



CRITICALEYE

The peer to peer Board Community

NON- EXECUTIVE DIRECTOR RESEARCH 2021

RESILIENCE IN THE BOARDROOM

We unveil some fascinating insights in our latest research conducted with Chairs and Non-executive Directors across our global leadership Community.

It's clear that COVID-19 has forced Boards to work more closely with their ExCo, and execute faster decision-making in order to navigate disruption.

Encouragingly, Boards appear to recognise the value of reference points, with 45% benchmarking strategy decisions externally, up from 32% in 2019. Similarly, 74% of NEDs told us that improving the quality of strategic debate with the ExCo was even more vital during the pandemic.

Priorities have inevitably shifted for Boards. 65% of NEDs expect investment in property and facilities to be either cancelled or suspended on the back of increased homeworking, while 88% say more should be spent on leadership development and support for senior executives, as opposed to recruitment fees.

Building on a trend regularly discussed in our webinars during 2020, ESG is the number one priority for

Boards this year, closely followed by innovation. This is the first time ESG has made our priority list for Chairs and NEDs, demonstrating the focus companies now have on issues relating to climate change, sustainability and the societal impact of business.

Interestingly, confidence in senior-team alignment rose sharply for Boards over the last 12 months. However, CEOs do not echo this sentiment. In our CEO Research only 60% say their Chair effectively supports the goals of the executive team, down from 82% in 2018, plus building alignment in the senior team is where CEOs say they most need to improve this year. Could this be a sign of underlying tension between non-executives and CEOs that will come to the fore during 2021?

As we start 2021, both CEOs and NEDs agree that strategic debate must improve at the top of the organisation. As always, leadership teams that have robust discussions about strategy, create the time to benchmark externally and are aligned on decisions will execute at pace and maximise opportunities in the year ahead.



Tom Beedham
Director – Board Mentors & NEDs
Criticaleye

Findings from Criticaleye's NED Research 2021



For the first time,
ESG is the top
priority for Boards



A **third** of Boards are
considering replacing the CEO
in the next 12-18 months



74% of NEDs say that the
quality of ExCo debate on
strategy needs to improve



65% of NEDs expect
investment in property
and facilities to be
cancelled or suspended



82% of NEDs are fully
confident the Chair,
CEO and CFO are
aligned on strategy



88% of Boards say more
should be spent on
leadership development
for executives

Strategy

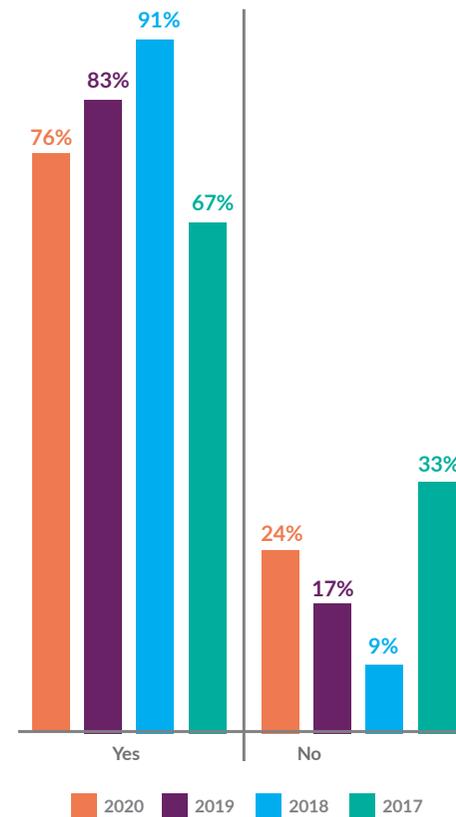
Criticaleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

Despite the challenges of COVID-19, fewer Boards say they are grappling with business model disruption

“There have been big opportunities as well as challenges.”

NED Research Participant

Is your Board currently grappling with business model disruption?

