



# Navigating Change: The Evolving Role of the Non-executive Director

*Research results from Criticaleye's  
2016 Non-executive Director Retreat*



## **Charlie Wagstaff, Managing Director, Criticaleye says:**

“Non-executive Directors must be the champions of their executives, but they must do so in an increasingly complex and competitive environment – whether that’s getting the right balance between supervision and strategic input, or ensuring teams have a diverse set of views and experiences.

“This research, conducted at Criticaleye’s 2016 Non-executive Director Retreat, offers some fascinating insight into the purpose and value of the board, as well as how NEDs should be apportioning their time in order to add maximum value.”



## Survey highlights

- Company culture is top of the agenda for boards in the current environment
- A third of pollers believe boards do not pay adequate attention to executive succession plans
- Over half of respondents think the time NEDs spend on governance can diminish the value they deliver to the company
- 64% of pollers believe executives don't fully understand the role of NEDs
- Two thirds of NEDs and chairs do not frequently meet the HRD to discuss executive leadership development



# A strategic, forward-looking vision and open dialogue between executives and NEDs are the most important characteristics of a high-performing board

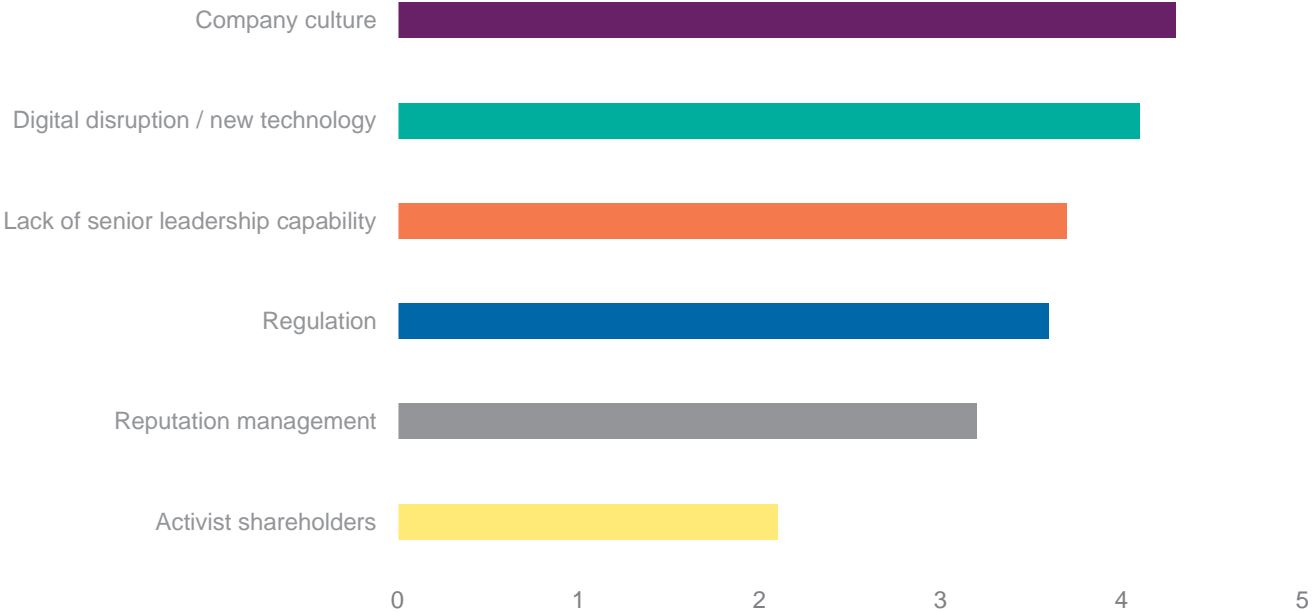
*What is the most important characteristics of a high-performing board?*





