



مركز الحوكمة
CENTER FOR GOVERNANCE

AGE DIVERSITY ON BOARDS

The governance of intergenerational collaboration



A PIF COMPANY

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Center for Governance

Report

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EXECUTIVE SUMMARY

Around the world, age diversity is an issue of increasing importance for boards of directors. Board members at different life stages embody distinct professional experiences, risk perceptions, and strategic instincts. When these perspectives are integrated in a complementary manner, boards can achieve better oversight and more effective decision-making.

The speed of technological and societal change is driving this shift. Deep experience remains indispensable, yet it is no longer sufficient on its own. Boards also need the perspectives of directors who are closer to new technologies, emerging business models, and evolving expectations among employees and customers. A board with a healthier generational mix is more likely to spot trends early and respond with agility.

Saudi Arabia offers a clear example of this evolution. Its young population and rapidly transforming economy are shaping board composition in visible ways. The average age of directors on Saudi-listed company boards is just above 50 – considerably younger than in many Western markets. This reflects the expectations placed on organizations to rapidly modernize and scale up their activities, and engage effectively with a youthful workforce and consumer base.

There is growing evidence that boards with generational diversity perform better. Research suggests that boards with an age span of roughly twenty to twenty-five years tend to monitor more effectively, innovate more quickly, and achieve stronger ESG outcomes. But these benefits are not automatic. Without the right environment, age differences can disrupt rather than enhance board performance, leading to hesitation among younger members or defensiveness among more experienced ones.

Real progress requires intentional action. The chair plays a critical role in setting the tone and encouraging open, constructive dialogue across generations. Board evaluations should be strengthened to assess how well different age perspectives are integrated into discussion and oversight. Nomination committees need to broaden their selection criteria, giving greater weight to attributes such as openness, agility and collaboration. Boards must ensure that no director is marginalized because of their age.

Saudi Arabia is well-positioned to take a leading policy role in this area. The CMA could require companies to disclose the age composition of their boards and outline how they approach generational diversity. Working together, regulators and the Center for Governance could also establish a national NextGen Board Readiness Program to help prepare high-potential younger professionals for future board roles.

Age diversity is more than a demographic reality. It is a governance resource that, when channeled effectively, can deepen strategic insight and strengthen long-term value creation. Boards that succeed in combining the experience of older members with the energy and digital fluency of younger directors will be better equipped to guide their organizations through ongoing transformation and sustained growth.

INTRODUCTION: AGE DIVERSITY AS A KEY BOARD ISSUE

Across global economies, boards of directors are giving increasing attention to the generational balance of their membership. This shift reflects a convergence of powerful forces reshaping organizations: rapid technological disruption, profound demographic change, and the growing prominence of younger business leaders. While gender has traditionally dominated diversity debates, the age profile of boards is now recognized as a meaningful governance variable – one that can shape innovation capacity, organizational culture, and long-term performance.

The recent acceleration of technological change has been an important catalyst. The rise of AI and other technology-enabled business models is challenging long-standing assumptions about the value of traditional experience. At the same time, younger tech-savvy board members may not necessarily possess the broader governance perspective required to oversee large, complex enterprises. Effective oversight depends on a generational mix that brings together deep experience and fresh insight.

This report examines how age diversity influences board effectiveness. It offers practical guidance for chairs and directors on how to manage these dynamics constructively. It also sets out policy recommendations for Saudi Arabia and other jurisdictions on how carefully designed disclosure requirements may help further realize the benefits of age-diverse boards. The key message is that age diversity is a significant opportunity for boards. However, it needs to be managed carefully if its full potential is to be realized.

CASE FROM PRACTICE

A highly experienced board chair noticed that one of the newer directors, a younger professional appointed the previous year for his technological expertise, rarely spoke during meetings. The board had hoped his knowledge would help them navigate digital transformation. Yet in practice he stayed quiet even when discussions touched directly on his area of specialization.

Out of respect for senior colleagues, and perhaps due to uncertainty about his place in the board's hierarchy, he hesitated to challenge existing views or offer alternative perspectives. As a result, the distinctive value he could have contributed – fresh insight, digital fluency and a different generational lens – remained largely untapped.

The chair later reflected that, although the appointment had diversified the board on paper, the boardroom culture had not adapted sufficiently to include the new voice. The lesson was clear: diversity has to be managed; it cannot be assumed.

Saudi Arabia offers a unique context for studying age diversity on boards. It is undergoing a far-reaching economic transformation built on innovation and diversified growth. It is also a strikingly young society. More than two-thirds of the population is under 35, and the country is led by one of the world's youngest heads of government. This demographic reality has created a national mood of youthful ambition, helping normalize a more modern, forward-looking model of leadership.

These conditions are already shaping board composition. According to Heidrick & Struggles' Board Monitor 2023, the average age of directors on Saudi Arabia's listed boards is just over 50.¹ This compares with an average age of 60 in Switzerland and France, 62 in Singapore, 63 in the United States, and 64 in Japan.²

A snapshot of these trends was recently observed at ten Tadawul Main Market companies that held board member elections in 2025.³ The results revealed a clear movement toward younger board members. Across these companies, the average age fell from 55.5 to 53.9 years, a modest but meaningful refresh. Five boards – Alinma Bank, Bank Albilad, Tasnee, Riyadh Cement, and Astra Industries – showed an even more pronounced downward trend. Overall, the ten boards displayed an average age spread of more than 25 years and typically included at least three generational cohorts.

Age diversity on major Saudi boards

Although publicly available information on the ages (or dates of birth) of Saudi directors is not universally available, it is apparent that many Saudi-listed companies already incorporate meaningful intergenerational breadth on their boards.

In firms such as ACWA Power, Savola, Almarai, and Riyadh Cables, the age difference between the youngest and oldest disclosed directors is typically 20-25 years. Telecom and energy leaders such as STC and Saudi Aramco show slightly narrower but still notable spreads, usually in the range of 15 to 20 years.

Although younger directors under 40 remain rare, these cases demonstrate that Saudi boards are not uniformly "younger" than those in other countries. Instead, many large issuers already operate with multi-generational governance structures that combine mid-career and late-career perspectives. The consistency of these age spans across sectors – energy, telecoms, consumer goods, and industrials – suggests that age diversity is emerging organically, even in the absence of formal disclosure requirements.