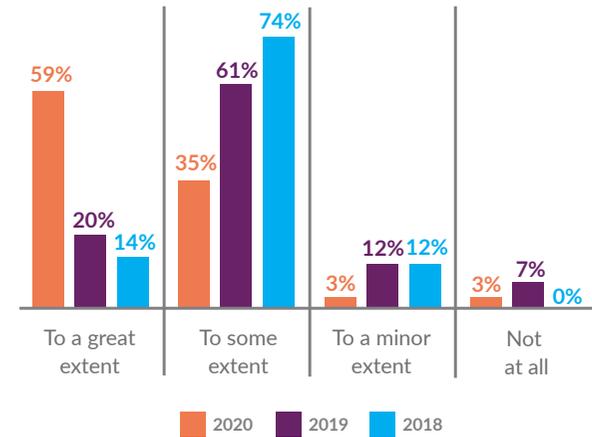


Boards have more confidence in the ability of executive teams to respond to disruption and execute on strategy

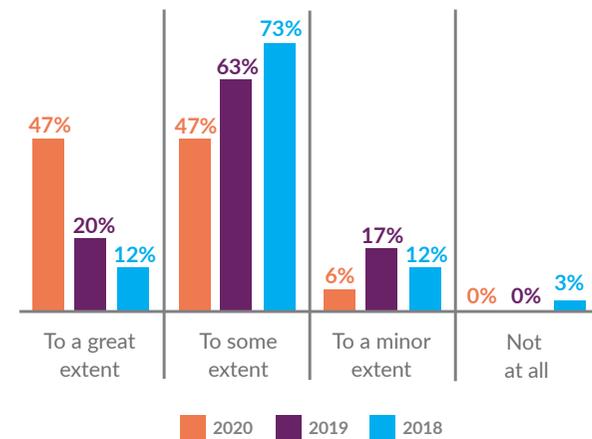
“With some external support and challenge, executives can respond to disruption”

NED Research Participant

Do your senior executives have the ability to respond to business model disruption?

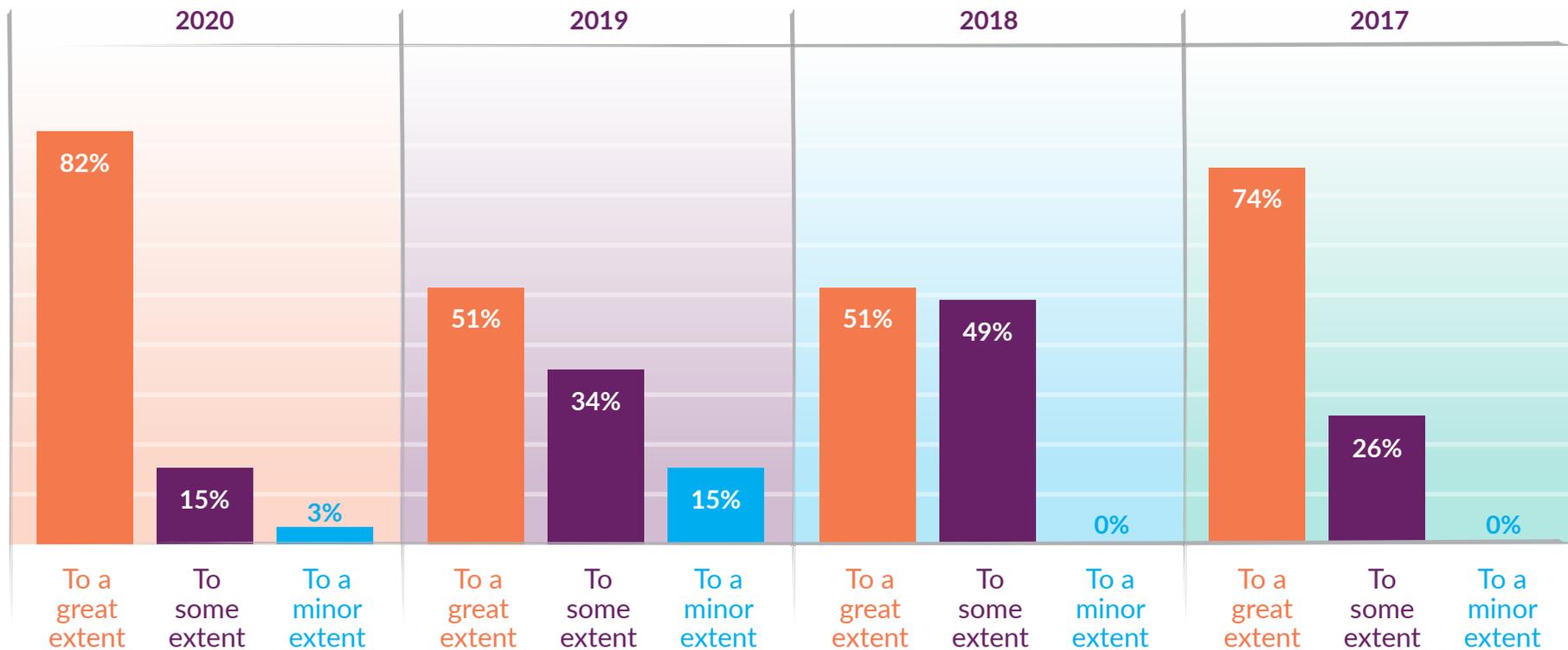


Is the executive team able to execute on the medium to long-term strategy?



