



CRITICAL EYE

The peer to peer Board Community

NON- EXECUTIVE DIRECTOR RESEARCH 2022

TRANSFORMING BOARD PERFORMANCE

Gearing up for growth

In our latest research with non-executive directors, taken at our NED Forum 2022, there's been a clear shift from supporting teams in crisis to setting the agenda for future growth. Boards are focused on building leadership capability, ESG and improving the quality of strategic debate this year.

Our latest figures reveal positive consensus among the top team when it comes to strategy. 67% say there is full alignment between the Chair, CEO and CFO on strategy, and NEDs and CEOs are both confident in the abilities of the senior team to drive business model transformation.

That said, all senior executives we surveyed put strategy over performance and governance as the area where leaders most needed to improve the quality of debate at Board level.

Sustainability has remained a top priority in 2022. NEDs are focused on 'measurement, analytics and performance' and 'the transition to Net Zero'. But data from our CEO Research suggests there may be a disconnect between CEOs and NEDs and less alignment on how their organisations can reduce their carbon footprint.

With expectations high, it's encouraging to see there is advocacy at Board level to support and develop leaders within the business. 'Leadership capability' is a top priority for NEDs this year, 97% say external mentoring improves executive performance, and 71% of Boards are investing in leadership development for NEDs. Interestingly, 41% of NEDs expect their next CEO to be an internal appointment, up from 18% in 2021, making executive development even more crucial for the foreseeable future.

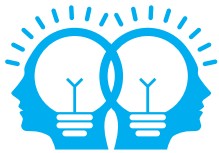
Opportunity to win market share in 2022 is there, but Boards and leadership teams need be externally focused. While it is uplifting that over half (51%) of NEDs benchmark their strategy outside the business (up from 45% in our last Research), non-executives must continue to look up and out of the business to be successful.



Tom Beedham

Director – Board Mentors & NEDs
Criticaleye

Key findings from Criticaleye's NED Research 2022



NEDs are **seeking inspiration and fresh thinking** from other sectors



67% say there is full alignment between the Chair, CEO and CFO on strategy



Almost half (49%) of Boards don't benchmark strategy externally



41% of NEDs expect their next CEO to be an internal appointment



Measurement, analytics and performance is the biggest sustainability challenge



Leadership capability is a top priority for Boards

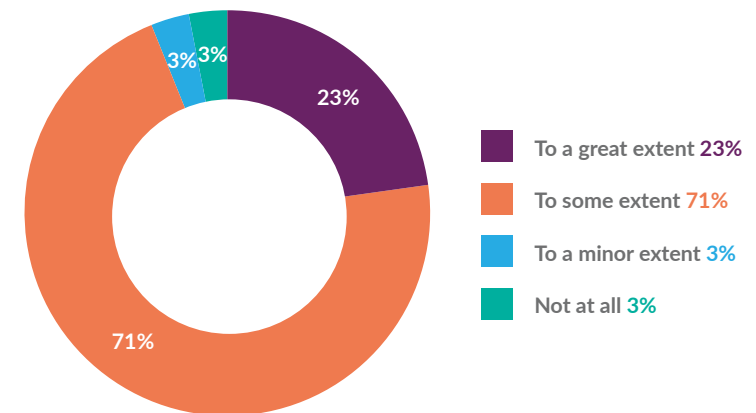
Strategy

Criticleye offers non-executives a unique opportunity to discuss and reflect upon strategy with peers and experts

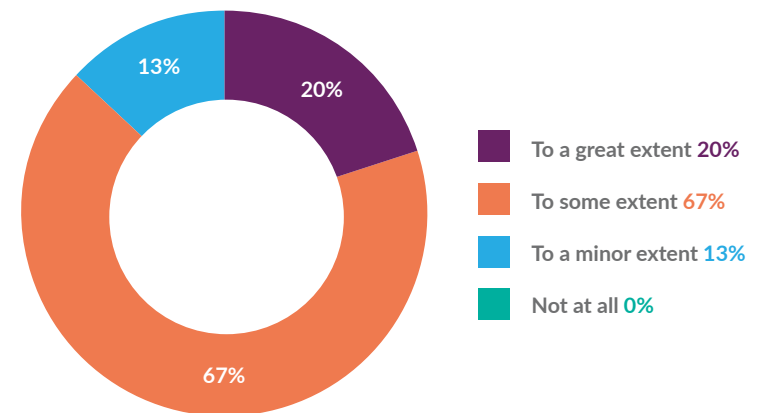
NEDs and CEOs are confident in their leadership team's ability to navigate business model transformation

Do you have the right leadership team to navigate business model transformation?