¹ Heidrick & Struggles (2023) Board Monitor 2023: Global and Regional Trends in Board Composition. Heidrick & Struggles International, Inc.

² Spencer Stuart (2022–2024) Board Index Series: International Benchmarks in Board Composition. Spencer Stuart, Chicago, IL

³ Alinma Bank, Bank Albilad, Tasnee, Riyadh Cement, Astra Industries, Dar Al Arkan Real Estate, Advanced Petrochemical, Ayyan Investment, Riyadh Cables Group, and Audi Ceramic Co.

Riyadh Cables Group

Riyadh Cables Group Company is one of Saudi Arabia's most prominent industrial manufacturers. Founded in 1984, it now employs more than 3,500 people across multiple production complexes. With annual revenues of roughly USD 2.4 billion and a market capitalization of around USD 5.4 billion, the company has grown from a domestic cable producer into a regional and international supplier serving more than 30 markets.

A defining characteristic of the board is its wide age range, spanning from the early forties to the late sixties. Although the company has not publicly highlighted age diversity as a governance objective, the older directors are likely to bring to the table detailed sector know-how, deep knowledge of manufacturing and commodity price cycles, and longstanding relationships with contractors. The involvement of younger directors can plausibly be associated with its moves toward operational modernization, automation, digital supply-chain tools, and broader export reach.

Recent performance has been marked by revenue expansion, an improved product mix, and greater overseas visibility. This suggests that intergenerational diversity may be contributing to the company's ability to manage the pressures of a maturing industrial business while positioning itself for the global opportunities arising from Saudi Arabia's economic transformation.

Other markets present a more uneven picture. In the United States, the 2024 Spencer Stuart Board Index shows gradual improvement: 14% of newly appointed directors were aged 50 or below, up from 11% the previous year.⁴

The United Kingdom, however, has moved in the opposite direction. The 2024 UK Board Index reports that the share of newly appointed non-executive directors under 50 fell from 12% to just 6%.⁵ More than 90% of UK PLC directors are now above 50. Average board ages have changed little over the past decade.⁶

Overall, the global trend is towards younger, more generationally diverse boards, although progress is occurring faster in some places than others. We now look at whether this matters for corporate governance and organizational performance.

4 Spencer Stuart (2024) US Spencer Stuart Board Index 2024. Spencer Stuart, Chicago, IL.
5 Spencer Stuart (2024) UK Board Index 2024. Spencer Stuart, London.
6 Diligent Institute and Spencer Stuart (2024). Pathways to the Board: Progress and Stagnation in Global Board Diversity. Diligent Institute and Spencer Stuart.



THE EVIDENCE BASE: DOES AGE DIVERSITY MATTER?

The growing interest in generational diversity has prompted a substantial body of empirical and practitioner research examining whether, and under what conditions, age heterogeneity improves governance and performance outcomes.

The findings are nuanced. Age diversity can enhance board effectiveness when it is intentionally managed through strong processes and inclusive chairmanship. But without such conditions, it may lead to friction, interpersonal tension, or diminished performance. The following summarizes the main insights from global research.

Impact on organizational performance

Early evidence from academic studies pointed to modest but meaningful effects. Campbell and Mínguez-Vera's (2008) analysis, although mainly focused on gender diversity, provided one of the first robust demonstrations that broader age heterogeneity correlates with higher firm value.⁷ Subsequent studies confirmed similar patterns. A 2015 study of 205 European listed firms reported a positive association between age diversity and financial returns,⁸ while more recent work on Turkish listed companies produced comparable results.⁹ Practitioner research echoes these themes: a 2018 Boston Consulting Group review found that organizations with more diverse leadership teams – including age diversity – achieved higher profit margins and stronger innovation outcomes.¹⁰

7 Campbell, K. and Mínguez-Vera, A. (2008) 'Gender diversity in the boardroom and firm financial performance', *Journal of Business Ethics*, 83(3), pp. 435–451.

8 Veltrop, D., Hermes, N., Postma, T. and de Haan, J. (2015) 'A tale of two factions: Why and when factional demographic faultlines hurt board performance', *Corporate Governance: An International Review*, 23(6), pp. 613–629.

9 Yasser, Q.R., Al Mamun, A. and Ahmed, I. (2017) 'Board age diversity and firm performance in an emerging market: evidence from Turkey', *Corporate Governance and Sustainability Review*, 1(1), pp. 32–41.

10 Boston Consulting Group (2018) *How Diverse Leadership Teams Boost Innovation*. Boston Consulting Group.

The case of Unilever

Unilever provides an interesting example of how inter-generational age diversity at the board level can underpin strategic decision-making. As one of the world's largest consumer-goods companies, serving billions of consumers across more than 190 countries, it faces constant pressure from digital disruption, shifting consumer behavior, and heightened investor expectations around sustainability and shareholder returns. Its board, whose members span from their early 50s to their early 80s, brings together long-standing global board members and newer directors with modern, transformation-oriented credentials.

At the older end of the age range are figures such as Nelson Peltz (age 83) and Benoît Potier (age 68), whose decades of experience in governance and investor engagement provide the big picture perspective critical to navigating a major strategic reset. Meanwhile, the younger cohort includes directors such as Rong Lu (age 54) and Zoë Yujnovich (age 50), whose backgrounds reflect more recent exposure to digital technologies, innovation, and strategy in rapidly evolving markets.

This generational mix proved valuable during Unilever's recent strategic pivot. The board supported a major "growth action plan," which involved simplifying the organization. The intention was to focus investment on fewer "power brands," and step back from its global ice cream division. This was a significant departure from its legacy structure. The board also oversaw a dramatic leadership transition, removing then-CEO Hein Schumacher and appointing a new CEO in early 2025 in order to accelerate execution.

The younger-generation directors plausibly helped bring a sense of urgency, a digital mindset, and a challenge to established practices. At the same time, the older directors' experience likely lent the board the credibility needed to manage investor scrutiny and regulatory complexity. Together, these generational perspectives have enabled Unilever to modernize its portfolio while managing the strategic risks.