Perhaps as a result of greater collaboration due to COVID-19, confidence in senior-team alignment has risen sharply over the last 12 months

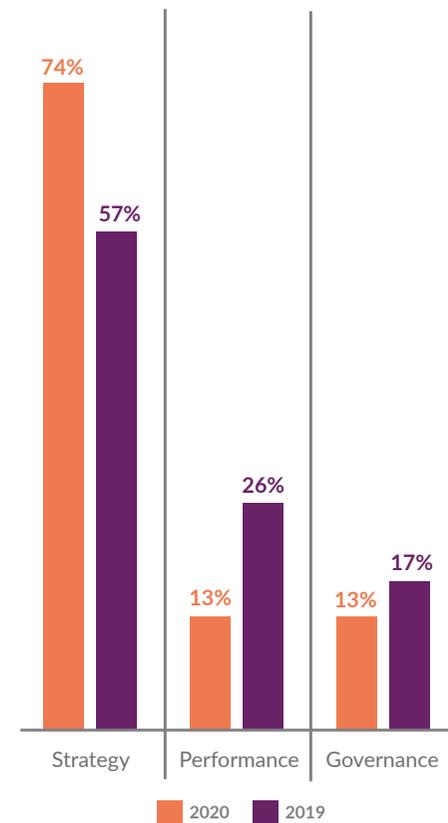
Are the Chair, CEO and CFO aligned on strategy?



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Improving the quality of strategic debate with the ExCo has become even more vital to Chairs and NEDs during the pandemic

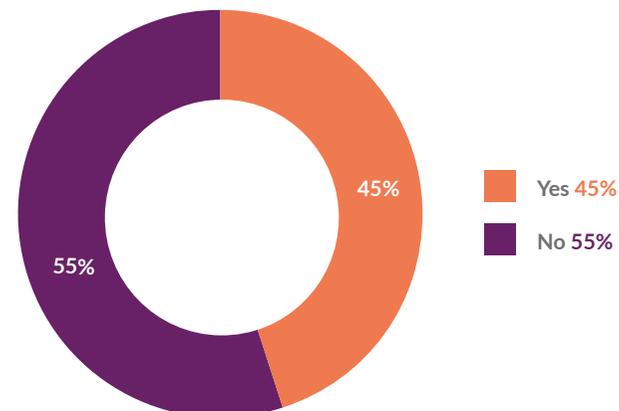
In which of the following areas do you need to improve the quality of debate with the ExCo?



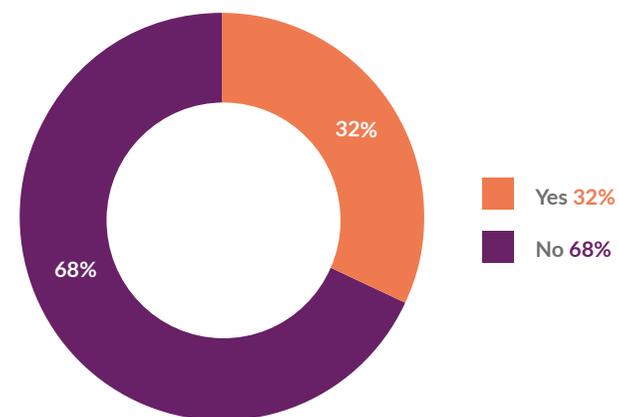
External reference points and benchmarking have become more important to Boards during the pandemic

Do you benchmark your strategy externally before it's approved by the Board?