# Company culture is top of the agenda for boards in the current environment

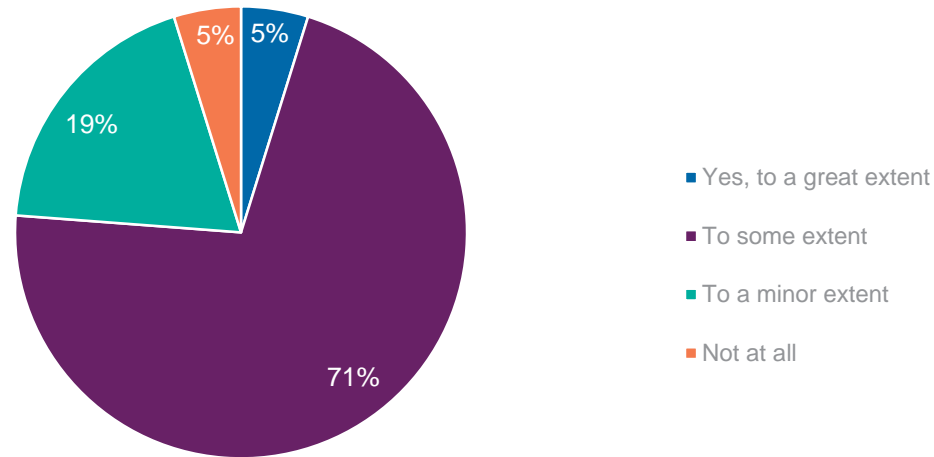
*What is the most pressing board level issue at present?*





# 95% of those surveyed believe boards should pay greater attention to building long term value

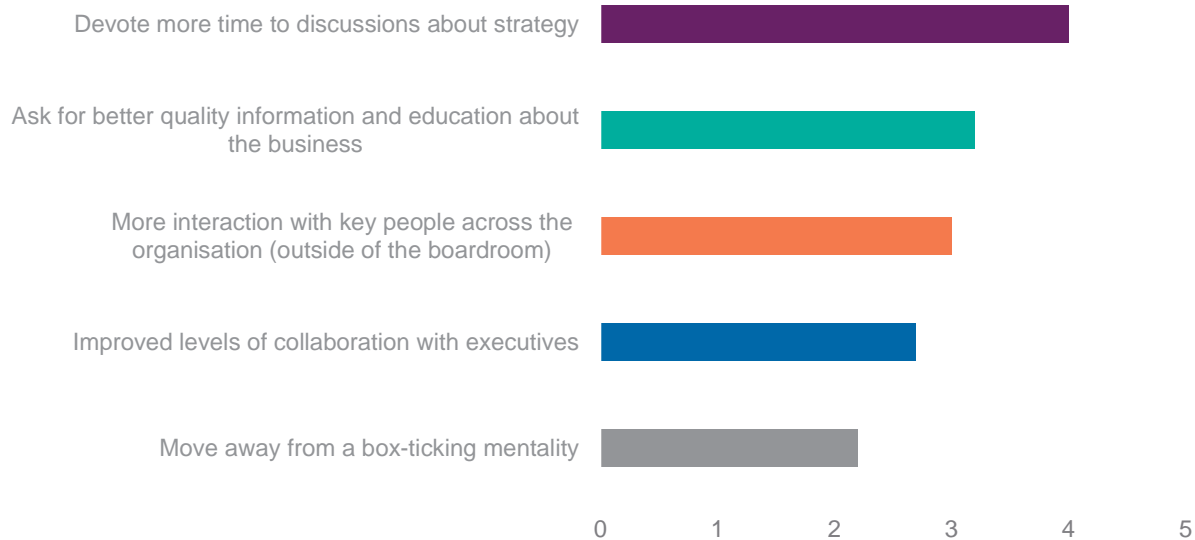
*Are boards too focused on short term results rather than long term value creation?*





# NEDs must devote more time to strategy if they are to drive performance

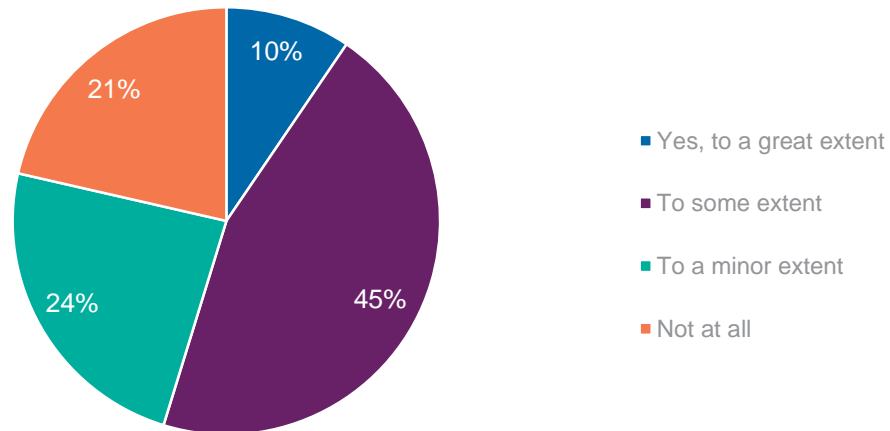
*How can NEDs add greater value in terms of driving business performance?*