At the same time, the literature also suggests that the link between age diversity on boards and company performance is far from automatic. Rose's (2007) analysis of Danish firms found no statistically significant effect.¹¹ Dagsson's study of Swedish companies identified benefits primarily among SMEs rather than large firms.¹²

Other studies suggest the relationship may be context-dependent, with benefits sometimes disappearing once factors such as industry, board tenure, or ownership concentration are controlled for.¹³ Practitioner studies by Spencer Stuart¹⁴ and McKinsey¹⁵ add further nuance, noting that neither age nor gender diversity automatically improves performance. The benefits appear only when boards actively draw on diverse viewpoints during debate and decision-making.

11 Rose, C. (2007) 'Does female board representation influence firm performance? The Danish evidence', *Corporate Governance: An International Review*, 15(2), pp. 404-413.

12 Dagsson, S. (2011) 'Board diversity and firm performance: evidence from Sweden', Umeå School of Business.

13 Mahadeo, J.D., Soobaroyen, T. and Hanuman, V.O. (2012) 'Board composition and financial performance: uncovering the effects of diversity in an emerging economy', *Journal of Business Ethics*, 105(3), pp. 375-388.

14 Spencer Stuart (2023) *Perspectives on Board Effectiveness: 2023 Insights*. Spencer Stuart.

15 McKinsey & Company (2020) *Diversity Wins: How Inclusion Matters*. McKinsey & Company.

The case of Boeing

Boeing's recent problems illustrate how limited age diversity on a board can contribute to strategic blind spots and weakened oversight.

In the years preceding the 737 MAX crisis (2018/2019), when two fatal plane crashes exposed fundamental flaws in the company's safety culture, Boeing's board was composed predominantly of directors in their 60s and early 70s. Many came from long-established careers in traditional manufacturing industry, defense, or political leadership. While the board members were individually experienced, the board as a whole reflected a narrow generational cohort shaped by earlier eras of aviation and manufacturing.

During this period, Boeing was undergoing a profound technological shift. Aircraft design was becoming increasingly software-driven. Operational risk was more tightly linked to digital systems. The board, however, had very few directors with expertise in software, AI, or digital systems engineering. None were from younger, tech-native generations.

External reviews following the MAX accidents, including the US House Committee investigation, found that the board lacked the diversity of perspective necessary to recognize or challenge cultural pressures, engineering shortcuts, and flawed assumptions embedded in the MCAS flight-control system – the proximate technical cause of both of the crashes.¹⁶

The absence of generational diversity contributed to groupthink.¹⁷ Directors with similar ages and career experiences tended to focus on legacy operational assumptions rather than emerging digital risks. Younger directors or those with contemporary engineering and data backgrounds might have asked different questions about automation, pilot–software interaction, or safety testing protocols.

¹⁶ U.S. House of Representatives, Committee on Transportation and Infrastructure (2020) The Design, Development & Certification of the Boeing 737 MAX. Washington DC.

¹⁷ Expert Panel (2023) FAA Expert Panel Review of Boeing Safety Culture. Federal Aviation Administration.

Impact on board oversight

Academic research has established a more significant link between age diversity and the board's capacity to monitor management. Janahi (2023) found that age-diverse boards were associated with lower earnings management and more rigorous audit committee oversight.¹⁸ Neukirchen (2023) similarly reported that firms with broader age ranges experienced significantly fewer cases of corporate misconduct.¹⁹ She attributed this pattern to a "challenge mechanism," whereby younger directors are more willing to probe assumptions and resist the complacency that can develop among long-tenured directors.

Turning to the practitioner evidence, a 2023 PwC Netherlands review of more than 11,000 European companies found that boards with an age span of roughly 20–25 years represented a "sweet spot" for diversity.²⁰ This was diverse enough to avoid groupthink and inject new perspectives, yet cohesive enough to make high-quality decisions. Boards with narrower spans tended toward conformity. Those with excessively wide age spans sometimes faced coordination or communication challenges. Reports from Korn Ferry²¹ and McKinsey²² similarly note that intergenerational boards tend to identify emerging risks earlier, provided that the chair actively integrates younger directors into substantive debate.

Impact on innovation

In the domains of innovation, the evidence favoring age diversity is also relatively compelling. Boards with younger or generationally diverse members appear more adaptive in fast-changing sectors. Katsiampa (2024) found that public FinTech firms with younger or more generationally diverse boards achieved stronger market performance and faster product innovation.²³ Huang et al. (2025) identified similar patterns in Chinese companies undergoing digital transformation.²⁴

Impact on ESG

There is also growing evidence that age-diverse boards support stronger sustainability and ESG outcomes. Several recent European studies show that boards with broader age ranges produce more transparent sustainability disclosures.²⁵ Younger directors often bring pro-sustainability values and familiarity with stakeholder expectations. Older directors contribute institutional memory and reputational caution. Together, they foster more balanced and long-term perspectives on climate risk and societal impact.

18 Janahi, A. (2023) Board age diversity and financial reporting quality in U.S. commercial banks. Working paper, University of South Florida.

19 Neukirchen, D. (2023) The challenge mechanism: how age diversity shapes board oversight and misconduct outcomes. SAFE Working Paper No. 369. Leibniz Institute for Financial Research SAFE, Frankfurt.

20 PwC Netherlands (2023) Board Composition and Diversity in Europe 2023. PwC Netherlands, Amsterdam.

21 Korn Ferry (2022) Future of Governance: Leadership and the Multigenerational Board. Korn Ferry Institute.

22 See above.

23 Katsiampa, P. (2024) Generational diversity, innovation intensity and performance in listed FinTech firms. Working paper, University of Leeds.

24 Huang, Y., Zhang, L. and Wei, J. (2025) Board generational diversity and digital transformation outcomes: Evidence from Chinese listed companies. Forthcoming, Journal of Management Science.

25 Akpan, E.O. (2021) 'Board demographic diversity and environmental, social and governance (ESG) performance: Evidence from European listed firms', Corporate Social Responsibility and Environmental Management, 28(4), pp. 1235–1248.