2020



2019



For the first time, ESG is the top priority for Chairs and NEDs

Top 5 Priorities for Chairs/NEDs in 2020

- ✓ ESG
- ✓ Innovation
- ✓ Retaining key talent and developing skills
- ✓ Strategic alignment
- ✓ Navigating COVID-19

Top 5 Priorities for Chairs/NEDs in 2019

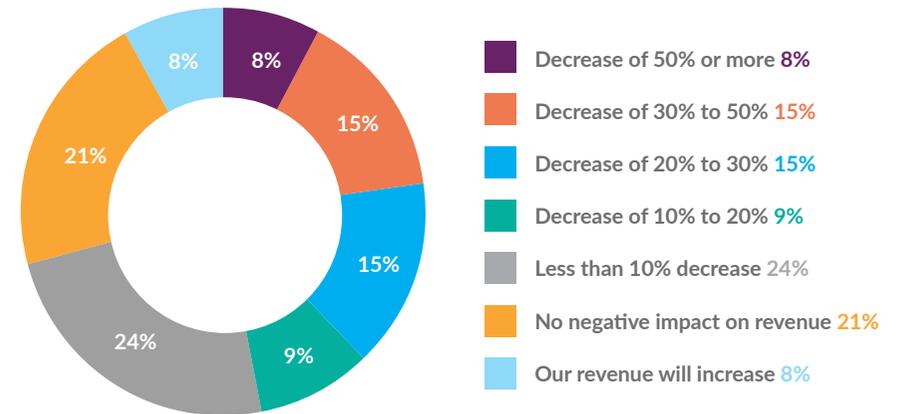
- ✓ Strategic alignment
- ✓ Retaining key talent and developing skills
- ✓ Innovation
- ✓ Improved performance management
- ✓ Purpose

Top 5 Priorities for Chairs/NEDs in 2018

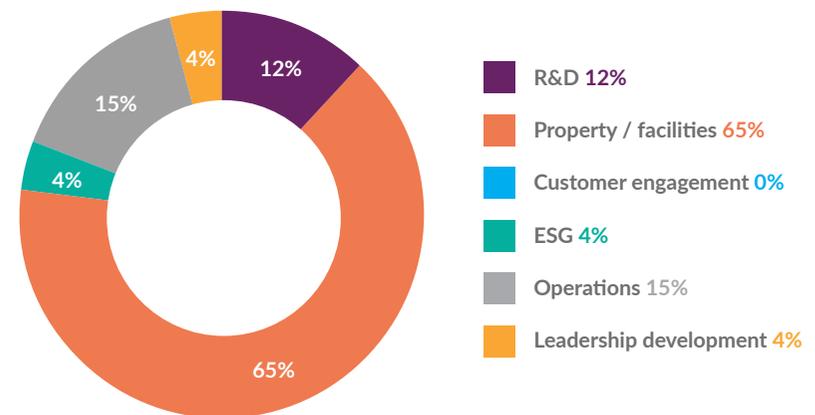
- ✓ Retaining key talent and developing skills
- ✓ Improved performance management
- ✓ Digitisation
- ✓ Organisational design
- ✓ Innovation

71% of NEDs report that COVID-19 will result in decreased revenues over the next year

What impact will COVID-19 have on revenues over the next 12 months?



Where are you looking to cancel or suspend planned investment?

