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Influence Of The Chronological Age And Managerial Tenure To The Management Style

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Abstract
According to upper echelons theory, the observable traits of top executives, like age and tenure, systematically influence their leadership style and strategic decisions. However, there is still conflicting data regarding how a CEO`s years in office and biological age affect risk-taking, management style and organizational effectiveness. Although these effects are small and influenced by culture and industry, meta-analytic data based on more than 160 primary studies indicates that elder leaders are typically seen as less transformational, less transactional and more passive. When it comes to investment plans, innovation and leverage elder CEOs generally show less risk-taking and frequently put stability ahead of rapid expansion. Research on closely owned companies demonstrates that while the likelihood of survival rises, firm growth and profitability decrease as CEOs get older. Research on tenure reveals non-linear patterns: whereas very lengthy tenure might be related with strategic rigidity or "staleness in the saddle" early and mid-tenure are frequently linked to strategic experimentation, risk-taking and improved environment-strategy fit. According to recent evaluations, tenure should be viewed as a dynamic life-cycle process rather than a single linear predictor.
Keywords: CEO, age, leader age, tenure, management style, psychology.

1. Introduction

Modern theories of strategic leadership place a strong emphasis on executive traits. According to the upper echelons idea, organizations are mostly a reflection of the values of their top managers. There for two of the most reliable and visible CEO traits are managerial tenure (years spent in a specialized leadership capacity, capturing firm-specific expertise and power accumulation) and chronological age (a proxy for life-cycle stage and collected general experience).

Practically speaking, boards, investors and governance authorities are increasingly questioning whether younger or older CEOs are more suited for tumultuous conditions, creative initiatives or turnaround situations as well as how long a CEO should legitimately serve before performance deteriorates. These issues have quantifiable effects on risk-taking, investment in innovation, environmental and social policies, succession planning and ultimately business value, making them more than just normative.

However, age and tenure may influence CEOs` decisions as well as their leadership style according to psychological and sociological viewpoints. Employee commitment, corporate culture and change preparedness are all impacted by leadership style, which is frequently categorized as transformational, transactional or passive/laissez-faire under the Full-Range Leadership Model. For a comprehensive explanation of management behavior, it is therefore essential to comprehend the relationship between different types and the age and deration of leaders.

Results on age, tenure and management style are still scattered across disciplinary boundaries despite an increasing number of empirical investigations. Organizational psychologists investigate perceived leadership style and age stereotypes in the workplace, management experts concentrate on strategic transformation and performance life cycles, and finance scholars highlight risk-taking and investment strategies. The current article integrates these lines of research with three objectives: (a) to review the literature on CEO tenure, strategic behavior and performance life cycles; (b) to summarize current evidence on the relationship between CEO age and leadership style, risk taking and firm performance; and (c) to highlight conceptual distinctions and interactions between age and tenure that are frequently confused in empirical work.

Literature review

The demographic characteristics of CEOs have a consistent impact on organizational performance, strategic decision-making and leadership behavior, according to research on executive characteristics. Among these characteristics, two of the most reliable but conceptually different indicators of executive conduct are management tenure and chronological age (Hambrick & Mason, 1984). Age and tenure are sometimes used interchangeably, but they represent distinct organizational and psychological processes, thus they need to be taken into account separately but in tandem.

Organizational psychology research shows a consistent relationship between perceived leadership style and leader age, According to a comprehensive meta-analysis by Tomova Shakur et al. (2024), there is a positive correlation with passive or laissez-faire leadership and a slight but constant negative correlation between leader age and both transformational and transactional leadership. Contextual considerations and rater perspective reduce these effects: older leaders tend to asses their own leadership more favorably than their followers, which reflects age-related attribution biases that have been shown in the workplace (Ng & Fledman, 2010).

CEO age is linked to less strategic risk-taking, according to research from corporate finance and strategic management. According to Serfling (2014), older CEOs tend to pursue more diverse strategy. Less R&D expenditure and less financial leverage. CEO aginf is associated with lower growth and profitability but higher firm survival, according to studies of privately held companies. This suggests a move away from expansion-oriented tactics and toward stability and preservation (Belenzon et al. 2019). These tendencies seem to rely on the situation; conservative leadership may encourage short-term performance in stable or highly regulated contexts (Han, 2024).