Sectoral and cultural factors

Sector and cultural context further shape how age diversity effects play out. Generational diversity appears to have the greatest impact in dynamic, technology-intensive industries such as ICT, media, pharmaceuticals, and financial services.²⁶ In heavily regulated sectors, such as banking, utilities, and defense, the impacts are more muted.²⁷

Cultural norms matter as well. In high power-distance environments, including parts of Asia and Latin America, formal age diversity may coexist with informal deference to senior figures, limiting the influence of younger directors unless the chair intervenes actively.²⁸

Taken together, the evidence suggests that age diversity is not a panacea. Its benefits arise when boards intentionally harness generational differences in attitudes, experience, and expertise. When well-managed, age diversity supports improved performance, stronger monitoring, more balanced strategic thinking, higher innovation capacity, and more credible ESG oversight. When poorly managed, age diversity may actually be counterproductive.

26 Ruigrok, W., Peck, S. & Tacheva, S. (2007) 'Nationality and gender diversity on Swiss boards: empirical evidence', *Corporate Governance: An International Review*, 15(4), pp. 546–557.

27 Pathan, S. & Faff, R. (2013) 'Does board structure matter? Evidence from emerging market banks', *Journal of Banking & Finance*, 37(8), pp. 2850–2862.

28 Li, J. & Harrison, J.R. (2008) 'National culture and the composition and functioning of boards of directors', *Corporate Governance: An International Review*, 16(5), pp. 375–385.

THE VIEW FROM THE BOARDROOM

Many senior leaders recognize the potential value of age diversity as a source of renewal and relevance. Yet they also express caution about how such diversity is introduced, managed, and sustained. Conversations with directors across Saudi Arabia, the wider GCC, and other major markets revealed a continuum of attitudes. These ranged from enthusiastic advocacy to pragmatic skepticism.

For advocates, the argument is simple. Generational diversity keeps boards alert to a world that is changing fast. As one UK director put it:

“If everyone around the table is from the same era, you’re already behind. Younger directors spot things the rest of us miss.”

To these advocates, age diversity is not cosmetic. It’s about better thinking. As one long-serving UK non-executive director said:

“I don’t want diversity for the photo. I want diversity because it changes how we think. Age is part of that.”

Others take a more pragmatic view. They value renewal but resist treating age as a performance metric in itself. A logistics-sector director summed up this perspective:

“It’s not young versus old. It’s about whether someone at any age has curiosity and a bit of courage. I’ve seen 35-year-olds who act like old hands and 70-year-olds who think like start-up founders.”

The message is clear: diversity of thought, not demographics, is what counts.

Many in this group argue that generational diversity should emerge naturally when boards search for the right skills. This pragmatic camp prefers steady, planned refreshment rather than rapid turnover, treating age as one factor in a broader mix that includes independence, industry knowledge, and cultural fit. Directors in this group also emphasize onboarding and mentorship. A European audit-committee chair observed:

“Bringing in someone in their thirties with no board experience is risky. It works only if the chair invests time. Otherwise, they’ll sit silent for months.”

A Norwegian director made the same point:

“We didn’t look for someone young. We looked for digital skills. It happened that the person was young.”

Examples like these show that effective boards pursue generational balance through capability-building.

At the cautious end of the spectrum are directors who worry that enthusiasm for youth may undervalue hard-won experience. Their concern is not anti-diversity but grounded in risk management. As one Saudi director said privately:

“This is not the place for on-the-job training. With the scrutiny we’re under, you need people who’ve been through real decisions and real consequences.”

Similar caution is evident in mature markets. The UK Board Index 2024 reported that many companies are deliberately seeking older non-executive directors to navigate geopolitical and regulatory uncertainty. As one FTSE 100 director put it:

“We’re hiring for judgment, not youth. You can buy digital expertise. You can’t buy judgment.”

Between the advocates and the sceptics sits a middle ground. These directors see generational diversity not as a trend or a threat, but as something that must be designed and managed, much like any other skills mix. A UK company chair explained:

“Generational diversity works when you treat it like any other capability. We pair a seasoned director with a newer one on each committee. Both sides learn. It’s not about swapping generations; it’s about connecting them.”

Some chairs now use reverse-mentoring, with younger directors explaining digital and social trends while senior directors provide governance judgment and institutional memory.

Across this spectrum of views, there is a point of agreement. Few directors question the value of generational diversity in principle. Instead, they see its success as dependent on how well it is managed. Boards that make generational diversity work create environments where curiosity, respect, and challenge flow across ages and tenures. As one chair concluded:

“You don’t need a board of young people or a board of old people. You need a board that can argue properly across generations. A good board is like an orchestra. It has different instruments, different notes, but one sound.”

HOW GENERATIONAL DIFFERENCES CAN IMPAIR BOARD DYNAMICS

Board dynamics refers to the behavioral patterns that shape how directors interact. Generational diversity adds another layer to these dynamics. Directors from different age cohorts often bring distinct social norms, communication styles, and assumptions about authority and decision-making. These differences can enhance deliberations by broadening perspectives. But if left uncoordinated, they can just as easily hinder the board's collective performance.

A growing body of research shows that intergenerational friction is common within organizations. Studies repeatedly find that employees from different age groups report disagreements over work styles, expectations, and values.

For example, a 2019 survey by recruitment firm Robert Walters found that 59% of workers had experienced intergenerational conflict at work.²⁹ Similarly, Randstad's 2018 global survey reported that 38% of employees found it difficult to interact with colleagues of different age groups.³⁰

Although most of this evidence comes from employee populations rather than boards, there is little reason to assume that boardrooms are exempt from the same underlying tensions. In fact, the high-stakes, high-judgement nature of board decisions may amplify their effects. This section explores three behavioral patterns that commonly arise in generationally mixed boards. Each can undermine decision quality and cohesion if not properly managed.

29 Robert Walters (2019) Generations at Work: Managing the Multigenerational Workforce. Robert Walters Group.

30 Randstad (2018) Randstad Workmonitor 2018: Global Report. Randstad Holding NV.



Younger-generation directors: a reluctance to challenge

The first pattern concerns the tendency of younger directors to hold back from questioning established views or challenging dominant opinions. In practice, this may appear as silence in meetings, hesitancy to raise alternative scenarios, or limited participation in strategic debate. Behavioral science consistently shows that boards and teams perform better when challenge and dissent are encouraged.³¹ Hence, a lack of constructive challenge weakens decision quality.

