Three Areas Where Boards Spend Their Time But Don't See Results

Leadership Strategies | Leadership | Succession | Board And CEO Advisory | CEO Succession | Board Effectiveness

ARTICLE

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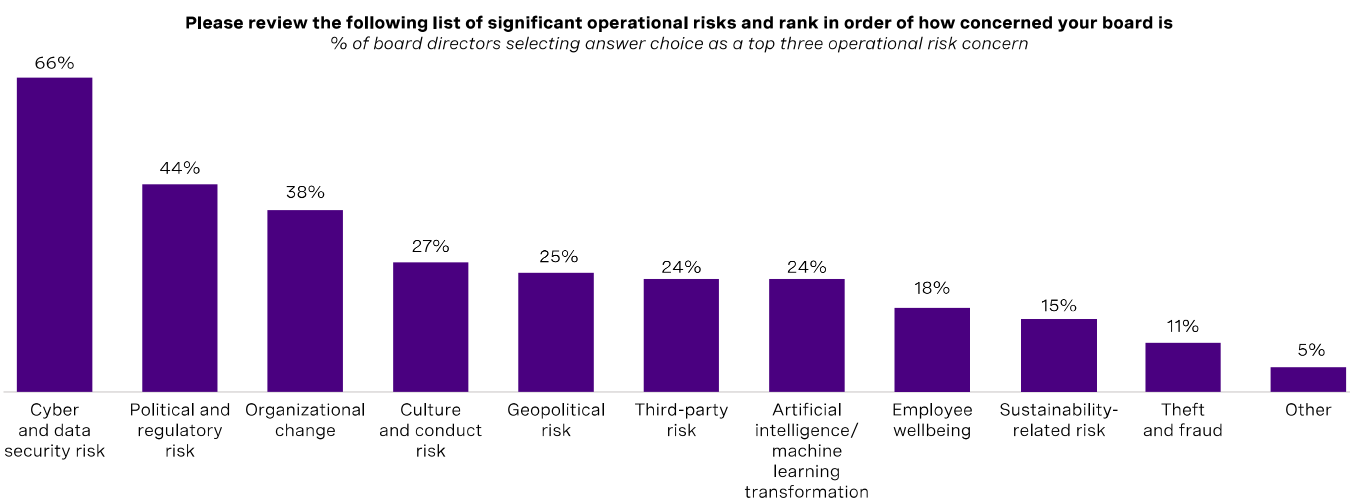
EXECUTIVE SUMMARY

For boards, simply spending more time on organizational priorities isn't enough to achieve results.

In today's rapidly shifting business landscape, boards are simultaneously learning to navigate through unprecedented complexities while facing expectations to deliver sound advice for sustainable growth. Boards are under a range of intense pressures (Figure 1), including understanding cybersecurity and data privacy implications (66% of board directors identify this as a top three operational risk concern), steering through political and regulatory risk (44%), and overseeing organizational change (38%). As their behaviors, decisions, and actions impact key aspects of the organization, the need for boards to deliver meaningful results is more urgent than ever.

Figure 1: Top three operational risk concerns for boards



Source: 2025 RRA Board Culture and Director Behavior survey, n = 583 board directors "always-on" board behaviors are critical for a high-performing organization. In this report, we explore board behaviors that have the greatest impact on organizational priorities.

Our research continues to emphasize that it's not enough to engage in these behaviors opportunistically or occasionally—instead boards must embody these behaviors to drive visionary board leadership without crossing the line between governance and management.

Russell Reynolds Associates' 2025 Board Culture and Director Behavior survey—which reaches 1,000+ board participants globally—highlighted **three specific areas** in which, despite focusing on organizational priorities, boards are not achieving meaningful results. It's critical for boards to not only allocate time to organizational priorities, but to also engage in the right behaviors while doing so.