CEO tenure, as opposed to age, reflects the changing dynamic between a leader and a particular organization. According to the “seasons of tenure” approach (Hambrick & Fukutomi, 1991), tenure is a dynamic process where early experimentation and strategic shift may give way to convergence and occasionally, rigidity. Non-linier relationships between tenure and performance are commonly found in empirical research, with mid-tenure CEOs demonstrating more strategic initiative than those with very short or long tenures (Miller,1991; Simsek, 2017). In contrast to a single linear effect, integrative evaluations highlight that tenure represents a variety of mechanisms, such as firm-specific human capital, power accumulation and cognitive entrenchment (Darouichi et al., 2021).

Age and tenure have different effects on leadership behavior, notwithstanding their correlation. Tenure indicates firm-specific learning and embeddedness, while age mostly reflects life-span changes in time perspective and risk preferences. Empirical study on their relationship is still lacking. The literature generally indicates that CEO age and tenure influence strategic behavior and leadership style in methodical but context-dependent ways, highlighting the significance of integrated executive research frameworks.

Methodology

Instead of a technically reregistered systematic review, this publication delivers an integrative narrative review. To find pertinent studies, however, a straight forward search approach was employed. Combinations of the following keywords were used to search Web f Science, Scopus and Google scholar until November 2025: "CEO age", "leader age", "chronological age", "CEO tenure", "managerial tenure", "leadership style", "transformational", "transactional". "laissez-faire", "risk-taking", "innovation", "strategic change" and "firm performance". We also looked for other sources in the reference lists of recent integrated reviews and meta-analyses.

The following were given priority: (a) meta-analyses and systematic reviews; (b) highly cited empirical research in peer-reviewed journals; and (c) recent large-sample studies that looked the relationship between CEO age or tenure and corporate policies, performance and leadership style. Studies that only looked at middle managers or non-executive staff were only included if they contained information about the relationships between age and leadership style that might apply to upper management.

Results are synthesized qualitatively because the underlying studies differ greatly in terms of design, sampling, measurement and context. We identify moderators (such as industry, ownership structure and culture) and present effect directions (positive, negative and curvilinear) whenever feasible.

Results

The meta-analysis by Tomova Shakur and colleagues (2024), which synthesized 164 papers with approximately 400,000 observations spanning cultures and industries, is significant recent contribution to the field of age and leadership style. They discovered using Full range leadership framework, that followers` perception s of transformational and transactional leadership are often adversely correlated with a leaders chronological age, while passive or laissez-faire is positively correlated. Despite being small the effect sizes were consistent across several specifications. For instance, in more collectivistic cultures, the negative correlation between age and transformative leadership was smaller, while in public sector contexts, some unfavorable associations were stronger.

The importance of rater perspective was also emphasized by the meta-analysis. The perception of the leadership style is influenced by age stereotypes and attribution processes, as evidenced by the fact that older leaders saw themselves as more active and effective than their followers. This is in line with more extensive research on age stereotypes in the workplace, where older employees are frequently perceived as more dependable diligent but less adaptable and creative.

Although young managers are somewhat more likely to receive high transformational ratings, particularly in dynamic environments that reward innovation and change complementary evidence from smaller-scale empirical studies shows that transformational leadership tends to be the dominant style across age and experience group. Research on leadership across a range of industries often reveals that younger leaders are more engaged in vision casting, customized consideration and intellectual stimulation, whereas older leader rely more on routines, norms and experience-based judgment. However, organizational culture and selection procedures shape these tendencies, which are probabilistic rather than deterministic (e.g. more innovative organizations may selectively promote younger leaders into CEO jobs).

Research in the fields of finance and corporate governance shows a consistent correlation between age of CEOs and their willingness to take risks in financing and investment decisions. Using U.S. public companies, a groundbreaking study by Serfling (2014) demonstrated that companies leaded by older CEOs have ower stock return volatility and consistently adopt less risky corporate practices: they make fewer R&D investments, make more diversifying acquisitions, maintain more diversified operations and use less financial leverage. Conversely, younger CEOs are more likely to utilize high-variance, targeted techniques.