NED

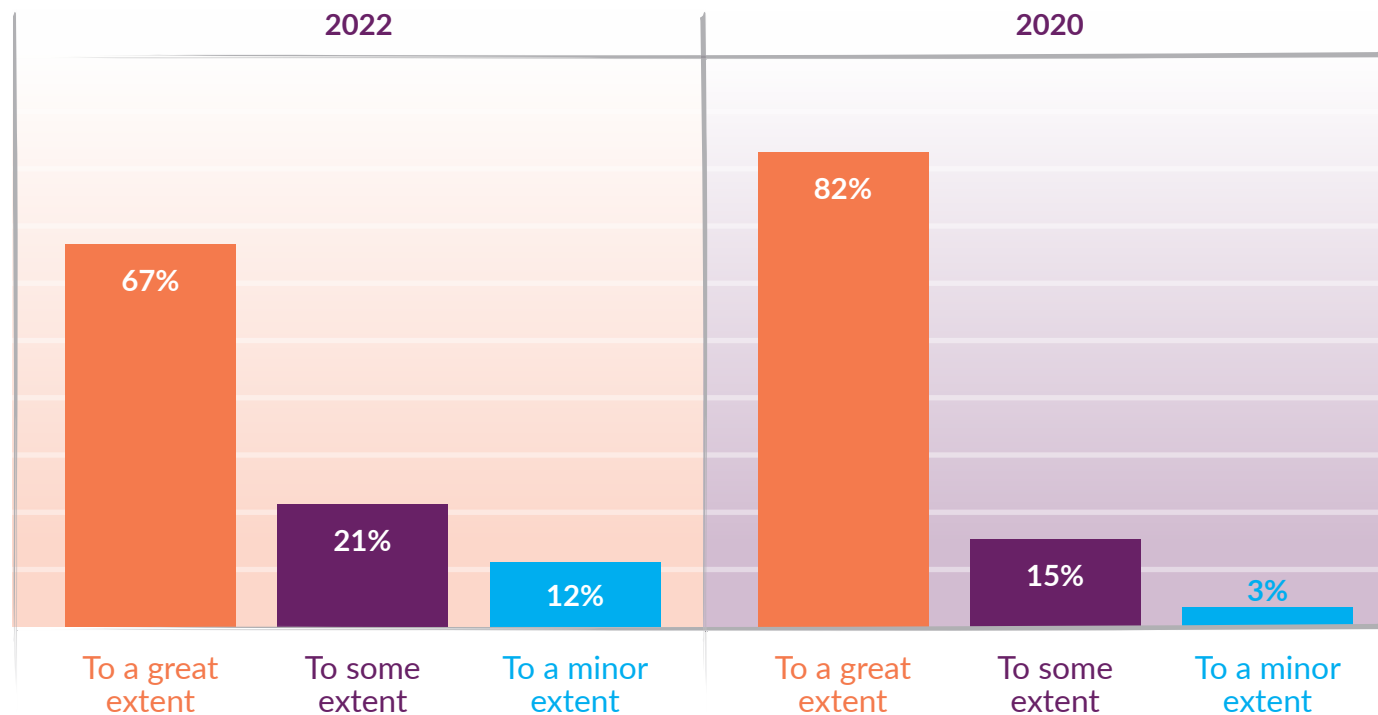


CEO



Despite a dip since 2020, NEDs believe their senior leadership teams are aligned on strategy

Are the Chair, CEO and CFO aligned on strategy?