1. Value creation and risk management: The need for more impactful strategic planning

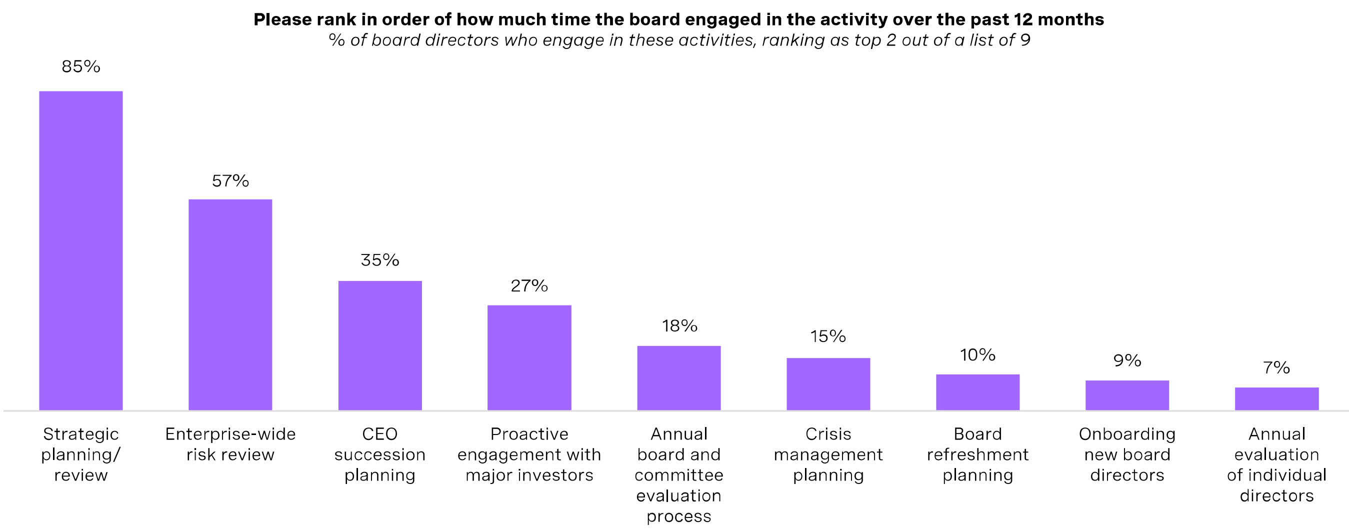
When asked to rank how much time the board spent engaging in nine different activities over the past 12 months, strategic planning and review and enterprise-wide risk review rose to the top. However, despite the fact that 85% of board directors ranked strategic planning and review as a top two item for time spent, just 56% feel their organization consistently meets or exceeds stated financial

85%

of board directors rank strategic planning / review as a top two item for time spent excellence typically use a three to five year time horizon to evaluate opportunities and make decisions—in fact, they are 1.3 times more likely to be satisfied with their organizational outcomes.

Boards may be used to the idea of identifying opportunities, threats, and goals against a long-term vision, but with innovation cycles shortening, a shift from single to multiple time horizons, and low leadership preparedness around regulatory challenges, boards need to simultaneously understand the short-term market landscape and ensure that their organizations are achieving near term goals

Figure 2: Board activities, ranked by time spent



Source: 2025 RRA Board Culture and Director Behavior survey, n = 919 board directors

How to establish impactful strategic planning: Synthesize, scrutinize, and shape

To overcome the strategic planning challenge in today's rapidly evolving business landscape, boards must:

- **Scrutinize** executive updates rather than simply regurgitate them, especially when there is pressure to deliver quick information in a fast-paced environment. Taking the time to evaluate strategic decisions after they have been made—understanding the gap between expectations and outcomes and identifying lessons learned—is critical to determining the organization's next steps towards its strategic plan. Part of this evaluation will be to understand how to break out of the cycle of regular meetings and find the appropriate frequency and method of communication, given the organization's needs and environment.

- **Shape** the organization's next evolution in close partnership with management. Innovative boards are spending more time with management in strategy deep dives. For example, several large global industrial companies have held multi-day strategy offsites to bring both management and board together to showcase work-in-progress prototypes and newly released products/services. These showcases bring to life innovation and strategic plans across different timelines, giving boards a better idea of how to synthesize information from updates and evaluate results.