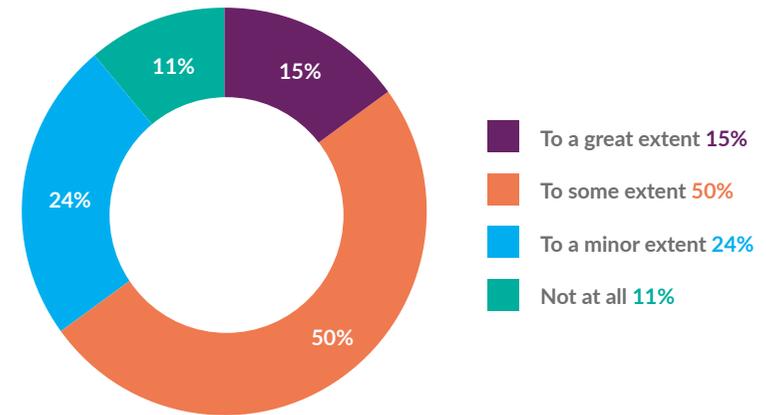


Leadership

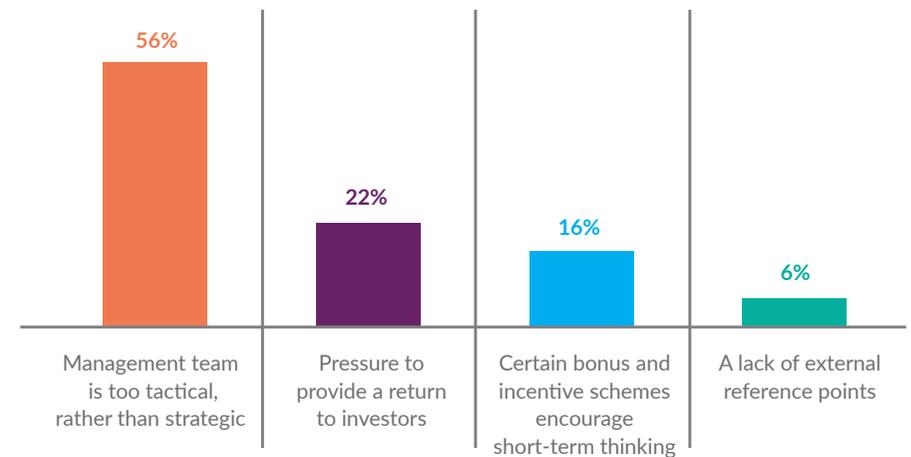
Criticleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

65% of NEDs say that leadership teams are too inward-looking and focused on the day-to-day

Is the leadership team in your organisation too inward-looking and focused on the day-to-day?

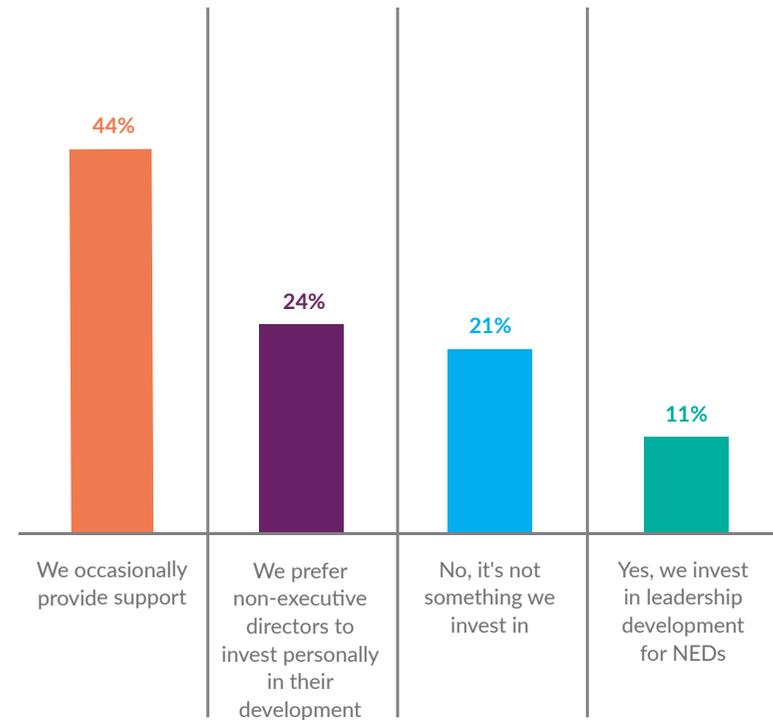


What is the most common reason for management teams becoming too focused on short-term goals?



Despite the view from NEDs that leadership development should be a priority for executives (see p.15), only 44% prioritise support for their Board members

Is leadership development for non-executives a priority for your Boards?



Boards have continued to see the value in leadership development despite the challenges of COVID-19

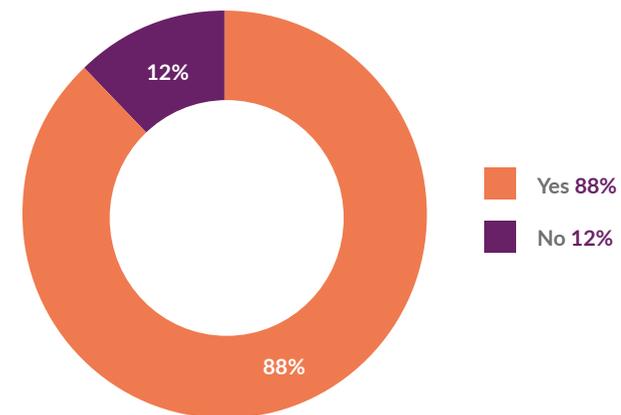
“The priority should be leadership development. Support to ensure recruits are successful is critical.”

