

Taken at our Chair and Non-executive Director Retreat 2024, this report unveils some of the key challenges Boards are facing in the year ahead.

Against a turbulent economic backdrop, it's clear that non-executives are focused on operating efficiency and ensuring organisations have the right leadership capabilities to drive performance. Keeping executives engaged with strategic change may be challenging with 57 percent of Chairs and NEDs reporting that pressure from shareholders and investors is forcing many senior leadership teams to focus on short-term goals.

Aligned with our most recent CEO and CFO reports, investment in new technology is cited as the biggest challenge for organisations this year, closely followed by improved organisational agility.

It is vital that Board members remain aligned and that debate on key issues is both robust and challenging. Concerningly, only 35 percent told us that psychological safety is discussed on their Boards, plus 52 percent noted the need to improve the quality of strategic debate at the top table.

That said, building alignment on the Board was the area where Chairs and NEDs said they most needed to improve and over half (56 percent) acknowledged the need for external reference points to be successful in today's fast-changing markets.



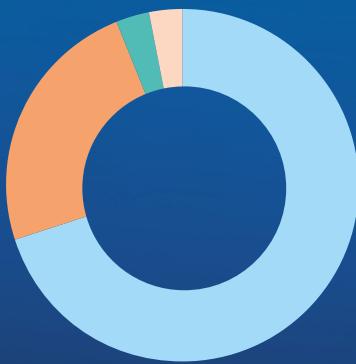
Jamie Wilson, Managing Director, Group Services, Criticaleye

What is the biggest risk for your organisation at present?



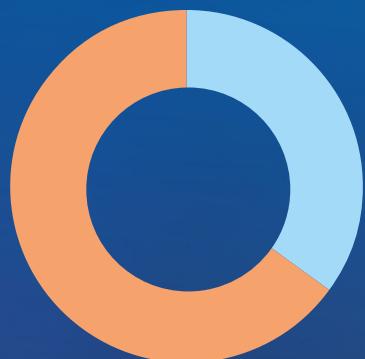
“Geopolitics is still having a huge impact, particularly on deregulation in the US, and on inflation in the UK”

NED Research Participant



What do you see as the biggest driver of transformation at present?

Is the psychological safety of executives discussed on the Board/s you sit on?



“The imbalance between investor expectations and market uncertainty is still at its height”

NED Research Participant

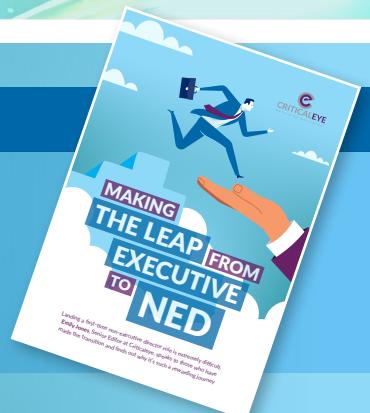
Top Priorities for Chairs and NEDs



CRITICALEYE INSIGHT: MAKING THE LEAP FROM EXECUTIVE TO NED

Landing a first-time non-executive director role is extremely difficult. Click [here](#) to hear from those who have made the transition and find out why it's such a rewarding journey.

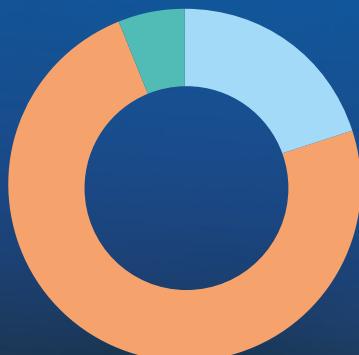
Featuring commentary from **Hanna Duer**, Director, ALLIANZ Global Investors Fund; **Mui Hoon Poh**, Board Member, SERI and Criticaleye Board Mentor; **Nashwa Saleh**, NED, Sandah Microfinance and **Robin Renee Sanders**, NED, SGI and Criticaleye Board Mentor.



LEADERSHIP CHALLENGES

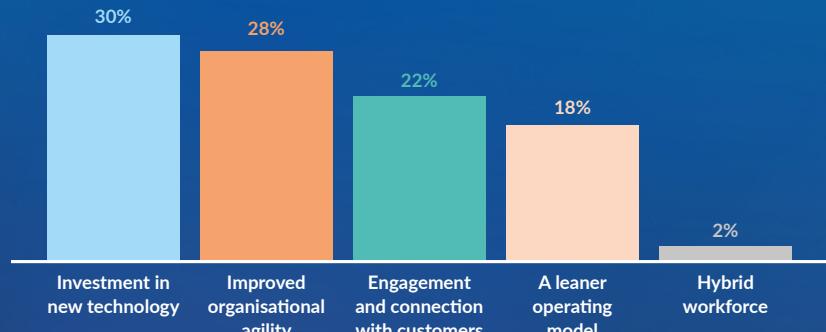
We asked Chairs and NEDs if they have the right skillsets to lead effectively, and what changes their organisations are undertaking.