2. CEO succession planning paradox: More than just the CEO

CEO succession planning is a key priority for boards—35% of board directors name CEO succession planning as a top two activity in terms of time spent. Yet while this topic still sits high on boards' priority lists, 43% of board directors still say they do not

Only

44%

immediacy paradox. This is further demonstrated in the fact that only 44% of board directors feel that their company's CEO succession plan will result in an extremely effective candidate being appointed to the role.

However, CEO succession processes go far beyond selection—understanding how the future CEO interacts with the broader executive team is also crucial. Our research finds that boards that cultivate trusting relationships with the current CEO and the broader executive team are more likely to feel confident in the organization’s CEO succession plan. Having a deeper understanding of the broader executive team helps the board be better informed about who is available or ready for leadership roles, with implications towards the CEO seat. Boards that are more attuned to this dynamic tend to engage in deeper evaluations of potential candidates, ensuring they make more informed and strategic decisions when selecting leadership talent.

How to overcome the CEO succession paradox: Invest into executive team development

Many boards are reticent, and rightly so, to begin the CEO succession discussion, because they are worried about launching a race. To prevent this race mentality in the organization, boards should reframe the discussion to be around development and succession for the broader executive team. Not only will this create a stronger team that can deliver results for the organization, but this will also help take the focus off of solely CEO succession planning. This has been advocated by several of the world’s largest investors, who are deeply concerned about the issue of unplanned CEO succession. At the same time, they are equally concerned about the full development of teams, knowing that the CEO alone cannot fully drive organizational performance.

Boards need to begin CEO succession discussions at least five years prior to the anticipated beginning of the transition period. This allows for enough time to develop a now.

During this preparation period, it is also important for boards to broaden their understanding of the talent landscape. Not only does this allow the board to have an accurate benchmark of internal candidates, but it also gives them the opportunity to meaningfully support the CEO in enhancing the broader executive team by accelerating talent acquisition and building a next generation talent pipeline.

3. Corporate culture: A data gap

Given the uptick in remote and hybrid working; focus on diversity, equity, and inclusion—particularly the dramatic backlash and attempted dismantling of DE&I initiatives in the US; and the increasing value of human capital management and difficulty of talent challenges, boards are increasingly recognizing the importance of overseeing corporate culture. Our research found that 51% of board directors say they discuss corporate culture at half or all of their board meetings—a marked increase from three years ago, when only 37% of board directors said the same (Figure 3).

Yet despite the increased time spent on this topic, boards have made little progress in meaningfully understanding their corporate culture. Board directors' confidence in the state of their corporate culture has not significantly improved—67% are confident that the current state of their corporate culture is consistent with the desires of the

Only

53%

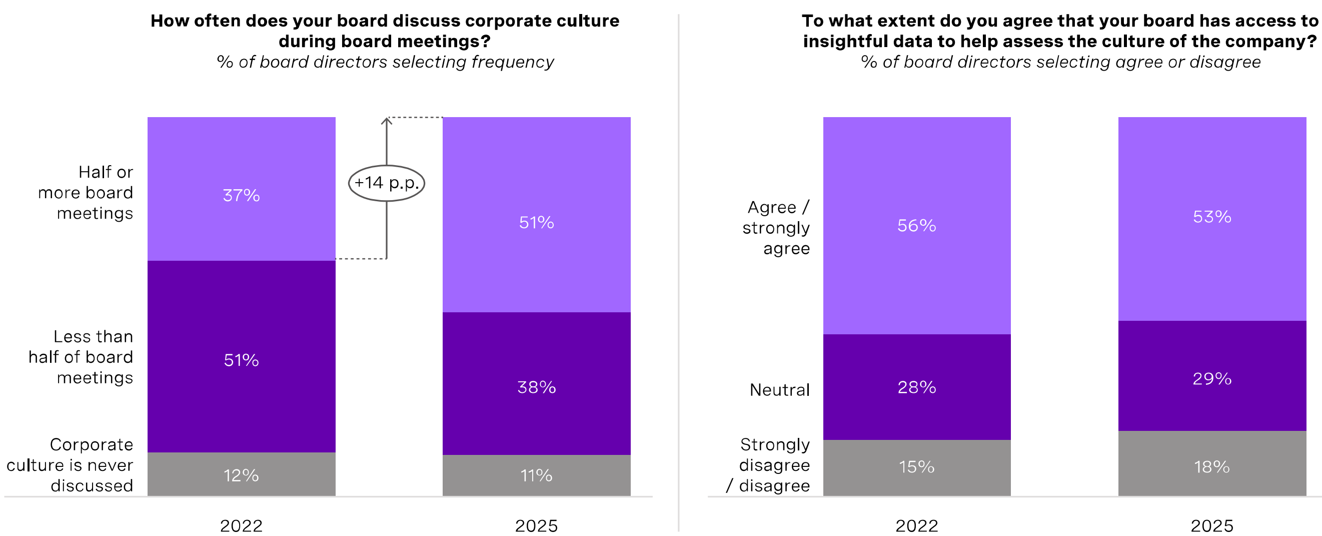
of board directors today feel that their board has insightful data to assess corporate culture