NED Research Participant

In your experience, on which of the following do organisations spend more?



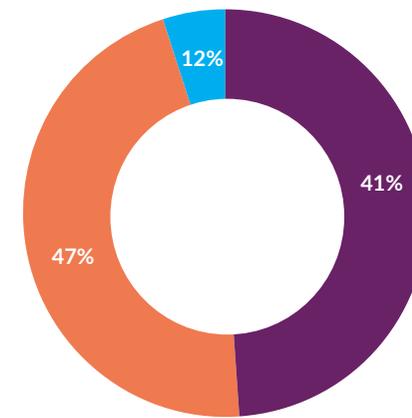
In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?



NEDs agree that leadership development which combines support for both individuals and teams is most beneficial

Click [here](#) to learn more about Criticaleye Corporate Membership

How beneficial are leadership development solutions which have a combined focus on both individual executives and the team as a whole?



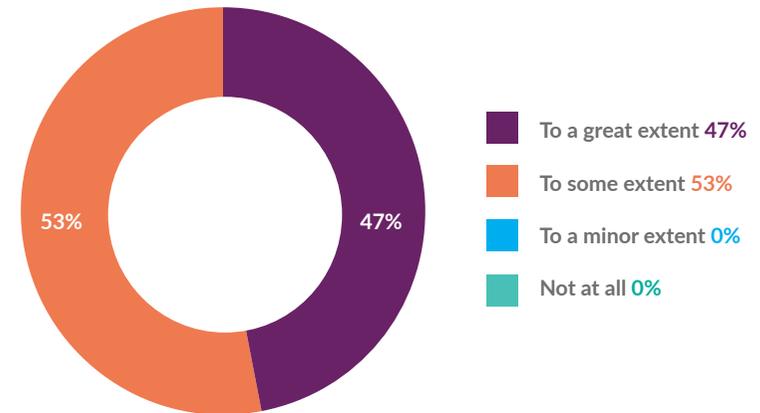
- Extremely beneficial 41%
- Quite beneficial 47%
- Not very beneficial 12%
- Not beneficial at all 0%

The power of mentoring and peer-to-peer networks

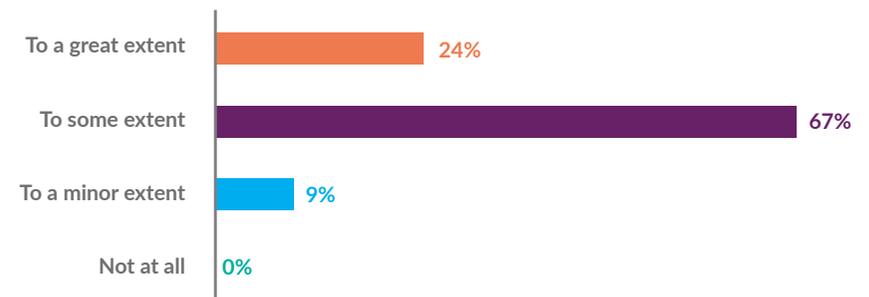


Click [here](#) to see **Amanda Nelson**, CEO, Vodafone Hungary, Vodafone Group; **Yetunde Hofmann**, Non-executive Director, CIPD (& Criticaleye Board Mentor); **Nigyar Makhmudova**, Executive Vice President, Growth & Innovation, Danone; **Samantha Barber**, Non-executive Director, Scottish Water; and **Sandy Khanna**, Global Head of Shared Services, Anglo American, discuss the value of reference points outside your business and traditional networks.

Is business performance enhanced if executives have access to reference points outside of their organisation / sector?



Does external mentoring improve the performance of senior executives?