Two psychological mechanisms often underpin this reluctance. Respect and deference play an important role in collectivist or hierarchical cultures. Many younger professionals have been socialized to show deference to senior figures and to avoid behaviors that might be perceived as confrontational. The result is that politeness and respect can inadvertently be interpreted as acquiescence.

A second driver is assumptive stereotyping. Younger directors may have developed biased perceptions of their senior colleagues.

They may assume that older directors are dismissive of new ideas, or that they believe experience automatically outweighs youthful perspectives. Anticipating rejection, they may withhold potentially valuable contributions.

Such assumptions are sometimes grounded in the broader discourse around “generational cohorts.” Western research commonly distinguishes between the Traditionalists (born before 1945), Baby Boomers (1946–64), Generation X (1965–83), Generation Y/Millennials (1981–96), and Generation Z (after 1997).³² These categories can be useful topics for journalistic articles, but they are also prone to overgeneralization and cultural bias.³³ Common stereotypes, such as Millennials being less loyal or Boomers being resistant to change, are rarely supported by robust evidence.³⁴ Also, the social and economic milestones defining these cohorts primarily arise from Western societies. In other regions, including the Middle East, different historical and societal events have shaped workplace attitudes. When younger directors internalize these stereotypes, they may presume their older colleagues “won’t understand” or “won’t agree,” thereby silencing themselves.

CASE FROM PRACTICE

A younger generation director expressed in a board assessment interview his perception of the digital skills of his fellow board directors. He observed a gap between his ease of working online and some older generation directors, stating: “seriously, they can’t even create a pdf”.



31 DeGrassi, S. W., Morgan, W. B., Walker, S. S., Wang, Y. I., & Sabat, I. (2012). Ethical decision-making: Group diversity holds the key. *Journal of Leadership, Accountability and Ethics*, 9(6), 51-65.; Walumbwa, F. O., & Schaubroeck, J. (2009). Leader personality traits and employee voice behavior: mediating roles of ethical leadership and work group psychological safety. *Journal of applied psychology*, 94(5), 1275.

32 Muñoz-Torres, M.; Ferrero-Ferrero, I. & Fernandez-Izquierdo, M. (2015). Age Diversity: An Empirical Study in the Board of Directors. *Cybernetics & Systems*, 46, 249-270.; Pew Research Center (2023). 5 tips to remember when you hear about Gen Z, Millennials, Boomers and other generations | Pew Research Center; Harvard Business School (2020). *Unlocking-the-Benefits-of-Multigenerational-Workforces_Aug-2020.pdf*

33 Akhavan Sarraf, Ahmad Reza. (2019). Generational Groups in Different Countries. 4. 41-52. 10.5281/zenodo.2562175.

34 May 2020 Financial Times: The other 5G: learning to lead the five-generation workforce

Older-generation directors: a tendency to communicate defensively

Older directors provide continuity, contextual understanding, and the ability to integrate innovation within broader strategic and risk frameworks. However, behavioral tensions can arise when boards appoint younger directors with deep expertise in emerging fields such as artificial intelligence, cybersecurity, or sustainability. Some older directors may respond with defensive communication, a pattern that can subtly erode open dialogue.

Defensive communication may surface as dismissive or resistant responses. For example, remarks such as “we have discussed that before”. Or as more subtle behaviors, such as withdrawing from discussion or downplaying others’ contributions.

Several underlying behavioral factors can explain why defensive communication emerges in board settings. Status and identity protection often play a powerful role. Serving on a board can be viewed not merely as a professional duty but as a core part of a director’s identity. When individuals sense that their relevance or authority is being questioned, they may instinctively defend their standing by asserting control or dismissing alternative viewpoints.

This impulse is reinforced by status quo bias. This is the natural preference for established approaches over novel or untested ideas.³⁵ Directors who have successfully navigated past cycles of change may grow attached to familiar ways of working, viewing them as proven pathways rather than outdated habits.

Finally, overconfidence and experience bias can intensify these reactions. As Daniel Kahneman famously observed, overconfidence is the “mother of all biases”.³⁶ It leads people to overestimate the validity of their own judgments relative to those of other people.³⁷ In the boardroom, long tenure and accumulated experience can make this tendency even stronger, as directors unconsciously equate their past success with present infallibility. The more highly their expertise is valued, the more threatening a new or contradictory perspective may appear.

Together, these biases can generate resistance to change precisely when the board most needs to learn and adapt. If unchecked, defensive communication by senior members may discourage younger directors from contributing, creating a reinforcing loop of silence and dominance.

The danger of generational in-grouping

The third pattern concerns a breakdown in collaboration due to generational subgrouping. Boards are small social systems, and like any group, they can fragment along visible characteristics: gender, nationality, or, in this case, age. When directors preferentially interact with others of their own generation, the board’s information flow becomes uneven, and collective judgment suffers.

This can occur consciously or unintentionally. For instance, in one observed case, older directors continued a strategic discussion informally after hours amongst themselves. Whether deliberate or simply habitual, such behavior can leave younger colleagues excluded from critical context and weaken trust within the group.

35 Samuelson, W., & Zeckhauser, R. J. (1988). Status Quo Bias in Decision Making. *Journal of Risk & Uncertainty*, 1, 7-59.

36 Kahneman, D. (2011). *Thinking, Fast and Slow*. London: Penguin.

37 Moore, D.A. and Healy, P.J. (2008). The Trouble with Overconfidence. *Psychological Review*, 115 (2), 502.; Bazerman, M. & Moore, D.A. (2012). *Judgment in Managerial Decision Making*, 8th edition. Wiley & Sons.

CASE FROM PRACTICE

During a board evaluation, directors were invited to reflect on a key decision made the previous year: the appointment of a new Chief Information Officer to the organization's executive committee. The discussion revealed a generational divide in perspectives.

The board included three older-generation and two younger-generation directors, who held contrasting views on the ideal candidate. The younger directors supported promoting an internal talent – an ambitious and innovative manager who, in their view, understood the organization's digital priorities and culture. The older directors, by contrast, favored appointing a seasoned external executive who could bring broader industry experience, organizational sensitivity, and long-term strategic vision to the role.