A similar viewpoint has been offered by later research on CEO age and business performance in closely held companies (e.g. Belenzon et al. 2019). This authors discovered that as CEOs get older, company investment, sales growth and profitability decrease while the likelihood of survival rises, using a sizable sample of owner-managed business in Western Europe. It seems that older owner-managers prioritize risk management and business continuity over ambitious growth. Age-linked management styles may be more important in knowledge-intensive situations, as the age-performance association was stronger in service and creative industries, where human capital and innovation are crucial.

The picture is complicated by more recent research conducted in Asian markets. Han (2024) found that CEO age was adversely correlated with risk-taking and innovation proxies like R&D intensity, but favorably correlated with short-term financial performance using a sizable sample of South Korean listed companies. In their quest for innovation, younger CEOs were more inclined to use aggressive investment techniques and boost debt. When combined, these results show that older CEOs prioritize stability and are typically more risk-averse, but this can coexist with strong short-term financial performance in some institutional contexts.

Similar trends are suggested by research on social and environmental policies. Research on CEO age and environmental commitments reveal that younger CEOs are more likely to seek green innovation and adopt ambitious climate and sustainability policies, while older CEOs are more likely to favor incremental methods and compliance-oriented initiatives. However, ownership structure, regulatory pressure and board expectations all play in these relationships.

Integrating psychological and financial data is necessary to connect age-related management practices to business outcomes. From a psychological perspective, transformational leadership is linked to organizational commitment, change preparedness and employee engagement across all age groups. while passive or laissez-faire leadership is typically harmful, recent empirical research demonstrates that transformational and transactional leadership styles promote organizational change and performance.

A consistent pattern appears when the previously discussed age effects are added. Younger CEOs are more likely to employ creative, risk-taking tactics and exhibit active leadership styles (transformational or active transactional), bigger growth and in certain situations, bigger returns can result from this, but there is also an increased chance of business collapse and increased volatility. In contrast, elder CEOs have a tendency to use more conservative tactics and more passive leadership styles, which might hinder innovation and growth while increasing survival chances and shielding stakeholders from negative risk.

Crucially, a number of studies show that external influences alter these trade-offs.

The conservative approach of elder CEOs may become a problem in highly dynamic or technological chaotic business, delaying adaptation to disruptive change. However, the same careful approach can be helpful in more stable or highly regulated business. This emphasizes how crucial it is to take age-environment fit into account rather than looking for CEO age that is "ideal" for everyone.

A separate aspect of managerial expertise is captured by CEO tenure: the amount of time spent in particular position and company. According to a classic study by Hambrick and Fukutomi (1991), a CEO`s tenure can be divided into five "seasons": (1) responding to mandate, (2) experimentation, (3) choosing an enduring theme, (4) convergence, and (5) dysfunction. Early in their career's CEOs are preoccupied with restructuring, experimenting with strategic ideas and responding both internal and external expectations. They eventually settle on a predominant reasoning and set of behaviors. This convergence may solidify into disengagement from environmental changes if tenure is prolonged.

This life-cycle perspective has a lot of empirical evidence. Long-tenured CEOs are less likely to establish a good fit between strategy, structure and environment (being "stale in the saddle"), which has detrimental effects on performance in dynamic industries, as demonstrated by Miller (1991). According to Simsek (2007), a CEO`s tenure has an indirect impact on the performance of the company by influencing the top management team`s propensity for taking risks and pursuing entrepreneurial endeavors. CEOs with mid-tenure tend to encourage more entrepreneurial activity, while those with very short or long tenure may discourage it.

Research directly relating tenure to taking risks reveal a variety of often non-linier trends. For instance, Chen and Zheng (2014) found a positive correlation between CEO tenure and risk-taking, which is consistent with the notion that longed tenure CEOs may be more inclined to take strategic risks due to diminishing career worries and accumulating firm-specific expertise. According to other research, such as recent large-scale studies on CEO traits and risk-taking, company risk may rise initially before declining once more as CEOs solidify their positions and become more guardians of their legacy.

According to an integrated review by Darouichi and colleagues (2021), considering tenure as a straightforward linear predictor is theoretically insufficient because tenure research encompasses several conceptual domains, including human capital, power, social embeddedness and life-cycle dynamics. Rather, tenure ought to be represented as a dynamic process that may have distinct outcomes in its early, mid and late phases.

