age at hire for new CEOs



- 6 Age is just a number, they say. But succession planning is dominated by another number: usually, there is only one job at the top. That tempts companies to force change to ease leadership bottlenecks.
- 7 Mandatory retirement ages are legal in the UK if they represent a proportionate means of achieving a business aim. That could include freeing up senior jobs or, in EY UK's case, partnerships for younger colleagues. At a level where men still dominate, it might also serve to meet a corporate goal of greater ethnic and gender diversity.
- 8 In the US, mandatory retirement for CEOs is an exception under age discrimination legislation. But an increasing number of big companies have started to abandon or waive their mandates. This year, Chevron dropped its age cap of 65 for chief executive Mike Wirth, now 63, to ensure continuity at the oil and gas company.
- 9 Meanwhile, the average age of US chief executives continues to creep upwards. According to headhunter Crist Kolder, in 2013, the age of CEOs when hired averaged 51.3. It now stands at 55.6.

Continued on next page

- 10 Listed companies do seem more reluctant to keep chief executives well into their seventies or eighties. When I drew up a ranking of global leaders of listed businesses by age in 2011, Warren Buffett, then 80, was only the 16th oldest corporate chief. At 93, he now tops a global league table, prepared by BoardEx for the FT, that contains only two octogenarians. Among US bosses, he is 11 years older than the next oldest in the Fortune 500, Robert Mehrabian of Teledyne Technologies.
- 11 Buffett might seem an exception. But he is living proof that some older chief executives amply justify extending their **tenure** beyond what used to be considered pensionable age. Capable younger executives ought to be able to rise sooner, too. Only 31 of Fortune Global 500 companies are headed by chief executives aged under 50.
- 12 Research has shown that shareholder wealth drops for each year a chief executive ages. Plenty of leaders overstay their welcome because of too tolerant boards or poor succession planning. Another study suggests leaders become more risk averse as they age, with negative consequences for stock performance. Researchers found that was particularly true when the two most influential executives were older. The best outcome might be to pair younger and older colleagues.
- 13 I prefer an age-blind approach that does away with age-related stereotypes. It could also help assess the capabilities and potential of younger people like Wilson, if she ever wants to run a multinational.
- 14 This is another area where technology could level the playing field. At an FT conference on artificial intelligence last week, Tomas Chamorro-Premuzic, author of *Why Do So Many Incompetent Men Become Leaders?*, said AI could help humans “focus on the qualities that make people better leaders, while ignoring the noisy signals that make them more toxic and inept”.
- 15 The solution to “bed-blocking” by bosses, in other words, is not automatic **ousting**, based on age, but more **rigorous** appraisal, based on competence.

FT

Andrew Hill, 18 November, 2023.

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4 Understanding the article

a. Are the statements True (T) or False (F) according to the article? Correct any statements that are false.

1. **Abdy** Baldwin was recently appointed global CEO of EY. **F Janet Truncale was appointed**
2. EY usually asks its partners to hand in their lanyards when they turn 60. **T**
3. Intergenerational England is a charity that tries to bridge the demographic divide. **T**
4. Ladajah Wilson prefers a career with stability over uncertainty. **F She wants flexibility.**
5. By law, UK companies can set mandatory retirement ages if doing so supports a business goal. **True**
6. In the US, many large companies no longer force their silver-haired leaders to retire. **True**
7. Currently, in the US, CEOs are, on average, 55.6 at the end of their tenure. **F They are 55.6 at the start**
8. At 93, Warren Buffet is the oldest chief executive of a Fortune 500 company. **T**
9. Only 31 Fortune Global 500 CEOs are over 50. **F Only 31 are under 50.**
10. Shareholder wealth increases with each year a chief executive ages. **F It decreases**
11. Leaders are more willing to take bigger risks as they age. **F They become more risk averse.**
12. The writer believes a more rigorous approach should be used to appoint competent leaders, regardless of age. **True**

5 Business language – idiomatic phrases

a. Find phrases in the text that match the definitions. The section number is given in brackets to help you.

1. something that is difficult to control and spreads very quickly, usually causing a lot of damage (paragraph 1) **bushfire**
2. quit or retire (paragraphs 2 and 3) **step down** When I become very wealthy/rich, I will step down.
3. be very eager to do something (paragraph 3) **falling over themselves**
4. have a serious argument or physical fight with someone (paragraph 4) **come to blows**
5. increase slowly (paragraph 9) **creep upwards** Shares in the Russian market were creeping upwards.
6. prove that something is true by behaving in a certain way or simply by existing (paragraph 11) **be living proof**
7. stay too long (paragraph 12) **overstay your welcome**
8. create a situation in which everyone has the same chance of succeeding (paragraph 14) **level the playing field**

9. pay no attention to obvious warnings (paragraph 14) **ignoring the noisy signals**
 He was ignoring the noisy signals, before the crash
10. when an older person uses a bed in a hospital even when they don't need to be there because they have nowhere else to go (paragraph 15) **bed blocking**
 Bed blocking is a problem in the UK health system.

b. Choose five phrases and use them in sentences of your own

6 Discussion

a. Discuss these questions.

A **generation gap** is when people from different generations do not understand each other because of their different experiences, opinions and values.

- What is an acceptable retirement age? Should there be a mandatory limit? **60 for women and 65 for men no**
- What are the arguments in favour of pairing older and younger colleagues? **fresh ideas plus experience**
- How can one bridge a generation gap? **mutual respect**
- How can a workplace ensure "a rigorous appraisal, based on competence" when appointing its leaders? **the company has certain requirements the candidate needs to meet the demands of the position**
- What does it mean to be a modern elder? **someone wise but keeping up with the times/technology**

7 Wider business theme – bridging the age gap

a. Look at the chart below. Identify your generation. How well do the words describe you? Do you agree or disagree with the traits? What generation gaps have you experienced in your professional and private life?

Generation	Typical values and traits
Silent generation / Traditionalists	loyalty work ethic a. _____ b. _____
Baby boomers	hard-working more risk-taking c. _____ d. _____
Generation X	friendly, flexible, laid-back e. _____ f. _____ work-life balance monetary rewards

Millennials / Generation Y	seek meaningful work tech-savvy g. _____ h. _____ seek feedback
Generation Z	global mindset i. _____ j. _____ flexible work hours job security social responsibility

b. Consider the following suggestions for bridging the age gap. How could one implement each piece of advice?

1. Focus on overlap
2. Improve communication
3. Value experience/age
4. Encourage mentoring
5. Have clearly defined roles

c. Think about the generation gaps in your organisation. Make notes on the following:

- Introduction to the generation gaps in your organisation
- Key issues
- Recommendations

d. Now, write a short report summary suggesting how to bridge the age gap.

Useful language

This report aims to outline ... and to present ...

Let us start with ...

Furthermore, / In addition to this, ...

For instance, / One example of this is ...

Whereas / While ...

Based on my observations, I would like to make X recommendations ...

I (personally) believe that ... / I suggest that ...

To summarise, ...