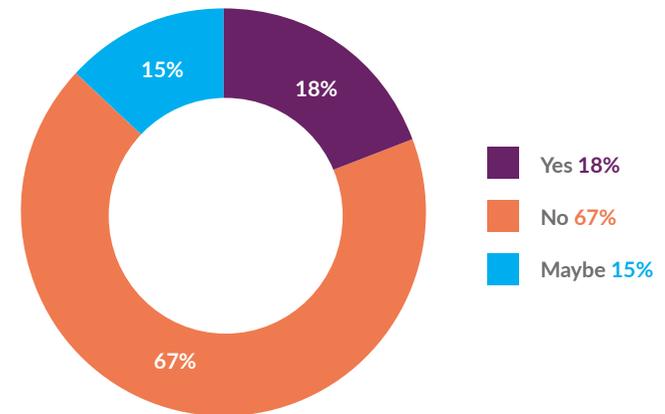


Stakeholders

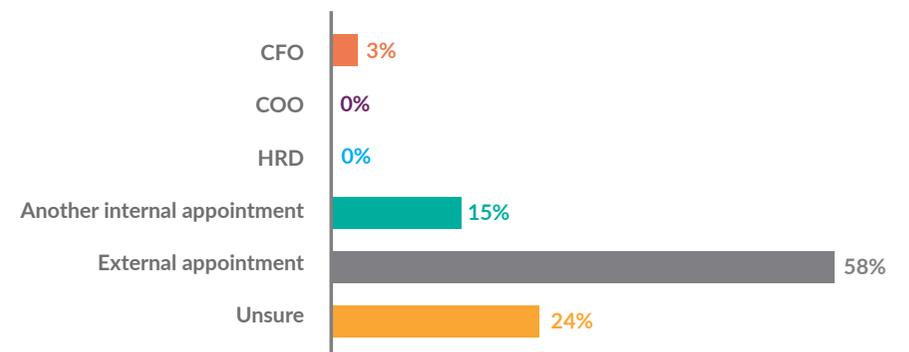
CriticalEye provides the right reference points to manage and navigate increasingly important stakeholder relationships

**One third of Boards
(33%) may need to
recruit a new CEO in
the next 12-18 months**

Do you expect to replace the CEO
in the next 12 to 18 months?



Who do you expect to replace the CEO?



When asked where their executives need to improve, NEDs say strategic thinking is the priority for all

CEOs

1.

Strategic thinking

2.

Recognising the need for external reference points

3.

Building alignment in the senior leadership team

CFOs

1.

Strategic thinking

2.

People skills and communication

3.

Recognising the need for external reference points

HRDs

1.

Strategic thinking

2.

Building alignment in the senior leadership team

3.

People skills and communication



CRITICALEYE PODCASTS

LEADERSHIP IN UNCERTAIN TIMES

EPISODE 1

In this first podcast within our Leadership in Uncertain Times series, Criticaleye's CEO, Matthew Blagg, and Director of Content, Marc Barber, discuss how leadership teams are responding to the events of 2020 and planning for the future (July 2020).

EPISODE 2

Over 38 minutes, this podcast covers the forward agenda for CEOs and senior executives, operating model change, the future of the office, understanding the customer experience, management team performance, and the challenge of balancing economic pressure with COVID-19's impact on health and wellbeing (September 2020).

EPISODE 3

"Experience is what you get when you don't get what you want, and there are a lot of leaders getting a lot of experience at the moment." Listen in as our CEO, Matthew Blagg, and Director of Content, Marc Barber, reflect upon discussions and insights from our CEO Retreat 2020 (October 2020).

EPISODE 4

Reflecting on our 2020 Virtual CFO Retreat, in this podcast, Criticaleye covers how finance leaders can remain resilient, the balance between cost-cutting and investment, data, talent, digitisation and much more. The role of the CFO has never been more crucial in a complex and fast-changing market. (November 2020).

EPISODE 5

This podcast follows our Virtual Asia Leadership Retreat 2020. Criticaleye CEO, Matthew Blagg, and Director of Content, Marc Barber, discuss questions for leaders around purpose and the people agenda. We explore what changes are likely within leadership teams in the year ahead, and how the pandemic has impacted consumer behaviour. (December 2020).

To listen in to any of Criticaleye's podcasts, please visit: www.podcasts.criticaleye.com

CRITICALEYE NED MEMBERSHIP

Our unique strength is in our ability to bring together a wide range of leadership and industry expertise, and provide a completely personalised approach so that Members broaden their skills sets and knowledge by engaging with leaders from outside their immediate teams, organisations and industries. We adopt a range of tools to make this happen:



**Bespoke Peer to Peer
Connections**



**Pop-up Boards
+ CV Clinics**



**Leadership
Retreats**



**Board
Mentors**



**Editorial
Content**



**Events and
Conference Calls**

For more information on Criticaleye NED Membership click [here](#).

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STRATEGY

STAKEHOLDER

LEADER

LEADERSHIP

Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

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