Despite their correlation, tenure and age are different and frequently have independent impacts. Older CEOs may have short tenure at a recently joined company, whereas younger CEOs may have long firm-specific tenure (e.g. internally promoted leaders who joined early in their career). Age mostly reflects changes in values and time horizons, biological and social changes and social changes and life-cycle stages. On the other hand, tenure shows how a leader`s relationship with an organization has changed over time, as well as expertise, networks and power accumulation unique to that organization.

Age is more strongly associated with risk aversion and time horizon, while tenure is more strongly linked with strategic inertia, entrenchment or depending on context, the ability to execute complex strategies, according to empirical research that take both factors into account. Although they are rarely evaluated interaction terms (age×tenure) could be crucial. For instance, a young CEO with a long tenure in a family business may combine a strong organizational understanding with a high-risk appetite, resulting in bold but well-informed strategic wagers. In contrast, a senior CEO with a long career may show great opposition to change in addition to high risk aversion.

According to recent studies on CEO traits and risk-taking, the impacts of age and tenure are also dependent on their individual traits (such as narcissism, overconfidence and values) and environmental factors (such as ownership concentration board oversight and industry dynamism). Therefore, rather than being viewed as distinct demographic factors, age and tenure should be integrated into a larger multilevel framework.

Discussion

When considered collectively, the examined research provides a complex understanding of how CEOs` age and length of service influence their risk-taking, management style and the development of company performance.

First, age effects are noticeable but not very strong. In addition to favoring less risky organizational strategies, older executives are more likely to be viewed as passive rather than transformational. These trends are not deterministic, though as many young CEOs spearhead revolutionary change, whose age profiles advance to the CEO position and whose leadership philosophies are rewarded are significantly influenced by culture, industry and organizational selection procedures.

Second, it is evident that tenure impacts are not linear. The concept of "seasons" of CEO tenure encapsulates the intuition that early tenure is marked by experimentation and change driven by mandates, mid-tenure by consolidation and strategic emphasis and late tenure by possible rigidity or detachment. Although the ideal range relies on environmental dynamism and governance arrangements, empirical evidence supports an inverted U-shaped relationship between tenure and performance: very short and very long tenures are frequently less beneficial than moderate tenure lengths.

Third, significant trade-offs in management style are revealed when age and tenure are taken into account together. Despite having great transformational intentions, young, short tenured CEOs may find it difficult to implement radical ideas due to a lack of firm-specific knowledge and internal political capital. Although they may have significant impact and implicit knowledge, older, more seasoned CEOs may be biased toward incrementalism due to their risk preferences and well ingrained mental models.

These patterns are consistent with temporal perspective and life-span theories of motivation from a psychological standpoint. Future time horizons becoming smaller as people get older and their objectives frequently change from maximization and exploration to stability, loss avoidance and generativity. CEOs may become more motivated to defend the company and its stakeholders, preserve their reputation and steer clear of significant, career-ending setbacks as a result. The social and cognitive relationship between the leader and the company is altered by tenure; as CEOs grow more integrated, their identities may merge with the company, intensifying both defensive entrenchment and good stewardship.

There are two implications for boards and policymakers. In succession planning, age and tenure should be viewed as strategic design factors rather than just demographic indicators. Different combinations of CEO age and tenure may be advantageous at different phases of the company`s life cycle (start-up, rapid growth, maturity, turnaround). However, without sacrificing the advantages of accumulated expertise, governance measures like frequent strategic reviews, term limitations and strong succession pipelines can reduce the dangers connected with extremely long tenures and age-related rigidity.

Conclusion

Two essential but different aspects of a CEO`s career are their age and length of service. Tenure represents the changing relationship between a particular leader and a particular organization, but age is more closely associated with life-cycle changes in risk preferences, time horizon and motivating priorities. According to empirical research, younger CEOs are more likely to adopt revolutionary, risk-accepting tactics, while senior CEOs often lead more conservatively, emphasizing stability and survival. There are three stages to tenure: early experimentation, mid-term consolidation and possible late-career rigidity.

The most important lesson for practitioners is that boards should intentionally match CEO traits to the firm`s strategic difficulties and provide governance measures that counterbalance the predicted biases associated with each profile, rather than believing that one age or tenure profile is always better. The challenge for researchers is to go beyond straightforward linear models and incorporate age and tenure into more complex theoretical frameworks that include context, identity, values and cognition.

In the end, this kind of integrative work can help explain why CEOs with equivalent resources and circumstances choose various management approaches and leave diverse legacies.

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