Does your senior leadership team have the right skills and capabilities to navigate strategic uncertainty?



- To a great extent 20%
- To some extent 74%
- To a minor extent 6%
- Not at all 0%

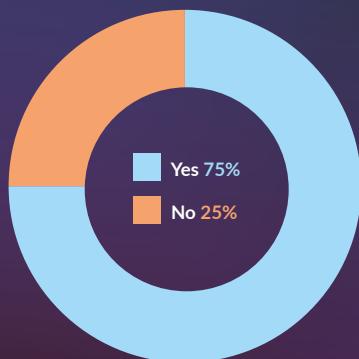
Where do you see the biggest changes occurring in your organisation?



“I expect to see big changes in how businesses engage with customers and organisational agility”

NED Research Participant

Is sustainability / ESG a strategic priority for your Board/s?



- Yes 75%
- No 25%

Why do senior leadership teams become too focused on short-term goals?



Have you ever stepped down from a Chair / NED position because the culture in the Boardroom was dysfunctional?



26%
Yes



67%
No

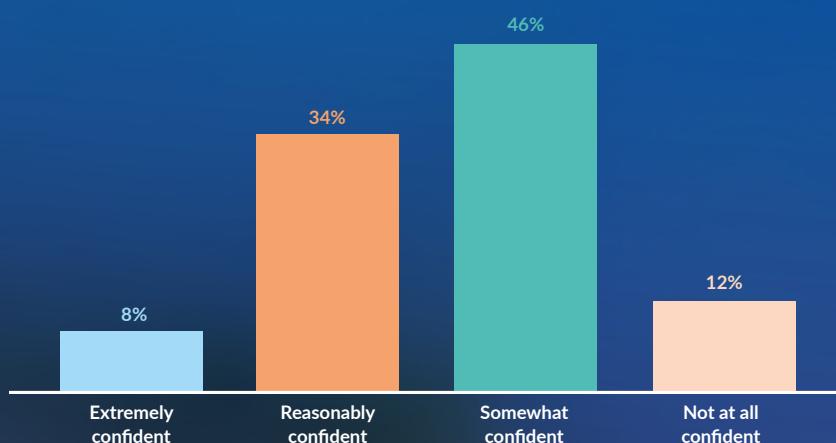


7%
Considering it

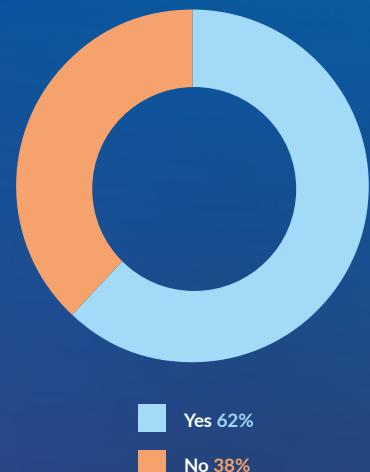
ECONOMY AND GROWTH

Chairs and NEDs give us their predictions on the economy and plans for business growth over the next 12 months.

How confident are you that the rate of global economic growth will increase over the next 12 months?



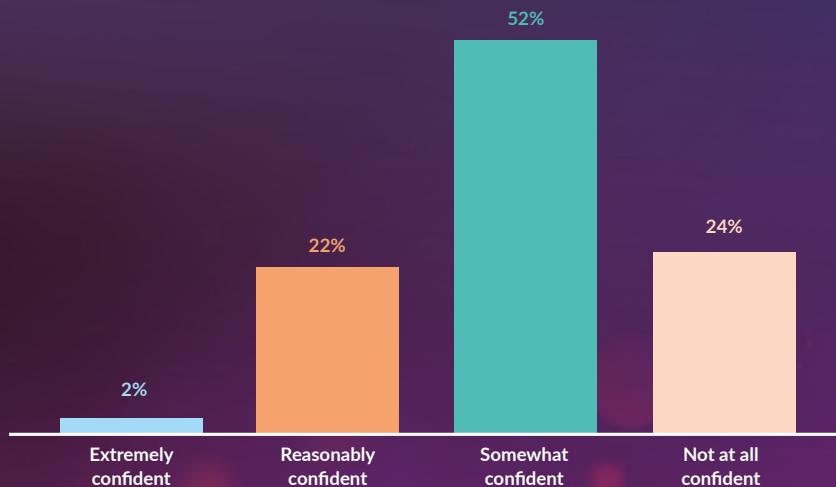
Do you expect to conduct M&A over the next 12 months?



“The economic climate has created opportunities for good business models”

NED Research Participant

How confident are you that the rate of economic growth in the UK will increase over the next 12 months?