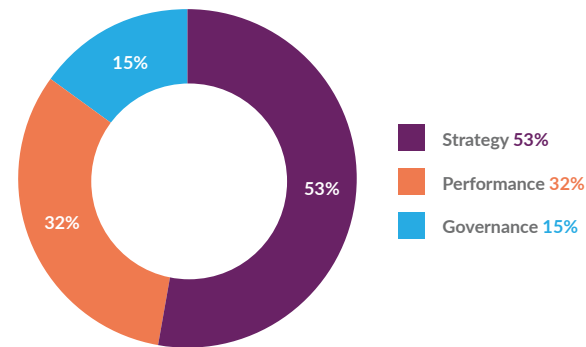


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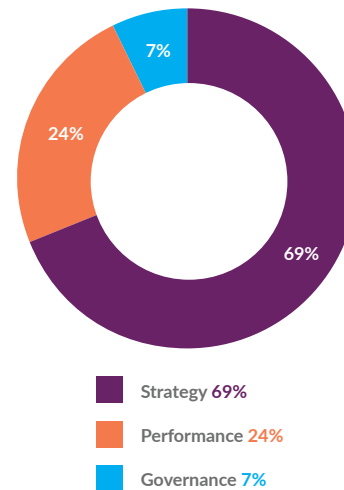
While non-executives agree with CEOs and CFOs that the quality of strategic debate needs to improve, CFOs also want to prioritise discussions around performance

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

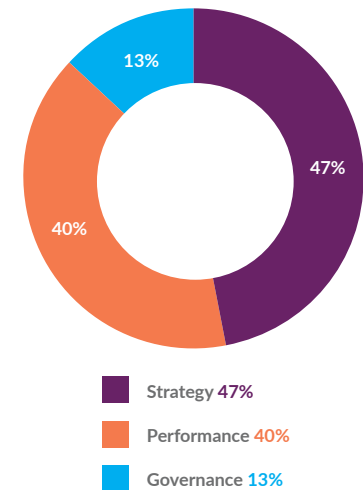
NED



CEO



CFO

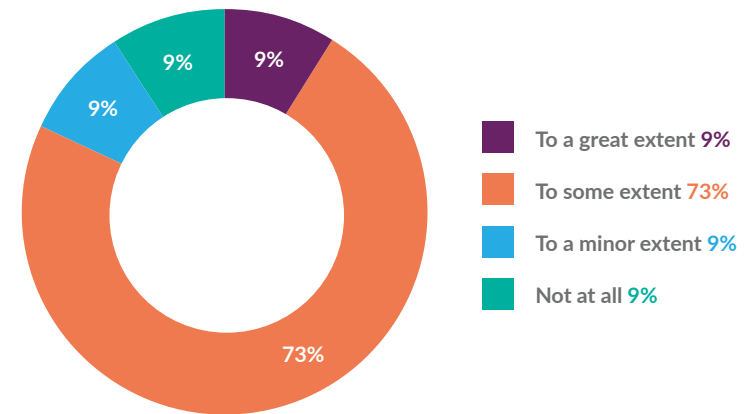


Only half of Boards look outside their organisations to benchmark strategy

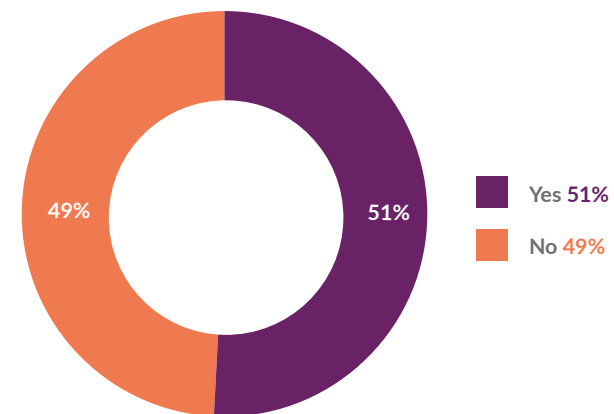
“Focusing internally has been exacerbated by COVID.”

NED Research Participant

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



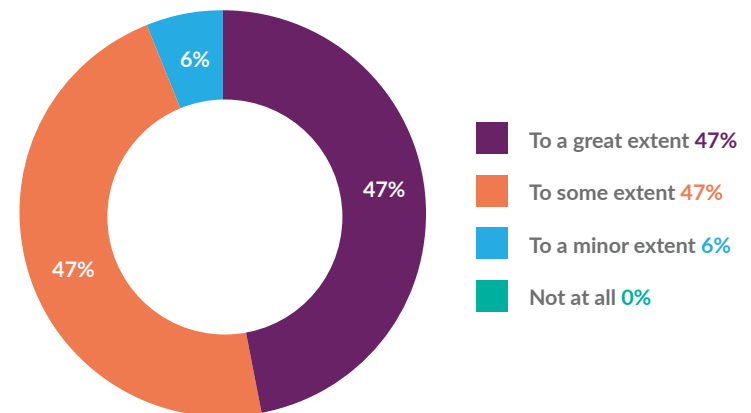
Do you benchmark your strategy externally before it's approved by the Board?