# Over half of respondents think the time NEDs spend on governance can diminish the value they add to the company

*Does the time dedicated to corporate governance and reporting diminish a NED's ability to add value?*

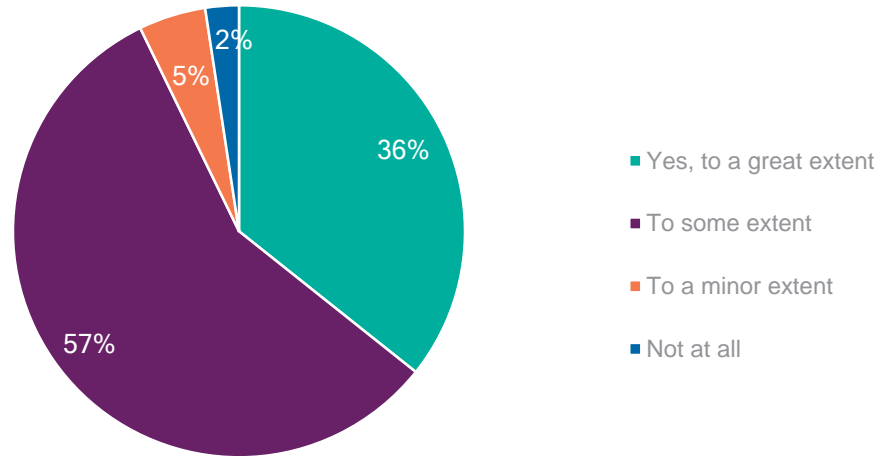






# 64% of pollers believe executives don't fully understand the role of NEDs

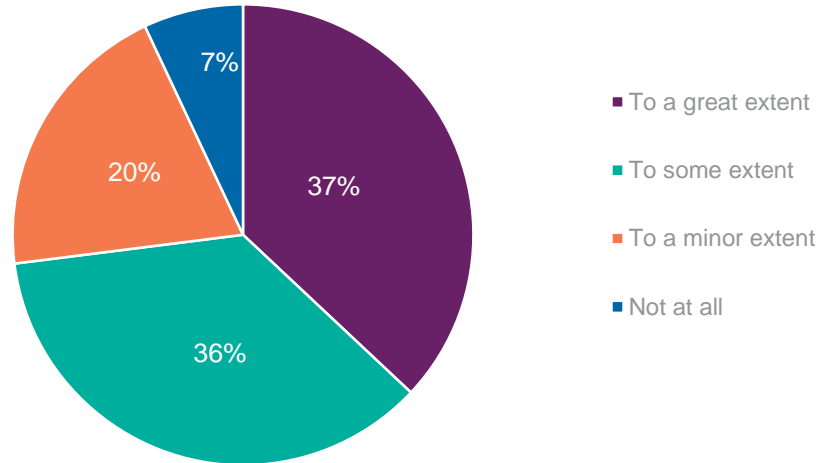
*In your experience, do executive directors understand the role of the non-executive director?*





# 73% of those surveyed believe the behaviours of the executive team can reinforce silos within the business

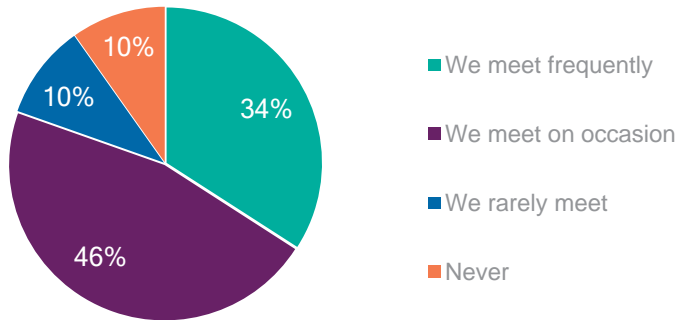
*Do the behaviours of the senior executive team reinforce silos within the business?*