As deliberations continued, the older directors held an informal evening call among themselves to exchange additional information about the candidates – details that were not shared with their younger colleagues. Ultimately, the board endorsed the external candidate. While the appointment was justified on experience grounds, the process left the younger directors feeling excluded from the final stage of decision-making. They perceived the outcome as procedurally unfair and believed that their contributions had carried less weight in shaping the board's collective judgment.

Social psychology helps explain this behavior. According to similarity-attraction theory, people tend to feel more comfortable with others who share similar backgrounds or views.³⁸ These interactions confirm their own perspectives and make communication easier. In boardrooms, this can lead to the formation of small, informal groups. For example, older directors share past experiences mainly among themselves, while younger directors exchange newer ideas, leading to less interaction and learning across generations.

The related concept of social categorization explains how people classify others as "in-group" or "out-group" members based on salient characteristics, such as age.³⁹ People typically attribute individuality and nuance to members of their own group ("people like us"), while perceiving those in other groups as uniform or interchangeable.

In boards, this may translate into subtle patterns of favoritism, selective listening, or reduced trust across age lines. These effects can be highly detrimental to team effectiveness and psychological safety, especially when strategic decision-making depends on integrating multiple perspectives.⁴⁰

38 Byrne, D. E. (1971). The attraction paradigm (Vol. 11). Academic Pr.

39 Tajfel, H., & Turner, J. C. (1979). An integrative theory of inter-group conflict. In W. G. Austin & S. Worchel (Eds.); Knippenberg, A. van, & Ellemers, N. (1990). Social Identity and Intergroup Differentiation Processes. *European Review of Social Psychology*, 1(1), 137–169.

40 Homan, A. C., Hollenbeck, J. R., Humphrey, S. E., van Knippenberg, D., Ilgen, D. R., & van Kleef, G. A. (2008). Facing differences with an open mind: Openness to Experience, salience of intra-group differences, and performance of diverse groups. *Academy of Management Journal*, 51, 1204-1222.



MANAGING AGE DIVERSITY FOR OPTIMAL PERFORMANCE

How can these issues be addressed and overcome? The first step is diagnostic. Before a board can manage generational differences effectively, it must understand how those differences influence its own patterns of interaction. A practical entry point is the board evaluation process. When evaluations focus on dynamics, they can uncover hidden patterns that influence decision-making, communication, and collaboration.

This approach relies less on surveys and more on open, reflective conversation. Through confidential interviews with directors and senior executives, evaluators can explore how dissent is handled, whose views carry the most weight, and how sensitive issues or past failures are discussed. They can also examine whether unspoken divides – generational, hierarchical, or tied to particular areas of expertise – influence how information and influence move around the table.

As described earlier, a chair who notices a younger director's reluctance to question colleagues can use a behaviorally focused evaluation to uncover the reasons behind that silence. This, in turn, helps identify practical steps that support fuller participation in future meetings. Once a board understands its internal dynamics, it can begin addressing the subtle behaviors that limit the benefits of generational diversity. This is not about running abstract culture-building exercises. It is about embedding inclusion into everyday governance processes and managing them with the same rigor applied to audit, risk, or compliance.

The following section offers practical suggestions on how the board, and especially the chair, can manage generational diversity effectively. A checklist summarizing these recommendations is provided in the Appendix.



New communication channels

Many younger directors may hesitate to question senior members or disrupt group harmony. Boards can ease this tension in practical ways. Providing several channels for sharing ideas, such as follow-up notes, digital chats, or email exchanges, makes it easier for quieter members to contribute.⁴¹ As Lindsey Pollak has observed, giving people different avenues for input acknowledges their varying comfort levels.⁴² In some boards, the chat function in virtual meetings has become unexpectedly valuable because it captures thoughtful ideas without interrupting the discussion.



Listening with empathy

A strong listening culture is important. Simple acknowledgements such as “I see your point” or “Let’s explore that” signal that dissent is welcome. When directors notice that disagreement leads to constructive exploration rather than dismissal, psychological safety grows. The chair plays a central role by encouraging curiosity, inviting quieter voices into the conversation, and ensuring that “respect” does not become a reason for silence.⁴⁴



Sharing tasks

Some boards use role-exchange exercises, asking directors to argue from another generation’s perspective during strategy discussions. When an older director takes on the role of a “future generation advocate,” it humanizes younger viewpoints and exposes blind spots. Cross-generational workshops and joint problem-solving sessions can achieve similar results. Research shows that shared tasks and equal status are powerful antidotes to stereotyping.⁴³



Shared learning

More experienced directors may feel defensive when confronted with unfamiliar digital or social topics. This defensiveness often stems from insecurity or knowledge gaps. Boards can respond by investing in shared learning. Briefings, site visits, and short sessions on emerging issues, including artificial intelligence, cybersecurity, and ESG, help establish a common baseline of understanding. Reverse mentoring is especially effective. Younger directors explain newer technologies and trends, while senior colleagues provide governance judgment and institutional insight.⁴⁵ During the pandemic, an arrangement at Rutgers Business School allowed younger faculty to train senior professors in online teaching. The experience demonstrated how mutual learning strengthens respect and reduces tension.⁴⁶

41 Sunstein, C.R. & Hastie, R. (2015). *Wiser: Getting beyond groupthink to make groups smarter*.

42 Pollak, L. (2019). *The Remix: How to Lead and Succeed in the Multigenerational Workplace*.

43 Galinsky, A.D. & Moskowitz, G.B. (2000). “Perspective-taking: Decreasing stereotype expression, stereotype accessibility, and in-group bias.” *Journal of Personality and Social Psychology*.

44 Kakabadse, A., Kakabadse, N. & Kouzmin, A. (2001). “Board governance and chairmanship.” *Corporate Governance: An International Review*.

45 Murphy, W.M. (2012). “Reverse mentoring at work: Fostering cross-generational learning and developing millennial leaders.” *Human Resource Management*.

46 Berman, S. & Choi, J. (2021). “Reverse mentoring in higher education: Lessons from the pandemic.” *Rutgers Business Review*.