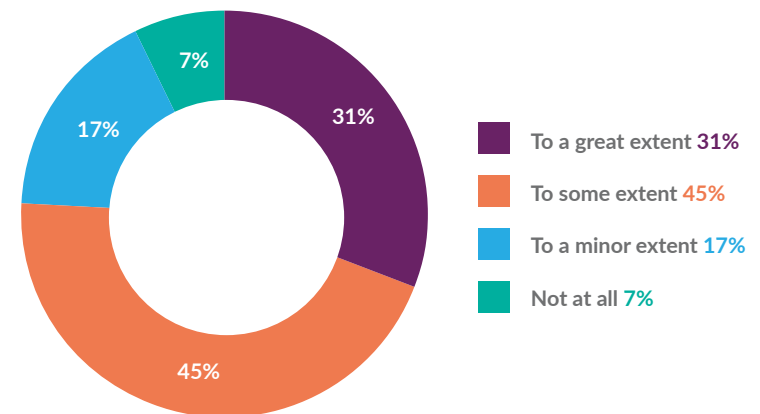
There is, somewhat, a disconnect between NEDs and CEOs on sustainability; CEOs suggest a greater risk of misalignment in their leadership teams

Is your leadership team aligned on your organisation's sustainability strategy?

NED

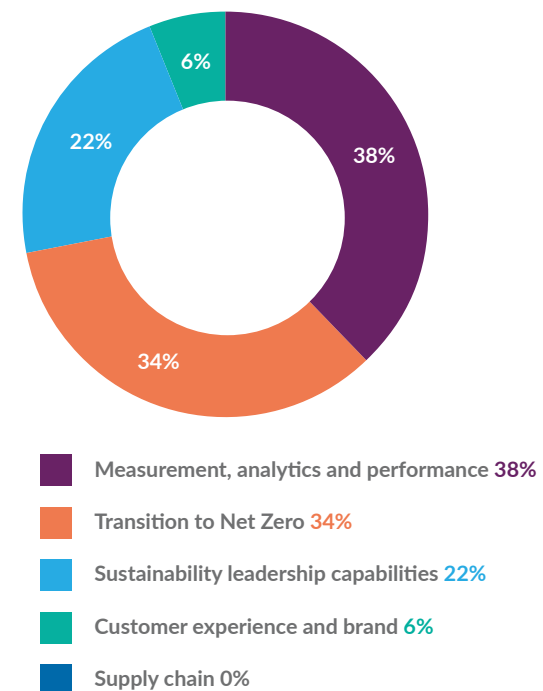


CEO



Measurement and analytics, along with transitioning to Net Zero, are the biggest sustainability challenges currently facing Boards

Which sustainability challenge is your Board most focused on?



Leadership

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

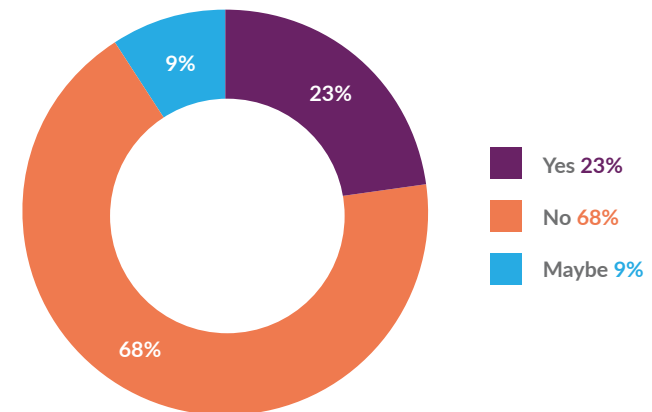
Over 30% of Chairs/
NEDs may replace
their CEO in the next
12-18 months.