The consistent level of confidence over the last few years may indicate, despite the rapidly changing corporate culture in the wake of the pandemic, that boards remain confident in the management team as the key definers in setting and cultivating culture.

Boards also still have limited access to meaningful corporate culture data: only 53% of board directors today feel that their board has access to insightful data to help them assess the culture of the company, compared to 49% of board directors three years ago. This highlights a data gap, suggesting that board discussions on corporate culture may over-rely on impressions and perceptions, rather than tangible evidence, such as employee turnover or engagement survey statistics. Accurately assessing corporate culture may also help boards prepare with the oversight of succession plans.

Figure 3: A persistent data gap

Despite an increase in time spent on discussing corporate culture, the percentage of board directors that agree they have access to insightful data on culture has stayed relatively similar.



Source: 2022 RRA Board Culture and Director Behavior survey, n = 900 board directors; 2025 RRA Board Culture and Director Behavior survey, n = 1,026 board directors

When board leadership seeks out different points of view in the organization, the entire board gains clarity. Our research finds that boards whose leaders actively seek a range of perspectives are 1.8 times more likely to feel they have the data needed to understand the company's culture. There may be a bit of a perception gap to be aware of here. While 81% of board leaders may feel that they actively seek different points of view, only 64% of board directors feel this way about their board leaders. Similarly, board confidence in the executive team continues to remain higher than CEOs and other C-suite leaders. Given the naturally higher confidence boards have in their executive leadership teams, ensuring that they have gathered accurate data from across the organization is important.

To do so, the board leader, along with the CEO, should create opportunities for board members to interact with multiple levels of the organization in an organic environment. Some strategies may include facilitating open dialogue, setting clear expectations, and strengthening relationships with key stakeholders, particularly among employees. For example, a large travel company that specializes in cruises invited their directors to spend more time on the boat, to understand customer needs, be familiarized with safety procedures, and experience operation systems in real time. This provides an opportunity for board directors to understand both the employee experience and the organization's policies and strategies in a tangible way, bringing to life the boardroom discussions.

The Board's Oversight of Employee Voice, a research effort by State Street Global Advisors, Ford Foundation, and RRA, highlighted the importance for boards to be exposed to the employee experience through mechanisms such as employee organizations (e.g. number of active employee resource groups, number of external community service partnerships, percentage of voluntary participation), walkabouts, and/or employee presentations. Additional informative data, such as exit survey data or external reviews (e.g. Glassdoor), will allow boards to enhance their understanding of the corporate culture, leveraging both people and financial metrics to inform decision-making and elevate organizational health.

Engage in meaningful behaviors to be a highly effective board

added proactive attitude. Without this shift, boards risk missing the opportunity to unlock the full potential of their governance responsibilities and help elevate organizational performance.

Methodology

Over 1,000 supervisory board-level directors from 45 countries participated in the Russell Reynolds Associates' 2025 Global Board Culture and Director Behaviors Survey, with 48% of respondents based in Europe, 38% in the Americas, 9% in Oceania, and 4% in Asia. Industries represented included financial services (23% of respondents), industrial and natural resources (22%), technology (13%), consumer (12%), healthcare (11%), and professional and business services (5%). Forty-three percent of respondents' companies had annual revenue over $1 billion.

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