Director education

Younger directors also benefit from widening their focus beyond their technical expertise. Participation in governance education or board-readiness programs helps them develop a more holistic understanding of enterprise oversight. Boards are most effective when they move from a collection of specialists to a collective of directors.⁴⁷



Cultivating shared identity

Boards can also cultivate a shared identity. Reminding members that their primary role is to serve as “the board of this company” shifts the focus away from generational labels.⁵¹ Governance design can reinforce this by ensuring that subcommittees mix ages and backgrounds rather than cluster along demographic lines.⁵²



Prioritizing openness to experience

Nomination committees have a role to play. They can prioritize openness to experience when recruiting, a trait that forms one of the five components of the Five-Factor Personality Model and can be assessed psychometrically.⁴⁸ Directors who display curiosity, adaptability, and comfort with ambiguity are more likely to respond constructively to differing viewpoints and less likely to react defensively.⁴⁹



Equality of treatment

Visible inequities can undermine inclusion. Pay gaps or unequal access to information reinforce hierarchy and weaken participation. Ensuring equal access to information and aligning remuneration helps signal equal status and mutual accountability.⁵³ Tenure can be used constructively too. An experienced younger director may mentor a newly appointed older member. When handled well, these reciprocal relationships strengthen respect and collaboration.



Managing meeting contributions

To counteract the tendency to establish age-related subgroups, inclusivity should be built into board procedures. Chairs can ensure that every director speaks on each major item, sometimes by reversing the order of seniority or assigning rotating discussant roles. This prevents small coalitions from dominating.⁵⁰



Cross-categorization

Finally, boards can reduce the risk of exclusion by appointing directors who differ from one another on multiple dimensions, not just age. This creates cross-categorization, where differences in age, nationality, gender, or professional background overlap rather than align. When directors belong to several categories at once, it becomes harder for any single distinction – such as generation – to dominate. As a result, perceptions of “us versus them” weaken, and generational subgrouping is less likely to take hold.⁵⁴

47 Roberts, J., McNulty, T. & Stiles, P. (2005). “Beyond agency conceptions of the work of the non-executive director.” *British Journal of Management*.

48 John, O.P. & Srivastava, S. 1999, ‘The Big Five trait taxonomy: History, measurement, and theoretical perspectives’, in L.A. Pervin & O.P. John (eds), *Handbook of Personality: Theory and Research*, 2nd edn, Guilford Press, New York, pp. 102–138.

49 Kellett, J.B. (2007). “Trait openness to experience and leadership effectiveness.” *Leadership Quarterly*.

50 Roberts, J. (2002). “Building the complementary board: The work of the chair and CEO.” *Long Range Planning*.

51 Kane, G.C. et al. (2019). “Digital maturity, teamwork, and collective identity.” *MIT Sloan Management Review*.

52 Bezrukova, K., Jehn, K.A. & Spell, C.S. (2012). “Faultlines and performance in diverse groups.” *Group Processes & Intergroup Relations*.

53 Bunderson, J.S. (2003). “Recognizing and utilizing expertise in work groups.” *Administrative Science Quarterly*.

54 Crisp, R.J. & Hewstone, M. (1999). “Differentiated person perception: The role of multiple categorization in social identity.” *Personality and Social Psychology Review*.

A PROPOSAL FOR POLICY MAKERS IN SAUDI ARABIA

Issues relating to gender diversity have dominated the diversity policy debate internationally over the past decade. However, age diversity remains largely unexplored as a policy domain.

Across major markets, disclosure of directors' ages remains inconsistent, reflecting wide variation in legal requirements and regulatory expectations. In most jurisdictions, companies are not legally obliged to publish the ages of board members in their annual reports, although many choose to provide this information voluntarily as part of broader biographical disclosures. China is the main exception: its regulatory reporting standards explicitly require all listed companies to disclose the age of every director in their annual reports.⁵⁵

In the United States, SEC rules mandate age disclosure for all directors and nominees in the proxy statement circulated ahead of the AGM, but this information does not have to appear in the annual report itself.⁵⁶ India follows a similar pattern: age must be disclosed for directors standing for appointment or reappointment in AGM documents, but there is no requirement for full annual-report disclosure.⁵⁷ South Africa's King IV Code recommends that integrated reports include the age of each board member, yet this remains a recommended practice rather than a binding obligation.⁵⁸ In Hong Kong, age disclosure is compulsory at the IPO stage, though not mandated in ongoing annual reporting. Singapore imposes no age-specific disclosure rule, despite widespread voluntary reporting.⁵⁹

55 China Securities Regulatory Commission (2021) Administrative Measures for the Information Disclosure of Listed Companies. Beijing: CSRC; China Securities Regulatory Commission (2021) Annual Report Disclosure Guidelines for Listed Companies. Beijing: CSRC.

56 U.S. Securities and Exchange Commission (2023) Regulation S-K, Item 401: Directors, Executive Officers, Promoters and Control Persons. Washington, DC: SEC.

57 National Stock Exchange of India (2023) Circular: Filing of Corporate Governance Report (NSE/INSP/57241), 10 April. Mumbai: NSE.

58 Institute of Directors in Southern Africa (IoDSA) (2016) King IV Report on Corporate Governance for South Africa 2016. Johannesburg: IoDSA.

59 Hong Kong Exchanges and Clearing Limited (2023) HKEX Listing Rules, Rule 13.51(2). Hong Kong: HKEX.

In Saudi Arabia, Tadawul-listed companies take varied approaches. Some include directors' ages or birth years as part of their board biographies, while others limit disclosures to qualifications and career history, with no generational information. Because the Corporate Governance Regulations do not require age disclosure, market practice is uneven and investors often face meaningful gaps when trying to assess the generational composition of Saudi boards.

Saudi Arabia has an opportunity to lead globally in embedding generational diversity into its corporate governance policy framework. Few markets are as well-positioned to do so. The Kingdom's young demographic profile, its forward-looking policy environment, and its maturing governance system together create a natural platform for shaping the next phase of board evolution.

To strengthen transparency and support more effective board practices, we propose that listed companies be required to disclose the generational profile of their boards as part of their annual report's corporate governance section. This disclosure need not necessarily require naming individual directors' ages. Instead (or in addition), companies could report aggregated, non-identifying information, such as:

- The age range of the board (e.g., youngest and oldest director).