41% expect their
next CEO to be an
internal appointment
(up from 18% in 2021)

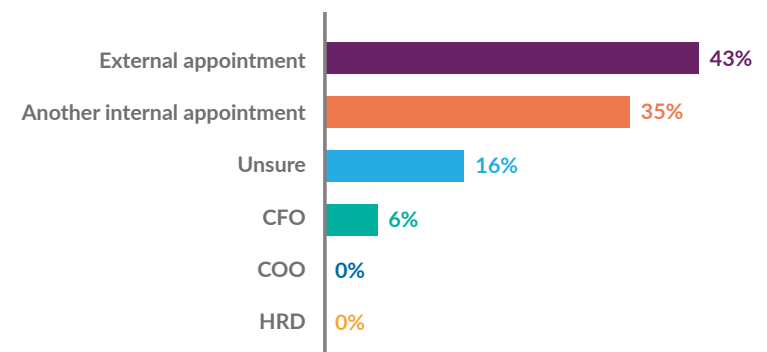
“We’re building the talent
pipeline from within.”

NED Research Participant

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

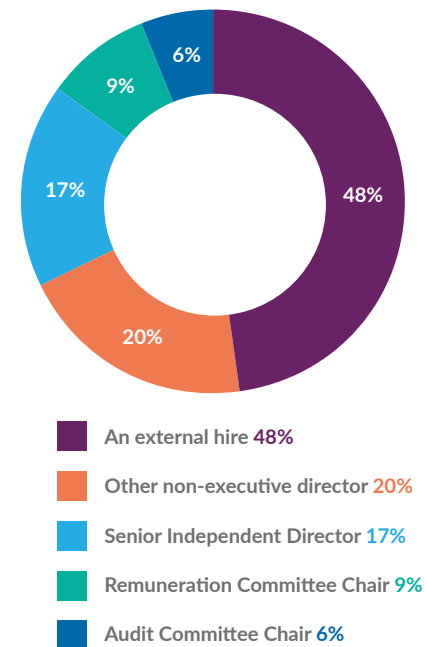


Who do you expect to replace the CEO?



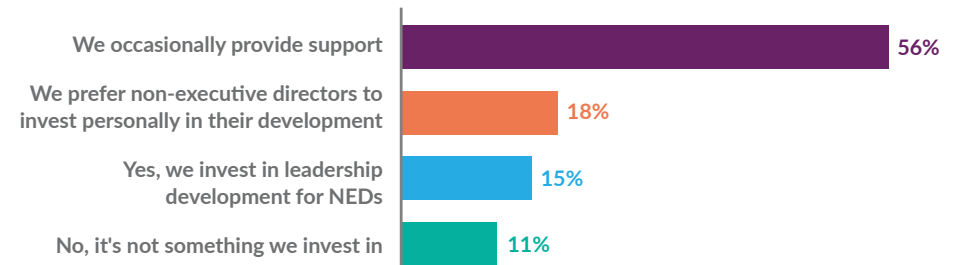
The majority of Chair appointments are likely to be NEDs that are already on the Board

Who is the most likely candidate to succeed the current Chair?

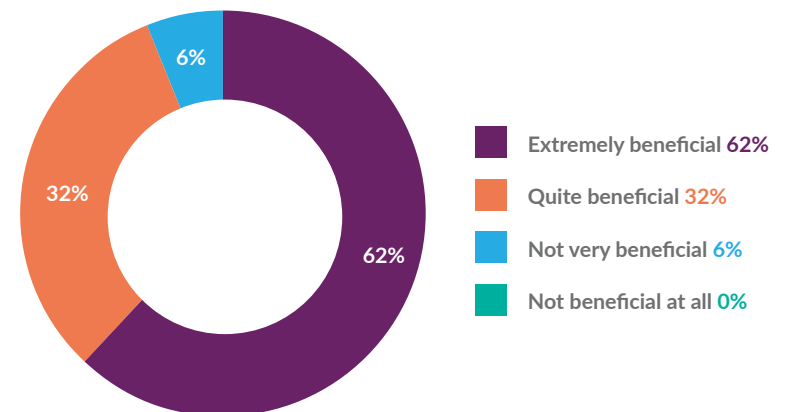


**71% of Boards
provide support and
invest in leadership
development and
learning opportunities
for NEDs**

Is leadership development for non-executives
a priority for your Board/s?