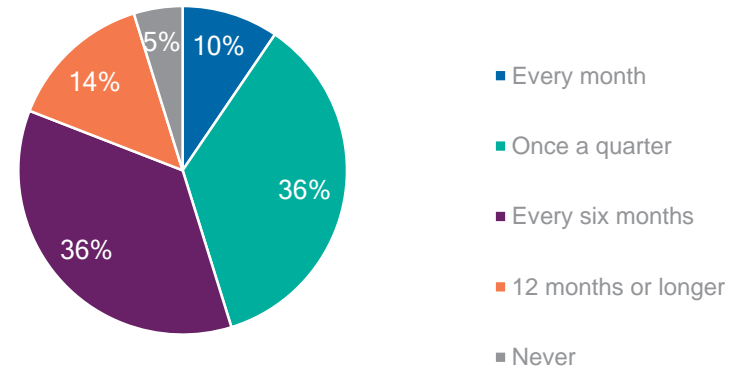


## Although there are positive signs that boards are successfully addressing leadership development, more work needs to be done

*How often do you meet with the Human Resources Director to discuss the leadership and development needs of the executive team?*



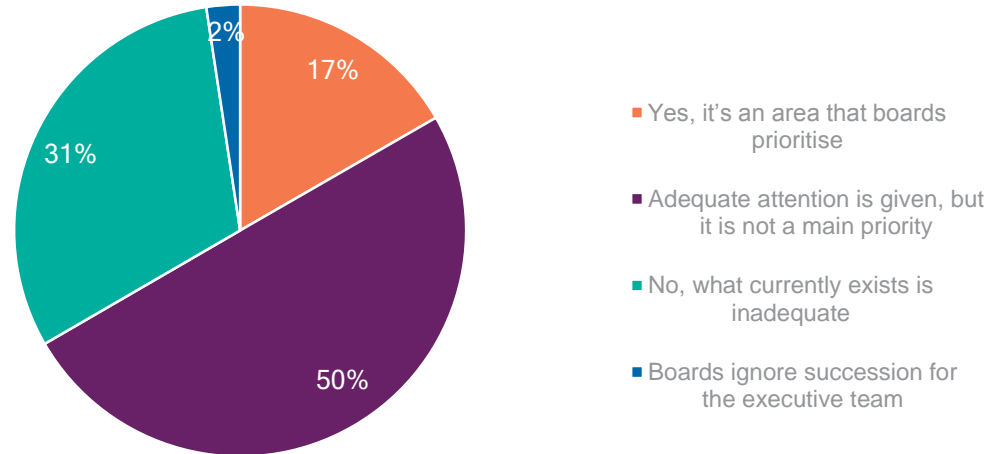
*How often does your board discuss how to support the leadership and development needs of senior executives?*





# A third of pollers believe boards do not pay adequate attention to executive succession plans

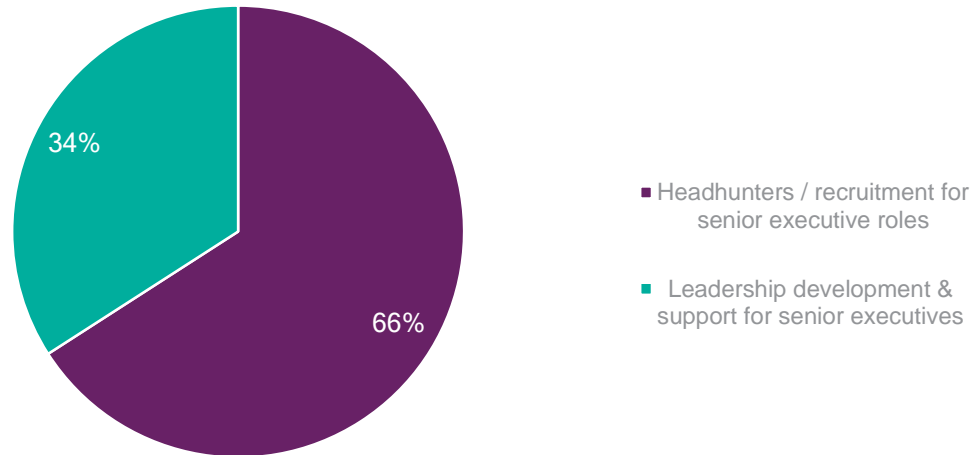
*Do boards pay enough attention to succession for the executive team?*