- The distribution of directors across relevant age bands (e.g., <45, 45–55, 56–65, >65).

- The average and median director age.

Such a disclosure of age ranges, which already appears in the annual report of Saudi Aramco, would help investors, regulators, and nomination committees assess whether boards have a balanced mix of experience and future-oriented capabilities.

A second step would be to expand existing board evaluation frameworks, already widely used in Saudi Arabia, to explicitly consider generational dynamics. External assessors or internal evaluators should examine how effectively boards ensure participation across age groups, how they handle generational dialogue, and how the chair fosters inclusive debate.

A third step is to broaden the pipeline of next-generation directors. Many younger professionals possess the expertise boards increasingly need in areas such as technology, sustainability, data management, and stakeholder engagement.



However, they often lack the governance experience required for board appointments. To address this, government agencies could work with the Center for Governance to establish a NextGen Board Readiness Program, a structured national initiative for emerging leaders aged 30 to 50. The program would create a recognized pool of board-ready candidates, thereby giving nomination committees confidence to diversify without lowering standards.

Regulators could also encourage boards to support a structured generational mentoring scheme. Pairing younger directors with experienced members facilitates two-way learning. Newer directors gain insight into corporate judgment and governance responsibility, while senior directors gain first-hand exposure to digital trends and generational expectations. When formalized, these arrangements turn generational differences into a source of board learning rather than a source of tension.

Institutional investors and proxy advisers have an important reinforcing role. By incorporating generational diversity indicators into stewardship codes and governance ratings, they can recognize and reward companies with balanced, forward-looking board compositions. ESG analysts already track gender diversity and independence; adding age diversity would be a natural next step.

Internationally, some precedents exist, though none are fully developed. Singapore's Code of Corporate Governance encourages consideration of age and experience.⁶⁰ The UK's Corporate Governance Code highlights the importance of age diversity in succession planning.⁶¹ The EU's Corporate Sustainability Reporting Directive identifies generational inclusion as a component of social capital.⁶² Yet no jurisdiction has established a comprehensive framework for the disclosure and encouragement of intergenerational governance. Saudi Arabia could be the first to do so, setting a global benchmark.



⁶⁰ Monetary Authority of Singapore (MAS) 2018, Code of Corporate Governance, MAS, Singapore.

⁶¹ Financial Reporting Council (FRC) 2024, UK Corporate Governance Code, FRC, London.

⁶² European Commission 2022, Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive, Official Journal of the European Union, Brussels.

CONCLUSION

Age diversity is one of the most underutilized assets in corporate governance. When managed well, it gives boards a genuine competitive edge by widening the range of perspectives in strategic discussions, sharpening foresight, and strengthening collective intelligence. In economies such as Saudi Arabia's, where youth, innovation, and reform are advancing in parallel, it also offers a direct way to align governance practice with national strengths and long-term economic ambition.

Age diversity on its own, however, is not enough. Without conscious management, generational differences can just as easily weaken as enhance board performance. This paper has highlighted three behavioral patterns that may undermine effectiveness. Boards that wish to realize the full value of age diversity must therefore understand their own dynamics and seek to actively shape them.

From a policy standpoint, Saudi Arabia is uniquely positioned to lead the age diversity agenda. Its youthful population, advanced governance framework, and strong institutional anchors, including the CMA, the Ministry of Commerce, and the Center for Governance, create ideal conditions for embedding generational diversity as a core governance principle and disclosure requirement.

Ultimately, generational diversity is not just a demographic byproduct but a governance resource. It strengthens a board's ability to balance renewal with continuity, innovation with prudence, and ambition with accountability. For policymakers, it offers a timely opportunity to turn demographic advantage into governance leadership.





APPENDIX

Boardroom Checklist: Leveraging Generational Diversity

Purpose: A one-page self-assessment for chairs, nomination committees, and directors to evaluate how effectively their board manages and benefits from generational diversity.

1. Composition & Succession

Goal:

Ensure the board's structure reflects both experience and renewal.

- Maintain a meaningful age span (\approx 20–25 years) between the youngest and the oldest directors.
- Publish annual age-profile disclosure (5-year bands) with a short narrative on its strategic value.
- Ensure the Nomination Committee considers age balance and succession planning.
- Maintain a NextGen pipeline.

2. Dynamics & Behaviour

Goal:

Strengthen communication, challenge, and psychological safety.

- Balanced participation across generations – no dominant voices or silent members.
- Younger directors feel able to challenge constructively.
- Senior directors demonstrate openness to new perspectives and technology.
- Defensiveness recognized and addressed respectfully.
- Atmosphere of psychological safety where disagreement is welcomed.

3. Leadership & Meeting Practice

Goal:

Foster inclusive, well-facilitated decision-making.

- Chair ensures all directors contribute equally.
- Meetings and retreats mix generations to strengthen informal rapport.
- Include brief learning sessions on emerging topics (AI, ESG, digital risk).

4. Mentoring & Development

Goal:

Turn generational difference into two-way learning.

- Establish reverse-mentoring pairs (younger \leftrightarrow older).
- Provide tailored induction for new or younger directors on the governance context and board culture.
- Encourage continuous learning for all directors.

5. Evaluation & Improvement

Goal:

Embed reflection and adaptation.

- Include generational dynamics in board evaluations.
- Translate findings into clear follow-up actions and monitor progress.
- Review generational balance and report annually.

6. Culture & Collaboration

Goal:

Build unity, fairness, and inclusion.

- Promote a shared “one-board” identity that transcends age or tenure.
- Mix committees by age, gender, and background to prevent subgrouping.
- Ensure equal access to information, remuneration, and visibility.



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ABOUT THE CENTER FOR GOVERNANCE

The Center for Governance was established by the Public Investment Fund (PIF) in 2020, and is dedicated to enhancing corporate governance capabilities and know-how in Saudi Arabia and beyond. We are a catalyst for governance excellence in the Kingdom, delivering practical solutions that elevate standards, build trust, and foster societal progress.

Our work spans the public, private, and non-profit sectors in three core areas:

- We undertake board evaluations for all kinds of entities, and provide advisory services relating to governance, risk, and compliance.
- We design and deliver development programs aimed at board members, the C-Suite, and governance professionals.
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