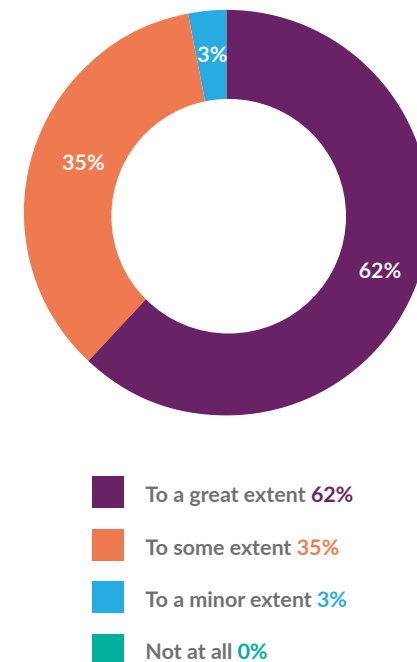
How beneficial are leadership development
solutions which have a combined focus on both
individual executives and the team as a whole?



Almost all (97%) of NEDs say external mentoring boosts executive performance

Click [here](#) to watch Tom Beedham, our Director of Board Mentors and Non-executive Directors, talk about Criticaleye's global mentoring capability, alongside a selection of our inspiring Mentors.

Does external mentoring improve the performance of senior executives?



NEDs recognise the value of seeking inspiration from other sectors and developing their knowledge of ESG

Where do you need to improve as a Chair/NED?

1. | Seeking inspiration / fresh thinking from other sectors

2. | Staying current on ESG

3. | Understanding new technologies

4. | Strategic thinking

4. | Building alignment in the senior leadership team

4. | Supporting the senior leadership team

CEOs stated where they most need to improve

1. | Seeking inspiration / fresh thinking from other sectors

2. | Supporting innovation

3. | Strategic thinking

4. | Building alignment in the senior leadership team

5. | Ability to influence the Board

6. | People skills and communication

CFOs stated where they most need to improve

1. | Seeking inspiration / fresh thinking from other sectors

2. | Supporting innovation

3. | Building alignment in the senior leadership team

4. | People skills and communication

5. | Strategic thinking

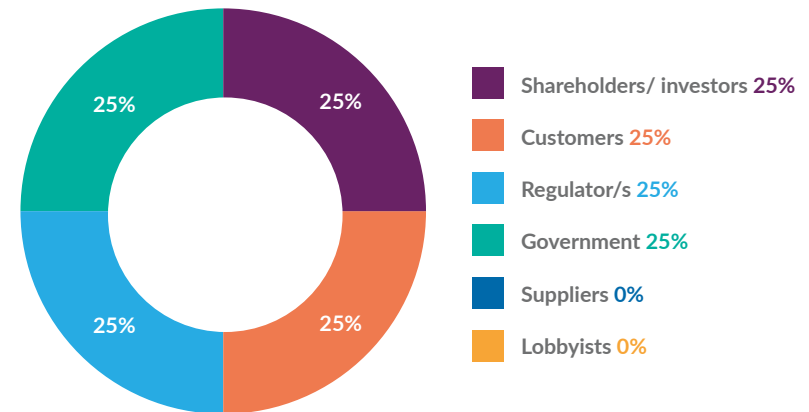
6. | Commercial understanding of the business

Stakeholders

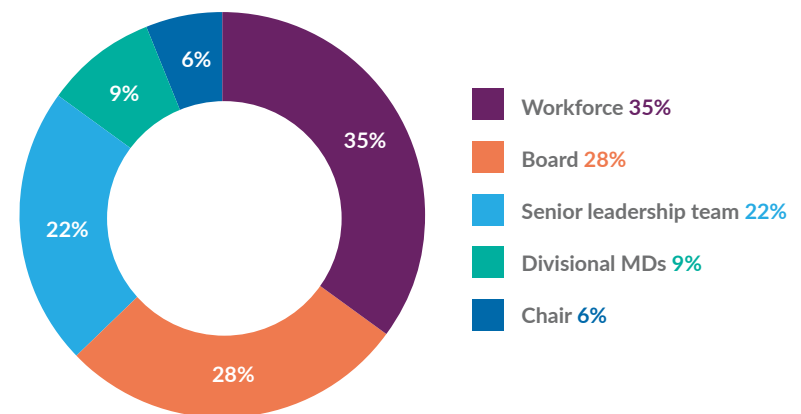
Criticleye provides the right reference points to manage and navigate increasingly important stakeholder relationships

The stakeholder landscape remains complex, with increasing pressure from multiple sources

Who is your most challenging external stakeholder?