# Organisations spend more on headhunters than on internal leadership development

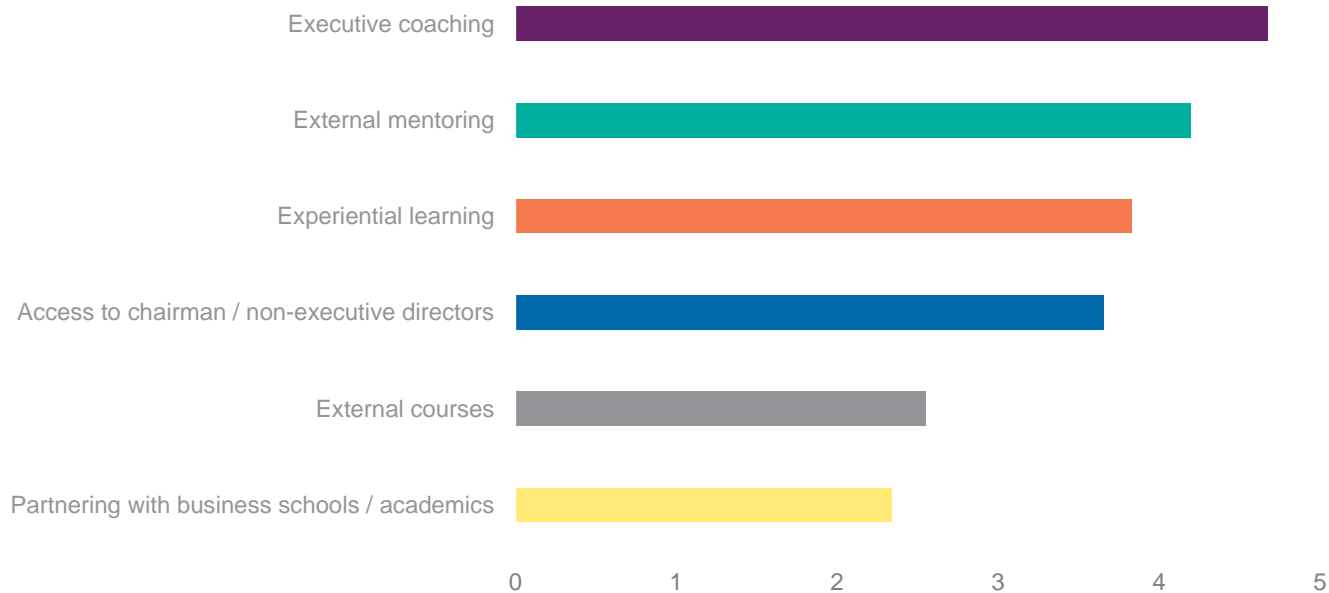
*In your experience, on which of the following do organisations spend more?*





# Executive coaching and mentoring are more effective forms of leadership development than external courses

*What is the most effective tool for leadership development*





# Key Findings

- Although there are encouraging signs that boards are successfully tackling succession, there is more work to be done on leadership development
- In a digital world where organisations and boards are more exposed than ever, non-executives have a key role in ensuring the right corporate culture
- Non-executives who take a short term, supervisory approach to their roles will add less value than those who take on the difficult task of identifying longer term challenges and building contingencies.
- Leadership development and succession planning must be a top priority for boards - there is currently not enough focus on the issue of CEO appointments at non-executive level
- A diverse and experienced mix of non-executives is vital to achieving a fresh approach on strategy and being forward thinking enough to create a high performing team



# Criticaleye – the peer to peer Board Community



“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.”



**Matthew Blagg**  
**CEO**  
**Criticaleye**





# We Inspire Leaders to Succeed

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable them to achieve alignment, remove silos and build trust at the senior level.



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



## **Criticaleye (Europe) Ltd**

88 Kingsway  
London  
WC2B 6AA  
UK

## **Criticaleye (Asia) Ltd**

Level 27  
World Wide House  
19 Des Voeux Road Central  
Hong Kong

[info@criticaleye.com](mailto:info@criticaleye.com)  
[www.criticaleye.com](http://www.criticaleye.com)

The Non-executive Director Survey 2016 was conducted by Criticaleye to gauge the challenges that Non-executive Directors face.