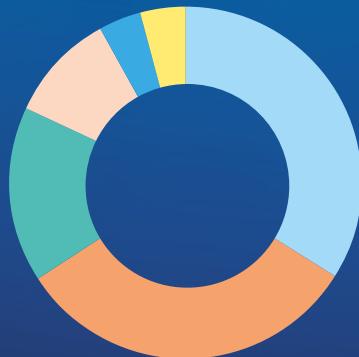


In which regions do you expect to see a strong geographical performance in your organisation over the next 12 months?

1. North America
2. APAC
3. Europe

STAKEHOLDERS

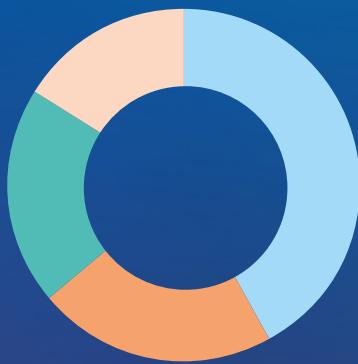
Chairs and NEDs reveal the challenges of successful stakeholder management and assess their relationships with the executive team.



Who is your most challenging external stakeholder?

- Shareholders / investors 34%
- Customers 32%
- Regulator/s 16%
- Government 10%
- Suppliers 4%
- Media 4%

Who is your most challenging internal stakeholder?



52 percent of Boards say they need to improve the quality of strategic debate



In which of the following areas does the quality of debate on the Board need to improve?



Strategy



Performance



Governance

THE INSPIRING LEADERS PODCAST: THE UNIQUE ROLE OF THE SENIOR INDEPENDENT DIRECTOR

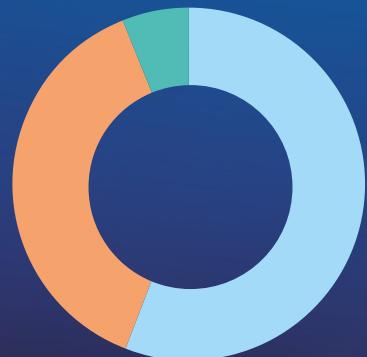
Click [here](#) to listen to our leaders exploring the unique role of the Senior Independent Director (SID). This episode is part of Criticaleye's Inspiring Leaders Podcast and features host and Senior Editor Emily Jones, with special guests Maria Darby-Walker, Senior Independent Director, Redwood Bank and NED, Personal Group and Natalie Ceeney CBE, Chair, Cash Access UK, SID, LV+, REM Chair, Anglian Water, NED, OpenReach, and Criticaleye Board Mentor.



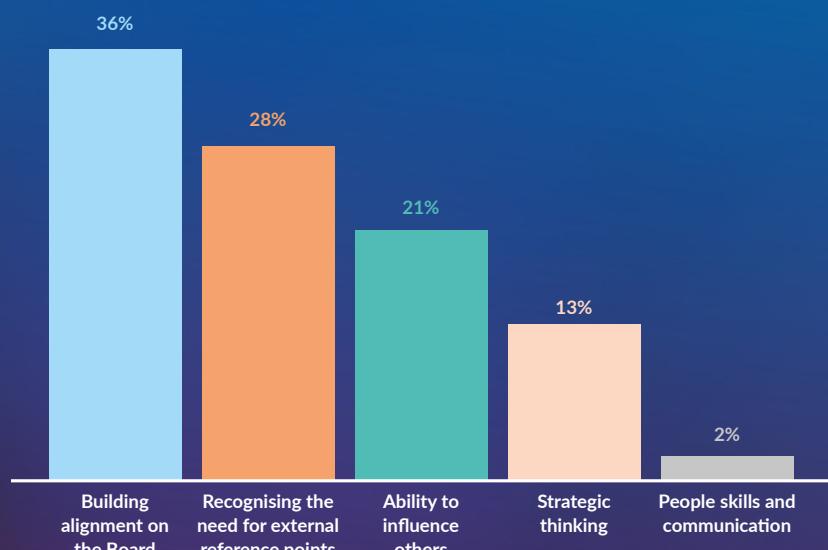
PERSONAL DEVELOPMENT

We asked Chairs and NEDs what they find is most effective when building skills and understanding the external landscape.

To what extent does your Board/s require external reference points?



Where do you need to improve as a leader?



56 percent strongly believe the Board requires external reference points

UPCOMING CHAIR AND NED EVENTS

CHAIR & NED FORUM 2024

4TH JULY 2024 // 08:20 - 12:00

Click here to register to attend

CHAIR & NED VIRTUAL ROUNDTABLE

How to be an Effective Chair of an Audit Committee

24TH APRIL 2024 // 08:30 - 10:00

NED CV CLINIC

7TH MAY 2024 // 08:30 - 11:00

Criticaleye supports senior executives from a variety of businesses, sectors and geographies. Our global leadership Community provides a confidential and trusted space, offering diverse views which Chairs and NEDs can draw from when making decisions for themselves and their organisations.

Click [here](#) to find out how we support Chairs and NEDs.