Who is your most challenging internal stakeholder?



NEDs revealed the top three areas where their colleagues need to improve

CEOs

1.

Strategic thinking

2.

Recognising the need for external reference points

3.

Supporting innovation

CFOs

1.

People skills and communication

2.

Strategic thinking

3.

Supporting innovation

HRDs

1.

Strategic thinking

2.

Building alignment in the senior leadership team

3.

Supporting innovation



‘Retaining key talent and developing skills’ is the top priority for Chairs/NEDs, CEOs and CFOs. Developing ‘leadership capability’ has also moved up the list of priorities for NEDs

**Top 5 Priorities
for NEDs in 2022**

- ✓ Retaining key talent and developing skills
- ✓ Leadership capability
- ✓ Innovation
- ✓ Strategic alignment
- ✓ ESG

**Top 5 Priorities
for CEOs in 2022**

- ✓ Retaining key talent and developing skills
- ✓ Diversity, inclusion and belonging
- ✓ Innovation
- ✓ ESG
- ✓ Sustainability

**Top 5 Priorities
for CFOs in 2022**

- ✓ Retaining key talent and developing skills
- ✓ Funding and refinancing
- ✓ AI and automation
- ✓ Cost reduction
- ✓ ESG

WHAT OUR LEADERS SAY



Sustainability through innovation and partnerships

In this video, we ask leaders, including Zahra Bahrololoumi, Executive Vice President and CEO for UK and Ireland at Salesforce; Michael Lewis, CEO of E.ON UK; and Peter Lacy, Chief Responsibility Officer and Global Sustainability Services Lead at Accenture, about the importance of innovation and partnerships so that businesses can meet their sustainability goals.

[CLICK HERE TO WATCH THE VIDEO](#)



Criticaleye Asia Podcast: Leadership, People and Talent

In this episode of Criticaleye's Asia Podcast series, our General Manager, Michael Crompton, speaks to Susan Chen, Director & Head of People for HK & SG Game Development Studios at Riot Games, and Mukta Arya, Regional Head of HR for Asia Pacific at Société Générale.

Thanks to our speakers for discussing the challenges of leading people and culture across a global framework.

[CLICK HERE TO LISTEN TO THE PODCAST](#)



Addressing leadership isolation

In this video, we ask leaders, including Mark Scanlon, CEO of Tenet Group; Ashley Phillips, MD of Ørsted Sales UK; Melanie Lane, CEO of NewMotion at Shell; Scott Fawcett, MD of Component Solutions at Essentra; and Lorcan O'Connor, Group CEO of Córas Iompair Éireann, about isolation in the top role and how executives can get the right support outside of their organisation.

[CLICK HERE TO WATCH THE VIDEO](#)



Criticaleye Podcast: Leadership with New Horizons

In this episode, Criticaleye's CEO, Matthew Blagg, and Director of Content, Marc Barber, offer a global outlook on leadership for 2022.

An insightful discussion on leadership approaches in 2022, productivity and the workforce, the investor landscape and prioritising longer-term planning.

[CLICK HERE TO LISTEN TO THE PODCAST](#)



What's on the Board agenda in 2022

In this video, we ask non-executives in our global Community about their top priorities this year.

Thanks to Sally Bridgeland, Chair of Impax Asset Management; Brian May, NED at ConvaTec Group & Criticaleye Board Mentor; Neil Griffiths, NED at City Pub Group & Criticaleye Board Mentor; and Jane Griffiths, NED at Johnson Matthey & Criticaleye Board Mentor, for commenting.

[CLICK HERE TO WATCH THE VIDEO](#)

DO YOU WANT TO JOIN OUR GROWING COMMUNITY OF NEDS, CFOS, CEOS, HRDS AND OTHER LEADERS? CONTACT [INFO@CRITICALEYE.COM](mailto:info@criticaleye.com) FOR MORE INFORMATION ABOUT HOW WE SUPPORT AND DEVELOP SENIOR EXECUTIVES AND THEIR TEAMS ACROSS A WIDE RANGE OF SECTORS AND ORGANISATIONS.

“At Criticaleye, we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff

Managing Director, Criticaleye

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance



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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